

INNOVATION

Start-ups learn how to move forward

JOHN HOLDEN



A Cork "mentoring weekend" managed to cram in some realistic and honest advice for start-ups who were teamed with established companies and given guidance

BUSINESS mentoring is not new. It's a staple approach of Government support organisations and a plethora of consultancy firms out there willing – for the right price – to give advice to anyone who will listen. But in the case of 23 well-seasoned entrepreneurs volunteering their time and putting themselves up in Kinsale to work with a group of budding start-ups, the CorkBIC event might be a little different.

Mentoring of this nature can run the risk of turning into a buzz word extravaganza about "setting goals for yourself" or "aiming high". One participant said before the event that – based on attendance at previous gigs like this – he wasn't holding out much hope.

But there was an air of transparency at the session. Companies at every level were encouraged to lay bare their entrepreneurship experience, warts and all.

Grainne Kelly, chief executive of Bubblebum UK, recounted how she'd been squeezed by manufacturers and suppliers everywhere from China to the US but still made her company a global success in 21 countries with a staff of just six.

John Flaherty who, until recently, was living in a caravan with his wife, now heads up C&F Tooling, which employs 1,800 staff and whose client base includes Apple and IBM.

Emerging entrepreneurs had to apply to CorkBIC, the local branch of the European Business and Innovation Centre Network, to get involved. Three categories were created to suit start-ups at various levels of development



– the ideas group, the investor-ready group and the scaling group. Successful applicants would be paired with a mentor for the event which addressed their current business issues.

Technology start-ups were the dominant force among the 23 chosen to participate. That group included successful social entrepreneur 19-year-old James Whelton, co-founder of CoderDojo. This is a not-for-profit computer code training programme. Whelton was in the scaling group and was hoping to get more volunteer computer programmers on board worldwide.

Those with physical products, which included candles, a range of eco-friendly cleaning products and an audio speaker stand manufacturer, stood out simply on account of having something tangible to present.

While solutions to some problems faced by emerging entrepreneurs were universally sought – such as sourcing investment – others had more specific issues. The investment pitch was a serious learning curve for many of the participants.

Given the large number of tech businesses in the room, learning how to cut through the

excess jargon and speak in a language investors would understand was a useful lesson.

Developing a product in co-operation with major suppliers, tapping into international markets, or knowing how to hire good staff, were also hot topics. Believing there is a place for your product/service in the Chinese market is one thing; successfully entering that market is an entirely different issue. Solid relationships have to be made with trustworthy people on the ground and due diligence of the local market must be taken.

Hiring staff for a new start-up is another area fraught with problems, particularly if it involves an equity offer. Giving up some of your company to someone new can be very difficult for a young entrepreneur.

Yet many participants said they often felt a sense of isolation and loneliness and realised that scaling up the business would be fruitless without sharing some of the responsibility.

As was made clear by serial entrepreneur Kevin O'Leary of Qumas Solutions, if you always have to be in the room in order to sell your product, then it probably isn't a very good one. The experts all echoed similar advice on how best to hire the right staff: empower them with a sense of responsibility.

They must be made to feel as if they have a stake in the company's success. Otherwise they have no reason to share your vision. If they still don't perform, it will become obvious and they will either quit or be fired.

Lessons learnt, the 23 firms now venture out into the marketplace again, hopefully wiser than before the process.

GROUP 2
THE INVESTOR-READY GROUP

Emerging entrepreneur: Michael Byrne, Conceptworx



Product/service: Web-based solutions development. The main project is FolioFourOne, a web-based platform to enable publishers to create a package for digital magazines, which can be uploaded to a host system, allowing the magazine to be readable on any device or web browser.

Mentor: Declan Fox, serial entrepreneur, technologist, digital marketer and business coach. Co-founded Comritel Technologies in 1999, which was bought by IBM in 2007.

