SecurityMatters

Testimonial Technology Entrepreneurship
Sandro Etalle – President and Founder
Speaker’s bio

- MS in mathematics, University of Padova,
- PhD in Computer Science, University of Amsterdam
- Full professor
  - and head of the Computer Security Group at the TU Eindhoven
  - and at the University of Twente
  - CEO for 4,5 years
  - Now “chairman of the board”
- (20 years ago) co-founder of 2 Italian high-tech companies
Setting the Stage

Security and Resilience of Industrial Control Systems

Electric power, Oil & Gas, Chemical, Pharmaceutical, Manufacturing, ...
SecurityMatters, the successes

- Founded in 2009 by A prof. & 2 PhD
- Now 30+ people, offices in Eindhoven and Richmond (US)
- Recognized as a “Cool Vendor” by Gartner in 2014
- NO external equity until 2016 & 25 people
- 2016: substantial (and peculiar) A-round with

![Logos of BOSCH, kpn, PHOENIX CONTACT, emerald Technology Ventures]
SecurityMatters, the failures

- Too many to mention
Revenue Models: You can sell the ...

**Box**
- + less people to scale
- - R&D is distant from the customer
- - requires investments
- - the product has to be “decent”

**Services**
- - requires more people
  - Finding them is not easy
  - No people = no value
- + R&D close to the customer
- + early cashflow
- + product can be “crappy”

- This is our model.
  - is this a smart decision?
IPR

- We have a couple of patents
- Will we be able to defend them in case they are infringed?
Lesson learned #1

- I don’t know if this applies to all startups, perhaps it applies specifically to our case because of the combination of (a) a new technology (b) that “security does not sell,” and (c) the fact that the market is slow. BUT: IMHO

- Running a startup is much more difficult than running anything else

- Lots of “top” enterprise people came to us … and failed.

- Do it yourself but keep listening!
Lesson learned #2

- “having a start-up is going from heaven to hell and back within an afternoon” (not my quote)
Lesson learned #3

- Sales, mergers, Memorandum of Understanding, M&A, ... you name it ...

- Forget:
  - the strategy
  - the win-win
  - the profit
  - the corporate interests

- It is all about People
  - You don’t “talk to FIAT”, you talk to a specific person insider FIAT, with specific (personal) interests
Lesson learned #4

- You don’t quite determine your speed
- The market does it largely for you
SECURITY MATTERS IS BY FAR THE MOST DIFFICULT AND CHALLENGING “THING” I HAVE DONE IN MY LIFE.

AND I WOULD DO IT AGAIN.