

F O N

Fondation Genevoise  
pour l'Innovation Technologique

G I T

# How to fund my startup?

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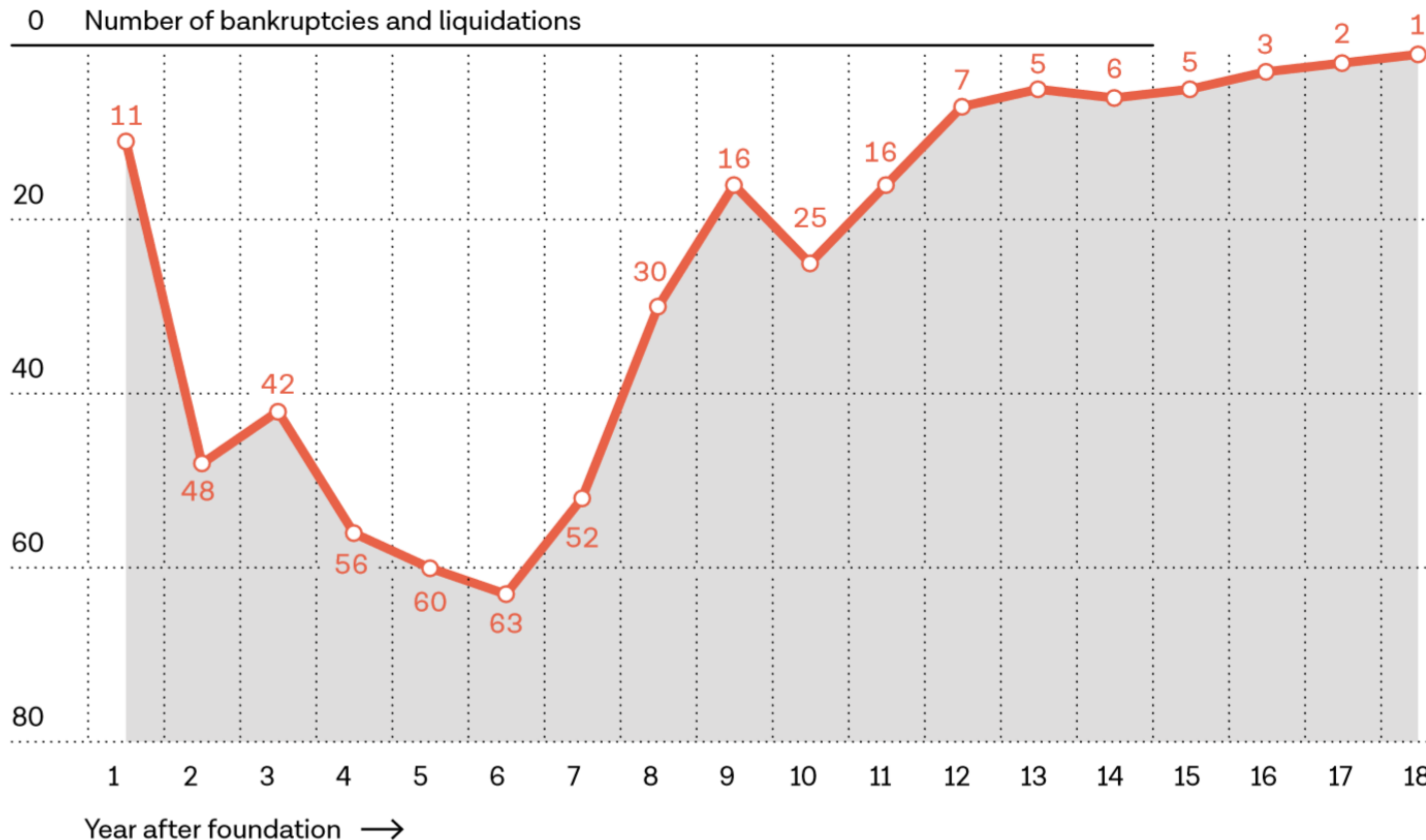
- 01 Funding during a startup's life cycle
- 02 Types of funding
- 03 What investors are looking for
- 04 The path from idea to investible project

**Spoiler:** Switzerland has a lot to offer

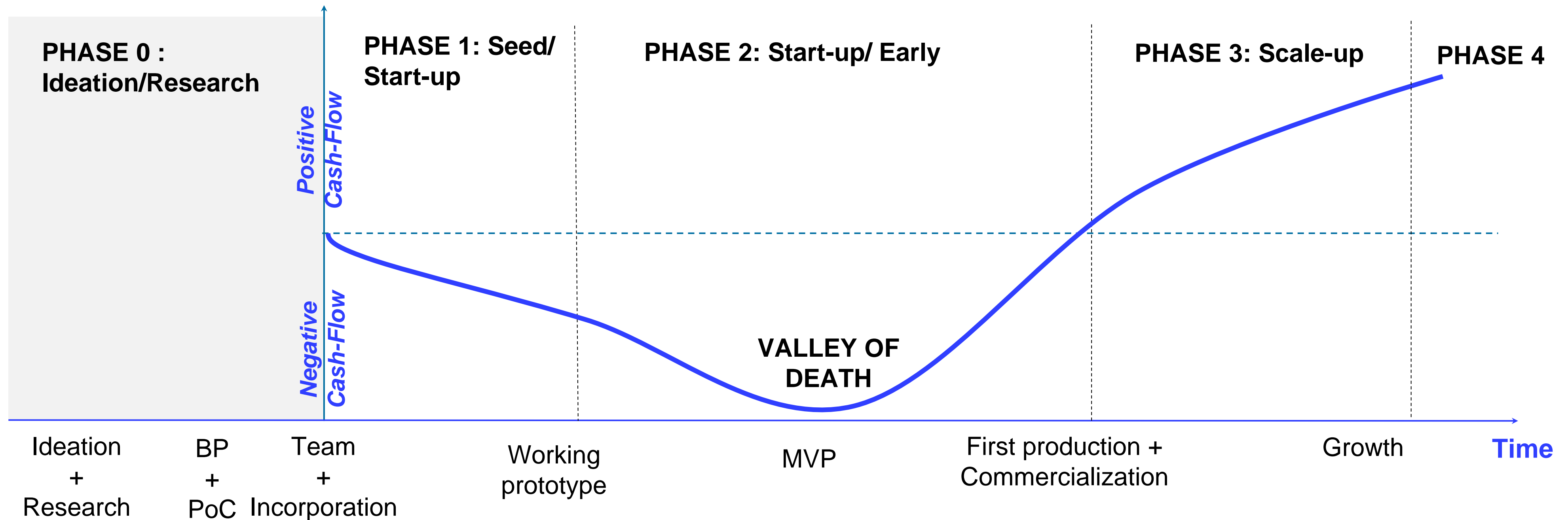
# 01 — Funding during a startup's life cycle

