Innovative Austin Companies at SxSW Interactive

By Jeff Houston, CFA

This year’s SxSW Interactive featured a cornucopia of emerging technologies and pioneers. Several themes stood out to us, including telemedicine, patient experience, augmented/virtual reality, and chatbots. We identified up-and-coming companies based in Austin that operate in these high-growth sectors and had the opportunity to interview the founders both during and subsequent to Austin’s keynote tech event. This article highlights some insights gleaned from our conversations.

As the preeminent technology investment bank in the middle corridor of the U.S., Navidar keeps a close eye on trends and companies showcased at SxSW Interactive as well as those based in Austin. We have a proven track record of helping innovative technology companies like the ones described herein achieve elevated valuations during exits. Collectively, our team has completed more than 300 transactions, representing $70 billion in M&A, capital raises, and public offerings.

### Chiron Health

- Telemedicine enables doctors to treat patients over video in a compliant manner.
- The global telemedicine market is expected to be worth more than $34 billion by the end of 2020.
- About 96% of hospitals have implemented a certified EHR (electronic health record) system.

Medical practice management and EHR providers such as athenahealth and CaraCloud began opening their platforms to third-party technology vendors several years ago. Chiron Health’s CEO, Andrew O’Hara, and Co-founder, Charlie Kolb, seized this opportunity with an eye towards leveraging EHRs to bring telemedicine into physician groups across the United States. While the company also sells direct, it is increasingly focused on becoming the telemedicine provider of choice within the ecosystems of major EHRs.

The company’s SaaS solution enables physicians to see their patients over HIPAA-compliant video with full billing and reimbursement included. Powered by the Chiron Rules Engine, Chiron Health verifies patients’ insurance eligibility and guarantees full private-payer reimbursement for telemedicine visits. Instead of taking half a day off work for a 15-minute doctor visit, for example, Chiron Health enables patients to meet with their physicians remotely via smartphone or desktop video conference. As a result, patient satisfaction and outcomes improve as does the revenue and quality of care for physician groups.

Chiron Health has raised more than $5 million in capital from venture investors, including AXA Strategic Ventures out of NYC, and has grown to more than twenty employees.

### NarrativeDX

- Patient-experience platforms help hospitals collect, process, and intelligently act on data.
- Studies show that hospitals with higher patient ratings have higher profit margins.
- Investors poured $2.8B of investments into patient and consumer experience in 2016.

NarrativeDX is capitalizing on the move to consumer-driven healthcare and an increase in regulations that emphasize quality of care. Founded in 2013 by Senem Guney, who has a PhD in Organizational Communication, and Kyle Robertson, a serial entrepreneur, the company’s patient experience management SaaS platform provides hospitals with actionable insights for improving medical care.

Its solutions enable hospitals to enhance patient experiences and satisfaction as well as their reputations by applying machine-learning and natural-language-processing technology to patients’ comments. This data is sourced through surveys, social media, and other areas (such as call transcripts and doctor-review sites).

Through modern digital dashboards, hospital administrators can quickly pinpoint where facilities are either performing well or in need of improvement. Users can drill into key doctors, nurses, themes, and sentiments in multiple performance areas such as nurse communication.

By implementing NarrativeDX customers such as Christiana Care and Palisades Medical Center have successfully eliminated the guesswork involved in their various improvement initiatives.
VR/AR analytics providers help companies capture, process, and act on the big data created in VR/AR systems.

The VR/AR market is forecast to dramatically increase to $162B in 2020 from about $5B in 2016, representing a CAGR of about 140%.

Participants in the “immersive” ecosystem include content generators, advertising agencies, vendors, and networks.

Recognizing the emerging opportunity for big-data analytics in VR, Benjamin Durham founded Thrillbox in 2014 and was joined by CEO Mike Love, former Chief Architect at First Data Corporation, in 2015.

The company provides VR/AR analytics on a streaming data management platform that acquires, aggregates, and analyzes behavioral data in immersive media, such as 360 spherical video and virtual-reality games. Its patent-pending, platform/device-agnostic methods correlate specific immersive-environment objects with glance-and-gaze data—going well beyond heatmaps that identify inadvertent hotspots (clustering of hits) to data-driven decision making.

Thrillbox is focused on immersive commerce within the education, entertainment, retail, and advertising industries. Clients can select and modify the placement of offerings based on audience engagement. For example, by moving a Cheerios box to the other side of the room in an immersive environment increase views by 250%. Additional benefits include measuring content value, better understanding audiences, and validating advertising spend within immersive media.

The company is participating in Capital Factory’s accelerator and financial backers include Trofiventures.

Chatbots enable intelligent messaging to customers, prospects, and coworkers in the platforms where they spend most of their plugged-in time.

The most popular platforms include Facebook Messenger and SMS for consumers as well as Slack and Microsoft Teams for enterprises.

Investors poured more than $200M into this emerging sector in 2016.

Serial entrepreneur and CEO Tom Hadfield founded Message.io in 2015 to capitalize on the opportunity to syndicate bots when messaging platforms began opening to third-party technology.

Its solutions enable developers to modify their chatbots to work on any platform without code changes by automatically translating UI elements, such as buttons.

Since the industry is emerging, evolving, and many bots use API methods not supported on all platforms (e.g., Slack’s interactive messages and threaded chats on both Slack and Microsoft Teams), the company provides services to help optimize experiences.

While Message.io supports several enterprise-focused platforms (Twilio, Microsoft Teams, HipChat, Skype, and Slack), it plans to expand over time to encompass all enterprise and consumer platforms.

Message.io has more than 150 enterprise customers, including Hubspot, Kayak, Lydia Chat, and nuzzle.

Message.io’s investors include Capital Factory, Khosla, Eniac Ventures, Goldcrest, and Y Combinator.

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1 Mordor Intelligence; 2 The Office of the National Coordinator for Health Information Technology; 3 Deloitte; 4 HealthcareITNews; 5 IDC.

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