The Startup Riding Google's Fiber-Optic Superhighway

[1]When a big tech company like Google moves into the neighborhood, it's often a death warrant for a small tech company. But not for RareWire [2], a Kansas City, Mo. developer of apps for mobile devices. When the search giant came to town a year ago, it was to build out the fiber-optic backbone for a massive Internet infrastructure–a.k.a. Google Fiber–that gives hundreds of startups like RareWire a chance to compete on a bigger field. "It's made the city and entrepreneurs realize there's a great opportunity in front of them," says Kirk Hasenzahl, 44, RareWire's cofounder and president.

Matt Angell (left) and Kirk Hazenzhal (right) teach an app development class.

RareWire had a life before Google. Hasenzahl and cofounder Matt Angell, 39, met at Saepio, which offers marketing technology and services to the likes of McDonald's, H&R Block and Audi. While Hasenzahl left in 2008, he and Angell stayed in touch and developed the germ for RareWire. "One thing I've noticed is that people come up with great ideas all the time, but they don't know how to market it," says Hasenzahl, a brawny, goateed K.C. native who was director of sales at Saepio. "So a lot of good ideas die."

He wasn't about to let his perish. Created by Angell, then Saepio's CTO, it's a simple applications platform that works with iOS or Android on virtually any device. The elegant system ("WIRE") is based on a common design–XML–that's already used by Web developers. It gives mere mortal programmers the same superpowers as highly experienced ones who've written thousands of lines of code.

But when to launch the business? Along came the iPad, inspiring Hasenzahl and Angell to incorporate in the spring of 2010. After raising $500,000 or so from family and friends, they opened their doors the following January.

Its first customer was the Atlantic , whose shift to digital has sparked a notable

comeback. RareWire delivered its demo for the iPad app in 24 hours, using a skimpy 4,000 lines of WIRE code. Its app for the Negro Leagues Baseball Museum takes iPhone and iPad users on a tour of the teams, using photo galleries, interactive maps and virtual baseball cards. Other RareWire clients: Forever 21, construction engineers Black & Veatch, the U.S. Military Academy at West Point and local K.C. beer producer Boulevard Brewing. Last year RareWire pulled in $1 million in revenue but did not notch a profit because it reinvested its cash.

Its prospects are about to improve, perhaps significantly. Completing its work this summer, Google started offering free, as well as tiered-price, Internet service that brings broadband to thousands of homes and businesses. That squares smartly with RareWire's recent plan to launch a second business, its App Creation Studio, an XML-based platform for lay folks. It's free to download for building, testing and sharing apps. Once a customer decides to publish an app, it offers two choices: paying $250 per month for each mobile OS with support and service, or forking over a one-time fee of $99, without updates. "With higher speeds comes the next wave of applications," says a Google spokesman.

Kansas City is hustling mightily to attract tech entrepreneurs. Last month Mayor Sly James kicked off Launch KC [3], a program to provide free Wi-Fi and cheap office space downtown, build a data center to help startups, reduce taxes for tech companies that relocate and create a tech lab where entrepreneurs can kick around ideas and learn how to run a business. The Kauffman Foundation has helped to brainstorm some initiatives. The city already has a significant IT footprint in Cerner Corp. and Sprint, both headquartered nearby.

As a member of the Launch KC task force, Hasenzahl has a ringside seat. RareWire teaches a free app-programming class at Kauffman and will offer classes at the planned tech center. "We've started a company in a gigantic market," he says. "It's insane, all the opportunities there are right now."

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