# It's not just theory

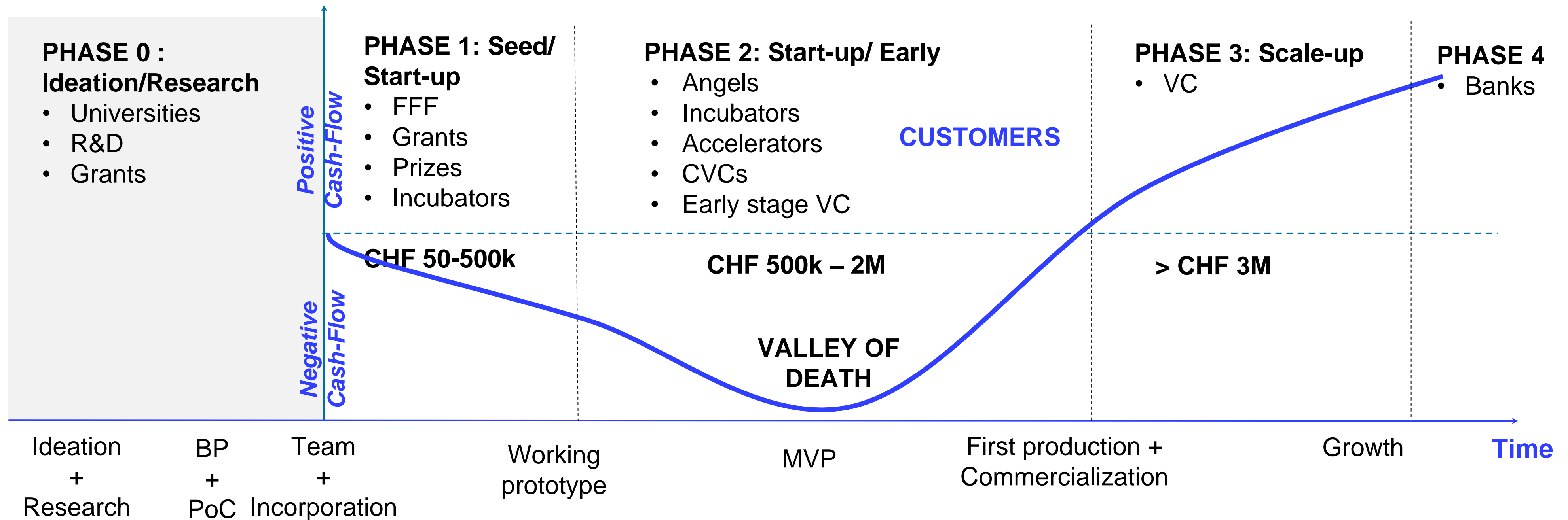
## Failed startups by company age according to commercial register



# Growth of an innovative startup



# Growth of an innovative startup



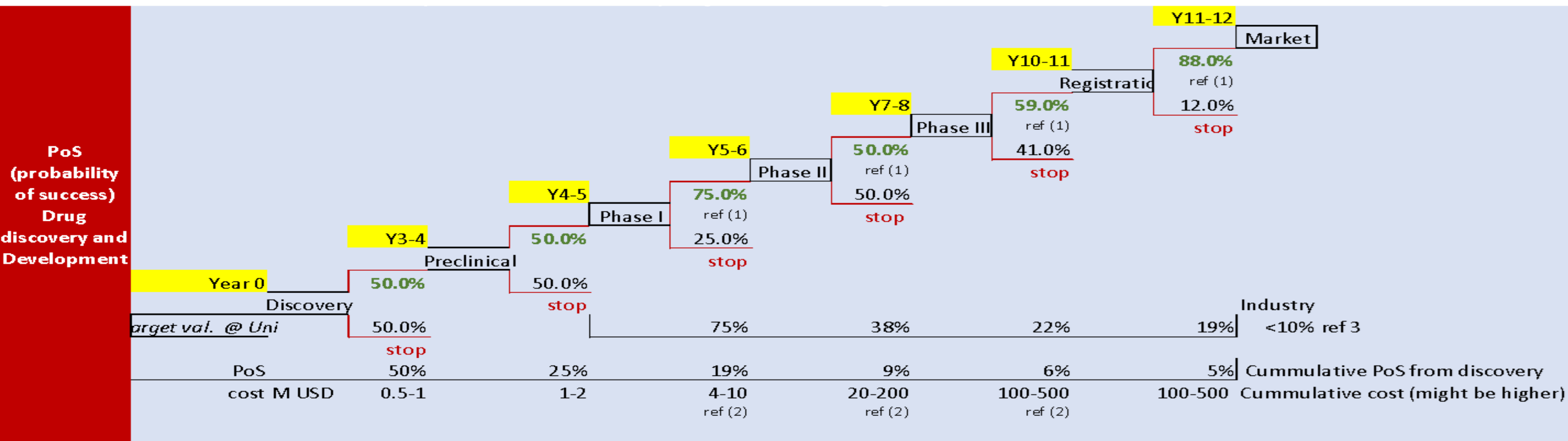
# Biotech & Pharma – key differences to Tech

- Greater % of technical failure
  - Less than 5% of discovery projects reach the market!
  - Only @45 new drugs approved per year by FDA
- Greater cost of path to market
  - Avg. cost of reaching **marketing** approval at just under \$2.6bn
- But also : Greater value of successful product!
  - Blockbuster \$1+Bn sales for 10-13 years
- Exit & IPO pre-product launch
  - Successful Phase II PoC in human
- Profit is only made in the final years before off-label
  - Long path to market 15 years, patent life 20 years



# High attrition rate of drug development

Less than 5% of the discovery projects reach the market!

