



KStartup GRAND CHALLENGE



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Introduction

In recent years, South Korea has become one of the most innovative countries in the world thanks to its strong and growing commitment to innovation particularly through its current "Creative Economy" initiative, backed by President Park Geun-Hye. It aims to support entrepreneurship and start-up business by fostering growth in the Korean Start-up ecosystem. Since 2013, the Korean government has been injecting around \$2 billion USD each year into its start-up ecosystem in order to boost entrepreneurship, foster its venture industry and encourage international cooperation. The country has now become a start-up powerhouse and continues to cultivate a freewheeling ecosystem.

K-Startup Grand Challenge is a project conducted and financed by the Government of the Republic of Korea.

The ultimate objective of the K-Startup Grand Challenge is to promote the expansion of an open entrepreneurship ecosystem in Asia and to assist in South Korea's evolution into a prominent start-up business hub in the region.

The driving idea behind this project is to endorse the inflow of promising foreign start-ups interested in the Korean or the broader Asian market through a global start-up acceleration program. This project gives start-ups the opportunity to expand into the Asian market through Korea, thereby using this country as a foothold for their international cooperation in Asia.

The present concept introduces the attractive start-up ecosystem in Korea, provides detailed information of the K-Startup Grand Challenge, delineates the procedures involved and the course of action that the Korean government will take in order to promote and execute this project.

Why Korea ?

01

ICT Infrastructure

South Korea is the world's most connected country with 95% of the country covered in Wi-Fi, has the fastest average internet connection in the world, and has the highest number of broadband services per capita.

02

Early adopters

With almost half of the country's population living in Seoul, Koreans are known to be early adopters of new technologies thanks to the country's highly advanced technology infrastructure. They are willing to buy newly released technology for consumer testing.

03

Opportunity to work with large Enterprises

(Samsung, Hyundai Motor company, SK, LG, POSCO, KT, CJ, kakao, Naver, etc.)

In recent years, a great number of large Korean enterprises have expressed their interest in collaborating with foreign start-ups. The K-Startup Grand Challenge program offers the opportunity for such Start-ups to interact with the world's most innovative and influential large Korean Enterprises

04

Gateway to Asia: success in Korea = success in Asia

South Korea is conveniently located in the Eastern Asian region between China and Japan, with Hong Kong and Taiwan to the south.

05

Start-up Ecosystem: 3rd Google Campus, 500 startups

Korea's Start-up ecosystem is fresh and well-structured. Moreover, it is attracting the attention of investors, accelerators and incubators from all around the world. Google, for example, is advancing its start-up community cooperation with Korea by opening its first ever Asian Google campus in Seoul 2015. Furthermore, 500 Startups launched a Korea-focused fund called 500 Kimchi.

06

Strong Government Support

Since 2013, the Korea government has spent \$2 billion USD each year into its start-up ecosystem thanks to the Creative Economy Initiative launched by President Park Geun-Hye. Accordingly, per capita government backing is higher in Korean than in any other country.

07

K-Culture : Korea's soft power

From "Gangnam style" to kimchi, Korean culture is continuously exercising its soft power both in Asia and throughout the world. K-Culture has been garnering interest throughout recent years and has increased Korea's influence and attention in the world stage.

08

A City that Never Sleeps

Koreans work hard, and play hard. Nightlife during after-work hours is always buzzing with restaurants, bars, and cultural events that stay open well beyond closing time

09

Top in Safety & Security

South Korea is one of the top 1 safest countries in the world due to its extremely low number of criminal cases.
(Sourced by <http://www.numbeo.com>)

10

The Korean Charm

Korean people are full of "jeong", a sense of community and attachment, and love to share their culture with others.

Benefits of K-Startup Grand Challenge



Benefits of coming to Korea with your creative idea

Final package (Prize and Settlement support fund)

20 winning teams will be given a special financial package, which consists in 1) a common grant for all 20 teams (+ \$33K), 2) additional grants for the top 4 teams (from \$6K to \$100K); and 3) potential investment from a Korean accelerator against equity.

