Roundtable Workshop: Pathways to Funding in the US and Germany for University Affiliated Startups

RESOURCE GUIDE

February 2022
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Dear Colleagues,

As universities and academic institutions today, we are navigating the waters of recovering from a global pandemic that has upended all expected norms and structures. Our organizations reflect the changing dynamic of our society and are not walled gardens of research restricted to a few; rather we are an open, organic, and innovation driven ecosystem characterized by dynamic exchanges between academia, industry, and society, resulting in the development of a wide array of startups. With widespread digitalization, flexible work arrangements, access to remote virtual talent globally and a renewed focus on "value", the entrepreneurial ecosystem is thriving.

Relatedly, there has been a diversification and increased internationalization of various models of funding. Internationalization has brought with it a sharper focus on the funding landscape in the United States and Germany. While the United States is a significantly mature and resourced market, the German start-up ecosystem is rapidly developing. What is common in both geographic spaces is the involvement of and tools provided by governments to enable the innovation ecosystem and creation of policies at scale that support it. This is in addition to new environmentally and socially sustainable business models and new funding pathways such as social impact investment.

All the above ideas and more formed part of the virtual roundtable workshop, hosted by University Alliance Ruhr, the German Center for Research and Innovation New York and Ruhr University Bochum’s Project Worldfactory; with a special thanks to the German Consulate New York and the German American Chambers of Commerce. We are inspired by the excellent speakers and panelists who not only brought their expertise to the very hands-on workshop, but also shared their resources in the pages that follow. A very special thanks to the organizing team that made all this possible. I invite you to engage with the resources provided in this document and share your thoughts and feedback.

With best wishes,

Priya S. Nayar

Watch the video
https://youtu.be/x2GuNzqAcDM

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SPEAKERS
IN ALPHABETICAL ORDER

**Fermin Fernandez**  *Chicago Connectory Lead and Director of IoT Innovation, Bosch USA*
Fermin is the Founding Project Manager and Managing Director of the Chicago Connectory. In addition to this, Fermin leads the Bosch IoT digital innovation team in the US. In his work, he consistently looks to use project management as an enabler of results that allow people, companies and communities to learn and push the boundaries of possibility forward.

**Marc Filerman**  *Managing Partner, German Accelerator Life Sciences*
German Accelerator Life Sciences helps accelerate international growth of German startups. Marc has over 30 years experience in healthtech commercialization, marketing, and sales. He co-founded a molecular imaging startup, was Chief Commercial Officer at a hometech venture, and has held multiple corporate leadership positions including VP of Global Marketing at iCAD, and Group Director of Marketing at Smith & Nephew. He holds MS and BS degrees from MIT and started his career at HP as a design engineer.

**Christian Jörg**  *Managing Partner, German Accelerator US*
Christian is a serial founder and startup mentor. He started his career at German Media company Bertelsmann in the 90s in New York City. He made the company’s first investments in Silicon Valley joining the Board of a company founded by Steve Blank (now of “Lean Startup” fame), beginning his long relationship with entrepreneurship. He is currently Managing Partner for the US program of the German Accelerator (Tech) which has brought over 200 startups to the US. Program alumni include decacorn Celonis, unicorns Signavio (sold to SAP), Forto, N26 and many others.

**Wolfram von Heynitz**  *Deputy Consul General, German Consulate General New York*
Wolfram is currently the Deputy Consul General of Germany in New York. Prior to this he was Head of the Cyber Policy Coordination Staff of the German Federal Foreign Office, a member of the Group of Governmental Experts on Advancing responsible State behavior in cyberspace convened in 2019 by UN Secretary-General Guterres and a member of the Ad hoc Committee on Artificial Intelligence of the Council of Europe. In this position, he was also responsible for the recently published “Recommendations for the Future of Digital cooperation” which Germany and the UAE undertook at the request of the UN.
**SPEAKERS**
CONTINUED — IN ALPHABETICAL ORDER

**Oscar Romero**  
*Director of Inclusive Innovation & International Cooperation, New York City Mayor’s office*

Oscar’s work focuses on building innovation-driven entrepreneurial ecosystems to address urban inequality in the US’ largest urban economy by leveraging civic engagement, emerging technology, and international partnerships. He oversees the design, management, and evaluation of global multi-stakeholder partnerships to address diverse urban development challenges in NYC. Ranging from issues on displacement, safety, access to social services, workforce development, access to STEAM education, access to representation, housing rights, accessible mental health services, and access to critical infrastructure.

