



The ones to watch

25 companies that reflect the future

The companies that genuinely represent the future of business are often masked from view beneath the swirl of analysis and commentary about macro-economic issues, especially in times like these.

The trends that propel these companies are also often submerged or displaced by the abundant surface level information that floods business media.

This report aims to restore some perspective. It contains a shortlist of companies that either reflect or embody many of the longer-term trends at work in major economies.

Some of those included are already well established companies, both within their domestic markets as well as overseas, whilst others are either still in their infancy or in one or two cases yet to break through.

Some may still be around in ten years time, whilst others might have either disappeared by then or been transformed into new guises.

However, collectively they represent a slice of the commercial landscape of the future, illustrating the depth of behavioural change that the business world is now experiencing and hinting at more to come. For all these reasons they are ones to watch.

To read more about some of the companies covered in this report as well as the business trends that are shaping modern economies please visit our blog at www.futureofbusinessblog.com

About Index B

Index B tracks the commercial behaviour of thousands of enterprises each year and uses the information this creates to help clients generate insights and intelligence about them and inspire better ways to influence, engage and connect with them. To find out more, please visit our website at www.myindexb.com



1. Closed Loop Recycling www.closedlooprecycling.co.uk

What: A UK company that recycles plastic and converts it into plastic good enough to contain food and drinks products at a plant in East London. Won the industry award for UK waste-management company of the year in 2011 and plans to double capacity in 2012.

Who: Originally established in Australia in 2001, the company has since grown to be a world leader in environmental packaging and recycling solutions. Following an investigation into the possibility of installing 'Closed Loop' programmes in London, an opportunity for a food-grade plastics recycling plant was identified. Financed by public and private equity secured through Foresight Venture Partners and the Allied Irish Bank.

Why: 875 million bottles that would otherwise have been exported for recycling, or sent to landfill, will now be processed and remain in the UK. This represents nearly 20% of the plastic bottles that are currently collected for recycling in the UK, saving approximately 52,500 tonnes of carbon dioxide per year.



2. BankSimple www.banksimple.com

What: BankSimple is a new web and mobile banking service that is creating a lot of interest in the United States, where it will launch in spring 2012. Although not legally considered a bank, it will work as one and handle all the common operations of a physical branch, even though it won't actually handle any cash.

The company plans to make money through interest margins and interchange, which will be shared with partnering banks.

Some features overlap with the expenses manager Mint, such as accounts aggregation and the possibility of setting budgets or saving goals.

Mobile payment startups, such as Mobank, are also competitors, because they allow users to execute payments on the go.

Who: Founded in New York by former Wall Street employee Josh Reich and ex-Twitter engineer Alex Payne, who got their inspiration from their own negative experiences with personal banking.

Why: The mobile banking market is growing significantly, as technology evolves and smartphone adoption increases.

People keep their money in more than one place and they get charged a lot of money by every bank. BankSimple wants to merge all accounts into one and do away with fees by splitting the net interest between all of the banks involved.

In the UK, mobile banking usage increased from 9.7% in 2010 to 20.4% in 2011, while in the US rates went from 11.4% to 21.9%.



3. PeerIndex www.peerindex.com

What: PeerIndex analyses people's online reputations based on their use of social networks. It crawls through millions of online profiles to establish 'the social capital' of companies and individuals or their influence in the online world.

Peer Index selects topics of discussion and identifies the experts on each topic. In the future, it hopes to grow to the point when one could enter any topic, like "restaurants in London", then find out who the experts are, follow them, read their opinions on the topic, and possibly even contact them.

Who: The company was founded in July 2009 in London's Silicon Roundabout region by Azeem Azhar, who has a background in journalism and online media.

Its biggest competitor is Klout. Others include Traackr, Twitalyzer and Tweet Grader (from HubSpot).

Why: Marketers have long believed that some customers have a disproportionate influence on others when it comes to purchase decisions, and they have tried different strategies to identify and target those customers.

McKinsey & Co. reckons 20-50 percent of consumer purchases involve a peer reference. For example, the pharma industry dedicates, by some counts, 20 percent of marketing budgets to peer influence marketing.

However, for many other sectors, the practical challenges of mass influencer targeting dissuade them from investing significantly in the area.

4. Dropbox www.dropbox.com



What: Dropbox is a Web-based file hosting service that uses cloud storage to enable users to store and share files and folders with others across the internet using file synchronisation.

The service was designed to allow people to bring together all their online files wherever they are, without need for email attachments.

Who: Dropbox was founded in Spring 2007 by MIT graduates Drew Houston and Arash Ferdowsi. They moved to San Francisco in Autumn 2007 and secured seed funding from the legendary West Coast Accelerator, Y Combinator.

