



TEL AVIV/

A YOUNG TALENT BASE AND ACQUISITIONS FROM EBAY, FACEBOOK AND HP HAVE HELPED TEL AVIV ACHIEVE TECH HOTSPOT STATUS

 **32°04'N 34°47'E / POP. 404,400 / SIZE 51.4km²**
GLOBAL CITIES INDEX RANKING 2012: **46**
WORDS BY **MARUXA RUIZ DEL ÁRBOL** PHOTOGRAPHY: **NICK WILSON**

Israelis call the sprawl of high-tech industries spreading out from the centre of Tel Aviv “Silicon Wadi” – and depending who you talk to, this could be the second-largest startup centre outside California. Since 1993, young people coming out of military high-tech units with business ideas found support from the Yozma programme, a government-sponsored fund of funds. There’s also a steady influx of educated immigrants, especially from eastern Europe. Gvachim Entrepreneurs recently launched The Hive to partner new arrivals with Israeli mentors. Saul Klein, until recently a Tel Aviv-based investor working for Index Ventures, tips Rothschild Boulevard – home to the likes of face.com and Soluto – as the place to watch. “People speculate that there’s a bubble and it’ll burst,” says Nimrod Lehavi, organiser of the city’s annual GeekCon. “But each year it keeps growing.”

8/ RESEARCHGATE

INVALIDENSTR. 115, 10115, BERLIN
Cofounder and CEO Ijad Madisch, a former radiology researcher at Harvard, describes ResearchGate as “Facebook for scientists”. The social-media platform lets academics share papers, discuss work in topic-specific forums and search for jobs. Benchmark Capital, which also invested in Twitter and eBay, led series-A funding in September 2010 and the site has attracted 1.4 million users from 192 countries. researchgate.net

9/ SOUNDLOUD

ROSENTHALERSTRASSE 13, 10119, BERLIN
Launched in 2007 by relocated Swede Eric Wahlforss and UK-born Alexander Ljung, online music-streaming platform SoundCloud started the year with a funding round (reported to be £32 million) led by Kleiner Perkins Caufield & Byers. It also attracted its ten-millionth user and underwent a redesign. But it’s not enough: “YouTube is in the top-three sites in the world,” says Wahlforss, 32. “We should be bigger than that.” soundcloud.com

10/ ZALANDO

SONNENBURGERSTR. 73, 10437, BERLIN
Germany’s Samwer brothers were early Facebook investors with Yuri Milner’s DST Global; in January, DST Global joined the Samwers in Zalando – founded by David Schneider and Robert Gentz in the brothers’ Rocket Internet incubator in 2008. The Zappos-style retailer has a reported €500 million in annual sales and plans to launch in Austria and Switzerland. Its UK site opened last year. zalando.com

1/

RANKABOVE

8 BEZALEL STREET, RAMAT GAN, 52521, TEL AVIV

Search-engine optimisation is essential for a company’s survival online, but to many it is something of a dark art. RankAbove, based in Jerusalem and New York, is here to help.

Founded in January 2007, RankAbove traded as a consultancy before launching Drive, a platform that helps websites manage content ranging from thousands to millions of pages. It uses predictive modelling and artificial intelligence to predict the effects of small changes to a site as well as checking competitors’ sites. “It could tell you where to place keywords and how to build your website to make sure it’s prominent,” explains Mayer Reich, Rank-Above’s cofounder and CEO (above), who moved



to Israel from New York in 2003 (the company has since opened a sales office in New York). RankAbove also offers reputation management to monitor brand reputation in social media. Reich is tightlipped about funding details: “We have built a solid company on a small investment,” is as far as he is prepared to go.

“The market is dominated by charlatans, but RankAbove provides a way for a company to use, learn, understand and fix SEO problems and move them from a problem to an actual opportunity,” says Israeli serial entrepreneur Nimrod Lehavi.

As for the company’s future plans, Reich predicts: “We will finish the year in profit and will by then have 20 employees.” rankabove.com



2/

JAMRT

1 CARLEBACH ST 37000, TEL AVIV

With the *World of Warcraft*/heavy metal crossover showing no sign of abating, it was only a matter of time before someone launched an MMORPG version of *Guitar Hero*. “We developed a real-time disruptive technology that allows you to turn any music video into a game,” explains Yoram Avidan (above), cofounder and CEO of JamRT, the company behind the concept. “We called it *TubeHero*.” It leads the field in so-called “social rhythm” games.

Launched on Facebook and iOS in November last year, the startup has developed software that analyses music in real-time and allows users to play along to tunes from YouTube or iTunes. It’s similar to *Guitar Hero* – markers glide along lines like guitar strings and you have to

hit them with your thumbs to the beat of music – but users can choose any track, not just the game’s limited selection. Avidan has 15 years’ experience with gaming and visualisation technologies through companies such as PlaYce – a 3D role-playing-games platform – and six years as CTO and VP of R&D at an Israeli defence contractor that specialises in 3D simulators. In November, he secured series-A investment of \$2.0 million (£1.2 million) from MK Capital, and partner Yair Landau, formerly vice chairman of Sony Pictures Entertainment and president of Sony Pictures Digital, joined Avidan cofounders, entrepreneur Tal Barnoach and programmer Sharon Carmel on its board.

