

# Why, When and How to access VC Money ?

ATTRACT – XFEL – Hamburg - April –2023

Leopold Demiddeleer

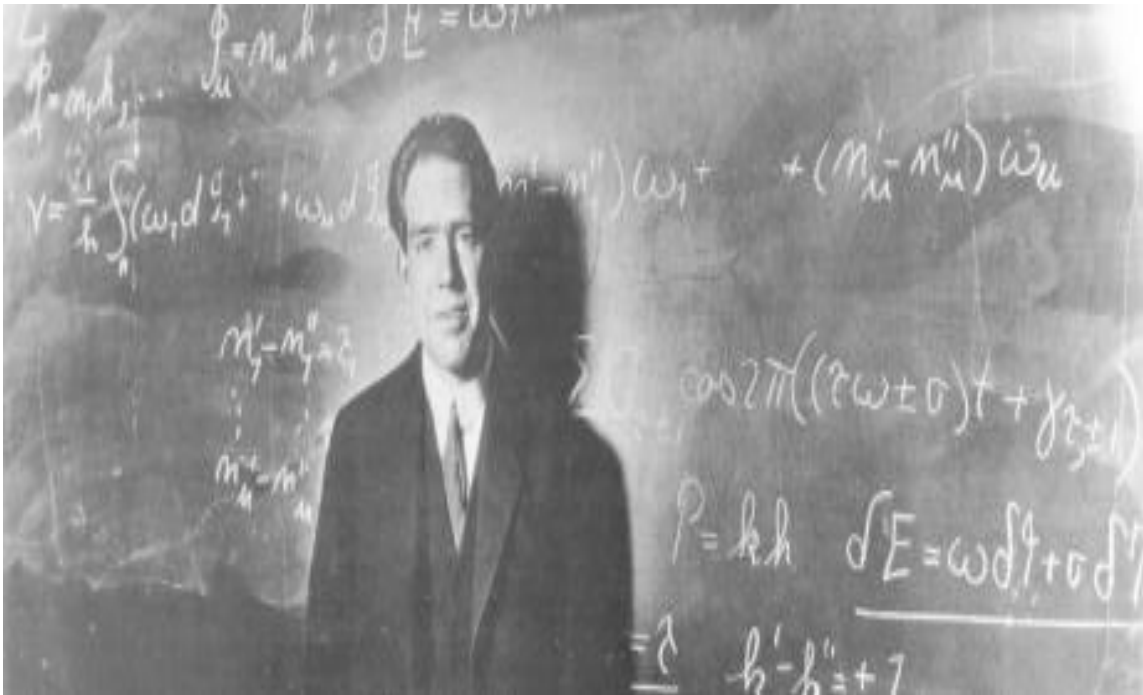
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# Menu ...

- **The fragile innovation bridge from knowledge to value & money**
- **Why VC funding ?**
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- **A VC network I know that could help you ?**
- **Some take aways from experience ...**

# Journey from “Knowledge” to “Value” is a tricky one.

- Where different communities travel on their own roadmap





# Innovation is the fuel of the current economy

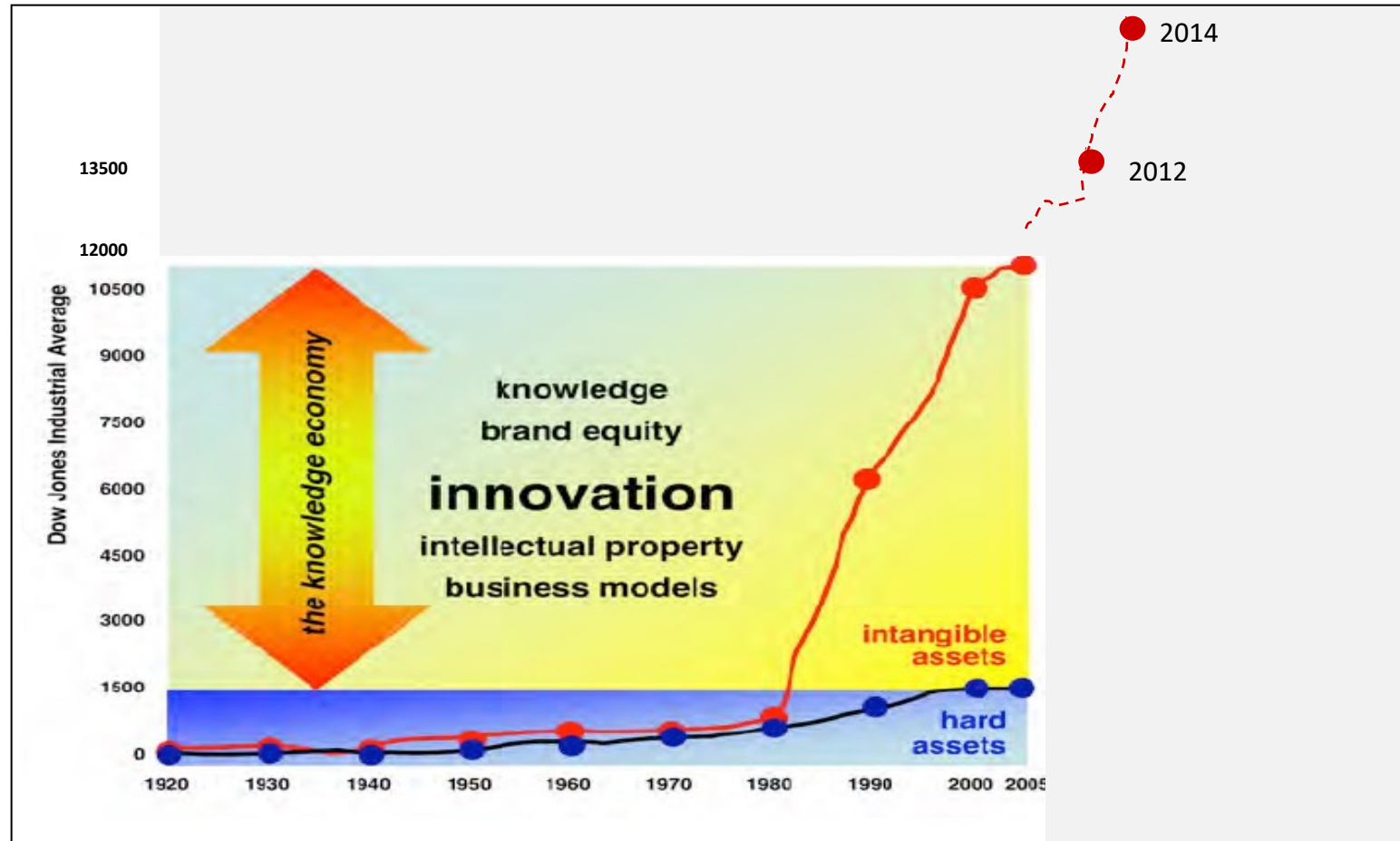
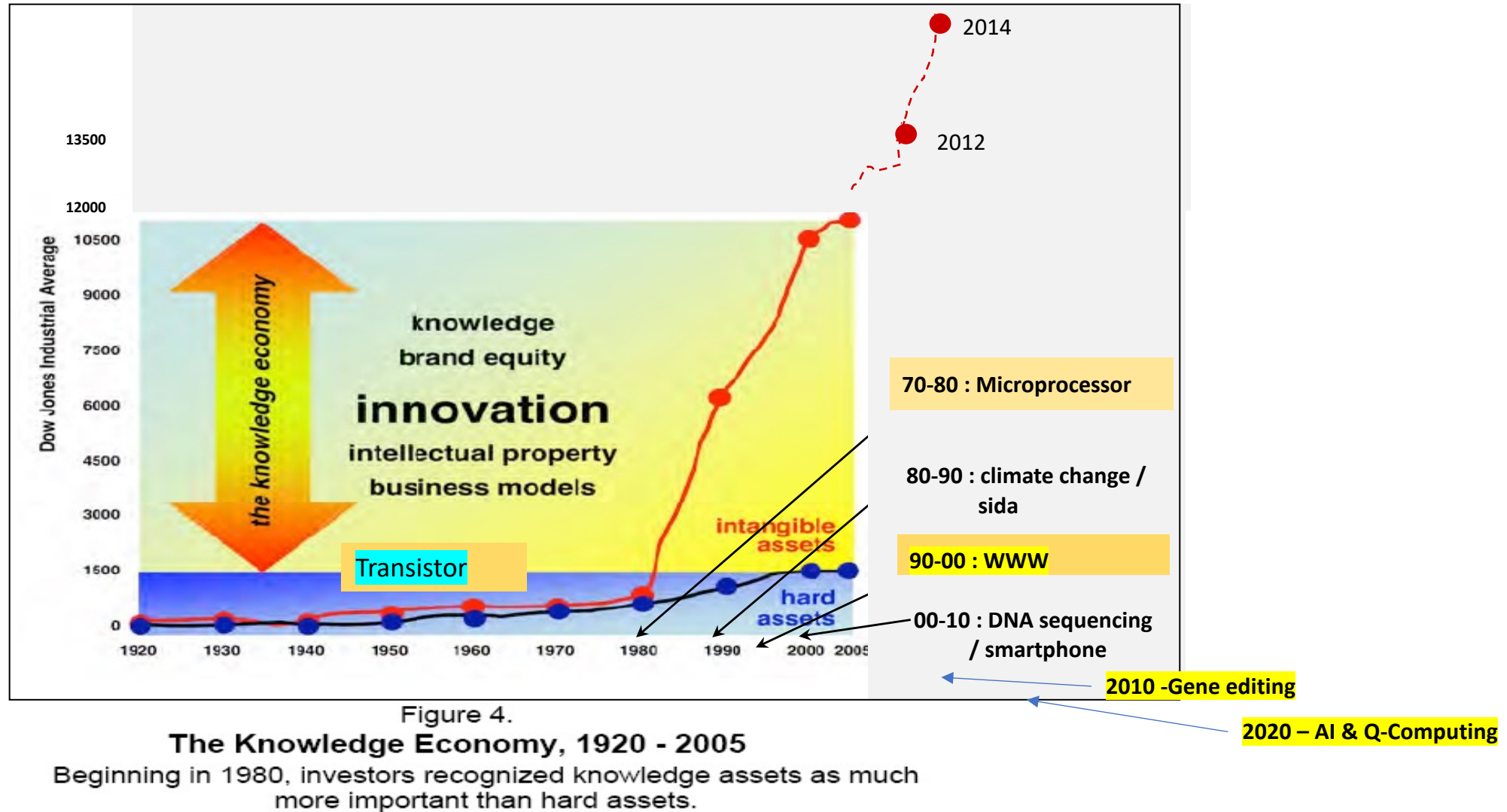


