Business Startup Innovation with a Focus on Portugal

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Innovation is EVERYWHERE!

But Today We Will Focus On…

- Business Startup Innovation with a focus on Portugal.
- Acceleration and incubation programs and what is happening in Portugal.
- A quick look at some very innovative companies in Portugal.
- A look at Startup funding.
- Topic discussion/Q&A.
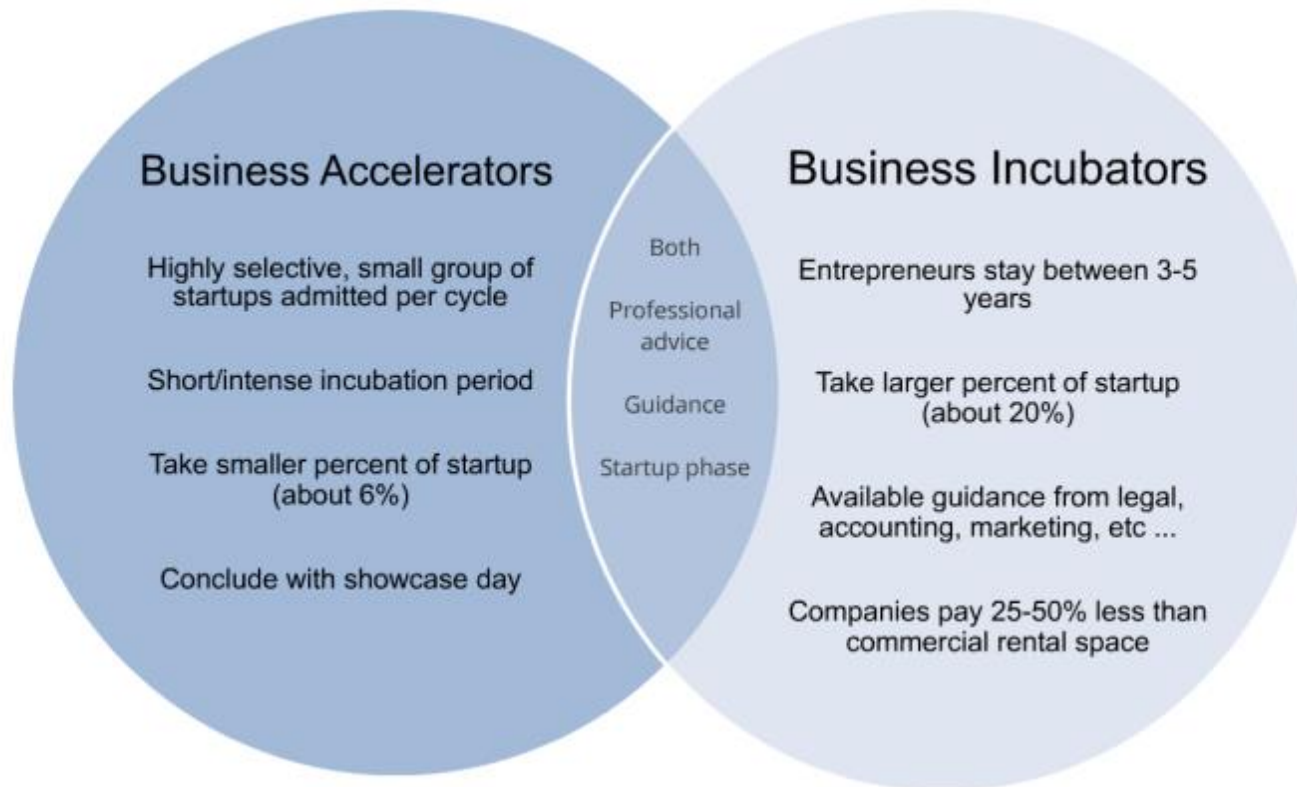
Just Who Am I?

MY FIRST BUSINESS

Quick Bio

- Born into a family of entrepreneurs.
- Degree in Business Administration/Marketing.
- Worked for and with many well-funded US startups in the past 20+ years.
- Marketing Consultant for last 10+ years.
- Interested in innovative technology and innovative teams and projects.
- An early adopter.

