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## Talking POINT

### Dublin hosting very best MBA start-up ventures next month

Dublin will play host to an international cohort of entrepreneurial teams from colleges and universities around the world with next month's launch of the inaugural MBA World Trophy.

The three-day competition will see up to 20 MBA start-up teams compete for a US\$250,000 fund with a top prize of US\$100,000 for the overall winner.

Tickets (starting at €150 per day) will also be on offer for up to 200 attendees keen to listen to, or take part in, workshops, seminars, networking events and presentations by international speakers, including Professor Vivik Wadhwa of Stanford University and Thousandsdeeds' Raomall Perera.

The duo behind the event are Stephen Smith and John O'Loughlin, students of the MBA programme at UCD.

According to Smith, however, the World Trophy is not just relevant to MBA students and third-level entrepreneurs. He is keen to pitch it to start-ups looking to find out more about financing, and SMEs after tips and advice on growth strategies and lead generation.

To this end, Smith and O'Loughlin have persuaded some impressive international speakers and judges to take part in the event. In addition to Wadhwa and Perera, the event will feature:

- VC expert Dr Ronald Weissman of Apex Partners and Silicon Valley Association of Start-up Entrepreneurs;
- Silicon Valley Bank managing director Barry O'Brien;
- Mattcentrum founder John Wendi;
- Serial entrepreneur and angel investor Jonathan Lupton of Inter Capital and Cauby; and
- Rahaf Harfoush, associate director of the World Economic Forum.

MBA World Trophy will have events in several locations, including the newly-opened Market Hotel on Grand Canal Dock and Citi's offices on North Wall Quay.

Smith and O'Loughlin have spent more than €100,000 on the event and will be charging teams €2,000 each to enter the competition. Smith believes the idea could have serious legs, becoming a major event on the international entrepreneurial calendar in the years ahead.

"We have five teams from the US, two from South America, one from Spain, one from the UK and, from Ireland, there are teams from UCD, NUIG and DCU," he said. "One of our teams have about 1,000 users - testers of their product. We have 15 teams and we might get up to 20, but we're not sure yet. Our registration is open until April 14."



Elaine O'Regan

"Entrants don't have to be fully functioning companies, but they are usually past the ideas stage. They have done some validation

*The founders are keen to pitch to all start-ups looking to find out more about finance, and SMEs after tips and advice on growth strategies*

# Zinc sees a golden future

A Dublin software company has won a €650,000 investment for a biofeedback gaming platform, writes Elaine O'Regan

Sensor technology is taking interactive gaming to the next level, creating lucrative opportunities in the health sphere. That is according to the engineer behind a young Dublin company that has the global wellness market firmly in its sights.

Zinc Software has developed a biofeedback gaming platform and last week closed a €650,000 investment round, as it prepares to break the US market.

It received the funding from the Bank of Ireland Med-Tech Accelerator Fund, managed by Kernel Capital, and the AIB Seed Capital Fund, managed by Dublin Business Innovation Centre.

Other investors included Enterprise Ireland and Cork company PCH International, which has selected Zinc as the first European partner for its accelerator program.

Zinc's chief executive Darran Hughes said the company would create up to 20 new jobs by mid-2014 as it begins to build sales of its gaming platform for iOS and Android phones.

Hughes established the company two years ago and already employs five people in Dublin's Guinness Enterprise Centre. An electronic engineer who also worked in the gaming industry, he said he could see significant potential for sensor technology in the sector.



Darran Hughes, chief executive, Zinc Software, with Dawn Guiney of Kernel Capital

JASON CLARKE

"Health and gaming have been converging over the past ten years with the likes of Wii Fit or EA Sports," he said. "Health products used to be boring - things you engaged with because you should, rather than because you want to."

Before setting up Zinc, Hughes was a software architect for Xbox, and a "brain computer interface research" with MIT Media Lab Europe in Dublin's Digital Hub. There, he worked on a digital signal processing engine that used electroencephalography to record electrical activity along the scalp.

"I was partly in the games industry so while he was working making PlayStation games and Xbox games for companies here in Europe and

in Australia, but I am an also an electronic engineer, so would have had a background in sensor technology," he said.

"Working in the likes of the MIT Lab, it was very much blue sky research into areas like people's emotions from sensors and feeding them into gaming contexts. So, I suppose, in a technological way, a lot of my background allowed me to be able to make products in this space, but also as an entrepreneur I see big opportunities here."

At the core of the Zinc offering is a wearable sensor that can be attached to users' carotids to measure heart rate. "We use infra-red light to measure high-resolution heart data at the carotid," said Hughes.

"Essentially, it is a medical product, but we've added Bluetooth to it and made it a lot smaller so it connects with iPads, iPhones and Android smart phones and it can form the basis of a lot of different

types of applications, from fitness and exercise tracking to measuring stress and arrhythmias."

Hughes's business plan is two-pronged. He wants to license the Zen sensor to medical and gaming companies using a software development kit (SDK) model.

He will also use the sensor to develop his own range of health and wellness gaming products at Zinc.

"The SDK means other companies can use our sensor and incorporate the information from it in their own applications," he said. "That's very much a licensing business, but we are also developing our own games and we are going to be pushing them out this year. They are in the wellness end of the spectrum - yoga games, essentially."

