DO VCs FUND HARD SCIENCE?

• CYCLICAL HERDS
• 2000 MELTDOWN CAUSED VCs TO LOOK FOR CHEAPER STARTUPS
  – SOFTWARE WAS PERCEIVED TO BE CHEAPER TO FUND
  – CONSUMER WAS PERCEIVED TO BE “FAST FAIL” MODEL
• CONSUMER/SOCIAL CYCLE OVER
• MOVE TO ENTERPRISE, HARDWARE
BACKGROUND ON ARTIMAN

• VERY EARLY STAGE VENTURE FUND
• FUND $500K-$10M PER DEAL
• SECTOR AGNOSTIC: LIFE SCIENCES TO MATERIAL SCIENCE TO S/W & H/W
• “WHITE SPACE”: FIRST TO MARKET, LARGE MARKETS ($10BN TAM), MULTI-DISCIPLINARY
• PALO ALTO-BASED AND AN OFFICE IN BANGALORE, INDIA
• 6 SPINOUTS FROM UNIVERSITIES TO DATE SINCE 2007
SOURCE OF VENTURE FUNDED STARTUPS

• 20% ENTERPRISE EXECUTIVES LEAVING WITH MARKET KNOWLEDGE
• 10% TECHNOLOGISTS LEAVING RESEARCH LABS TO CREATE STARTUPS
• 30% ENGINEERS LEAVING CORPORATES
• 10% PROFESSORS / GRAD STUDENTS Creating STARTUPS
• 10% UNDERGRADUATES CREATING STARTUPS
• 20% REPEAT ENTREPRENEURS
UNIVERSITY STARTUP MODES

• PROFESSOR/GRAD STUDENT MOTIVATED TO DO STARTUPS
ARTIMAN MODEL

• UNIVERSITY PROGRAM STARTED IN 2009
  – VISIT UNIVERSITIES PERIODICALLY WITH 2 TO 3 DAY
    PROGRAM WITH SEVERAL PARTNERS, ENTREPRENEURS,
    ECOSYSTEM PARTNERS
  – MEET 15-20 PROFESSORS IN DIFFERENT FIELDS WHO
    MIGHT BE INTERESTED IN STARTUPS
  – EDUCATE AND SHARE KNOWLEDGE OF MARKET
    (BREADTH) TO COMPLEMENT THE TECHNOLOGY DEPTH OF
    PROFESSORS/GRAD STUDENTS
  – EXPOSE SILICON VALLEY PERSPECTIVES TO NON VALLEY
    UNIVERSITIES
ARTIMAN OBSERVATIONS

• DESIRE AMONGST UNIVERSITIES TO COMMERCIALIZE MORE (STARTUPS ARE SEXY for now)

• INCUBATORS, STARTUP FACILITIES, FACULTY HELP, SMALL UNIVERSITY VENTURE POOLS ALL THE RAGE

• BUT THERE ARE GAPS & CHALLENGES....
  – BUDGET CONSTRAINTS ON HOW MUCH TO PATENT AND WHAT TO PATENT? HOW TO DECIDE?
  – LICENSE OR STARTUP?
  – COST CENTER V/S PROFIT CENTER
  – CRITICAL GAP FROM RESEARCH TO PROTOTYPE TO “MANUFACTURABILITY” TO VIABLE STARTUP;
  – GOVT. FUNDING/ UNIVERSITIES / VCs COULD DO A BETTER JOB OF ALIGNMENT
KEY AREAS OF INTEREST

• MANUFACTURING TECHNOLOGIES
  – Manufacturing coming back to the US
• MATERIAL SCIENCE
• DIRECT TO CONSUMER MEDICAL DIAGNOSTICS
• ALGORITHMIC APPROACHES
• And anything that might make us money