Connection to PT Startups

- Consultant
  - Numerous companies in Portugal
- Company Advisor/Mentor
  - Cell2B
  - Foodzai
  - Pictastik (Brazil)
  - Vertequip
  - Whale
- Mentor
  - Seedcamp
  - Startup Exchange
  - Startup Lisboa
  - Startup Live
  - Startup Pirates Lisboa (3)
  - The Lisbon Challenge

Accelerators vs. Incubators

Business Accelerators

Highly selective, small group of startups admitted per cycle

Short/intense incubation period

Take smaller percent of startup (about 6%)

Conclude with showcase day

Both

Professional advice

Guidance

Startup phase

Business Incubators

Entrepreneurs stay between 3-5 years

Take larger percent of startup (about 20%)

Available guidance from legal, accounting, marketing, etc ...

Companies pay 25-50% less than commercial rental space

Startup Accelerators

- A relatively new, 'modern' breed of for-profit business incubator.

- They usually attract small teams through an open application process.

- They provide a select number of mostly technology companies with seed funding, mentoring, training and more, for a limited time.

- In the US, accelerators like Y Combinator and TechStars boast application acceptance rates between 1% & 3%.

How Accelerators Work

- Startup acceleration programs usually last about 3 months; some do run longer.
- Most accelerators DO NOT charge for the program but they take an equity stake in participating startup.
- Equity typically runs between 6% & 12%.
- After completing the program, startups are supposed to have used the capital, mentorship and feedback to gradually evolve into a viable business and lead to additional funding.

How to Get Into a Startup Accelerator

1. Take part in a pre-accelerator
2. Explain your idea in simple terms
3. Be original
4. Show that your product already has traction
5. Be realistic with your valuation
6. Know your market
7. Don't pitch via Skype
8. Know how to keep your audience engaged
9. Demo your product
10. Be honest
11. Pick a confident speaker
12. Try, try and try again

European Accelerators

European Accelerator Scene

- There are currently an estimated 600 accelerator programs in Europe today.
- Y Combinator was the first accelerator in Europe when it opened in March 2005.
- Seedcamp, TechStars London (formerly Springboard), Founder Institute and Startup Bootcamp are some of the biggest names in Europe.
- And now there are many corporate backed accelerators such as Wayra (Telefonica), hub:raum (Deutsche Telekom), Orange FAB (Orange).

Seedcamp – Google Campus London

"274 startups in the Campus community report successful access to funding in the last 12 months, raising an estimated £34M"

Seedcamp (London)

- Seedcamp Lisbon: Nov 2012 & Oct 2013.
- They are known for selecting that "1%"" of European Startups.
- 7 Portuguese companies funded to date:
  - Cashtag
  - Codacy
  - CrowdProcess
  - Hole 19
  - Popcorn Metrics
  - SimpleTax/Modelo 3
  - Zercatto

Portugal Accelerators

- Beta-I
  - **The Lisbon Challenge** is Europe's biggest startup accelerator, promoted by Beta-i.
  - €150K in prize money.
  - Office space for 30 years!
- Portugal Ventures
- ISCTE-IUL Building Global Innovators program with MIT Portugal
- Other University Accelerators
- Other players

Incubators

- Business or startup incubators are programs designed to support the successful development of entrepreneurial companies through a wide range of support services.
- Companies can tap into the network of contacts through the incubator.
- Incubators vary in the way they deliver their services, in their org structure and in the types of startups they have in their network.

Portugal Incubators

Start up Lisboa Incubadora de Empresas

- State/private-funded, non-profit incubator.
- Three office buildings in Lisbon; two full and the third will start renovation in 2014.
- Houses the majority of the most promising startups in Lisbon.
- Has the highest density of any startup incubator in Europe.
- Seedcamp invested in 7 Startup Lisboa companies in the last year.
- Created 250 jobs in the last 18 months.

StartUp Lisboa is Like a Big Family!

Some Key PT Milestones

- Startup Lisboa Rua da Prata – 2+ years
- Startup Lisboa – 1 year
- Startup Lisboa Rua da Prata – Opening in 2014
- Beta-I – 3+ years
- The Lisbon Challenge (75 Companies and 150,000 Euro) – September 2013
- Explorers Festival – November 2013
- Silicon Valley comes to Lisbon 2011 & 2012
- Startup Pirates – 3 events in Lisbon, 3 in Porto plus many other locations
- Startup Exchange Summer 2013

Innovative Portuguese Companies

Cashtag

- A free app to pay your friends in seconds via a cloud-based mobile payment network.

- Participated in The Lisbon Challenge.

- Lisbon Challenge Top 10 Winner.

- November 2013 – Received funding from Seedcamp.