Figure 4.  
**The Knowledge Economy, 1920 - 2005**  
Beginning in 1980, investors recognized knowledge assets as much more important than hard assets.

# Innovation is the fuel of the current economy

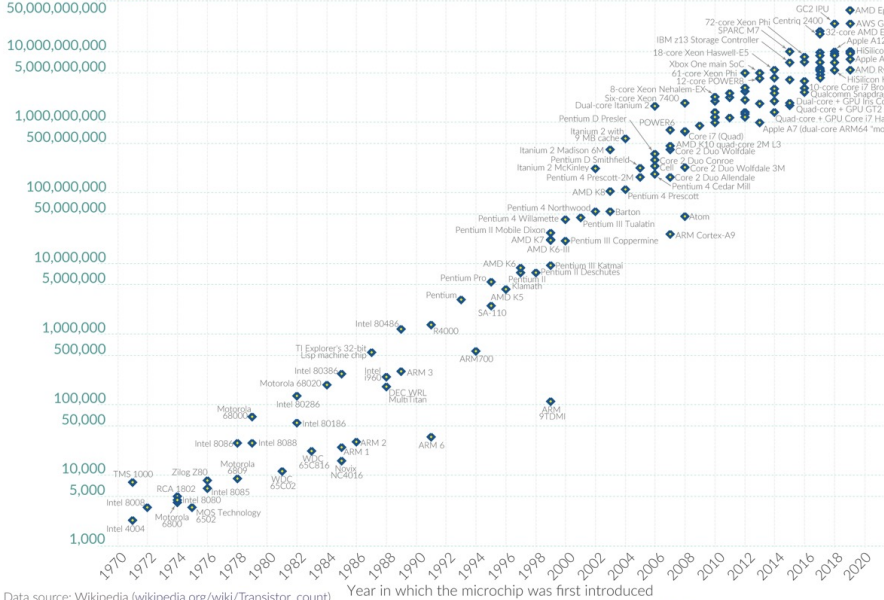


Moore's Law: The number of transistors on microchips doubles every two years

Our World  
in Data

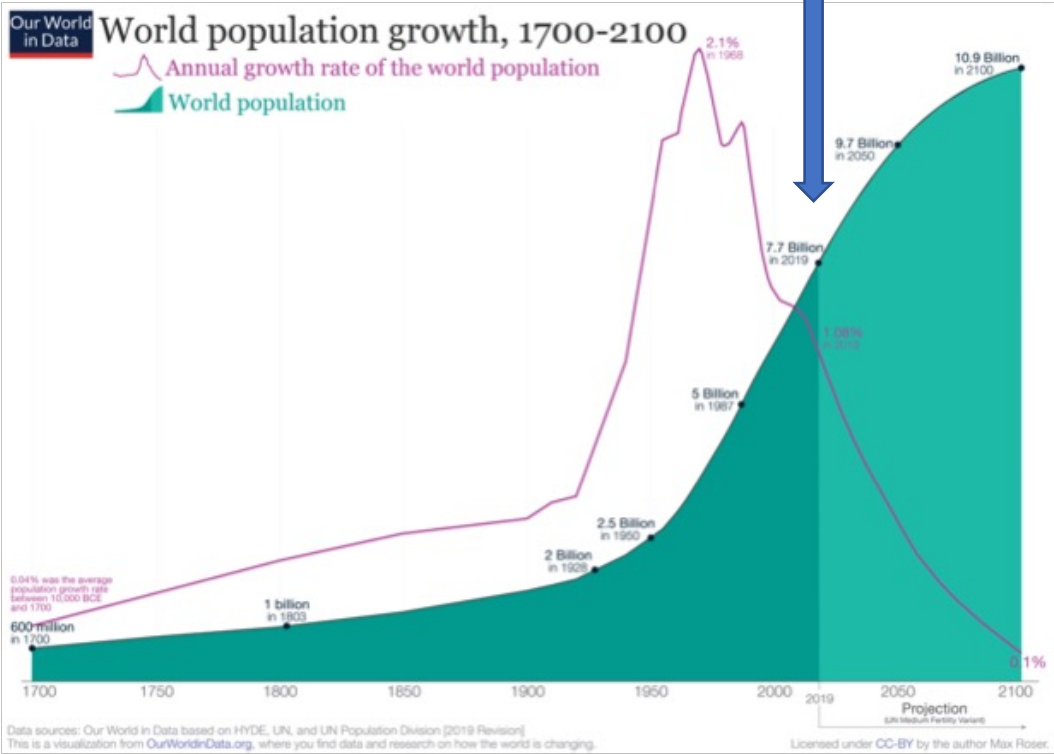
Moore's law describes the empirical regularity that the number of transistors on integrated circuits doubles approximately every two years. This advancement is important for other aspects of technological progress in computing – such as processing speed or the price of computers.

Transistor count



Data source: Wikipedia (wikipedia.org/wiki/Transistor\_count)  
OurWorldinData.org – Research and data to make progress against the world's largest problems. Licensed under CC-BY by the authors Hannah Ritchie and Max Roser.

