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# The Impact of the European Tech Investment Forum

Findings and recommendations from  
430 European ICT companies seeking  
venture capital funding in the past 5 years



Information Society

European Commission

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430 European ICT companies seeking  
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Directorate-General for Information Society

Brussels – Luxembourg, 2004

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## Foreword

Since its inception, the European Tech Investment Forum series of events has developed into an excellent opportunity for European high-tech businesses from the information and communications sector – particularly younger and smaller businesses – and specialised venture capital investors to meet. I believe that these events provide an important pan-European platform for improving transparency between ambitious entrepreneurs who are searching for growth capital for their technology companies and cross-border investors who provide this capital.



High-growth innovative companies are not only important for creating wealth and future jobs but they also act as agents for innovation and change throughout the economic process and are therefore essential for the competitiveness of the European economy. However, access to finance continues to be an obstacle for European small and medium-sized enterprises (SMEs), including innovative technology companies. The situation is even more challenging in the countries that have recently joined the EU or where the financial sector is not yet adequately developed. Consequently, innovative start-ups face difficulties in finding growth capital to test and develop their technologies and products or services in the marketplace.

How should this problem be addressed? The European Commission's starting point is that corporate finance is a private sector activity. We believe that direct public action in finance is only warranted under three conditions. Firstly, in cases of obvious market failures public financial intervention is justified as long as it does not distort the market mechanism. Secondly, the support provided by public funding must not displace private investors from profitable areas. Thirdly, activities must be implemented through market professionals and existing financial institutions. The most important task of the public sector is thus to provide a stable and consistent environment where the financial markets can function efficiently.

In light of the above, the European Commission is committed to the further development of European risk capital markets. We will continue to remove obstacles and we also advocate and support cooperation between different service providers in the finance industry so that SMEs can get the financing they need. In this context, activities such as the European Tech Investment Forum, with its cross-border focus, provide a true pan-European approach that is needed to overcome regional differences in access to capital, particularly considering the new Member States.

I wish the European Tech Investment Forum the best of luck in organising many successful editions in the future.

A handwritten signature in black ink, appearing to read 'Olli Rehn'.

**Olli Rehn**

European Commissioner



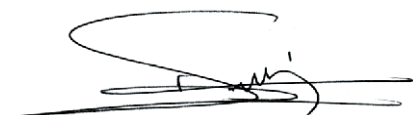
## Acknowledgement

The past five years have been both exciting and challenging for investors, technology entrepreneurs and corporations in Europe. The best entrepreneurs and investors have succeeded by adapting to the adverse, even Darwinian, market conditions of the recent past. As a result, a smaller but tenacious number of entrepreneurs, corporate executives and venture capitalists have emerged pursuing vigorous investment and partnering strategies.

We are therefore all the more honoured that so many of you continue to participate in our pan-European Tech Investment Fora. While we feel genuinely proud of your support, the interest in the Forum, along with many other indications, implies that a pan-European approach is no longer a luxury, but is rather a fundamental necessity for technology businesses and investors primarily because local venture market activity levels operate well below critical mass. The success of the European Tech Investment Forum demonstrates that the pan-European investment and partnering market is still alive.

As organisers of the European Tech Investment Forum series, we would not have been able to survive the tough bear market of the past few years without our customers and partners. Therefore, we are grateful to all of our sponsors, presenting technology entrepreneurs, partners, speakers and delegates. We are very honoured to work with the many intelligent and hard working people who drive forward technology venturing and investment throughout Europe. There is a feeling of achievement and optimism that comes from working with individuals determined to persevere through difficult market conditions. We would like to thank in particular the pragmatic and forward-thinking European Commission officials with whom we had the privilege to work, as well as the consortium partners of the Forum: IESE Business School, First Innovation Park / First Tuesday Czech Republic and Technology Finance.

We plan to be around to organise in the future many more successful European Tech Investment Fora and we look forward to seeing you at one of our next editions.



**William Stevens**  
Founder & Executive Director  
Europe Unlimited



**Roland Nobels**  
Executive Director  
Europe Unlimited



# Table of Contents

<b>EXECUTIVE SUMMARY</b>	11
<b>EUROPEAN TECH INVESTMENT FORUM OVERVIEW</b>	17
<b>Introduction</b>	17
<b>The Forum and TechForum programmes</b>	17
Background	17
Description of a European Tech Investment Forum event	19
The European Venture Academy	19
Sample ETIF event programme	20
The Tech Sector Summits	22
<b>Testimonials</b>	23
<b>Opportunities and Contacts</b>	24
<b>Summary and conclusions</b>	25
<b>IMPACT</b>	27
<b>Introduction and methodology</b>	27
Response rates and sample sizes	27
<b>Description of ETIF presenting companies</b>	29
Basic demographics	29
Sectors	30
Age and employment	31
Funding sought	32
<b>Venture Capital funding raised by ETIF companies</b>	34
Funding raised per event	34
Funding raised per country	35
Funding raised by sector	38
Age and employment size of companies that raised finance	40
Funding sought and raised	41
Current status of companies that raised finance	43
<b>General ETIF events impact survey</b>	44
Facilitation of contacts	44
Reasons for not completing a funding deal	45
Partnerships	46
Overall ETIF impact	47
<b>Key conclusions</b>	48

<b>KEY RECOMMENDATIONS FOR TECH ENTREPRENEURS</b>	49
<b>Introduction</b>	49
<b>The tech entrepreneurship challenge</b>	49
“Niche players can flourish even in down markets”	50
“In a start-up, the CEO should be a strong leader and communicator”	50
“Entrepreneurs need foresight and the ability to adjust quickly”	51
“The importance of honest leadership”	51
“We look for entrepreneurs that are flexible and creative”	52
“These are excellent times to pick up valuable technologies at a bargain”	52
<b>Venture capital fund-raising today</b>	53
“Be selective in approaching or accepting offers from VCs”	54
“Good strategic planning is key in the relationship with your VC”	54
“Being open for partners signifies a fundamental change”	55
“Make sure you have all important agreements with your VC in writing”	55
“Companies need a business case that can fulfil the investors’ criteria”	56
“Shooting out at a whole group of investors does not work”	56
“It’s like a game of poker: is the VC bored or playing bluff?”	57
“Only choose an investor that you can trust”	57
<b>The corporate venturing opportunity</b>	58
“The most important condition for success is defining clear objectives”	59
“Clarify which objectives are pursued for each investment”	59
“Specific actions to extract synergies have to be identified”	60
“Investing in competitive technologies can lead to internal innovation”	61
“Organizations need to become more entrepreneurial”	61
<b>Business and research partnerships made to work</b>	62
“Partnering is a way to manage growth and value creation”	63
“Partnerships that are only opportunistic will fail”	63
“Make sure that goals are clearly defined in a partnership”	64
“A key area for partnering is international development”	64
“Informal ‘know-how trading’ in partnerships accelerates innovation”	65
“Choose partnerships in line with your own strategy”	65
“Research partnering can bring access to large customers”	66
“Free resources can aid in finding and assessing potential partners”	66
“Eastern Europe needs to overcome a lack of seed capital and business training”	67
“Research partnerships benefit from tax incentives”	67
“European universities need to create more start-ups and entrepreneurs”	67
<b>Summary and key conclusions</b>	68
 <b>DIRECTORY OF ETIF COMPANIES</b>	 71
<b>Introduction</b>	71
All ETIF presenting companies 1998 – 2003 listed in alphabetical order	71
Listing of ETIF companies that raised finance and are still active today	79
 <b>APPENDICES</b>	 83
<b>Appendix 1: The European Tech Investment Forum Consortium Partners</b>	83
<b>Appendix 2: Listing of ETIF Sponsors and partners 1998 – 2004</b>	85

## FIGURES AND TABLES

Table 1: Sample sizes	27
Figure 1: Number of presenting companies per event 1998 - 2003	29
Figure 2: Number of presenting companies per country	29
Figure 3: Sector breakdown – all ETIF presenting companies	30
Figure 4: Sector breakdown per ETIF year (as % of total presenting companies)	30
Figure 5: Age of presenting companies at first EIF participation	31
Figure 6: Number of employees at year of first ETIF participation	31
Figure 7: Average number of employees per sector at first year of ETIF participation	32
Figure 8: Average funding sought per company per event 1998 – 2003	32
Figure 9: Average capital sought per company per sector	33
Figure 10: Average capital sought per company per country	33
Figure 11: Distribution of deal size among companies that raised finance	34
Figure 12: Number of companies that raised funding per event 1999 – 2003	34
Figure 13: Total amount raised per event 1999 – 2003	35
Figure 14: Number of companies that raised finance per country	35
Table 2: Percentage of all participating ETIF companies that raised finance per country	36
Figure 15: Total amount raised per country	37
Figure 16: Average amount raised per country	37
Figure 17: Number of companies that raised finance per sector	38
Figure 18: Percentage of ETIF companies that raised finance per sector	38
Figure 19: Total amount raised per sector	39
Figure 20: Average amount raised per company per sector	39
Figure 21: Percentage of all ETIF companies that raised finance grouped by age	40
Figure 22: Number of employees at companies that raised finance	40
Figure 23: Percentage of ETIF companies that raised finance by number of employees	40
Figure 24: Average amount raised per employee size group	41
Figure 25: Average funding raised and sought per company per event	41
Figure 26: Average funding sought and raised per company per country	42
Figure 27: Average funding raised and sought per company per sector	42
Figure 28: Companies who raised finance according to % reached off amount sought	43
Figure 29: Current status of companies that raised finance	43
Figure 30: Companies: Prospective Contacts with Investors	44
Figure 31: Investors: Prospective Contacts with Entrepreneurs	44
Figure 32: Companies: Reasons for not completing funding deal	45
Figure 33: Investors: Reasons for not proceeding with company evaluation	45
Figure 34: Companies: partnership agreements resulting from ETIF participation	46
Figure 35: Companies: Overall impact of ETIF participation	47
Figure 36: Investors: Overall impact of ETIF participation	47



# Executive Summary

## Introduction

This report describes the impact of the 10 first editions of the European Tech Investment Forum (ETIF) held during 1998 – 2003. The data presented is based on a number of surveys that were performed immediately after each of the 10 events. The purpose of these surveys was to assess whether the presenting entrepreneurial companies have been successful in raising finance due to, or partly due to the event, as well as to monitor the general satisfaction among the companies with regards to different aspects of the event. In addition to the impact data, this report provides a general overview of the European Tech Investment Forum programme and contains a section with insights and recommendations from investor and corporate experts and several successful entrepreneurs. A complete listing of all companies that have presented at the ETIF throughout the 10 editions is also included.

## European Tech Investment Forum overview

First held in 1998, The European Tech Investment Forum has evolved into Europe's leading technology investment event. The mission of the ETIF is to facilitate the growth of Europe's most promising and innovative ICT companies by providing a pan-European platform where these fund-seeking companies can meet with investors. An additional goal has been to create a pan-European platform where outstanding technology companies, key investors, leading corporate players and intermediaries can come together to exchange views, share knowledge and enjoy privileged networking. The ETIF has been promoted by the European Commission's IST Programme and is held in parallel with the yearly IST conference.

Following the positive experience of the pilot event held in Vienna 1998, The Forum programme was the first contract for the ETIF and covered a three-year period from 1999 – 2001 during which five events were organised. Based on the success of the Forum concept, the more ambitious and expanded TechForum programme was launched, covering four additional editions of the ETIF during 2002 – 2003.

The main goals of the initial Forum programme were to provide presentation and networking opportunities to early-stage tech companies at the ETIF as well as to educate and prepare them for the fund-seeking process through the European Venture Academy (EVA) – a workshop where fund-seeking companies are brought together with an expert panel of investors, advisers and successful entrepreneurs for one day of highly effective and interactive coaching. The TechForum expanded the scope and ambition of the ETIF through the creation of the Tech Sector Summit concept. A Tech Sector Summit is a one-day, invitation-only event that provides a platform for pan-European partnering, investment and learning opportunities by gathering the key investor and corporate players active in that field to explore, discuss and analyse the future of those sectors. They also evaluate the solutions offered by the presenting companies from each sector. Another ambition of the TechForum programme was an increased focus on entrepreneurial companies from the new European Member States, in order to facilitate their access to the European investment market.

The ETIF has strived to be a complement to the IST Programme and other EU initiatives aimed at promoting innovation, entrepreneurship and access to finance. This has been accomplished through the promotion of the IST programme among the European investor and advisory community by providing extensive visibility at the events and associated marketing and communication activities, while simultaneously creating a pan-European platform where IST-backed companies and projects seeking private funding can meet investors.

Over the course of the past 5 years, the ETIF has shown itself to be a valuable solution for European investors and entrepreneurs that are seeking to reduce the competitive disadvantages they face in negotiating and implementing successful internationalisation strategies, when compared, for example, to their US competitors. This competitiveness gap – in part due to the fragmentation of the European commercial and financial markets – is a key concern that continuously needs to be addressed by Europe's policy leaders. In this context, a pan-European platform such as the ETIF has an important role to play in the set of public and market-sponsored solutions Europe's policy-makers develop to address these constraints.

### Impact of the European Technology Investment Forum

A total of 430 companies from 29 countries have presented at the 10 editions held between 1998 and 2003. As some companies presented at more than one event, the total number of participations amounts to 460. In terms of country of origin, more than a quarter of the presenting companies came from France and Germany.

The industry sector with the highest number of participants throughout the ten editions was *Software*, followed by *E-Commerce* and *IT Services*. Different sectors have dominated the ETIF through the years: *Software* was dominant in 1998-1999 while *E-Commerce* was by far the largest sector represented during the Internet boom years of 2000 – 2001. *Wireless/Mobile Services* and *Communications/networking* were prominent in 2003 while 2003 saw a more balanced distribution among the sectors, with *Software* once again taking the lead as the largest sector.

More than 70% of companies presenting had been active for less than four years at the time of their first participation at the ETIF, and 38% can be defined as pure start-ups having been active for one year or less. More than four fifths of the presenting companies fall within the definition of a small enterprise, having a maximum of 50 employees at their first participation. More than a quarter of the presenting companies also fall within the definition of a micro-enterprise, with a maximum of 10 employees. The sector with the highest average number of employees per company was *IT Services*.

The combined amount sought by the presenting companies from 1998 – 2003 was €2.1 billion. The average amount sought per company was €5.5 million while the median amount was €3.5 million. The highest average amounts sought per company were recorded at the ETIF events in Berlin and Nice in 2000, at the height of the Internet boom. Sector-wise, *E-Commerce* companies recorded the highest average amount per company over the ten editions, while *Software* – the largest sector – recorded the lowest amount.

A total of 80 presenting companies are known to have raised capital due to, or partly due to contacts made at the ETIF, representing 19% of the total sample and 33% of the respondent companies. Out of these, the actual amount raised following the event is known for 66 companies, totalling €308 million. The actual amounts raised per company range from €30,000 to €35 million, with the average being €4.7 million and the median amount being €1 million. German

companies were the most successful at raising finance, both in terms of the number of companies that raised finance and the total amount raised. Companies that secured investment tend to be young (1 year old or less) and have a maximum of 50 employees.

Nearly half of the companies that secured finance raised deals in the range of €1-5 million, while more than a third raised amounts larger than €5 million. More than 60% of the companies that raised finance did so during the boom years 1999 – 2000. From 2001 and onwards results have varied from event to event, with Brussels 2001 and Copenhagen 2002 proving to have been particularly successful events in terms of companies raising finance in recent years.

Looking at total funds raised per event, the highest amount by far – €108 million – was attained by companies presenting at the ETIF in Berlin 2000, at the height of the Internet boom. Of the more recent events, the ETIF in Copenhagen 2002 was the most successful, with 10 companies raising a total amount of €32 million.

Among the 80 that raised finance, 25 companies came from the *Software* sector and 20 from the *E-Commerce* sector. The *E-Commerce* sector also recorded both the highest total amount raised per sector and the highest average amount per company per sector.

Companies that raised finance generally aimed for a higher amount than they eventually attained. Nevertheless, more than a fifth of the companies that raised finance exceeded their initial target amount. *E-Commerce* companies were the most successful in attaining their funding goals at the ETIF, while companies from the *IT Services* and *Wireless/Mobile Services* sectors were least successful in reaching their financing goals.

A clear majority – or 65% – of the companies that raised finance are still active on the market today. However, simply raising finance from a VC is clearly no guarantee for long-term survival. A quarter of the companies that raised finance at the ETIF are no longer active today. Many of the now defunct companies were casualties of the dot-com bust. Some 10% of companies that raised finance have since merged with other companies or been acquired by larger corporates. This type of exit can indicate both failure and success.

A more detailed survey carried out by IESE Business School amongst participants in the 2002 and 2003 editions of the Forum identified the main benefits for growth companies and international investors. Among the main overall benefits of attending the ETIF, companies cited improvements in their company presentation and an increased understanding of the investor matching process. Investors particularly appreciated that the event increased their professional networks. Investors also valued the opportunity to see and contrast various investment opportunities, and believed that the event had improved their understanding of current market and sector trends.

### Key recommendations to tech entrepreneurs

The ETIF has become an important forum and learning platform where investors, entrepreneurs, advisors and policy actors come together to discuss and debate topics relevant to Europe's high-tech economy. Among the previous and recurrent participants at the ETIF, we asked a number of key investor and corporate players as well as several successful entrepreneurs to share their insight and knowledge on four topics. These topics and some of the main insights are summarised below.

Despite the enduring difficult market conditions, many European companies are moving forward and continue to grow. What are the secrets of these companies and what skills are needed from the management team?

Under the topic ***“The tech entrepreneurship challenge”***, our invited VC commentators noted that innovative companies need to focus on technology solutions that apply to real-life business situations – not technology as an end in itself. VCs also look for a top-notch management team with a CEO exhibiting strong leadership and communication skills. Entrepreneurs must also be honest towards their VCs and be able to listen to the suggestions of others. In the current downturn, flexibility and creativity in the face of rapidly changing market conditions is another key skill that VCs look for in a management team. The good news is that the current climate is ideal for recruiting excellent management talent at reasonable conditions, a task that VCs are perfectly placed to assist entrepreneurs with.

Both start-ups and later-stage companies are finding it considerably more difficult to raise venture capital today compared to just a few years ago. Despite this, deals are happening and some companies manage to attract investors. What are the key factors that VCs look for in a tech company in the current market? Once a deal has been signed, what are the keys to a constructive relationship with a VC?

On the subject of ***“Venture capital fund-raising currently”***, our investor observers point out that entrepreneurs need to clearly demonstrate that their business is profitable, or has a good chance of reaching profitability in the near future. Excellent strategic planning with a focus on delivering ROI and a clearly defined exit are thus key elements in creating and maintaining a good relationship with a VC. Even though venture capital is currently difficult to attract, our successful entrepreneurs stress the importance of choosing the right investor. As VCs increasingly exchange information, approaching a large number of VCs in a random fashion will likely backfire. Before accepting an offer from a VC, entrepreneurs need to make sure that there is a relationship based on trust and that common long-term goals and objectives are shared. Nevertheless, it is also important to ensure that you have all important agreements in writing. To foster a successful relationship with a VC, you must have a positive attitude and be a fair and reasonable partner.

Corporate venturing plays a crucial role in the development of tech start-ups. What is the state of the corporate venturing market now and how should entrepreneurs approach this type of opportunity?

On the topic of *“The corporate venturing opportunity”* our experts note that corporate venturing is still alive and well, even as many corporations have ceased their venturing programs in recent years. Many corporate venturing initiatives in the past failed due to unclear objectives. Corporations need to determine the right sector for their venturing activities and decide on the financial and strategic goals. Corporate investors have a broader set of objectives than a VC, such as the promotion of a certain technology platform, the development of a specific market segment, or the encouragement of internal innovation by investing in competitive technology. Entrepreneurs need to understand this complex situation and make sure that there exists a clear potential for synergy and value creation for both parties before entering into a corporate venturing agreement.

Partnerships have become crucial in all technology sectors. The Dos and Don'ts for entrepreneurs when engaging in business and research partnerships were explored under the topic of *“Business and research partnerships made to work”*. From the VCs perspective, business and research partnering is an important way for portfolio companies to maintain competitiveness and stay at the leading edge of the technology area they are active within. By selecting the right business partners, smaller companies can also gain access to large, key customers or to a global distribution network that would otherwise be out of their reach. Through research partnerships, an innovative company can access public funding and share the risk for R&D projects that it would not have been able to finance by itself. However, in order to make a partnership truly beneficial, entrepreneurs need to clearly define their goals, and make sure they select partners that share the same long-term strategic interests. As always, trust is vital in partnerships but entrepreneurs need to look after their own interests by ensuring that contracts are signed and that issues, such as Intellectual Property (IP) rights, are addressed at an early stage.

### ETIF Quick facts

- **430** companies from **29** different countries have presented at the 10 editions of the ETIF 1998 – 2003.
- The combined amount sought by the presenting companies from 1998 – 2003 totals **€2.1** billion.
- The average amount sought per company was **€5.5** million while the median amount was **€3.5** million.
- **80** presenting companies are known to have raised capital due to contacts made the ETIF.
- The actual amount raised is known for **66** companies, amounting to a total of **€308** million.
- A clear majority – or **65%** – of the companies that raised finance are still active on the market today.



# European Tech Investment Forum Overview

## Introduction

Since its inception in 1998, The European Tech Investment Forum has evolved into the leading pan-European technology investment event for private technology companies. The stated mission of the ETIF is to facilitate the growth of Europe's most promising and innovative ICT companies by providing a unique European platform where these entrepreneurial companies can meet with active venture capital investors, leading corporate contacts, as well as specialised intermediaries and financial service providers from outside their home countries. The objective is to facilitate and increase pan-European investment, partnering and M&A activities for these growth companies.

