

A few thoughts on

Market Entry & Raising Capital

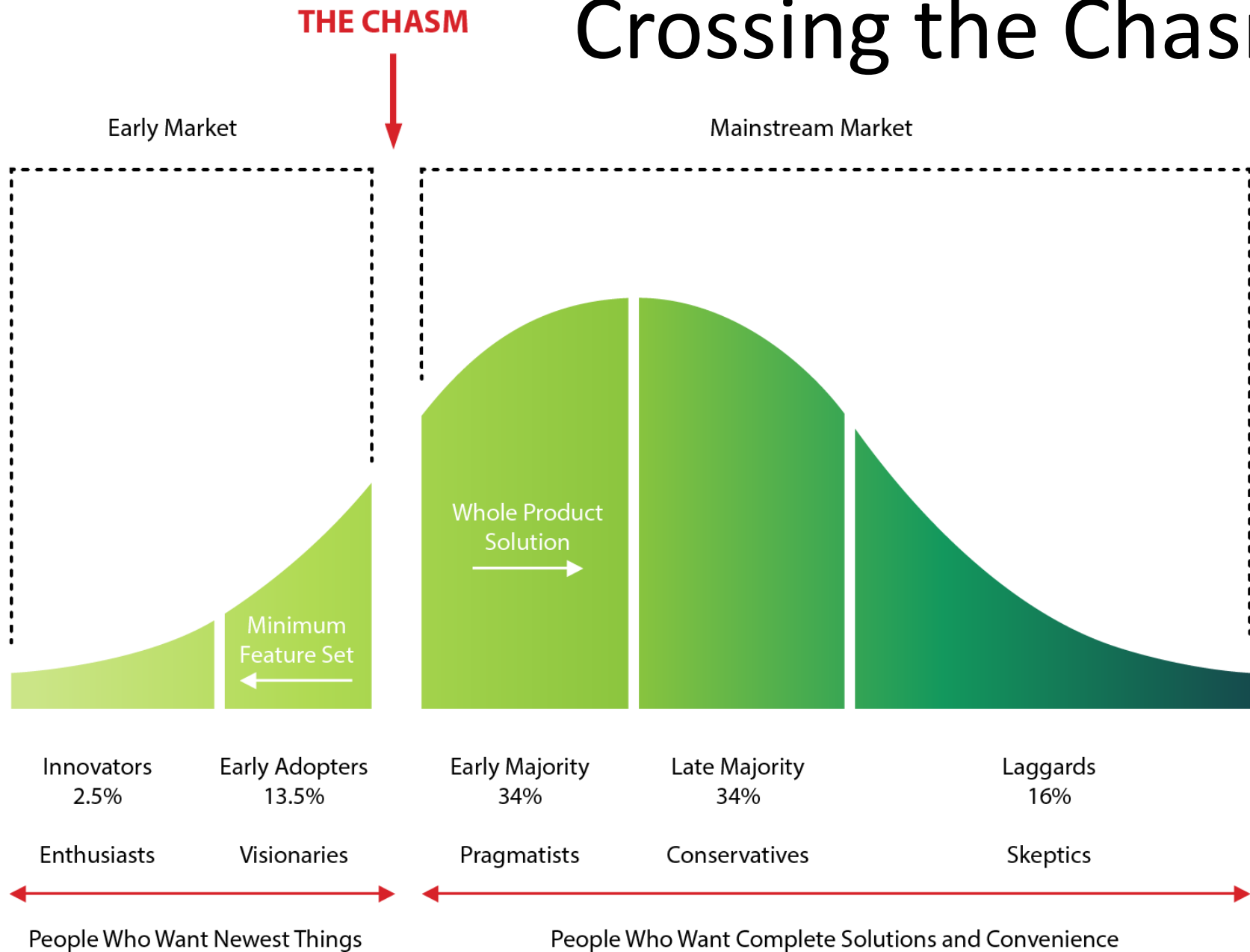
for startups in national security

Swiss Startups in National Security?

