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Welcome to the next edition of EVA Interviews: The Business of the New Space Age™ with our guest [Paul Eckert Ph.D.](#) - Coordinator of the [Space Investment Summit](#) Coalition, and International & Commercial Strategist for the Space Exploration division of The Boeing Company. Paul and his colleagues at the Space Investment Summit coalition have created an exceptional series of events focused exclusively on Space and business (my favourite subjects!). Starting in 2005 as Roundtables which explored the potential for Lunar Commerce, they now bring Space entrepreneurs together with investment capital of many sorts – seed, venture capital, Angel investors and corporate finance – and with those who are interested in developments within the emerging new commercial Space industry. Space Investment Summit 6 (SIS-6), the next event, is happening soon! It will be held on Wednesday May 27th/2009, just prior to, and in conjunction with, the [International Space Development Conference](#) (ISDC2009) in Orlando, Florida.

EVA: Hi Paul! Thank you very much for joining us at EVA Interviews and Out of the Cradle. I'm delighted to have you here to talk about the Space Investment Summits. Since 2005, you have created a unique series of events, designed to promote Space commerce and bring together investors and Space entrepreneurs.

Before we discuss the next event, SIS-6, which is quickly approaching, can you tell us how the idea for the Roundtables and Summits came about and how they have evolved since the first [Lunar Commerce Roundtable](#) in 2005?

Paul Eckert: When the new [Vision for Space Exploration](#) was announced in early 2004, many in both established and startup space companies began to express the view that we should take a new look at opportunities for lunar commerce that might arise in connection with government exploration efforts. I invited several industry contacts to join me in organizing small discussion "roundtables." NASA was quite supportive and involved in an advisory capacity, but from the beginning we all agreed that the direction, and financial sponsorship, of the roundtables would be strictly from industry rather than government. So, we began with a focus on lunar commerce in 2005 but then gradually evolved toward discussion events addressing space commerce in general, recognizing that lunar commerce would only develop if linked to commerce on Earth and in Earth orbit. Then we concluded that we should move beyond dialogue and help make investment capital more available for entrepreneurial ventures. Accordingly, our focus shifted away from discussion groups and toward business plan presentations to investors, although we have reserved the right to modify formats whenever special thematic directions seemed promising—as

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with the focus of summit 6 in Orlando on tourism, hospitality, and entertainment industry opportunities.

EVA: Helping to make investment capital available to entrepreneurs is necessary in any industry. It is especially important for the emerging new Space industry which seems to lack traditional early stage financing. Investment Summits and/or Venture Forums occur regularly in other industries (especially technology and biotech) and in specific cities or locations. Did you model the Summits after any particular event?

Paul Eckert: Yes, we studied the experience of similar efforts, in a variety of other industries, to increase access to seed and early-stage capital. But early on we recognized special challenges in the space sector, making it more difficult to establish the same kind of investor-entrepreneur linkages that are so evident in other fields. One of the difficulties in space-related startup financing is the lack of a history of market performance, because space ventures are often introducing quite new products or services into existing markets. Or no markets may yet exist at all. In such cases, we found that it is important to emphasize linkages between existing types of investment, with which investors are familiar, and new space-related opportunities, which are less understood. Many investors often pay more attention to the functional character of a product or service than to its use of space technology or the space environment. For example, a biotech investor might look at the efficacy of a space microgravity biotech venture, not in terms of using facilities in low Earth orbit, but rather in terms of the type of product to be developed and its attractiveness to potential customers. Likewise, tourism and entertainment ventures using space—whether physical presence or virtual experience—might be evaluated by investors in terms of standard customer metrics used outside the space sector, regardless of what the specific content of an experiential offering might be. With this in mind, we found that it is important to present space-related ventures using terminology and evaluation dimensions that investors unfamiliar with space will understand. Beyond specifically financial issues, we also came to recognize that networks of interpersonal relationships play a powerful role in determining which investors look at which projects. We discovered that investors tend to listen more to each other than to anyone else. Consequently, it is important—when reaching out to non-space investors—to enlist the involvement of investor colleagues already financing space projects. And one final point: we have had to accept that our work will take time and that patience is a necessary part of a sustainable effort. The summit series is “transitional,” meaning that we recognize the difficulties facing space-related entrepreneurs and work in incremental steps to encourage growing ties with more mainstream industries.

EVA: Having investors of all types (individual, Angel, Venture Capital, Corporate Finance) on your panels brings a wealth of funding experience (and often introductions) to the Space entrepreneurs who have been participating, as well as to the general audience. Most of the Summits have had business plans presented by young Space businesses. Are there any financing relationships (that you can share with us) which have developed between attendees at the Space Investment Summits?

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Paul Eckert: Conversations with entrepreneurs have indicated that they have established valuable investor contacts as a result of attendance, and especially presentation, at Space Investment Summits. We have felt it best to leave specific information about particular contacts as something that individual entrepreneurs should decide whether or not to reveal. The names of presenting companies are available on our website www.spaceinvestmentsummit.com.

EVA: Wednesday May 27th, 2009 – taking place in Orlando, Florida just prior to the [2009 ISDC](#) - is the next [Space Investment Summit](#). This will be a little different than some of the past events. First, there is a strong theme to this one. As befits the location in the heart of Disney and tourism territory, the theme of the event is Hospitality, Tourism and Entertainment. Space Tourism is expected to develop into the next major Space industry, after the satellite and launch industries. Are there still tickets available to this Summit, Paul? In what other ways will this event differ from past events or perhaps from future events?