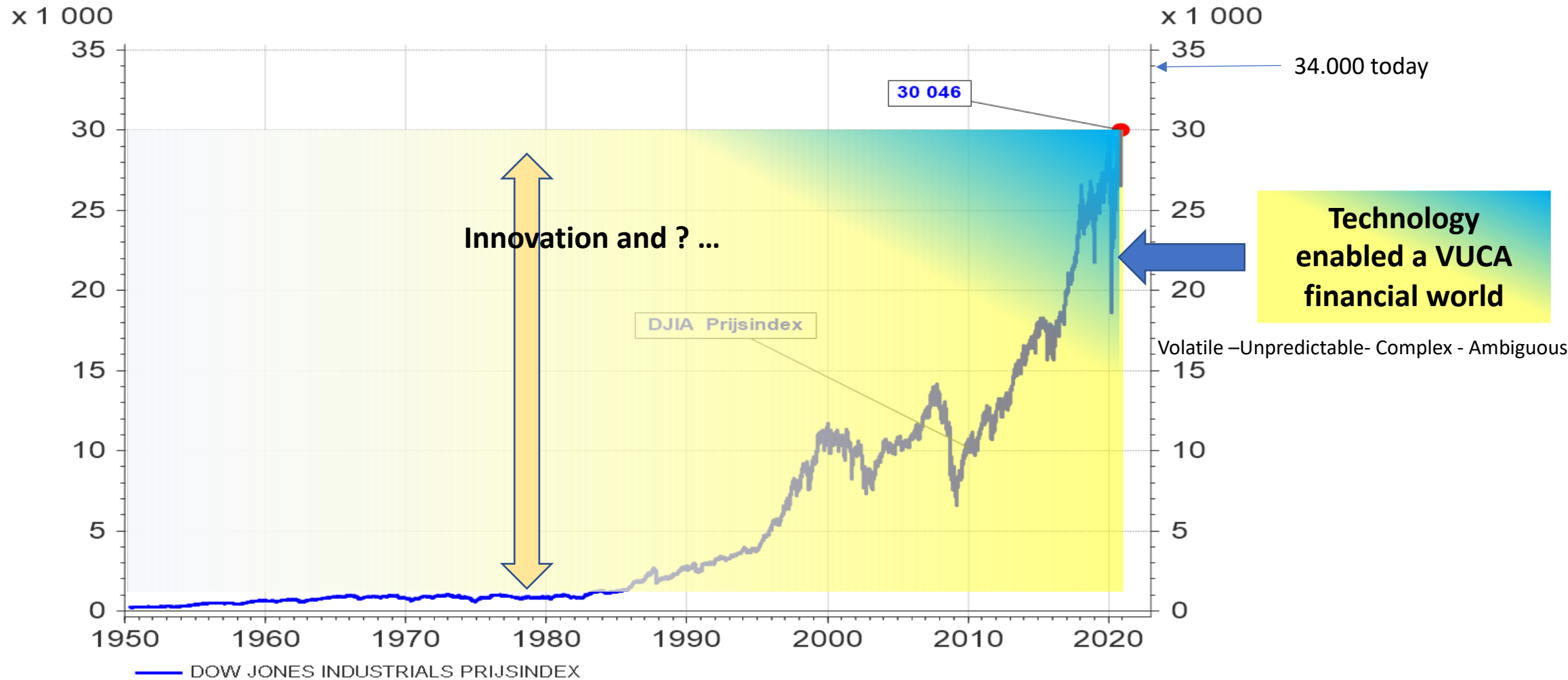
Tools & Players ...



Data sources: Our World in Data based on HYDE, UN, and UN Population Division [2019 Revision]  
This is a visualization from OurWorldinData.org, where you find data and research on how the world is changing. Licensed under CC-BY by the author Max Roser.



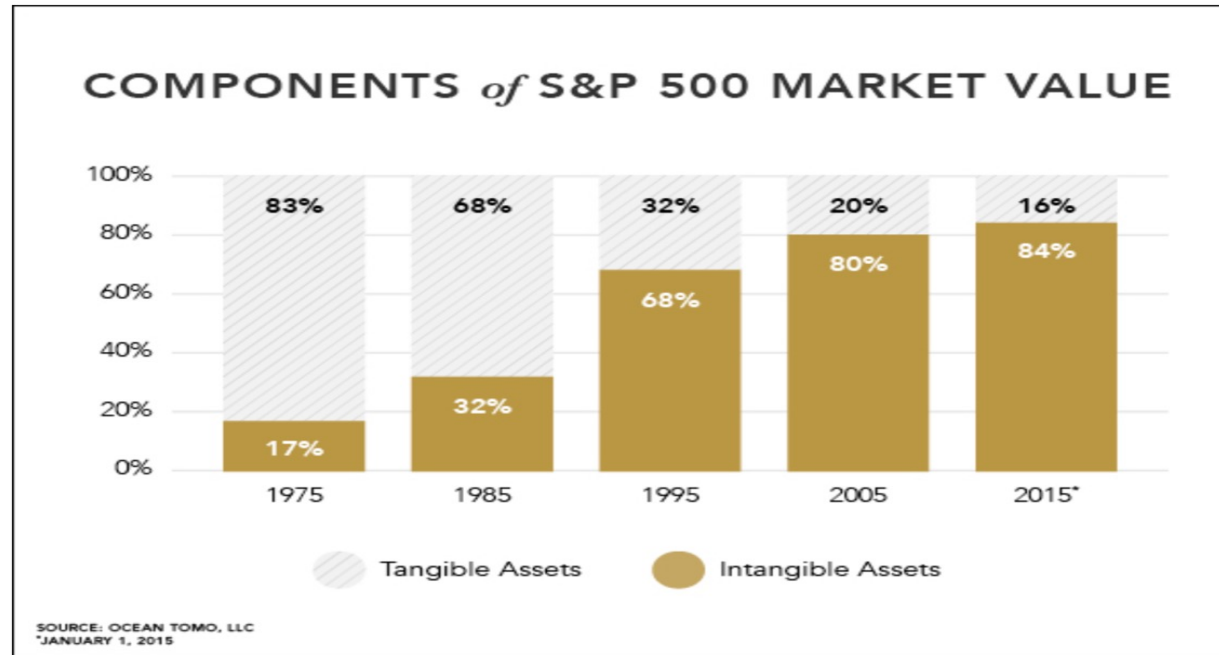
# Innovation and finance are the fuels of the current economy