**Dr. Pelin Yilmaz**  
*Senior Investment Manager, b.value AG*

Pelin is an early stage investor in industrial biotech, life sciences, chemistry, and advanced materials startups. In addition to her academic background in molecular biology, bioinformatics and microbiology, Pelin has extensive experience in founding and funding of science startups from academia.

**COMMENTATORS**
IN ALPHABETICAL ORDER

**Christian Magel**  
*Co-Founder & Managing Partner Venture Lane Studio, Serial Entrepreneur & Angel Investor*

Christian is an international startup veteran, coach and advisor, business angel and expert for go-to-market strategies, communication and international rollout. Christian founded Venture Lane in 2018 in Boston as a curated startup hub for early-stage tech companies. His mission is to create real, measurable impact for member companies through a vibrant creative space, a collaborative community of like-minded entrepreneurs, and impactful events and connections into the local ecosystem. In January 2022 he co-founded Venture Lane Studio, a bespoke traction and GoToMarket program for early-stage B2B software ventures.

**Friederike Schneider**  
*Deputy General Manager, Horst-Görtz Institute for IT-Security/Head of Cube 5, Ruhr University Bochum*

Friederike has been working at the Horst-Görtz-Institute for IT-Security (HGI) at the Ruhr-University Bochum since 2015. Since March 2021 she is the deputy managing director for transfer and in charge of the startup incubator Cube 5. As a former project manager of the “nrw.uniTS” network, she is particularly familiar with the IT security ecosystem in NRW. Before working at the HGI, Friederike gained experience abroad in Australia, China, Namibia and Belgium and worked, among others, for the German Red Cross General Secretariat in Berlin in the field of security research.
SESSION CO-MODERATORS
IN ALPHABETICAL ORDER

Tina Boes
Start-up Coach @ Incubator Materials
Worldfactory Start-up Center

Dr. Annika Engelbert
International Network Manager
Cube 5
Horst-Görtz Institute for IT Security
Ruhr University Bochum

Friederike Schneider
Deputy General Manager,
Horst-Görtz Institute for IT Security,
Head of Cube 5, Ruhr University Bochum

Ulrike Trenz
Startup Coach
Worldfactory Start-up Center

Vanessa Vaughn
Project Manager
Worldfactory International
Ruhr University Bochum

Dr. Kathrin DiPaola
Head of Programs at German Center for Research and Innovation (DWIH)
New York, NY
Conceptualized and co-organized the roundtable workshop

Priya Nayar
Executive Director, UA Ruhr New York
Conceptualized and co-organized the roundtable workshop

Julia Helmes
Program Officer at German Center for Research and Innovation (DWIH)
New York, NY
Oversaw technical management and procedure of event

Long Do Hoang
Internship, Communications & Project Assistant at UA Ruhr New York
Responsible for the communications and social media marketing campaign

Géza Schenk
Principal GGS Communication, LLC
Highland Park, NJ
Conceptualized, designed, and illustrated the resource guide.

ROUND TABLE WORKSHOP TEAM
IN ALPHABETICAL ORDER
SIX IMPORTANT QUESTIONS: ANSWERS AND RESOURCES

IS YOUR COMPANY A PROBLEM SOLVER?

IS YOUR COMPANY PROFITABLE?

IS YOUR COMPANY INTERNATIONAL?

WHO’S THE RIGHT INVESTOR?

WHAT’S THE PERFECT PITCH?

BUSINESS & DIVERSITY?
IS YOUR COMPANY A...

PROBLEM SOLVER?

RELEVANT
Solve an existing and important problem. Not in theory, but in the real world.

CHECK
Know your target group’s business, challenges and market.

Value:
What kind of value can you provide/offer to your target group?
To whom is it of value?

ATTRACTIVE
Have an attractive cost-benefit ratio for your clients (b2c or b2b)

CHECK
Find out what your target group and save or generate with your product or service

We always overestimate our benefits and underestimate the costs.
“We need to stand naked in front of the mirror and be honest about what we have to offer.”

COMPETITIVE
Be superior to existing alternatives. Or be a true innovation without competitors, yet.

CHECK
Desk and field research

Look out for other start-ups in your field.