One year later they raised funding of \$7.2M in what was described as one of the most in-demand financing ventures of the decade.

Why: In little over 4 years Dropbox has become a new verb. "Dropbox me" as a proxy for sending someone a file has now caught on. The company has more than 25 million users, a valuation of around \$4bn and has achieved the notoriety-boosting status of being blocked in China.

More significantly, the company has shown it intends to move beyond its initial PC focus. In May 2011, Dropbox struck deals with Japanese mobile service providers Softbank and Sony Ericsson that will enable Dropbox software to come preloaded on mobile phones.

5. Metaio www.metaio.com



What: Metaio is a pioneer and leader in the game-changing technology of augmented reality (AR), which can connect any physical object, location, or image to digital information. The technology is forecast to be one of the major drivers of Smartphone innovation during the next 10 years.

The company has now developed more than 500 AR projects, an international partner network, numerous federal, national and international research projects and a comprehensive, patented product portfolio.

Who: Founded in 2003, Metaio currently employs around 75 people in two different locations, Munich and San Francisco, and includes organizations such as Toyota, Universal Pictures, Adidas, BMW, LEGO and The National Guard among its customers.

Metaio is also the producer of the world's most advanced mobile-augmented reality browser, Junaio, available for free download on Android and IOS.

Why: Augmented Reality is an industry at the dawn of a new era, as the virtual and the real world gradually unify. AR technology allows users to access, understand and enjoy digital content overlaid on the physical world.

According to Gartner Inc., Augmented Reality is one of the Top 10 strategic IT technologies of our time. Moreover, Juniper Research recently forecasted \$1.5bn revenue stream by 2015.



6. Bearings www.bearingsguide.com

What: Bearings is an online guide for people living in the South of the United States that blends lifestyle and location information into a new format. Currently four different editions are produced – for the Southeast in general as well as for the cities of Atlanta, Austin and Nashville, covering everything from where to find the definitive cocktail and perfectly grilled steak to information on new rock and roll bands.

Who: Bearings is the brainchild of two men living in a region with a sense of place perhaps like no other – who simply wanted to share their enthusiasm for their home and create a local guide for ‘discerning modern gentlemen’ delivered direct to their desktops.

Why: This type of venture is not unique - there are plenty of online bulletins seeking to part wealthier individuals from their cash. “The Journal”, a weekly digest from Mrporter.com, the male spin-off from the hugely successful fashion website netaporter.com, is an obvious example.

However, the idea of promoting a life well lived has caught on and enabled Bearings to attract sponsorship from other businesses with a clear sense of their roots.

Based on shared beliefs (rather than simply shared interests) it has quickly become self-reinforcing and could easily become replicable elsewhere.

7. Rackspace www.rackspace.com



What: Founded in 1998, Rackspace became a pioneer in what is now known as Cloud Computing almost before anybody else realised what was going on. Based in San Antonio, Texas, the company is centred on the basic idea of renting computer server space on a pay-as-you-go basis – pretty much like a standard storage business – but with the big difference that the service comes with “fanatical support”.

Who: The idea for Rackspace came from three university students in San Antonio, but the company was shaped by Graham Weston, son of a local ranching family and an entrepreneur with an interest in the internet, then in its infancy.

With a partner, he provided initial capital for the venture and served as chief executive until 2006, when he became chairman.

Why: Whilst Rackspace is a technology company, its reputation has largely been built around something that is rather traditional – customer service – with an insistence on utilising modern technology to help companies become more efficient and effective, or just simply exist.

8. Songkick www.songkick.com



What: Songkick is a concert listing site that works by indexing 141 different ticket vendors, venue websites, and local newspapers to create one of the most comprehensive databases of upcoming concerts happening around the world.

Who: The company was launched in London’s Silicon Roundabout in October 2007 by co-founders Ian Hogarth, Michelle You and Pete Smith. The trio spent a year gathering tour dates from around the web to accumulate more than 1 million past concerts stretching back to the 1960s.

Why: On one level, Songkick is simply a community site that connects fans with their favourite acts (similar to other services like Jambase), albeit one with a comprehensive ambition.

However, the way this is executed allows the service to tap into the trail of experiences that music lovers associate with live events and build their memories into the event, which potentially leads to a much richer seam.



9. LRN www.lrn.com

What: LRN is a US consultancy that helps companies avoid having to choose between living principles and maximizing profits, or between enhancing reputation and growing revenue. Instead, it helps them do both.