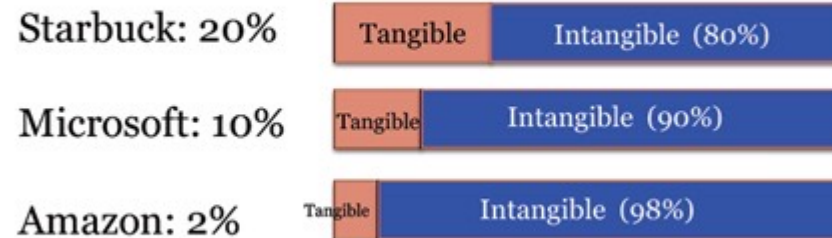
Bron: Refinitiv Datastream



# Intangible value takes the lead ...



## Book Value vs Market Value



*Coffee / Brand*

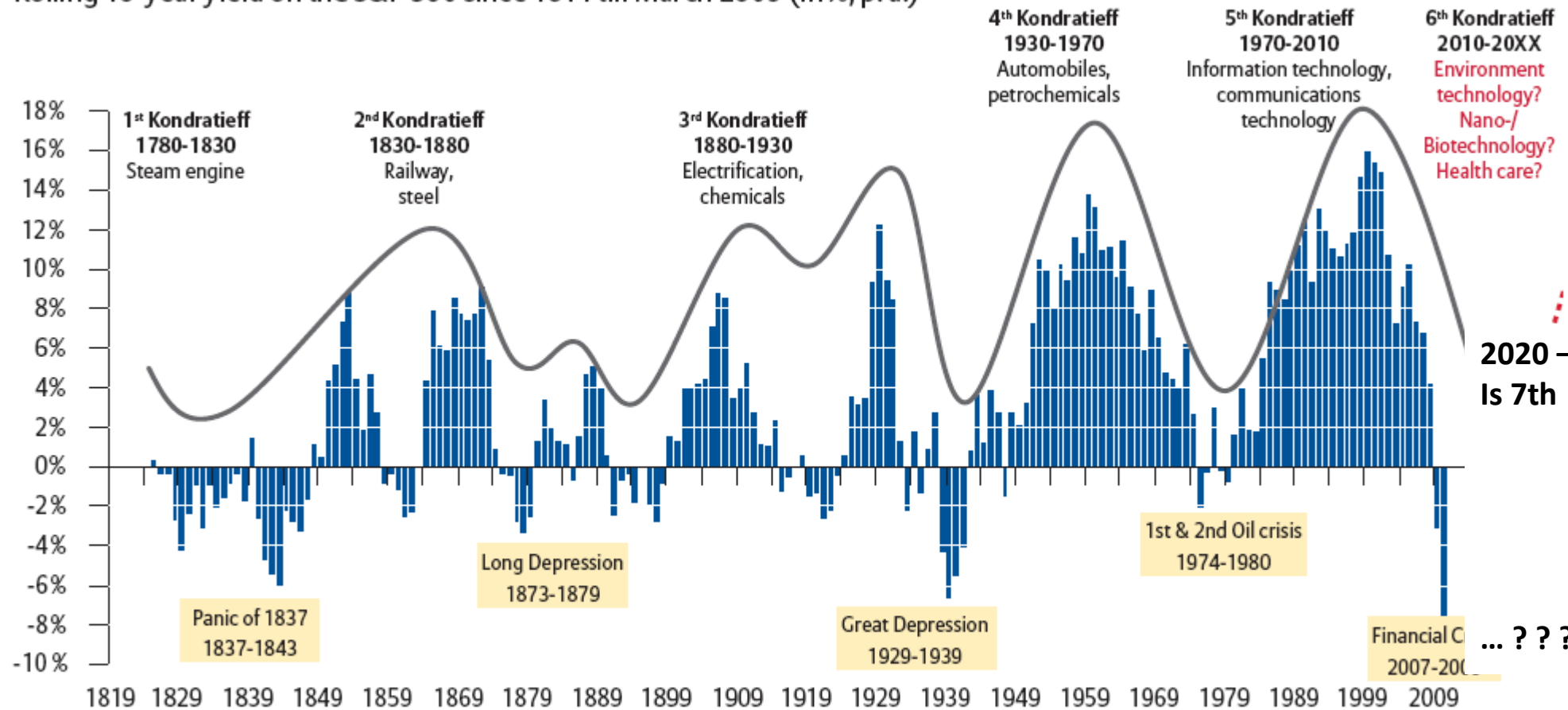
*IT Tools / Reference*

*Items / Customer Services*

# 10 Year Yield of S&P 500 from 1814 till 2009

Kondratieff cycles – long waves of prosperity.

Rolling 10-year yield on the S&P 500 since 1814 till March 2009 (in %, p. a.)



2020 – 30

Is 7th Wave already there ?

IA,  
Q-Computing,  
Robots / IoT,  
Gene therapy,  
Circular ,

... ? ? ?































■ Rolling 10-year yield on the S&P 500

Source: Datastream; Illustration: Allianz Global Investors Capital Market Analysis

Attract 2023 VC – Léopold Demiddeleer

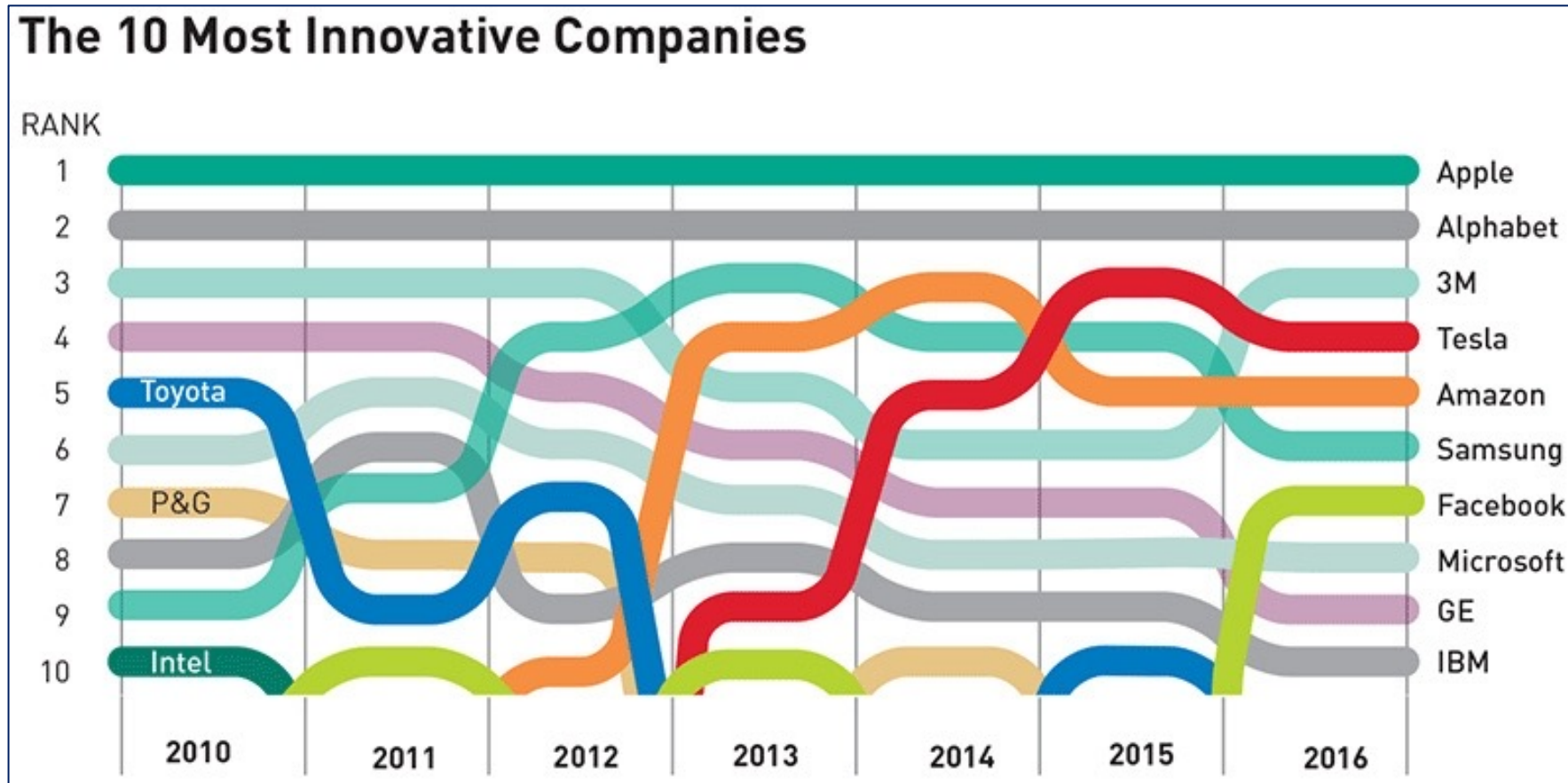
# The Best in Class ... so Far ...

## Meet the 50 Most Innovative Companies of 2020

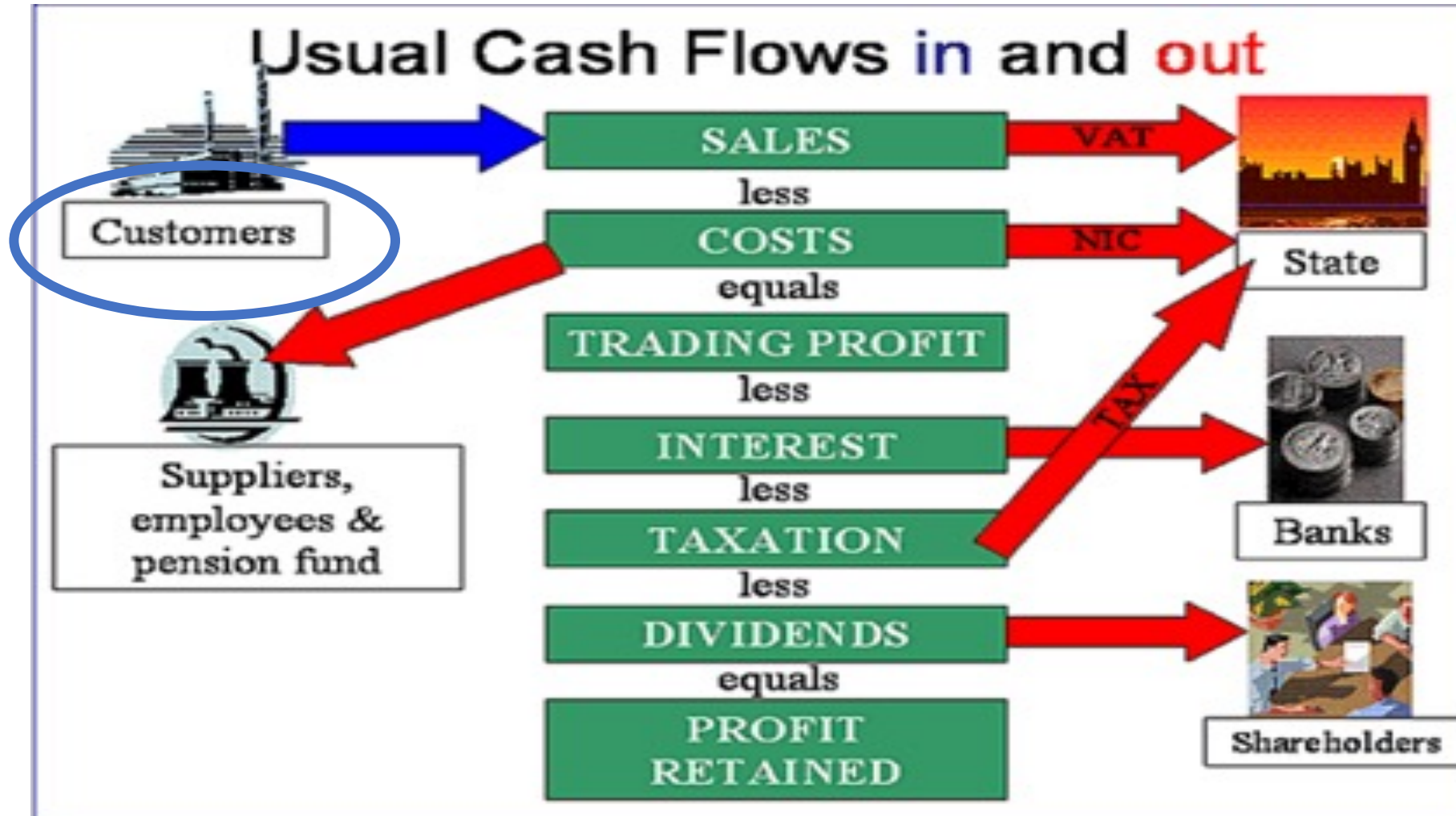
Rank 1-10	 (+2)	 (-1)	 (-1)	 (+0)	 (+0)	 (+42)	 (+16)	 (-1)	 -	 (-2)
Rank 11-20	 (-2)	 (+5)	 (+29)	 -	 (+29)	 -	 (-11)	 (+0)	 -	 (+21)
Rank 21-30	 (-5)	 -	 (+6)	 -	 -	 (-12)	 (+1)	 (-18)	 -	 -
Rank 31-40	 -	 (+6)	 -	 -	 (-2)	 (-16)	 -	 (-14)	 -	 (-10)
Rank 41-50	 (-4)	 -	 -	 (-5)	 (-13)	 -	 -	 -	 -	 (-29)