Sponsorship

(Samsung, Hyundai Motor company, SK, LG, POSCO, KT, CJ, kakao, Naver, etc.)

Large Korean enterprises such as Samsung, Hyundai Motor company, SK, LG, KT, kakao, Naver and will be participating in the program. Selected teams will be able to interact with these companies through conferences, seminars, workshops, etc.

Acceleration Program (3 months)

At the end of a 1-week pitching session, 40 teams will be selected to join 3 months long acceleration program during which they will receive a free office space; 1 on 1 mentoring; information sessions and coaching on Korean and Asian business culture, specific business topics (e.g. patents, accounting regulations, tax laws, ...) access to regular networking sessions; and exposure to large Korean enterprises

Help Desk & Visas

As the South Korean government supports the improvement in visa regulations for foreign start-ups and entrepreneurs through the new OASIS program, visa-related issues of selected teams will be covered by the Korean government. Also, various services are available for overseas start-ups such as administrative support, translation and interpretation support and life support and so on.

Free Office and Project Space (Startup Campus)

Selected teams will be provided with project space including equipment for product / service production and development, test beds as well as an incubating infrastructure at the Startup Campus in Pangyo Valley.

Free Round-trip Air Ticket

3 members from selected 40 teams will be provided with round-trip tickets to and from South Korea.

Subsidies, \$4,100/month for 3 months

Each start-up will be given \$4,100 per month for 3 months to cover housing and living expenses while in Korea.

K-Startup Grand Challenge



Object and Target

To support the inflow of top foreign start-ups in the domestic and Asian markets and to transform Korea into a prominent start-up hub in Asia

To get 80 foreign start-ups on board for the K-Startup Grand Challenge

To nominate 20 start-ups and to support them (from both a financial and business point of view) in the establishment of their business in Korea – should they wish to settle down in Korea – and/or in their endeavours in Asia

To encourage foreign settlement in Korea

To follow the Creative Economy and long term objectives (employment, GDP, technology capacity, international competitiveness, etc.)

To develop Pangyo Valley and transform this technology park into an internationally renowned start-up hub and to become the new Silicon Valley of the Asian region.

When?

Starts from April to December 2016

Where?

Startup Campus in Pangyo Techno Valley

Seoul, South Korea



Start-Ups selection criteria



Sector

Below points must be prioritized, it doesn't need to be categorized



Game · FinTech



Bio-Beauty



Distribution



Film



Auto



City life



Software



IoT



Cloud



Information Security



5G



UHD



Smart Device



Digital Contents



Big Data



What's in it for you?



What?

At the end of the Demoday, the 20 winning teams will be allowed to extend their stay in Korea for a period of 6 months during which they will take part in a settlement program

Financial support:

through a special package (see below)

Mentoring support :

- Support for subsequent projects in order to expand into Korea and Asia
- Support from local and foreign experts
- Support from large Korean enterprises Samsung, Hyundai Motor company, SK, LG, POSCO, KT, CJ, kakao, Naver, etc.

Regular networking and match-making sessions, workshops, seminars, conferences and close contact with large Korean enterprises.

Access to startup campus, innovation centres, etc.

Final Package

* The grants and settlement support fund will be paid in Korean won.



- 1 best start-up receives \$ 100,000
- 2 best start-up receives \$ 40,000
- 3 best start-up receives \$ 20,000
- 4 best start-up receives \$ 6,000



Potential investment from accelerators (4 accelerators) will raise a total of \$100,000 to be given to the most promising start-ups against equity (% to be confirmed)

GRANT FOR ALL 20

ADDITIONAL GRANTS FOR TOP 4

INVESTMENT





Procedure



PROMOTION & RECEPTION OF APPLICATIONS

*Application Deadline : 14 June

April ~14. June

APPLICATION REVIEW

June, 3rd week

AUDITIONS & 1ST ELIMINATION ROUND (80 TEAMS)

*Only one team representative of each of these 80 start-ups will be provided a roundtrip ticket to Korea.

