



# The Story of

# the “STARTUP NATION”

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The Israeli Journey to Hi-Tech Leadership

November 2019





Techbench is a **VC as-a-Service** company supporting Corporate Venture Capital (CVC) activities, maximising the **strategic** and **financial values**.

We help investors and corporates invest and partner with the best startups with focus on **Israel** and **Australia**.

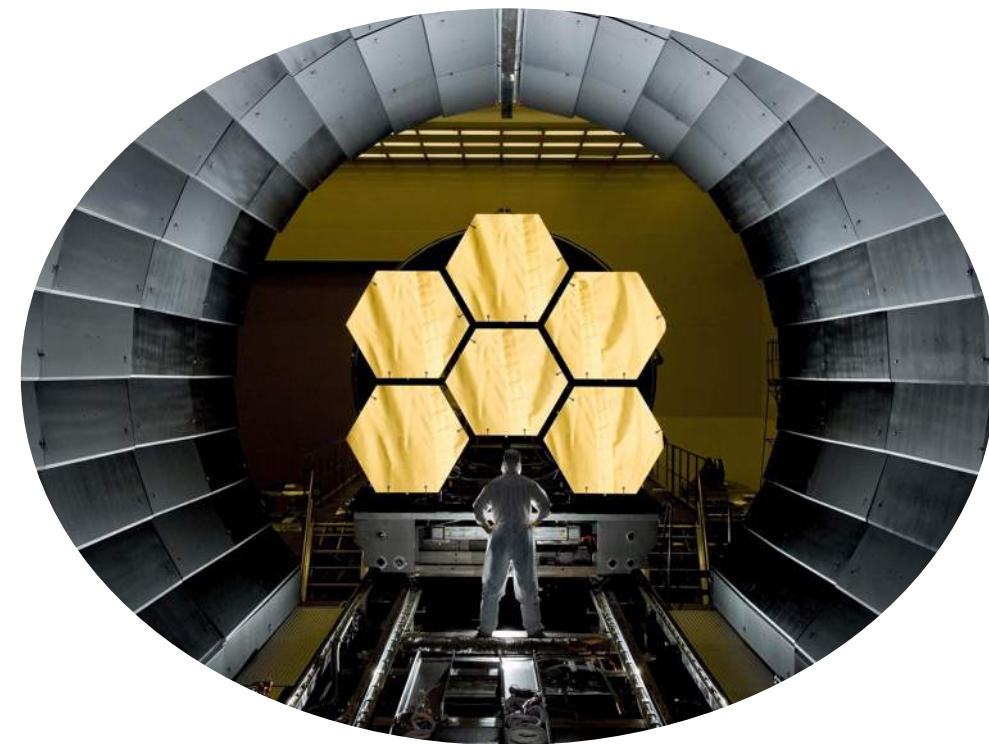
**discover the next**



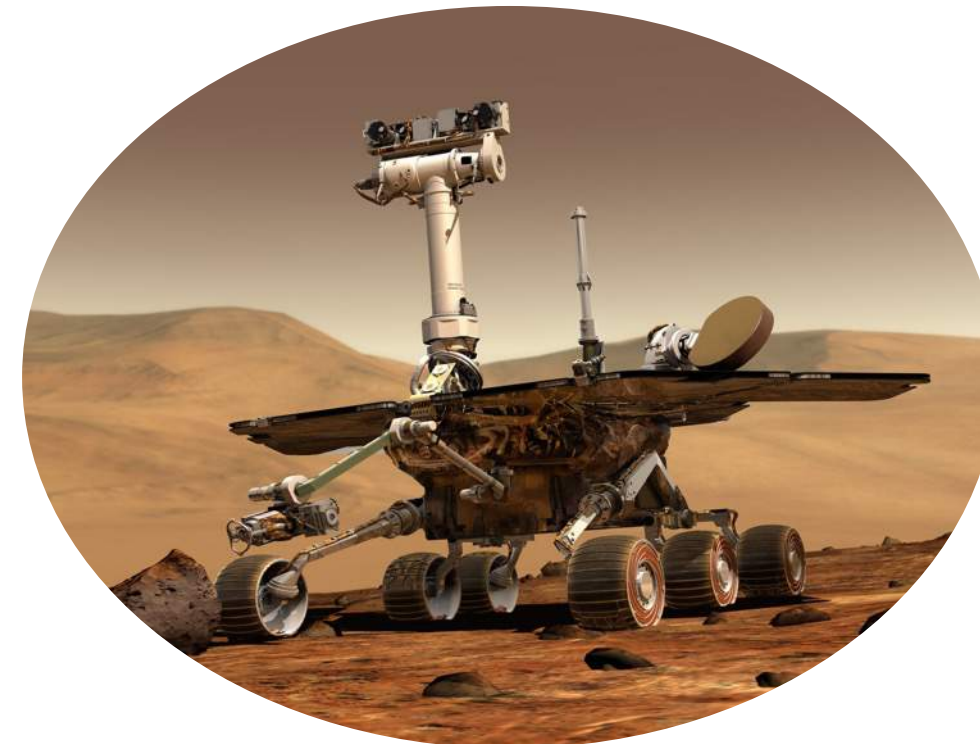


# What we do

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Strategy & scope  
definition