Challenges

- Raising Capital
- Market Entry

Crossing the Chasm



B2G: Even worse?

THE CHASM



Early Market



Innovators
2.5%

Early Adopters
13.5%

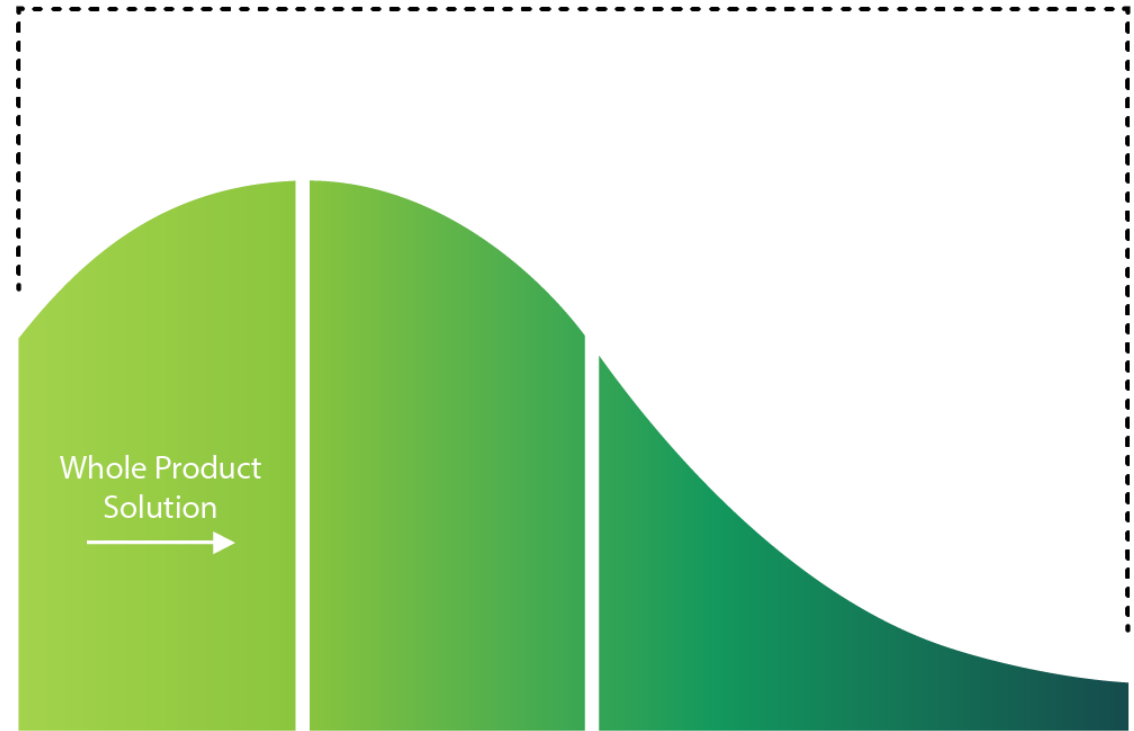
Minimum
Feature Set

Enthusiasts

Visionaries

People Who Want Newest Things

Mainstream Market



Whole Product
Solution

Early Majority
34%

Late Majority
34%

Laggards
16%

Pragmatists

Conservatives

Skeptics

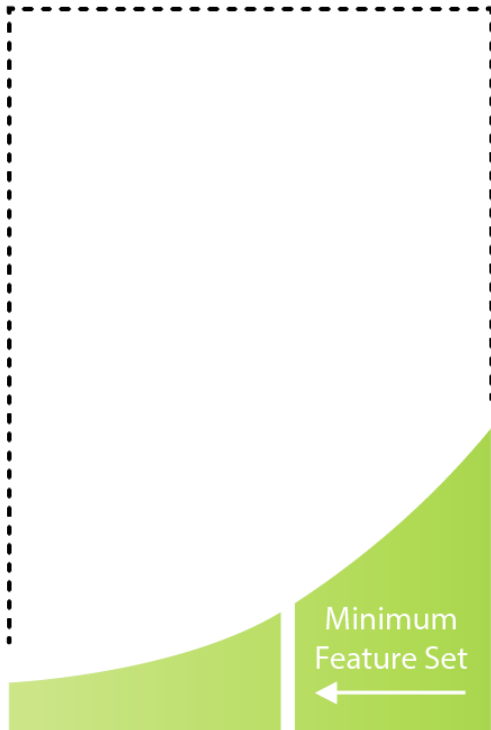
People Who Want Complete Solutions and Convenience

