

# Start-Up

What we may still learn  
from Silicon Valley

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mentor**4**research  
KATALYSATOR FÖR KOMMERSIALISERING

# Agenda

- Some EPFL success stories
- Some lessons from Silicon Valley

# EPFL VC-backed spin-offs

About 150 spin-offs since 1990, 14 received venture capital

Company	Founded	VCs	Amount raised
Snaketech	1997	Auriga, Innovacom, Sudinnova	€1-2M
Cytion	1997	Banexi	€3M
Endoart	1998	Sofinnova, VI, Vinci	€20M
Dartfish	1998	Vinci, Intel	€8M+
IR Micro	1999	VI	€2.5M
Xitact	2000	Nextech	€6M
Omnisens	2000	Vinci	€4M
BeamExpress	2001	Index, Oak	€20M+
Covalys	2002	BVGroup, VI, Novartis	€3M
Innovative Silicon	2002	Index, Austin, Highland, Auriga, Wellington	€40M+
Sensimed	2003	Wellington, Vinci	€5M
HPL	2004	VI, DFJ ePlanet, BankInvest	€5M
NEXThink	2004	VI, Auriga	€5M
G24 (UK)	2006	Morgan Stanley	€15M+

# Innovative Silicon



## Two founders



- **Pierre Fazan, Founder and CTO**



PhD Physics, 20+ years process integration, 8 years Micron Technology  
> 150 patents

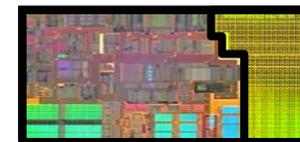
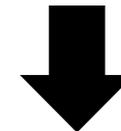
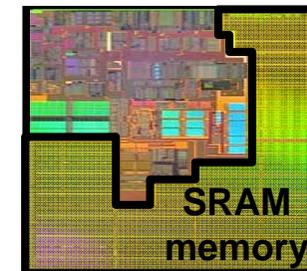


- **Serguei Okhonin, Chief Scientist**



PhD EE, 22+ years device physics, test & reliability  
> 20 patents

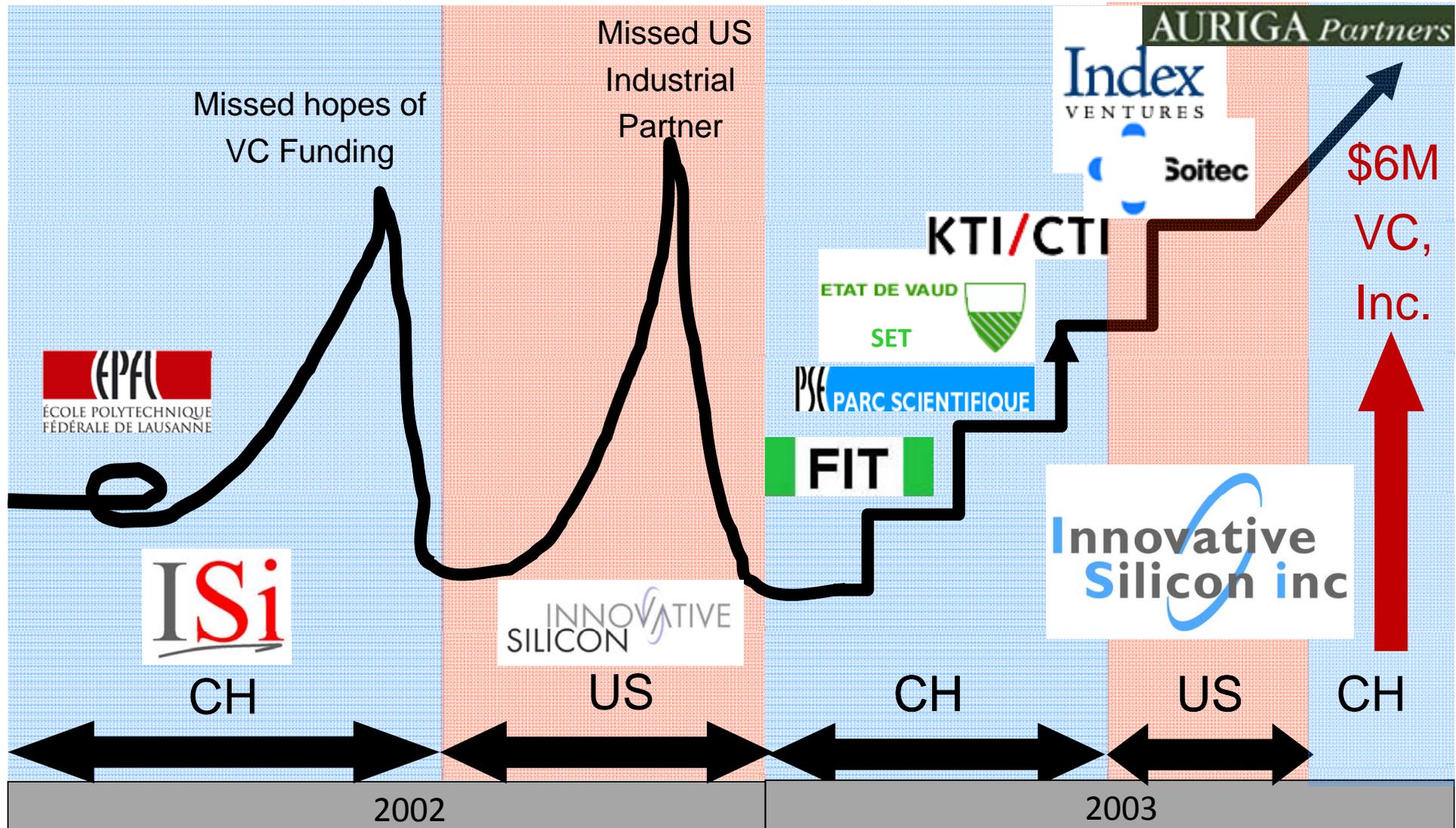
- I met them for coffee in December 2001
- They had a disruptive technology...
- But were not sure about what to do with it