The ETIF has been promoted by the European Commission's IST Programme and has since 1998 been held in parallel with the yearly IST conference which is organised during the autumn in the country currently holding the EU presidency. The ETIF has provided the IST conference with an investment dimension, and numerous IST-backed companies and IST Prize winners have used this opportunity to present their business cases to a venture capital and corporate investor audience. Since 2000 the ETIF has taken place twice each year, with one stand-alone edition of the ETIF being organised in the spring at various locations throughout Europe.

## The Forum and TechForum programmes

### Background

The European Tech Investment Forum concept was originally conceived following the positive experiences of the Vienna IST European Investment Forum organised in 1998. The first contract signed with the European Commission for the European Tech Investment Forum and European Venture Academy (EVA) – the *Forum* programme – covered a three-year period from 1999-2001 during which five ETIFs were organised: Helsinki, Berlin, Nice, Milan and Brussels. Based on the success of the Forum programme, the more ambitious and expanded *TechForum* programme was launched, covering four additional editions of the European Tech Investment Forum: Stockholm, Copenhagen, Prague and Milan. In 2004, the ETIF series of events has continued with an ETIF organised in London in March, and with an event in The Hague scheduled to coincide with the yearly IST conference in November.

The initial Forum programme running from 1999 – 2001 had some of the following specific goals:

- Providing presentation and networking opportunities for 40-50 early-stage tech companies seeking funding per event.
- Educating and preparing entrepreneurs for the fund-seeking process through the EVA (see section “The European Venture Academy” below).

- Making the ETIF a recognised “brand” among the European investment and advisory community as a leading platform where investors can source qualified and quality investment deals.
- Promoting the IST programme among the European investor and advisory community by providing extensive visibility at the events and associated marketing and communication, while simultaneously creating a channel for IST-backed companies and projects seeking private funding.
- Creating a truly pan-European plenary and networking platform for early-stage technology investment: An event where investors, entrepreneurs, advisors and policy actors converge to discuss and debate topics relevant to Europe’s tech economy.
- Making the ETIF commercially self-sustaining beyond the initial three-year duration of the Forum contract with the European Commission. In this sense, the ETIF can be seen as an outstanding example of EU funding being used to address a market failure, with the private sector eventually taking commercial responsibility over the longer-term.

The TechForum programme retained these core objectives, while expanding the scope and ambition of the ETIF in several ways. Some key new elements introduced by the TechForum programme were:

- The organisation of 12 Tech Sector Summits within the framework of the ETIF, including the dissemination of Previews and Briefings (see the section “Tech Sector Summits” below).
- Increased focus on new European Accession/Member States: Active recruitment of participating technology companies from the new Member States, in order to facilitate their access to the European investment market.
- Increased focus on recruiting IST projects and IST-backed companies to present their business cases at the ETIF and Sector Summits.
- Continued promotion of the IST activities of the European Union in order to create awareness and attract quality proposals for the FP6 IST programme from European technology companies already funded by venture capital or other sources of growth finance.

Both the Forum and TechForum programmes have endeavoured to achieve a high degree of complementariness with the IST Programme and other EU initiatives aimed at promoting innovation, entrepreneurship and access to finance. The ETIF and its components are aimed at facilitating specialised partnering and investment at a pan-European level by providing direct exposure for quality IST projects to the investor, corporate, intermediary and venture-backed company community. The ETIF has also promoted the awareness of ongoing or past RTD activities and results with a view to enhancing the knowledge of the IST programme itself amongst venture capital and corporate investors, advisors and other IST entrepreneurs.

### Description of a European Tech Investment Forum event

A typical ETIF event starts on the day before the main event with a one-day Venture Academy intended to improve the presentation and negotiation skills of some of the entrepreneurs scheduled to present their business cases at the ETIF. The Venture Academy is followed by an evening Welcome Cocktail held at the main venue of the ETIF. This provides an opportunity for Venture Academy participants and those delegates that arrive early, to network in an informal setting.

The first day of the ETIF kicks off with another networking opportunity in the form of a morning coffee buffet, which is followed by the formal opening of the ETIF and a Keynote speech. After the Keynote, the companies that are presenting in the morning sessions hold a one-minute “elevator pitch” intended to attract investors and other participants to attend their full presentation. This is followed by Tech Sector Summit Outlook sessions held in parallel streams. The Outlooks are plenary sessions that examine and discuss the latest developments in the Sector in question and are hosted by expert investor and corporate representatives.

The Tech Sector Summit Outlook sessions are followed by Company Presentations that are also organised in parallel according to sector. For those companies that do not belong to any of the three sectors highlighted in the Tech Sector Summits, a general ETIF “high tech” presentation stream is available. Each company has 15 minutes at its disposal, of which 8 minutes are usually reserved for the actual presentation and the remaining 7 for a Q&A session involving a panel of corporate and VC sector experts. Presenting companies also have a complete two-page profile of their company printed in the binder, which is provided to all event participants as a part of the conference package. The morning’s activities are concluded by lunch, which provides further networking possibilities.

The afternoon programme contains more company elevator pitches and presentations. Throughout the afternoon, companies also attend private, pre-booked meetings with investors. Each company can have up to six meetings, providing a unique matchmaking opportunity with direct access to leading VC and corporate investors active in the same sectors as the presenting companies. The afternoon programme is concluded with a plenary session featuring invited speakers discussing a relevant topic. An evening Gala Dinner brings the first day’s activities to a final close.

The second and final day of the event follows the same pattern as the first, the main difference being that company presentations are held only in the morning. After lunch, the event draws to a close with a final plenary session or Keynote that ends in the early afternoon.

### The European Venture Academy

Referred to by Time Magazine as “a boot camp for European entrepreneurs”, the objective of the European Venture Academy is to provide coaching to early-stage technology companies participating at the ETIF on how to raise venture capital funding. The programme and format has been developed by Europe Unlimited in association with IESE Business School (Barcelona).

### Sample ETIF event programme

<b>DAY 1</b>	<b>VENTURE ACADEMY</b>
All day	Venture academy coaching and presentation sessions
19.00	Welcome cocktail open to all VA and ETIF Participants
<b>DAY 2</b>	<b>ETIF</b>
08.00	Morning coffee and networking
09.00	Opening of the ETIF
09.10	Keynote speech
09.30	Elevator pitches by presenting companies
10.30	Coffee break – exhibition
11.00	<b>Corporate Outlook</b> (parallel sessions) Tech Sector Summit 1 – Enterprise Technology Solutions Tech Sector Summit 2 – Wireless Technology and Applications Tech Sector Summit 3 – Digital Entertainment & Broadband
12.15	<b>Company Presentations</b> (parallel streams) Tech Sector Summit 1 – Enterprise Technology Solutions Tech Sector Summit 2 – Wireless Technology and Applications Tech Sector Summit 3 – Digital Entertainment & Broadband General ETIF High-Tech Stream
13.30	Lunch – networking – exhibition
14.45	Elevator pitches by presenting companies
15.45	<b>Company Presentations</b> (parallel streams) Tech Sector Summit 1 – Enterprise Technology Solutions Tech Sector Summit 2 – Wireless Technology and Applications Tech Sector Summit 3 – Digital Entertainment & Broadband General ETIF High-Tech Stream
17.00	Pre-booked meetings – coffee break – exhibition
17.45	Plenary session on a relevant topic
18.45	Closing remarks for the day
19.00	Pre-booked meetings
20.00	Evening dinner – allowing for speeches and networking
<b>DAY 3</b>	<b>ETIF</b>
07.30	Morning coffee and networking
08.30	Welcome
09.00	Keynote speech
10.00	<b>Corporate Outlook</b> (in parallel sessions) Tech Sector Summit 1 – Enterprise Technology Solutions Tech Sector Summit 2 – Wireless Technology and Applications Tech Sector Summit 3 – Digital Entertainment & Broadband
11.15	Coffee break - exhibition
11.45	<b>Company Presentations</b> (parallel streams) Tech Sector Summit 1 – Enterprise Technology Solutions Tech Sector Summit 2 – Wireless Technology and Applications Tech Sector Summit 3 – Digital Entertainment & Broadband General ETIF High-Tech Stream
13.00	Pre-booked meetings between companies and investors
14.30 – 15.00	Event closure with final Keynote speech and closing remarks

At the EVA, an average of 15 – 20 venture-backed and early-stage entrepreneurial companies are brought together with an expert panel of investors, advisers and successful entrepreneurs for one intense day of highly effective and interactive coaching. The aim is to prepare the entrepreneurs for meetings and negotiations with venture capital or corporate investors or with corporate, advisory or entrepreneurial partners. Specifically, the objectives of the EVA is to provide the participating entrepreneurs with:

- Direct feedback on the strategic strengths & weaknesses & objectives of their business plans.
- Insight into how venture capitalists and other investors might perceive their business.
- A way to facilitate relationship building with other top entrepreneurs and advisors.
- Quality time to sharpen the basic company presentation for potential investors and partners.
- An opportunity to practice presentation skills and methods.

The EVA workshops are normally organised in conjunction with or just prior to the ETIF, in order to provide entrepreneurs with direct feedback and advice if they are presenting at the ETIF or – in case they are not presenting – to learn from other presenting technology companies or speak informally with investors and intermediaries about their fund-raising prospects and requirements. To date, a total of 14 editions of the EVA – approximately one every six months – have been held during the past 5 years:

- |                             |                            |
|-----------------------------|----------------------------|
| • Barcelona, November 1999  | • Helsinki, February 2003  |
| • Barcelona, March 2000     | • Munich, February 2003    |
| • Lisbon, October 2000      | • Prague, April 2003       |
| • Hamburg, March 2001       | • Copenhagen, June 2003    |
| • Brussels, October 2001    | • Milan, September 2003    |
| • Stockholm, April 2002     | • Barcelona, December 2003 |
| • Copenhagen, November 2002 | • London, March 2004       |

The programme of a typical EVA starts in the morning with a plenary session where the participating entrepreneurs make short “elevator pitches” as a way of introduction. This is followed by short entrepreneurial and investor testimonials of the coaches that provide further practical insight into the reality of fund-raising for start-up and growing companies.

At the core of the EVA is a presentation by each participating entrepreneur in front of a small number of peers (in two groups of 5 to 6 participants) as if they were investors. These group sessions are moderated by expert coaches who ensure that an honest and pragmatic, yet constructive feedback on each entrepreneur’s investor proposition and presentation is given. The group presentation sessions are rounded off with a feasibility check of the investor proposition of each presenting company.

Throughout the EVA, participants are encouraged to air their opinions and benefit from others’ experiences: open dialogue leads to enhanced business plans. The overall result is that the Venture Academy participants leave with a clear idea of what main strengths and weaknesses in

their business proposition and presentation may need to be addressed, and how their pitch compares with other participants.

Results of the EVA include:

- Significant increase in the entrepreneurial capacities of the companies participating.
- Media visibility for the ETIF and for the IST programme. Holding the Venture Academy at the same time and location as the ETIF has likely increased general awareness and media interest.
- The addressing of a need that is not directly addressed across Europe by the IST Programme: the coaching needs of early-stage and start-up entrepreneurs.

### The Tech Sector Summits

The Tech Sector Summits represented the most important addition to the TechForum programme compared to the original Forum contract. A Tech Sector Summit is a separate stream organised within the main ETIF event that provides a platform for pan-European partnering, investment and learning opportunities to selected technology companies and specialised investors. Each Tech Sector Summit gathers the key investor and corporate players active in each field to explore, discuss and analyse the future of the highlighted sectors. They also evaluate the solutions offered by the presenting companies from each sector. For each ETIF, three Tech Sector Summits were organised, amounting to 12 Summits in total being held during the 2002 – 2003 programme period. Examples of sectors that have been featured so far are: “Enterprise Technology Solutions”, “Wireless Technology and Applications”, “Digital Entertainment and Broadband” and “IT Security and Solutions”.

The overriding objective of the Tech Sector Summits is to create a highly interactive learning and networking environment that encourages the development of knowledge on sectors, technology and current market conditions. This continuous learning process helps to bridge the information gap and serves as a catalyst for trust between entrepreneurs and investors, which is a prerequisite for successful partnerships and investments.

Organised within the framework of the ETIF, each Tech Sector Summit features the following basic components:

- **Corporate Outlook:** Plenary session in which top corporate executives present their views on the sector and the market, their own development agenda and partnering needs, and what they consider to be the most promising opportunities for young growing companies.
- **Capital Outlook:** Plenary session where leading VCs and corporate investors with specialist experience in the sector present their views on the sector and the market.
- **Company Outlook:** Several growth companies active within the sector in question will make 15-minute presentations on their technology and business propositions to the Summit audience.

In addition to the organisation of the actual Summits, an additional objective has been to disseminate the knowledge and intelligence gathered on key technology and market developments during the Tech Sector Summits to all those within Europe and beyond with a professional interest in these sectors. This has been accomplished through the publication of Tech Sector

Summit *Previews* and *Briefings* with content gathered in preparation of, and at, the Tech Sector Summit in an attractive format on paper and on the web.

The Preview is published before the event and features commentary and insights from experts and companies active in the three Sectors highlighted by the Tech Sector Summits of the next ETIF. The Purpose of the Preview is to profile the event among potential participants as well as to provide background information to already registered delegates and presenting companies. After the ETIF and the Summits have taken place, a Tech Sector Summit Briefing is prepared which summarises some of the main findings and also profiles and interviews a selection of the experts and presenting companies present at the event. The Briefing provides an excellent synopsis of the Sector Summits that is useful to all participants. The Previews and Briefings are circulated to multiple networks of European companies, investors, intermediaries and policy actors prior to as well as after the events have been held.

### Testimonials

Here's what previous sponsors, entrepreneurs and other investor delegates have had to say about the ETIF and EVA:

"The ETIF stands out as a place to meet fellow VCs and Europe's entrepreneurs in an environment that is conducive not only to informal networking but also to getting some real business going. Increasingly e-unlimited is putting itself on the map as a key player of the European VC ecosystem."

- **Fred Destin**, Partner, *Dresdner Kleinwort Wasserstein Technology Investments*

"ETIF Conferences are embedded into the European venture capital eco-system. The ETIF provides excellent network opportunities for entrepreneurs and VCs to share ideas and contacts."

- **Laurence Garrett**, Technology director, *3i*

"We recently invested in a company we met the first time at the European Tech Investment Forum two years ago. It shows how instrumental the ETIF events are, both in running our [venture capital] business as in providing companies access to international finance."

- **David Sonnek**, Director Technology Ventures, *SEB Företagsinvest*

"While other conferences have lost steam in this tough environment, the ETIF has been able to attract high quality speakers and companies which makes this a must-attend networking event."

- **Helmut Schön**, General Partner, *Partech International*

"The Copenhagen ETIF successfully provided us with an excellent opportunity to present our new direct investment strategy to the international venture capital investment community and gave further insight into the development of several very interesting technologies and opportunities for investment. We have since the event progressed on several of these opportunities."

- **Søren Hovgaard**, Partner, *Danish Investment Fund (VækstFonden)*

"I have really enjoyed the quality of the ETIF events. It is an efficient opportunity to mix with a great group of companies, investors and other industry participants that are very focused on the tech space."

- **Nenad Marovac**, Founder & Managing Partner, *Digital Networks*

“The large forum that the ETIF attracts also provides for excellent networking opportunities e.g. – ECO-DAN, which represents CapMan’s first technology investment in Denmark. I got acquainted with ECO-DAN at the ETIF in Stockholm Spring 2002”

- **Tommy Valther Hansen**, *Investment Director, CapMan Denmark*

“Before attending the ETIF in Berlin in 2000, I participated in a Venture Academy which provided me with invaluable skills about how to pitch my business. GlobalWare went on to secure investment capital at the Berlin forum. The coaching I received at the preceding Venture Academy was instrumental to this success”

- **Jörg Ott**, *Founder, GlobalWare AG*

### Opportunities and Contacts

The European Tech Investment Forum and European Venture Academy series of events continues, with the next event scheduled to coincide with the IST event in The Hague in November 2004. For more information on this and other events please contact Europe Unlimited:

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BE-1050 Brussels  
Tel: +32 2 644 65 80  
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[www.e-unlimited.com/etif](http://www.e-unlimited.com/etif)

### Summary and Conclusions

First held in 1998, The European Tech Investment Forum (ETIF) has evolved into Europe's leading technology investment event. The mission of the ETIF is to facilitate the growth of Europe's most promising and innovative ICT companies by providing a pan-European platform where these fund-seeking companies can meet with investors. An additional goal has been to create a pan-European platform where outstanding technology companies, key investors, leading corporate players and intermediaries can come together to exchange views, share knowledge and enjoy privileged networking. The ETIF has been promoted by the European Commission's IST Programme and is held in parallel with the yearly IST conference.

Following the positive experience of the pilot event held in Vienna 1998, the Forum programme was the first contract for the ETIF and covered a three-year period from 1999 –2001 during which five events were organised. Based on the success of the Forum concept, the more ambitious and expanded TechForum programme was launched, covering four additional editions of the ETIF during 2002 – 2003.

The main goals of the initial Forum programme were to provide presentation and networking opportunities to early-stage tech companies at the ETIF as well as to educate and prepare them for the fund-seeking process through the European Venture Academy (EVA) – a workshop where fund-seeking companies are brought together with an expert panel of investors, advisers and successful entrepreneurs for one day of highly effective and interactive coaching. The TechForum expanded the scope and ambition of the ETIF through the creation of the Tech Sector Summit concept. A Tech Sector Summit is a one-day, invitation-only event that provides a platform for pan-European partnering, investment and learning opportunities by gathering the key investor and corporate players active in that field to explore, discuss and analyse the future of those sectors. They also evaluate the solutions offered by the presenting companies from each sector. Another ambition of the TechForum programme was an increased focus on entrepreneurial companies from the new European Member States, in order to facilitate their access to the European investment market.

The ETIF has strived to be a complement to the IST Programme and other EU initiatives aimed at promoting innovation, entrepreneurship and access to finance. This has been accomplished through the promotion of the IST programme among the European investor and advisory community by providing extensive visibility at the events and associated marketing and communication activities, while simultaneously creating a pan-European platform where IST-backed companies and projects seeking private funding can meet investors.

Over the course of the past 5 years, the ETIF has shown itself to be a valuable solution for European investors and entrepreneurs that are seeking to reduce the competitive disadvantages they face in negotiating and implementing successful internationalisation strategies, when compared, for example, to their US competitors. This competitiveness gap – in part due to the fragmentation of the European commercial and financial markets – is a key concern that continuously needs to be addressed by Europe's policy leaders. In this context, a pan-European platform such as the ETIF has an important role to play in the set of public and market-sponsored solutions Europe's policy-makers develop to address these constraints.



# Impact

## Introduction and methodology

The data and results presented in this chapter are based on several information sources. As a part of the application process for each ETIF event, Europe Unlimited has collected basic information on every presenting company. In addition to the collection of this basic information, each participating company – from the Helsinki 1999 event and onwards – was surveyed subsequent to its participation at the ETIF. The purpose of these impact surveys was to establish if the presenting companies had been successful in raising finance due to, or partly due to the event, and also to monitor the general satisfaction among the companies with regards to different aspects of the event. The data presented in this report collected through these surveys comprise:

- Investment raised due to, or partly due to, contacts made at the event (yes/no)
- If yes, the amount of capital raised

For the five ETIF editions held during 1999 – 2001, IP Strategies and Europe Unlimited conducted the surveys and collected the impact data. For the four editions held during 2002 – 2003, IESE Business School (with assistance from Europe Unlimited) was responsible for the impact data collection. The impact surveys conducted by IESE for the four most recent events have had a broader scope than the previous surveys, collecting more detailed information regarding e.g. business partnerships and impact for Investors. Some of these results, pertaining only to the four editions held during 2002 – 2003, are presented in this chapter under the section entitled *General ETIF events impact survey*. However, as the goal of this publication is to present an aggregated overview where comparisons across the different editions are possible, we have chosen to focus on the basic data collected and available for all past editions of the ETIF.

## Response rates and sample sizes

For the basic descriptive data collected by Europe Unlimited, information on *Country of origin*, *Sector* and *Events participation* is available for all of the 430 presenting companies. Information on *Year founded*, *Employment* and *Amount sought* is available for a subset of the total sample, as detailed in the table below:

*Table 1: Sample sizes*

<b>Data type</b>	<b><i>No. of companies with information:</i></b>
Year founded	411
Employment at time of first event participation	280
Amount of investment sought at event	385

As mentioned above, the data on investment raised by companies presenting at the ETIF has been collected through a number of impact surveys. The methods used for the surveys are a combination of e-mail and fax questionnaires and telephone interviews. The total aggregated response rate relating to investment raised for the nine events surveyed during 1999 – 2003 is 246 responses out of 383 targeted companies, representing a response rate of 64%.

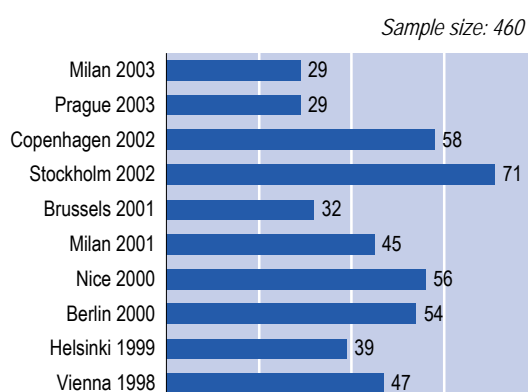
With regards to the more detailed data collected by IESE for the four events held 2002 – 2003, of which some results are presented in the section “*General ETIF events impact survey*”, the response rates vary depending on the questions asked. However, it would lead too far to discuss these response rates in detail in this context.

