

**Economic Development for Physicists from  
Developing Countries**

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Trieste - ITALY

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***CASE STUDY 3 AND DISCUSSION***

- ***Technology Transfer to a start-up***
- ***Use of University Incubator***
- ***Internal generated growth***



# **Economic Development for Physicists from Developing Countries**

**Friday 1<sup>st</sup> December**

**Case study 3**

# Case Study 3 OUTLINE

- Idea from Life Style
- Technology Transfer to a start-up
- Use of University Incubator
- Internal generated growth

# The idea

- Keen skiers discussed increasing ski performance by reducing vibration
- Idea progressed to working for themselves
- Enjoyed challenge and thought it could lead to rewards

# Creation of the Business

- Supported by the University Commercialisation Department wrote Business Plan
- Undertook PhD and entered competition for idea winning 2<sup>nd</sup> prize (Vibration Damping)
- Also won prize for Business Plan

# First Customer

- Secured a customer
  - Took office in University Incubator
  - Won Smart award - £60K
  - Partners invested own time
- Customer identified by questioning who would want the product and scoping the problem
- Solved problem for Initial customer
- Produced Referrals and Introductions

# Business Development

- Own product supplemented by
  - Consultancy
  - Offering a Toolbox
- High profile customers attracted by technology some becoming partners
- Patents obtained throughout business life
- Business Angel funding of £300K obtained to allow more resources to be devoted to business

# Business Experience

- Planned single major customer but misjudged market and dependance on suppliers
- Waiting on market forming – EU “White finger” regulation
  - Everything takes longer then estimated hence costs are higher then expected
  - Plan to ride out the storm



# Problems setting up company

- Student Scientists do not present good image to investors
  - Friends & family
  - Business Angels £50K
  - Syndicates £250K - £500K
  - Venture Capitalists - £2M+
- IP required – what else is there to invest in?
- Banks need security

# Success has been achieved

- Customers secured
- Patents obtained
- Investment from Business Angels
  - Board and Investors chosen to complement skills

# Timeline

- Company formed 2001 with 1<sup>st</sup> patent
- Competitions won in 2002 2<sup>nd</sup> Patent
- Smart award for “White hand” R&D 2003
- Business Angels invest 2004
- 2<sup>nd</sup> funding round 2006