# Innovative Silicon



Many ups & downs



# Innovative Silicon

An international, first-class management team



- **Mark-Eric Jones, CEO**



EE, 20+ years general management, 16 years IP licensing, CEO at 3Soft, VP & GM at MoSys



- **Jeff Lewis, VP of Sales & Marketing**



22 years in marketing, engineering, management  
CEO CiraNova; VP Marketing at Form Factor and Artisan



- **Michael Van Buskirk, VP of Engineering**



30 years industry experience with AMD, PMC Sierra  
CTO, Spansion (AMD and Fujitsu memory operations)



- **Virginia Picci, Director Finance and Administration**

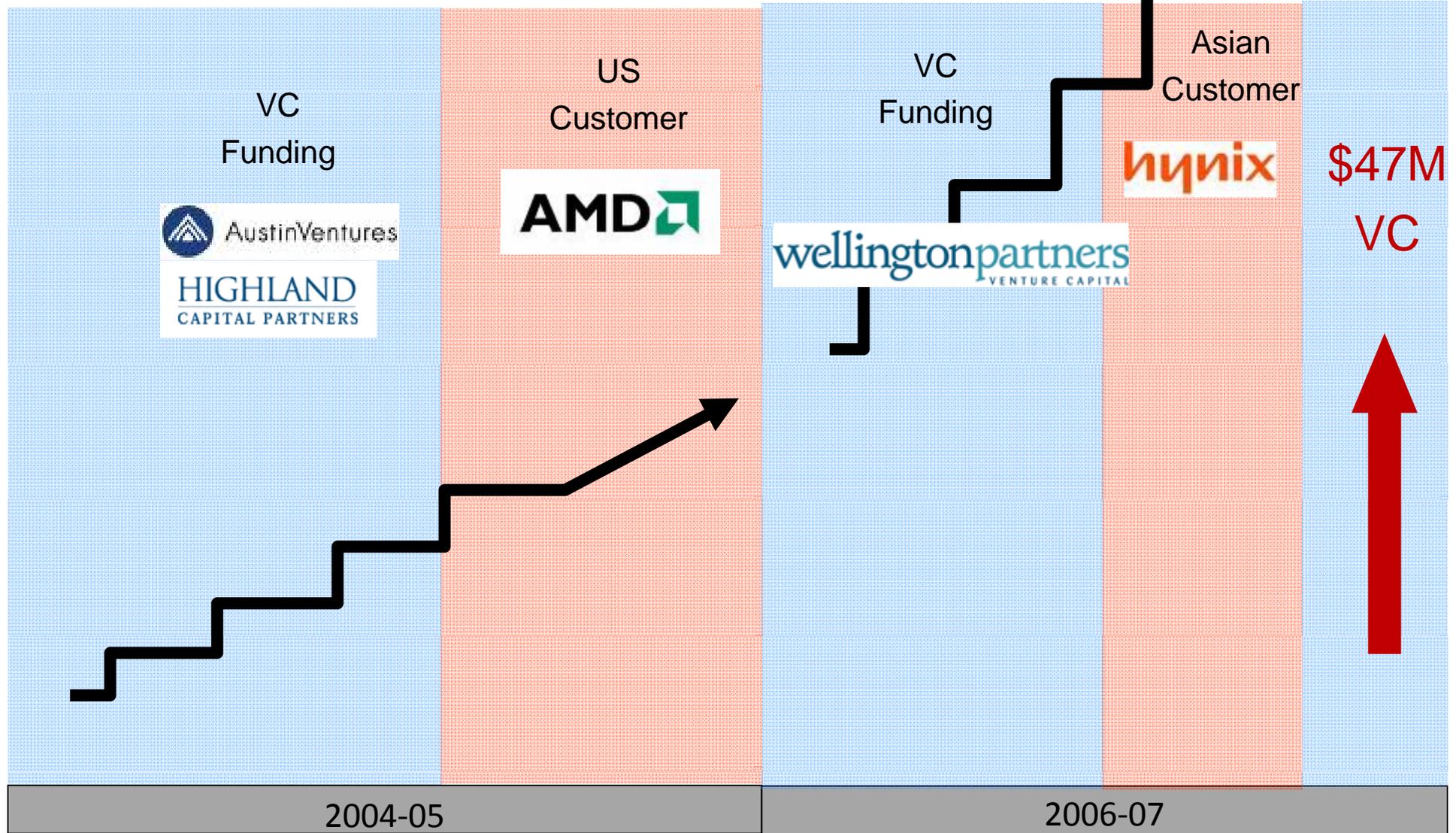


20+ years financial, 10 years at PricewaterhouseCoopers Boston & Geneva

# Innovative Silicon

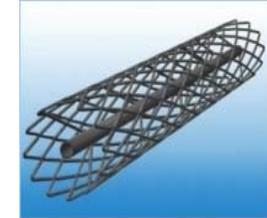


A focus on growth: 60 people in the USA and CH



## Ups and downs **that finish well**

**1998** Founded in Lausanne as spin-off from EPFL by 2 founders, originally based on a STENT



**1999** First significant round of €8M

**2004** Cash out, lawsuit lost: €6M to be paid

**2005** New round €3M, CE mark on OBESITY ring, first clinical results followed by €9M round in 2006



**2007** **Acquisition of ENDOART by ALLERGAN for \$97M**



### Food for thought:

- Technology: **start with one and finish with another**
- Money: **€30M**
- Management: **2 CEOs**
- Time: **9 years**

# As a conclusion on success

(quoting Endoart's CEO)



Go for this...

Plan for this...



Be ready for that...