Key challenge: "Conceptworx needs investment," says Byrne. "I am working alone so I am the Conceptworx' CEO, sales team, marketing department and everything in between. "With 15 years experience in the software industry, some at management level, I understand the technology side of things very well, but I need to get advice on how to improve my sales and marketing pitch."

Outcome: "I learnt a lot about putting together an investment pitch, how to value my company and the types of funding to go for. We even went into the detail of changing my phraseology to make pitches more commercial."

"We also looked at how to structure requests for certain amounts of funding from groups like Enterprise Ireland and the effects of that down the road."

"Working alone, I need to be in a position to upscale. Empowering people to take on responsibility is important. I've been in senior management before so appreciate this point but I learnt more about how to make people self-accountable."

GROUP 3
THE SCALING GROUP

Emerging entrepreneur: Michael Barrett, St Killian's Candle Company



Product/service: Innovative patented church candle system for cathedrals, churches and shrines. One of its selling points is its safety.

Mentor: Dave Ronayne, chief executive of Irish Mainport Holdings, an integrated marine services company providing global shipping services to offshore oil and gas exploration companies.

Key challenge: "While already using established distribution systems in Europe and the US for the product, we are unaware of how much time and effort is being put into driving sales of our product outside Ireland," says Barrett. "We believe we have a market of approximately 400,000 cathedrals, churches and shrines worldwide. We want to learn how to reach them."

Outcome: "The main outcome for us was to narrow our focus down to one or two important projects over a three-month period. "We know we have a great product but we need to concentrate on exactly where we see ourselves three months from now. So we are going to build up an international sales office, starting in the US, where we will hire four international sales staff who will be permanently based there."

GROUP 1
THE IDEAS GROUP

Emerging entrepreneur: Titta Jones, Lilly's Eco Clean Ltd

Product/service: Manufacturer of non-toxic, environmentally friendly and effective cleaning products, including surface cleaning and laundry detergent products.

Mentor: John Flahavan, chairman of Flahavan's Oats, the centuries-old Irish brand which sells porridge and other breakfast products in supermarkets countrywide.

Key challenge: "Establishing relationships with the main supermarket suppliers to get product from niche to mainstream in a highly monopolised sector," says Titta Jones.

"There is no other product like ours on the market. But does that mean there is a gap we should be exploiting or that there is no demand for what we are manufacturing?"

Outcome: "I have learnt that I must keep the goals of the

company narrow at this point and maintain my focus on trying to establish the Lilly's Eco Clean brand in supermarkets.

"This is where the majority of people buy their cleaning products so that's where I need to be. I also need to go back and revise my marketing approach and look at how best to open communication links with the big supermarket



chain suppliers. Simply put, I'll keep ringing suppliers, and trying to get appointments for meetings where I can pitch my product to the right people.

"In order to get cash flowing in the short term, I should be simultaneously looking at new sales avenues and increasing marketing in other areas of my business model, such as a web-based shop."

INNOVATION PROFILE SCIENCE FOUNDATION IRELAND

Bringing the product from basic research to reward

Science Foundation Ireland's TIDA awards is helping new Irish research win the middle ground between initial breakthrough and commercialisation

SCIENCE Foundation Ireland (SFI) has provided hundreds of millions of euro in funding to create a base of world-class scientific research in this country. That investment is already paying dividends, with Ireland now being recognised as an international leader in a number of important research fields spanning areas such as life sciences, information technology and sustainable energy.

Much of this research has been commercialised as a result of assistance from state development bodies including Enterprise Ireland and InterTradeIreland, as well as private sector partners.

However, a gap between the early-stage basic research and the commercialisation phase was identified some years ago by the research community and SFI responded by establishing the Technology Innovation & Development Awards (TIDA). The aim of TIDA is to

facilitate greater interaction between SFI-funded researchers and engineers developing new technologies and industrial partners. The aim of the programme is the generation of new applied technologies. Participants receive funding of up to €100,000 for 12 months.

The programme was initially aimed exclusively at researchers who had previously received Science Foundation Ireland funding, but has since been broadened to cover all Irish-based researchers who have a track record of attracting funding from any source.