Startup  
discovery

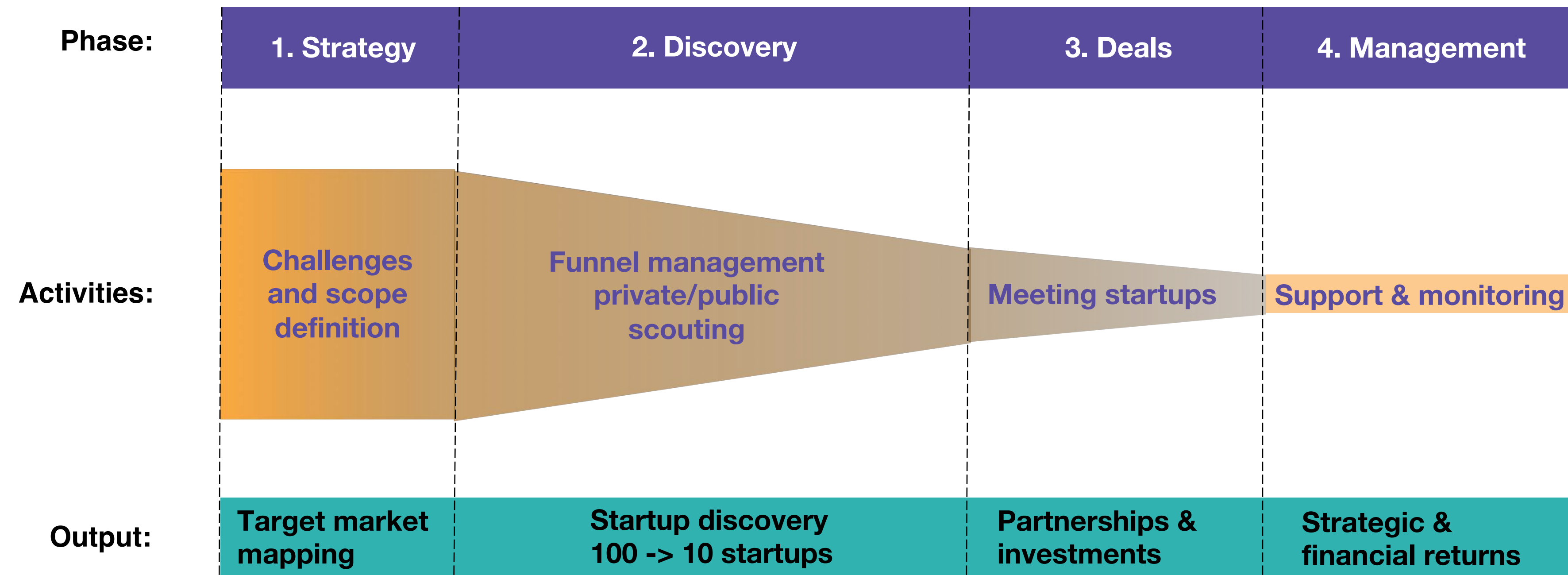


Deal  
making