Who: LRN was founded in 1994 by Dov Seidman who helped pioneer ideas about ways to make the most principled businesses the most profitable and sustainable and was later described by Fortune Magazine as “the hottest advisor on the corporate virtue circuit”.

The company now has offices in India and London as well as Los Angeles and New York.

Why: Endorsed by former President Clinton and increasingly influential in the debate about the reshaping of the capitalist world, LRN’s success is testimony to the idea that the world economy is still being transformed by new ideas in addition to new economic circumstances.



10. SponsorPay www.sponsorpay.com

What: SponsorPay is a cross-platform advertising solution for the monetisation of premium content or virtual currency on social networks, virtual worlds, mobile apps as well as online games and services.

It effectively connects publishers with audiences via a transactional mechanism that rewards people for what they view.

Who: The company was founded by Andreas Bodczek, Jan Beckers, Janis Zech and Team Europe Ventures and is headquartered in Berlin with offices in San Francisco, London, Paris and Tokyo.

Why: The SponsorPay service kills two birds with one stone. It helps publishers to monetize content they would otherwise probably have to give away for free. It also offers audiences access to premium content features without them having to part with hard cash.

One of many companies helping to redefine the way media is controlled, consumed and ultimately paid for by users.



11. Sequana Medical www.novashunt.com

What: Sequana Medical has developed a new device that manages body fluids which can build up as a result of liver failure and other diseases to the bladder.

As well as offering clear health benefits to patients, the innovation provides many economic advantages, too, because alternative treatments involve repeated hospital visits and physician time as well as the inconvenience to patients these entail.

Who: Founded by Noel Johnson, who was Co-founder and President of HealthETech, Inc., a medical device company in Silicon Valley. Johnson has extensive experience in designing medical devices, primarily gained through a 13-year tenure at Abbott Laboratories, as well as in operating and managing start-up medical device companies.

Why: The history of medicine is to a certain extent inseparable with that of technology. Yet the convergence of the two fields is still at a relatively early stage when judged against the pipeline of innovations that are forecast to emerge during the next two decades.



12. Basekit www.basekit.com

What: BaseKit is an online web development platform, enabling designers and small businesses to create a website directly from a Photoshop design or customise a pre-made site theme in order to get online faster.

Although UK-based, Basekit has expanded internationally and already set up in Latin America and is now targeting India.

Who: Founded in 2008 by six-man team, including brothers Richard and Simon Best, with funding secured from Seedcamp and NESTA amongst others.

Why: Not so long ago building a website was a specialist activity. Today a website is one of many communications devices companies use and has reached an evolutionary stage whereby many sites have common functionalities. This makes the process of creating them easier to automate and means more people can have one.

Longer-term, the adoption of DIY creative technologies for business will see the emergence of more self-build apps in other areas, including social and mobile devices as well as the further growth of DIY marketing practices.

13. Cubesocial www.cubesocial.com



What: Cubesocial is an online business that helps professionals manage their social media activity and get more benefit from it. In effect, it provides CRM-type services for individuals who are using social media applications as a core part of their business lives.

Who: The company's founders are Linda Cheung, former Executive Director and COO at Morgan Stanley, and a key player in the launch of the company's first ever credit card. Also Mark Bower, former Lead Program Manager at Microsoft, working with clients such as the BBC, HBOS, DEFRA and KPMG.

Why: The rapid evolution of social networks has increased the demand for simple yet effective ways of integrating their management. Expect more services that help individuals use their online time more effectively.

In the late 1980s and 1990s CRM applications were the preserve of major corporates. Today they can be accessed by one-man empires, to think big without the burden of blue-chip overheads and extend their business reach.

14. Proxama www.proxama.com



What: Proxama develops payment solutions for mobile phones so that they can be used for an increasingly wide variety of financial transactions.

Named as a winner in the Cambridge Wireless Discovering Start-Ups 2011 competition, the company developed one of the most advanced "mobile wallet" platforms on the market, which will enable NFC mobile phones to replace credit and debit cards.

Who: Proxama was founded by Neil Garner, widely recognized as an NFC (Near Field Communication) guru who has blazed the trail of innovation in this area for many years.

Why: The Smartphone is set to become the most iconic piece of technology of the next decade and the chief reason for this will be the conquering of the last few metres of connectivity between phones and all types of remote terminals that will enable commerce to go mobile.

It has been estimated that the average number of mobile contactless transactions per device per day will be around 1.3 in 2015, rising to 2.2 in 2020.



15. Crowdcube www.crowdcube.com

What: Crowdcube claims to be the world's first crowdfunding platform. This enables startup companies to raise finance by offering real equity in return for micro investments.

