
For future newsmakers, look to electric vehicles, video games, and compost

By Scott Kirsner

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If there's such a thing as an "off season" in the region's innovation economy, it transpired this past week. Out-going voice mail messages suggested getting in touch via e-mail, and e-mails generated an automatic "Out of Office" reply.

But there's no better time than the off-season to analyze individual players, and the long stretch of games ahead. Here's my take on the people, companies, and technologies that will be making news in 2011. I compiled it with help from about a dozen local entrepreneurs, angel investors, venture capitalists, and investment bankers who accidentally picked up their mobile phones or obsessively responded to e-mail while on their holiday breaks. My only filter: I ignored any plugs for companies with which my fellow scouts were involved.

■ Cambridge video game developer Harmonix Music Systems Inc. was emancipated, just before Christmas, from its corporate parent Viacom Inc. The company that brought you the Rock Band series and the more recent Dance Central game for Xbox is now majority-owned by a New York private equity firm. But cofounders Alex Rigopoulos and Eran Egozy are sticking around, and it will be interesting to see what new games they come up with, now that they don't have Viacom's suits peering over their shoulders. "We are very excited about the future of Harmonix," Egozy wrote in an e-mail last month.

■ One or two makers of fully electric vehicles will likely announce this year that they're licensing technology from Watertown-based WiTricity Corp. WiTricity is commercializing technology invented at MIT to transmit electricity through the air over short distances. Two of WiTricity's special magnetic coils could be integrated into a mat on the floor of your garage and the undercarriage of your electric car, for instance, to automatically charge the car's battery without plugging it in.

■ Shouldn't your table scraps be helping to produce clean energy? Harvest Power Inc., a Waltham company, may announce a project in Massachusetts to build a plant that turns food waste and yard trimmings into both compost and natural gas equivalents, using a bacteria-assisted process called anaerobic digestion. The company has had discussions with Lexington and other towns, but CEO Paul Sellew will only say that news about a facility in the Northeast could come in the second quarter. Harvest has more than 150 employees.

■ Two super-quiet start-ups in the mobile commerce arena will likely reveal at least a little about their strategies in 2011: Elyxor Inc., from the former chief technology officer of Boston-based online retailer Rue La La, Mark Carleo, and Paydiant, from m-Qube veterans Chris Gardner and Joe Paratore (m-Qube was a mobile content delivery start-up acquired in 2006 by Verisign Inc.).

■ Former Sonus Networks Inc. CEO Hassan Ahmed is building a new company in Acton, Affirmed Networks Inc., which last year raised \$11 million from two local venture capital firms. Ahmed isn't talking yet, but I'm told that the company is developing solutions that will help wireless carriers deliver data more efficiently to info-hungry mobile phone users, over the newest 4G networks. One possible solution is storing multiple copies of frequently accessed videos or websites so that they are closer to the user that is requesting them. Another is "off-loading" data from the wireless network, and sending it long distances over the terrestrial Internet.

■ So many people mentioned Recorded Future Inc. to me that it takes home the "most promising start-up" medal in a walk. The Cambridge company scours the Web for forecasts, predictions, and estimates about what's likely to happen in the future whether that means a week, a quarter, or a year from now. By presenting the information on a timeline, the company makes it possible to see how trends develop and how sentiment changes over time. Unlike

most search engines, it's not free: Access starts at \$149 a month. Both Google Ventures and In-Q-Tel, the investment arm of the Central Intelligence Agency, have put money into Recorded Future.

■ Longwood Founders Fund is one of the newest venture capital firms in town, and worth watching in 2011. Longwood announced last week that it has raised \$85 million from Genzyme Corp., GlaxoSmithKline, and other investors. The fund's trio of managers were all involved in the creation of Sirtris Pharmaceuticals Inc., a start-up that is now part of Glaxo (but has yet to win approval for any of its new drugs). Longwood will seek to form life sciences companies around promising scientific discoveries, rather than picking existing start-up companies on which to bet. Among the first Longwood projects is Verastem Inc., a Cambridge start-up developing drugs to target cancer stem cells, which the company says are a significant cause of tumor recurrence and metastasis.

■ Another Cambridge biotech company, Zafgen Inc., is continuing research on a drug that could be useful in fighting obesity. Zafgen's drug initially delivered as an injection, and perhaps eventually as a pill, seems to target delinquent fat tissue that ignores the body's normal cues to crank out the fuel that our muscles need. Zafgen has raised about \$30 million in venture capital funding.

■ I hope the next 12 months will offer a glimpse of the products that two of the cofounders of iRobot Corp. are developing. Rodney Brooks is building an easily programmable robotic arm that can perform light manufacturing and packaging tasks, I'm told, at Cambridge-based Heartland Robotics Inc. And Helen Greiner of Cyphy Works Inc. seems to be designing flying robots for various wartime and peacetime surveillance tasks, according to a grant her company was awarded in 2009. This year could also bring a peek at what iRobot's health care division, announced in late 2009, has been working on. It could be a bot designed to help family members and caregivers monitor seniors who prefer to stay in their own homes, rather than be moved to an elder care facility.

■ Look for Hopkinton-based EMC Corp., the state's biggest technology company, to continue trying to grow its revenues in 2011 by acquiring smaller companies. One investment banker said he expects to see EMC edging closer to the consumer market (the company's home turf for the past three decades has been the corporate data center). In 2007, EMC bought Mozy Inc., which operates an Internet-based back-up service for consumers and small businesses, and in 2008, it paid \$213 million for Iomega, a maker of hard drives.

■ Other local companies could be gobbled up by bigger entities based elsewhere. On the list of possible acquisition candidates are Nuance Inc., a leading supplier of speech recognition software based in Burlington, which itself is the product of a string of acquisitions; Cambridge-based Akamai Technologies Inc., which helps accelerate the delivery of content across the Web; Kiva Systems Inc., a Woburn-based maker of robotic warehouse helpers; and Avid Technology Inc., which sells software used in movie and music production. (One investment banker even mentioned EMC, with a market capitalization of \$47 billion, as an acquisition candidate.) Demandware Inc., a Woburn company that helps online retailers improve and manage their websites, was mentioned several times as a company attractive to a bigger player and as a local company that could file to go public in 2011.

■ Two companies in the data back-up business could also try to float shares this year: Woburn-based Acronis Inc. and Boston-based Carbonite Inc. Kayak.com, the travel planning site with operations in Concord and Norwalk, Conn., has already signaled its desire for an initial public offering, as has Zipcar Inc. Cambridge-based Zipcar operates the largest car-sharing network in the world, parking vehicles in urban neighborhoods and renting them to its half-million members on an hourly basis. Assuming that the stock market sees a few sunny stretches in 2011, the pair could become the latest flagship companies here in New England, with nationally recognized brands and stock you can trade.

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