Know your industry and competitors.

VISION
Overarching company goals and values

CHECK
Consider the “company you keep” in terms of other start ups in your field

Successful in science doesn’t mean successful in entrepreneurship. Commercializing research projects can mean getting dirty hands. But being rigorous is good in science and in business.

If you want to get rich quickly, don’t try entrepreneurship

PRS 4 — b.value AG investment portfolio (German): https://bvalue.de/beteiligungsportfolio/
IS YOUR COMPANY...

PROFITABLE?

NOW
Clear strategy to generate revenue right from the start.

CHECK
Look out for support from players in your field.
 Define your success: There are different definition of success.

MARKETS
Have a strategy for and know the cost of market access.

CHECK
Desk research of official regulations.

CUSTOMERS
Have a marketing strategy and know the cost for generating customers.

CHECK
Consumer and market research and data mining.
 Extensive knowledge of your defined target customers
 Always screen and listen to your customers/target group.
 Be adaptable and responsive.

FUTURE
Have scenarios for changing cost and market

CHECK
Scenarios for skyrocketing cost for R&D raw materials distribution

NYC as an investor, e.g:
 From a cities perspective, the aim is not to make money but to invest in the ecosystem and to make it more diverse and open to other cities, regions, and countries.
 Success in this case:
 A solution that leads to change and not necessarily to high profit.

PRF 1 — Possible grants for investments by GTAI (Germany Trade & Invest): https://www.gtai.de/en/invest/investment-guide/incentive-programs/cash-incentives-for-investments#78916
PRF 3 — Do Business with Government: https://portal.311.nyc.gov/category/?id=311-32
PRF 4 — Service of Worldfactory International: educating about patent regulations (only for RUB students): https://www.worldfactory.de/en/beratung/patents
PRF 5 — How to set up a GmbH: https://www.gtai.de/en/invest/investment-guide/setting-up-a-gmbh-63032
PRF 7 — All about taxes in Germany: https://www.gtai.de/en/invest/investment-guide/corporate-taxation
IS YOUR COMPANY...

INTERNATIONAL?

CHANCES

Success in Germany does not mean success in the US. And vice versa.

Validation of your hypotheses about international success are essential to get funding.

CHECK

If you plan to engage in public-private partnership abroad: Use local government to get in touch with other local governments who face similar challenges (that you might have the solution for).

Timing

Before you are going international, be successful in your first market.

CHECK

What is the right time for you to be international? Consider being successful in your first market with scalable opportunity.

Have an international perspective from the start. When looking for networks, know what you have to say.

Why do you want to go international NOW? (Your product might be more successful in the US market than in domestic market (does NOT happen often.).

Testing

Testing/researching international qualities of your product/service is good to identify strengths and weaknesses, also for your home market.

CHECK

Tech funding in Germany is not easy to get, but there is a lot.

INTERNATIONAL FINANCING AND FUNDING

CHECK

Understand that getting Venture Capital funding in the US is hard!

COVID has changed the way of investing fundamentally. Venture Capitalists also fund GmbHs. There is no urgent need to register a 'Delaware Inc.' anymore.

INT 1 — Article: Three questions about Internationalization: https://www.germanaccelerator.com/blog/the-3-big-questions-on-internationalization/


INT 3 — (2) German Accelerator Program specifically for Life Sciences Startups: https://www.germanaccelerator.com/our-programs/life-sciences/

INT 4 — For American business who plan to set up company in Germany: https://www.gtai.de/gtai-en/invest/investment-guide/company-set-up

INT 5 — Overview of German Accelerator International markets: https://www.germanaccelerator.com/our-markets/

INT 6 — (3) German Accelerator Kickstart International program (useful at beginning / all stages of startup): https://www.germanaccelerator.com/our-programs/kickstart/


INT 8 — GACC Startup & Entrepreneur program: https://www.gaccny.com/en/services/startup-entrepreneur-program-step-usa


INT 10 — Germany as one of the world’s leading foreign direct investment (FDI) destination countries: https://www.gtai.de/en/invest/business-location-germany/fdi#770322

INT 11 — Venture Lane: Boston based startup incubator: https://theventurelane.com/about-us
WHO'S THE RIGHT INVESTOR?

**YOUR BUSINESS MODEL SHOULD MATCH YOUR INVESTOR'S**

PRIVATE INVESTORS
VENTURE CAPITAL (VC)

Focus on Return on Investment (ROI) right from the start

Registring your company in the investor's home country?

