

[ENTREVESTOR: Xiplinx pulls in investment for efficiency tool](#)

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Xiplinx Technologies Ltd., the New Brunswick company that helps consumer packaging manufacturers improve product line efficiency, has raised a total of \$650,000 in capital after its recent graduation from the Propel ICT tech accelerator.

The core of the funding round came from Propel's funding partners: a \$150,000 convertible note from **BDC Capital** and a \$100,000 investment from the New Brunswick Innovation Foundation.

(Propel and the foundation advertise on Entrevestor.)

The company also received funding from several angel investors, bringing the total equity investment up to \$400,000.

CEO Brent MacDonald said the company was also able to secure an additional \$250,000 in financing from other organizations, though he declined to provide details.

Xiplinx also has about \$375,000 in economic development financing from the New Brunswick government that it has not drawn down. That means the company has access to about \$1 million in operating capital.

Xiplinx is best known for its product SiteFlo, which helps managers and workers in packaging plants communicate to ensure maximum efficiency during the packaging process. The company went through Propel's first accelerator cohort in 2012.

The company endured a difficult period in 2014 before finally targeting consumer packaging as its chosen market. MacDonald decided last year to go through the accelerator a second time to get help with scaling up the business. He said the second stint definitely benefited the company.

"I think I got some confidence back personally; that was important for me," MacDonald said in a phone interview.

"It's no secret that our company went through a pretty challenging pivot. We had a lot of people rallying around us, and it lifted us up, and it means a lot to a business to have this support."

As well as the moral support, he said he learned a great deal from the curriculum — things that weren't in the program four years earlier.

He said the mentors would offer advice on more than long-term strategy. Xiplinx changed the way it did its demonstration and generated sales leads because of the advice.

Coming out of the accelerator in the autumn, the company's sales were rising, especially in the United States.

Xiplinx now has a stronger emphasis on sales and marketing than on product development. It has struck partnerships with several companies that make packaging equipment, and its sales staff is both selling through these partners and making direct sales to end users.

“Sales are growing,” said MacDonald.

“We had a really good end of the year. The most notable thing at the end of the year — and this helped to close the funding — is we had a lot of marquee customers who bought in large volumes.”

He said the company is still developing products and in particular is working on Internet of Things products — that is, automated systems that use algorithms to make adjustments in machines with greater accuracy and speed than humans.

“The whole industrial Internet of Things is hitting the (packaging) sector at the perfect time for us. We’re a bit lucky in that in the packaging sector, things really kicked in in 2015. There’s a bit of luck plus planning plus support that got us here, but 2016 is going to be a really exciting year for us.”

Peter Moreira is a principal of Entrevestor, a site that provides news and data on startups in Atlantic Canada and the Waterloo Region.