B2G: Glass half full

THE CHASM



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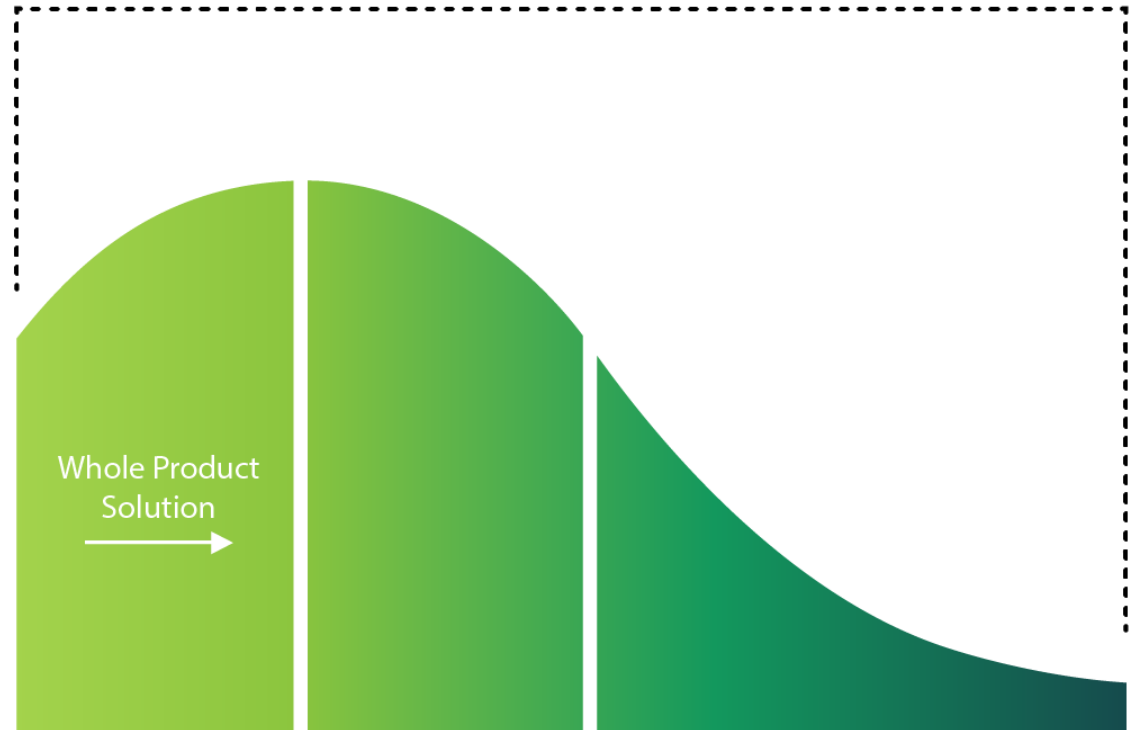
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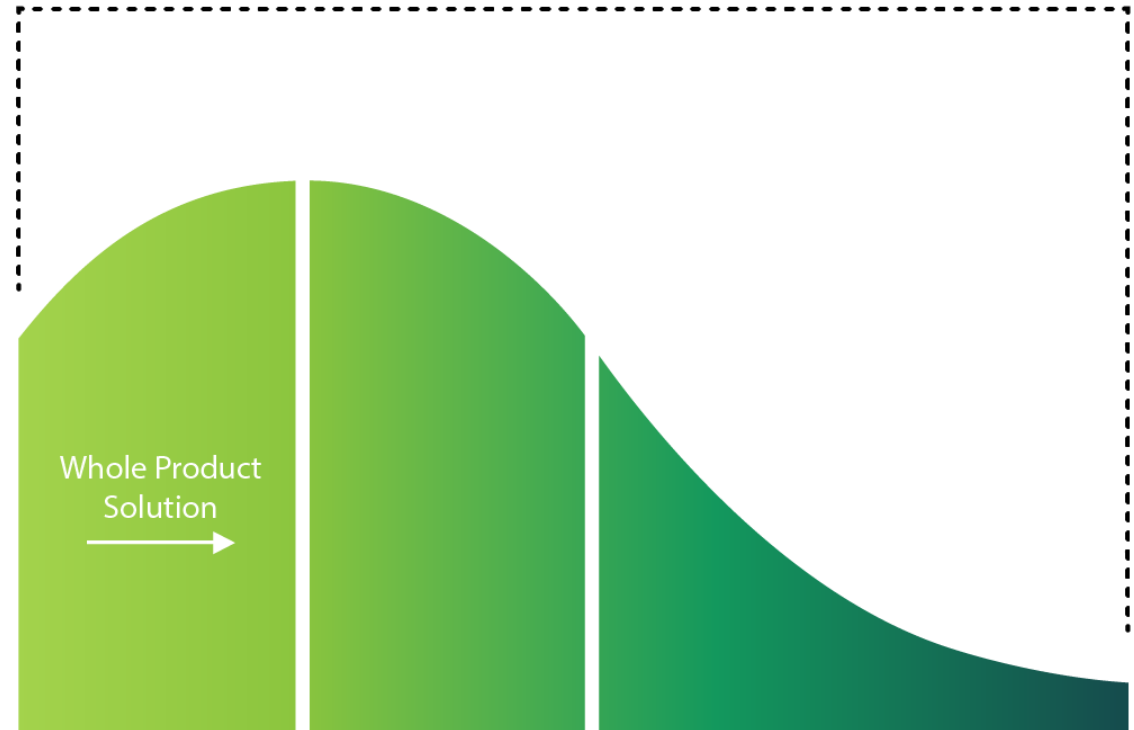