## Description of ETIF presenting companies

### Basic demographics

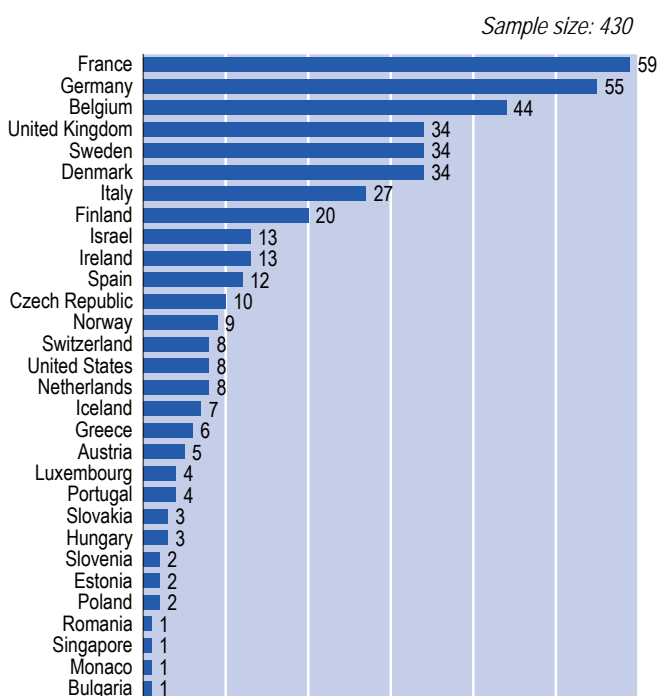
The total number of companies that have participated in the 10 editions of the European Investment Forum from 1998 to 2003 is 430. Some 28 of these companies have participated in two or more events, bringing the total number of *participations* to 460.

Figure 1: Number of presenting companies per event 1998 - 2003



Companies from a total of 29 different countries have so far presented at the ETIF. All 15 European Union countries have been represented as well all EEA/EFTA countries except Lichtenstein. In addition, companies from eight EU accession states have been represented.

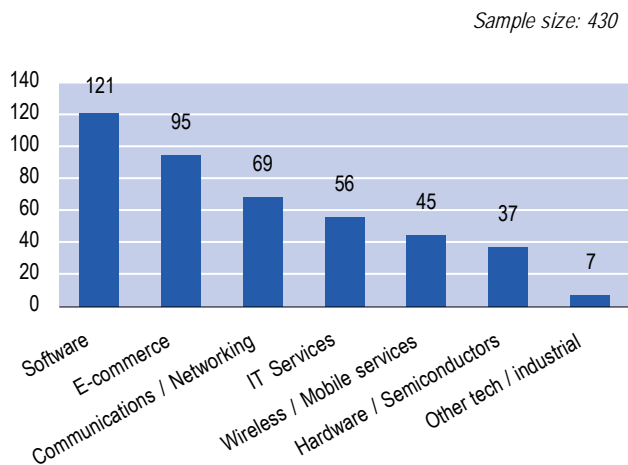
Figure 2: Number of presenting companies per country



In terms of number of participating companies, France and Germany – Europe’s two largest countries – dominate, with 27% of the participants. Many smaller countries have also been well represented, such as the Nordic countries that together make up nearly a quarter of the presenting companies. In addition, a number of companies from outside Europe – notably from Israel and the US – that have sought to establish themselves in Europe have also presented their projects at the ETIF.

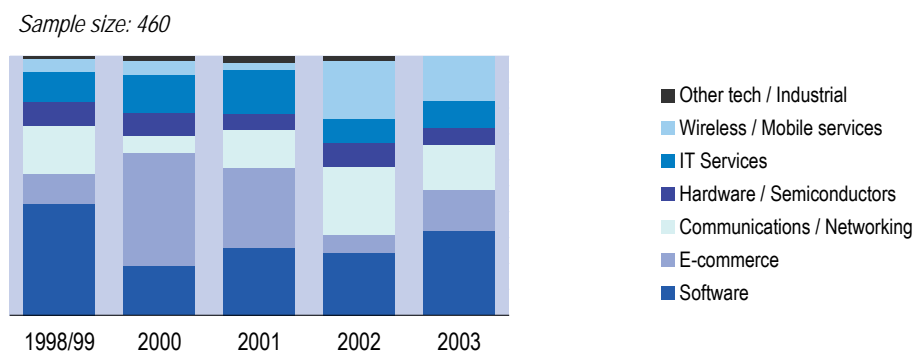
### Sectors

*Figure 3: Sector breakdown – all ETIF presenting companies*



*Software* is the sector with the highest number of presenting companies throughout the 10 editions of the ETIF, representing 28% of total presenting companies. *Software* is followed by the *E-Commerce* and *IT Services* sectors.

*Figure 4: Sector breakdown per ETIF year (as % of total presenting companies)*

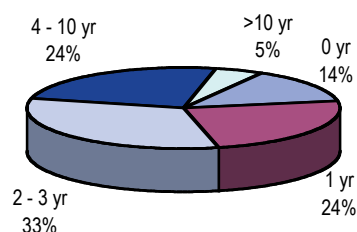


Some clear trends can be seen from looking at which sectors have dominated throughout the history of the ETIF. *Software* companies were in a clear majority during the first two editions in 1998 – 1999, followed by companies from the *Communications/Networking* sector. In 2000, at the height of the Internet boom, *E-Commerce* surged ahead as the most important sector by far with 44% of the presenting companies. This trend continued into the first post-boom year of

2001, where 31% of presenting companies were from the *E-Commerce* sector. The following year, *E-Commerce* companies had all but disappeared. Instead, 2002 turned out to be the year of *Wireless/Mobile Services* and *Communications/Networking*. By 2003, the distribution of sectors was more balanced and more or less mirrored the situation in 1998/1999, with *Software* yet again a clear leader, followed by *Communications/Networking*.

## Age and employment

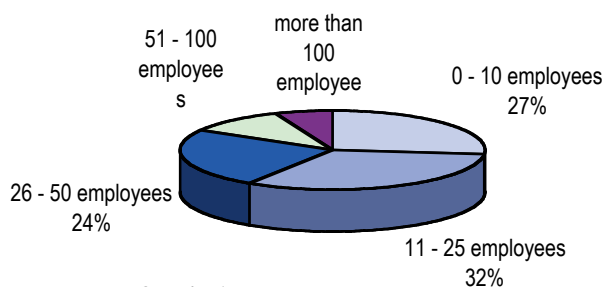
Figure 5: Age of presenting companies at first EIF participation



Sample size: 411

A clear majority (71%) of companies presenting at the ETIF are young ventures that have been active less than 4 years. As much as 38% of all presenting companies can be defined as pure start-ups, having been active for only one year or less at the time of their first participation. About a quarter has been active between 4-10 years, while a mere 5% have been active for more than 10 years.

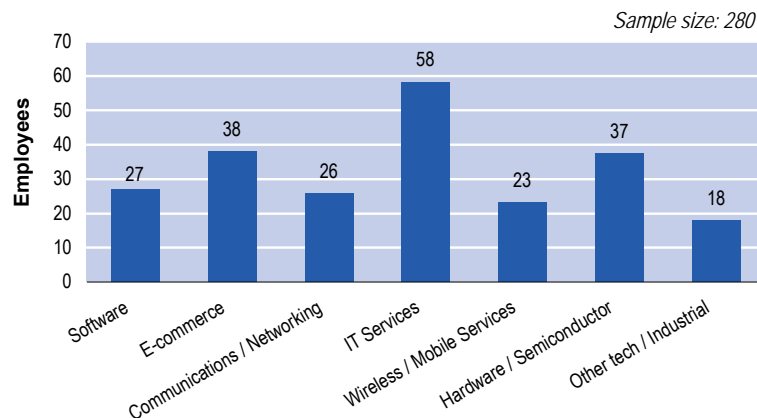
Figure 6: Number of employees at year of first ETIF participation



Sample size: 280

Looking at employment numbers during the first year of ETIF participation, 27% of the companies are what can be defined as micro-enterprises, having a maximum of 10 employees. A full 83% of companies fall within the definition of a small enterprise, having a maximum of 50 employees, while all but two of the remaining group of companies can be defined as medium sized enterprises, with a maximum of 250 employees.

*Figure 7: Average number of employees per sector at first year of ETIF participation*

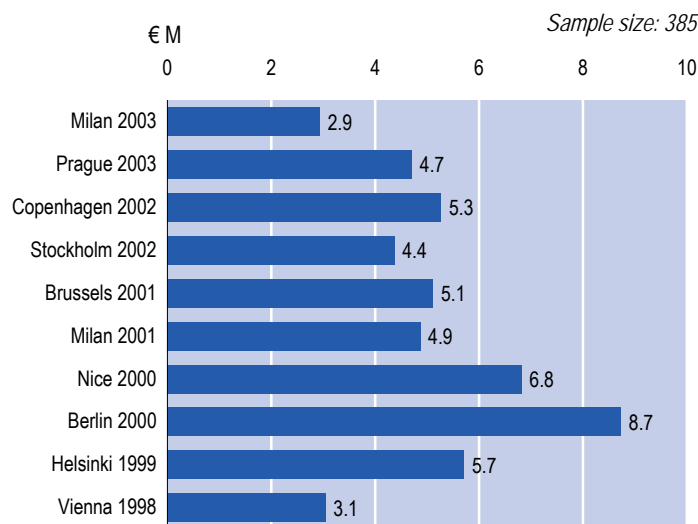


Looking at average employment numbers per company per sector, *IT Services* companies shows the highest average employment figure, followed by *E-Commerce* and *Hardware/Semiconductors*.

### Funding sought

As a part of their company profile information, ETIF presenting companies are asked to provide an estimation of the amount of funding they are seeking at the time of their participation at the event. The combined amount sought by companies presenting at the ETIF from 1998 to 2003 totals €2.1 billion. The average amount sought per company was €5.5 million while the median amount was €3.5 million.

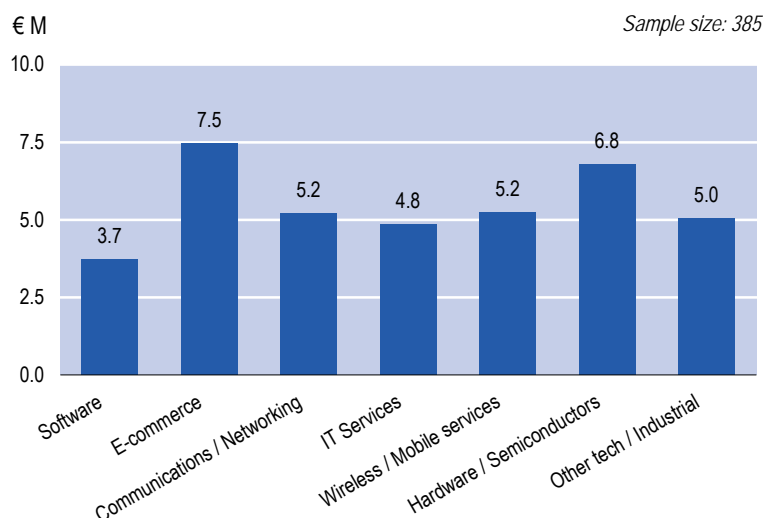
*Figure 8: Average funding sought per company per event 1998 – 2003*



The amounts sought by companies were clearly higher during the boom year of 2000, when E-Commerce dominated at the ETIF. Typically, the business plans of such ventures demanded rapid, international expansion, necessitating large capital infusions even at the early start-up stage. Faced with an increasingly difficult capital market, companies appear to have gradually

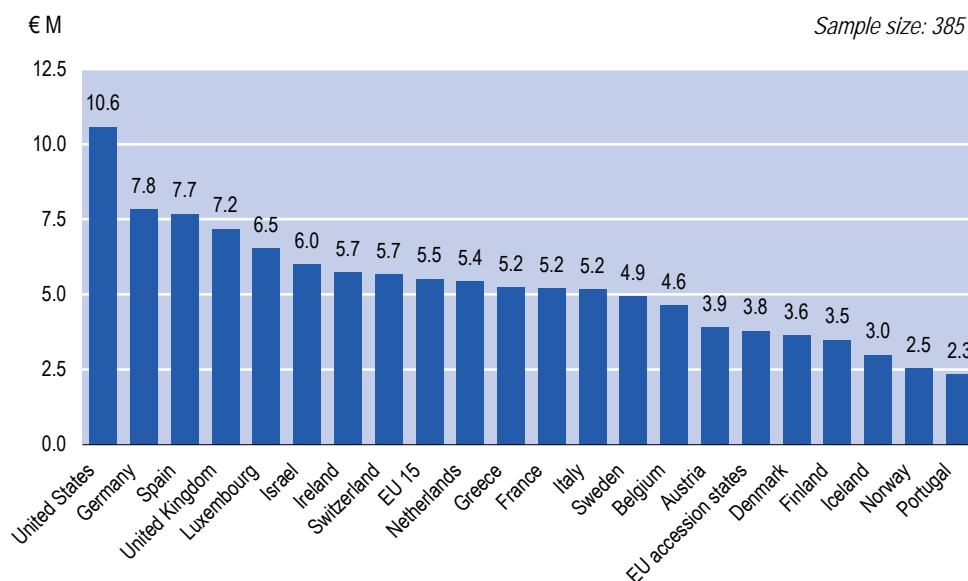
adjusted their fund-seeking ambitions and the average amount sought per company at the ETIF Milan in 2003 was the lowest so far.

**Figure 9: Average capital sought per company per sector**



Not surprisingly, *E-Commerce* companies – participating mainly during 1999 - 2001 – recorded the highest average amount sought per sector, €7.5 million per company. At the other end of the scale, the *Software* sector had the lowest average of €3.7 million per company.

**Figure 10: Average capital sought per company per country**

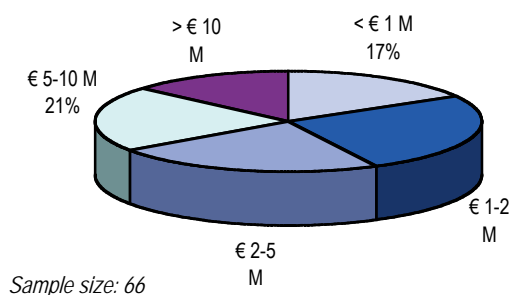


Companies from Germany, Spain, and the UK are the most ambitious in Europe when it comes to seeking venture capital. At the other end of the scale, companies from the EU accession states as well as those from the smaller countries appear to have more modest ambitions. The high average recorded for US companies is the result of a number of large, international E-Commerce players that have sought European investors at the ETIF. The average amount sought per company for the EU 15 countries was €5.5 million (same as for the total sample) while the average among EU accession states was €3.8. Million.

### Venture Capital funding raised by ETIF companies

A total of 80 presenting companies are known to have raised capital due to, or partly due to contacts made at the ETIF, representing 19% of the total sample and 33% of the respondent companies. Among these, the actual amount raised following the event is known for 66 companies, totalling €308 million. The actual amounts raised per company range from €30,000 to €35 million, with the average being €4.7 million and the median amount being €1 million.

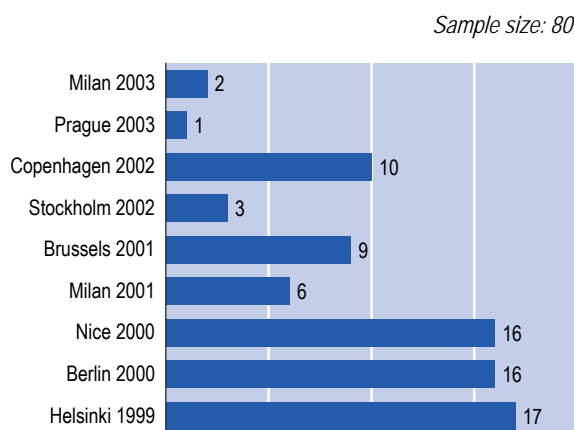
*Figure 11: Distribution of deal size among companies that raised finance*



In line with the European Tech Investment Forum's focus on early stage companies, nearly half, or 48% of the companies that secured finance, raised deals in the range of €1-5 million. More than a third, or 35%, of the companies raised amounts larger than €5 million while, at the other end of the scale, 17% raised less than €1 million.

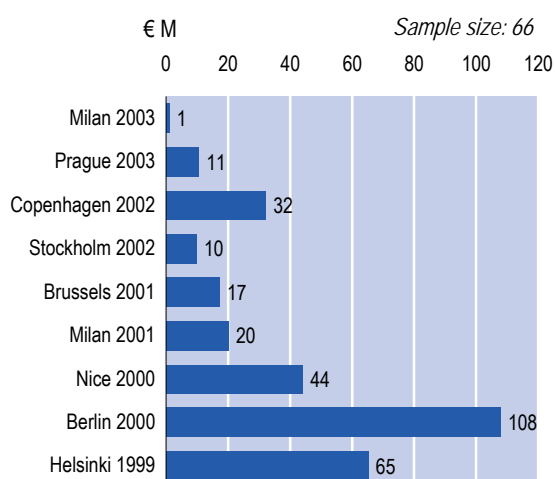
### Funding raised per event

*Figure 12: Number of companies that raised funding per event 1999 – 2003*



More than 60% of the companies that raised finance did so during the boom years 1999-2000. From 2001 and onwards results have varied from event to event, with Brussels 2001 and Copenhagen 2002 proving to have been particularly successful events in terms of companies raising finance in recent years. The low results noted for the 2003 events in Prague and Milan are partly due to a smaller than average participation as well as the short period that has passed between the events and the impact survey. These two events also took place at locations with few local investors, and in the case of Prague – a nearly non-existent domestic investment capital market.

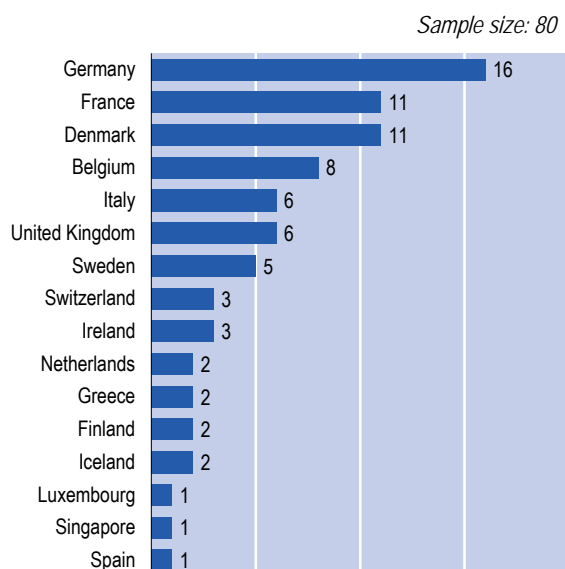
Figure 13: Total amount raised per event 1999 – 2003



Comparing total amounts raised per event, the highest amount by far was attained by companies presenting at the ETIF in Berlin 2000. Taken together, the amount raised after the three events held during the years 1999 and 2000 represent more than 70% of the total amount raised by all ETIF companies. In recent years, the ETIF in Copenhagen 2002 was the most successful, with 10 companies raising a total amount of €32 million.

### Funding raised per country

Figure 14: Number of companies that raised finance per country



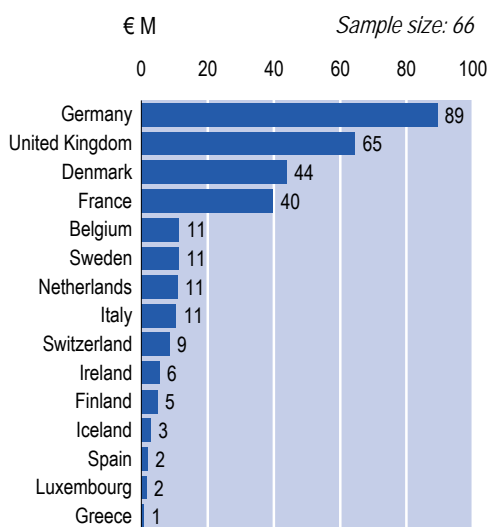
A fifth of the 80 companies that raised finance were German. France and Denmark each have 11 companies, and they are followed by Belgium, Italy and the UK. The impressive showing by relatively small countries such as Denmark and Belgium can be explained by the successful ETIFs held in Brussels and Copenhagen.

*Table 2: Percentage of all participating ETIF companies that raised finance per country*

<i>Country</i>	<i>No. of total participants</i>	<i>Companies that raised finance</i>	<i>Percentage per country</i>
Singapore	1	1	100%
Switzerland	8	3	38%
Greece	6	2	33%
Denmark	34	11	32%
Germany	55	16	29%
Iceland	7	2	29%
Netherlands	8	2	25%
Luxembourg	4	1	25%
Ireland	13	3	23%
Italy	27	6	22%
France	59	11	19%
Belgium	44	8	18%
United Kingdom	34	6	18%
Sweden	34	5	15%
Finland	20	2	10%
Spain	12	1	8%
Israel	13	0	0%
Czech Republic	10	0	0%
Norway	9	0	0%
United States	8	0	0%
Austria	5	0	0%
Portugal	4	0	0%
Hungary	3	0	0%
Slovakia	3	0	0%
Estonia	2	0	0%
Poland	2	0	0%
Slovenia	2	0	0%
Bulgaria	1	0	0%
Monaco	1	0	0%
Romania	1	0	0%
Total	430	80	

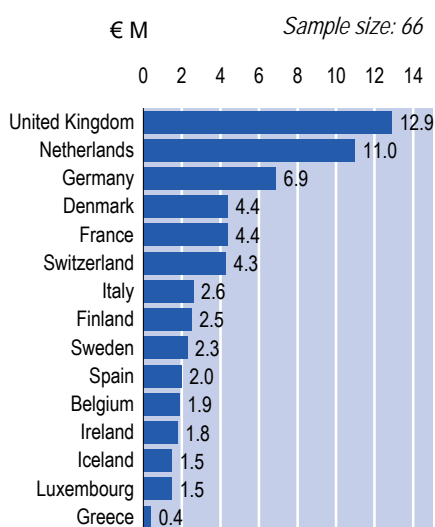
Comparing how many companies that raised finance in relation to the total number of participants from each country, Singapore tops the list with a single, successful participating company. Companies from Switzerland, Greece, Denmark and Germany have a higher proportion of companies that raised finance compared to Belgium, UK and Sweden. Among the countries that have no recorded companies that raised finance, Israel, the Czech Republic, Norway have had the highest number of participants.

