



Let's make a date ...

It helps to have influential friends, but some 'friendships' come with 'strings attached'. Nevertheless, the entrepreneur's lot can, at times, be daunting – and a little support can go a long way for a fledgling company.

Treading carefully when considering agreements that involve getting something for what seems to be nothing seems prudent – but not everyone is after your stock! Striking up a few key business relationships can pay dividends – literally.

Time was when the only support a start up could count on was from an investor. But recognising more widely the potential of start ups to manoeuvre speedily and claim emerging markets, the industry is becoming keen to align itself more closely with the start up community. Hence, today there's a broader potential 'friendship' circle for the average start up.

Do you need a little help in meeting investors and getting in front of customers? One eda vendor could lend a hand. By **Vanessa Knivett**.

Carson Bradbury, once an account manager with Mentor Graphics and now heading up Mentor's start up initiative Cre8Ventures said: "My interest in start ups stems back eight years when I first joined Mentor and was tasked with managing some big accounts with parent companies that were on different continents. I wasn't excited by that because the decision makers weren't in this region, so I suggested I should make my own luck in the South West region – traditionally, not a big area of focus for Mentor."

The region, which was beginning to get a reputation for entrepreneurialism, now forms part of the UK's Silicon Gorge. One of the first start ups Bradbury signed up was PixelFusion, which had come out of Inmos. "Its ambition was to develop a 72million transistor chip and take it into the graphics market – Mentor Graphics was ranked number three at that time and probably had to think very differently in order to partner with them successfully." A more tailored approach was needed, said Bradbury. "I started to think about business issues for a start up taking a chip to market and the challenges customers were encountering."

At the time, the start up was seeded with tools at a preferential rate and Bradbury began to be introduced to other start ups requiring tools support. "We not only managed to lock out incumbent providers

Hemming Löhlein





"The seed fund ... is about helping fresh faced entrepreneurs realise their ambitions."

Carson Bradbury, **Cre8 Ventures**

in the eda space, but also locked ourselves in by constructing those relationships."

Having caught the start up bug, Bradbury left Mentor to start a sales force automation software company. Support and advice came from the South West business community and, when the business model for customer relationship management tools changed and a different skillset was needed, he returned to Mentor with some firmer ideas about the sort of support Mentor could provide.

"I thought about what we had been doing in the South West cluster and how we could make it more compelling. So I spent the best part of a year working inside Mentor's networks – and mine – talking to seasoned entrepreneurs about what kind of model was needed and making a play for some other clusters in the UK, such as Cambridge and Scotland."

Cre8 has since struck deals with the

ISLI in Livingston and SetSquared, a business accelerator in the south of England, to provide eda tools free of charge to the start ups they are fostering.

But Mentor is also offering help from a team of support staff and the business networks it has created, according to Bradbury. "We can drill into a start up's business plan. We don't make judgements – we are not equipped to do so nor do we need to know the absolute details – as long as it sounds defensible.

"However, we can help connect the opportunity to the economic decision makers they are looking to sell to. Mentor has 4000 people around the world, working in the world's biggest companies and those relationships are from the boardroom to the labs. So we have a phenomenal network of connections and a deep business intelligence about what's going on out there. We simply connect the opportunity, using the right relationships, to the decision maker and say, 'if you had this technology in this kind of a timeframe, how excited would you be?'"

Bradbury says the precise details of the business plan are not so important – what is important is getting some form of validation. "Once we get that validation, we rearticulate it back into the business plan and then make warm introductions into the VC community. Next, we are thinking perhaps even harder about the route to market. Leaning on our network again, we build teaser documents that articulate the commercial and technical value proposition ... effectively, we become a dating agency to get the sales cycle started."

Whilst Mentor Graphics no longer plans to invest in the start ups it provides tool support for, Bradbury reckons Cre8



can put a start up in touch with potential funding partners. "We can introduce 'off the radar' start ups into the boardrooms of companies who might have an appetite for the stock because it is complementary or enabling to their agenda. Or we can put start ups in touch with a serial entrepreneur syndicate that can provide seed round money."

Cre8 has links to a seed fund with 14 serial entrepreneurs and two university professors that is keen to support the next round of UK start ups. The seed fund, relates Bradbury, 'is about putting something back into industry ... it's about helping fresh faced entrepreneurs realise their ambitions'.

So what does Mentor stand to gain? Says Bradbury: "We don't put money in or take equity in the form of a stake for our tools because we are not sure what added value an eda company has in the boardroom of a fabless semiconductor company. We don't want to contaminate a future funding round and we would question the ambition of an entrepreneur who is looking to give their company up at a very early stage in return for tools."

Instead, he says: "When the start up raises money, we will negotiate a commercial tools deal which is in its interest. There isn't a price list – it's aligned to the business going forward and is based on understanding the roadmap. Once companies are successful, we hope to share in that success. We know from past history that, by cementing these very early stage relationships, adding compelling value, we will come out net positive."

Cre8 has recently worked with Mirics Semiconductor, which is embarking on production of a multistandard rf tuner. It is also supporting University of Cambridge spin out Enecsys, which is developing smart power conditioning units for clean energy systems.

Asked about the criteria for gaining access to tools, Bradbury concludes: "The bar is low – we appreciate that ideas can start in one direction and go off in another. We would never say to an entrepreneur that we're not interested. But, of course, we are stakeholders and are going to be gauging our added value." 