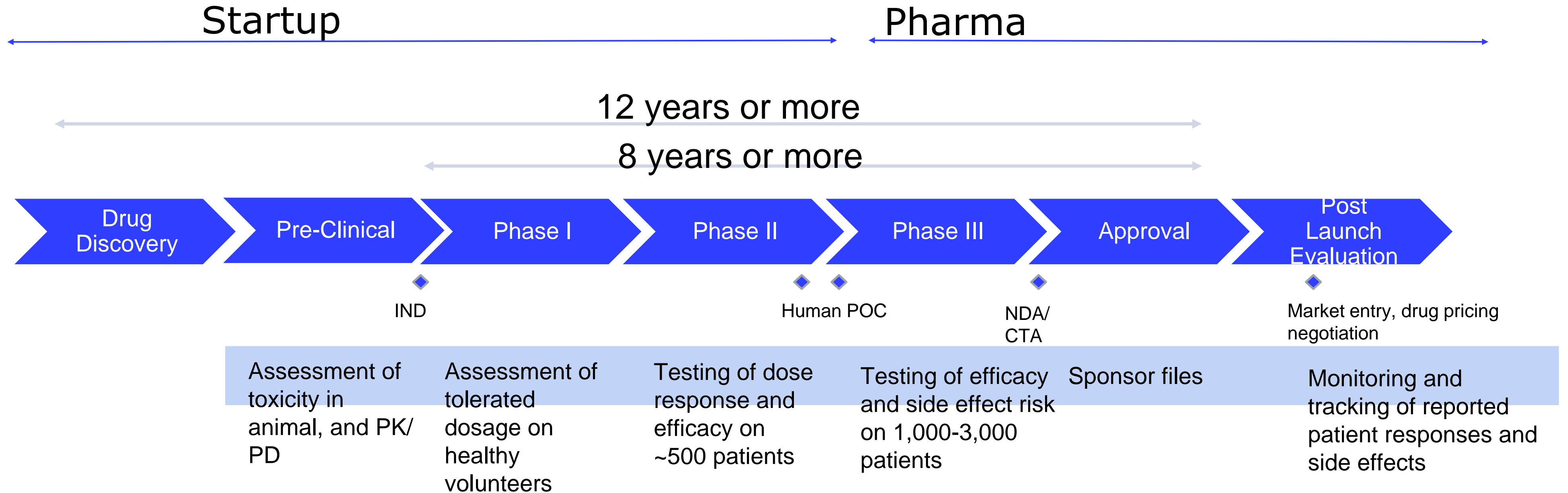


ref 1: Clin Transl Sci (2018) 11, 597–606: 798 drug discovery projects coming from 36 academic institutions in US between 1991 and 2015

ref 2: Nature Reviews Drug Discovery volume 17, page 777 (2018): The median phase III trial median cost \$21.4 million (usually you will need 2 pivotal studies), median phase II trial cost \$8.6 million, (usually one phase IIa and one Phase 2B) median phase I trial cost \$3.4 million (might need more than one phase 1) to be added ADMET studies, and drug product

ref 3: Cummulative PoS of all clinical development project is less than 10%

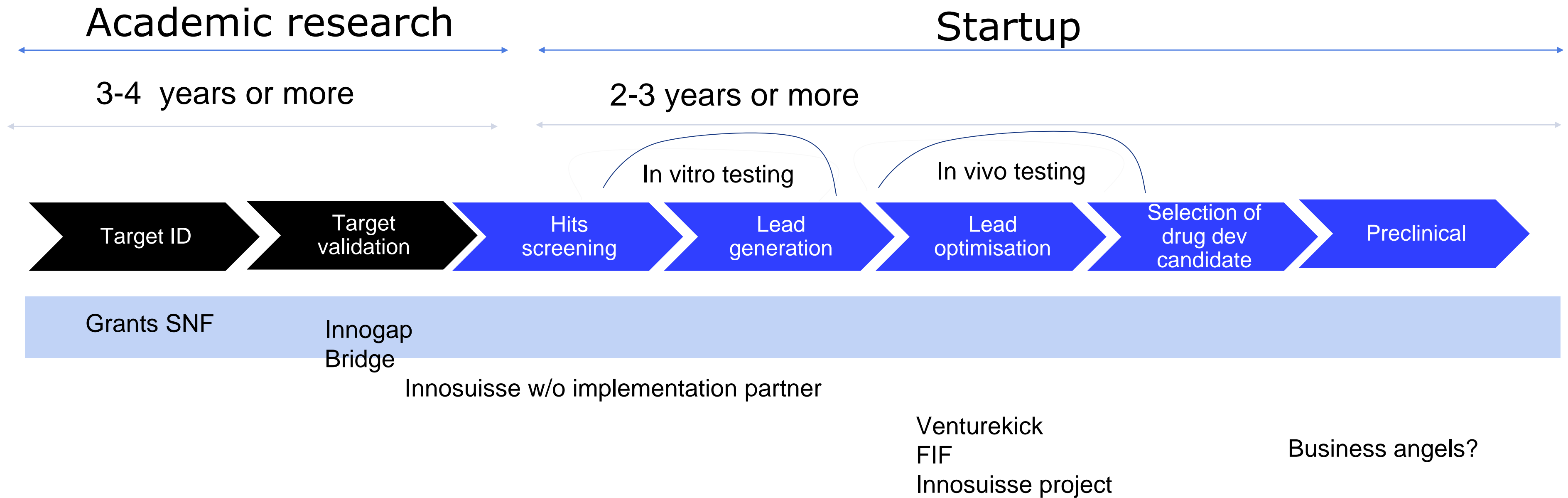
# Classical drug development process



IND Investigational New Drug  
NDA Investigational New Drug (US)  
CTA Clinical trial approval (EU )

