

Presentation pour UbiFrance French Tech Tour 2013



Bruno Bensaid

25 October 2013



SHANGHAIVEST
灵石投资

布鲁诺, Your Speaker and Coach today



▶ SUPAERO, INSEAD, East China Normal University

▶   16 Years

▶ Investment banker, former VC

▶ Investor

▶ Social Entrepreneur

▶ Mentor to incubators & Startups

▶ Public Speaker



Shanghaivest at a glance

- ▶ **Pioneering** Shanghai & Paris-based cross-border investment banking advisory firm focusing on M&A, investment, divestment and capital raising strategies between China/Asia & Europe. Created in 2010 by Partners from Ventech (Venture Capital) and DLA Piper Law firm.
- ▶ **Building** cross-border synergies in several sectors:
 1. Technology and advanced manufacturing (Internet and telecom, automotive, aeronautics, electronics, clean energy etc)
 2. Cosmetics, Luxury, Retail
 3. Healthcare, "Med Tech"
- ▶ **Clients** include European PE-funds & companies seeking financing or exit strategies in China, Asian PE funds & companies looking for expansion strategies or synergies in Europe.

Some Achievements: Shanghaivest helped...

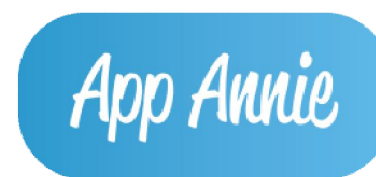


*In the
Acquisition of*

sage Wireless

R&D Center & Assets

—SHANGHAIVEST—



*In Raising Series A
from*

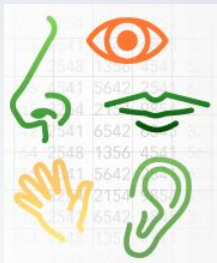
IDG Capital Partners

—SHANGHAIVEST—

Some Past Projects



Retail: involved in negotiations with Chinese buyers and PE-funds for the sale of Cyrillus and Verbaudet in 2012-2013. Cyrillus & Verbaudet are two brands of the RedCats portfolio (a property of the Kering Group). Mandate led by Rothschild Co



Semi-conductors: advised a publicly-listed analytical instrumentation company specialized in sensory analysis of odor, taste, and vision in the set up of a joint-venture company with a Chinese leader in the environment monitoring business



Luxury: mandated by Fosun International Ltd (656:Hong Kong), largest private-owned conglomerate in Mainland China (HQ: Shanghai) with the goal of investing a significant share in one of Italy's most premium menswear brands (family-owned). Discussions with target fell through due the owner's decision to finally not open to outside investors



Established in 2007, AngelVest has become the largest organized Angel investment group in China. 100 angels, 25 investments, 3x average return on successful investments, 4 full-time staff and a side-car fund (aim: \$20 Mil).



Angel Investor in China, US, Singapore...



Beijing-based. SmarTots is a platform of teacher approved kid applications, with a learning reporting tool for parents. Since funding, SmarTots has grown to 110 apps, 100,000 users, 2 million installs & 28 million sessions.



Shanghai-based. myALN's mission is to upgrade the travel experience for the burgeoning Chinese upper middle class. ALN has successfully completed a second Angel round in May 2012 with a 1.5X increase in valuation and a series A in 2013 with a 3x valuation.



Singapore and Beijing-based. Paofit creates fitness software that runs on mobile devices and enables you to explore stunning, real world locations in HD video ("routes") in a way that mirrors your movement on a treadmill. Currently expanding in the US & Singapore



Beijing-based. Wodache integrates SNS, LBS, mobile and network effect to make carpooling safe, social, and simple. Wodache uses GPS to locate other carpoolers, and matches carpoolers based on location and profile. Assisting Fortune 500 employees carpool to work everyday.



Silicon-Valley based. Waygo is an Instant, Visual recognition and translation of Chinese characters and phrases on mobile devices, without internet connection. Also invested by 500Startups, Google Glass engineers, Matthew Daimler (founder of SeatGuru) etc.



