

Toronto hotbed for mobile apps companies

Ciara Byrne-Associated Press

Toronto-area entrepreneurs eager to feed a growing appetite for smartphone applications are turning the city into a Silicon Valley North of sorts.

Young entrepreneurs, many under 30, have opted to create their own start-up companies, rather than working for giants such as Google or Microsoft.

It's estimated there are about 200-mobile apps companies in the Toronto area, and about 750 companies across the GTA that have mobile-content departments.

"There's a draw because it's very easy to build an app, and get the content out there and start generating revenue," said Michele Perras, director of the Mobile Experience Innovation Centre, a non-profit research organization.

Perras said a huge amount of capital isn't usually required to create these companies.

"You need a couple hundred thousand dollars as opposed to a couple million dollars," said Perras, as she compared apps companies to other tech industries.

Smartphone apps include everything from tip calculators and maps to an application that turns a smartphone into a faux Star Wars lightsaber.

Perras said it's not surprising Toronto has become home of the app considering it is the third largest art and design centre in North America.

"You don't have to be necessarily in Silicon Valley to have a mobile apps company, as long as you have the resources to be able to do it," said Perras.

Ameet Shah is a an example of homegrown success in the apps world. He traded his Silicon Valley tech-related job to start a company with several other people in Toronto.

Five Mobile was launched in July 2008. The company offers smartphone applications and web development.

"The mobile phone is clearly the most pervasive computing device that exists. You leave the house, you take your wallet, your keys, your phone," said Shah, as he explained why apps have become so popular.

And these apps are not a techie trend. Shah said he believes there is such a hunger for app technology that within five years every company will need to have a mobile application.

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Government programs are also helping some apps companies.

Angelo Del Duca, director for the Ontario region for the Industrial Research Assistance Program, a federal program that offers financial assistance to small and medium-sized companies, said there has been an increase of requests related to mobile application.

Del Duca said the demand exists within the marketplace.

"The companies don't embark on technology development just for the sake of it. They're embarking on it because there's a direct feedback from the market," said Del Duca.

Amar Varma, managing partner and co-founder of Extreme Venture Partners, has helped pioneer the apps environment in the city, investing in 14 apps companies in and around the Toronto area.

"This app ecosystem has uncovered a couple of really smart ways to make money," said Varma.

Facebook opened the door for creating applications, followed by smartphones, he said. The revenue is generated not only from people buying the apps, but also from advertising.

"I think there's a massive opportunity and this is the next wave," said Varma, who stressed many of the Toronto companies are "world leaders" in the apps field.

"We've got that kind of talent," said Varma, adding a community of like-minded, mobile tech experts is flourishing in the area.

Shah agrees. He said many Ontario universities have well-known, "top notch" technology and design programs churning out talent.<

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