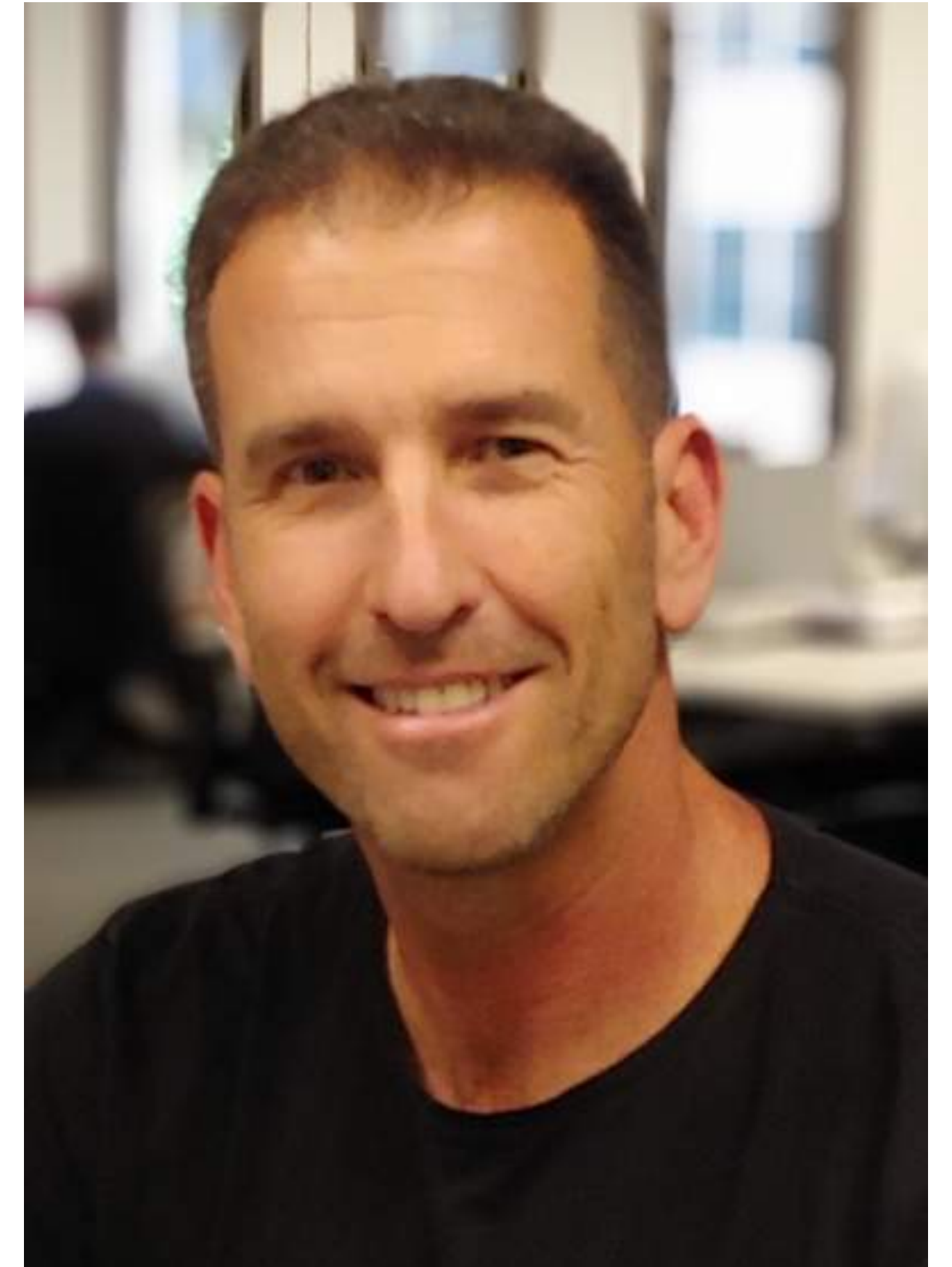
Monitoring &  
portfolio mgmt.