Shanghai-based. Surveys and marketing leveraging the power of social media (ie Buddy Media) + O2O model that bring online traffic to offline stores with geolocated coupons and incentives

- ▶ Launched in 2006, MobileMonday (Beijing + Shanghai) is the leading Mobile networking communities in China
- ▶ Momo Shanghai events draw crowds of 100-150 guests every time. Hosted 30+ events. Guests Speakers include Rovio (Angry Birds), Nuance, China Mobile, Navteq, Google, Nokia, Samsung, Microsoft, Venture Capital firms, GSMA etc.
- ▶ A partner of Choice for

The TechCrunch logo, with 'TC' in green and 'TechCrunch' in black.The logo for Mobile Asia Expo. It includes the GSMA logo on the left, followed by 'MOBILE ASIA EXPO' in English and '亚洲移动通信博览会' in Chinese.The logo for Shanghai Invest, featuring 'SHANGHAIVEST' in blue and '灵石投资' in Chinese below it.The logo for GMIC Beijing. It features a blue pixelated banner at the top, followed by 'GLOBAL MOBILE INTERNET CONFERENCE', 'GMIC BEIJING', and 'MAY 7-8, 2013'.

Angels and Start-Ups, Don't Play in China Until You Read This

*Quick and Essential Info for Technology Investors,
and Internet and Mobile Start-Up Entrepreneurs Who
Want to Venture Into the Chinese Marketplace*

First Contact & building Trust

- ▶ **Avoid acronyms and technical terms** (especially with management). Assume low level of spoken English, but expect surprises. Don't drown in details. **Keep it simple**
- ▶ **Be grounded:** show the product or application that already exists, in connection with client assumed needs. Don't day-dream (too much) about future applications with a client.
- ▶ **Use Case Studies** preferably with international clients, and put credentials and profile of founders forward. Other credentials: who are your investors? Profile of founders? Etc.
- ▶ **Have a China strategy** and show current china presence, even if limited (present local team or office, current projects etc). **Don't come asking for answers, come with a plan.**

Etiquette & Cultural Differences

- ▶ **Be on time** (polite) or 5 minutes early.
- ▶ **No gift on first meeting**, especially if there is no fit.
- ▶ No meeting (only) during lunch time. Prefer work lunch, but don't insist on lunch when it is a first contact.
- ▶ If you pick the place, you pay (but give the guest a choice of place before booking).
- ▶ **Don't assume French food is a delicacy for locals.** Chinese food is always a safer bet. Closest is Thai / Japanese / Asian in terms of taste adaptation.
- ▶ **"Forget your intimacy"**: asking age, marital status, children and other details is common. In case you are not comfortable, use Facebook joker: "it is complicated"

Communicating

- ▶ **Be strategic:** who is the best staff to talk to your client. Maybe time to switch to Chinese instead of English. Adapt.
- ▶ Writing long guidelines and policies helps on the legal side but **personal conversations are best.**
- ▶ **Emails not a preferred means.** Prefer Wechat, SMS, make direct calls on mobile phones, and give your own number.
- ▶ **Have “face” in mind.** Avoid rants, praise in public, criticize in private, and use proxies to send messages if necessary.
- ▶ **Don’t second guess** or repeat the same thing too many times (can be construed as insulting) but ask the other party to rephrase and summarize the items in his/her own words. Prefer Chinese to English when answers are requested.