PK – Pharmacokinetic  
PD Pharmacodynamic

# Drug discovery funding



## 02 — Types of funding

# Types of funding

- **Non-dilutive**

- Customers
  - Paid research projects with industry
  - Crowdfunding
- Research Grants
- Prizes
- Loans

- **Dilutive** (You sell some % of your shares)

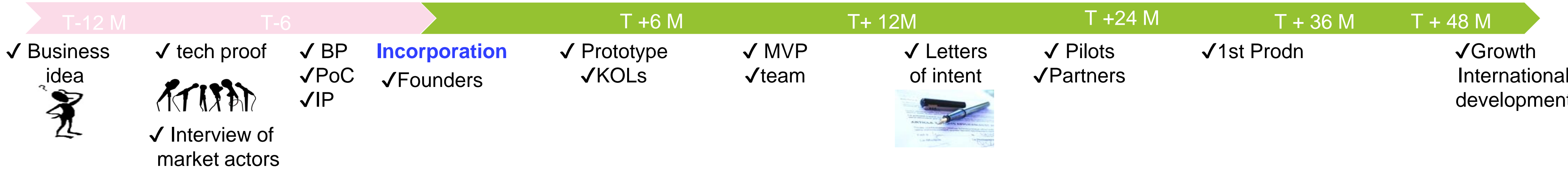
- FFF & F
- Angels
- Strategic Investors
- CVCs, VCs

# Funding strategy timeline

Grants

Non-Dilutive

Awards



Investment

# Research grants for proof of concept

- INNOGAP, UniGe CHF 30k [here:](#)
- [First Ventures](#) Uni Applied sciences: CHF 150k
- Bridge: 1 year salary and project funding CHF 130k  
<https://bridge.ch/en/>
- European Research Council SME instrument ; CHF 50k  
Detailed info: contact local Euresearch Office  
<https://ec.europa.eu/research/eic/index.cfm?pg=funding>  
<https://www.euresearch.ch/en/>



FIRST VENTURES

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[www.startupticker.ch/en/grants-and-loans](http://www.startupticker.ch/en/grants-and-loans)

# Innosuisse research grants for prototype



1. Feasibility study –  
« Innovation project without implementation partner »  
for researchers – deep tech (ask innosuisse coach)
2. Innocheque: CHF 15K
3. Grants: Funding for applied R&D
  - a. Need an academic partner
  - b. 50% project cost to be born by the startup company



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

**Innosuisse – Swiss Innovation Agency**

2 & 3: Need to have your start-up incorporated first



# European Grants



- CHF 5 M awarded to our startups recently
- Next step after Innosuisse (>1 year after founding)
  - More complex
  - Will need to modify company accounting etc
- Use a good consultant
- New grants types in the pipeline

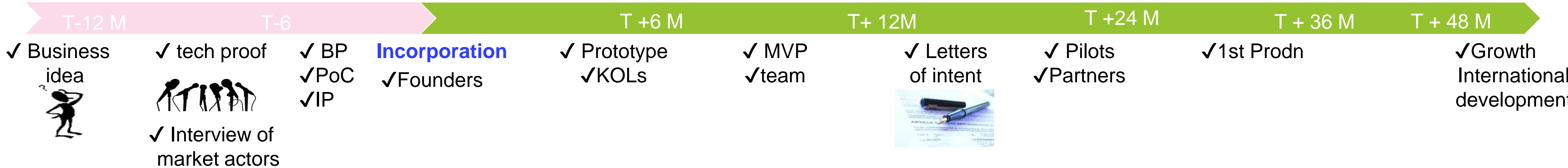
# Funding strategy timeline

Grants

Non-Dilutive

Awards

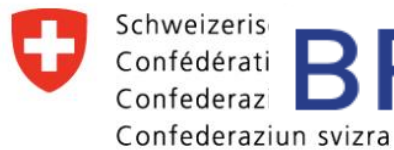
Support



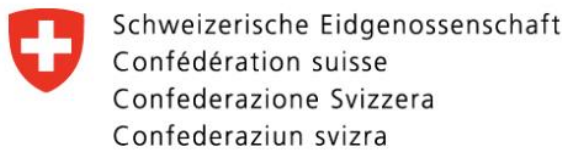
Investment

# Funding strategy timeline

Grants



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Non-Dilutive

Awards



Support



- ✓ Business idea
- ✓ tech proof  
  
✓ Interview of market actors
- ✓ BP  
✓ PoC  
✓ IP
- Incorporation**  
✓ Founders
- ✓ Prototype  
✓ KOLs
- ✓ MVP  
✓ team
- ✓ Letters of intent
- ✓ Pilots  
✓ Partners
- ✓ 1st Prodn
- ✓ Growth International development

Investment

# Fonds d'Innovation Fongit “FIF”



FIF	Value	What	Who	Criteria
Grant	50 K	Grant	Innovator Pre-foundation	Link with GVA research center
Seed	100K	Convertible	Start-up	70% of funds
Growth	400K	Loan	Scale-up	50% of funds

- Designed to be complementary to:
  - Innosuisse w/wo implementation partner
  - Bridge, InnoGap
  - Venturekick, Fongit financial support etc.