Participating companies create an online 'pitch' showcasing the opportunity for investment in their business. Members of the public can then invest and if the target funding is raised they receive shares in the company in which they have invested.

Who: Crowdcube was founded by Darren Westlake, a UK entrepreneur who raised £100,000 of private investment to launch the business in February 2011.

Why: Crowdfunding is not a new idea, but the idea that it can become a vehicle for raising more than small amounts of money is gaining in credence.

At the end of 2011 Crowdcube raised more than £1M for a new venture from 143 individual investors in four weeks – a record in this sector.

As traditional sources of funding for entrepreneurs become harder to come by, expect further innovation in supply-side capital schemes.



16. QlikView www.qlikview.com

What: QlikView is a business intelligence platform for turning data into knowledge that was first established in Sweden some 20 years ago.

The company's software enables companies to easily consolidate, search and visually analyse their data and is now used by more than 18,000 organisations worldwide, including some of the biggest and best known companies.

Who: The company was founded in 1993 by Björn Berg and Staffan Gestrelus, with a vision to create software with the most intuitive user experience possible.

Why: A key part of Berg's vision was to create software that mimics the way the brain works, reflected in his unique color-coding system in which selected values are highlighted green, linked values are highlighted white, and excluded values are highlighted grey.

The need for analytical tools that can make sense of data abundance without making onerous demands on users is likely to be one of the major trends in business intelligence during the next decade.



17. Mind Candy www.mindcandy.com

What: Mind Candy is a British entertainment company whose first major project was a hybrid of stories, games and puzzles called Perplex City that could be played simultaneously by thousands of people around the world.

In 2007, the company began development of Moshi Monsters, often described as a Facebook for kids, which now has over 50 million registered users worldwide.

In 2011, Moshi Monsters expanded from its online base into the real world, launching a range of physical products including toys, books, membership cards, trading cards,

Who: Mind Candy was formed in 2003 by UK internet entrepreneur Michael Acton Smith with a vision to become "the largest kids entertainment brand in the digital age," encompassing everything from theme parks to trading cards, to films to books, to magazines.

Why: Given its current size, it's surprising that the online games industry has taken so long to gain respectability. However, the idea that online interaction



is as real as its offline counterpart is gaining critical mass, especially as the devices used to facilitate this become increasingly portable.

18. Groupspaces www.groupspaces.com

What: GroupSpaces provides online management tools to enable people to run everything from hobby groups to student societies.

The service is now being used by more than 500,000 group memberships in the UK, the US and 28 other countries.

It is close to break even and makes its money from advertising and taking a commission on the payments made through its platform using PayPal.

The company plans to make a significant proportion of its future income letting club treasurers collect membership dues and ticket payments online rather than via cheques, which are due to be phased out in the UK by 2018.

Who: Founded in 2007 by Dave Langer and Andy Young while at Oxford University. The company raised a small amount of angel finance from Avonmore Developments in January 2008.

Why: Groupspaces is a prime example of the changing use of the internet from being primarily about communication and entertainment needs to more functional ones, involving complex administrative and organizational tasks.



19. Kaggle www.kaggle.com

What: Kaggle is a platform for predictive modeling and analytics, allowing companies and researchers to post their data for statisticians and data miners from all over the world to compete to produce the best models.

The platform now has over 23,000 data scientists worldwide, from fields such as computer science, statistics, economics and mathematics.

It uses this collective knowledge to make vast improvements to everything from AIDs research to mapping dark matter in outer space.

Who: Founded In 2010 in Melbourne, Australia, by Anthony Goldbloom, Kaggle later relocated to San Francisco.

In November 2011 it announced a funding round of \$11M from a number of high-profile Silicon Valley investors, including PayPal co-founder Max Levchin, who became Chairman of the Board.

Why: The original use of the internet was to enable researchers to collaborate more effectively, so the idea of Kaggle is inextricably linked to this history.

What's evolved since the early days of the Net is the scale at which collaboration is possible and the speed at which it can take effect.



20. Whipcar www.whipcar.com

What: Whipcar enables car owners to turn their motors from being a drain on their finances to a money-making prospect by allowing them to rent out their vehicle when they are not using it.

The company already claims to be the world's fastest growing car club just 18 months after launching.

Who: Whipcar was founded in 2010 by former digital media strategists Vinay Gupta and Tom Wright, who previously founded gurgle.com, a social network for pregnant women (now owned by MotherCare), and bookarmy.com, a book recommendation service (now owned by Harper Collins).

Why: In the UK alone there are 29m registered cars on the road, and, according to a report by New Scientist magazine, many are used for less than an hour a day.



