

# DISCOVERING THE U.S. ECOSYSTEM



**douin de Hemptinne**  
European Trade Commission SF

@BdeHemptinne

@BelgianTrade



# WHO AM I?

Past: private sector

Present: Belgian Trade Commission in SF

Future: fund manager

# WHO ARE YOU?

Qualities: perseverance, curiosity, comprehension

Weaknesses: controlling anxiety, managing aggression, mastering impulsiveness

If you recognize yourself here, let's continue...



# WHY SAN FRANCISCO?

San Francisco = Florence during the Renaissance  
Botticelli

Larry Ellison = Leonardo de Vinci

Steve Jobs = Raphaelle

Larry Page =

# VENTURE CAPITAL CASH INFLOW

- For 5<sup>th</sup> consecutive quarter, capital invested in SV startups has surpassed 10 B \$
- Q2 2015 >17,3 B \$
- Q3 2015: 16,3 B \$ (budget wallon 13,5 B)
- Q1+Q2+Q3: 47,2 B \$ is > than 17 full year of the last 20 years...
- EU 2015? #Eutech should raise 10 B € (EU vc raised 2 B Q2).
- VC Funding: 91% from private in US. 40% from public in EU.

# VENTURE CAPITAL in Belgium

- VC deals: from €100 M (2014) to €212 M (2015)
- 63% from Belgian VC
- Average seed : from €2.2 M (2014) to €3 M (15)
- 5 startup loc: Bxl–Ghent–Antw–Leuven–Liege
- Top Regions: 53% FI – 28% Bxl – 19% W
- Region by overall eco activity
  - 61% FI
  - 11% Bxl
  - 28% W
- Belgium: need to scale up (11% startup has a rep abroad)

# SV

## Hyperconcentration

- 50% des financements américains sont centralisés dans SV
- 50% des investissements sont installées dans une seule rue dans SV
- VC demande à Etre en lien très fort avec les entreprises dans lesquelles il investit.
- Avt, IT était =branche d'activité; now IT = tout
- Des pouponnières à SF (Axa, Sony, LG, Samsung, Solvay,...)

# 2015 Startup Genome Project





# INCUBATORS, ACCELERATORS, AND COWORKING... Oh my!

Whatever you call them, all organizations nurture startups with services to help them grow.

In terms of the amount of additional service you receive, the loose formula is:

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co-working < incubators < accelerators



# Cultural Differences

**Do you like money? \$\$\$**

In the U.S., money is seen as a positive value.

**What is your attitude towards failure? ☹️**

There, failure is considered a learning experience. *“Either I win, either I learn.”*

# WHAT MAKES THE SILICON VALLEY SPECIAL?

According to Larry Sonsini the main factors are:

1. Entrepreneur Culture
  - Performance based
  - Equity compensation

2. Access to capital

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# WHAT MAKES THE SILICON VALLEY SPECIAL?

## 3. Access to Technology

- A lot from universities (Cal-UCSF-  
Stanford)

## 4. Government support

- Overregulate and kill entrepreneurs
- Underregulate and it leads to chaos

# What if...?

What if Wallonia could have its own fund in the Silicon Valley?

Like France, Italy, Portugal, etc.



A photograph of the Golden Gate Bridge in San Francisco, viewed from a high angle on a cliffside. The bridge's red-orange towers and suspension cables are prominent against a hazy, overcast sky. The water of the bay is visible below the bridge deck.

# FUNDRAISING IN THE SILICON VALLEY

- The one week scramble
- Beware of dilution
- Two different mindsets:
  - Entrepreneur: *"I need x \$"*
  - VC: *"How much do I need to pay to get x %"*
- Be sure to reach the next series



# FUNDRAISING SEED ROUND

You will need:

- A minimum viable product (MVP)
- Market launch
- Some users
- Beginning of traction

# SERIES A – SAAS MODEL

- Goal: product/market fit
- Début de la série: sale = 0
- Fin de la série : run rate 2-3 M \$
- Connaître ses métriques:
  - Produit
  - Taille du marché
  - Réseau de distribution
  - Avec quel vendeur
  - Il me faut x de marketing par lead généré

# Series A: suite

Déclencheur (ca passe ou non)

- Totale maîtrise du risque technologique
- Focus produit (pas mktg)
- A 3 mois dl fin runway: accélérateur pour cabrer les courbes.
- La croissance ne s'achète pas, le buzz oui!

A photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking up at the bridge's steel structure. The bridge spans across a body of water, with hills in the background under a clear sky.

