

Austin Business Journal - August 9, 2010
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Friday, August 6, 2010

Austin startup launches Web-based service to help collectors feed their passions

Austin Business Journal - by [Christopher Calnan](#) ABJ Staff

Three Austin entrepreneurs have launched a business that operates a website to enable collectors of just about anything to list and trade their items online while forming virtual communities of like-minded collectors.

Ryan Zintgraff, Ryan Hollister and Michael Peter launched Klect Corp. in April and its website in July to take a three-pronged business approach.

First, it's providing a free online inventory management system for collectors. Such models are commonly called "freemium" services designed to introduce users to more sophisticated or robust services.

And, sure enough, Klect is also selling a more advanced inventory system for \$8 per month, which is the second prong. The system includes an automated feature that flags items a collection is lacking and lists possible locations for the user to get them. The trade service, the third prong, collects a 40-cent fee for every transaction users complete.

To date, the company has been self-funded, but Zintgraff wants to attract venture capital or angel investors to fund a marketing campaign. He has a goal to raise \$400,000 to \$1.5 million from investors.

Such listing services have operated for at least a decade, but they haven't generated widespread adoption, collecting experts said.

In comic book collecting, several companies and organizations operate online databases of varying levels of sophistication with no dominant player, said Mark Zaid, marketing director of the [Comic Book Collecting Association](#). "There is more than enough [demand] for a company to come in and take the reins," he said.

In May, Klect presented at the My Little Pony conference in Louisville, Ky., and signed to its website about 50 percent of the attendees, Zintgraff said. For the uninitiated, My Little Pony is a product line of brightly colored toy ponies created by [Hasbro Inc.](#) (NYSE: HAS) in the early 1980s. A new one with accessories typically sells for about \$20, but rare My Little Pony sets can fetch up to \$500.

Collector Angie Gouge, 32, a resident of Plainfield, Ind., said she's been collecting My Little Ponies since she was 5 years old. Klect's online access provides her with a portable catalog listing and photos of the 100 items in her collection.

Klect's competitors include Austin-based [iTaggit Inc.](#), which was founded by serial entrepreneur David Altounian. The company operates a website designed to enable users to list a description of a collectible or other possession and receive data such as the value range for the product. They can also choose to sell what they've valued via iTaggit's integration with [Craigslist and eBay](#). In 2006, iTaggit completed a \$1 million Series A round of financing from a syndicate of angel investors.

Zintgraff, Klect's president, has 16 years of experience as an information technology project manager and software marketing vice president for [Xerox Corp.](#) (NYSE: XRX) and Austin-based [Pervasive Software Inc.](#), among others.

Ten years ago, during the dot-com bubble, a couple dozen stamp collection inventory software businesses were launched, but none proved to be sustaining. Today, three or four online inventory systems exist, but none have grown to capture a sizable market share, said Ken Martin, executive director of the [American Philatelic Society](#), the Pennsylvania-based stamp collecting organization that claims 36,000 members.

The approach hasn't caught on because for most collectors there is little return on investing hours entering stamp information into a database. Instead, collectors want to spend their time learning about the design and history of stamps, Martin said. "Compiling lists ... [is] not generally why people take up stamp collecting in the first place," he said.

But Gouge said Klect includes photos and other information that makes it faster to catalogue collections. Also, Zintgraff is continually updating its features to make it more user-friendly for collectors.

"He definitely has a passion for it," she said, "and he's open to feedback from collectors, which is very important."



Nick Simonite

Ryan Zintgraff, president of Klect Corp., displays his sister's My Little Pony toys. It's the kind of collection his company's website can enable people to assemble.

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