Figure 15: Total amount raised per country



Comparing all the countries with participating companies that raised finance, Germany raised the highest total amount, €89 million, by a large margin, followed by the UK, Denmark and France.

Figure 16: Average amount raised per country

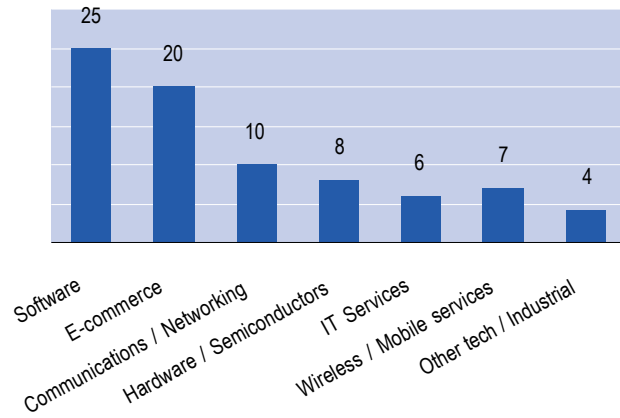


With six companies managing to raise an average of €12.9 million, UK companies takes the top spot followed by companies from the Netherlands and Germany. As a general trend, companies from Southern Europe raised relatively smaller amounts compared with their Northern counterparts.

### Funding raised by sector

Figure 17: Number of companies that raised finance per sector

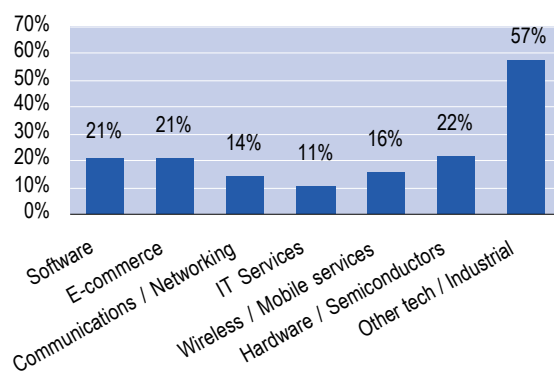
Sample size: 80



Among the 80 companies that raised finance, 25 came from the *Software* sector and 20 from *E-Commerce*. Together, these two sectors represent 56% of the companies that raised finance. The other sectors are fairly evenly represented.

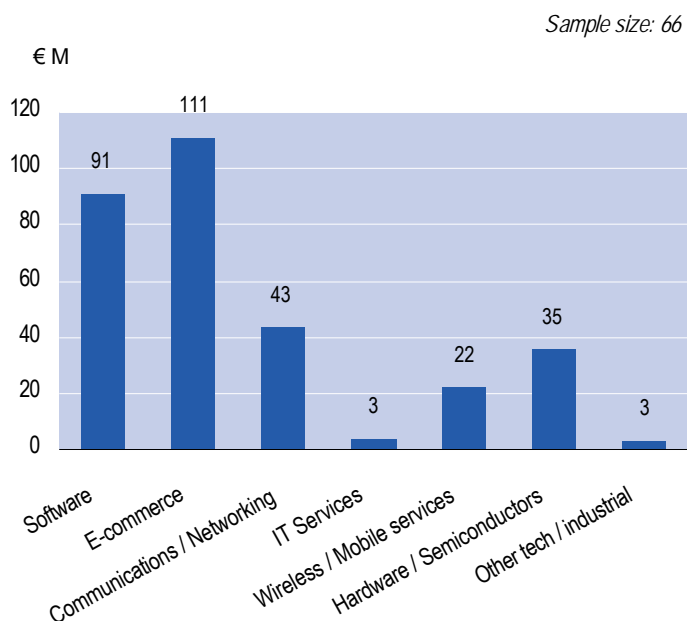
Figure 18: Percentage of ETIF companies that raised finance per sector

Sample size: 430



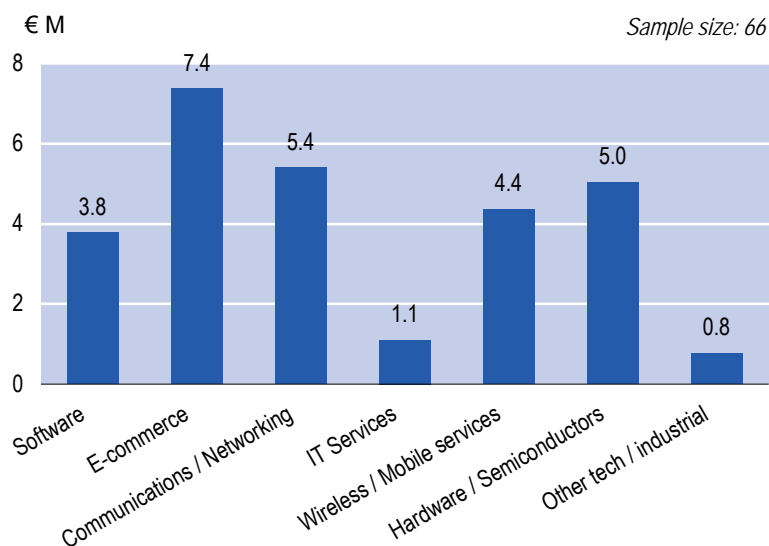
In relation to the total number of participants in each sector, companies from the *Other tech/Industrial* sector were significantly more successful in raising finance compared with other sectors. The sector that performed least well was *IT Services*.

Figure 19: Total amount raised per sector



*E-Commerce* companies raised the highest amount, €111 million, or 36% of the total amount raised by the 66 respondent companies. *Software* companies raised a total of €91 million, or 30% of the total, followed by *Communications/Networking* and *Hardware/Semiconductors*, that raised €43 and €35 million respectively.

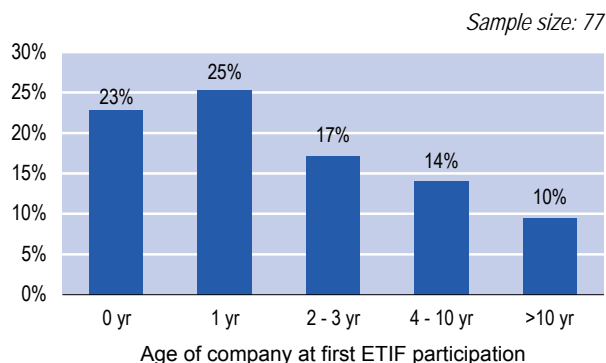
Figure 20: Average amount raised per company per sector



In addition to raising the highest total amount, *E-Commerce* companies also attained the highest average amount raised of €7.4 million per company, followed by *Communications/Networking* and *Hardware/Semiconductors*. Although *Software* companies raised the second highest total amount, the average amount raised was a modest €3.8 million.

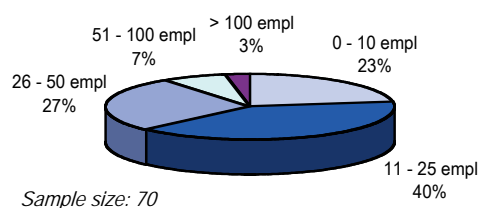
## Age and employment size of companies that raised finance

*Figure 21: Percentage of all ETIF companies that raised finance grouped by age*



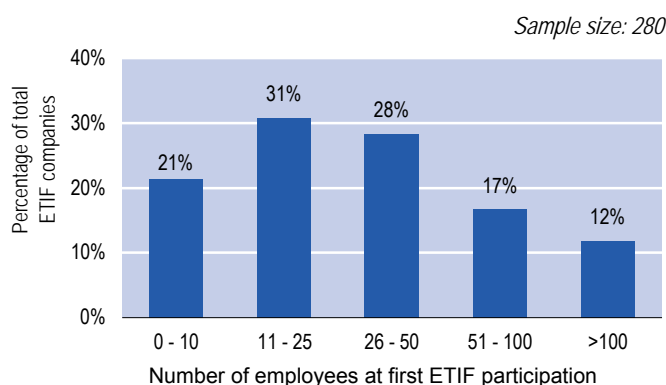
Comparing how well companies from different age groups managed to raise finance, it appears that the older the company at its first ETIF participation, the more difficult it is to raise finance. Nearly half, or 48 percent of the companies that raised finance were one year old or less.

*Figure 22: Number of employees at companies that raised finance*



The distribution according to employee size of the company does not differ significantly among the companies that raised finance compared to the total ETIF sample group. A full 90% of the companies that raised finance fell within the employee definition of a small enterprise at the year of their first ETIF participation.

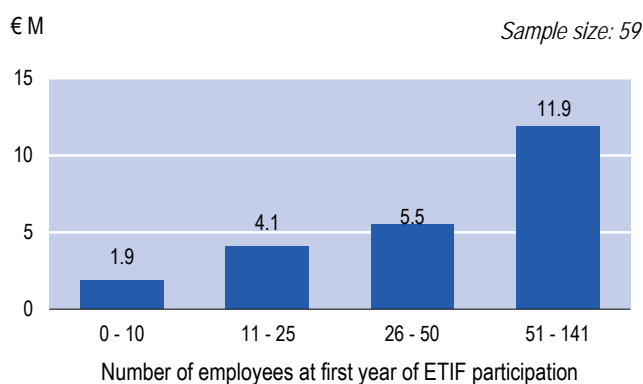
*Figure 23: Percentage of ETIF companies that raised finance grouped by number of employees*



Companies with 11-50 employees at the first year of ETIF participation were the most successful in raising finance in relation to the total number of companies within the same employee size.

group. Companies with more than 51 employees were relatively less successful at raising finance.

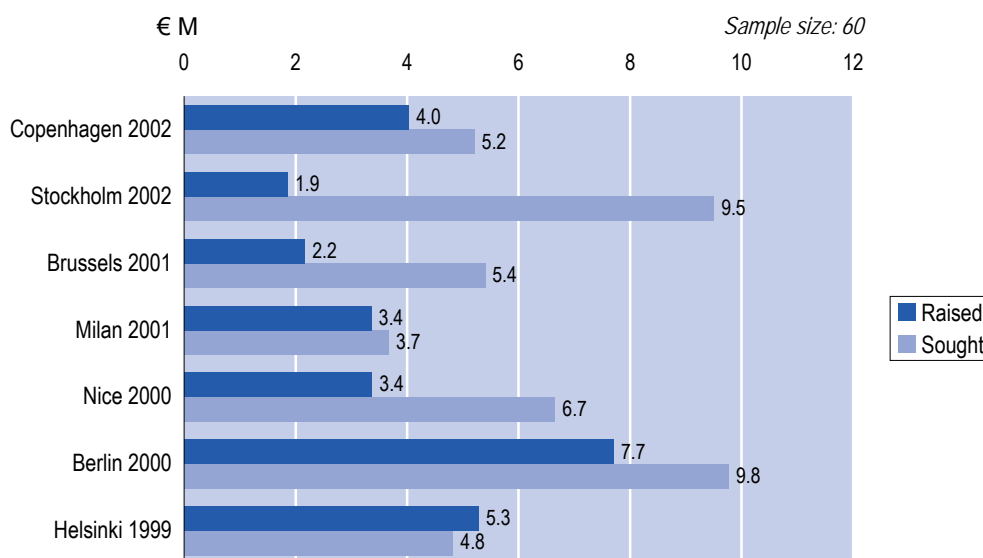
**Figure 24:** Average amount raised per employee size group



Looking at the average amount raised per companies grouped according to employment size, it is evident that the larger the company in terms of employment size, the larger the average amount raised.

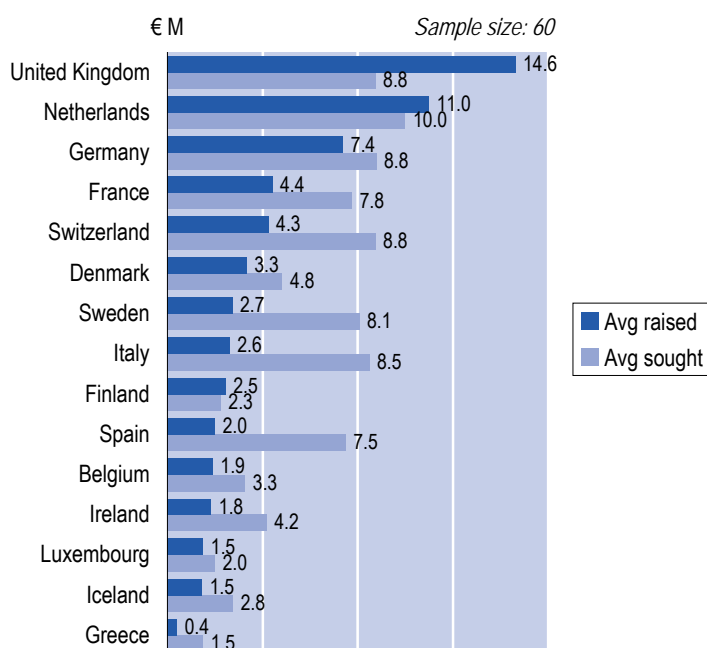
## Funding sought and raised

**Figure 25:** Average funding raised and sought per company per event



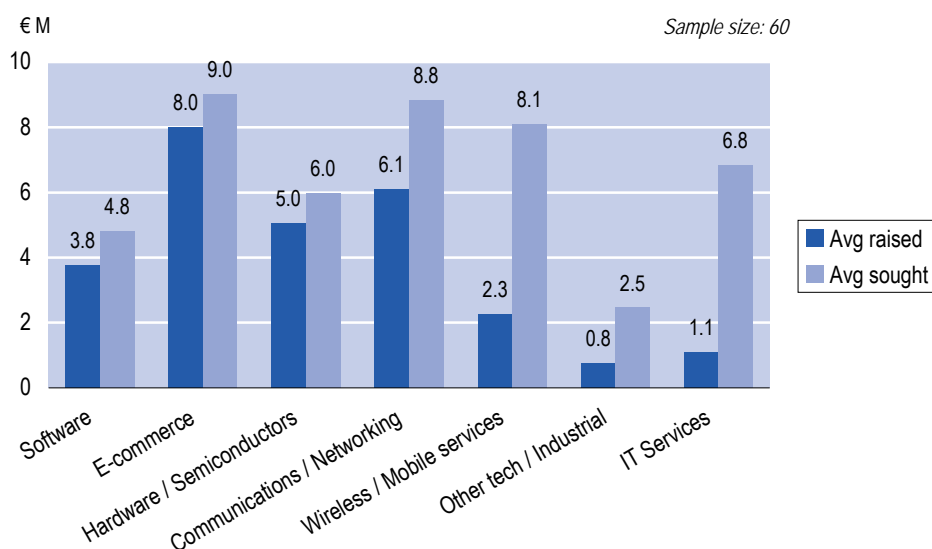
On average, expect for the ETIF in Helsinki 1999, companies that raised finance aimed for a slightly higher amount than what they eventually obtained. The largest discrepancies between average amounts sought and raised were recorded for the events in Brussels 2001 and Stockholm 2002. These event events were held during the transition to more adverse market conditions, and many companies had yet to adapt their expectations to the new investment climate.

**Figure 26:** Average funding sought and raised per company per country



Comparing how well companies managed to attain their fund-raising goals on average per country, a few countries, notably the UK and the Netherlands managed to exceed their targets. Italian, Spanish and Swedish companies were among those countries that had set the least realistic funding goals.

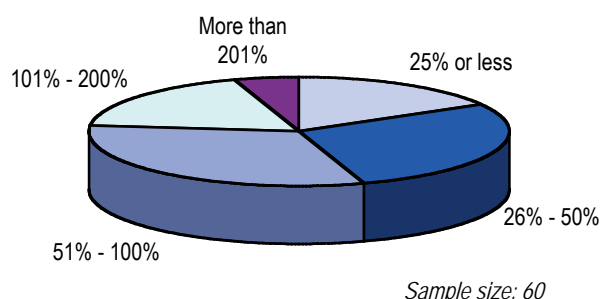
**Figure 27:** Average funding raised and sought per company per sector



In terms of average amounts raised and sought per sector, *E-Commerce* companies were the most successful in attaining their funding goals at the ETIF. This can be explained by the fact that these companies raised finance primarily during the boom years when valuations were high and VCs eager to invest. Companies from the *IT Services* and *Wireless/Mobile Services* sectors were least successful in reaching their financing goals. In the case of *IT Services*, few VCs are ready to invest significant amounts into companies with a service provider profile. As we have

seen, *Wireless/Mobile Services* companies predominantly started to appear at the ETIF in 2002 and 2003, yet many of the *Wireless/Mobile Services* companies were funded and raised their first rounds during the preceding boom years, and had not yet faced the reality of lower valuations and less available VC money.

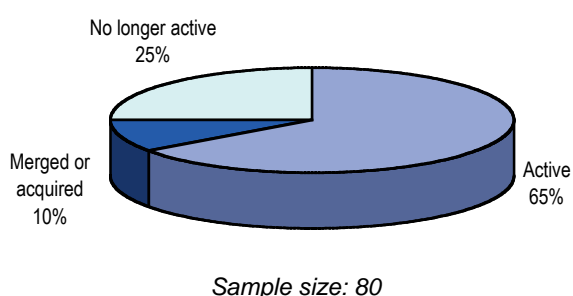
*Figure 28: Companies who raised finance distributed according to % reached of amount sought*



More than a fifth of the companies that raised finance exceeded their goals, while a majority of 60% managed to raise between 26% and 100% of their stated target amount. A sixth of the companies attained only 25% or less of their goal.

### Current status of companies that raised finance

*Figure 29: Current status of companies that raised finance*



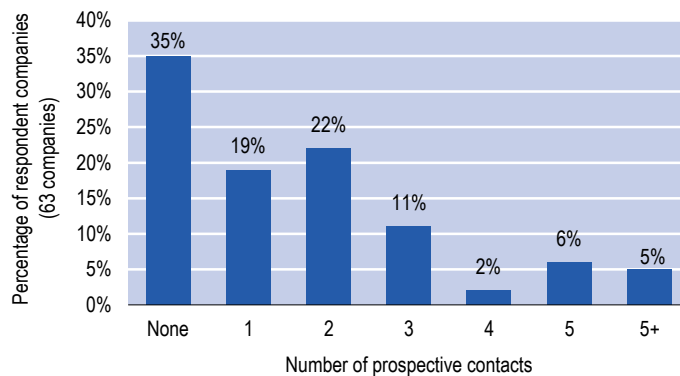
A clear majority – or 65% – of the companies that raised finance are still active on the market today. Nevertheless, having raised finance from a VC is clearly no guarantee for long-term survival. A quarter of the companies that raised finance at the ETIF are no longer active today. Many of the now defunct companies were casualties of the dot-com bust. Some 10% of companies that raised finance have since merged with other companies or been acquired by larger corporates. This type of exit can indicate both failure and success.

### General ETIF events impact survey

The data presented in this section is based on a more detailed survey of companies participating at the four ETIF events that took place between 2002 – 2003 and was carried out by IESE Business School with assistance from Europe Unlimited. This survey had a wider scope than those carried out for previous events and also targeted the investors participating at the events.

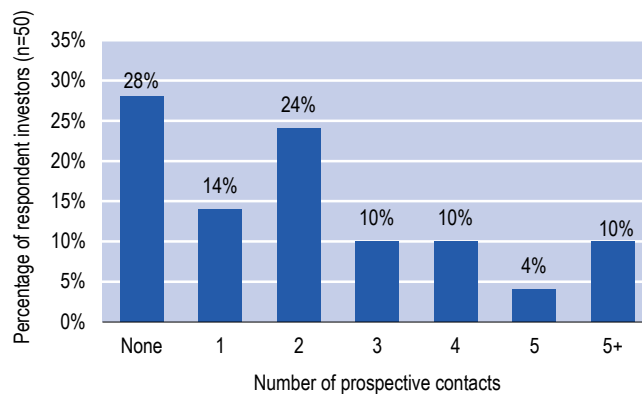
#### Facilitation of contacts

*Figure 30: Companies: Prospective Contacts with Investors*



When asked if the events had facilitated contacts with investors, 35% of the 63 respondent companies claimed to not have made any such contacts. Some 41% had made 1 or 2 contacts while the remaining 24% had made 3 or more contacts with prospective investors.

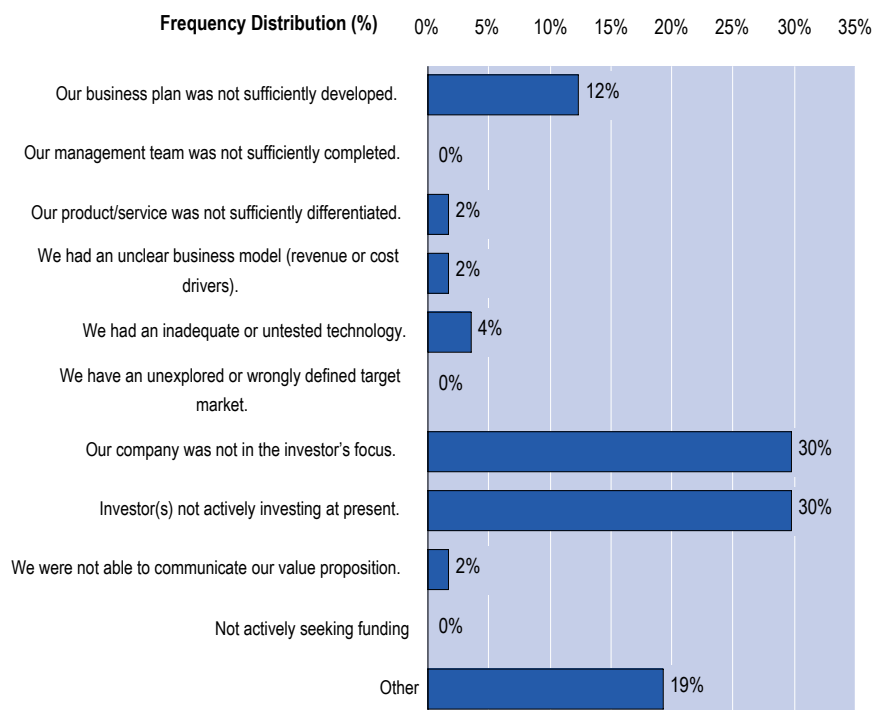
*Figure 31: Investors: Prospective Contacts with Entrepreneurs*



From the *investor* perspective, around 48% of the respondent investors made potential contacts with one to three entrepreneurs, while nearly a quarter made contacts with four or more entrepreneurs.