# Techbench Corporate Venture Capital (CVC)





# Experience (25 years)

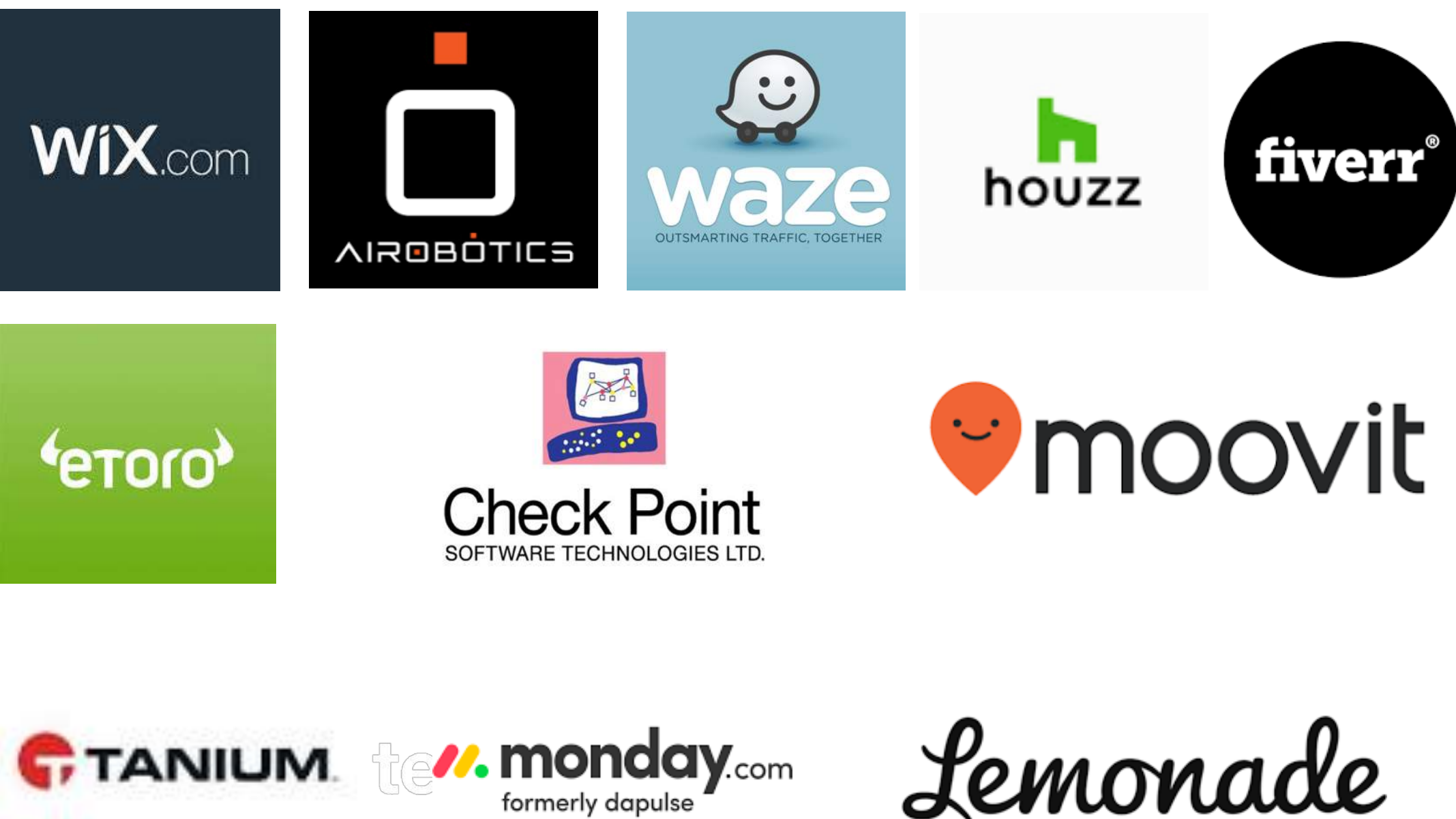






# The Startup Nation in numbers (2018)

- **7,000 active startups** (80% B2B)
- **430 active investors** with permanent presence (**23% non Israelis**)
- **1,500 investors** invested from **30 countries** incl: US, UK, China, Germany, Japan
- **VC funding per capita \$674\*** (\$303 in US)
- Over **500 multi-nationals** with R&D centres
- 681 funding rounds **raised over \$6B\***
- **97 exits (13 IPO's)** with a total of **\$3.53B\***





# Making bubbles

# 1990 - 2000

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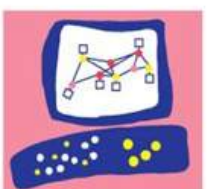
## and where my story began

# 1990 - 2000

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- 1,000,000 Russian immigrants
- 19 government lead incubators
- \$400M government VC fund (Yozma)
- 43 Israeli companies listing on NASDAQ
- World class tech research: Technion, Weitzman Institute, others



Check Point  
SOFTWARE TECHNOLOGIES LTD.



# My Story:

## FAB18

- ❑ 1.8B USD investment
- ❑ \$600M government grant
- ❑ 1,500 direct employees
- ❑ 1,500 contractors
- ❑ 30,000 in FAB setup

## The Best Effort Program

- ❑ Dozens companies
- ❑ Engineering & commercial support
- ❑ \$1B revenues in 10/ysr.





# Between the downturns

# 2001 - 2010

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## Setting up the building blocks



# 2001 - 2010

EMC<sup>2</sup>

ebay™

SanDisk®

Google

 Red Hat

 Micron®

vmware

- More multinational acquisitions and setting up R&D centres
- Foreign VC's and CVC's showing interest and investing
- Chief scientist incentives and funding supports 1000's companies
- Government incubators and VC fund are being privatised
- Local VC industry is being established
- 37 Israeli companies listing on NASDAQ (2<sup>nd</sup> largest foreign country)



