Innovation and Entrepreneurship across Academic and Programmatic Environments

Why?

Two Passions:
1) Education
2) Entrepreneurship
Entrepreneur Disguised as an Educator

- Passionate
- Risk Taker
- Innovator
- Visionary
- Strategic

- Creative
- Grit
- Embraces failure
- Resilient
- Builder

Overview (How?)

- Setting a Vision
- Creating Partnerships
- Leveraging Social Capital
Vision:
Building a sustainable ecosystem for entrepreneurship in DFW

Partnership:
Creating a university “anchor” to act as the go-to resource for entrepreneurship in DFW

Key Elements To a Successful Start-Up Community
1) Capital Sources
   - DFW is ranked 3rd in concentration of wealth in USA
2) Supply of Innovation, Ideas, and Entrepreneurship
   - DFW has a number of incubators/accelerators combined with low cost of living
3) Local Industry Support
   - Texas is 2nd in number of Fortune 500 Company Headquarters
   - Companies incubating start-ups and creating their own VC Funds (AT&T, Toyota)
4) University Anchor
   - University of Texas at Dallas
   - Tier 1 Research Institution (Innovation)
   - Talent Pipeline (Students/Faculty/Alumni)
Strong Leadership
Director of Blackstone

• Traditional Leadership
  - Research Focus in Entrepreneurship
  - Non-Practitioner but incredible knowledge of VC
  - Ph.D. preferred

• Innovative Leadership
  - Venture Capital Investor
  - Leadership & Ability to Communicate Vision
  - Entrepreneur

Bryan Chambers
Director, Blackstone LaunchPad at UT Dallas

• Entrepreneur
• Venture Investor
• Director of UT Dallas Seed Fund
• MBA, University of Texas at Arlington
• Professor; Masters of Science in Innovation and Entrepreneurship
Jonsson School Overview

• One of the most rigorous & technologically advanced programs in the USA
• Economic driver for industry relevant growth in North Texas
• 2X Growth in past 8 years
• 6 Departments
  - Computer Science, Bioengineering, Mechanical Engineering
  - Electrical Engineering, Systems Engineering, Material Science
• 165+ Faculty
• >7,400 Students
• >$53MM in Research Funding
• (Over 30% of students are International)
• 1,200 Internships to Industry

Fearless 2020 Overview

• Vision:
  For The Jonsson School at UTD to be the most coveted place to teach, research, or study in the Southwest.

• Two Areas of Focus:
  1) Excellence in innovation, teaching, & research
  2) Access for students in higher education

• Priorities:
  • Engineering Building West (COMPLETE!)
  • Scholarships / Fellowships
  • Faculty Research (Endowed Chairs/Professorships)
  • Program Support specifically for entrepreneurship
Fearless 2020 Partnerships

- Blackstone Launchpad at UTD
- Dallas Mavericks
- Dallas Business Journal
- US-India Chamber
- Communities Foundation (CFT for Business)
- Frisco Chamber
- Dallas Women’s Foundation
- North Dallas Chamber

utdallas.edu/utdesign/
Notable Companies

Jonsson School & Blackstone Launchpad

- **Vision:** Opportunity for Jonsson students to engage in hands-on entrepreneurial learning experiences

- **Partnership:** Connecting the Jonsson School, Jindal School and Blackstone

- **Social Capital:** Investors/supporters

**Founding Sponsors**
UTD & Blackstone’s International Focus

- **Vision**: Engaging our alums and partners on Blackstone’s innovation in China
- **Partnership**: Creating an opportunity for research funding for Dr. Voit and manufacturing partnership
- **Social Capital**: ITTN and US-China Investment Summit

Vision Statement

- **Assessment** - What is your true north?
- **Articulation** - Why do you do what you are doing?
- **Coordination** - If you asked your team “what’s our vision?”, would you get a consistent answer? Have you conducted an assessment?
- **Consensus** – Build a critical mass of people who believe your in vision
Strategic Partnerships

4 C’s To a Good Partnership

- **Complementarity**
  - Resource differentials could provide value
  - Ex: Blackstone and Jonsson School
- **Congruence**
  - Understand partner’s motivation and needs
  - Ex: The Jonsson School and Dallas Mavericks
- **Compatibility**
  - Value aligned and share similar vision
  - EX: Bryan, Angela, Chris
- **Change**
  - Will partner’s objectives change over time?
Social Capital

• “Social capital is the goodwill available to individuals. Its power is in the person’s social relationships to provide influence when needed.”
  
  Ider & Kwon, 2001

How do you build social capital?

1) Consistently articulate values
2) Find ways to selflessly support and/or give value
3) Your Network = Net Worth

Our Purpose

• “Providing access for people through education and entrepreneurship”
  – BHATTI

• “Being competitive in VC space and helping entrepreneurs”
  – CHAMBERS

• “Being the expert in cross border business (US & China) and servicing the foreign investor/partner/entrepreneur”
  – CHEN
Thank you!