- www.thecashtag.com

Cashtag: Safe and easy!
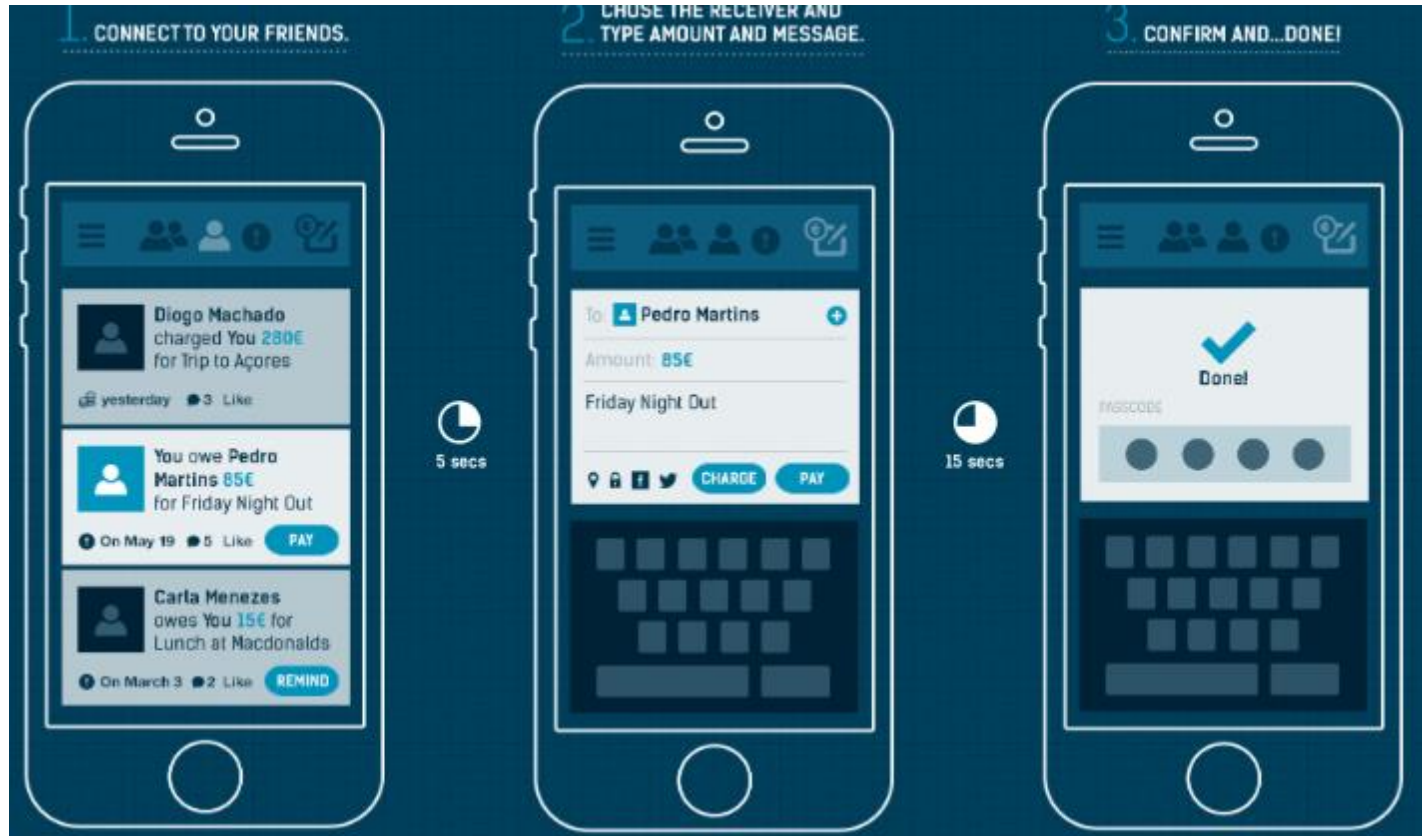
Codacy (Formerly Quamine)

- A platform of tailor-made code patterns designed to complement your software testing.
- Codacy works by having a collection of code patterns (code analysis algorithms).
- 2012 – 1 of 4 companies who received an investment from Seedcamp.
- November 20, 2013 – Received investment from Espirito Santo Ventures and Faber Ventures.
- Recently changed their name and launching their new product version.
- www.codacy.com

CrowdProcess

- Browser-powered distributed computing solution.
- Perfect timing for BIG DATA needs.
- Very innovative solution and a growing team.
- 2012 – 1 of 4 companies who received an investment from Seedcamp.
- www.crowdprocess.com

How CrowdProcess Works

How it works

Connect

CrowdProcess connects with the browsers of people that are browsing the websites that join the platform.