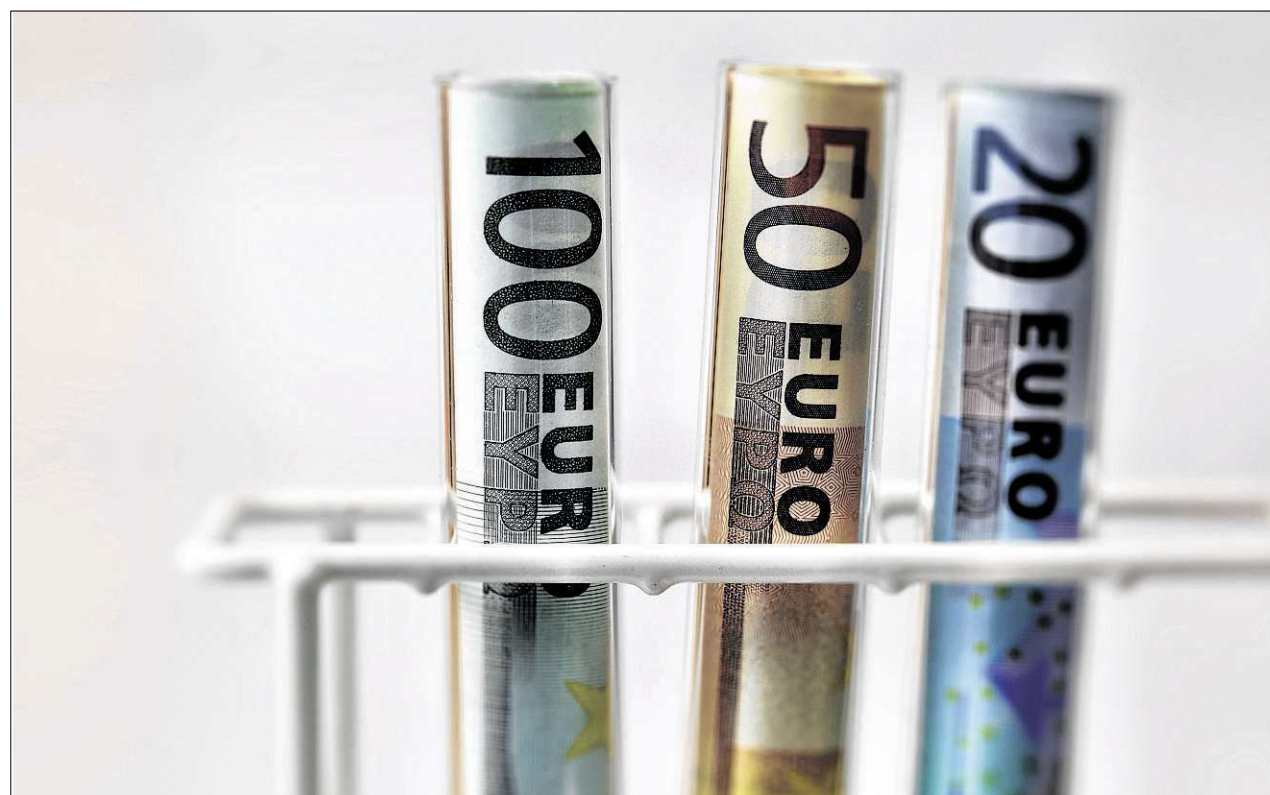
"The message that we were getting from the research community was that it was great what SFI were doing for basic research and what Enterprise Ireland were doing for commercialisation, but there was a gap in the middle which might be called applied research," says Dr Ruth Freeman, SFI's director of enterprise and international affairs.

"Our aim is to help researchers who might want to investigate a finding further but one that is still at the pre-commercial stage. The TIDA grant can help them demonstrate the technical feasibility of their finding and they can then go to Enterprise Ireland and make a commercial case for it."