## Reasons for not completing a funding deal

Figure 32. Companies: Reasons for not having completed a funding deal



When asked to indicate the possible reason for not having reached a funding agreement following the event they participated in, the two most frequent answers given by respondent companies were “Investors are not investing at the moment” and “Our company was not in the investor’s focus”. Another frequently given answer was “Our business plan was not sufficiently developed”.

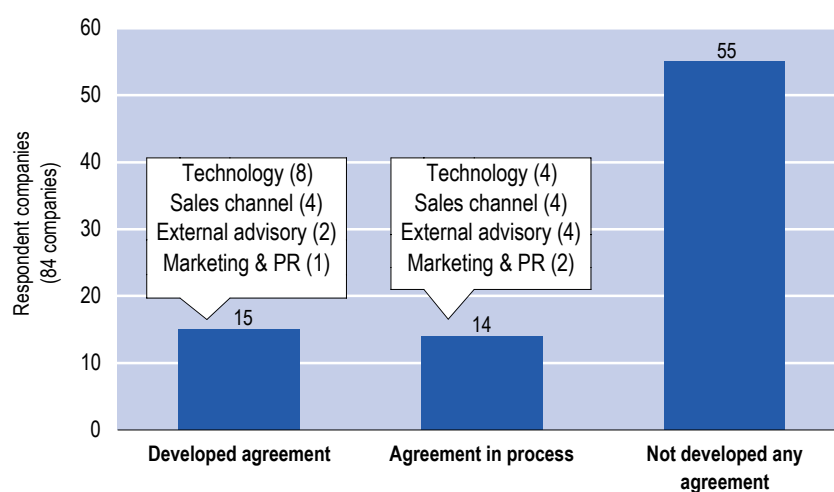
Figure 33: Investors: Reasons for not proceeding with company evaluation



On the other side of the fence, investors were asked to prioritize a set of reasons on a scale of 1 - 5 for not proceeding further with the company contacts made at the event. Two reasons emerge as the most relevant ones: “Unclear business model (revenue drivers or cost drivers)” and “Product/Service was not sufficiently differentiated”. Concerns regarding the companies’ business plans, management teams and target markets were also deemed relevant by the investors. Contrary to the impression that many entrepreneurs seem to have, current investor inactivity is not seen as relevant. In other words, the respondent investors *are* looking for companies to invest in, as long as their requirements can be met.

### Partnerships

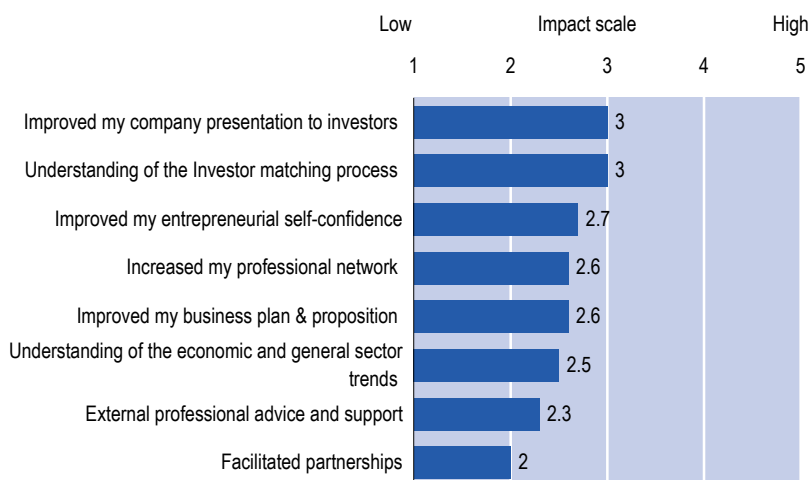
Figure 34: Companies: partnership agreements resulting from ETIF participation



Another important indicator of the matching process facilitated by the events, not only between entrepreneurs and investors, but also between the entrepreneurs, with corporations, research institutions etc, is to measure whether partnerships agreements have been facilitated as a result of participation in these events. Among the 84 respondent companies, it emerges that 29 companies, or 35% were either involved in a formal partnership or had a partnership agreement in process. The most common type of partnership agreement was related to Technology, followed by Sales/Marketing.

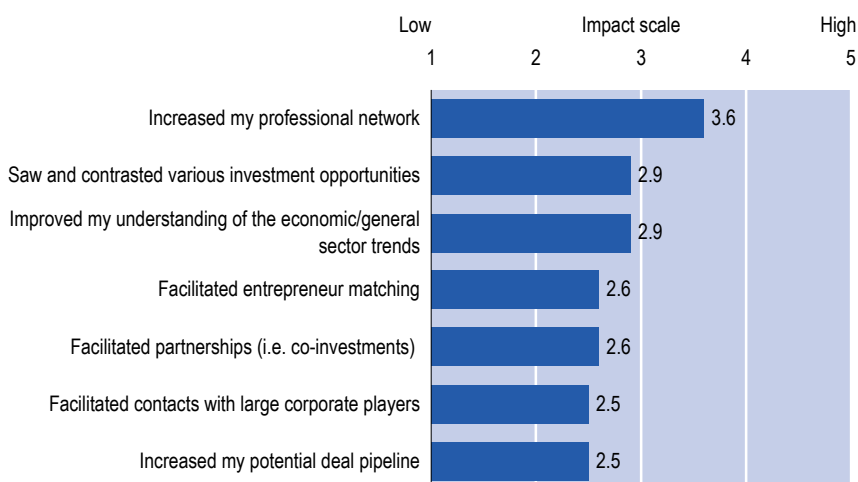
## Overall ETIF impact

Figure 35: Companies: Overall impact of ETIF participation



When companies were asked to rate the impression of the overall impact of their participation at the ETIF on different aspects of the event, the two most highly rated areas by entrepreneurs were “*Improved my company presentation to investors*” and “*Improved my understanding of the investor matching process*”. The *facilitation of partnerships* was rated as the aspect of the event that had the least impact for the entrepreneurs.

Figure 36: Investors: Overall impact of ETIF participation



From the investors perspective, the single most highly rated impact of the event was “*Increased my professional network*”. Investors also appreciated the possibility to see and contrast various investment opportunities and improve their general understanding of the general sector trends.

### Key conclusions

A total of 430 companies from 29 different countries have presented at the 10 editions of the European Tech Investment Forum held between 1998 – 2003. Some of the main conclusions presented in this chapter are listed below:

- A total of 80 presenting companies are known to have raised capital due to, or partly due to contacts made the ETIF, representing 19% of the total sample and 33% of the respondent companies.
- The actual amount raised is known for 66 companies, amounting to a total of €308 million.
- Nearly half, or 48% of the companies that raised finance, secured deals in the range of €1-5 million.
- German companies were the most successful in raising finance both in terms of number of companies – 16 of 80 companies - and total amount raised: €89 million.
- Among the 80 companies that raised finance, 25 came from the *Software* sector and 20 came from the *E-Commerce* sector. Together, these two sectors represent 56% of the companies that raised finance.
- The *E-Commerce* sector recorded both the highest total amount raised per sector – €111 million – and the highest average amount per company per sector: €7.4 million.
- A clear majority – or 65% – of the companies that raised finance are still active on the market today. A quarter of the companies that raised finance are no longer active, while 10% have been acquired or merged with other companies.
- Looking at all ETIF participating companies, *Software* is the sector with the highest number of participating companies – or 28% of the total.
- Some 71% of ETIF companies have been active for less than 4 years when they first participate at the event.
- A large majority (83%) of ETIF companies fall within the employee definition of a Small Enterprise, having a maximum of 50 employees at the time of their first participation.
- The combined amount sought by the presenting companies from 1998 – 2003 totals €2.1 billion. The average amount sought per company was €5.5 million while the median amount was €3.5 million.
- Companies from the *E-Commerce* sector recorded the highest average amount sought of €7.5 million per company.
- The main overall benefits of attending the ETIF cited by companies were: “*Improved my company presentation to investors*” and “*Improved my understanding of the investor matching process*”.
- Among investors, the main benefit of attending the ETIF was “*Increased my professional network*”. Investors also appreciated the possibility to see and contrast various investment opportunities and improve their general understanding of the general sector trends.

# Key Recommendations for tech entrepreneurs

## Introduction

In addition to achieving its core objective of improving access of early-stage technology companies to venture financing, the European Tech Investment Forum and Sector Summits have developed into an important forum and learning platform, where investors, entrepreneurs, advisors and policy actors to converge to discuss and debate topics relevant to Europe's high-tech economy.

For this chapter, we asked a number of key investor and corporate players as well as several successful entrepreneurs to share their insight and knowledge on four topics related to tech entrepreneurship: fund-raising, corporate venturing, and corporate and research partnership opportunities. The following comments were collected over a period of six months from the second half of 2003 to the first half of 2004 and were originally included in Europe Unlimited's *Venture Leader* on-line newsletter.

## The tech entrepreneurship challenge

If you're at all like many technology entrepreneurs, VCs and advisors, you probably don't know whether to laugh or cry when someone makes the profound observation that the past few years have been tough on European technology markets. But why sit around complaining about problems when we ought to be looking for solutions and moving forward? Indeed, many companies are moving forward, even growing. Innovative and well run private technology companies across Europe have been slowly but surely racking up successes and achievements as they continue to grow their businesses even in the midst of a market downturn that has been so long and harsh that some industry insiders have been heard wondering whether it will ever end.

What are the secrets of these survivors? How are some entrepreneurs able to continue to find opportunities for success when the market as a whole has been so depressed? Is it simply good leadership and innovative solutions that have enabled them to survive and flourish in an unforgiving environment? Is finding the perfect CEO and management team the silver bullet solution? In this section, a number of corporate executives and VCs describe some of the reasons they believe can enable companies to move forward regardless of market conditions. This topic features contributions from:

**Mr Lawrence Sellin**, Wireless/Pervasive e-Business Alliances Executive EMEA of *IBM*

**Ms Maisy Ng**, Managing Partner of *Add Partners*

**Ms Sabine Bendiek**, Partner of *Earlybird Venture Capital GmbH & Co.KG*

**Mr Steven Schlenker**, Managing Partner, *Digital Networks Global Ventures*

**Mr Michele Appendino**, Managing Director of *Net Partners*

**Mr Marc Breitfeld**, Investment & Finance Director of *AdAstra Venture Consult GmbH*

**Mr Lawrence Sellin,**  
Wireless/Pervasive  
e-Business Alliances  
Executive EMEA, *IBM*

***“Niche players can flourish even in down markets”***

IBM continues to partner with independent software vendors and technology providers to deliver high-quality end-to-end solutions to customers. In our experience successful start-ups cut across all industries, but they tend to have one thing in common. They understand how to apply technology to a business need rather than the other way around. Customers are looking for solutions, not technology as an end in itself. Service providers will continue to seek solutions that will drive revenues and enterprises are looking to solve a business problem, thereby raising productivity. Many companies with innovative technologies or software fail because they don't understand their potential customers' business.

For example, RFID is an exciting new technology, but not all RFID-based companies will succeed. Niche players, with robust, scalable, easily deployable solutions and a demonstrable ROI can flourish even in down markets. Successful start-ups also understand the value of partnering and the importance to contribute actively to the success of the partnership. A company that not only provides added value through innovative technologies, but can also bring new business to a partnership will likely get the most attention.



**Ms Maisy Ng,**  
Managing Partner,  
*Add Partners*

***“In a start-up, the CEO should be a strong leader and communicator”***

What is the most important quality in CEOs of a potential investee company? It really depends on the stage of the company and the depth and quality of the management team around the CEO. For a company that is still relatively young, the CEO should definitely be a strong leader and communicator with the ability to focus the company on key deliverables and to execute them. I also believe that younger start-ups need CEOs that have direct relevant industry experience or strong key functional skills (e.g. sales or product management) rather than general management capabilities. Larger, more established or later stage companies will need CEOs that have a proven record of achieving quarter-on-quarter results. Such later stage companies will invariably have a larger burn rate; any hiccup in financial performance could prove disastrous. Ideally later stage CEOs should also have the strategic vision to lead the company into its next phase of growth while building upon what has been achieved so far.

What are the most important things a VC can and should do to support their portfolio companies? I sometimes think that the best thing that a VC can do for a portfolio company is to help them hire and retain a top-notch management team and then let them get on with it! For all the value add that a VC can bring by opening doors to potential customers and partners etc, we are never executives of the portfolio companies and a strong management team will be able to do all these and more. On the boards of such strong teams, the VC director is more like a goalkeeper in a football game - watching that no goals are scored against the team while they are out scoring goals against the opposition.

**Ms Sabine Bendiek,**  
Partner, *Earlybird Venture*  
*Capital GmbH & Co.KG*

### ***“Entrepreneurs need foresight and the ability to adjust quickly”***

I strongly believe that a successful entrepreneur (or team of entrepreneurs) always has to have the same qualities, independent of the market conditions: Enthusiasm for his idea, business acumen and the ability to relate to (potential) customers, partners and employees and incorporate their feedback, the grand vision as well as a passion for making his business work with all the tedious daily work that this requires. But, apart from these personal capabilities, there are also important institutional capabilities that the entrepreneur needs to be able to build and foster within his organization: Foresight and the ability to adjust quickly – and these may increase in importance in down cycles. We all have seen companies fail due to erroneous sales forecasts and delayed recognition of changing market conditions.

Building and honing these capabilities is a process which often takes several years, and I have always seen it as one of the tasks of the VC to help drive this process. And it has shown rewards: Those who were successful in developing these capabilities showed impressive growth or at least resilience to the downturn. They were able to grasp the opportunity when many of their competitors either failed or had to focus on restructuring, often completely neglecting new business development and leaving their customer base badly served, nervous - and often looking for a new supplier.



**Mr Steven Schlenker,**  
Managing Partner, *Digital*  
*Networks Global Ventures*

### ***“The importance of honest leadership”***

The single most important quality I look for in an entrepreneurial CEO is honest leadership. Leadership should be clear to most people in the investment game – the ability to drive ordinary people to extraordinary achievement, whether through example, motivation, inspiration, cajoling, threat, or otherwise. But honest leadership is a step further.

Honest leadership means the ability to understand the situation their company and their employees are in at any one time. It means the ability to convey this situation to me as a potential board member, without double-talk, techno-babble, excuses, exaggerations, “slideware” or any of the other devices used by managers who are not really in control. It means the ability to listen to the suggestions of others, whether myself, my technical advisors or my fund partners. It means the skill to answer definitively where these suggestions are baseless, and to thoughtfully consider those suggestions that do have merit.

Honest leadership means to be able construct a course of action which can be defended, and yet to have the modesty to admit which parts of this course of action are in fact a calculated risk which may or may not work. And above all it means the ability to wholly take responsibility for their company’s results, without blaming the market, the customers, capital constraints, the technical development team, the system integrators, the economy, the board, the existing investors or any of the thousand other excuses I have already heard from the CEOs I haven’t invested in.

Honest leadership is relevant in bull or bear markets, but is much easier for CEOs to fake in bull markets than in bear markets. This is one advantage of investing in this side of the business cycle - the charlatans and also-rans show their true colours earlier in the due diligence process.

**Mr Michele Appendino,**  
Managing Director,  
*Net Partners*

***“We look for entrepreneurs that are flexible and creative”***

In my opinion the Darwinian selection is not over yet. It is extremely important at this point in time that companies adapt their offering to the current market situation with creativity. I'll take as an example what has happened to enterprise software companies in the last couple of years. With customer budgets frozen, the companies that were able to promptly reduce their burn rate by offering services with the technology they developed are the most promising today. They have developed a real customer base and have also financed product development. At the end of the tunnel they will benefit from their competitors' extinction.

Most of our e-commerce portfolio companies had to find new energy and opportunities when the whole business community was reducing expectations for this industry. Today, I'm proud to say that in our portfolio there are several out-performing e-commerce companies well in the black and exceeding their budgets.

In a bull market, the most important qualities in a CEO would certainly be “focus” and “execution”. Nowadays we certainly look for entrepreneurs who strongly believe in their business models but who at the same time are flexible and creative and seek to continuously identify tactical actions to drive their companies to success.

In the current market situation, alignment on targets and priorities is key. Alignment among management teams as well as between the management team and the board is also extremely important. European companies often suffer from a lack of communication, and companies' objectives are misunderstood at all different management levels. Consequently, transparency and communication are crucial to succeed.



**Mr Marc Breitfeld,**  
Investment & Finance  
Director, *AdAstra Venture  
Consult GmbH*

***“These are excellent times to pick up valuable technologies at a bargain”***

The current market condition for tech companies undoubtedly is one of the toughest ever. Nevertheless, we are convinced that we will see considerable improvement in the near future. Especially for smaller tech companies it means “structure to survive and position to thrive”.

This is basically what we expect from an outstanding CEO and the rest of the management team. The CEO has to focus the company and structure it to be profitable or cash flow positive to survive in the current environment. At the same time, the company needs to be positioned for growth in order to thrive once the market improves.

On the strategic side, we believe that these are excellent times to pick up valuable technologies at a bargain. Further, you can hire excellent talent at reasonable conditions, which can help to overcome the traditional weak sales side in entrepreneurial tech companies. Finally, on our side, we believe VCs have to be available as a sparring partner, i.e. to be ready to spend time with the companies for whatever demand they have, from analytically analysing the current situation to hands-on supporting market entry. You need to be flexible. And you expect the same from your management team!

### Venture capital fund-raising today

Tech entrepreneurs across Europe continue to be confronted with the ongoing difficult investment climate. For a new start-up, raising a first round of venture capital today can be a daunting task. Later-stage companies are also finding it increasingly difficult to secure further rounds of investment and have many times found that working and negotiating with VCs can be a frustrating process. Nevertheless, deals are happening and venture-backed companies are progressing. There are many examples of how VCs and innovative start-ups have worked together to create success stories that have been mutually beneficial. What are the keys to those successful relationships?

In this section, we asked a number of successful entrepreneurs to provide some advice on what actions companies can take to obtain venture capital in the current climate:

- Should companies be selective in approaching or choosing VCs?
- How do you ensure a positive and constructive relationship with your VC(s)?
- Aside from capital, what are the most important contributions a VC can make to a start-up?
- How can you ensure that you align common long-term goals and objectives with your VC?

To get the perspective from the investor side, we also asked some VCs and advisers what recommendations they could give to entrepreneurs that are preparing to raise venture capital:

- Aside from capital, where can investors contribute most to their portfolio companies?
- How do VCs identify tech companies that will be successful in today's tough business climate? What are the key criteria in terms of:
  - Technological innovation and market opportunity
  - Business plans and financial projections
  - Management team
- What is a realistic exit strategy today? How can entrepreneurs and VCs together work towards this goal?

This topic features contributions from:

**Mr Jörg Ott**, CEO of *GlobalWare AG*

**Mr Fred Destin**, Partner, Technology Investments of *Dresdner Kleinwort Wasserstein*

**Mr Frank Böhnke**, Partner of *Wellington Partners Venture Capital GmbH*

**Mr Helgi Axelsson**, Co-founder of *ZooM hf*

**Mr Michael Moritz**, Partner of *CatCap GmbH*

**Mr Dirk Wouters**, Managing Director of *Gate2Growth*

**Mr Suresh Patel**, General Partner of *Verdexus Inc.*

**Mr Nicolas-Peter Pohland**, Founder & Executive Director of *snom technology AG*

**Mr Jörg Ott,**  
CEO, *GlobalWare AG*

### ***“Be selective in approaching or accepting offers from VCs”***

To attract investor interest in the current climate, it is vital to be able to prove that your business is profitable or will be so in the near future. You must be able to demonstrate your company's ability to reach this goal. Most important is that the founders are involved in sharing the investor's risk. A top entrepreneurial team with a significant personal financial commitment, with an interesting product, service or idea is the best way to start. Be selective in approaching or accepting offers from VCs. It is important to have access to the VC's key decision makers and get them involved in the deal and in your business from the start. When the VC understands your business ideas and goals and gets involved in realising them, you know you have a partner that you can count on even in bad times.

To ensure a positive and constructive relationship with your VC, they should be involved in an advisory or supervisory position in the company. For on-going support of your business, it is very important to be able to communicate directly with your VC's decision makers. Aside from the capital they bring to your company, it is important that VCs also provide advice for business development and controlling (sales, finance and development) and open up their internal/external networks to the management team. To ensure that you share common long-term goals and objectives with your VC, it is important to involve them in your business development and strategy and thereby binding them to your business.



**Mr Fred Destin,**  
Partner, Technology Investments, *Dresdner Kleinwort Wasserstein*

### ***“Good strategic planning is key in the relationship with your VC”***

Entrepreneurs and professional managers often focus primarily on growth and building large and visible businesses, but do not pay enough attention to risk management and capital efficiency (notably dilution) in the process. VCs are primarily concerned with the return on (their) equity. As an entrepreneur, it is vital to understand what drives ROE for the VC: stock price, time to exit and risk-adjusted cost of capital. In other words, make sure you deliver what the VC wants and work both on the numerator (revenue and profits growth) and the denominator (reduction of risk and time to exit). VCs get paid not to take but to manage risk.

A good entrepreneur will convincingly demonstrate that he has a plan to profitably address a large market, and will equally convincingly demonstrate that he can steadily reduce the risk associated with the business, or that the risk-return tradeoffs he presents are optimised. He can build an exciting long-term vision and work back towards a credible short-term execution plan where every action gradually reduces the risk associated with the business. Good strategic planning focused on delivering ROE is a key element to building and maintaining a strong relationship with your VC.



