Technology Incubator
to promote the Foundation of New Businesses
“from Lab to Business (L2B)”

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Introduction

“L2B”

“Technology Transfer” in the fields of high technology from Universities and research centers to sustainable products and companies

Prozess

Research:
- Basic research and applied research, (time, money), high potential of new ideas

Business-Orientiation:
- Seed phase:
  product development, market research, management formation and the corresponding finances
- Business Phase:
  company founding, market entrance, sustainable business

Goal

Increasing the Deal Flow from Lab to Business
- Building up a “One stop shop” for product development: market-management- finances (1. Prio: Time to Market)
- Creating high level jobs in sustainable companies
Marketsituation in Switzerland

• Innovation in Switzerland
  Switzerland is a leading country in scientific publications, citations, patent applications per capita, but the number of start-ups remains on a poor level.

• Start-up Situation
  (specially at the research institutes)
  High level of existing knowhow and inventions (Ideas) and expertise / skills; The technological and industrial implementation of new ideas doesn’t have a systematic approach; business orientation, especially in the formation process, must change.

• Trends & Developments worldwide
  Real Innovations no longer take place in large administrative units. Venturing (Spin along, Spin in, Spin off etc.) is getting more and more important.
Problem

Gap

Research: Basic Research Technology

Business: Product & Services

Management

Marketing

Financing
Reasons for the gap

• different “cultures” between Universities, Research Institutes and Industry

• information / communication

• missing management- und economic education and training of University graduates

• missing entrepreneurial spirit, difficult transfer process of people out of secure research & university environment; general fear of risks

• financial markets: VC financing starts in ramp-up phase

• transfer of IPR’s to start-ups
Vision

¬ transfer and implementation of scientific inventions (out of universities and research institutions) into business oriented & high growth potential innovations.

¬ creation of jobs in Switzerland by a higher “dealflow” output of new products and successful businesses.

¬ promotion of start-ups and founding of companies in technology oriented future growing markets.
Sources of innovation:
- Universities & research centers, Institutions (private sector)
- Reliability: leading technology and scientific advice / coaching
- Investors: institutional, strategic (companies)

Projects:
- Pre Start-up
- + Start-up)

Financing Capital

Management + Marketing

Business Success

Product / Companies

Success in Financial Markets

Participation on own success

Big return

Small return
One Stop Shop

• increases dealflow for start-ups with a substantial service package (Pre Start-up Phase) that guarantees quality

• is long term oriented and based on a sustainable concept

• is a platform to promote innovations in different technologies

• corresponds to a holistic approach (science, economy, finances, management, network)

• leads to a win-win-situation for shareholders and stakeholders
Management / Marketing

Scouting/
Screening /
Marketing
(ext. Experts)

Research-
centers
Technoparcs

M+ M

Projects/Pre Start-up/Start-up

Partners

Human resources/
Start-up executive search

Communication/
PR/Media

Legal issues/intellectual
properties

Financial advisory/
corporate finance

Scientific and business
networks

Management consulting/
controlling

Technoparcs/incubators
# Project ZEMIT

**ZEMIT** stands for “Zentralschweiz. Microtechnik” (working title); work in progress, is the first mover to implement an integral business model.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Micro- and Nanotechnology under a clear industrial perspective</th>
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<tr>
<td>Collaboration</td>
<td>Research centers and Universities, ETH</td>
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<tr>
<td>Location</td>
<td>Lucerne (Switzerland), working all over Europe</td>
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<td></td>
<td>Formation: end of 2002</td>
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<tr>
<td>Strategy</td>
<td>2- step process out of CSEM</td>
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<td></td>
<td>(Centre Suisse d‘Electronique et de Microtechnique, Neuchatel, Zürich, Alpnach)</td>
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1. Step (since 2000)
The High-Tech Start-up Model CSEM

Idea | Experiment | Demonstrator | Prototyp | Product
---|---|---|---|---
Research | Development | Production

Universities

CSEM

Industry

Deal Flow (12 Projects)

CSEM basic / applied research

Zentronica

Project Financing + Coaching

Gap

Finance market

Creation Start-up

Market-entry

Growing-phase

Financing seed phase by a Foundation
2. Step: Zemit (work in progress)

Deal Flow (12 Projects)

CSEM
basic / applied research

Zentronica
Project Financing + Coaching

Gap
Finance market

Creation Start-up
Marketentry
Growing-phase

Financing by a Foundation

(1. Step)

CSEM
+ other Research Centers
Industry

Zemit
Holding of Start-ups

Co - Financing

Creation Start-up

Financing by Investors
(institutional and strategic)

Finance market

EPAC02 / TT and Industry Session

PSw/MM June 2002
Positioning in the Market

Relevant Branches / Marketsegments
- Life Sciences
- Telecom
- New Materials
- Coatings
- ....

Research & Development
- Physics, Chemistry, Biologie

(Mikro- and) Nanotechnology as "Enabling Technology"

Co-Investors (Market-oriented)

Zemit AG

Cooperation

Products Tools Methods

Research Centers

CSEM
PSI
ETH
Universites
Industry

Co-Investors (Market-oriented)

Cooperation
The Process

**PLAN**

- Product Developm. (Demo)

**BUILD**

- Application Developm.
- Production Facility
- Market-entry

**RUN**

- Production

**EARN**

- Technology Sale
- Licence
- Trade Sale
- Spin off
- IPO

**Market, Management Line**

- Market evaluation
- Businessmodell
- Team-development.
- Market Strategy
- Businessplan
- Team Recruitm.
**Strategic Business Model**

**Deal Flow:** +3 deals/year  
*Time period up to 8 years/deal*

**Diagram:**
- **Total # Deals per year**
- **Value cum.** and **Cashflow cum.**
- **Yearly range:** 0 to 123456789
- **Value range:** -100,000 to 600,000
- **Investment phase**
- **Earning phase**
- **IPO**
# Added Values by Zemit

| Shareholders                      | high profit, high risk  
|                                  | by early entry of deals in Zemit and late exit,  
|                                  | Zemit produces high quality sustainable firms  |
| Start-ups (Team)                 | one stop shop,  
|                                  | integral professional support from project to exit:  
|                                  | management, market, finance  |
| Research Instituts               | financing of product development phase,  
|                                  | return on investments with IPR’s,  
|                                  | Zemit is a competent partner for screening, market knowledge  
|                                  | and management  |
| Industry                         | acces to new technologies as strategic partners,  
|                                  | Zemit offers full service for deals out of industry,  
|                                  | deliver management support in special fields (network)  |
Conclusion

**USP:** ZEMIT is a company which transforms good ideas from Swiss Universities and research institutes (public and private) to successful start-ups and businesses – using the knowledge and knowhow from science, management, marketing and finances.

**ZEMIT**
- has a clear orientation to its customers (Start-ups)
- represents a common, neutral platform for research institutes, private companies and financial institutes (incl. VCs)
- is a technology platform for the Micro- and Nanotechnology
- creates a win-win situation for all partners involved.