(+/- n) indicates change in position from MIC 50 in previous year; no changes noted for new entrants. Source: BCG Global Innovation Survey

# The Best in Class ... 2010 2016



# Where is the Money Coming From ?





# Value is far more than money ...!

- Value addresses fundamental Human needs ...



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# Pro's of Venture Capital

- **Large Amounts of Capital Can Be Raised upfront and later if suitable**

*Tendency for startups is to **raise venture capital several times**, allowing companies to access a large amount of capital that would otherwise be impossible.*

*Venture capital firms are interested in seeing start ups raise additional funding at a higher valuation and introduce to additional venture capital firms that can better assist at later stages **and provide additional funding**.*

- **Experienced Leadership & Advice Is Available ,  
Help for Managing Financial Risk Is Provided**

*By having an **experienced team oversee growth and operations**, startups are more likely to avoid major financial and legal issues.*

*Even if they don't have a startup background, VC's are often experienced at assisting startups and sit on the boards of as many as ten at a time.*

# Pro's of Venture Capital

- **Networking Opportunities Are Provided**

*Partners at a venture capital firm spend as much time building their network to assist the companies they invest in. Having access to this network can help to forge new partnerships, build out clients, and raise future rounds of funding.*

*Collaboration opportunities with Industry experts & other startups are available*

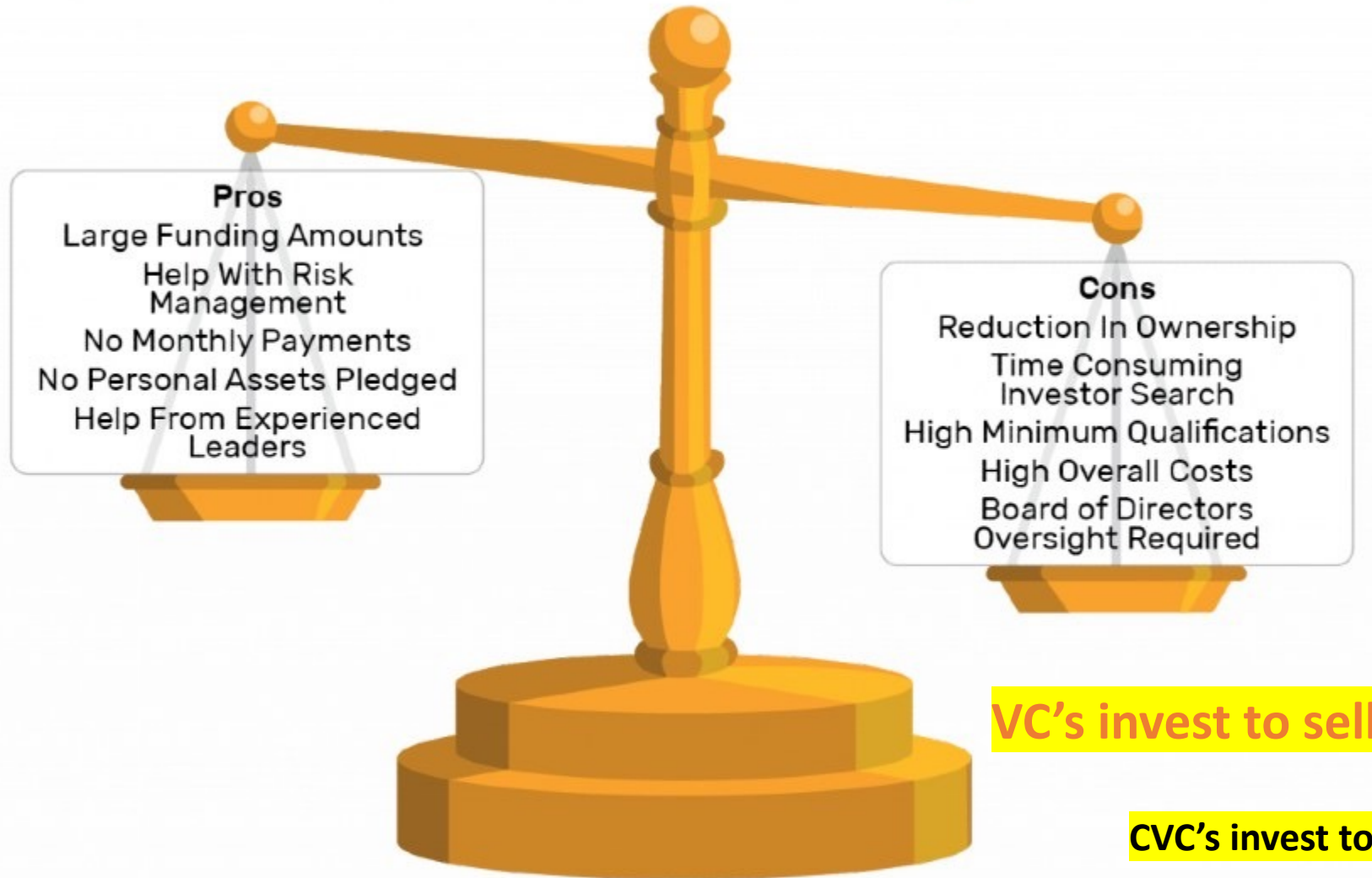
- **Assistance With Hiring & Building a Team Is Available**

*Many potential employees may consider a venture-backed startup less risky than a traditional startup with no funding, making it easier to recruit a talented team.*

- **Increased Publicity & Exposure Are Likely**

*Often being associated can add a great deal of credibility to a startup, especially for founders who haven't built other successful companies. The increased publicity can lead to getting noticed by potential employees, customers, partners, and other venture capital firms interested in raising funding.*