"From the hard data, we can measure how stressed someone is or how relaxed they are and also their breathing rate. Inter-

estingly, the rate at which you're breathing is hidden in your heart rate and you can extract that."

"With that information, we can make games that teach you to slow your breathing down to around six breaths a minute and we can also tell that you are relaxing so you essentially 'gamify' meditative breathing."

The gamification process is already well-established in the United States, where it is on the radar of big players in the sports field like Nike, Hughes said.

"We add a games aspect to it, but another big part is to visualise. As you slow your breathing down, we have a number of applications."

"One might be that you grow a bonsai tree as you relax. Another one would be a mandala pattern - a kaleidoscopic pattern that develops on the screen, but it's unique for that session."

"At the end of the session, you can press share and push it up on your Facebook wall. The idea is that your friends might say, 'That was a cool design, where did you get that from?' You say, 'I created it during my Zen meditation.'"

Hughes said Zen would hit the market this summer. "The product is developed. We are putting together a go-to-market strategy that will focus very much on the US initially, although it will be available to Irish customers as well," he said.

"The US is around 18 months ahead in these types of technology. Over there, you can already buy a weighing scale where the interface is on your smartphone or a blood pressure monitor or devices that track your motion through your day - they are already on the high street over there."

Hughes plans to launch the Zen system online and is also keen to have retail partners.

"We'll be able to download the app on the Apple store and also on Android. You download the app for free, but then there is an online shop - an Amazon link - to allow you to buy the sensor there. We are looking at about a \$99 price in the US, which translates to about €79. We haven't quite set a price yet."

Hughes said that Zinc's first funding round would play a big part in helping to get his plans off the ground. The company was already the recipient of €500,000 in funding from Enterprise Ireland's Competitive Start Fund and bagged another €500,000 in December 2011 when it was named one of the top 25 emerging companies in Intertrade Ireland's Seedcorn Competition.

"This new funding will allow us to get it out there, get eyeballs on it and develop sales rapidly through 2013. It's our first seed round," said Hughes. "With anything that's hardware-based, there are certain costs involved in getting it out there."

"There is huge customer demand for what we're doing, especially in the US. We've got over the line with our product development."

"We've got very good customer feedback and now it's a case of marketing it and getting it out there."

## The LOW down Tips for start ups

### This week: Davy EII Tax Relief Fund 2012

BES Management, the fund manager run by accountancy firm BDO and stockbroker Davy, has raised a new €3.2 million investment fund under the government's Employment & Incentive Initiative (EII) Scheme.

The Davy EII Tax Relief Fund 2012 is BES Management's second EII scheme. The EII Scheme was introduced by the government in 2011 as a reform of its predecessor, the Business Expansion Scheme (BES), to provide equity funding to SMEs to enable them to undertake growth opportunities.

According to Andrew Bourg, director of BES Management, the new EII scheme has a number of advantages for companies compared with BES, with one of the most important being that it significantly widens the scope for eligibility.

"Previously, it was only manufacturing companies and those involved in internationally traded goods and services that could avail of the scheme. However, EII funding is effectively available as a source of finance to all companies with some minor exceptions," Bourg said.



Andrew Bourg, director of BES Management

The lifetime investment limit had increased from €2 million to €10 million, Bourg added, with the maximum amount that could be raised in any 12-month period also increasing from €1.5 million to €2.5

million. "Companies that previously reached the €2 million BES limit can now avail of additional funding under the EII Scheme," he said.

According to Bourg, the 2012 Finance Act proposed two further changes to EII legislation, the first of which is that companies operating or managing hotels, guesthouses or self-catering accommodation be allowed to avail of the EII funding.

The scheme itself was extended until 2020, "confirming the government's commitment to the important role EII funding has in assisting SME growth," Bourg said. He added that both changes were, however, subject to EU approval.

"From the perspective of private investment, the EII scheme offers an attractive all income tax relief of up to 41 per cent on investment amounts up to a maximum of €150,000 per annum," he said.

Bourg said Davy EII funds would be invested in established businesses with a track record of success, a strong management team and a defined investment strategy.

"The fund's investments are spread across a portfolio of companies in a range of industries, which reduces risk for investors and also the fund's exposure to any one sector of the economy," he said. The EII Scheme is an equity investment

that is repayable after a three-year investment period.

"In 2012, the Davy EII Fund invested Ireland's first EII fund in a number of well-known and established companies operating in agri-food, life sciences, ICT and traditional manufacturing sectors," Bourg said.

"These companies used the EII funds for a range of expansion and working capital purposes, which has allowed them to take advantage of strategic export growth opportunities and has also helped unlock further funding from both banks and Enterprise Ireland."

Bourg said EII investment offered companies fixed finance throughout the term of the investment, "providing a degree of certainty over funding costs at a time of uncertainty in the Irish banking system."

He said investments made by the fund typically ranged from €500,000 to €1,000,000 and that BES Management had, to date, raised €1.2 million through 19 BES funds and two EII Scheme funds.

"The funds were invested in over 140 indigenous Irish companies across a wide range of industries sectors. These companies include well-known and successful companies such as LifeGood, Green Farm Foods, Schivo Group, CampsIT and Helix Health," he said.



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