She points out that researchers in Ireland are constantly coming up with new findings which could have commercial application, and need support to test those findings further if they are to be able to commercialise them. "It might be a case of building a prototype of a product to show a potential investor such as a business angel that a concept can work," she says. "We are also encouraging the research community to do other things like looking at convergent opportunities. For example, you could have someone doing research in physiotherapy collaborating with a computer science department to 'gameify' some treatments to make them easier for patients to do."

The latest round of TIDA awards involved funding of €6.5 million for 58 different projects, all with significant opportunities for commercialisation of research and potential treatments in diverse areas such as new drug delivery system, new transistor devices, cornea repair, SMART needles, hay fever, diabetes, cystic fibrosis, biomass, 4G wireless communication, wastewater treatment and acoustic sensors to detect damage in pipes.

"There are loads of really exciting ideas out there and TIDA is helping to bring them to the next level," says Freeman. "The



Left: Dr Ruth Freeman, director of enterprise and international affairs at Science Foundation Ireland

great thing about the programme is that it's relatively quick and low cost in comparison to other research funding programmes. It's one thing that a lot of businesspeople will tell you – if you're going to fail, fail quickly. TIDA funding helps the researcher test out the idea and establish within 12 months whether it has a commercial future or not."

Among the latest batch of projects funded under the programme is a potentially revolutionary improvement to cystic fibrosis (CF) treatment being research by Dr Robert Ryan in UCC. CF patient hospitalisations have been on the rise in recent years and one reason is the emergence of multiple antibiotic resistant

bacterial infections.

The TIDA funded feasibility study by Dr Ryan will look at how interference with a bacterial signalling factor can improve the efficacy of existing drugs in the treatment of bacterial infections. Deployment of such a successful strategy would lead to significantly improved treatment of bacterial infection associated with CF without the risk of antibiotic resistance development. This, in turn, will lead to a considerable reduction in the time spent in hospital and care cost.

Another project with great potential is a "smart" needle, developed by Dr Eric Moore of the Tyndall National Institute in Cork. The smart needle aims to improve the safety of procedures relating to ultrasound-guided peripheral

nerve block (USgPNB) technique, used in situations where a doctors want to anaesthetise particular nerves before a patient undergoes surgery or to treat acute or chronic pain.

The approach being developed provides the clinician with data to identify the tissue type at the needle tip, facilitating more sensitive identification of one or more target nerves and enabling precise deposition of an anaesthetic agent around the nerve.

Dr Willie Donnelly of WIT is engaged in the development of a prototype apparatus for the monitoring and management of the latest generation of mobile phone network technologies known as femtocells. These are small cellular base stations which

are being deployed by network operators such as Vodafone as a cost-effective solution for improving coverage and capacity in the home. The addition of large numbers of these mini-base stations to networks will dramatically increase monitoring requirements and Donnelly's team has developed a method which can do this in a cost-efficient manner for the network operators.

A promising new technology for the restoration of sight to people who suffer from blindness as a result of cornea disorders is being investigated by a multi-disciplinary team led by Prof Fergal O'Brien of (Royal College of Surgeons in Ireland) RCSI. There is already a procedure known as limbal stem-cell transplantation, which has shown promise in restoring patient sight in such cases.

However, there are major limitations to the use of the amniotic membrane – which is the gold standard carrier of cells for transplantation. Prof O'Brien's team is seeking to develop a new collagen-based scaffold as a cell carrier for use in repairing the cornea.

But funding and assistance with research is not all that TIDA offers. "There is a kind of sidebar area to it as well," says Freeman. "We also run a kind of entrepreneurship training programme for participants in association with the Ryan Academy in UCD."

"We take 12 to 15 postdocs at a time for each eight-week course, where they learn more about business. The course ends with a *Dragon's Den*-style competition, and last year we sent the two winners over to Silicon Valley for a week. They came back full of enthusiasm about starting their own business. This is another part of what TIDA is all about – we are creating a new cohort of scientist-entrepreneurs."