

APPTEGY

Snapshot

The Situation

In April 2015, Jeston George founded Apptegy, an education-technology company in Little Rock, Arkansas, and he secured in-state venture capital funding to launch his product.

The Problem/Challenge

As an uncle, George wanted to know when his nephew's school programs were with enough time to plan to attend. He discovered local schools lacked a centralized tool for sharing information with students' families.

The Solution

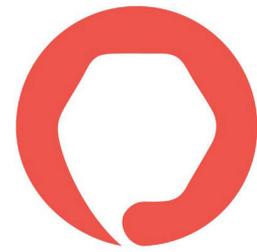
Apptegy's software product, Thrillshare, allows educators to enter news, stories and media to a single platform, which then distributes the content to linked tools like social media accounts, SMS, voice calls and websites.

The Results

In less than three years, Apptegy has grown from an education-technology startup company in the spare bedroom of George's house with no investors and only seven school districts as customers, to the fastest growing ed-tech company in the United States.

The Situation

Developing a better way for schools and school districts to communicate important information is the genesis of the Little Rock education-technology startup company Jeston George founded in April 2015. In less than three years, Apptegy has become the fastest growing ed-tech business in the United States.



"My nephew was in kindergarten, and my wife and I didn't know about his events at school until the day before or the day of," George said. In wanting to help himself and his family, he tried to find an existing solution. What he found was that schools generally lacked a communications tool that allowed parents and other family members to access the same information from wherever they were.

FAST FACT

Fastest Growing Ed-Tech

Apptegy, founded in April 2015, became the fastest growing ed-tech business in the United States in less than three years.

He knew there must be a tech-based solution to this problem and founded Apptegy to make it happen. George, a former sales manager with no application development experience, decided he needed to find a developer, which he did.

Apptegy builds a custom mobile app and website for each school district, and Thrillshare allows school districts to manage all digital interactions, including from various devices and social networks, in one place.

To bring his idea to fruition, George needed funding. Being based out of Arkansas, there were some who doubted George could find the venture capital he needed locally. "The key to raising necessary capital in Arkansas is to show a market existed," he said. Proving there was a market required selling his product, which came naturally to George.

The Solution

George quickly found seven school districts in Arkansas willing to be his first paying clients. He returned to his potential investors with strong evidence there was a need-based market looking for a product like Thrillshare.

The first group to invest was Hayseed Capital in Fayetteville, Arkansas. Next he applied for and received tax credits from the Arkansas Economic Development Commission, as well as a direct investment from the Arkansas Development Finance Authority (ADFA) of \$300,000. George found working with the state agencies easy and rewarding because the staff understand the importance of startup companies.

"Emerging businesses like Apptegy are the most significant creators of new, well-paying jobs in both Arkansas and the nation," ADFA President Aaron Burkes said. "Apptegy's growth has exceeded our expectations, and we are pleased to have been one of its early startup investors." ADFA administers the Arkansas Venture Capital Investment Trust (AVCIT) that made the \$300,000 investment in Apptegy in 2016.

Once Apptegy began working, the company found the benefits of a close-knit community interested in fostering startups and helping them succeed.

"Apptegy's story is different than other technology companies in the area because we are an Arkansas story through and through," George said. "We started the company in a spare bedroom in my house here in Little Rock, raised all our early funds from Arkansas investors, and received support from Arkansas school superintendents who took a chance on working with a startup because they saw the importance of supporting an Arkansas company."

FAST FACT

Founded in Arkansas

The company was founded in a spare bedroom in Little Rock, and raised all of its early funds from Arkansas investors.

The Results

As founder and CEO of Apptegy, Jeston George's driving philosophy as an entrepreneur and leader is straightforward: It's not enough to simply generate great ideas – ideas are useless without proper execution. That is where his growing team excels.

“Apptegy has changed the way school districts communicate with their constituents, providing key district information and highlighting student achievement without the hassles of working with multiple technology vendors.”

And the growth has been unbelievable by all accounts. The company currently boasts more than 1,000 schools from 350 school districts in 40 states as clients. There are 58 employees on staff in Little Rock.

FAST FACT

Wide Client Base

Apptegy works with more than 1,000 schools from 350 school districts in 40 states.

The quick growth spurt has attracted the attention of others outside of Arkansas's investment community. In the spring of 2017, Five Elms Capital, a Kansas City-based venture capital firm, invested \$5.7 million in Apptegy to support sales and marketing efforts for Thrillshare, in addition to the development of other products. George said,

“We are beyond excited to partner with Five Elms. Their experience working with growing companies will be a huge asset to our board. We get to see every day how Thrillshare impacts our customers as they embrace the opportunities that digital interactions create. Five Elms brings not only financial and strategic support, but decades of operating experience to guide us as we scale.”

Five Elms cited rapid adoption of the product, in addition to positive reviews, as its reason for investing.

“Apptegy has changed the way school districts communicate with their constituents, providing key district information and highlighting student achievement without the hassles of working with multiple technology vendors,” Ryan Mandl, a partner at Five Elms Capital, said. “The team's innovative product, industry knowledge and best-in-class customer service, has driven rapid, profitable growth and an evangelical customer base. We look forward to working with the Apptegy team to expand on the success achieved to date.”

One of the company's initial investors, Fayetteville-based Hayseed Capital co-founder, John James said George was the first Hayseed partner, and Apptegy's growth in the past two years is “incredible.”

“This deal proves that a small amount of seed capital invested into a vibrant young entrepreneur can lead to incredible economic development for Arkansas,” James said. “A world-class venture capital firm investing this much in Arkansas is exceedingly rare, and is a testament to the tenacity and brilliance of Jeston and his team.”

George was pleased to find that securing talent to grow his company was easier than he expected, as he was able to recruit his workforce both from within Arkansas and outside the state.

“There are a lot of really talented people who are looking for work in a place with a great quality of life and cost of living,” George said.

FAST FACT

Continued Growth

In the spring of 2017, Five Elms Capital, a Kansas City-based venture capital firm, invested \$5.7 million in Apptegy to support continued growth.

Not only that, but technology veterans from places like Washington, D.C., London, Toronto, Chicago, Austin and Silicon Valley understand the value of a five-minute commute to work instead of a one-hour-each-way commute every day.

Eric Baxter, an Apptegy employee responsible for economic forecasting and research, says friendly people with smiles and helpful attitudes contribute to a better quality of life, and the cost of living in Little Rock isn't nearly as expensive as it is in other places he's worked, but the commute — or lack thereof — is critical.

"Working here saves me an hour each way every day," Baxter said. "It gives my life back time. I can run or go to the gym or just rest. That's not possible when eight to ten hours of your week are devoted to commuting to and from work."

With the state's help and the help of the community, Arkansas Governor Asa Hutchinson sums up the results this way.

"Apptegy's story shows the power of Arkansans coming together," Governor Hutchinson said. "The school leaders who chose to work with an Arkansas-based company helped pave the way for high-paying technology jobs in the state. In a few years, we'll see today's students in the Computer Science Initiative working in companies like Apptegy."



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