Project Management & Negotiation

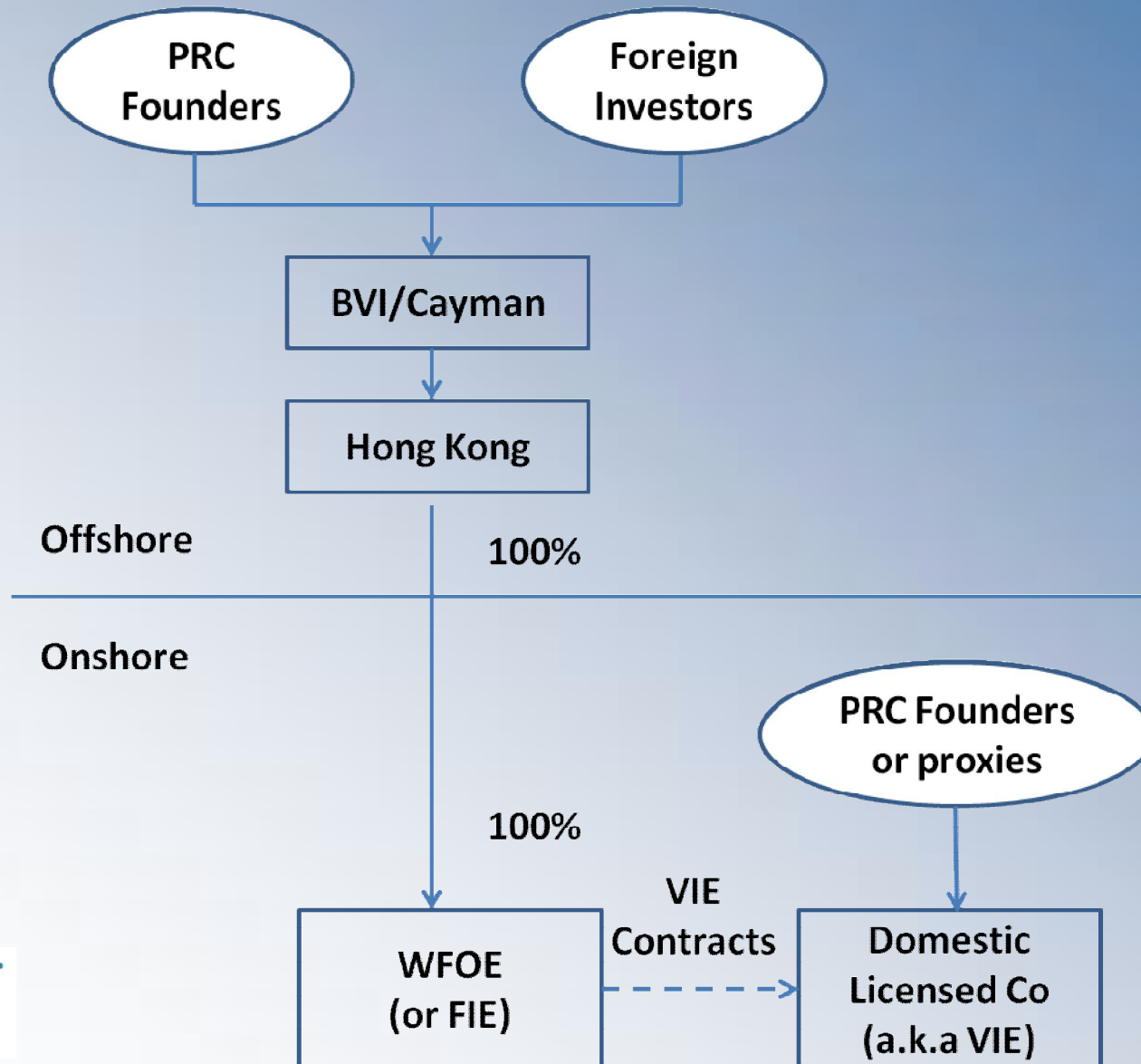
- ▶ **Micro-Management** is necessary, especially with time sensitive projects. Call and meet often, but avoid long conference calls or meetings.
- ▶ **Casual culture:** Opening a laptop, answering calls or mails are common behaviors during meetings.
- ▶ **Local presence welcome:** hiring Chinese staff at home will impress in terms of commitment to the China business
- ▶ **Be flexible:** leave China teams (in China) flexibility in their management, and set KPIs with them. Everything can be negotiated, so don't hesitate.
- ▶ **Contracts:** think of the contract as the start of a relationship, not an end. Contracts can be reneged without notice ☹

“Tropicalize” Product and Solutions

- ▶ **Intellectual property matters** (and can be protected), but do not assume it will be a differentiating factor in all conditions. Can a “quick and dirty” alternative be found? If yes, reposition your product or solution.
- ▶ **Customize product** as much as necessary. Don’t misunderstand with translation of a brochure or website (also necessary, but not key).
- ▶ Don’t offer a toolkit + avoid licensing only. Instead, develop, install and support. **Provide an end-to-end solution** rather than the tools to build.
- ▶ **Build a strong customer service team** to offer 24x7 service, but don’t expect to be paid for it (exceptions exist).

Regulations matter, legal structure can be tricky...

-> Get a good lawyer!