June, 4th week~
July, 2nd week

August,
2nd week

2ND ELIMINATION ROUND (40 TEAMS)

August, 4th week ~
November, 4th week

ACCELERATION PROGRAM (40 TEAMS)

- Support for living & daily expenditure : \$ 4,100/month/team
- Provided: roundtrip flight ticket for additional 2 persons per team

December

DEMODAY & SETTLEMENT PROGRAM (20 TEAMS)

Program Details



PROMOTION & RECEPTION OF APPLICATIONS

[15 April-14 June] *Application Deadline : 14 June

- > Starts from mid April to 14 June
- > Promotion is conducted with the help of different tools
- > The K-Startup project is open to anyone so long as the candidates meet the requirements
- > **Location:** Global scale

APPLICATION REVIEW

- > All applications will be collected and screened
- > The Selected start-ups will have to prepare for future auditions
- > **Location:** Global scale

AUDITIONS & 1ST ELIMINATION ROUND

[27 June- 15 July]

- > First elimination round through auditions and remote interviews
- > The Selected start-ups will be narrowed down to 80 teams
- > The remaining 80 teams will be invited to Korea
- > **Location:** Global scale

PITCHING SESSION [8 August-15 August]

- > A total of 80 start-ups from all over the world will be selected and invited to Korea to take part in a 1 week-long pitching evaluation, in-depth interviews, observation assessments and intensive screenings
- > Only one team representative of each of these 80 start-ups will be provided a roundtrip ticket to Korea, accommodation and work facilities
- > Meanwhile, the foreign start-ups will be able to join local networking events with other Korean entrepreneurs and start-up representatives
- > The 80 teams will be narrowed down to 40 teams
- > The 40 teams that have been shortlisted will be allowed to extend their stay in Korea while the others will return to their home countries
- > **Location:** Pangyo Valley, Seoul (South Korea)

ACCELERATION PROGRAM (3 months)

- > At the end of a 1-week pitching session, 40 teams will be selected to join 3 months long acceleration program
- > They will receive a free office space; 1 on 1 mentoring; information sessions and coaching on Korean and Asian business culture, specific business topics (e.g. patents, accounting regulations, tax laws, ...) access to regular networking sessions; and exposure to large Korean enterprises
- > **Location:** Pangyo Valley, Seoul (South Korea)

DEMODAY [December 1st week]

- > Final Demoday at the end of the acceleration program
- > Korean and foreign investors will be invited
- > The 40 remaining teams will be participating in this event
- > **Location:** Pangyo Valley, Seoul (South Korea)

SETTLEMENT PROGRAM [December]

- > The 20 winning teams receive a special package
- > They then take part in 6 months domestic settlement support program
- > We will provide the settlement support fund(\$33,000) for each of the 20 start-ups.
- > **Location:** Pangyo Valley, Seoul (South Korea)



Korea at a Glance

South Korea is conveniently located in the Eastern Asian region between China and Japan, with Hong Kong and Taiwan to the south. For a small country of 100,210 square kilometers (38,691 square miles), its capital is the world's second largest metropolitan area with almost half of all Korean living in Seoul.

It sets apart the largest amount of its GDP (4.36%) for research and development in that world, and has the fastest growing gross domestic expenditure on research and development (GERD) in the world (9.4%) alongside China. As a result, South Korea is a leading manufacturer in cutting edge electronics but is also one of the biggest consumers of these digital products. It is the world's most connected country with 95% of the country covered in Wi-Fi, has the fastest average internet connection in the world, and has the highest number of broadband services per capita. This type of hyper-connectivity is especially important in a country where 4 out of every 5 people use smartphones. Furthermore, South Korea's highly advanced technology infrastructure allows for quick consumer consumption of new services.