EXAMPLE - Professors as scientific co-founders:
A Professor with more than a 5% share without operational function doesn’t look good. More than 2 professors should not have more than 10%.

Clarify IP situation with your university/ institute. Go to investor with a clear plan.

CORPORATE INVESTORS

YOUR company supports the corporation's goals.
(e.g., carbon neutrality)

YOUR company fits to the corporation's strategy. Investor relations material or publicly traded companies is a good place to check strategy.

PUBLIC INVESTORS
PRIVATE PUBLIC PARTNERSHIP (PPP)

Impact before Return on Investment (ROI)

Solving an existing public problem or supporting a public goal.
(e.g., traffic flow management, energy efficiency, public transit, cyber security, data mining and analysis)

For public investors, knowledge tranfer, synergies for other cities with similar challenges are important.

Solution-oriented instead of tech-oriented

**THINK FROM THE INVESTOR'S PERSPECTIVE**

Different investors invest in companies at different stages from different markets.
Which stage are you in? Which market are you in?

YOUR business model is GROWTH-FOCUSED

PRIVATE PUBLIC PARTNERSHIP (PPP)

INV 1 — GACC business partner search: https://www.gaccny.com/en/services/business-partner-search
INV 3 — Bosch's incubator program (Berlin): https://www.f6s.com/boschstartupper/about
INV 4 — Bosch's focus areas: https://www.startup-harbour.com/focus-areas/
INV 5 — bvalue AG (specializes in biotech): https://bvalue.de/fuer-gruender/
INV 6 — Bosch Chicago Connectory: https://chicagoconnectory.com/university-engagement/
INV 10 — NYC Funding Initiatives: https://www1.nyc.gov/site/fund/initiatives/current/initiatives.page
INV 11 — Article about public grants for startup in Germany: https://www.spinlab.co/blog/public-grants-startups-germany
INV 12 — Overview of funding opportunities for startup (mainly in Rhine/Ruhr area): https://www.worldfactory.de/en/consulting/funding
What's the Perfect...

**Profile**
Be clear and simple: USP for who for what

**Check**
Compare with similar startups and screen your competitors.

**Portfolio**
Be convincing and worth remembering.

**Check**
Have a clear focus in your portfolio.

**Presentation**
Know and understand the life of the investor.

**Check**
Be honest about what you can bring to the table.

**Public**
If your company works with the public sector in Germany and you want to pitch an U.S. local government: Contact the U.S. local government through your German local government.

US
Have good story and be passionate, not too many numbers.

Germany
Bullet-proof numbers and facts only. Not too much emotion.

**Check**
Before you meet, do thorough desk research.

Address investor fears directly. What risks are there? How do you want to mitigate them.
Are you part of a group that falls under the category **diverse**?

Are you part of a group that is *under-represented* in certain parts of the industry?

Does your company serve a community or group that falls under the category **diverse**?

**Team Structure:**
Are you part of a group of **diverse founders**?
Do you pay special attention to the recruitment of a *diverse talent pool*?

**SPECIFIC FUNDERS**
There are incubators for specific funders:
*e.g.*, women, LGBTQ+, PoC

**PUBLIC FUNDERS**
Governments want to support the public at large (urban ecosystem) and increase diversity.
If your company’s product/service helps to increase diversity (minorities, access etc.) public funding and Private Public Partnership is an option (especially if your return on investment is low or unclear).

There are different funding opportunities for diverse founders in Germany and the US.

**The situation for minority startup founders is still bleak:**
“*There are more and more investment portfolios from Venture Capitalists (VC) but they are as competitive as other VC funds. They are not suitable for the seed-stage. They require a proven business model.*”


**DIV 2** — For female founders at RUB (only for RUB students): https://www.worldfactory.de/en/fokusthemen/face-female-academic-entrepreneurs

**DIV 3** — Article about Women Entrepreneurs in NYC: https://we.nyc/media/file_public/10/21/1021496c-a99a-4565-870e-b936f0f38247/wnyc_report_201511_2.pdf


**DIV 5** — In-depth report on diversity in US venture-backed startups: https://ratemyinvestor.com/diversity_report
### SUMMARY