Process

We use a small amount of the browsers processing power without disrupting the user experience.

Results

We make processing power available to anyone with a good idea to make the future happen sooner.

Foodzai

- A community for kitchen superheroes/chefs.
- Team came together during Startup Pirates Lisbon in February 2012.
- Seedcamp 2012 startup company.
- First Portuguese company invited to the Startup pitch at LeWeb London June 2013.
- Part of Startup Bootcamp Berlin.
- Launching a new version and looking for funding.
- www.foodzai.com

Foodzai – Kitchen Superheroes

This week's Kitchen Superhero

See all Kitchen Superheroes

Be Nice, Make a Cake
📍 Coimbra

Gorgeous photos? check. Seriously inspiring recipes? check. Special tips & tricks and culinary curiosity? check, check and check.

Meet Rosa, an interior designer and the super talented food blogger behind Be Nice Make a Cake. Her tiramisu recipe is out of this World awesome...maybe that's why it' called The World's Most Stunning Tiramisu.

12
Dishes

104
Favourites

Follow

Hole 19

- An app to visualize your golf analytics.
- They have mapped thousands of courses.
    - 100 and growing in Portugal
- Book golf times and golf partners.
- Seedcamp 2012 startup company.
- 2012 – 1 of 4 companies who received an investment from Seedcamp.
- 2013 – Received substantial funding for additional sources.
- www.hole19golf.com

Inpakt

- A social responsibility hub that brings together volunteers, donors, nonprofits, socially aware firms and institutions for good causes.
- They help non-profits grow.
- Received funding from a Silicon Valley company.
- In the news ALL the time lately.
- www.inpakt.com

Inpakt in the News

Limetree

- A cool app where you gather moments of your children's lives to be delivered to them one day.
- Large user base and customers around the globe.
- Launched in the US in February 2013.
- Seedcamp 2012 startup company.
- Part of the Propeller Venture Accelerator (Ireland).
- Top 10 Lisbon Challene Startup Company
    - Pitched in NYC and Brazil
- www.limetr.ee/br/home

Popcorn Metric

- Analytics integration with extensive customer insights.
- Easy to use and no coding required.
- Participated in The Lisbon Challenge.
- Pitched at Seedcamp Berlin November 2013.
- Received funding from Seedcamp in November 2013.

Prodsmart

- Cost efficient analytics for production lines.
- Their solution helps factories in the manufacturing industry measure their work, increase productivity and save money.
- Part of Startup Lisboa.
- Seedcamp 2012 startup company.
- Pitched at Lisbon's Demo Day in September 2013.
- Have sales and growing.
- http://prodsmart.com/en

Shipizy

- A trusted community marketplace that connects travelers with people that have shipping needs anywhere in the world.
- Initial team came together at a Startup Pirates event.
- Lisbon '10 Startups to Watch' by Startup Groovy.
- Pitched at Lisbon's Demo Day in September 2013.
- The company has a very disruptive idea.
- www.shipizy.com

How Shipizy Works

Send

1

Need to send or bring something somewhere in the world? Tell us and we'll help.

Carry

2

Earn money while you travel. List your next trip and become available to carry items.

Validate

3

Collect the item and validate it with the item's code.

SimpleTax/Modelo 3

- An online tax solution with nearly 100,000 users in Portugal and the UK.
- Now working out of the UK full-time.
- 2012 – 1 of 4 companies who received an investment from Seedcamp.
- 2013 – Received added funding for additional sources.
- www.gosimpletax.com

TalkDesk

- An all-in-one, browser-based call center software for sales, support and marketing.
- Offices in Lisbon and Silicon Valley.
- Was 1 of 34 companies to be invited to take part in the 500 Startups Accelerator program.
- Raised a substantial amount of money to date.
- They have a growing user base.
- www.talkdesk.com

Vertequip

- Designed and manufactured a complete life of equipment used in vertical works such as painting and maintaining high buildings.
- Has their own manufacturing plant in Portugal.
- Building out an international distribution network.
- Lisbon Challenge 2013 Top 10 company.
    - Pitched in the US, Brazil and London
- www.vertequip.com