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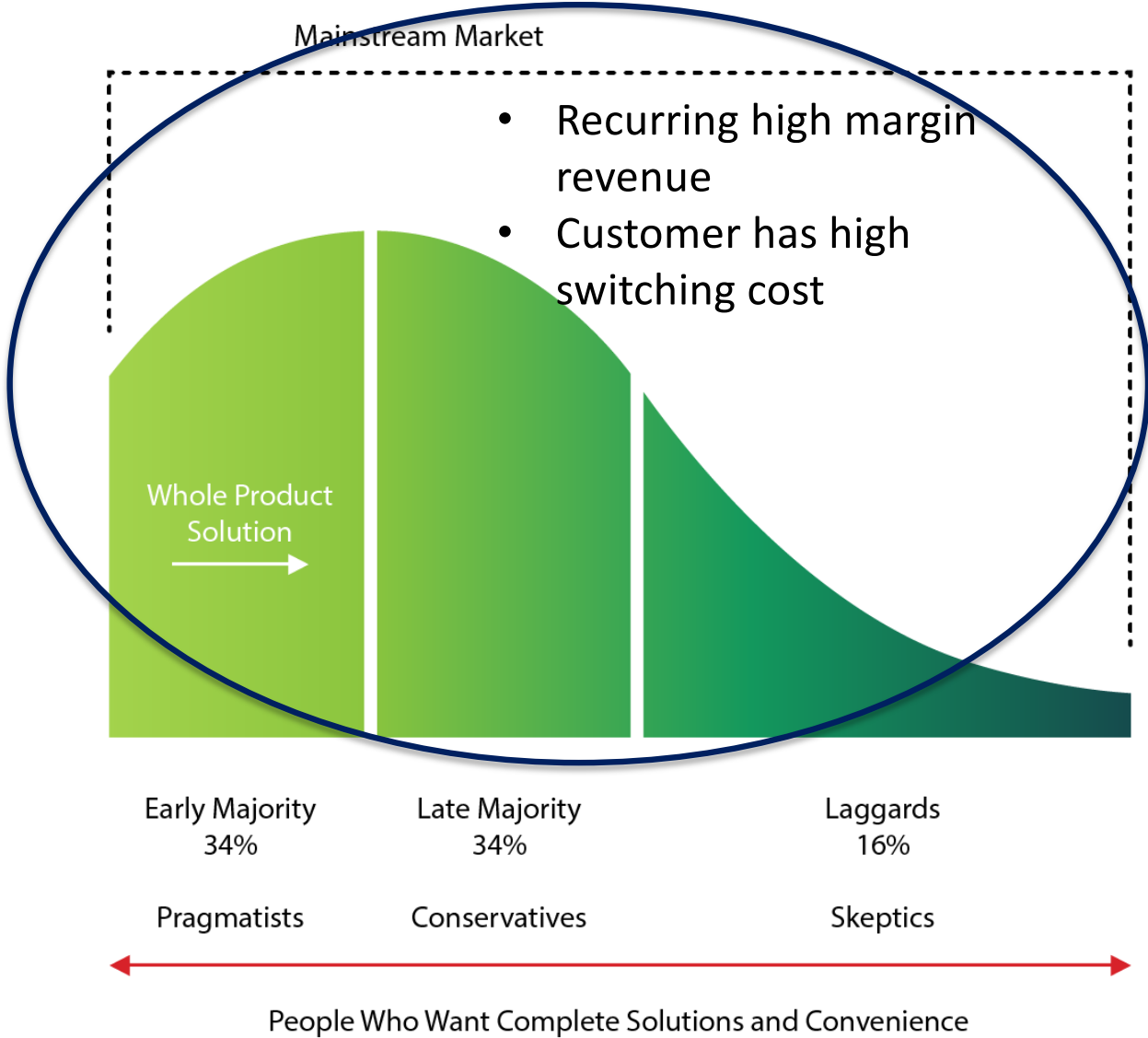
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Swiss Startups in National Security?

