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By Brad Spirrison

Web startup gets Bump from iPhone apps

For Bump Technologies, 3 million is a more significant number than 1 billion. The company that famously developed what was the 1 billionth iPhone application downloaded from Apple reportedly raised more than \$3 million in its first institutional round of financing.

Smooth move for a company that doesn't even charge a penny for its primary social networking service.

Founded a year ago by then-University of Chicago business students David Lieb and Jake Mintz, Bump enables those who download the application to share contact information with one another simply by tapping their iPhones together. Earlier this year, the company moved to Mountain View, Calif., in part for greater access to venture capital.

Mission accomplished.

Sequoia Ventures -- an early investor in Google, YouTube and eHarmony -- is the lead investor in Bump and the latest top-tier venture firm to put its chips on an iPhone application developer. Kleiner Perkins Caufield & Byers (an investor in Netscape, Amazon and Google) operates a \$100 million fund focused exclusively on iPhone-based companies.

The ascent of mobile applications, including those developed for the BlackBerry and Google's Android operating system, resembles the early days of the World Wide Web about a dozen years ago. One big difference is that more people own cell phones than they do computers.

"You are probably talking about five or 10 times the number of users," explains Steven Kaplan, the acclaimed professor of entrepreneurship and finance at the University of Chicago's Booth School of Business.

Kaplan is also a host of the University's New Venture Challenge, where Bump shared first prize earlier this year.

"A smartphone is more of a computer than it is a phone," Kaplan said.

"You will see a huge amount of innovation on those platforms over the next few years. People will figure out ways to make money doing so."

Local app all-stars

NBC-5 Chicago is among the several properties owned and operated by the Peacock Network to launch an iPhone app in recent weeks. The app mixes local news with celebrity gossip and entertainment-driven features with names like "What You're Doing Tonight" and "Want This." While there is nothing groundbreaking here, when the station debuted Kukla, Fran and Ollie 60 years ago, that pioneering program may have been viewed as just another puppet show. Stay tuned.

Champaign-based search engine Wolfram Alpha is banking on its newly released \$50 iPhone application to help it find the mobile Promised Land. The highly technical and research-driven service is among the more expensive apps available in the iTunes App Store. But with a limited potential audience, Wolfram Alpha has to make money some way.

Sittercity, an eight-year-old Web-based business that matches parents with baby-sitters (and also helps you find dog walkers, tutors, and senior care providers), recently launched a free iPhone app. The app is targeted to care providers, who can retrieve and respond to job opportunities while away from their computers.