Vertequip STEP System
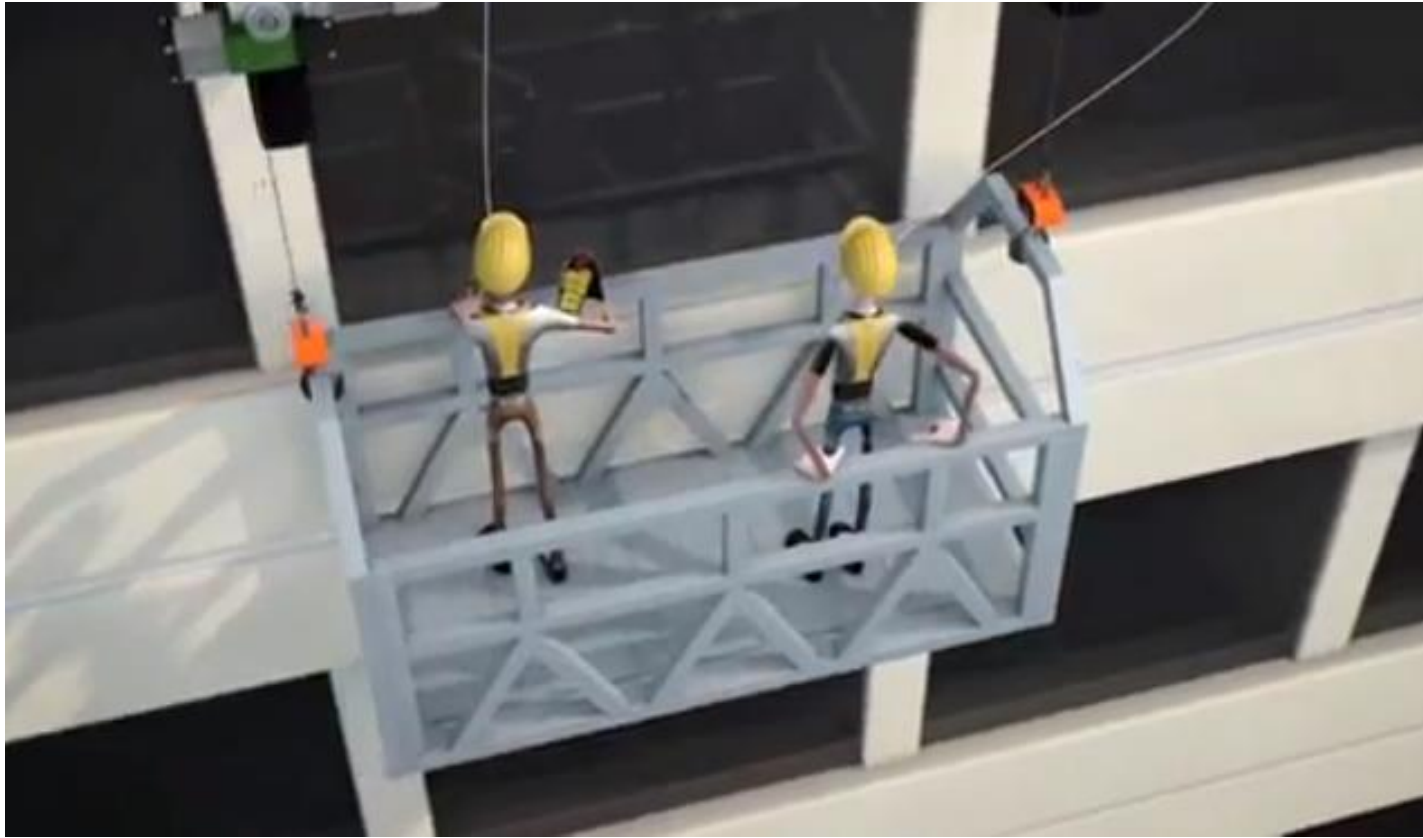
UniPlaces

- They are on a mission to organize the world of student accommodation.
- The safe and easy way to find student housing.
- Winner of numerous pitches and awards.
- Over 6000 listings in London alone and growing!
- November 2013 - raised over £700,000 of seed funding led by Octopus Investments and two influential angel investors.
- www.uniplaces.com

How Does Uniplaces Work?

Whale

- Sonnar, their product, effectively manages the social audience and provides a better level of service and understanding.

- A competitive tool for brands and ad agencies.

- The Lisbon Challenge top 10 winner.

- Keep an eye on this company.