**Mr Frank Böhnke,**  
Partner, *Wellington Partners*  
*Venture Capital GmbH*

### ***“Being open for partners signifies a fundamental change”***

My advice is to be focused, be committed and be open for partners. In the economic downturn of the last few years, these fundamentals have helped high-tech companies to survive and even to grow. So it is only logical that venture capitalists are now scrutinizing new portfolio candidates especially with respect to these points.

Being focused is more important than ever in times of scant capital and human resources. Successfully bringing one new product to one market with one team ties up all of a start-up's capacities - those who attempt to do more increase the risk of failure. Being committed relates to the management team; Only those who live for the success of their business idea will be able to succeed – which is why evaluating the management team is a top priority for VCs.

Being open for partners signifies a fundamental change. Even big corporates are now accepting start-ups as development and marketing partners, with VCs often assuming a gatekeeper role in such relationships. What VCs expect today is an uncompromising openness towards collaboration with outsiders.



**Mr Helgi Axelsson,**  
co-Founder, *Zoom hf*

### ***“Make sure you have all important agreements with your VC in writing”***

To attract capital today, you must show how your company will solve problems for end users and why your company is in the best position to make it happen and create revenue from this market opportunity. Should companies be selective in approaching or choosing VCs? Yes! A VC can sometimes do more harm than good. Money is not all, and if it is not used wisely you are giving part of your ownership to a VC who might lead your company in the wrong direction.

How do you ensure a positive and constructive relationship with your VC? Make sure the VC representative (the board member) is well liked and respected by other companies he has previously been working with, as well as inside his own organisation. Discuss changes he might recommend to the existing business plan before you accept the financing and hand over power to him. Attempt to determine long-term goals and objectives together with the VC before the terms of the investment are finalized and make sure you have all important agreements in writing.

Aside from capital, the most important contribution a VC can make is to provide contacts or ideas that help to market and sell the product and provide advice until important sales or revenue goals are reached. A VC should also be able to assist in finding and hiring new and additional key people for the management team.

**Mr Michael Moritz,**  
Partner, CatCap GmbH

***“Companies need a business case that can fulfil the investors’ criteria”***

In today’s difficult economic environment, raising capital from VCs is a tough task. For companies trying to do so, it is all the more important to get across (1) the customer benefit of their products, (2) their unique selling points, (3) the attractiveness of the targeted market, and (4) the resulting growth potential. Even if an investor knows the industry, it must be made clear to him why the company in question is a strong investment case with a compelling equity story.

Before they approach potential investors, companies need to check whether they really have a strong growth business case that can fulfil the investors’ criteria. An examination of one’s own business situation, competitive position, and strategy should hence always be the first step in a transaction. Are all founders prepared for an exit in 4-6 years? Does the company really possess patents and trade mark rights, which are often its only assets? Part of the preparatory assignment is the development of a plausible and detailed financial plan as well as the derivation of the company value through different valuation techniques. Many transactions fail because of one party’s has an unrealistic, not market-driven, notion of value. In short: Is the company really ready for investment?

Finally, an important question is which investors should be considered at all. Is the business soon going to be a pan-European one because the markets are not only domestic? In that case, an international group of VCs would be more appropriate than a national one. A successful fundraiser not only knows the market and the relevant financial investors, he also has access to potential strategic partners. In the technology sector, good knowledge of public sources of capital and a network of private investors is especially important since early-stage investment from other sources is scarce. Even after thorough preparation, the highly complex and time-consuming process of raising VC requires intensive structuring and project management for a successful closing. At this juncture, the quality of preparation ultimately determines the result: without proper homework, you won’t make the grade.



**Mr Dirk Wouters,**  
Managing Director,  
Gate2Growth

***“Shooting out at a whole group of investors does not work”***

Fundraising is not an easy task these days. Nevertheless, a number of start-up technology companies have been able to raise the needed funds. Their secret? A number of elements help companies to attract VC money. Our experience teaches us that the criteria for investment have become very elaborate: A good management team with proven positive experiences, an existing market for the products and a revenue driven organisation. Most importantly, the VC needs to see the exit. Companies should select the right VC for their venture, at the right time, with the right proposal and with a reasonable valuation. Shooting out at a whole group of investors does not work. Some VC’s have told us that they do not look at email coming in via info@VC. They want to be approached personally.

At the VC side, the industry has changed dramatically over the past few years; investment managers become more active in the involvement of daily management and strategy of their ventures. Risk as such is being managed in a new and different way. In general, VC’s only want to see the best business plans with the best management teams that fit exactly in their vision and portfolio.

**Mr Suresh Patel,**  
General Partner,  
*Verdexus Inc.*

***“It’s like a game of poker: is the VC bored or playing bluff?”***

Venture Capital is abundant but getting funded is a serious and nerve-racking routine for first time entrepreneurs. The traditional game of meeting investors is tedious for both start-ups and the VCs approached. Selecting a shortlist of potential suitors is wise but shopping around is not cool anymore. VCs talk to each other. No VC wants to be laughed at for doing a deal that should never have happened!

Yes, your technology is leading and your numbers look impressive but how many times do you think a VC has heard it before? It’s like a game of poker and you will never know what is going on in the mind of the VC; Is the VC bored or playing bluff? You have to provide a powerful equation in your business plan just to get the first meeting arranged: Innovative product/concept + protected IP + strong management team + growth potential to gain revenue + stability = VC money. As a consequence, the VCs should assist you by being fair and open on the next steps. If you are successful, expect major paperwork and tough timelines.



**Mr Nicolas-Peter Pohland,**  
Founder & Executive Director,  
*snom technology AG*

***“Only choose an investor that you can trust”***

In a nutshell: success makes you look sexy. It is preferable if your company can already show positive results, and if not you need to make it very credible that you will be able to produce them. Tech entrepreneurs tend to think technology is very important and often neglect to communicate properly within their own company, with customers and investors. The abilities of the team members help ensure a company’s success but only if the relationship and communication works. A good VC will point out your weaknesses and help in ironing them out. To be successful you must have a positive attitude and great integrity, i.e. be a fair and reasonable partner and choose only a VC that you can trust.

### The corporate venturing opportunity

The corporate venturing activities of larger corporations related to investing in and partnering with smaller growing companies is of course closely linked to the state of the venture capital market. With a slow venture capital market, the number of corporations active in the venture market, and their level of activity, has similarly contracted.

As corporate venturing plays a crucial role in the development of tech start-ups, we asked a number of leading VCs, corporate venturers and other experts to provide an update on how they view the corporate venturing market now and going forward. What has been learned from recent years, and how should corporations still pursue deals and investments with growing tech companies? And vice versa? Here are a few of the questions we put to these experts:

- What is the role that venture capitalists can still play in matching corporations with growing companies?
- What recommendations can you give to entrepreneurs wanting to do deals with larger corporations?
- Is this an attractive market to invest in (lower valuations) or to partner in (growing companies are keen to generate revenue and customer traction)?
- Do initiatives focus primarily on start-ups, or alternatively, on later-stage growth companies?
- Where will corporate venturing activity will go from here: will corporations retire from direct venture investing and just invest in VC funds, or stay away from the current market altogether?

Contributors to this section are:

**Dr. Thomas W. Kühr**, Chief Executive Officer, *T-Venture Holding GmbH*

**Prof. Benoît Leleux**, Stephan Schmidheiny Professor of Entrepreneurship and Finance, *IMD*

**Mr Giuseppe Curatolo**, General Partner, *TLCOM*

**Mr Paul Jozefak**, Investment Director, *SAP Ventures*

**Prof. Juan Roure**, Professor of Entrepreneurship & Negotiation, *IESE Business School*



**Dr. Thomas W. Kühr,**  
CEO, T-Venture Holding  
GmbH

***“The most important condition for success is defining clear objectives”***

Although many corporations ceased their venturing initiative during the last 2 – 3 years this does not mean that corporate venturing *per se* is a business model condemned to failure. If the necessary prerequisites are assembled there is a good chance for success. The most important condition for success is defining clear objectives. From a general perspective corporations have to distinctly determine the sectors for their venturing activities, and they have to decide on the relative weight of financial and strategic goals.

However, in most of the failing corporate venturing activities, corporations neglected to clearly state search fields or they were unclear about the importance of financial versus strategic objectives. When defining sectors of activity, a company has to focus on those technologies where it has more expertise than independent VC firms. A close feedback process with the corporation’s business units helps to identify these areas and to concentrate investments in these segments. This process is further enhanced if performance measures are laid down which reflect the corporation’s objectives and synchronize them with the venturing activities.



**Prof. Benoît Leleux,**  
Stephan Schmidheiny Pro-  
fessor of Entrepreneurship  
and Finance, IMD

***“Clarify which objectives are pursued for each investment”***

Corporate venture capital programs commonly receive mandates to pursue “strategic” investments, as if this would provide sufficient direction for the selection of projects. But “strategic” does not mean anything *per se*, or rather it could mean many potentially incompatible things. Based on extensive consulting with large CVC programs in Europe, we introduced a taxonomy of CVC strategies where investments either:

Leverage the core competencies to develop new or improved products/activities;

Hedge against potential substitute technology uncertainties;

Create an “ecosystem” of third party implementers and complementaries.

We encourage CVC program managers to explicitly state which objectives are pursued for each investment, and align the performance metrics accordingly. Too many CVC programs fail because hedge strategies get evaluated on the basis of bottom line contribution.... When leverage is key, CVC programs seem to have a difficult time balancing the necessary inward-looking focus (where in-company experience would be key) and the need to independently evaluate outside opportunities (where independent VC experience would be critical). Personality clashes between company men and independent investors are all too common and can ruin the best-laid plans...

**Mr Giuseppe Curatolo,**  
General Partner,  
TLCOM

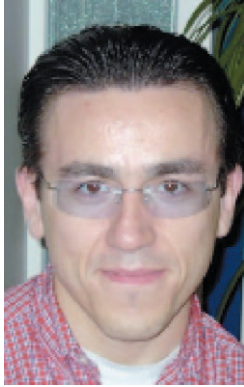
### ***“Specific actions to extract synergies have to be identified”***

Corporate investors can add significant value to entrepreneurial companies as a complement to professional venture capital managers. However, the extensive case history in this field provides insight into key factors for a successful relationship for all sides. In particular:

*Clarity of objectives:* What makes venture investing such a propulsive force in the economy is the alignment of incentives that exists between entrepreneurs, VCs, company employees and providers of finance, with all parties are set to benefit predominantly by the commercial success of the entrepreneurial venture. However, corporate investors often bring to the table additional objectives, such as the promotion of a certain technology platform or the overall development of a specific market segment. These objectives have to be deeply understood, and received only in so far they are directly correlated to creating value in the entity to be financed. Conflicting incentives can be a critical source of disruption and tension in a shareholder structure.

*Clear identification of value addition:* Equity is the most precious commodity in the hands of an entrepreneurial company. It is imperative that all equity holders contribute to the success of the company with their work and network of contacts. In the case of corporate investors, the participation in an equity round is normally associated with some kind of business and strategic synergy. To this extent, specific actions to extract synergies have to be identified, a clear timeline needs to be defined and key individuals need to be appointed and held accountable for the delivery of value addition. The best premise for a fruitful relationship is the precise definition of expectations.

*Avoid dependency:* Flexibility and speed are key differentiators for start-up companies. Very often corporate investors require a codified commercial relationship as a precondition to investment. Any conditions constraining the approach of the company to its market need to be carefully considered to avoid dependency and inability to refine the strategy as market conditions evolve.



**Mr Paul Jozefak,**  
Investment Director,  
*SAP Ventures*

***“Investing in competitive technologies can lead to internal innovation”***

Now would be the worst time for a corporate venturing group to cease operations. We are beginning to see an upturn in the market and by giving up now on venture investing, a corporate may potentially be leaving money on the table and opportunities behind. Corporate venture teams can and should be groups focused primarily on financial return. This is the only metric that is directly measurable, keeping priorities clear and teams motivated when compensation is tied to performance.

Secondly, it remains up to the specific corporate whether they want to have as their second priority strategic initiatives or an innovation window. It can be argued that a corporate has to have a strategic interest in corporate venturing but there is a fine balance to be achieved when focusing first on financial return followed by strategic initiatives. By potentially investing in competitive technologies, internal development groups can be motivated to innovate. If they are not successful, the portfolio company can be acquired or partnered with. In a worst-case scenario you may end up selling a portfolio company to a competitor because you do not know how to integrate it into your business. At the same time though, you have an upside on your investment.



**Prof. Juan Roure,**  
Professor of Entrepreneur-  
ship & Negotiation,  
*IESE Business School*

***“Organizations need to become more entrepreneurial”***

At the end of the day, becoming more entrepreneurial for an organization forms part of the strategy design of the organization itself. Such a process may include different approaches depending on their “close relationship” with the core business. From high to low “proximity” to the core business, the range of possible lines of attack to bring this about may go from establishing and internalising entrepreneurial practices and structure in the organization as a whole, to implementing diverse approaches of corporate venturing based on internal or external undertakings 3/4, for example, a new business unit within the organization, or joint ventures, taking equity stakes in external new ventures, or creating autonomous or semiauto-nomous new enterprises outside the organization.

However, when the major challenge is to move the organization from a low entrepreneurial profile to a high entrepreneurial profile it requires a comprehensive and insightful revision of three sets of key organizational dimensions that are at the heart of the organization’s entrepreneurial potential and capabilities:

- 1) the vision and the strategy;
- 2) the organizational structure and processes and systems, and;
- 3) the behavioural profile within the organization.

### Business and research partnerships made to work

Partnerships have become crucial in all technology sectors. They are essential for growing companies as a way to develop scalable and successful business. But large corporate customers obviously take the time to source the right solutions and they look for the best anywhere in the world. Cross-border European and international sourcing of such deal opportunities is therefore essential for smaller companies.

Research and development is a business function in which partnering has become particularly important. Companies need to stay at the forefront of the technological frontier and also need access to university-backed or publicly funded research resources. Transnational research partnerships, including public-private ones, are in fact encouraged and funded by the European Commission's programmes as well as by individual European countries through the EUREKA initiative.

In this section, a number of successful entrepreneurs, investors and advisors offer their opinion and insight on some of the subjects outlined below:

- Which functions (sales, marketing, research, development) of smaller growing companies can be recommend for partnering, and for cross-border partnering in particular?
- What are the Do's and Don'ts when engaging in a partnership with larger companies?
- What are the most effective tools for smaller companies to build their technology base effectively through partnering?
- What are effective methods of attracting or identifying potential partnerships on an international level?
- How do you best engage in a research partnership with universities or public agencies?
- Is getting access to public funding essential, or do the costs outweigh the benefits?
- How can partnerships effectively lead to an exit for the initial shareholders?

Here's what they had to say.

**Dr Ralf D. Schnell**, Managing Director of *Infineon Ventures GmbH*

**Mr Jean-Yves Leclerc**, CEO of *Ipanema Technologies*

**Mr Ruben Bonet**, CEO of *Fractus*

**Mr Mike King**, Managing Director of *Johnson King Public Relations*

**Mr Bob Malcolm**, Managing Director of *ideo limited*

**Ms Diana Saraceni**, Investment Manager, *Net Partners*

**Dr Ingo Hussla**, Director, *IZET Innovationszentrum*

**Ms Gill Joy**, Consultant, *ESYS plc*

**Mr Vlastimil Vesely**, CEO & Founder of *FIRST Innovation Park*

**Mr Michael Cradock**, Managing Director of *R&D Credits Ltd*

**Mr Falk Müller-Veerse**, Managing Partner of *Cartagena Capital GmbH*



**Dr Ralf D. Schnell,**  
Managing Director,  
*Infineon Ventures GmbH*

### ***“Partnering is a way to manage growth and value creation”***

In the digital electronics industry, partnering has become essential to stay at the leading edge of the technology innovation cycle, to maintain a high level of productivity in development and manufacturing and to efficiently access the customer base worldwide. This is true for established global players as well as for small start-up companies. In the worldwide portfolio of Infineon Ventures we see various motivations for the smaller companies to establish partnerships with large corporates such as Infineon Technologies, sometimes even at a very early stage of their lifecycle. Benefits include: access to big lead customers by offering a complete solution based on the joint product suite and gaining credibility in an early stage; access to manufacturing capabilities; access to a large company for feasibility testing of offerings or as an early lead customer. The electronics business is global and the market for a start-up is global right from the beginning. In this situation partnering as described above is a way to effectively manage growth and value creation with limited financial and human resources. Big established players in our industry are generally open for a partnering model on a win-win basis. They also gain if the start-up has to offer a real differentiating product or service.



**Mr Jean-Yves Leclerc,**  
CEO, *Ipanema Technologies*

### ***“Partnerships that are only opportunistic will fail”***

Young technology enterprises need to be able to both develop a strong, innovative technology and to push it directly to the market. However, to grow requires an ability to leverage business and research partnerships. Companies have to be very clear about their own business model, i.e. what their core contribution is, and where they will need to rely on partners to reduce time to market, risk and cost.

To make partnerships work requires an understanding of how the partners' and the company's business models match. If the partnership is only opportunistic, it will fail. When incorporating a partner's technology, one has to check the long-term commitment of the partner to support and develop the technology. When working with a business partner, one needs to understand if it is in the long-term strategic interest of the partner to promote one's product. Building a partnership with a large company usually takes a long time. So understanding the strategic value to the partner is a prerequisite to avoiding wasting time and effort.



**Mr Ruben Bonet,**  
CEO, *Fractus*

***“Make sure that goals are clearly defined in a partnership”***

When engaging in partnerships with larger corporate companies you should make sure that the goals are clearly defined and that you have a structure with representatives from all participating organisations in place to manage the partnership. The spreading of efforts across partner companies is a potential risk that needs to be managed to obtain maximum profitability from the project. In research partnerships, the combination of R&D and sales and marketing competence can help to dramatically reduce time to market. From the perspective of a small, fast-growing company, another key factor is to properly address Intellectual Property (IP) issues when participating in joint research activities. If the partnership is successful, the company valuation for a potential exit will be highly dependent on the ability to manage the IP issue.

Getting involved in transnational research partnerships with public funding offers many more advantages than the financing itself. For a small, growing company it can be an excellent way to extend its business network to larger corporations, which in turn can help accelerate the process of advancing to a later business stage involving licensing agreements or business partnerships.

**Mr Mike King,**  
Managing Director, *Johnson King Public Relations*

***“A key area for partnering is international development”***

The term ‘partner’ is greatly overused in our industry and, more often than not, people who talk about partnerships actually mean supplier relationships. True partnerships are far more strategic to companies’ success and require a heavy investment in time, effort and ongoing communication from all sides to be worthwhile and deliver true value. Of course, to justify the effort required, any effective partnership has to deliver significant value and growth to your business.

A key area for partnering in the technology sector is in international market development, an area where historically US firms have been far stronger than their European counterparts. European technology firms need to appreciate that by investing in the right partnerships, they can gain access to the necessary skills to fast-track growth into new markets.

Identifying the right partners for your business is obviously critical. Always look to partner with companies that have a proven track record in your area; get recommendations from your peers; and ensure that potential partners share your outlook and business philosophy. But, more than anything else, for any partnership to work all parties have to be committed to it and that means significant long-term benefits delivered to all.



**Mr Bob Malcolm,**  
Managing Director,  
*ideo Limited*

### ***“Informal ‘know-how trading’ in partnerships accelerates innovation”***

When entering into a collaborative research partnership, remember that your company lawyers are supposed to work for you, not against you. The idea of collaboration is to collaborate: from the confidentiality and intellectual property management proposals of big company lawyers, one might think that they were going to war with their partners.

I have seen proposals begun but not submitted, approved but not started, started but not achieving the intended synergy - all because the partners did not think clearly about, and capture in their paper agreements, the proper balance of mutual benefits and individual rights.

Paper is no substitute for trust established through personal relationships. But be careful. Friendly partners can change direction. And people change, get new ideas, get new bosses with different ideas. There probably will be leakage of ideas, but ‘informal know-how trading’ accelerates innovation. It helps to advance the technology; helps to increase the applicability of the technology under development; and helps to increase confidence in the direction being taken.

**Ms Diana Saraceni,**  
Investment Manager,  
*Net Partners*

### ***“Choose partnerships in line with your own strategy”***

In the last few years, partnership models have evolved: alliances, joint-ventures, co-marketing, co-branding, channel partnerships, etc. Despite this increased complexity, partnerships have never been more popular than today, for large corporates as well as for venture-backed companies. Based on my own experience with fast growing companies, here are few a short recommendations on how to make the most out of a “partnership portfolio”:

- *Act* and don’t *react* to partnerships: choose them in line with your own strategy;
- Never rely on big corporate alliances, their reaction period is not driven by cash availability like yours is;
- Work carefully on the partnership contract and always have a lawyer review it;
- Never underestimate the hidden costs and efforts to develop the partnership itself: it is a live animal and it needs to be carefully managed;
- Track the performance of the partnership in terms of opportunity cost of your resources, which should always be very high in a venture-backed company;
- Partnerships can be a good way to enter into an M&A process... when acting, don’t forget that the company is on sale!



**Dr. Ingo Hussla,**  
Director, *Gesellschaft für  
Technologieförderung  
Itzehoe mbH, IZET Innova-  
tionszentrum*

### ***“Research partnering can bring access to large customers”***

Is it beneficial to deploy R&D co-operation programmes of the EU 6th framework programme? The quick answer is yes. In detail, the EU is offering various R&D programmes which are often looked at as just an “easy” source of money. However, due to the high rejection rate nowadays of such proposals one has to think twice to carry out the tedious job of proposal writing, and bring together a strong partner consortium.

I think it is still beneficial to take part in such research partnerships. But it is really not for the 50% funding advantage, but rather for the chance to approach a future customer, maybe a large organisation that would usually not interact with a smaller high-tech supply company. If such a customer is on board in a R&D project that aims to develop devices, products or services, it will provide valuable insight into the future needs of large corporations. In addition, other academic partners will help in the development by contributing e.g. theoretical simulations or other support. Here the benefit of the partnership could be to win future employees. As a result, for say, 10% of the financial burden, a high-tech SME can receive 100% of the results in addition to winning a large customer and gain access to human resources for future business activities. If a proposal fails, it is not the end of the world, as the proposal is more or less a business plan that can be offered to other investors such as business angels, VCs or other funding agencies. Another possibility is that the partners jointly develop the project themselves without external funding.

