

Looking for K-Startups to Take Up the Challenge of Becoming a Unicorn Company

- The Ministry is receiving applications for selecting 120 promising startups to advance into developed startup ecosystems overseas, including the United States (Seattle), Sweden (Stockholm), and Singapore.
- Comprehensive systemic support will be provided, such as global startup accelerators' mentoring, support in drawing foreign investment, funds support for local commercialization, and open innovation connection with large local enterprises.

Overview

The Korean Ministry of SMEs and Startups (MSS, Minister Kwon Chil-seung) announced that it would receive applications for the selection of 120 venture businesses and startups from February 8 (Monday) to March 11 (Thursday) to take up the challenge of global scaling up through K-Startup Centers (KSCs)*.

* In Seattle, United States; Stockholm, Sweden; Singapore; Tel Aviv, Israel; New Delhi, India; Paris, France; and Helsinki, Finland

KSCs are platforms based locally for Korean startups' globalization by supporting them with their "advancement into the global market -> safe arrival in the local startup ecosystem -> global scaling up."

Despite the constraints posed by COVID-19, 92 K-Startups took on the challenge of advancing into the global market with the help of KSCs in 2020.

Over 86% of the supported companies succeeded in advancing into the global market, including Genemedicine, which drew foreign investment; Skywalk and DeepSearch, which jointly conducted tasks with large local enterprises; and Norma, which signed a working contract worth KRW 17 billion in expected sales with local buyers.

< Overview of KSCs' Local Market Advancement Project in 2021 >

| Center | KSC Seattle | KSC Stockholm | KSC Singapore | KSC New Delhi | KSC Helsinki | KSC Tel Aviv | KSC Paris |
|---------------------------------|----------------------------|--|-----------------------|-----------------|---|------------------------|---|
| Country | United States | Sweden | Singapore | India | Finland | Israel | France |
| Type | Base type | | | | Program type | | |
| Scale of selection (companies)* | 20 | 20 | 20 | 20 | 12 | 12 | 16 |
| Specialized business type | Autonomous driving, retail | Artificial intelligence (AI), green industries | FinTech, smart cities | EduTech, agtech | Augmented reality (AR), virtual reality (VR), extended reality (XR), smart energy | Medical bio, radiation | Culture contents, non-face-to-face industries |

* After selecting a total of 120 companies, only 60 will be added to the final roster after assessment for 10 days (May).

Required Qualifications and Selection Procedure

The target of the program are venture businesses and startups with less than 10 years in the business and investment records. Among them, those with specialized business types by region will get preferential treatment during the selection.

In particular, in the case of companies* whose expandability of business model and technological competency have been verified by having been selected for the K-Uncorn Project and Promising 100 Green New Deal Companies, among others, they will be exempted from the requirements review for drawing investment.

* Companies selected for the Promising 100 Green New Deal Companies, Tech Incubator Program for Startup (TIPS) Program (including all TIPS/Pre-TIPS/Post-TIPS), K-Uncorn Project, and Global Startup Academy

Moreover, companies wishing to participate in the current project must submit their applications, including their business plans in English, by selecting the country they hope to advance into on the K-Startup Website (www.k-startup.go.kr).

The selection procedure entails two stages: document screening by an evaluation committee by country, consisting of local accelerators and industry experts, and one-to-one English interviews.

Main Support

Companies selected for KSC support in 2021 are set to be provided with various connected support for their safe arrival in the local market, including a two-stage accelerating program for market verification and safe local arrival, KRW 60 million in funds for local commercialization, office space in the local center, and legal, accounting, and tax consulting.

Local accelerators in possession of professional networks mainly based on specialized business types by region will directly manage the accelerating program.

The selected companies would also get to participate in local programs to pursue commercialization locally, such as non-face-to-face meetings with investors, partner companies, and government agencies (within 10 days in May) to upgrade their local advancement strategies, strengthen collaborative relations according to each company's strategies, and establish branch offices locally (8 weeks, July - October).

In addition, base-type local KSCs, such as the one in Seattle, are expected to provide KSC mentors and partner company networking; local information such as manuals for market research and early settlement; and follow-up support for global scaling up, including legal, accounting, and tax consulting.

<KSC Local Advancement Support Procedures in 2021>



“Despite the COVID-19 pandemic last year, Korean companies succeeded in advancing into the global market thanks to their active response to challenges,” said Roh Yong-seok Director General for Global Growth Policy.

“This year as well, MSS will actively support K-Startups so that they may grow into global unicorns and solve global problems by advancing into new markets,” he continued.

Overview of K-Startup Centers (KSCs) Support for Advancement into Global Markets

- **(Overview)** The KSC global advancement program will be managed to intensively support (for safe arrival locally) a few competitive companies selected (market tapping) for their great potential to arrive at local markets safely.
- **(Managing agency)** Open recruitment of local accelerators by operating region
- **(Target of support)** Companies with less than 10 years in the business that are prepared* to advance into the global market
 - * Promising companies that either ^①drew investment or ^② whose business model and technological competency have been verified through Green Venture and Baby Unicorn projects, among others
- **(Support scale)** 120 companies, 7 KSC regions
 - * KSC Stockholm, KSC Singapore, KSC Seattle, KSC New Delhi, KSC Helsinki, KSC Tel Aviv, and KSC Paris
- **(Support details)** Management of the market tapping program, key performance indicators (KPIs) workshop, and program for safe arrival at the local market
 - Market tapping will be supported based mainly on business matching to tap the companies' safe arrival potential in the local startup ecosystem before fully advancing into a KSC country.
 - KPIs will be drawn for each company, and mentoring, as well as investor and partner company business matching necessary for safe arrival at the local market, will be provided for customized support throughout the process.
 - KPIs will be drawn for local market advancement by conducting one-to-one interviews between the participating

companies and local operators on the detailed activity plan and program participation goals.

- Funds worth KRW 60 million will be given to companies selected for the program to support their safe arrival at the local market.

< Overview of KSC Program to Support the Global Advancement of Participating Companies >

| Management Stage | | Main Details |
|--|------------------------|---|
| Market tapping (non-face-to-face) | Purpose | <ul style="list-style-type: none"> • Enhance the understanding of the local startup ecosystem and draw up clear advancement strategies. • Select excellent companies to participate in the regular program. |
| | Selection scale | <ul style="list-style-type: none"> • Twice the number of companies to participate in the regular program (6–10 companies) |
| | Supported items | <ul style="list-style-type: none"> • The program will support advancement strategies that fit the local market and whether to pivot for localization, among others, after detailed analyses of the local market scale and the potential clients scale. |
| Safe arrival locally (face-to-face) | Purpose | <ul style="list-style-type: none"> • Publicize and engage in marketing to expand the demand for the companies' products so that they may settle well in the local market, and expand the sales and market through collaboration with local partner companies. |
| | Selection scale | <ul style="list-style-type: none"> • 6–10 companies by country |
| | Supported items | <ul style="list-style-type: none"> • Workshop to draw up KPIs of companies participating in the regular program (in Korea, face-to-face) • One-to-one mentoring for the achievement of the KPIs by company, business matching with investors and partner companies, seminars, and other programs customized to the companies (locally, eight weeks) • Support funds worth KRW 60 million |