

Seed Money

Instructions for Applicants

The purpose of the Hasler Foundation is to fund selected educational and research projects in the areas of Information and Communications Technology (ICT) for the benefit and use of the intellectual and economic community of Switzerland. In order to achieve this purpose, the foundation wishes to, among other things, contribute to the effective and rapid transfer of technology from the research stage to the application stage.

1. Principles of Seed Money

The Hasler Foundation may hold a stake in a Start-up-company in the ICT-sector or financially support it, provided that the following general terms and conditions are fulfilled:

- It has to be a young company with its headquarters in Switzerland, typically a Spin-Off of a swiss university. The founders have recently finished their education.
- The product¹ of the company is an innovation in the ICT-sector in itself and not only an ICT-application – even innovative. The *Intellectual Property Rights* required are held by the company. The technology, processes or services cannot be easily copied.
- The company is lead by a convincing team which makes a success of the company feasible.
- The market-potential of the innovative product/process or the service is clearly recognisable. A clear concept for dealing with the market must exist (*proof of concept*). The implementation of the concept has already been started through the company's own efforts.

From the perspective of the Hasler Foundation, seed money must ensure sustainable benefits for the intellectual and economic community, should correspond to the inner logic of their funding strategy and pursue clear objectives.

➔ No claim exists to seed money being provided by the Hasler Foundation.

¹ The term „product“ also includes services and means the salable product of the company

2. Seed Money Criteria

In setting out the basic principles in detail, the following criteria apply:

- K1 Only young companies can be considered to share in development funding; their registered offices and the main activities of the company – in particular the management, R&D and marketing – must be based and carried out in Switzerland.
- K2 The company's founders who are responsible for the technological innovation must have obtained their latest degree (Doctorate or Master's Degree) no more than three years prior to the submission of the application.
- K3 The technologies and/or processes developed within the framework of the Doctorate or Master's thesis surpass the current status of information and communication technology. Pure applications of ICT in non-ICT fields are not covered within the area of development sponsored by the Hasler Foundation and will therefore not be considered for development funding.
- K4 The further development of the core technology is carried out within the company itself.
- K5 The companies receiving development funding must meet the necessary requirements for commercial success. In particular,
 - a) they must have a convincing team;
 - b) there must be a clear concept for the marketing (*Proof of Concept* delivered through their own efforts);
 - c) the potential for the product or service must be clearly identifiable;
 - d) all *Intellectual Property Rights* must be owned by the company and should not be easily copyable.
- K6 The company must have access to resources separately from the Hasler Foundation² which are able to assist in enhancing the professional approach of the company through coaching, building up business contacts etc.
- K7 The company must have a clear concept on how the new funding is to be used for the company's development.
- K8 A lead investor with experience in start-up financing is prepared to become involved. The lead investor will carry out the necessary checks and negotiate the terms and conditions of the financing in consultation with the Hasler Foundation.

² e.g. Business Angel, CTI Start-up, Advisory Board

3. Forms of Seed Money

The seed money provided by the Hasler Foundation may be provided in various forms:

- The Hasler Foundation holds a stake as a shareholder during the company's formation.
- The Hasler Foundation acquires a stake in a company that has already been founded.
- Other forms of financing (e.g. mezzanine capital).

The Hasler Foundation shall – regardless of the amount of seed money – leave the decision-making powers to the founders; if required, through a corresponding regulation of voting rights. In principle, it shall assume no responsibility for the company, its decisions and actions. In particular, the Hasler Foundation waives any right to hold a seat on the Advisory Board.

- ➔ In the event that the new company fails commercially, preventative measures must be undertaken so that the seed money provided by the Hasler Foundation can nonetheless have a positive effect in accordance with the foundation's mission. For example, this goal may be attained by concluding sensible agreements for the continued use of the *Intellectual Property Rights* (e.g., transfer to an institution of higher learning or to the public sector).

4. Approval Process

4.1. Application Documents

In order for a definitive decision to be reached by the Hasler Foundation, the following documents are required:

- 1) Synopsis (management summary)
- 2) Full CVs of key people (founders, chairperson, CEO, CTO, CFO, etc., including references, publication lists, etc.)
- 3) Description of the product / process / service with a clarification of the content of the innovation
- 4) Business plan
- 5) Marketing plan (description of the concrete steps required in order to realise the business plan)
- 6) Documentation of the protectability of the business idea
- 7) Status of the company (e.g. employees, ownership structure, previous financing, CR application or registration, balance sheet and profit & loss statement, etc.)

- 8) Required capital and details of the planned utilisation of the capital
- 9) Any other documents required by the Hasler Foundation

4.2. Submission of an Application

Before submitting an application, the Hasler Foundation's business office must be contacted in order to concretise the first steps of the process and to define the documents required for the preliminary examination (see Section 4.3).

Complete documentation must be submitted after a positive preliminary examination.

4.3. How the Process Works

Basically the application is treated in three steps:

- 1) In a preliminary examination, in which all documents are not yet required to be submitted, the Hasler Foundation shall decide whether seed money for the respective company by the Hasler Foundation can fundamentally be considered.
- 2) If this decision is positive, then the rest of the application documents must be submitted. Based upon these documents and a meeting with the representatives of the company, the Hasler Foundation shall make its decision as to whether concrete negotiations to provide seed money / financial support are to be initiated.
- 3) After reaching agreement on financing arrangements, the Hasler Foundation's Advisory Council shall definitively decide whether the foundation will approve this seed money application.

4.4. Deadlines

Requests can only be accepted at the following deadlines (see website of the Hasler Foundation www.haslerstiftung.ch).

contact with the office until	submission until	date of the decision
mid-january	end of february (28/29)	end of june
mid-mai	end of june (30)	end of october
mid-september	end of october (31)	end of february

Applications can only be made after a positive preliminary examination. This usually takes some weeks. Therefore, the contact with de office has to be made at least six weeks before the planned submission.

* * *

