

Digital Hot Trend: Venture Capital Outlook

Speakers:

Yigal Erlich, Yozma Group, Chairman

Mordechai Sheves, Weizmann Institute of Science, Vice President for Technology Transfer

Roni Einav, Einav Hi-Tec Assets, Chairman

Zoonky Lee, Yonsei University, Professor/CIO

Innovation has always been an important part of progress for society. With the Digital Age well underway, advances in technology and internet, digital products and services have been flourishing with new creations flooding into the market at an increasingly faster pace. At the 2015 World Knowledge Forum held at the Shilla Hotel in Seoul on October 22nd, a group of venture capital experts shared their insights on current digital trends, what kind of products are popular now and may become popular in the future, and what is needed to create a healthy startup ecosystem and pave the way for more innovation.

According to Zoonky Lee, Professor of Yonsei University, the greatest invention of mankind was the Gutenberg printing press. "It's not the invention of the content itself [that is important]," he asserted. "It's an invention which changed the way people communicate information." This kind of transformational innovation is mirrored in the digitalization of information. "We create new knowledge," said Dr. Lee about smart technology. "It has changed the way we do business and think about products."

Currently, the hot and popular items of venture capital involve data-driven services and personalized items and services, according to Yigal Erlich, Chairperson of Yozma Group. Following this pattern, Mr. Erlich believes that the greatest change in the future of venture capital will be in the medical field. "It has become more personal, more digital," he commented. He went on to state that the power of computer, cloud, and sensor technology will enable more complete and comprehensive work to be done for medical institutions.

Dr. Lee agreed with Mr. Erlich, stating that the healthcare industry has potential because of the nature of our current society. "We are living longer, and this means that the types of diseases inflicting us are different," he said. "And since we have a fast aging society...we will have a shortage of medical staff." He believes that cognitive computing will help resolve this issue, which has become a global problem.

However, there are some difficulties to be overcome. "There is a gap between academia and the industry called the 'death valley'," said Mordechai Sheves, Vice President for Technology Transfer at the Weizmann Institute of Science. This gap means that the sheer difficulty of implementing ideas into actual products or services results in almost all potential innovations being lost.

Additionally, there are many restrictions that are barring great thinkers from realizing their full potential. Government regulations, for instance, can be too limiting and punitive for entrepreneurs. "The government should take steps to change the environment to convince companies and investors to come," asserted Mr. Erlich, emphasizing the need for more government support in nurturing a healthy startup ecosystem.

Furthermore, failure is quite common in startup ventures, and steps must be taken to insure that new

entrepreneurs are not overly discouraged. Many, if not most, startup companies have turbulent beginnings. "Nobody wanted to fund us," said Roni Einav, Chairman of Einav Hi-Tec Assets. "At the time, software wasn't considered something people wanted to invest in." Despite an unpromising start, Mr. Einav's company has grown to be very successful.

In the end, the most important lesson for entrepreneurs is to not be afraid of failure.

"You have to dream," said Mr. Einav. "You have to have the courage... and be ready to fail."

Dr. Sheves agreed. "If you don't take risks, you cannot achieve big discoveries," he said. "You have to think outside the box."

What is needed, then, is the proper atmosphere that allows for a sense of safety so that innovation will not stop. As Mr. Erlich put it, "People need to know that if they fail, it's not the end of the world."

Reporter: Selina Lee