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Jonsson School of Engineering and Computer Science
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Entrepreneurial Trends & Investment Insights
Part 1

“Inclusive Entrepreneurship”
Accessible to everyone, and all majors

Entrepreneurial thinking and skills are important to even the largest businesses

$450,000,000,000
Blackstone is the largest private equity group and alternative investment firm in the world.
Stephen Schwarzman
Chairman, CEO, and Founder of The Blackstone Group
UT Dallas, July 2016

Blackstone LaunchPad UT Dallas

20 Universities
$2,000,000 To Support UTD Entrepreneurs
630K Students Globally

LAUNCH
Mentor
Grow

HUFF POST
SXSW Music Film Interactive
Inc.
SSM Student Startup Madness
MC MassChallenge
amazon launchpad
KICKSTARTER

Forbes 30 Under 30
Part 2

Venture Capital Outlook
US & Global

$143B raised since 2014
US VC fundraising activity
- Capital Raised ($B)
- # of Funds Closed

2008: $185
2009: $119
2010: $154
2011: $147
2012: $188
2013: $206
2014: $274
2015: $259
2016: $281
2017: $209

PitchBook-NVCA Venture Monitor
Firms raising next funds faster
Average time (years) between funds

Early-stage rounds grow in size by roughly 20%
Median deals size ($M) by stage
$84B+ invested for first time since dot-com era

US VC activity

Corporate VC activity ticks up in 2017

US corporate VC participation activity
The Rise of Incubators & Accelerators

<table>
<thead>
<tr>
<th>State</th>
<th>Q4 2017</th>
<th>Deal Count</th>
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<tr>
<td>California</td>
<td>615</td>
<td></td>
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<tr>
<td>New York</td>
<td>219</td>
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<tr>
<td>Massachusetts</td>
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<td></td>
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<tr>
<td>North Carolina</td>
<td>41</td>
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</tr>
</tbody>
</table>

7% of total venture deals < 2% of total US Venture Capital

62 Coworking Spaces
61 Executive Offices
40 Accelerator / Incubator Programs
24 Innovation Centers
Venture Summary

1. More Corporate Deals
2. More incubators and accelerators
3. Early Stage Competition Rises
4. The growing global venture capital markets create greater international competition
Part 3

Our future looks very different...

So we must think different, to prepare for a different future...

How different is our future?...

We are here
We are here
Cryptos, DAPPS, & AI

FROM  There is an APP for that
TO    There is a DAPP for that

FROM  Artificial Narrow Intelligence
TO    Artificial General Intelligence
Let's assume this equals a "shock factor of 100"
We are here

Thank You
The Rise of Global Venture Capital and Cross Boarder Collaboration

Henry Ford Mass Production System
The Tesla, Uber, Groupon, Cars.com, Google, Amazon...

Q4 2017 top 10 deals of VC investments split between China and US

Lyft (San Francisco) $1.5b
Grail (Biotechnology) (Menlo Park, CA) $1.212b
Guazi.com (Beijing) $0.58b
Meituan-Dianping (Beijing) $4b
Faraday Future (Los Angeles) $1b
Compass (New York) $0.5b
Didi Chuxing (Beijing) $4b
Magic Leap (Plantation, FL) $0.502b
Hellobike (Shanghai) $0.502b
Nio (Shanghai) $1b

Sources: Venture Pulse, Q4 2017: Global Analysis of Venture Funding, KPMG Enterprise, data provided by PitchBook, January 16, 2018
About myself

- UTD MBA from Jindal business school
- US-China Investment Conference
- UCIA (US-China Innovation Alliance)

Real Global GDP Growth map
Global Venture Capital Growth

Source: Venture Pulse, Q4'17, Global Analysis of Venture Funding, KPMG Enterprise. Data provided by Pitchbook, January 16, 2018.

Horror stories....
U.S.-China cross borderer investment

Chinese investment in US tech startups tapers off
Total deals to private US-based tech companies (2013 – 2017)

U.S.-China cross borderer investment

Chinese tech giants pursue fewer US investments
Total deals to private US-based tech companies (2013 – 2017)
U.S.- China cross boarder investment

• “The Belt and Road” Initiative: investing and acquiring companies in Asia, Europe, the Middle East, and Africa.
• As the yuan depreciation, we may see more outbound investment by China

Advantages

• University is the hotbed for cross boarder transaction
• UTD has a large present of international students
• Blackstone Launchpad facilitate the process even further
Advantages

- Emerging markets are a large economy of services but lacking in technology solutions
  - Typically there is an economic development plan that encourages investment by private companies abroad
- Fast R&D spending and Talent growth, growing patent filing in emerging market
  - Tencent and Alibaba are investing in frontier technologies and acquiring cutting-edge tech companies internationally

Global VC Investment Industry Sectors

[Charts showing global VC investment by sector for U.S., European, and Asian markets over the years 2014-2017]
Common mistakes

- Chinese investors are not fascinated by foreign technologies without local operations
  - Focus on domestic market opportunity before conquest of foreign market
- Synergies is the key

Strategies

- Localization:
  - Digital presence:
    - www.mycompanyisthebest.com
    - www.我的公司最棒.com.cn (Chinese domain)
  - “Googleble” ≠ “Baiduble”
  - “facebook” “Twitter” “instagram” ≠ Wechat and Weibo
- Balance of power and control
  - Co-GP
  - Co-investment
- Trust vs. Reputation
- Novel candidates vs. Generics
- Platform vs. Product
- Conference call vs. Face to face
- Not rush for deals
有了肯德基，生活好滋味！

THANK YOU