



# Showcasing talent

It's hard times for start ups, but investors are still interested in opportunities. By **Graham Pitcher**.

**E**ven in the 'good times', starting up a technology company is something not recommended for the faint hearted. The move needs strong vision, steady nerves, complete faith in your abilities and, more than anything, a good dash of luck.

In today's more straitened times, being a start up is even more of a challenge. Funding doesn't come in one big lump, so moving the company on is as much about dealing with potential investors as it is about moving the particular technology forward.

If you're thinking about starting up a company to develop a chip aimed at consumer applications, then it's likely you'll be targeting your design at a leading edge process. Getting your chip to market will require a substantial amount of cash – probably in excess of \$100million. And that level of investment simply isn't available today.

But there are organisations which can at least help you to take the first one or two steps up the start up ladder. One of these is the SETSquared Partnership.

SETSquared is a collaborative venture launched by the universities of Bath, Bristol, Southampton and Surrey. The partnership aims to develop new businesses from within university research, as well as to support technology companies in the wider community.

Companies underneath the SETSquared umbrella have raised more than £50m during the last 12 months, creating more than 140 new jobs.

The sixth annual SETSquared Partnership Investment Showcase was held in London in October. The event,

aimed at raising investment for early stage companies, provides a vital step for start up businesses as they seek to develop and commercialise their ideas. Despite the current economic conditions, the event attracted more than 120 venture capitalists, angel investors and high net worth individuals.

There were 21 companies exhibiting at this year's event, covering technologies ranging from aviation and biotechnology to telecommunications and wireless. Companies that have participated in the event in the past five years have raised over £100m.

Of the companies showcasing their ideas at the event, six gave 10 minute presentations to an audience of investors. Amongst the presenting companies was Cascoda, which is looking to develop ultra low power wireless chips.

Libby Kinsey, investment manager with NESTA, said: "This SETSquared event always features high quality, highly investable companies and is a 'must attend' in my calendar."

Medical electronics is a market where investors are prepared to back the right idea and BioInduction was looking for £750,000 to market its neurostimulation device in Europe.

CEO Ivor Gillbe said the initial focus would be on Europe and emerging markets, where revenues of some £10m per annum are anticipated in the first two years after product launch.

While neurostimulation – in which arrays of electrodes stimulate the nerves

**Is there a future for semiconductor start ups?**

A recent roundtable organised by Cadence looked at the funding prospects for semiconductor start ups and concluded that the next few years will be hard.

Simon Atkinson, ceo of Mirics, said: "The scale of investment needed to develop a competitive product has changed. You have to be a global player today and that's hard if you're a start up."

Jed Hurwitz, cto of Gige Networks, noted: "Start ups are a significant industry sector, particularly now the world has gone 'fabless'. It's in everyone's interest that start ups succeed, but it has to be recognised that start ups face time, finance and risk constraints. They are trying to do magic and if it was easy, someone would have done it."

Stephen King, pictured, is ceo of networking company Phyworks. In his opinion, the future for start ups maybe acquisition at an early stage, rather than IPO. "We're now looking at investing by acquisition and there's a range of companies available because they can't raise the cash. While people are still investing, it's only small amounts. Nobody is placing big bets and we're seeing companies shutting down because investors are getting out of semiconductors in favour of green or software."



– isn't a new technology, BioInduction intends to develop a product for a new indication – or medical condition – which it believes will address a currently unmet need.

According to Bruno Johnson, Cascoda's ceo: "The event was a fantastic opportunity to network with potential investors and like minded entrepreneurs."

Cascoda believes there is a rapidly growing need for smart energy efficient homes, offices and industrial plant. Its solution is a wireless protocol developed specifically for automation and control.

Johnson noted: "We believe this will be a key enabling technology for the next generation of home automation." But moving the technology from idea to market needs cash and that's why he was at the latest Showcase, looking for £3m. This would go towards helping to productionise the IP, establishing a sales channel in the crucial Far East market and further product development.

He believes the total available market for products using this kind of technology will be more than \$1billion by 2012. Looking to gain a part of this business, the company has already developed an 8051 based embedded microcontroller and is now working on

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the radio part of the solution. A working prototype – which will be targeted at a 0.18µm process – is expected towards the end of 2010, assuming the necessary funding is received.

Cascoda believes it has an advantage over current offerings. Existing products, it says, suffer from high power consumption and poor data link reliability.

"Our micro is optimised for low power," Johnson asserted, "but it has high range." In fact, Cascoda claims its radio has twice the sensitivity of today's best radios. "We will have a range of 1km in free space," Johnson asserted. A further benefit is that the radio's sensitivity can be adjusted to save power.

Another exhibitor at the Showcase was Blu-Wireless Technology, which is looking to exploit an emerging market – wireless communications at 60GHz. Already, says the company, products are emerging that allow uncompressed full quality HD content to be streamed to flat screen tvs.

Communicating at this frequency presents a number of problems, said Mark Barrett, vp of marketing and product definition. "These include low power 60GHz cmos, packaging, data modulation and encoding, as well as a number of standards." Other factors include cost, size and power consumption.

Blu-Wireless intends to become the leading supplier to the market, creating a device which integrates all wireless functions into a single die and package.

Barrett said the company is looking for £1m in order to allow it to commence operations and to create that all important working prototype.

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