- www.whalelabs.com

Zaask

- Easy to use site to find workers for special home projects or to find work.
- A Startup Lisboa company.
- Seedcamp 2012 startup company.
- Launched an outdoor advertising campaign in 2013.
- 44,000 likes on Facebook and a strong social media presence.
- www.zaask.com

Zercatto

- An online platform that solves the challenge of investors looking for better performances in the financial market, while maintaining the total safety and full privacy of their current bank or broker.
- Part of The Lisbon Challenge.
- November 2013 – Received funding from Seedcamp.
- www.zercatto.com

Zercatto Simplified

FOLLOW the Leader

1 Choose a strategy to Follow

2 Get all the Trades in realtime

3 Learn and copy the best traders

You do not know the investor, just their trades.

9 Portuguese Success Stories

The Financial Story

- Success and failures
- Exits vs IPO
- The current Top 10
- Sources of funding

Not all Innovative Companies Succeed

A recent study by Allmand Law found that more than 90% of all startups fail.

- February 2013

The Holy Grail – The Exit

- A successful exit
  - Going public vs. getting acquired
- The number of startups that have gone public in the US over the past decade is down about 75% from the previous decade, to about 10% of startup exits.
- Today, 8 times as many successful startups are acquired, as compared to the number attempting to go public.
- In China and India the statistics are reversed.

The New Reality

The 25 tech companies with the most funding are in no rush to IPO!

A Look at the Top 10

- **JD.com (formerly 360buy.com), China**: $1.2 billion.
  - Largest online consumer retailer in China. Founded: 1998.
- **SurveyMonkey, Palo Alto:** $965 million**.**
  - World's largest online survey company. Founded: 1999.
- **Living Social, Washington, D.C.** : $924 million.
  - Group buying deals website. Founded: 2007.
- **Sina Weibo, China**: $586 million.
  - Chinese micro-blogging platform. Founded: 2009.
- **Pinterest, San Francisco**: $562 million.
  - Social photo sharing through inboards. Founded: 2009.

A Look at the Top 10 (Pt 2)

- **Flipkart, India**: $540 million.

  - Indian online shopping site. Founded: 2007.

- **Palantir Tech, Palo Alto:** $497 million.

  - Solving hard problems with Big Data. Founded: 2004.

- **SoFi, San Francisco**: $482 million.

  - School specific student loan funds. Founded: 2011.

- **Deem (formerly Rearden Commerce), San Francisco**: $452 million.

  - B2B commerce-as-a-service. Founded: 2000.

- **Jawbone, San Francisco:** $403 million.

  - High technology hardware product maker. Founded: 1999.

Sources of Funding

Biggest source of funding for
most startups is
actually surprising.

Want to guess the #1 source for
startup funding????

Funding

- In the US, 565,000 startups launch each month.
- These startups will then raise around $78,406 each.
- That means there is about $531 billion worth of startup capital flying around each year.
- Only $22 billion of that comes from those rich dudes sitting on Sandhill Road. <.05%>
- Angel investors, those well-off individuals who like to get in early on a company, only make up around $20 billion. <.91%>

So…

- Founders invest $185.5 billion annually from their own pockets to fund these budding companies. <57%>
- But if you're looking for something external, it seems friends and family are the most generous. Their cash makes up about $60 billion worth of yearly startup capital. Way more than VC's and Angel investors. <38%>
- The balance of the funding comes from banks (1.43%) and crowdfunding.
- Crowdfunding is the fasting growing source of raising funds. 1 million campaigns so far!

Startup Sources

- Top Business Magazines (online magazines)
  - Entrepreneur
  - Fast Company
  - Forbes
  - Harvard Business Review
  - Inc

- AngelList
- CNET
- F6s.com
- Huffington Post
- Mashable
- Silicon Alley
- TechCrunch
- Tech.eu (new and long-form with a focus on Europe)
- The Next Web
- Venture Village
- Zite

Startup Pirates Lisboa

- 4th edition Feb 8-15th 2014
- http://lisboa.startuppirates.org

2014 Predictions

- The European press will start to cover Portuguese startups in more detail.
- Seedcamp will return and fund additional companies.
- More local investment money will start moving into this ecosystem.
- The 3rd Startup Lisboa office will fill up fast.

Closing

"Exploration is the engine that drives innovation. Innovation drives economic growth. So let's all go exploring." -- Edith Widder*

American oceanographer, marine biologist and CEO

Question and Answer Session.

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