21. Tangerine www.tangerineuk.net

What: Tangerine Confectionery manufactures a wide variety of sugar confectionery and popcorn products through a network of retailers and independent retailers in the United Kingdom.

Who: The company, formerly known as Toms Confectionery, was founded in 1924 and changed its name to Tangerine Confectionery in April 2006 following a management buyout led by Chairman Steven Joseph.

The move was backed by Growth Capital Partners. Tangerine then bought underperforming divisions from Burton Foods and Cadbury, helping profits to grow 65% a year, from £4.8M in 2007 to £13.1M in 2009.

Why: Over the last four years Tangerine has proven the enduring appeal of a well-honed niche. The company has quadrupled in size, increased its turnover from £40M to £160M and its employee base by 300% to 1,350.

In the company of so many online businesses in this report Tangerine's inclusion is also testimony to the enduring appeal of certain manufacturing sectors and evidently the enduring appetite for sweet things.

22. MakerBot www.makerbot.com

What: MakerBot Industries is a company based in Brooklyn, New York that creates affordable, open-source 3-D printers.

The company's latest innovation, the MakerBot Replicator, is a microwave-sized rapid prototyping machine costing under a thousand dollars that can be used to make 3-D models of more or less anything.

Described as a printer on steroids, the MakerBot uses melted plastic to "print" a three-dimensional model of whatever item is loaded into the program instead of a two-dimensional image printed on paper.

Who: The company was founded by Bre Pettis at the start of the 2009 downturn with \$75,000 seed capital. Eighteen months later the business secured funds of \$10M in a round that included multiple investors.

Why: 3-D printing makes it as cheap to create single items as it is to produce thousands and thus undermines traditional economies of scale. It may have as profound an impact on the world as the arrival of the first factory, first printing press or indeed the first transistor.

23. Evernote www.evernote.com

What: Evernote is a suite of software and services designed for note taking and archiving, including formatted text, webpage excerpts, photographs, a voice memo, or a handwritten note. Notes can be sorted into folders, then tagged, annotated, edited, given comments, searched and exported as part of a notebook.

The software is positioned as an extension of brain memory, helping people to remember everything.

Who: Founded in 2007 by Phil Libin, a Boston-based coder and internet entrepreneur, with a team of co-founders with two successful start-ups already under their belts.

Raised funds of \$95M in the last two years. "We didn't need most of the money," says Libin. "But that's when you can get it, so we took it."

Why: Evernote has been hugely successful at making the "freemium" software model work. Whilst relatively few customers of its free service migrate to a premium service in the early days, the rate quintuples the longer they use the service.

The company became profitable early in 2011, not long before hitting 10 million users and reaching annual sales of about \$16M.

MakerBot
INDUSTRIES





24. Mitie www.mitie.com

What: Mitie is a strategic outsourcing and energy services company that provides infrastructure consultancy, facilities management, property maintenance and a range of energy management services to its customers.

With revenues of £1.8bn per year, Mitie is one of only two companies in the FTSE 250 Index to have grown revenue, profit and earnings per share for more than 23 consecutive years.

Who: MITIE was founded by David Telling and Ian Stewart and was first listed on the London Stock Exchange in 1988. MITIE stands for ‘Management Incentive Through Investment Equity’, and the company’s managers own a substantial minority stake in the business.

Why: MITIE’s business model is based on taking 51% equity stakes in start-up businesses that fall into its broad fields of activity. The management of the new business invests the remaining capital and if certain targets are met they may sell the balance of the business to MITIE.

As a result of this business model MITIE has a large number of group businesses that have significant managerial autonomy but share internal systems, Human Resources, IT and marketing resources.

25. Mashable www.mashable.com



What: Mashable is a news website whose primary focus is social media news, but also covers news and developments in mobile, entertainment, online video, business, web development, technology, memes and gadgets.

With a reported 50+ million monthly page views it now ranks as one of the world’s largest websites. Time Magazine noted Mashable as one the 25 best blogs in 2009, and the company has been described as a “one stop shop” for social media. By February 2011 it had more than two million Twitter followers and more than 425,000 fans on Facebook.

Who: Mashable was launched by Pete Cashmore from his home in Aberdeen, Scotland in July 2005. Initially a blog focused on up-to-the-minute news on social networks and digital trends, Mashable quickly grew to become one of the top 10 and most profitable blogs in the world.

Why: Mashable is interesting partially because few people would have expected one of the most respected new media organs to arise so far away from the epicentre of all things digital. Proof that location is less hindering than it ever was.

Mashable’s subsequent transfer to the USA potentially proves the converse – like many digital businesses, the strength of numbers is ultimately an irresistible attraction.