# Scaling up

# 2011 - 2019

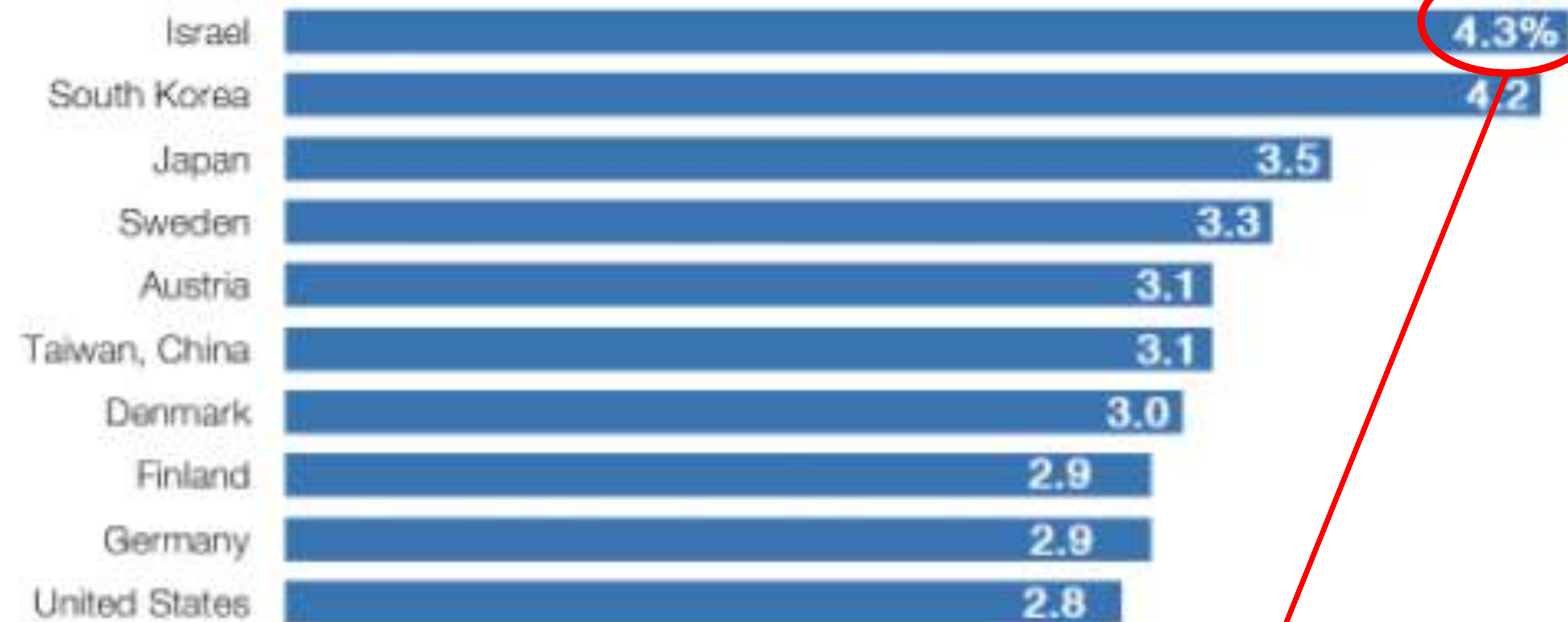
## Becoming a Startup Nation



# 2011 - 2019

## These OECD countries spend the most on R&D

Gross domestic spending percentage of GDP, 2015



Source: OECD

## Mediterranean magnet

Venture-capital investment per person  
Selected countries, 2010, \$



Sources: National Venture Capital Association; European Private Equity and Venture Capital Association; Israel Venture Capital Research Center; UN