Paul Eckert: We definitely welcome additional attendees; there are still places available. Please visit the [ISDC website](#) to register. This is a special summit which, as you noted, differs from our standard business plan presentation format. Because of the status of Florida as a center for the hospitality, entertainment, and tourism industries, and because of our partnership with the National Space Society—one of the many major Supporting Organizations in the Space Investment Summit Coalition—we chose to modify the summit format to provide a fascinating look into the growth of a whole new marketplace. This marketplace, which intertwines aerospace with the large and lucrative industries I mentioned above, will provide many business opportunities for established and startup companies alike. We will continue to have business plan presentation events, and information about our next event of that type will be released at the summit on May 27.

EVA: We'll look forward to hearing more about that! You have created an interesting balance with these events, particularly with regards to location. Some, like SIS-6, and the others held in conjunction with the ISDCs, complement and create a synergy with Space conferences and provide a great opportunity for people to attend who might not otherwise travel to a one day event. Others – [New York City](#), [San Jose](#), [Los Angeles](#) – take place in financial centers, where capital and institutional investors live and work. How receptive has the financial community been to the Summits? Has the changing economic environment affected the interest in the Summits? Does Space news headline activity have an influence on participation?

Paul Eckert: The response to the summit series has been quite positive. Entrepreneurs, investors, established companies, and government agencies have welcomed a coalition approach which pools the efforts of many organizations to hold events on a larger scale than that generally possible for individual non-profit groups. The downturn has impacted all parts of the economy, but many investors are still interested in companies that offer outstanding value. Although attendance may be influenced by current events relevant to space, many of our attendees are pursuing

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more long-term interests. Whether in financial centers or in other locations, the summits continue to attract an impressive group of individuals willing to help create or support new commercial opportunities.

EVA: A long term perspective is important for financing many new Space ventures and it is great to see that outlook! I have attended most of the past Summits and found them all to be excellent events, with astute presenters and engaged attendees. I highly recommend being there. Last year's SIS-4, held in conjunction with the ISDC2008, I found particularly interesting with respect to the interaction between the business plan participants and the investment professionals. There were a lot of insights to be gathered from the valuable feedback offered by the financial industry panel members to business plan presenters. And of course, there were very interesting new business ideas to listen to at each event!

Paul, what are some of the lessons that you have learned from your involvement with these Summits? What influence has it had on your primary responsibility as International & Commercial Strategist (Space Exploration) for The Boeing Company?

Paul Eckert: To sum up some of my earlier comments, and perhaps add a little more, here are some examples of lessons learned.

- First, we must understand the perspective of various kinds of investors and meet them where they are, speaking their language and providing them with value propositions using metrics that they accept as valid.
- Second, we should emphasize linkages, both economic and social, between existing markets and new areas of opportunity, recognizing that a key challenge is to interest investors in areas where there is little or no market history to cite as a basis for accepting the validity of a business model.
- Third, entrepreneurs should tailor the content and form of their business plan presentations to be as simple, brief, and clear as possible—given the need to gain a foothold of interest from busy investors, before there is openness to considering more detailed information.
- Fourth, some investors may be excited by space technology as a content area for its own sake, but most seem more interested in the basics of offering value to customers, without much interest in the technology that enables it.
- Fifth, it's about demonstrating the reality of market demand—that an entrepreneur can meet genuine customer needs at a profit, with a size and timing of return on investment acceptable to a particular investor.
- Finally, entrepreneurship is a style of value creation that can be carried out by any kind of company, of any size or longevity; what matters is taking on increased but manageable risk to innovate profitably in a marketplace. Startups and established companies can potentially join together in teams that are stronger than their members might be separately, combining the experience, reputation, and resources of larger players with the creativity and dynamism of new entrants.

My work as International and Commercial Strategist within The Boeing Company has been immeasurably enriched by the insights and networking relationships I have

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gained with investors, companies, and other key stakeholders—both in the U.S. and around the world.

EVA: Paul, thank you so much for all the very interesting overview and insights about this valuable event. I'll look forward to attending SIS-6 and hope you will provide an update for us soon about SIS-7! One last question for you: Let's imagine that we are revisiting this conversation we had here today in cyberspace, in the future, as we float in Space (see [FAQs](#)) for real: What additional actions would you (or the Summit coalition) like to have taken between now and then to help make our exodus Out of the Cradle a reality?

Paul Eckert: We would like to succeed in increasing the number of seed and early stage investors in new space-related ventures, as well as encourage a much larger group that is at least willing to consider investing in entrepreneurial space-related initiatives. It is also an important goal to help innovators learn more about investor metrics and evaluative standards, so that their business plan format and content will have the greatest possible chance of being funded. Reducing the gulf between space and other parts of the entrepreneurial economy is another effort that needs to succeed in order for space commerce to grow more rapidly and sustainably. As I noted earlier, space commerce exists within a complex framework of non-space economic activities. Access to capital, as well as to technology and partnerships, will require developing closer linkages. Of course, it's clear that some entrepreneurs and investors have no need for the summits that we organize, because they can find the contacts and the capital they need, without assistance. However, there are many who do benefit from the work of the summits, and it is for those individuals that the Coalition must move forward, in a continuing effort to contribute to a brighter future for commerce involving space.

Paul, thank you so much for sharing with us the background and strategic overview of the Space Investment Summits. They really are well designed and important events. I look forward to this and future summits! I hope some of our readers will join us there!!

Please introduce yourselves (especially to EVA) if you do attend!

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