4 Tips:

1. Break out of CH/EU
2. Track down an industry veteran entrepreneur
3. Service contracts
4. Partner with defense contractors

Swiss Startups in National Security?

4 Tips:

1. Break out of CH/EU

- US Govt is an early adopter
- Used to startups
- Credible for investors



CTTSO *Combating Terrorism
Technical Support Office*

US State Dept



US DoD



DNDO
Domestic Nuclear Detection Office

US Dept of
Homeland Security



UK Atomic Weapons
Establishment



US Dept of Energy

Swiss Startups in National Security?

4 Tips:

1. Break out of CH/EU
2. Track down an industry veteran entrepreneur
 - Passionate, experienced, bored
 - Network of contacts → investors?
 - Board member

Swiss Startups in National Security?

4 Tips:

1. Break out of CH/EU
2. Track down an industry veteran entrepreneur
3. Service contracts
 - Discuss early
 - In customers' best interest
 - Innovation
 - Mitigates “start-up failure” risk

Swiss Startups in National Security?

4 Tips:

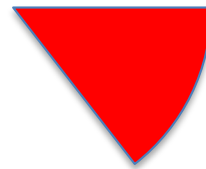
1. Break out of CH/EU
2. Track down an industry veteran entrepreneur
3. Service contracts
4. Partner with defense contractors
 - Accustomed to startups
 - Will not steal your IP
 - Often slow
 - Might acquire you

Food for thought

R&D spending as fraction of revenue



Startups: 60% or 70%



Big Tech: 10%-20%



Major defense
contractors: 1%-4%

Closing Remarks

I wish...

1. Government wouldn't get punished for risk-taking (innovation involves risk)
2. Government would become a better customer
 - Buy from startups
 - Emphasize service contracts
3. InnoSuisse Coaching specific to our needs

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