# Prizes



**Venture Kick 1:** CHF 10,000  
**Venture Kick 2:** CHF 40,000  
**Venture Kick 3:** CHF 100,000  
(in exchange of % equity)

755 startup projects supported  
34,250,000 francs start capital from Venture Kick  
8,100 active jobs created  
4,200,000,000 francs raised by supported startups  
84% survival rate of incorporated companies  
37% have women in founding team

- Link to Swiss (Applied) University
- Innovative startup, all disciplines are welcome
- Have not founded your company by the time of application
- [www.venturekick.ch](http://www.venturekick.ch)

## InnoBooster (Gerbert Rűf Stiftung):

[www.grstiftung.ch/en/area-activity/innobooster](http://www.grstiftung.ch/en/area-activity/innobooster)

INNOBOOSTER

- After passing Step 1 VentureKick:
- Up to CHF 150,000 for a maximum of 1.5 years

# Prizes- Non Dilutive

- Venture.ch - Top Swiss business plan competition  
Up to CHF 150k in cash
- The Gerbert Rűf Foundation sponsors individual projects in academic environments (CHF 50,000-500,000)  
[www.grstiftung.ch/en/projectsubmission.html](http://www.grstiftung.ch/en/projectsubmission.html)
- Fondation de Vigier (restricted to Swiss residents)  
[www.devigier.ch](http://www.devigier.ch)  
100'000 per project (usually 4-5 per year)
- IDDEA - 20K & 10K Awards around ideas for sustainable development in Geneva [www.prix-iddea.ch](http://www.prix-iddea.ch)
- SIG 100K Fonds Vital innovation et environnemental



[www.startupticker.ch/en/awards](http://www.startupticker.ch/en/awards)



# Loans

## Advantages of early stage loans

- not dilutive, working capital
- easier access compared to a bank loan

## But...

- You have to pay them back
- Check if they require a personal guarantee



[www.fondetec.ch](http://www.fondetec.ch)



[microcredit-solidaire.ch](http://microcredit-solidaire.ch)  
10-30K to set up co



<http://www.fae-ch.ch>

# Funding strategy timeline

Grants


Non-Dilutive

Investment



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Confédération suisse  
Confederazione Svizzera  
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Confederazione Svizzera  
Confederaziun svizra



European  
Commission

EIC Accelerator




Awards



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Support



✓ Business idea 	✓ tech proof  ✓ Interview of market actors	✓ BP ✓ PoC ✓ IP	<b>Incorporation</b> ✓ Founders	✓ Prototype ✓ KOLs	✓ MVP ✓ team	✓ Letters of intent 	✓ Pilots ✓ Partners	✓ 1st Prodn	✓ Growth International development
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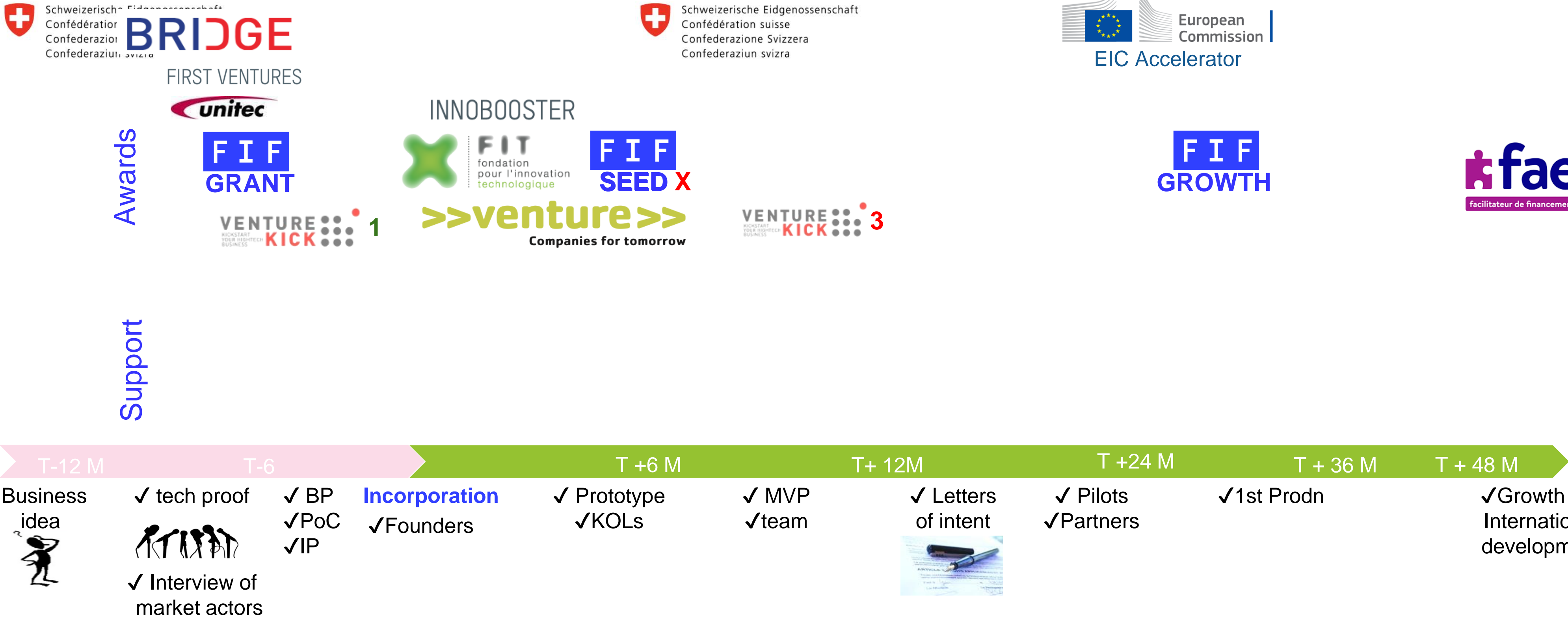


# Funding strategy timeline

Grants

Non-Dilutive

Investment



# How to win grants, loans & prizes

- Check out the list on [startupticker.ch](http://startupticker.ch)
- Target each application to the organization's goals  
(but store your applications to cut and paste)
- Ask your coach (or Tech Transfer office)
  - Which grants & who to contact
  - They will help you make the best impression
- Get your supporters (coach/ Prof) to provide good feedback
- Meet with the grant giver - explain the business case  
Support from Innovation Initiators, PoCC, Tech Transfer officer

# Crowdfunding

- Best for B2C
- A great way to prove the market demand before building the product
  - Set high target that proves project is worth doing, not the minimum
- It is an industry – engineered virality
- Indiegogo.com, wecan.fund, wemakeit.ch, kickstarter
- Eg: Protonmail, Nyce, Allure Sauvage