# Israel global leadership

**Cyber security**

**Fintech**

**Agritech**

**Digital health**

**Industry 4.0**

**Watertech**

**and more ...**

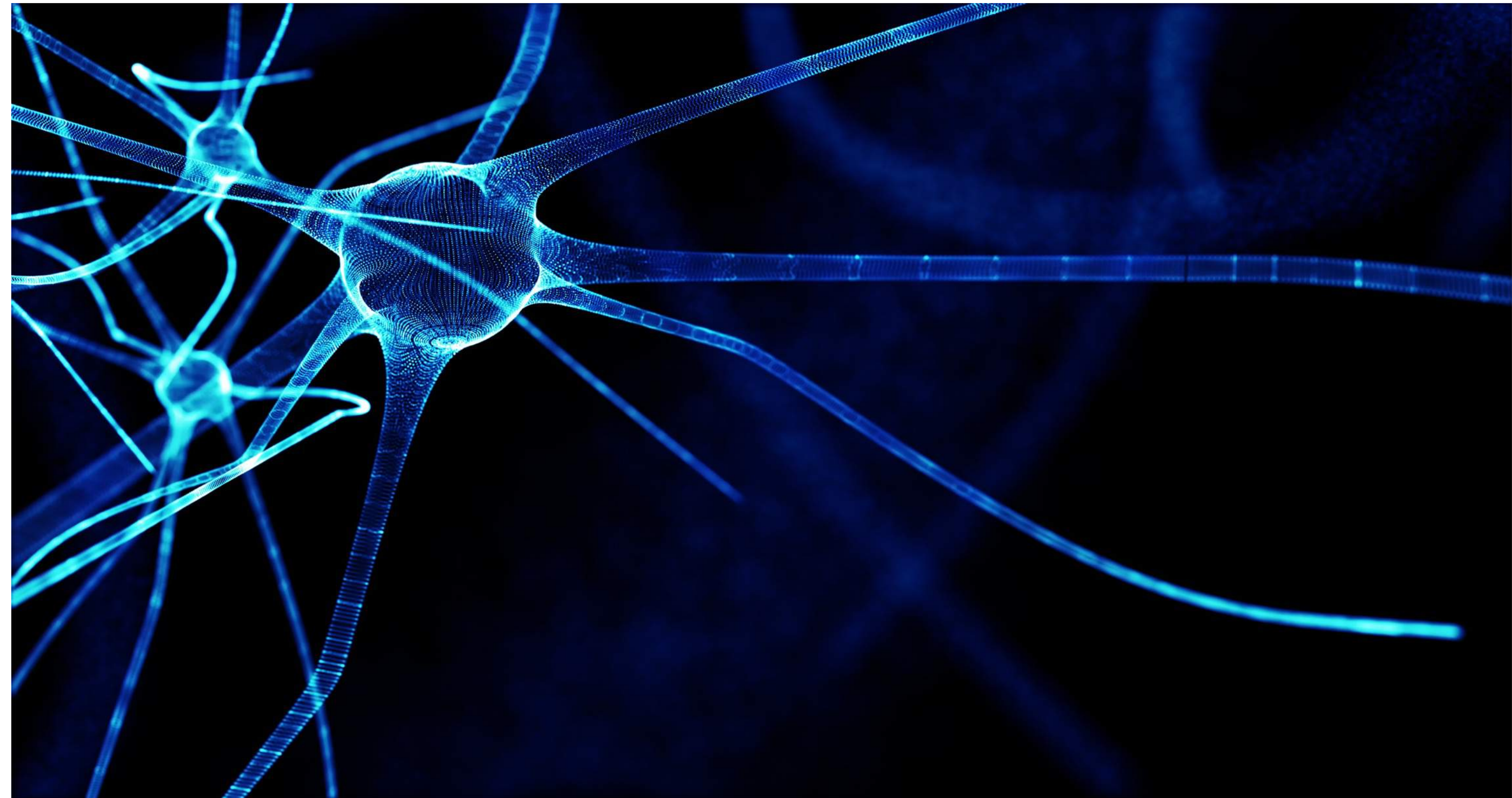


# Artificial Intelligence (AI)

**Over 1000 companies** with strong academic research and multinationals R&D centres

17% of companies

37% of total capital raised





# Internet of Things (IoT) & sensors

**Fast growing sector** (80% in the past 5 years)

10% of companies

11% of total capital raised





# Industry 4.0

## Major focus

Blue Ocean opportunities with multidisciplinary skills

230 companies

90 Investors invested \$365M

50+ multinationals with R&D and innovation activities





# Cyber Security

About **450 companies** attracting global interests

8% of companies

20% of total capital raised





# The automotive industries

Leadership in **mobility & Autonomous Vehicles (AV)** with no car manufacturing industry.

MNCs: GM, Ford, Daimler, Volkswagen, Skoda, Honda and more

Mobileye acquired by Intel for \$15B in 2017





# Ingrediencies for a Startup Nation

1. CULTURE
2. ARMY
3. GOVERNMENT
4. UNIVERSITIES



# Becoming a Startup Nation

# CULTURE

## Embracing controversy



# CULTURE

- Starting with a No...
- Challenge mindset
- Say the way it is
- “Tachless”
- “Hutzpa”





# Becoming a Startup Nation

# ARMY

## Intelligence in practise



# ARMY



- 8200 (intelligence technology)
- Mamram (computer division)
- Talpiot (combining technology and commando units)
- Creative leadership style and hierarchy structure