# SERIES B – SAAS

- Marché – métriques – techno : connu
- Il faut “scaler”.
- Risque d’exécution
- Goal: toucher \$ 10-15 M de run rate
- Valo? Offre et demande. Attention au risques
  - Trop élevé..
  - Qualité investisseur plus important que Valo.



# SERIES C

- Fond “late stage”
- Déplacement des VC vers ces fonds
- Porte d’entrée = \$10-\$15 M RR

# Tier 1. Early stage

#1 Andreessen Horowitz, Menlo Park, CA

#2 : Khosla Ventures, Menlo Park, CA

#3 : SV Angel, Palo Alto, CA

#4 : Accel Partners, Palo Alto, CA

#5 : NEA (new enterprises assoc), Menlo Park, CA

#6 : Sequoia, Menlo Park, CA

#9 : Spark Capital, Boston (st out of SV)

# Use of the equity

- To run the business
- Education
- CSR
- Network

# Advice

- Pitch-Pitch-Pitch (get it ready)
- US type deck
- Differentiate or die
- 10-20-30



## COMPANY NAME AND LOGO

### Contact:

### Funding:

#### Current

\$500k Convertible Note (\$3M cap, 3/14)  
\$80k Founder's loan  
\$250k Non-diluting innovation grant

#### Seeking

\$1.5M Convertible Debt

### Use of Proceeds (10 mon):

#### 7 people team - \$0.5M

- Algorithm & analytics (2)
- SW Engineering (1)
- Product management (1)
- Marketing/Community & Sales (3)

#### External costs - \$1.0M

- \$200k Marketing
- \$420k Product Design/Eng/ID/UX
- \$80k Certification
- \$100k Operational
- \$200k Ramp up

#### Output

- 2 product development spins
- 2 rounds of product testing
- Presales campaign
- Product launch (12/2015)
- 

### Competitive Advantage:

- + Clinical accuracy
- + Proprietary ultra low power circuit
- + Validated machine learning algorithms
- + Continuous real-time personalization
- + Unique dataset for biomarker discovery

### Management Team:

*Co-founder & CEO*  
PhD Biomedical Engineering  
\$25M+ revenue

*Co-founder & COO*  
MSc Biomedical Eng 25 person team

### Elevator Pitch:

COMPANY is a consumer health company developing clinically accurate wearables that combine pregnancy tracking with data analytics to provide scientifically grounded answers to expecting mom's questions and concerns throughout pregnancy. We empower and reassure women and crowd source collection of the most comprehensive dataset on prenatal health to improve maternal and neonatal outcomes.

### Problem:

Expecting moms are full of questions and searching for trustworthy answers. Information online is vague and confusing, and current products are unreliable gadgets.

Payers and providers face rising rates of pregnancy complications (e.g. preterm birth) resulting in \$50B annual healthcare costs (US). These complications are unpredictable, poorly understood, and difficult to monitor due to lack of data. Experimenting with pregnant moms is challenging.

### Solution:

Wearables for expecting moms that tracks physiological changes from conception to birth to answer questions and promote healthy lifestyles through biometric based feedback. Empower women to share their data to aggregate the **most comprehensive view on maternal and fetal health ever**. We crowdsource clinical research data collection like 23andMe and uBiome.

System consists of a modular wearable sensor and mobile app that tracks **maternal** (HR, HRV, stress, cardiorespiratory fitness, sleep, activity, calorie burn, contractions) and **fetal** parameters (HR, HRV, movement) known to impact birth outcomes.

### Technology:

COMPANY sensor and algorithms are based upon 10+ yr R&D in remote patient wearable technology from IMEC. The lightweight sensor has a proprietary ultra low power EXG ASIC, accelerometer, BTLE radio, and uController.

System (electronics + algorithms) has been benchmarked in clinical studies against reference systems and shown to have higher sensitivity and equivalent specificity.

3 utility patents have been filed covering system and analytics.

### Market Opportunity:

127M births per year WW, 35M middle upper income developed world, **14M 1<sup>st</sup> time moms initial target**.

COMPANY targets the intersection of consumer and medical markets and sells FDA approved devices OTC to expecting couples (\$250). Our sensor answers questions of immediate concern to women (Am I having contractions? Am I in labor?), while collecting data to answer more complex questions of high consumer and clinical value (e.g. labor prediction, preterm birth risk diagnosis and prevention).

By launching consumer first, COMPANY will generate revenue while collecting a unique and unprecedented proprietary dataset on prenatal health. This dataset will serve as a continuously growing market differentiator for identification of novel biomarkers and development of cost-effective interventions for improving birth outcomes, which will be sold to payers and providers.