A valuable proof of market

# Incubators & accelerators

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EPFL  
Innovation Park

MC

MASSCHALLENGE



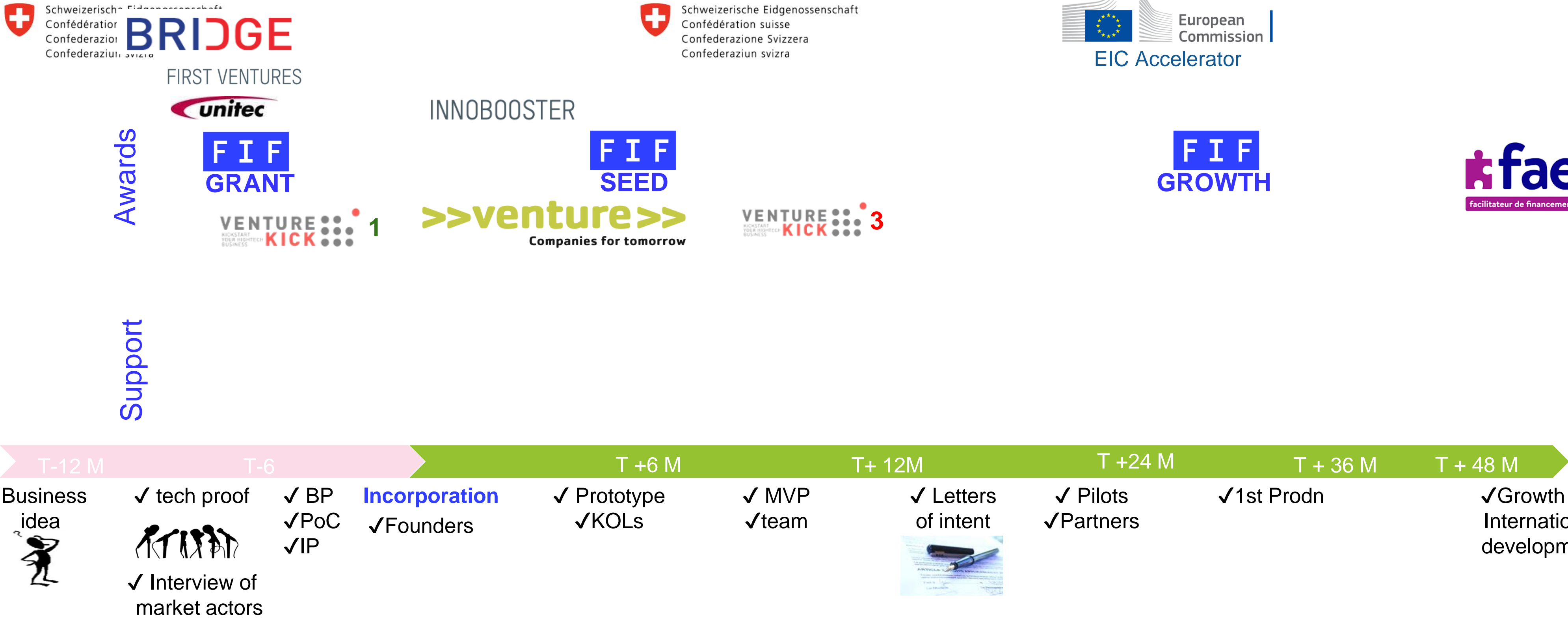
Incubators prepare you for angel investment

# Funding strategy timeline

Grants

Non-Dilutive

Investment



# Funding strategy timeline

Grants

Non-Dilutive

Investment



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



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Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



European Commission



Awards



INNOBOOSTER



Support



✓ Arrival at incubator



✓ accelerator



✓ incubator funding



- ✓ Business idea


- ✓ tech proof


- ✓ BP  
✓PoC  
✓IP
- Incorporation  
✓Founders
- ✓ Prototype  
✓KOLs
- ✓ MVP  
✓team
- ✓ Letters of intent


- ✓ Pilots  
✓Partners
- ✓1st Prodn
- ✓Growth  
International development

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## 03 — What investors are looking for



# An investable pitch deck



The collage displays 16 slides from a Fongit pitch deck, numbered 1 through 16. Each slide is a thumbnail of a full slide, showing the following content:

- Slide 1:** Successful Pitching. Dr. James H. Miners. 14th January 2018.
- Slide 2:** Swiss innovation incubator. Fongit. Status: Premier Swiss startup incubator. Mission: Private non-profit foundation supported by canton of Geneva. Support entrepreneurs in transferring innovation into economic and social value.
- Slide 3:** How to lay out a slide? Question? Fongit. Benefit 1: Future. Benefit 2: Sports Drive. Conclusion: we create value by answering this important question.
- Slide 4:** The problem. Fongit. User-dependent customer portable applications. BUT: Technological barriers prevent user-conforming industrial applications.
- Slide 5:** The solution. Fongit. A network diagram showing various stakeholders and their interactions.
- Slide 6:** Magic. Fongit. Exceeds industry targets. Carbon footprint. Price breakdown of a 1.5 km HGV 1.1 ton cell.
- Slide 7:** Market. Fongit. A circular diagram showing market segments and their relative sizes.
- Slide 8:** Competitive landscape. Fongit. Existing tools. A graph showing the competitive landscape.
- Slide 9:** Business model. Fongit. A table showing revenue streams and their contribution to the total revenue.
- Slide 10:** Roadmap. Fongit. A timeline showing the company's growth and milestones.
- Slide 11:** Fongit team. Fongit. A list of team members and their roles.
- Slide 12:** Financials. Fongit. A table showing financial data for the years 2011 to 2017.
- Slide 13:** Aim: achieve successful market entry. Fongit. A table showing the cost of various activities and their contribution to the total cost.
- Slide 14:** Accelerate your success. Fongit. A diagram showing the company's growth and milestones.
- Slide 15:** Swiss innovation incubator. Fongit. Status: Premier Swiss startup incubator. Mission: Private non-profit foundation supported by canton of Geneva.
- Slide 16:** Questions and answers. Fongit. A list of questions and answers.