A vital piece of advice in this context is the importance of developing trust in a research partnership, and to engage your network and competencies full-heartedly. It is also important to not cover up problems or fail in delivering promised results towards the work plan. A good way of ensuring that a project runs smoothly and that all partners remain committed is to create a binding consortium agreement. This way, business research partnerships that are created through EU R&D projects will eventually lead to profits.

**Ms Gill Joy,**  
Consultant, *ESYS plc*

### ***“Free resources can aid in finding and assessing potential partners”***

Researching the credentials of potential partners and early agreement on IPR are both critical to reducing the risk of partnership failure. EU R&D programmes provide support in these areas but it is not always taken up by the technology and investors community due to lack of awareness. There are several sources of free information about the organisations active in transnational R&D (including corporates and SMEs) and the details of their research results.

A few hours of information research can reveal if someone is already working on your “unique” application or whether they have complementary expertise and IPR. Resources such as CORDIS, IST Results and Technology Marketplace, although focused on R&D, give an insight into key markets and future products. EU R&D programmes also provide support to IPR issues through the Technological Implementation Plan (TIP) which helps partnerships develop an effective exploitation strategy. This model can be a valuable tool for business-research partnerships.

**Mr Vlastimil Vesely,**  
CEO & Founder,  
*FIRST Innovation Park*

### ***“Eastern Europe needs to overcome a lack of seed capital and business training”***

Successful business is nowadays driven by innovation usually grown on links between the research system and industry. They need to live together. That is unfortunately not yet common in Central and Eastern Europe. In the last three years we have organised several events focused on co-operation between academia and industry, and they often seem to be isolated worlds that do not sufficiently communicate, network or share opportunities in R&D exploitation. The European Commission report “Innovation policy issues in six candidate countries” mentions that the single factor contributing most to spin-off creation is the stimulation of a social culture favourably inclined towards innovation and entrepreneurship. The local barriers typically include a lack of business training and a lack of seed capital. One of the motivators for bringing applied research at universities closer to the market in this part of Europe is now the need of a setting up balanced consortiums for applying for funds from European programmes. Here, business and research need each other.



**Mr Michael Cradock,**  
Managing Director, *R&D  
Credits Ltd*

### ***“Research partnerships benefit from tax incentives”***

All businesses require good partnerships with finance teams, internal and external. R&D is no exception. My experience suggests companies still view Government cash incentives as a year-end “bonus”; most finance teams do not have the expertise to quantify the benefits and tax is traditionally a year-end consideration. To understand the value of R&D tax incentives you might consider partnering with people who understand your technology.

I have been in the position that many audit partners find themselves in when deciding how to staff jobs. Unfortunately tech-savvy staff is a rare commodity and most junior members will not sufficiently understand how businesses work to understand the bigger picture of what your company is aiming to develop through its R&D. Partnering with an R&D tax expert can help your company view tax incentives as a source of financing now.



**Mr Falk Müller-Veerse,**  
Managing Partner,  
*Cartagena Capital GmbH*

### ***“European universities need to create more start-ups and entrepreneurs”***

While many universities across Europe have developed truly world-class academic research capabilities, they have only a tiny track record in producing world-class start-ups or world-class entrepreneurs so far. Many reasons for this may actually be found in the independence many researchers are looking for when conducting their research. Money from the business world has often been considered as a way to influence the higher approach of research.

This situation can be changed not through a single measure, but through a bouquet of new offerings at the universities: mandatory courses in business for every student, set-up of a “research link” office which provides a central point of contact for external people interested in the research and willing to support it as well as inviting successful entrepreneurs, who have established flourishing businesses out of an academic environment, to tell their university colleagues about the rewards and challenges of starting your own business. Europe still has some learning to do when comparing itself to the US.

### Summary and key conclusions

The European Tech Investment Forum has become an important forum and learning platform where investors, entrepreneurs, advisors and policy actors come together to discuss and debate topics relevant to the Europe's high-tech economy. Among the previous and recurrent participants at the ETIF, we asked a number of key investor and corporate players as well as several successful entrepreneurs to share their insight and knowledge on four topics. These topics and some of the main insights are summarised below.

#### The tech entrepreneurship challenge

Despite the enduring difficult market conditions, many European companies are moving forward and continue to grow. What are the secrets of these companies and what skills are needed from the management team? Under the topic "*The tech entrepreneurship challenge*", our invited VC commentators noted that innovative companies need to focus on technology solutions that apply to real-life business situations – not technology as an end in itself. VCs also look for a top-notch management team with a CEO exhibiting strong leadership and communication skills. Entrepreneurs must also be honest towards their VCs and be able to listen to the suggestions of others. In the current downturn, flexibility and creativity in the face of rapidly changing market conditions is another key skill that VCs look for in a management team. The good news is that the current climate is ideal for recruiting excellent talent at reasonable conditions, a task that VCs are perfectly placed to assist entrepreneurs with.

#### Venture capital fund-raising today

Both start-ups and later-stage companies are finding it considerably more difficult to raise venture capital today compared to just a few years ago. Despite this, deals are happening and some companies manage to attract investors. What are key factors that VCs look for in a tech company in the current market? Once a deal has been signed, what are the keys to a constructive relationship with a VC? On the subject of "*Venture capital fund-raising today*", our investor observers point out that entrepreneurs need to clearly demonstrate that their business is profitable, or has a good chance of reaching profitability in the near future. Excellent strategic planning with a focus on delivering ROE and a clearly defined exit are thus key elements in creating and maintaining a good relationship with a VC. Even though venture capital is currently difficult to attract, our successful entrepreneurs stress the importance of choosing the right investor. As VCs increasingly exchange information, approaching a large number of VCs in a random fashion will likely backfire. Before accepting an offer from a VC, entrepreneurs need to make sure that there is a relationship based on trust and that common long-term goals and objectives are shared. Nevertheless, it is also important to ensure that you have all important agreements in writing. To foster a successful relationship with a VC, you must have a positive attitude and be a fair and reasonable partner.

### **The corporate venturing opportunity**

Corporate venturing plays a crucial role in the development of tech start-ups. What is the state of the corporate venturing market now and how should entrepreneurs approach this type of opportunity? On the topic of *“The corporate venturing opportunity”* our experts note that corporate venturing is still alive and well, even as many corporations have ceased their venturing programs in recent years. Many corporate venturing initiatives in the past failed due to unclear objectives. Corporations need to determine the right sector for their venturing activities and decide on the financial and strategic goals. Corporate investors have a broader set of objectives than a VC, such as the promotion of certain technology platform, the development of a specific market segment, or to encourage internal innovation by investing in competitive technology. Entrepreneurs need to understand this complex situation and make sure that there exists a clear potential for synergy and value creation for both parties before entering into a corporate venturing agreement.

### **Business and research partnerships made to work**

Partnerships have become crucial in all technology sectors. The Do's and Don'ts for entrepreneurs when engaging in business and research partnerships were explored under the topic of *“Business and research partnerships made to work”*. From the VCs perspective, business and research partnering is an important way for portfolio companies to maintain competitiveness and stay at the leading edge of the technology area they are active within. By selecting the right business partners, smaller companies can also gain access to large, key customers or to a global distribution network that would otherwise be out of their reach. Through research partnerships, an innovative company can access public funding and share the risk for R&D projects that it would not have been able to finance by itself. However, in order to make a partnership truly beneficial, entrepreneurs need to clearly define their goals, and make sure to select partners that share the same long-term strategic interest. As always, trust is vital in partnerships but entrepreneurs need to look after their own interests by ensuring that contracts are signed and that issues such as Intellectual Property (IP) rights are addressed at an early stage.



# Directory of ETIF companies

## Introduction

In this chapter, all 430 companies that presented at the ETIF between 1998–2003 are listed in alphabetical order. This listing is followed by a Directory of all ETIF companies that are known to have raised finance and are still active on the market today.

## All ETIF presenting companies 1998 – 2003 listed in alphabetical order

(Companies that raised finance are in **bold** typeface)

Company name	Country	Presented at ETIF event(s)
1eEurope	UK	Stockholm 2002
<b>3D Plus</b>	FR	Nice 2000, Brussels 2001
3D Radar Vision	DE	Nice 2000
3Deverywhere	IT	Milan 2003
<b>3Dfacto</b>	DK	Copenhagen 2002
3Shape	DK	Stockholm 2002
6Wind	FR	Stockholm 2002
<b>9Net Web Solutions</b>	IT	Brussels 2001
a@sp Audiotex - and Softwareproduction	DE	Berlin 2000
AbcDeco.com	PT	Nice 2000
Academy Internet	UK	Milan 2001
Acinta	DK	Stockholm 2002
Actonomy	BE	Milan 2001
ADTech	BE	Helsinki 1999, Copenhagen 2002
<b>Advent Television</b>	SG	Milan 2003
Agents Inspired Technologies	ES	Copenhagen 2002
Agilience Group	DE	Milan 2001
AITIA	HU	Prague 2003
Alafolie.com	FR	Berlin 2000
Alarix	SI	Milan 2001
Albanet	UK	Copenhagen 2002
Alice Systems	SE	Stockholm 2002
Alpha Communications	FI	Helsinki 1999
AlphaSat Communication	DE	Vienna 1998
ALTA	DK	Copenhagen 2002
Altitude Software	PT	Stockholm 2002
Ambigo.com	BE	Nice 2000
AMR systems	ES	Prague 2003
Appear Networks	SE	Milan 2003
AppGate Network Security	SE	Vienna 1998
<b>Appianet</b>	FR	Berlin 2000
<b>Apps4biz</b>	CH	Berlin 2000
Arisem	FR	Vienna 1998
Arithmedia	FR	Nice 2000
Arius3D	IE	Brussels 2001
Array Technology	DK	Copenhagen 2002
Artheria Network	ES	Stockholm 2002
Ascertain	DE	Copenhagen 2002

AtBusiness Communications	FI	Stockholm 2002
ATX Software	PT	Milan 2003
Avalanche Technology	UK	Stockholm 2002
AvatarMe	UK	Nice 2000
AVITRACO	SE	Vienna 1998
Axenet	FR	Berlin 2000
Axetel	RO	Prague 2003, Milan 2003
Axioma Information Systems	AT	Vienna 1998
Axlog Ingénierie	FR	Helsinki 1999
Ayeca Inc.	IL	Copenhagen 2002
b2build	BE	Nice 2000
<b>Bango.net</b>	UK	Brussels 2001
<b>BeamExpress</b>	CH	Copenhagen 2002
Bellvita	CH	Milan 2001
Bivolino.com	BE	Nice 2000
Bizz Technologies	FR	Stockholm 2002
BlueFactory	SE	Stockholm 2002
Bluegiga Technologies	FI	Stockholm 2002
BoldSoft	SE	Stockholm 2002
Boss Information	FI	Helsinki 1999
<b>BriSense</b>	DK	Brussels 2001
Byzantium Solutions	UK	Milan 2001
<b>Capres</b>	DK	Copenhagen 2002
CDI Systems	IL	Vienna 1998
<b>Celavee</b>	FR	Berlin 2000
Celimage	LU	Vienna 1998
CERBTECH	US	Milan 2003
Change2IT	GR	Milan 2003
CheckM8	IL	Prague 2003, Milan 2003
Cinehub	IE	Nice 2000
CipherIT	IL	Helsinki 1999
Clear2Pay	BE	Brussels 2001
Clicvision	FR	Milan 2001
ComGate	CZ	Prague 2003
Commtrain Consulting	DE	Brussels 2001
<b>Compaer</b>	DE	Nice 2000
Competence & Productivity	FR	Vienna 1998
CompuTouch	NO	Brussels 2001
Comtica	PL	Copenhagen 2002, Milan 2003
<b>Consul Risk Management</b>	NL	Milan 2001
Contact On Line	FR	Berlin 2000
ContactOffice	BE	Milan 2001, Brussels 2001
Content Europe	BE	Brussels 2001
Contiller	SE	Stockholm 2002
CORAS	IE	Nice 2000
Core Convergence	NO	Stockholm 2002
CorpoSoft	IL	Prague 2003
<b>Cortologic</b>	DE	Nice 2000
Craftwork - Neue Medien	DE	Berlin 2000
Crayons	IT	Vienna 1998
<b>Creasoft</b>	BE	Nice 2000, Brussels 2001
CryoSystems	UK	Helsinki 1999
<b>Cryptico</b>	DK	Copenhagen 2002
Crystal	DE	Vienna 1998
Cube:80	UK	Stockholm 2002
DAISY Technologies	SI	Stockholm 2002
DAS-Duennschicht Anlagen Systeme	DE	Copenhagen 2002

De Visu 360	BE	Berlin 2000
<b>Decuma</b>	SE	Copenhagen 2002
Definiens	DE	Copenhagen 2002
DeltaPix	DK	Copenhagen 2002
Desk Artes	FI	Helsinki 1999
Destin	BE	Vienna 1998
Digia	FI	Vienna 1998
Digital Copyright Technologies	CH	Vienna 1998
Digital Film Center Europe	NL	Vienna 1998
Direct Medica	FR	Nice 2000
Direct Office Service	FR	Nice 2000
<b>Direct.it</b>	IT	Helsinki 1999
Dolphin Integration	FR	Berlin 2000
dooyoo	DE	Berlin 2000
DragonSteel e-commerce services	AT	Brussels 2001
DS2 - Design of Systems on Silicon	ES	Milan 2001
<b>E*MAZE Networks</b>	IT	Berlin 2000
e-Agora	DE	Berlin 2000
Easybrick Power	DK	Copenhagen 2002
eband	IT	Berlin 2000
<b>eCircle</b>	DE	Berlin 2000
<b>ECO-DAN</b>	DK	Stockholm 2002
ECOMDA	DE	Berlin 2000
E-deli	ES	Berlin 2000
EDIAUDIT	FR	Helsinki 1999
EFT Consultants	BE	Brussels 2001
Ekahau	FI	Stockholm 2002
Elink	NO	Stockholm 2002
Elseware	FR	Vienna 1998
<b>E-mail Vision</b>	FR	Berlin 2000
Embedded Artists	SE	Stockholm 2002
Emcat e-Business Solutions	SE	Milan 2001
<b>End2End</b>	DK	Prague 2003
e-Netfinger	ES	Nice 2000
Eonic	NL	Helsinki 1999
<b>e-pro solutions</b>	DE	Berlin 2000
Equire	UK	Berlin 2000
eTango Technology	ES	Helsinki 1999
eTarget	SK	Prague 2003
Eurimed.com	FR	Berlin 2000
EURO WLAN GROUP	DE	Milan 2003
Euroware Associates	IT	Milan 2001
Evaesco Systems	DK	Copenhagen 2002
eWin - european Waste information network	DE	Nice 2000
Executive Telecom	FR	Vienna 1998
Exensus	SE	Stockholm 2002
<b>ExoSonic</b>	CH	Helsinki 1999
EXP Technology	FR	Milan 2001
<b>Expatica Communications</b>	NL	Nice 2000
Fält Communications	SE	Stockholm 2002
Farmpartner.com	DE	Nice 2000
FAST Technology	DE	Copenhagen 2002
Fast TV Server	DE	Nice 2000
FastForward	UK	Nice 2000
Ferrotec	IE	Vienna 1998
First Hop	FI	Stockholm 2002
Fordaq	BE	Milan 2001

Foreca	FI	Vienna 1998
<b>Fotango</b>	UK	Nice 2000
<b>Fractus</b>	ES	Nice 2000
<b>france duplication</b>	FR	Nice 2000
<b>Freever</b>	FR	Berlin 2000, Milan 2001
fsdc	UK	Milan 2003
GammaSite	IL	Milan 2001
<b>Garderos Software Innovations</b>	DE	Milan 2003
GeoConcept	FR	Vienna 1998
getmobile	DE	Berlin 2000
Glassbox	FR	Vienna 1998
GlobalBrewer	DK	Stockholm 2002
GlobalConnect	DK	Stockholm 2002, Copenhagen 2002
<b>GlobalWare</b>	DE	Berlin 2000
Globe Internet	CZ	Prague 2003
Globogift	IE	Berlin 2000
Helic	GR	Stockholm 2002
Hellodies	DK	Stockholm 2002
Hermes Wireless Group	GR	Prague 2003
High Speed Information	IS	Vienna 1998
Holografika	HU	Copenhagen 2002
Hospitality Solution Center	IS	Vienna 1998
httv - high tech TV	FR	Milan 2003
<b>Hymite</b>	DK	Copenhagen 2002
Hyperstone	DE	Vienna 1998
<b>HyperTrust</b>	BE	Brussels 2001
HyWire	IL	Copenhagen 2002
<b>Ibsen Micro Structures</b>	DK	Helsinki 1999
ICT SOFTWARE - Softsecure	FR	Vienna 1998
Icuna	BE	Helsinki 1999
ICZ	CZ	Prague 2003
iLanguage	BE	Brussels 2001, Stockholm 2002
<b>ImagExpo</b>	DE	Berlin 2000
INCOTEC	FR	Vienna 1998
<b>Indigo Software</b>	BE	Helsinki 1999, Prague 2003
Industream	NO	Stockholm 2002
Infitel International	NL	Copenhagen 2002
<b>Info2clear</b>	BE	Nice 2000
Infogate On Line	IL	Prague 2003
InfoTrust Corporation	SK	Prague 2003
Ingenium Technology	IT	Milan 2003
Innn	IS	Helsinki 1999
Inpact	FR	Berlin 2000
Inquire	DE	Berlin 2000
Integri	BE	Milan 2001
<b>Interactive Objects Software</b>	DE	Nice 2000
Intermezzon	SE	Berlin 2000
International Information Management Corporation (IIMC)	IE	Milan 2001
Internet Gateway	UK	Vienna 1998
Interse	DK	Copenhagen 2002
Intiqua Europe	UK	Stockholm 2002
intos IT Solutions & Consulting	AT	Berlin 2000
Inverso International	SE	Nice 2000
Investorsmedia	DE	Brussels 2001
Ionific	FI	Berlin 2000

<b>IP Semiconductors</b>	DK	Helsinki 1999
<b>Ipanema Technologies</b>	FR	Berlin 2000, Milan 2001, Milan 2003
IPWAY	FR	Milan 2001
ISABEL	ES	Vienna 1998
IT-Contact	DK	Stockholm 2002
Itware	HU	Milan 2003
Joint Engineering	IT	Milan 2003
Kaidara Software	FR	Vienna 1998
<b>KEVAB - The Base Station Company</b>	SE	Stockholm 2002
Knowledge Concepts	NL	Helsinki 1999
<b>Knowledge Support Systems Group</b>	UK	Helsinki 1999
Kreatel Communications	SE	Stockholm 2002
LANGMaster International	CZ	Prague 2003
Language and Computing	BE	Copenhagen 2002
Letssaveenergy.com	SE	Berlin 2000
Locus Portal Corporation	FI	Stockholm 2002
Logos	CZ	Prague 2003
Logotec Engineering Group	PL	Prague 2003
LuraTech	DE	Brussels 2001
Lux Inflecta	IS	Milan 2001
LYNX Technologies	NO	Copenhagen 2002
M.I.M.T.	SE	Stockholm 2002, Copenhagen 2002
MACRONET	DE	Helsinki 1999
MagentA Corporation	UK	Milan 2001
Marratech	SE	Helsinki 1999, Nice 2000
<b>Matchbid.com</b>	DE	Berlin 2000
<b>maxxio technologies</b>	DE	Brussels 2001
mBlox	UK	Stockholm 2002
Media Logic Systems	UK	Prague 2003
MediaGeniX	BE	Nice 2000
MediaMine	BE	Copenhagen 2002
<b>MeetingOne</b>	FR	Milan 2001
Melody Interactive Solutions	SE	Helsinki 1999
MessageVine	IL	Milan 2001
MetaLogic	FI	Stockholm 2002
Metris	BE	Brussels 2001
Micro Managed Photons	DK	Copenhagen 2002
microTEC	DE	Stockholm 2002
Microz Sweden	SE	Stockholm 2002
MINEit Software	UK	Nice 2000
Mioco	DE	Berlin 2000
Miriad Technologies	FR	Vienna 1998
MN Medizinische Netzwerke	DE	Berlin 2000
MobileCare	SE	Stockholm 2002
Mobilized Workforce	DK	Stockholm 2002, Copenhagen 2002
<b>Moda 1 to 1 Group</b>	IT	Berlin 2000
Monte Cristo Multimedia	FR	Vienna 1998
Moravia IT	CZ	Prague 2003
<b>Mover</b>	IT	Nice 2000
m-Penbase	FR	Milan 2003
m-plify	LU	Copenhagen 2002
M-Tec Wireless	BE	Brussels 2001
<b>Mutilizer</b>	FI	Helsinki 1999
Mundial Avenue Systems	BE	Vienna 1998
NATIVE INSTRUMENTS Software Synthesis	DE	Vienna 1998
NetBeat	UK	Nice 2000
NetGrocer.com	US	Milan 2001