TubeHero now has more than six million players who, over the last six months, played 2.5 million different songs – driving ad revenue and in-game purchases. Next up is *TubeHero Battle*, a multiplayer music game that creates competitive rhythm stages based on any video on YouTube video. jamrt.com

4,000
NUMBER OF TECH STARTUPS IN
ISRAEL
– MORE THAN ANY COUNTRY
OUTSIDE THE US

3/ BILLGUARD

SDEROT ROTHSCHILD 32, 66882

BillGuard describes itself as “people-powered anti-virus for bills”. When a charge has been flagged by a BillGuard user, it alerts them if a similar one appears on their payment card. It also runs more than 100 automated fraud-detection tests on transactions. The company has raised \$13 million from Khosla Ventures, Founders Fund, Innovation Endeavors and seed backers Bessemer, SV Angel, IA Ventures, Founder Collective and Social Leverage. billguard.com

4/ EVERYTHING.ME

154 DERECH MENACHEM BEGIN, 64921

Launched by serial entrepreneurs Ami Ben-David, Rami Kasterstein and Joe Simon, *Everything.me* is an HTML5, browser-based app for smartphones that pools search results. Google’s smartphone searches replicate the PC browser design, but *Everything.me* has a pushbutton layout reminiscent of iOS. To date, the ad-funded company, based in Tel Aviv and San Francisco, has raised \$9 million from Draper Fisher Jurvetson and seed investor BRM. everything.me

5/ MAGISTO

3 HAMAZMERA ST, NESS-ZIONA, 74120, TEL AVIV
Magisto’s cloud-based video-editing service, which turns your raw camera footage into a sharply edited mini-movie, upgraded to an iPhone app early this year (WIRED 03.12). Launched online in 2011 by Oren Boiman and Alex Rav-Acha, the company raised \$5.5 million in a Series-B funding round last autumn lead by Li Ka-shing’s Horizons Ventures. The freemium service picked up CES App Of The Year 2012 and has just partnered with YouTube. magisto.com

6/ COMMERCE SCIENCES

11 GALGALEY HAPELADA, HERZELIYAH PITUACH, TEL AVIV
Founded in July 2011 by serial entrepreneur Aviv Revach and Eyal Brosh, former head of R&D for mobile-gateway provider Flash Networks, Commerce Sciences says it plans to offer “automatic customisation and personalisation of online shopping experiences”. But with the service still in private beta test, details are scant. The team has raised \$1.5 million in its first financing round, attracting Genesis Partners and Eric Schmidt’s Innovation Endeavors. commercesciences.com

7/ TAWKON

6 HA-NECHOSHET ST, RAMAT-HACHAYAL, 69710, TEL AVIV
Steve Jobs turned down Amit Lubovsky, Gil Friedlander and Ori Goshen personally when they pitched to the app store last year, so the Tawkon founders are now concentrating on Android to sell their tool that measures radiation emitting from smartphones. It also works on BlackBerry and jailbroken iPhones. Of course, there’s no evidence the radiation is harmful – but the five-star *Tawkon* reviews on Google Play suggest there’s a market in worry. tawkon.com

8/ SOLUTO

65 ROTHSCHILD BOULEVARD, 65785, TEL AVIV
Founded in 2007, Soluto has earned the nickname “anti-frustration software” – it analyses your PCs performance, compares it with an online database collating users findings and suggests fixes. The founders have a total of \$18 million in funding under their belts from Index Ventures, Bessemer Venture Partners, Giza Venture Capital, Proxima Ventures and a group of private investors, and its software has been downloaded more than four million times. soluto.com

9/ DONANZA

14 GRUZENBERG STREET, TEL AVIV
DoNanza is an online freelance hub, featuring apps that help target users on anything from forums to Facebook, handle invoicing, accounting and legal from a single dashboard. Founded in 2008 by Ami Dudu, Gil Pal and Liran Kotzer – who learned programming in the Israeli Defence Forces – the startup is funded by Israeli tech guru Yossi Vardi, Google chairman Eric Schmidt’s Innovative Endeavors and private investors. donanza.com

10/ WIX

40 NAMAL TEL-AVIV ST.
Index Ventures’ Saul Klein tips drag-and-drop freemium website-builder Wix as one of the next billion-dollar tech companies. Sites constructed via Wix carry its branding, but paid-for upgrades give it a professional sheen. The startup was founded in 2006 by Giora Kaplan, Avishai Abrahami and Nadav Agrabami and is backed by Insight Venture Partners, Mangrove Capital Partners, Bessemer Venture Partners and Benchmark Capital. wix.com