Coaching prepares you for successful fundraising



# Angel Investors



[www.businessangels.ch](http://www.businessangels.ch)



[www.gain-association.ch](http://www.gain-association.ch)



[www.sictic.ch](http://www.sictic.ch)



[www.kickfund.ch](http://www.kickfund.ch)



[www.verve.cv](http://www.verve.cv)  
(previously investiere)

# Managing Angels

- Best to approach a number of angel groups
- Apply via their web page
- You will need a 10 page slide deck
  - prepare your pitch with your coach
  - only one chance to make a first impression
- Investment process is @ 6 months
  - Due Diligence
  - Lawyer is needed for closing
- Find a champion & stay close

They need to fall in love with your project:  
takes time & meetings



<https://startupistanbul.com/blog/2016/03/what-andrea-barrica-learnt-at-500-startups/>

# How is a Business Angel evaluating you?

Criteria	Weight	
Management team	40%	Who's there, who's missing?
Product / Service	20%	Can I relate to it?
Market & competition	10%	What's the potential?
Business models	10%	Is it going to generate cash?
Financials	20%	Do the <u>numbers</u> add up?

□ Due Diligence (DD)

It looks scientific but it is very subjective



# Strategic Investors and CVCs

- CVCs are at arms-length to their corp
  - but have some role in corporate intelligence
- Strategic investors
  - If possible preferable to have them as a client or research partner
  - Complex pros and cons – need to negotiate carefully. Have a coach's advice
- Joint Ventures
  - Marriages between very different partners have inherent stresses

# Venture Capital

- Later than you expect
- Interested in big potential wins
- Design 3+ value inflection points between rounds

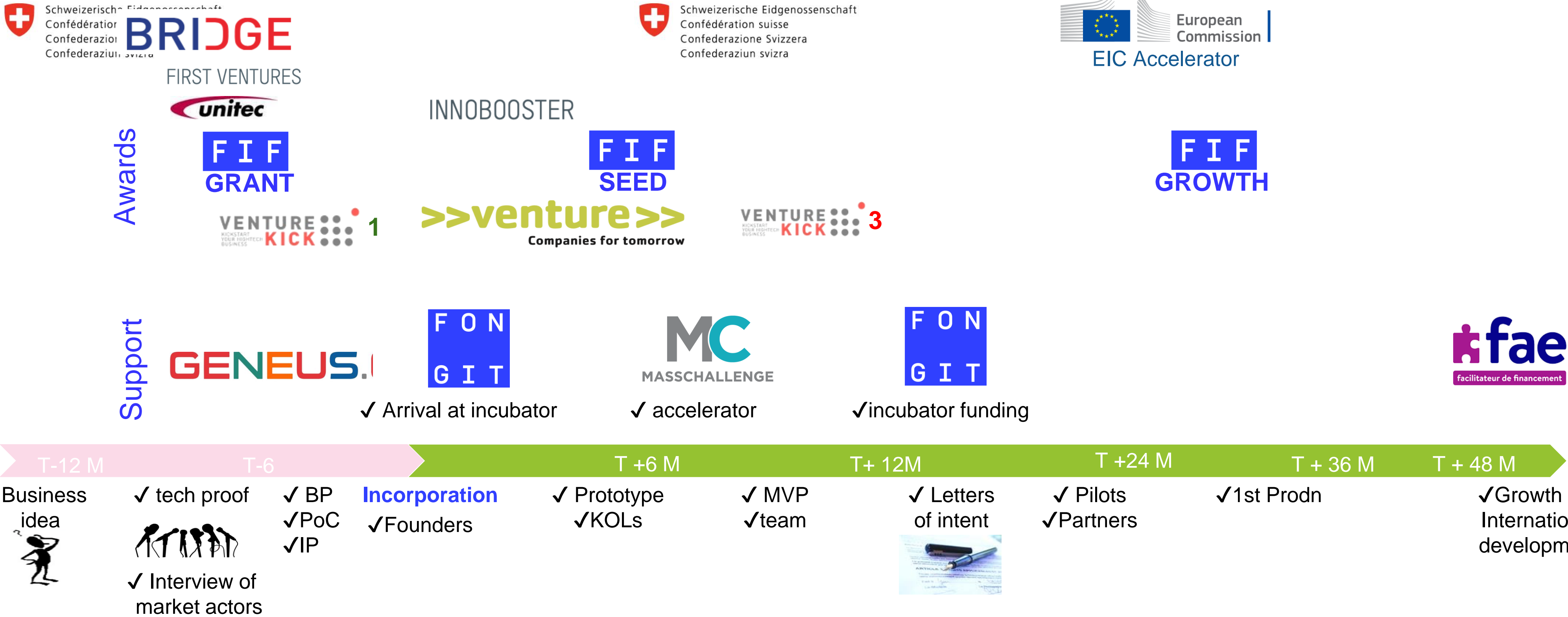
<https://www.startupticker.ch/en/investors>