### Status:

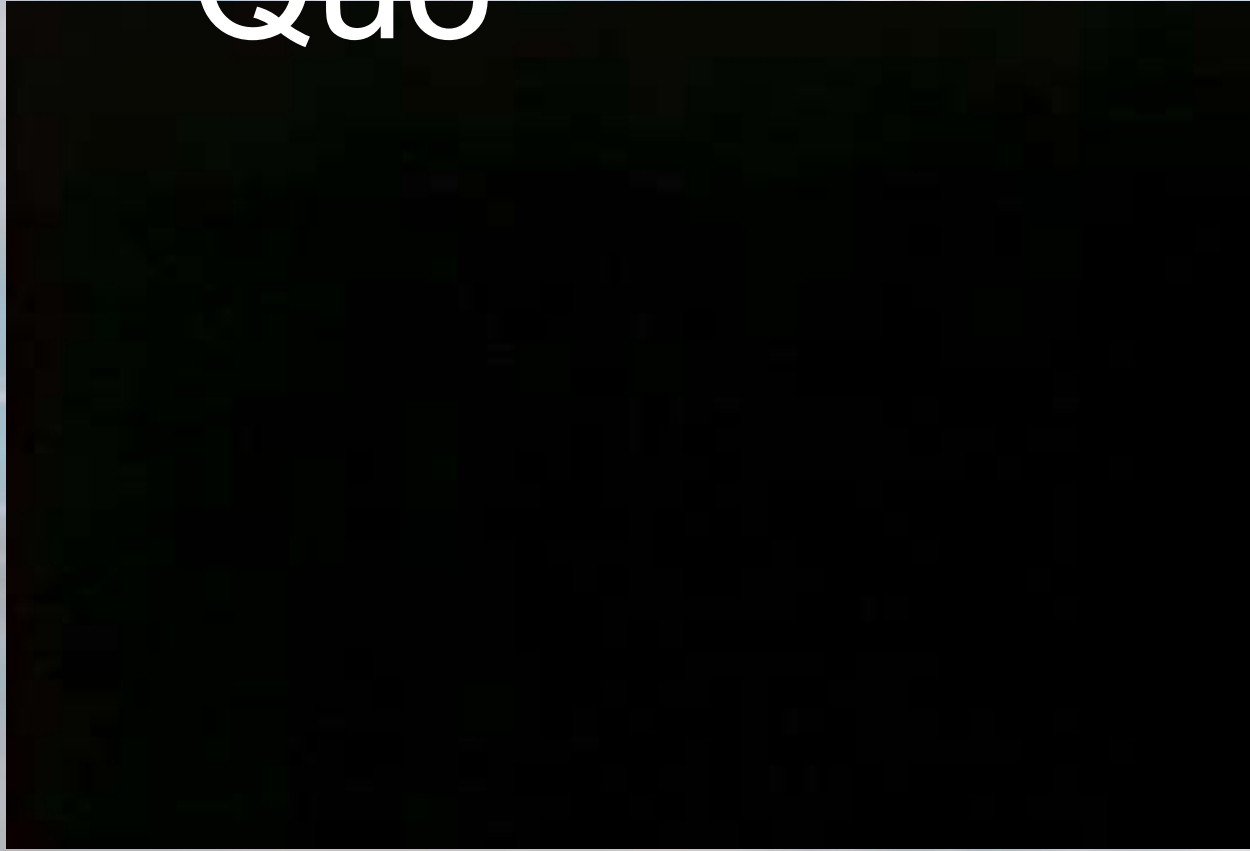
COMPANY is seed stage with a 6-person team. We have validated the product concept and value prop over 4 rounds of customer development, including in-field testing of the sensor.

Hardware design is complete, minor firmware optimization ongoing. Certification and product testing to be completed. Algorithms benchmarked against clinical standard in 3 clinical pilot studies. Beta app + backend development ongoing.

Go-to-market plan to be tested, in parallel with building marketing and presales campaign

“No Status

Quo”



*« Les fous, les marginaux, les rebelles, les anticonformistes, les dissidents... Tous ceux qui voient les choses différemment, qui ne respectent pas les règles. Vous pouvez les admirer ou les désapprouver, les glorifier ou les dénigrer. Mais vous ne pouvez pas les ignorer. Car ils changent les choses. Ils inventent, ils imaginent, ils explorent. Ils créent, ils inspirent. Ils font avancer l'humanité. Là où certains ne voient que folie, nous voyons du génie. Car seuls ceux qui sont assez fous pour penser qu'ils peuvent changer le monde y parviennent. »*