Moreover, the South Korean Government invests substantially in the domestic start-up ecosystem. President Park Geun-Hye launched the Creative Economy Initiative in 2013 to tap into the potential within the tech industry. This initiative created the new Ministry of Science, ICT, and Future planning and allocates a significant amount of resources into fostering the start-up ecosystem and knocking down barriers and restrictions around the venture industry's endeavors.



“

This long-term and globally oriented vision of South Korea is paying off as it is attracting the attention of investors, accelerators and incubators from all around the world. Google, for example, is advancing its start-up community cooperation with Korea by opening its first ever Asian Google campus in Seoul 2015. Currently there are around 40 start-up accelerators in Korea providing funding for entrepreneurs in diverse sectors. As the funding of Korean venture capital firms increase and the number of Korean start-ups climbs up, South Korea is poised to become the start-up hub in Asia

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Start-up Hub
Seoul,
South Korea



The social, political and economic climate in South Korea is favorable to the growth of the start-up scene. As mentioned earlier, the Korean government is wholeheartedly pushing towards a creative economy. Under the banner of the Creative Economy Initiative, the South Korean government has spent more than \$2 billion each year since 2013 and plans to invest nearly \$3.7 billion in the start-up industry during the next three years.

Accordingly, per capita government backing is higher in Korea than in any other country.

On top of its aims to change the financing structure of the start-up ecosystem from loan-based to investment-centered, South Korea encourages the growth of the start-up scene even further by endorsing tax breaks and incentives for angel investors and venture capitalists, tax benefits for mergers and acquisitions in the technology and R&D sectors, and improvements in visa regulations for foreign start-ups and entrepreneurs.

Additionally, the social climate is fertile for the growth of the start-up ecosystem. Korea's college graduation rate is the highest among the OECD countries and its students have one of the best result in mathematics and sciences. Naturally, the country possesses a large group of skilled developers and engineers knowledgeable in multiple areas from gaming apps to social media innovation. More and more these fresh, college-educated talents are starting their own business instead of walking down the well-worn path of working for one of the Korean enterprises.

Unlike the start-up scene in Japan that started with Nintendo, Sony, Honda and many others during the 1940s and has tapered off, Korea's start-up ecosystem is fresh and well-structured.

As it is not overly saturated like other well-known hubs such as Silicon Vallyy or Tel Aviv, it offers an opportunity for domestic and foreign start-ups to build their brand and a consumer base without the competition of multiple companies with similar angles.

Grand Challenge Grand Pangyo



Pangyo Techno Valley

Pangyo Techno Valley is an innovation park in the south part of Seoul (Gyeonggi Province) that focuses on information, biotech, cultural and fusion technology. It is Korea's best ICT-based R&D innovation cluster with a total of 5.27 trillion won (around 4.2 billion USD) invested into it by the South Korean government. It was completed in 2015 and covers an area of about 454,964 square miles with support facilities such as the global R&D Centre, Public Support Center, and the Industry-Academy R&D Centre.

The Pangyo Techno Valley is an environment where SMEs and start-ups can mutually exchange information with high-tech technology research institutes and large, global companies. This complex aims to merge different industrial sectors, mostly within the information and communications technology, to create new business opportunities and foster the growth of start-ups. Born2 Global reports that Korea's top 60 start-ups and K-Global 300 start-ups are all located in the Pangyo Startup Campus.

To further support the growth of start-ups, the Korean government has started construction on the Pangyo Creative Economy Valley, an addition to the existing complex, and is scheduled to be completed in 2019. The extension will be a new community especially for start-ups and high-tech firms and will consist of sites for private companies, including venture start-ups, "startup campus" sites for start-ups, "innovation towns" for companies and research institutes, and government organisations that will provide support for start-ups, innovative technologies, the arts and for other creative industries in the area.



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