Startup Brings "Technical Lego" to the Self Driving Car Industry

You'll doubtless have heard that self-driving cars are coming. We've **covered this before**, in *Exponential Investor*. It's a global revolution – which will massively disrupt transport, urban design, and employment.

There are huge profits to be made, if you invest correctly. Many of the major tech firms are jostling to dominate this space. Uber, Google (Waymo), and Tesla are all competing – as are the big automakers from Detroit, Europe and beyond.

As usual in a gold rush, there are people making money from selling picks and shovels. Today, we'll be speaking to Mike Potts, founder of one such firm. It's the Oxford-based startup **StreetDrone**. Its niche strategy is to create a testing and development platform for self-driving cars – enabling smaller firms to enter the market. Think of it as being like "Technical Lego", but for the self-driving vehicle industry.

AL: In a sentence or two, what's StreetDrone's team and vision?

MP: I created StreetDrone to help bring self-driving **technology** to underserved markets. My co-founder is Formula E team principal, Mark Preston.

AL: Can you expand on what StreetDrone is trying to achieve?

MP: We're focusing in on lowering the cost of innovation in connected, self-driving vehicle technology. Initially we're going to be selling a self-drive ready car, the StreetDrone ONE. From there, we'll provide a platform on which self-driving technologies can be developed.

AL: What was your motivation for founding StreetDrone?

MP: We started looking at the problem of how to test self-driving developments – because we were thinking about entering an autonomous motorsport series. We quickly realised that many companies and people were facing the same issue – a lack of accessible and affordable platforms to develop and test technology, in this space. For large car manufacturers, and tech firms, this isn't a problem. However, for most businesses, getting started is almost impossible. We've identified education as having a huge need – but other markets (such as agriculture, logistics and defence) also have this issue.

AL: Why target self-driving development in education?

MP: One reason is that we've identified a significant skills gap being created by the fast-moving nature of this industry. Most educational institutions aren't able to keep up with the engineering education demands of the self-driving world. StreetDrone will give these institutions the opportunity to test all manner of self-driving tech, on an affordable vehicle – and to build industry-relevant experience in the process. That education market alone is worth around $1bn, so it's a great place to start.

AL: What makes StreetDrone most interesting for your customers?

MP: The first thing is price. The StreetDrone ONE car is our first product, developed in partnership with Renault. It's based on the Renault Twizy electric car. We adapt it, to make it self-drive ready – by adding sensors and drive-by-wire capability. Depending on the specification, we're selling the SD ONE at £35,000. This is much cheaper than anything else we've seen, on the market.

Next is the ability to develop on a platform designed for self-driving tech. This is a unique proposition. We'll not only provide the tools for technology development on the SD ONE and within simulators, but we also offer also the possibility to share, give away and trade technology. It will be like an "app store" for the self-driving development community. There's nothing like it out there at the moment, and we think it will be an important step in getting many more developers and companies involved in the innovation process.

AL: What gives StreetDrone the unique edge needed to grab a piece of the AV market?

MP: We've a fantastic founding team – with decades of experience in automotive, F1, Formula E and commercial enterprises. CEO Mark Preston has worked in Formula One (McLaren) and Formula E (current team principal at Techeetah). I bring the marketing and commercial experience (DBi, Havas, Expedia). We're both entrepreneurs, and have both successfully exited from previous ventures. We carry this experience into StreetDrone. And we've a great network, within large companies, who we're already looking to partner with and sell to.

AL: What are your financial and investment goals?

MP: We're targeting sales of around £12m in 2019, and looking for investment to support that. Currently we're looking for £150,000 (SEIS allocation based) in order to complete the first prototype SD ONE and increase sales and marketing efforts.

We’re going to be looking for a further £850,000 soon after we release the StreetDrone ONE car and operating system on the market.

We’d love to hear what you think about this unusual approach to self-driving cars: **andrew@southbankresearch.com.**

Best,

Andrew Lockley
Exponential Investor