

Aerospace startups, investors matched using reality TV show format

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By Andrea Shalal

WASHINGTON (Reuters) - The business development company Starburst Accelerator, which calls itself the world's largest incubator for aerospace startups, said on Monday it has signed agreements with Boeing Co, Raytheon Co and other big companies looking for new technologies.

Starburst will expose the big aerospace companies to its stable of fledgling aerospace companies with products ranging from drones to aircraft seats to complex aviation software. It says many of its start-ups have technology that could radically alter the way aircraft are now built and maintained.

It opened its new California office on Oct. 2 with an event similar to the "Shark Tank" television program, an ABC TV reality show in which entrepreneurs seek investments from a panel of potential investors, known as "sharks."

The goal is to match aerospace entrepreneurs with venture capitalists and larger companies that may invest in them or buy their products.

The event gave 29 startups a chance to seek funding from 100 industry executives, venture capitalists and research institutes, said Starburst partner Van Espahbodi, who helped found the company in Paris three years ago.

The California event was hosted by Boeing at its El Segundo office, while Raytheon Co is slated to host the next event on Dec. 4, also in El Segundo, Espahbodi, a former congressional staff member and Raytheon executive, told Reuters.

Espahbodi said Starburst is also working with research centers in other cities, including Wichita, Kansas, Chicago, and Boston to help startups navigate the "nebulous" world of procurement.

Starburst vets the startups carefully to ensure they have moved beyond ideas to solid intellectual property. Boeing, Panasonic Aviation, Booz Allen Hamilton [BOOZA.UL] and other big companies then pay a fee of \$100,000 a year for access to the events and one-on-one work with the startup hunters. The companies and investors then decide which startups to help fund.

Starburst is focused on commercial aerospace, but plans to move into weapons-related markets as well, particularly given the Pentagon's recent increased focus on innovation and developing ties to Silicon Valley, Espahbodi said.

He is due to meet with officials from the White House and Federal Aviation Administration in Washington this week to describe the program.

One firm that stood out at the Oct. 2 event was Enduralock, a company founded by a spinal surgeon who has patented a new vibration-resistant fastener technology for use on aircraft, Espahbodi said.

Another more "audacious" startup, he said, was Natilus, which is developing large, autonomous drones that can deliver cargo, and can fly as low as 80 feet or as high as 40,000 feet. Natilus says the drones could cut the cost of shipping freight by 75 percent.

Starburst plans to open another office in Singapore next year, company officials said.

(Reporting by Andrea Shalal; Editing by David Gregorio)