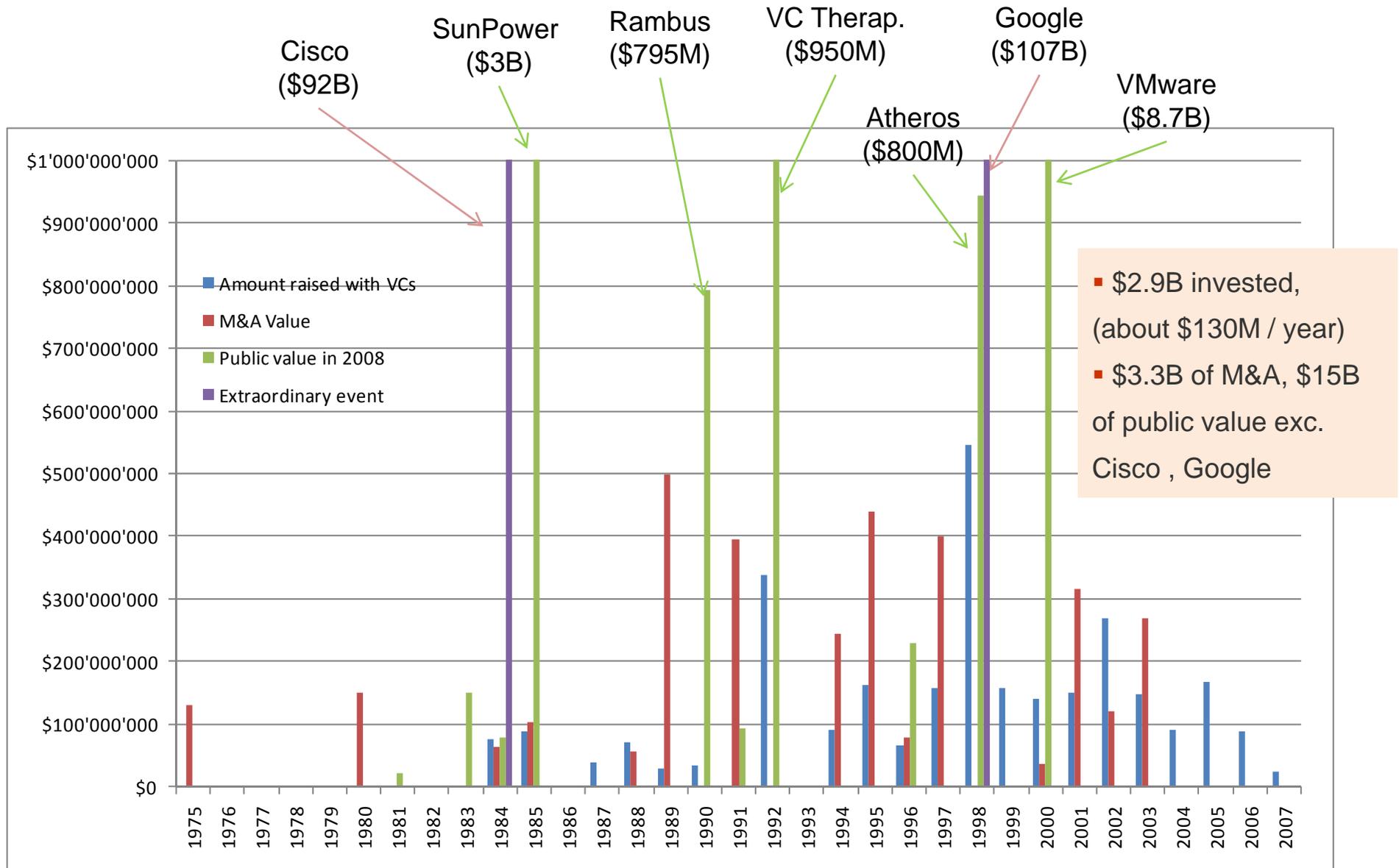


# European Start-Up models

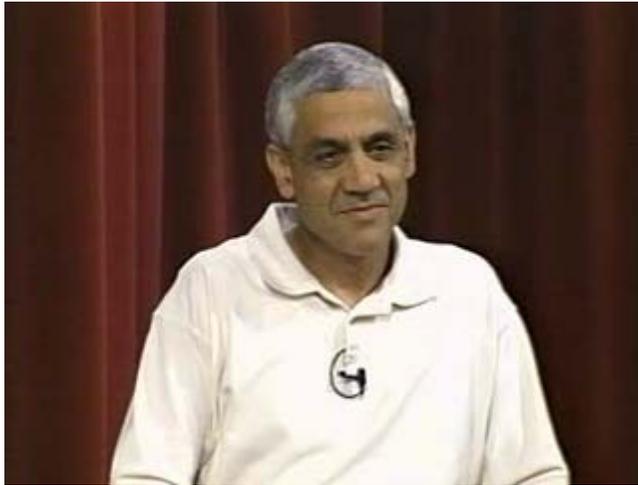
Old	New
No / little venture capital	A lot of capital
Mostly local management, isolated, often limited to founders	International management and a dense network
Local customers	Global customers
Very slow growth	Aggressive & risky growth

# Stanford VC-backed spin-offs

About 200 spin-offs since 1980, 40% received venture capital



# What is Silicon Valley about?



“Launching a start-up is not a rational act. Success only comes from those who are foolish enough to think unreasonably. Entrepreneurs need to stretch themselves beyond convention and constraint to reach something extraordinary.” **Vinod Khosla**