# Funding strategy timeline

Grants

Non-Dilutive

Investment



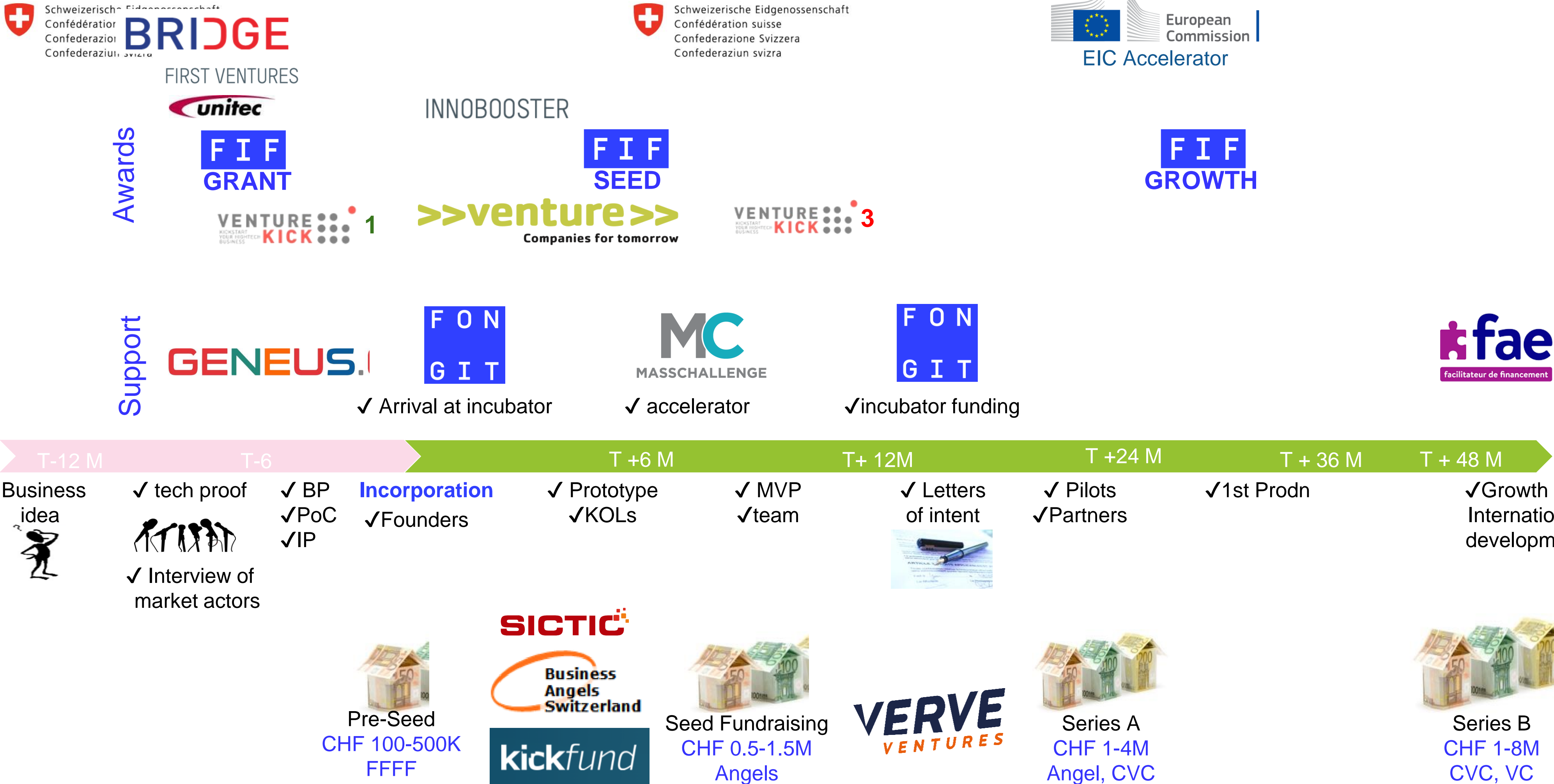


# Funding strategy timeline

Grants

Non-Dilutive

Investment



## 04 — The path from idea to investable startup



# Funding strategy timeline

Grants


Non-Dilutive

Investment



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**BRIDGE**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



European Commission

EIC Accelerator

Awards



**FIF**  
GRANT

INNOBOOSTER

**FIF**  
SEED

**FIF**  
GROWTH

**VENTURE KICK**  
KICKSTART YOUR HIGHTECH BUSINESS

1

**>>venture>>**  
Companies for tomorrow

**VENTURE KICK**  
KICKSTART YOUR HIGHTECH BUSINESS

3

Support

**GENEUS.**

**FON**  
GIT

**MC**  
MASSCHALLENGE

**FON**  
GIT

**fae**  
facilitateur de financement

✓ Arrival at incubator

✓ accelerator

✓ incubator funding



✓ Business idea



✓ tech proof



✓ Interview of market actors

✓ BP  
✓ PoC  
✓ IP

**Incorporation**  
✓ Founders

✓ Prototype  
✓ KOLs

✓ MVP  
✓ team

✓ Letters of intent



✓ Pilots  
✓ Partners

✓ 1st Prodn

✓ Growth  
International development



Pre-Seed  
CHF 100-500K  
FFFF

**SICTIC**



**kickfund**



Seed Fundraising  
CHF 0.5-1.5M  
Angels

**VERVE**  
VENTURES



Series A  
CHF 1-4M  
Angel, CVC




Series B  
CHF 1-8M  
CVC, VC

# Support & funding timeline


Grants

Non-Dilutive

Investment

 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

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 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

 European Commission  
EIC Accelerator

Awards

**F I F**  
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**F I F**  
SEED

**F I F**  
GROWTH

Support

 VENTURE KICK 1

 >>venture>>  
Companies for tomorrow

 VENTURE KICK 3

GENiLEM

 fondetec

 -pulse

**F O N**  
G I T

 MC  
MASSCHALLENGE

**F O N**  
G I T




 fae  
facilitateur de financement

✓ Arrival at incubator

✓ accelerator

✓ incubator funding



- ✓ Business idea  

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- ✓ BP  
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- Incorporation**  
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- ✓ Pilots  
✓ Partners
- ✓ 1st Prodn
- ✓ Growth International development

  
Pre-Seed  
CHF 100-500K  
FFFF

 SICTIC  
Geneva Angel Investor Network

 Business Angels Switzerland  
 kickfund

  
Seed Fundraising  
CHF 0.5-1.5M  
Angels

 VERVE  
VENTURES

  
Series A  
CHF 1-4M  
Angel, CVC

  
Series B  
CHF 1-8M  
CVC, VC

# Conclusions

- Build a funding strategy timeline
- Find the sources that best suit your project - at each stage
- Full list on [startupticker.ch](https://startupticker.ch)
- Grab as much non-dilutive funding as possible
- Maximise your chances – apply to many, never rely on one
- Coach is your guide to the ecosystem
- Coaching is key for a successful investment round
- and dont forget - **Customers** are the most valuable source of finance

If you want **advice** ask for **money**.  
If you want **money** ask for **advice**!

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# THANK YOU

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