Netseal	FI	Stockholm 2002, Copenhagen 2002
NextGenTel	NO	Copenhagen 2002
NEXUS Sistemi Informativi	IT	Milan 2001
Nimble	BE	Vienna 1998
NoAlvo	PT	Berlin 2000
<b>Nowcasting International</b>	IE	Nice 2000
NTSys-Net Technology System	FR	Brussels 2001
Nucleus	UK	Berlin 2000
<b>NXN Software</b>	DE	Helsinki 1999
Octalis	BE	Prague 2003
Off Campus	ES	Helsinki 1999
officexl.de	DE	Berlin 2000
OM Partners	BE	Nice 2000
OnePoint software	DK	Stockholm 2002
Oneweb	BE	Nice 2000
On-Net-Services	FR	Milan 2001
<b>Onsoft Informationssysteme</b>	DE	Berlin 2000
<b>Open Finance International</b>	FR	Berlin 2000
Orcaz International	DK	Milan 2001
ORDIMEGA	FR	Vienna 1998
Oskando	EE	Prague 2003
Paeony Publishing	UK	Nice 2000
Parallel Information Technology	IE	Berlin 2000
Paxos	BE	Vienna 1998
Pepe Global Net	LU	Berlin 2000
Per Scitum	EE	Milan 2003
<b>Phaidros Software</b>	DE	Nice 2000
Pharma Point	SE	Nice 2000
PharmaDM	BE	Brussels 2001
phion IT .	AT	Prague 2003
Phonetica	NO	Brussels 2001
Physical Networks	FR	Helsinki 1999, Stockholm 2002
piramide.net	IT	Milan 2001, Milan 2003
Pixelpark	DE	Helsinki 1999
PlanetEuro	MC	Milan 2001
Plasus Technologies	NO	Copenhagen 2002
PocketThis	US	Milan 2003
PointStar	DK	Berlin 2000
Polight Technologies	UK	Copenhagen 2002
PORTOFRANCO	IT	Vienna 1998
Presentec	DE	Milan 2003
Printing Network of Europe (Printeuropa)	FI	Nice 2000
Printium	DE	Nice 2000
Profluent	US	Stockholm 2002
PROGIS Software	AT	Vienna 1998
Prosumer Solutions	UK	Helsinki 1999
ProSyst Software	DE	Milan 2001
<b>ProXchange</b>	UK	Berlin 2000
Punto	IT	Berlin 2000
Quadstone	UK	Stockholm 2002
<b>Questico</b>	DE	Nice 2000
Red Message	SE	Stockholm 2002
Red-M	UK	Stockholm 2002
Reseau Photo - spsoft	FR	Milan 2001
Retinica	IT	Brussels 2001
Rococo Software	IE	Stockholm 2002

<b>Roicast</b>	BE	Brussels 2001
Runcom Technologies	IL	Brussels 2001
S.M. Scienza Machinale	IT	Vienna 1998
Scalado	SE	Copenhagen 2002
Schema	IL	Stockholm 2002, Milan 2003
Scytl Online World Security	ES	Milan 2003
Seclutions	CH	Milan 2003
<b>SecureWave</b>	LU	Helsinki 1999
Selligent Belux	BE	Stockholm 2002
Sep-Technology / Smartcodes	FR	Milan 2001
<b>Septentrio Satellite Navigation</b>	BE	Milan 2001, Brussels 2001
<b>Shazam Entertainment</b>	UK	Stockholm 2002, Copenhagen 2002, Prague 2003
SHINE	IT	Vienna 1998
Si.Tec.	IT	Vienna 1998
SIAS	IT	Vienna 1998
SideTrade	FR	Milan 2001
Sifira	DK	Stockholm 2002
Silcor	FR	Nice 2000
SINGULAR	GR	Vienna 1998
SIRMA AI	BG	Helsinki 1999
<b>Skolboken.se</b>	SE	Helsinki 1999
<b>Smarterwork.com</b>	UK	Helsinki 1999
Smartizens.com	BE	Milan 2001
<b>Snom technology</b>	DE	Copenhagen 2002
SO.MA.CI.S.	IT	Berlin 2000
Soamai	FR	Milan 2003
<b>Socratec</b>	DE	Nice 2000
SODAT software	CZ	Prague 2003
<b>Software &amp; Knowledge Engineering Lab, IIT - NCSR "Demokritos"</b>	GR	Milan 2001
SOLUTIO Infrastructure Management System	NO	Copenhagen 2002
somm.com	CH	Nice 2000
<b>Speakanet</b>	DK	Copenhagen 2002
Speedwise	IL	Stockholm 2002
<b>Sport Universal</b>	FR	Helsinki 1999
Streamcase	BE	Brussels 2001
SurfKitchen	UK	Copenhagen 2002
<b>Symah Vision</b>	FR	Brussels 2001
Symblaze Praha	CZ	Prague 2003
Tak'Asic	FR	Nice 2000
TALENT	IT	Vienna 1998
TaoTalk Software	UK	Nice 2000
Targian	SE	Brussels 2001
Taugagreining	IS	Vienna 1998
TECHMAR	BE	Stockholm 2002
TELEMEDIA	DK	Vienna 1998
Temento Systems	FR	Nice 2000, Copenhagen 2002
Teydo Company	NL	Milan 2003
The Games Kitchen	UK	Copenhagen 2002
<b>Thinking Materials</b>	SE	Milan 2001
Tiny Software / Securitae	US	Prague 2003
Toolnet	FR	Prague 2003
TousLesProfs.com	FR	Berlin 2000
<b>Tpack</b>	DK	Stockholm 2002, Copenhagen 2002
<b>TrackWell Software</b>	IS	Copenhagen 2002
Tradecosmos	DE	Milan 2001
TradeNetOne.com	DE	Berlin 2000
Tradeware Technology	BE	Berlin 2000

Transclick	US	Copenhagen 2002
<b>Transtest</b>	IE	Helsinki 1999
Trifork Technologies	DK	Nice 2000
Tryllian	NL	Copenhagen 2002
T-SOFT	CZ	Prague 2003
Tsunami Photonics	IE	Stockholm 2002
TWINSOFT	FR	Nice 2000
<b>UbiCall Communications</b>	BE	Nice 2000, Brussels 2001
Ubisecure Solutions	FI	Nice 2000
VDSL Systems	FI	Copenhagen 2002
<b>Velti</b>	GR	Milan 2001
Versaware	ES	Milan 2001
Verticalmec	IT	Milan 2001
VerticPortals	DK	Stockholm 2002
Village Tronic Research	IT	Milan 2003
Viola Systems	FI	Stockholm 2002
VirCinity IT-Consulting	DE	Vienna 1998
<b>Vista Communication Instruments</b>	FI	Helsinki 1999
<b>Vitaminic</b>	IT	Helsinki 1999
Vitec Multimedia	FR	Nice 2000
Voice-Insight	BE	Stockholm 2002
VOIP Telecom	FR	Milan 2001
Voipac	SK	Milan 2003
Voxi	SE	Stockholm 2002
W Technologies	CH	Vienna 1998
Wany	FR	Nice 2000
Wapsol	DE	Stockholm 2002
Ware.it Communications	IT	Berlin 2000
Wavium	SE	Stockholm 2002, Copenhagen 2002
Wearix Software	DE	Stockholm 2002
Web500	DK	Copenhagen 2002
Welcome Real Time	FR	Copenhagen 2002
West Global	IE	Stockholm 2002
Wevada	BE	Stockholm 2002, Copenhagen 2002
Wificom Technologies	FI	Stockholm 2002
Wimba	FR	Milan 2001
<b>Winbox.com</b>	BE	Helsinki 1999
Wireless Opinion	SE	Stockholm 2002
workXL	DE	Nice 2000
xCA	BE	Brussels 2001
<b>XcelleNet</b>	SE	Nice 2000
Xelerated	SE	Stockholm 2002
XenICs	BE	Helsinki 1999
<b>Xiam</b>	IE	Berlin 2000, Copenhagen 2002
X-PLOR Telecoms	UK	Nice 2000
Yoox	IT	Milan 2001
Zchic.com	US	Berlin 2000
Zend Technologies	IL	Copenhagen 2002
Zensys	DK	Copenhagen 2002
ZettaCom	US	Copenhagen 2002
<b>ZooM</b>	IS	Helsinki 1999, Copenhagen 2002
ZOOM International	CZ	Prague 2003
Zoomon	SE	Stockholm 2002

## Listing of companies that raised finance at the ETIF and are still active today

(The listing does not include companies that were merged/acquired)

Company name		Est.	Website	One-line business description	EIF raised	Capital Raised € M	Capital Sought € M
3D Plus	FR	1995	www.3d-plus.com	Design and manufacturing of miniaturized 3-D modules for Active, Passive, Opto-electronics and MEMS/MOEMS components packaging	Brussels 2001	1.2	3
3Dfacto	DK	1998	www.3Dfacto.com	3Dfacto provides a software platform that solves business problems involving configuration of products in a 3D environment	Copenhagen 2002	1.6	3
9Net Web Solutions	IT	1998	www.9netweb.net	Professional web hosting, dedicated servers and related services such as e-mail, web-mail	Brussels 2001	n/a	1.5
Advent Television	SG	1997	www.advent.com.sg	A service provider, consultant and exporter of digital broadcasting technology and services	Milan 2003	n/a	5
Apps4biz	CH	1999	www.apps4biz.com	Business application software targeting the SME market of the manufacturing and service industries	Berlin 2000	1	10
Bango.net	UK	1999	www.bango.net	Technology and services that enable mobile users to go directly to online information using numbers, instead of URL's	Brussels 2001	1.6	4
BeamExpress	CH	2001	www.beamexpress.com	Components for NextGen metropolitan optical fiber networks, focusing on the development of wavelength-controlled emitters and filters	Copenhagen 2002	7.5	7.5
Capres	DK	1999	www.capres.com	Provider of MEMS with the objective to become a leader in the world of integrated systems for electrical characterization of materials	Copenhagen 2002	2	3.3
Consul risk management	NL	1986	www.consul.com	Monitoring software, enabling regulatory compliance and security auditing while improving operational effectiveness	Milan 2001	11	10
Cryptico	DK	2001	www.cryptico.com	Offers high-speed encryption and authentication technologies for protecting digital information	Copenhagen 2002	1.4	2
Decuma	SE	1999	www.decuma.se	Software for handwriting recognition based upon the patented Geometrical Invariant Technology, targeting the mobile phone and PDA markets	Copenhagen 2002	3.1	3.3
eCircle	DE	1999	www.ecircle-ag.com	Offers leading software solutions and services for email fulfillment and digital direct marketing	Berlin 2000	15	20
ECO-DAN	DK	1999	www.eco-dan.dk	Precision guidance systems using computer vision and laser technology, designed for implements, self-propelled machines and agriculture	Stockholm 2002	1.5	3
E*MAZE Networks	IT	2000	www.emaze.net	Offers a web-based security solution, called ipLegion, to protect and monitor internet-enabled devices and fixed and wireless IP networks	Berlin 2000	3	1.5

E-mail Vision	FR	1999	www.emailvision.com	Direct marketing solutions designed to free marketers from technological constraints and enable them to focus on their marketing strategy	Berlin 2000	7.3	10
End2End	DK	2000	www.end2endmobile.com	Managed service provider and content aggregator for mobile data, powering the delivery of data services and content	Prague 2003	10.5	n/a
ExoSonic	CH	1997	www.exosonic.com	Software components, solutions sets and a financial server to develop integrated and modular extended investment applications	Helsinki 1999	n/a	12
Expatica Communications	NL	2000	www.expatica.com	English-language news & information source for the expatriate community on the web	Nice 2000	n/a	5.2
Fractus	ES	1999	www.fractus.com	Multiband and miniature antennas and miniature microwave/RF front-ends for wireless communications and automotive companies	Nice 2000	2	7.5
france duplication	FR	1998	www.franceduplication.com	Manufacturing and duplication of CD-ROM and DVD-ROM and associated multimedia content services	Nice 2000	3	8
Freever	FR	1999	www.freever.com	European provider of fully integrated P2P mobile services, offering mobile phone users permanent on-line connection with their community	Berlin 2000	12	8
Garderos Software Innovations	DE	2002	www.garderos.com	Carrier-class products that enable mobile network operators and service providers to easily create and charge for Public WLAN services	Milan 2003	1	n/a
GlobalWare	DE	1994	www.globalware.ag	Translation by Integrating the Logos Machine Translation (control solution with human translators)	Berlin 2000	12	20
Hymite	DK	1999	www.hymite.com	Manufacturer of hermetic $\mu$ -housings for optoelectronic and MEMS components intended for packaging technology of $\mu$ -chips	Copenhagen 2002	9.7	15
HyperTrust	BE	2000	www.hypertrust.com	A Trust ASP providing secure messaging and storage services from an ASP model	Brussels 2001	1	2.5
Ibsen Photonics	DK	1991	www.ibsenphotonics.com	Holographic Phase masks designed for Dense Wavelength Division Multiplexing (DWDM) telecommunication components	Helsinki 1999	6.7	n/a
Indigo Software	BE	1999	www.indigosw.com	A SIP-based Communications Platform enabling cost-effective IP-Conferencing and VoIP for enterprises and service providers	Helsinki 1999	4	5
Info2clear	BE	1998	www.info2clear.com	A pan-European provider of web-based digital rights management, secure document distribution, copyright registration and clearance	Nice 2000	3.5	4.5
Interactive Objects Software	DE	1990	www.io-software.com	Provider of IT-architecture consulting and innovative software development platforms such as the ArcStyler	Nice 2000	7	n/a
Ipanema Technologies	FR	1999	www.ipanematech.com	Measuring & optimization of application performance on IP networks	Milan 2001	7	5
Knowledge Support Systems	UK	1993	www.kssg.com	Software products, tools and consultancy services to create sustainable performance improvements from all steps of the pricing process	Helsinki 1999	8.9	7.5
MeetingOne	FR	1998	www.meetingone.com	Provider of a complete range of on-demand Web conferencing services	Milan 2001	1.3	3

## The European Tech Investment Forum: Directory of ETIF Companies

Multilizer	FI	1992	www.multilizer.com	Software globalization technology for enterprises, accelerating their global software business	Helsinki 1999	3.4	4
Nowcasting International	IE	1998	www.nowcasting.ie	Provides weather forecasts to a wide range of maritime users for whom accuracy and reliability are critical	Nice 2000	0.8	0.5
Onsoft Informations-systeme	DE	1995	www.onsoft.de	Low-priced test- and supervision devices with expert application, efficient error detection without specialist knowledge	Berlin 2000	2	1.2
Phaidros Software	DE	1998	www.phaidros.com	Solutions that empower software developers to deliver applications that can swiftly adapt to changing business logic at runtime	Nice 2000	0.4	4
Questico	DE	2000	www.questico.de	Information exchange technology that link the web and telephone to provide live customised answers for people with questions	Nice 2000	n/a	20
SecureWave	LU	1999	www.securewave.com	Host Intrusion Prevention solutions and applications/device management systems	Helsinki 1999	15	2
Septentrio Satellite Navigation	BE	2000	www.septentrio.com	A European OE Manufacturer of high-end satellite navigation equipment	Brussels 2001	1.6	4
Shazam Entertainment	UK	2000	www.shazam.com	Mobile music recognition and related services and B2B - Audio monitoring for music and ad verification	Stockholm 2002	6	n/a
Smarterwork.com	UK	1999	www.smarterwork.com	smarterwork.com creates a global remote service economy. It allows any two end-users on the Internet	Helsinki 1999	13	11.5
Snom technology	DE	1999	www.snom.de	Producer of handsets and other devices and components for the "Voice over IP" market	Copenhagen 2002		5
Socratec	DE	1996	www.socratec.de	Satellite Navigation Specialist for the Global Transport Telematics Industry	Nice 2000	1	4.5
Software & Knowledge Engineering Lab, - NCSR "Demokritos"	GR	1989	www.iit.demokritos.gr	University spin-off venture aiming to provide technical solutions for information overload	Milan 2001	0.4	2
Speaknet	DK	2001	www.speaknet.com	Switchboards enabling Mobile Network Operators to compete in the enterprise telephony market	Copenhagen 2002		2
Thinking Materials	SE	2000	www.thinkingmaterials.com	Integration of technology and lifestyle, with a special focus on wearable computing and communication	Milan 2001	0.03	1
Tpack	DK	2001	www.tpack.net	Technology that can be used to update SDH/Sonet telecommunications equipment with the ability to provide intelligent IP/Ethernet data services	Copenhagen 2002	6	5
TrackWell Software	IS	1996	www.trackwell.com	Mission-critical systems for telecom operators and others, with a focus on location-based applications for the professional and consumer markets	Copenhagen 2002	0.9	2.5
Transtest	IE	1996	www.transtest.com	Provides Software Automated, Value Added Solutions to technical markets, particularly Test, Design and Quality Engineering	Helsinki 1999	1.3	2
UbiCall Communications	BE	2000	www.ubicall.com	Software enabling the Dial Tone Free World by leveraging advanced technologies such as speech recognition and dialog processing	Nice 2000	0.8	2.2
Velti	GR	2000	www.velt.com	Enterprise Software applications with emphasis on B2B	Milan 2001	0.4	1
Xiam	IE	1999	www.xiam.com	Developer of a suite of software products for mobile content delivery, management and merchandising	Berlin 2000	3.5	10



# The European Tech Investment Forum Consortium Partners\*

*\*TechForum contract 2001 – 2003*

## Europe Unlimited

Established in 1998, Europe Unlimited's mission is to stimulate the growth of Europe's innovative entrepreneurial companies by connecting them across Europe through research and events, directly to investors corporate partners and supportive advisors more effectively than any other services company. The technology companies and investors catered for by Europe Unlimited events and research products are largely focused on the high-tech and life science sectors. Europe Unlimited's client base extends to: venture capital or private equity investors; investment and commercial banks; professional service providers such as consulting, accounting, legal, PR or executive search firms; technology, media and telecommunications groups; and, of course, fast-growing venture-backed technology firms and ambitious entrepreneurs.



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IESE Business School is the graduate school of management of the University of Navarra, with campuses in Barcelona and Madrid. IESE offers a full time MBA, Global Executive MBA, Executive MBA and a PhD degree, as well as a wide range of Executive Education programs for global senior executives. IESE is one of Europe's leading business schools. The Financial Times recently ranked IESE Business School number one provider of Executive Education in Europe in a comprehensive survey ("2003 Executive Education Ranking" - May 2003). Regular custom program clients at IESE include BBVA, Bertelsmann, Ericsson, Henkel, Sun Microsystems, Telefonica, and Visteon, among others. The school offers open programs in collaboration with various leading U.S. Business Schools such as Harvard, Darden (University of Virginia) and the University of Michigan.



University of Navarra

Founded in 1958, IESE established Europe's first two-year MBA program, with the support of Harvard Business School in 1964. IESE began offering the world's premier bilingual MBA program, and pioneered the concept of joint-venture executive education in 1994. In 1981, IESE launched the Executive MBA and inaugurated the Madrid campus ten years later, in 1991. In 2001, IESE launched its Global Executive MBA featuring modular residential sessions in Barcelona, Palo Alto and Shanghai, as well as state-of-the-art distance learning technology. Today, more than 23,000 IESE alumni work in over 70 countries. Recognized for their qualities of leadership, professional excellence, integrity, judgement, entrepreneurial spirit, and global outlook, IESE Alumni enjoy the trust and respect of colleagues and clients. IESE's international reach spans the globe and IESE has actively participated in the founding of quality business schools from Latin America to Asia.

[www.iese.edu](http://www.iese.edu)

### First Innovation Park / First Tuesday Czech Republic

First Innovation Park is a consulting company focused on technology entrepreneurship, knowledge economy and



society research and networking. We have been assigned the official role of the national IST multiplier and the contact point for European programmes projects focused on e-business, e-learning and generally ICT research exploitation helping especially SMEs with consulting and information support. Some initiatives realised by our staff members (working on European projects since 1998) have been recognized as the first move activities in the field of the information society in the Czech Republic.

First Tuesday Czech Republic is a founding member of the First Tuesday global business network focused on technology innovation and entrepreneurship. It brings together an international community from about 20 countries (especially in the Central and Eastern region) mixing together entrepreneurs, venture capitalists and investors, service providers, new venture and technology managers in corporations. First Tuesday has moved beyond the IT sector, encompassing the broader technologies sector, from wireless or media to high tech and biotech. with a special focus on SMEs. First Tuesday has organised more than 120 meetings, seminars, workshops and conferences attended by around 5,000 people in last 4 years.

[www.park.cz](http://www.park.cz)

[www.firsttuesday.cz](http://www.firsttuesday.cz)

## Appendix 2: Sponsors & Partners

### Listing of ETIF Sponsors & Partners 1998 – 2004

#### Sponsors

ABN AMRO Capital, Amadeus Capital Partners, Big Bang Ventures, Borsa Italiana, Broadview Venture Partners, CapMan, DeMinds, Deutsche Börse, Deutsche Venture Capital, Earlybird, EQVITEC Partners, Ernst & Young, ETC, EUREKA, Euronext, GIMV, Hewlett Packard, Horizonte Venture Management, Innovacom, IVC Venture Capital AG, KAPPA IT Ventures, Kennet Venture Partners, London Business School, Microsoft, MoFo – Morrison & Foerster, NeSBIC Cte Fund, Net Partners, Northzone Ventures, Nuovo Mercato, PriceWaterhouse-Coopers, Prime Technology Ventures, Pythagoras Participations, R&D Credits Ltd, Rise Conseil, SFK Finance, Sitra, Sonera, SPEF Banque Populaire, Stibbe, SWX Swiss Exchange, TechFund, Technologieholding, Text 100 Public Relations, T-Venture, TVM, Vækstfonden – Danish Investment Fund, Wellington Partners, WestLB Panmure.

#### Partners

AIFI – Associazione Italiana del Private Equity e Venture Capital, ANVAR, Asian Venture Capital Journal, Astream, Capital & Corporate, CatCap, Computer Business Review, Connect Denmark, Connect Scotland, Connect Yorkshire, Cordis, EBAN, Eficor, ENEA, eTen, EURO, European Federation of High-Tech SMEs, European Venture Capital Journal, First Tuesday Global, Forrester, Fortune, Gate2Growth, Go4Europe, Ideias & Negocios, Infoconomist, Inside, InternetFinance, IPS, Israel Venture Capital, IST Prize, IST Results, IZET, Johnson King Public Relations, LIFT, MENTOR, META Group, PrivateEquityOnline, Smau 2003, SoloImpresa, TEKES, TEN-Telecom, The Chili, The Wall Street Journal Europe, VDI/VDE-IT, Zini & Associates.

European Commission

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