#### LIST OF RESOURCES BY CHAPTERS

**INT 1** — Article: Three questions about Internationalization: [https://www.germanaccelerator.com/blog/the-3-big-questions-on-internationalization/](https://www.germanaccelerator.com/blog/the-3-big-questions-on-internationalization/)

**INT 2** — (1) Market Access Program for Startups: [https://www.germanaccelerator.com/our-programs/market-access/](https://www.germanaccelerator.com/our-programs/market-access/)


**INT 4** — For American business who plan to set up company in Germany: [https://www.gta.de/gta-en/invest/investment-guide/company-set-up](https://www.gta.de/gta-en/invest/investment-guide/company-set-up)

**INT 5** — Overview of German Accelerator International markets: [https://www.germanaccelerator.com/our-markets](https://www.germanaccelerator.com/our-markets)

**INT 6** — (3) German Accelerator Kickstart International Program (useful at beginning / all stages of startup): [https://www.germanaccelerator.com/our-programs/kickstart/](https://www.germanaccelerator.com/our-programs/kickstart/)

**INT 7** — (4) Market Discovery Program: [https://www.germanaccelerator.com/our-programs/market-discovery/](https://www.germanaccelerator.com/our-programs/market-discovery/)

**INT 8** — GACC Startup & Entrepreneur program: [https://www.gaccny.com/en/services/startup-entrepreneur-program](https://www.gaccny.com/en/services/startup-entrepreneur-program)


**INT 10** — Germany as one of the world’s leading foreign direct investment (FDI) destination countries: [https://www.worldfactory.de/en/investment-business-location-germany/fdi](https://www.worldfactory.de/en/investment-business-location-germany/fdi)

**INT 11** — Venture Lane: Boston based startup incubator: [https://theventurelane.com/about-us](https://theventurelane.com/about-us)


**INV 3** — Bosch’s incubator program (Berlin): [https://www.f6s.com/bosch/startupharbour/about](https://www.f6s.com/bosch/startupharbour/about)

**INV 4** — Bosch’s focus areas: [https://www.startup-harbour.com/focus-areas](https://www.startup-harbour.com/focus-areas)

**INV 5** — bvalue AG (specializes in biotech): [https://bvalue.de/beteiligungsportfolio/](https://bvalue.de/beteiligungsportfolio/)

**INV 6** — Bosch Chicago Connectory: [https://chicagoconnectory.com/University-Engagement](https://chicagoconnectory.com/University-Engagement)

**INV 7** — Worldfactory: Funding opportunity for RUB students: [https://www.worldfactory.de/fileadmin/user_upload/downloads/finanzierungsberatung/EXIST-Forschungstransfer_neu.pdf](https://www.worldfactory.de/fileadmin/user_upload/downloads/finanzierungsberatung/EXIST-Forschungstransfer_neu.pdf)


**INV 10** — NYC Funding Initiatives: [https://www1.nyc.gov/site/fund/initiatives/current-initiatives.page](https://www1.nyc.gov/site/fund/initiatives/current-initiatives.page)

**INV 11** — Article about public grants for startup in Germany: [https://www.spinlab.co/blog/public-grants-startups-germany](https://www.spinlab.co/blog/public-grants-startups-germany)

**INV 12** — Overview of funding opportunities for startup (mailing in Rhine/Ruhr area): [https://www.worldfactory.de/en/consulting/funding](https://www.worldfactory.de/en/consulting/funding)


**DIV 2** — For female founders at RUB (only for RUB students): [https://www.worldfactory.de/en/fokusthemen/faculty-female-academic-entrepreneurs](https://www.worldfactory.de/en/fokusthemen/faculty-female-academic-entrepreneurs)


**DIV 5** — In-depth report on diversity in US venture-backed startups: [https://ratemyinvestor.com/diversity_report](https://ratemyinvestor.com/diversity_report)

### OTHER RESOURCES

(Romero et al) 2022 Tech-Enabled Housing Rights: Leveraging innovation and data to empower tenants in Inwood and Washington Heights "NYC Mayor's Office of the Chief Technology Officer, available at: [https://www1.nyc.gov/assets/cto/#/project/housing-rights](https://www1.nyc.gov/assets/cto/#/project/housing-rights)
Commissioned by
DWIH Deutsches Wissenschafts- und Innovationshaus
GCRI German Center for Research and Innovation

German Center for Research and Innovation New York
Land of Ideas