# Pros & Cons of Venture Capital



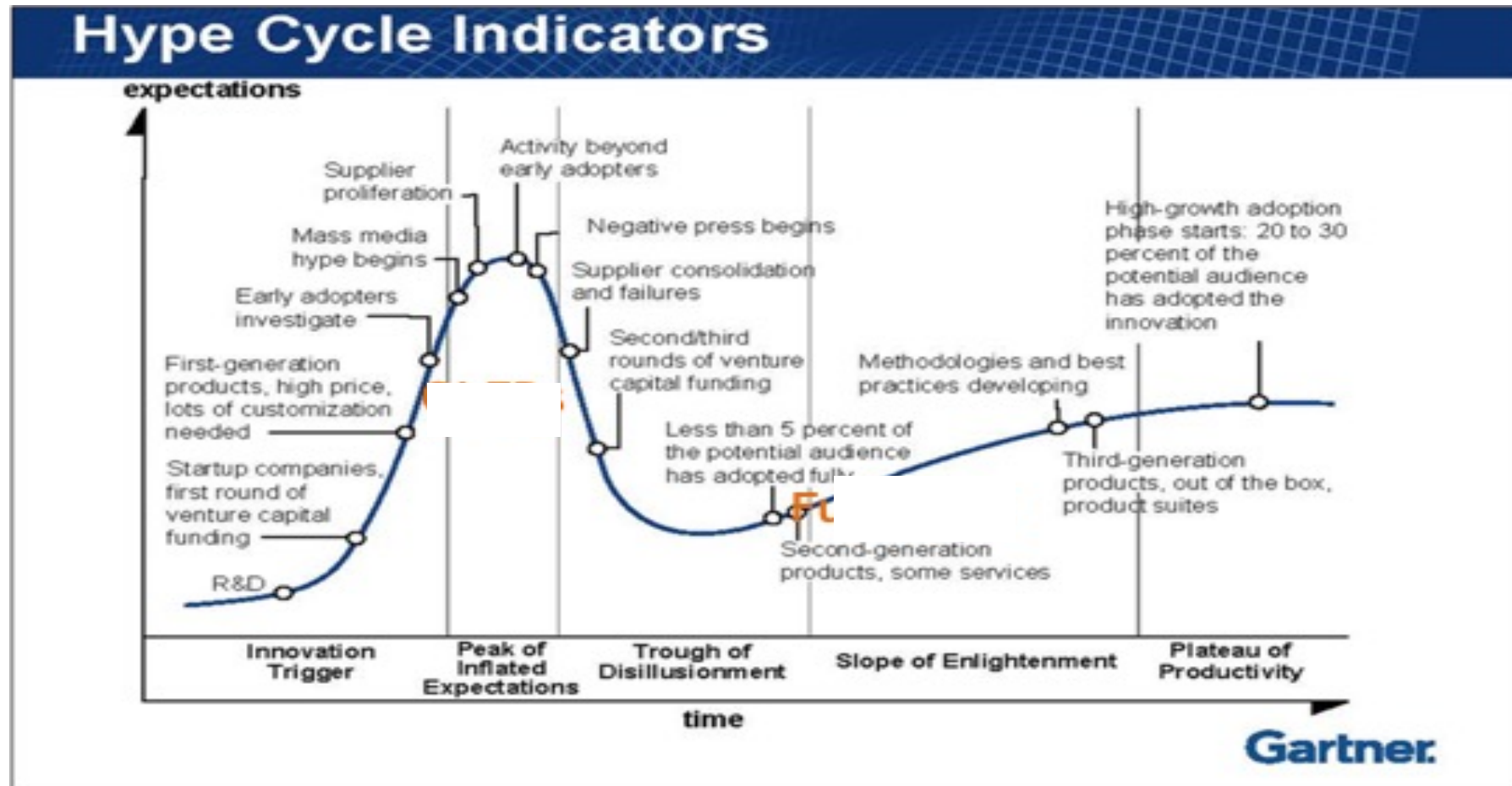
## VC vs CVC ... bluntly stated ...

What are they good at ?	VC	CVC
Bring fast money	Y	N
IP Management	N	Y
Fi Mgt	Y	N
Sell the Cy (< 10Y)	Y	N
Stay with the Cy > 10Y	N	Y
Market entry	N	Y
Tech scale-up	N	Y
Supply-Chain and operations	N	Y
Bring tech expertise	N	Y

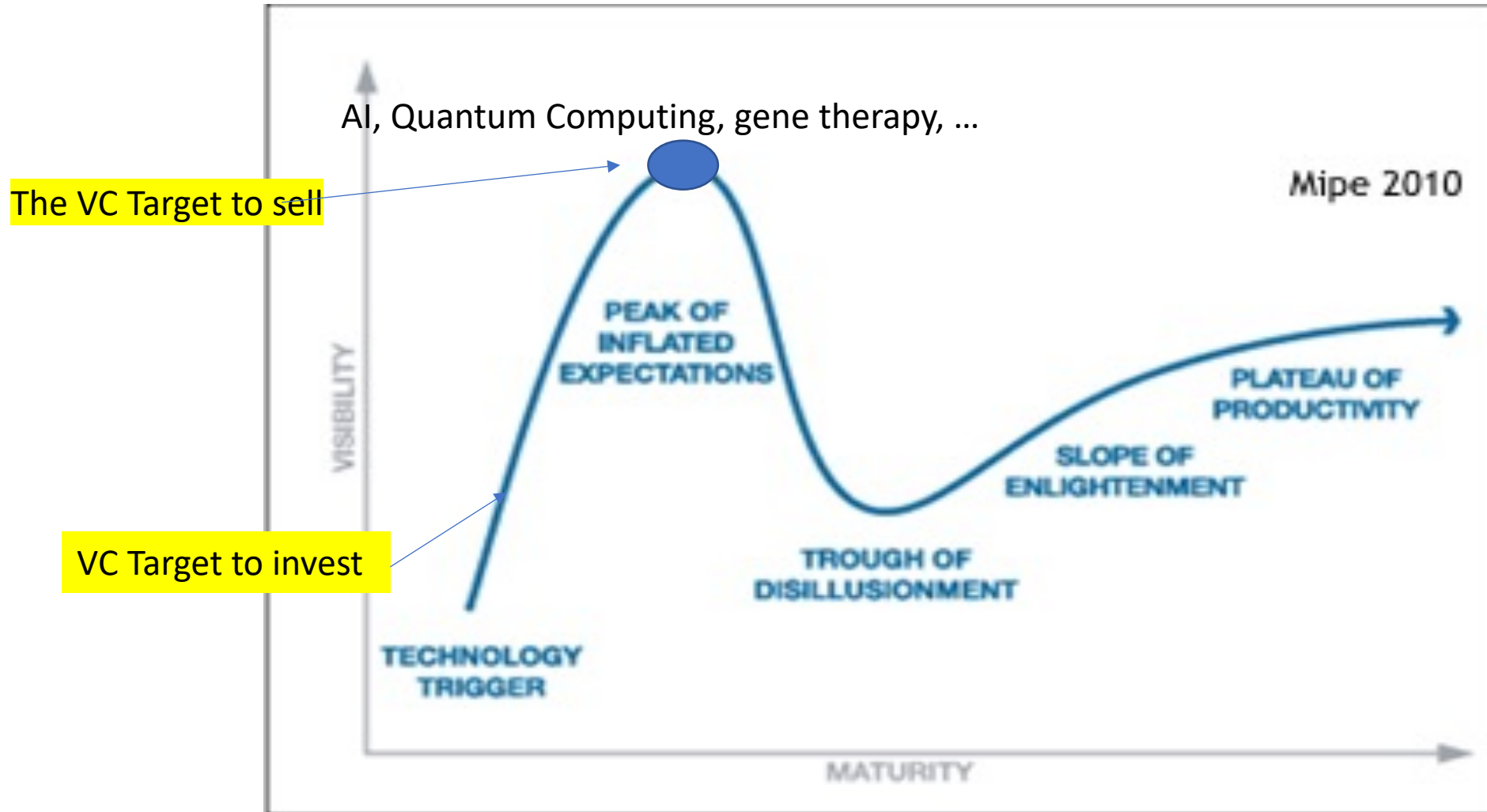
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# VC's take advantage of hypes, immediate needs, hopes and fears



# VC's take advantage of hypes ... it's a dangerous game ...





..Knowing the time needed to develop a business from a breakthrough idea...