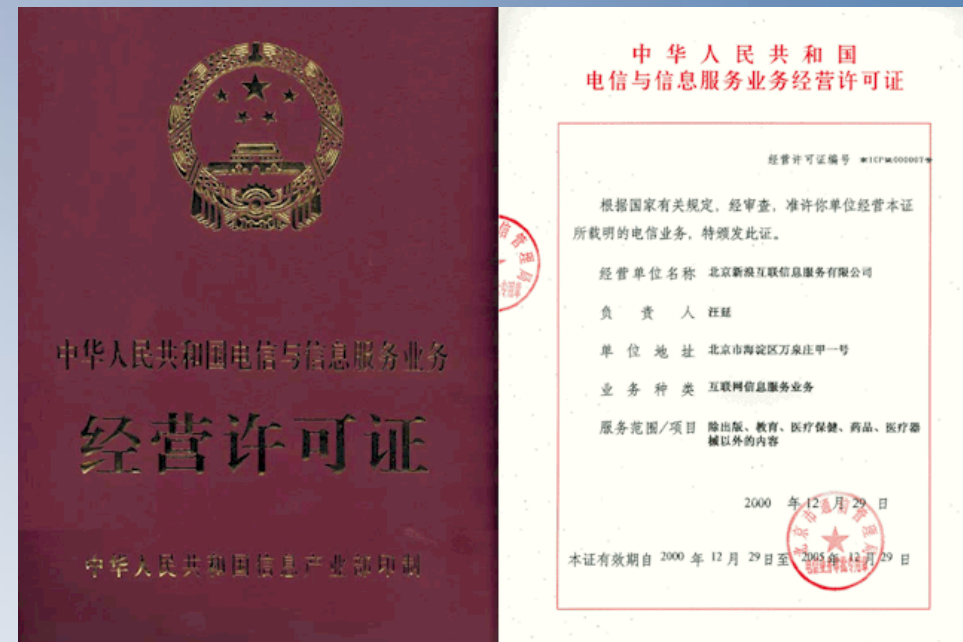


Raising Financing and M&A

- ▶ **Attracting local money is unnatural.** Put yourself in the shoes of an investor and **find an angle** (IP? clients? Local traction?) to help fund managers or directors of Strategy go to their board and defend the investment case.
- ▶ VCs and strategic investors are wary of communication issues with foreign-owned companies -> **Put the china team forward**, if they are senior enough, and accept recommendations for key hires to boost china profile.
- ▶ Investment environment is the hottest on the planet, right behind the US. VCs will gauge you against more pragmatic local competition -> **Research competition before pitching**
- ▶ **Early-stage financing is weak**, and angel scene nascent and very fragmented. Use advisors and friends to connect.

Follow local Customs, get connected

- ▶ Connect with regional investors, local entrepreneurs as well as provincial and national government bureaus & enterprises.
- ▶ This will enable local acquisitions, access to decision makers, hiring key staff, applying to costly new business licenses or to the right to distribute new services, building strategic partnerships, **negotiating tax arrangements, billing or collecting money faster etc**



Build your Story and Provide Insights to Media



"Shanghaivest: Overseas M&A"

2-page article and Interview conducted in Chinese in April 2013 and released in Goldmaster, a Real-Estate Investment supplement of China Business Network Magazine (第一财经), a leading Economic publication in China

Article can be downloaded here:

<http://www.shanghaivest.com/assets/35/diyicaijing.pdf>

Speak at Conferences



Panelist of “Overcoming Challenges of Raising Capital Outside Silicon Valley” panel at Asia Pacific Economic Cooperation (APEC) Startup Accelerator Leadership Summit 2013 in Taipei (August 2013).

<http://www.apecaccelerator.org>

Shared views with 500startups, SK Telecom Ventures, Taipei Angels, and CyberAgent from Japan.

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VOTRE ENTREPRISE
Le supermarché
qui **RECRUTE**
SANS CV Page 6

VOTRE ARGENT
Les **CHARGES**
DE COPROPRIÉTÉ
explosent Page 12

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And be Rewarded

~~15 minutes~~ a Day
of fame

Cover of
Le Parisien Économie

28 November 2005



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Good luck and all the Best for the Tour!!

And if you have not had enough...

Twitter | @brubrushanghai
WeChat | bensaid@fastmail.fm
Skype | bennyb10

<http://linkedin.com/in/brunobensaid>

And

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www.angelvestgroup.com

www.mobilemondayshanghai.net