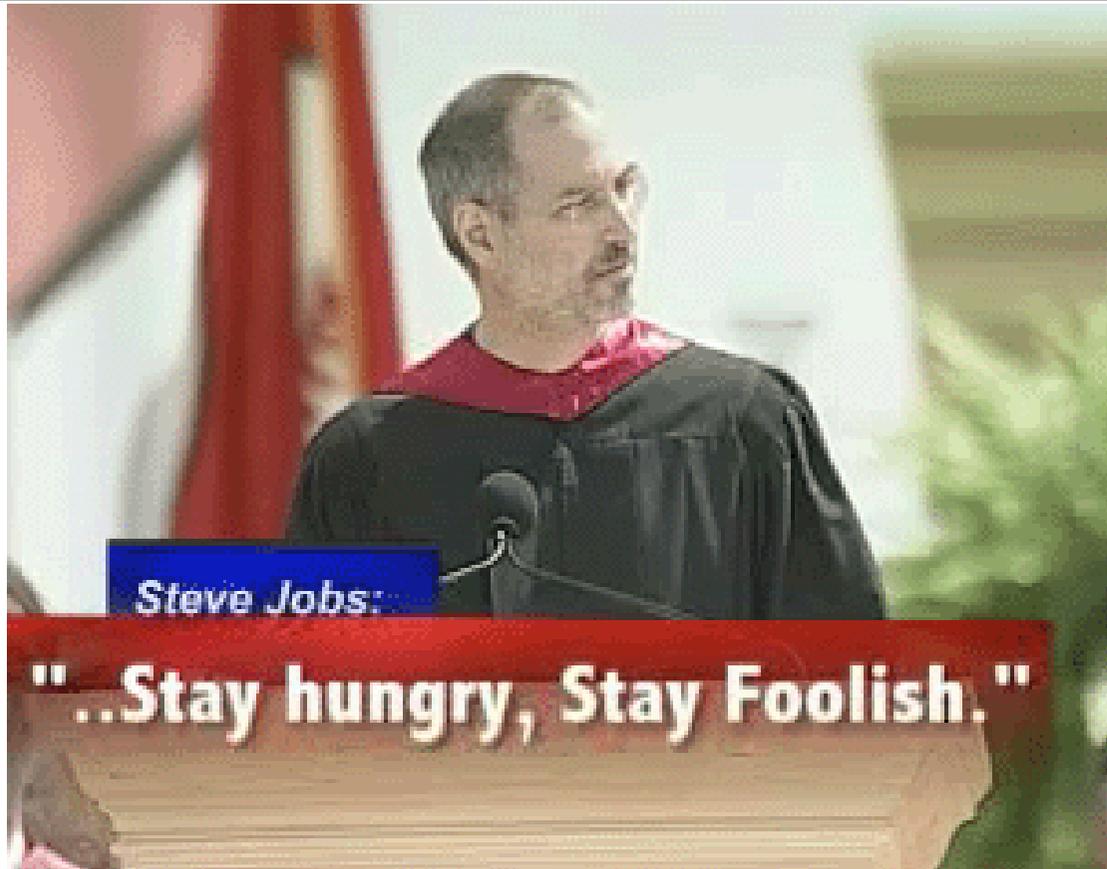
# An entrepreneurial culture



It is about:

- **Passion** and **ambition**.
- A pioneering spirit which **accepts uncertainty** and **risk taking**, which **tolerates failure**.
- Innovation via a trial and error process.
- A decentralization and freedom offered to **talents who should not be snatched from start-ups**.
- The necessity of a critical mass.
- Feelings of **urgency** for the entrepreneurs and patience from the environment.
- Feelings of urgency and of **competition** which imply ambitions of rapid growth and adequate resources.
- Motivation, hard work, **connections**, personal networks, **mentors**.
- Founders, ideally young (**energy**) and possibly **migrants**, never alone.
- **Experienced teams** backing the founders, and motivated by optimized capital structures.

Most importantly, “Have Fun”.



Stanford University  
June 12, 2005

*“Look around who the heroes are. They aren’t lawyers, nor are they even so much the financiers. They’re the guys who start companies” **Robert Noyce***