# Becoming a Startup Nation

# GOVERNMENT

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**Bipartisanship**



# GOVERNMENT



The **Israel Innovation Authority** was founded in 2016 (replacing the OCS)

## Objectives:

1. Creating jobs in industry
2. Bringing added value to the economy
3. Development of industrial infrastructure and manpower
4. Improvement in Israel's trade balance through manufacturing and export

## Methods:

- Various Tracks (R&D, Incubators, Academia)
- Pre-Conditions: ownership, limitations on transfer of technology (Royalties, Penalties)



# Becoming a Startup Nation

# UNIVERSITIES

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## Technology Transfer Offices (TTOs)



# UNIVERSITIES

World leading  
Technology  
transfer offices  
responsible for  
tech transfer from  
academia/research  
to industry



One of the top 10 TTOs internationally. 7 out of 25 of the world's blockbuster drugs have been developed at the Weizmann Institute

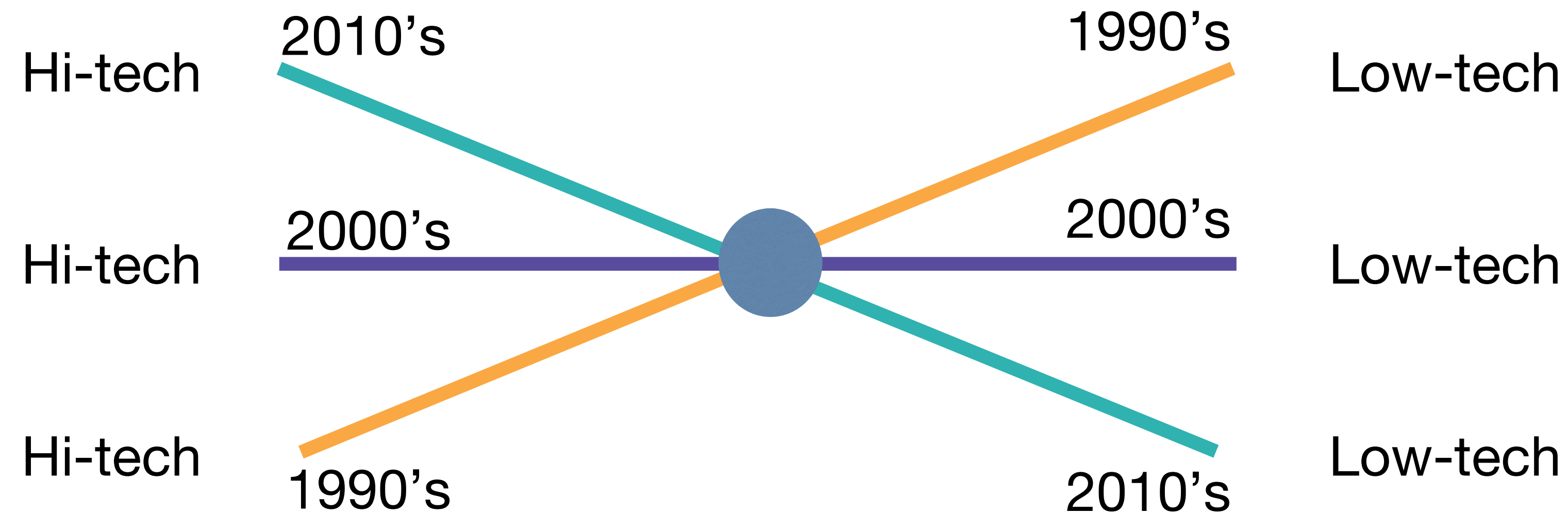


One of the top 10 TTOS internationally





# Final note: Two economies **balance of power** shift in Israel



**What could Australia learn to make that shift?**



**Thank you**

**discover the next**

**Questions**



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