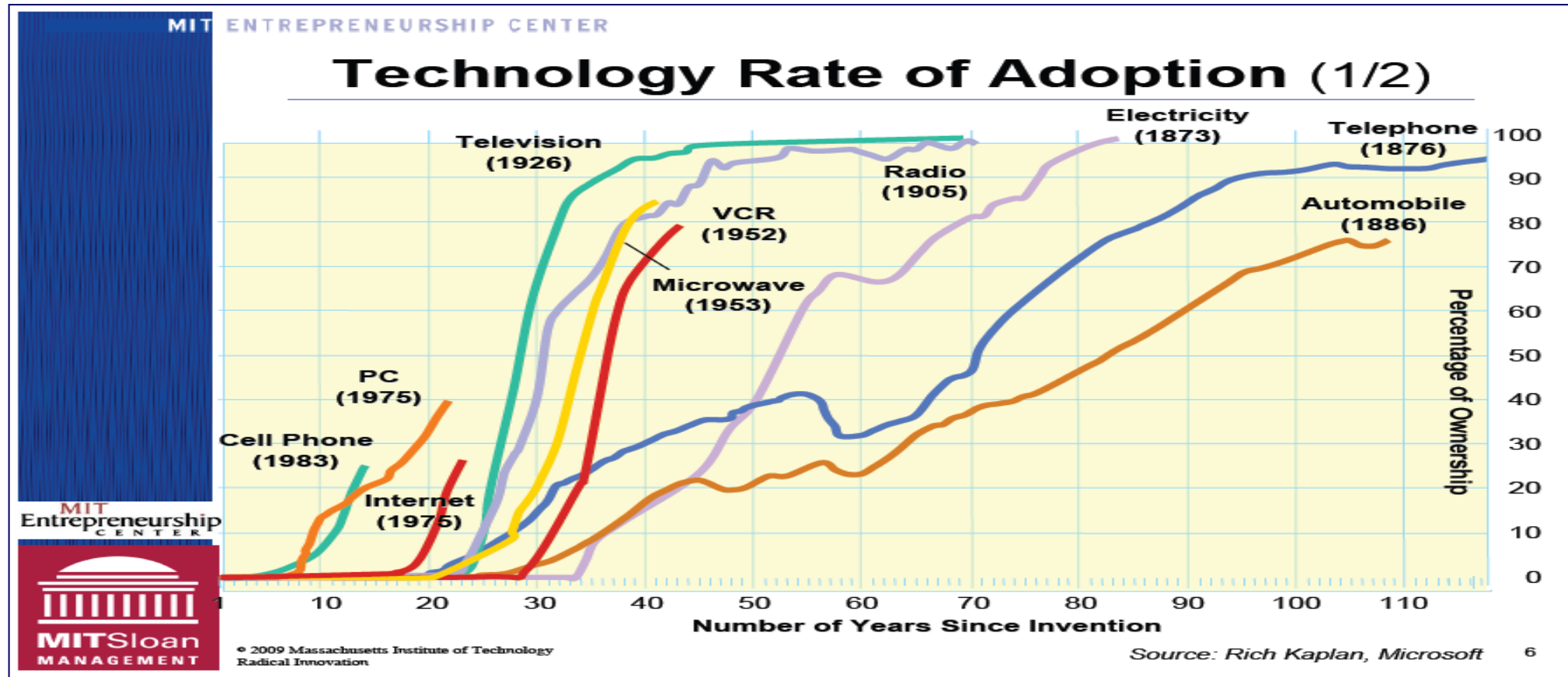


The Solvay conference in 1911 : A century to go from controversial theories ... to transistor, fission/fusion?, MRI, space exploration , quantum computing ...

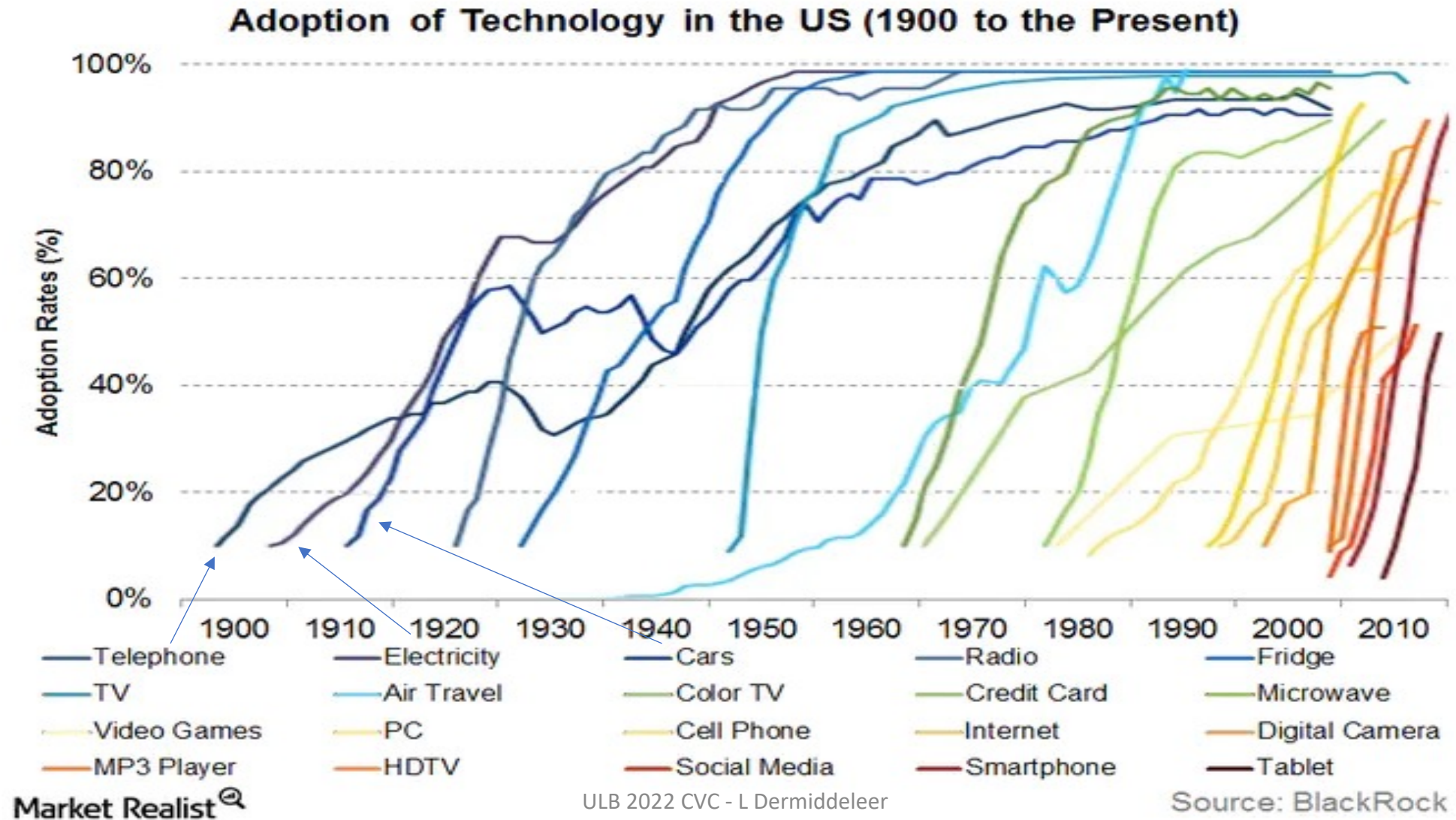
A more local story : X-Rays breakthrough took a while to be commercial  
... no VC would have invested in 1895 ... assuming there was some ...

- 1895 : Roentgen discovers X-Rays
- 1896 : EDISON develops and patents the VITASCOPE
- 1897 : Already used in military surgery
- 1901 : Nobel prize
- 1914 : Curie's radiology trucks
- 1920 : Tongue movements in UK :0)..
- 1950: X-Ray microscope and shoe store application ...
- 2007 : XFEL green on for 850 MEUR
- 2009 – 2012 : XFEL Construction/ Commissioning
- 2017 : XFEL first beam ...

Innovative ideas always took a long time to reach a significant market ... but it's speeding up... good news for VC's !



Innovative ideas always took a long time to reach a significant market ... but it's speeding up...

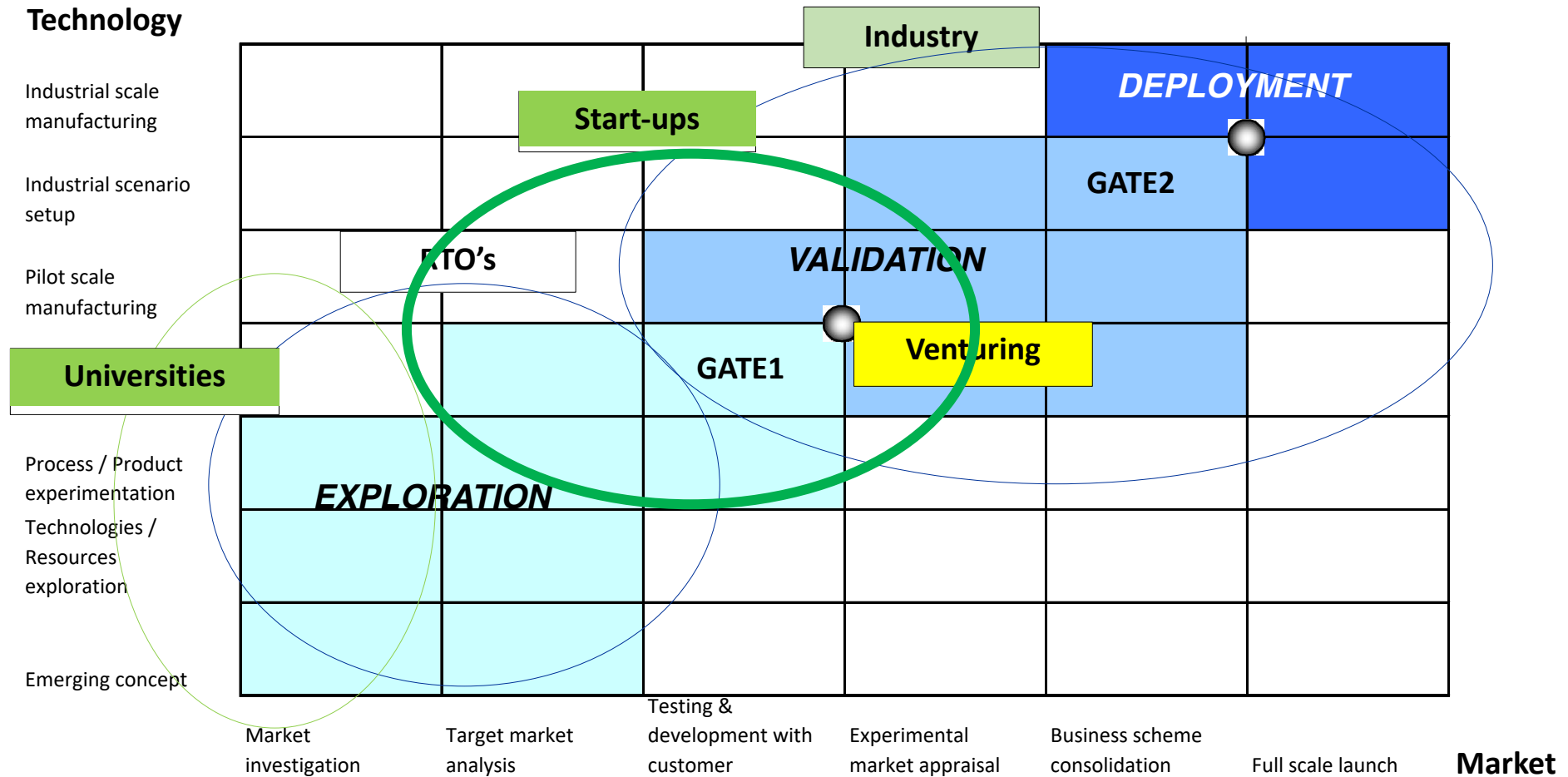


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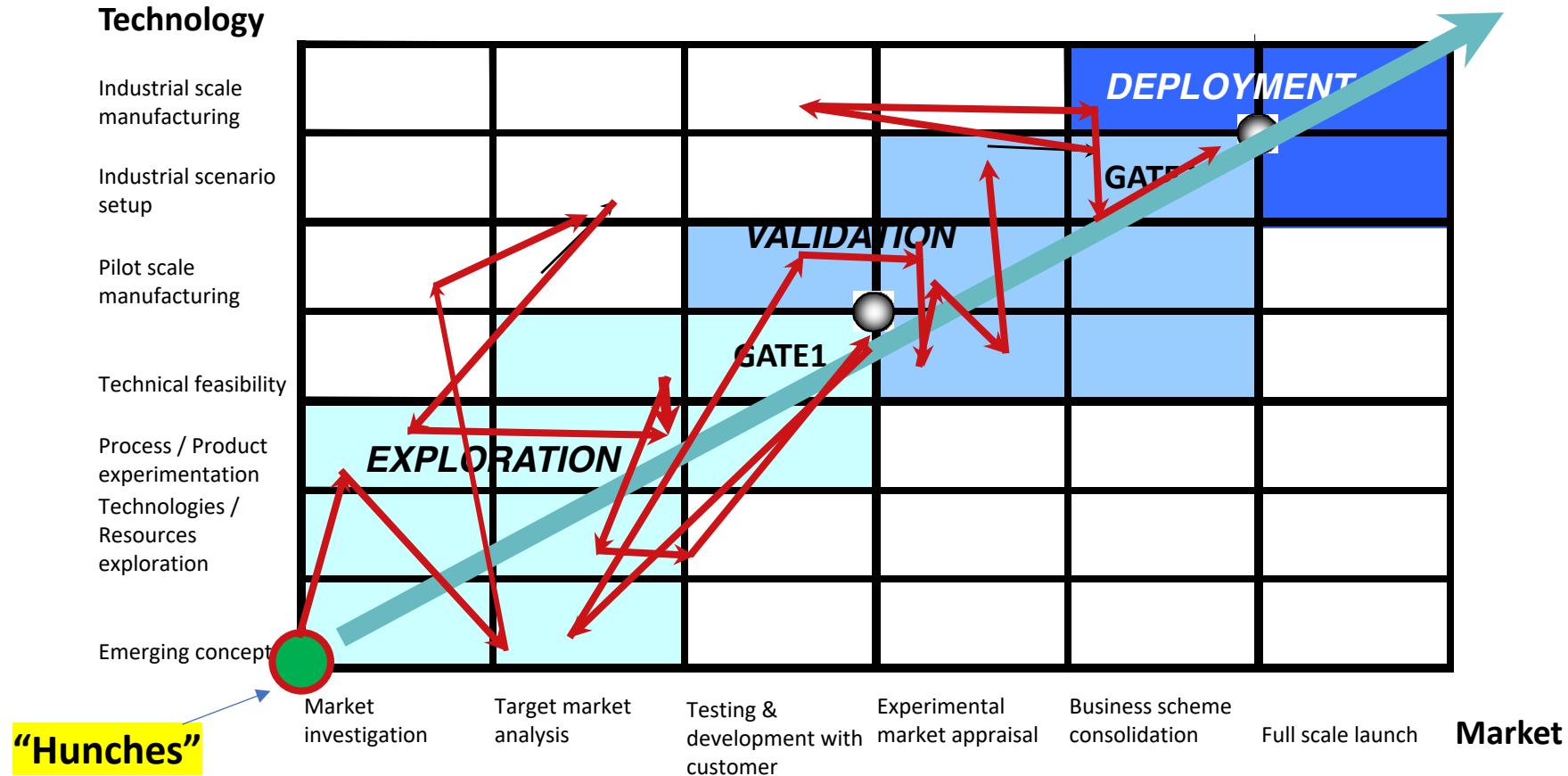
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# VC's act in a very small innovation slot ... !



# They know that markets are fast and hectic ... technologies slow to pay off ...reality is ...





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# Helpful networks ?

- VC

- CAPRICORN Digital Growth Fund (B) : <https://capricorn.be/en>
- ELAIA (F) : <https://www.elaia.com>
- Nano-Dimension (CH, USA) : <https://nd.capital>
- Matterwave Ventures (D) : <https://matterwave.vc>
- Sofinnova (F) : <https://sofinnovapartners.com>

- Tools :

- SEEDSPRINT (F, USA) : <https://www.seedsprint.com>
- FLOWW (UK) : <https://www.floww.io>

- *Léopold Demiddeleer : [techbridgeone@gmail.com](mailto:techbridgeone@gmail.com)*

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# Some Take Away's :

- **VC's** are part of the financing chain that leads from idea to market
- None will invest without a plan to leave with an added value within 10 year. **They all buy stake to sell.**
- **CVC's buy to own and/or stay** but are shy and usually slow to invest too much in long term ventures.
- You have to tell and **sell every day a credible story** on the long run, you can change the story but you can't lose your credibility. **Relevant IP is mandatory** to secure your story, very few exceptions.
- **VC's are good at checking the financial risk** and bad at understanding the value of a technology. They take care of the money but can destroy long term value. They nevertheless can learn you to walk your first steps in the Business World, mainly financial and legal.

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- **Take great care of personal relations at the Board level** as soon you have one.
- **Build personal networks** all around ... trust is built by people, not AI ...



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Hope this helped ... Enjoy your venture ..!  
**Bon Vent !**