

*Inno***STARS**

2019

**InnoSTARS**  
**Impact Report**

Connecting U.S. small businesses with the market



US CHINA  
Innovation Alliance

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# ABOUT THE U.S.-CHINA INNOVATION ALLIANCE

## Vision

Establish the most important, influential, and efficient platform of innovation collaboration between China and the U.S.

## Mission

Connecting American Innovation with Chinese Resources.

## Services



U.S.-China Innovation and Investment Summit



InnoSTARS Competition

## Matchmaking



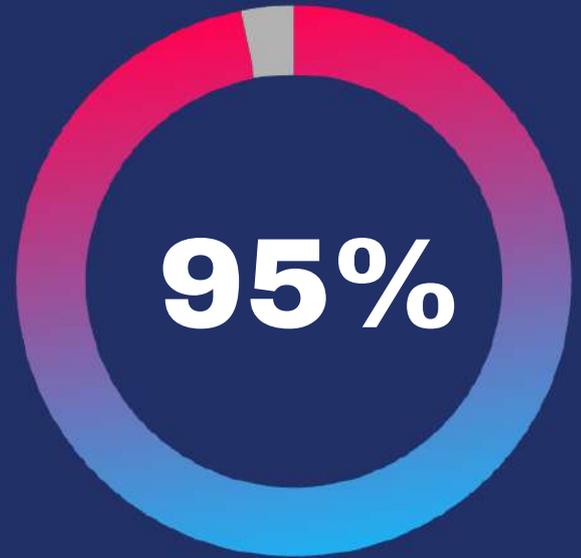
# ABOUT INNOSTARS



There is a strong interest between companies and investors on either side of the Pacific to engage in business with each other and in turn bring innovative products and services to the market. However, limited information on consumer demand and market opportunities, fragmented investment resources, and challenging language and cultural barriers can make the cross-border process complex and difficult.

InnoSTARS is here to help overcome these obstacles.

The InnoSTARS Competition was launched in 2017 to help innovative US technology companies link up with Chinese resources, enter the Chinese market and connect U.S. innovative technologies and products to Chinese enterprises and institutions. InnoSTARS is not just another pitch competition, it is a China-readiness competition + coaching + community. By participating in InnoSTARS, U.S. entrepreneurs can gain valuable China-ready coaching from mentors, advisors and connections with other kindred spirits in the InnoSTARS community, as well as access to high-caliber Chinese talent, partners and investors. It is an excellent platform for technology companies to leverage significant resources from China to accelerate their growth and to expand their market potential.



COMPANIES FEEL MORE  
COMFORTABLE EXPANDING  
BUSINESSES IN CHINA AFTER  
PARTICIPATING IN INNOSTARS

"I have pitched at dozens and dozens of competitions throughout the United States and have found the InnoSTARS Organization to be the most professional, highest level, best run event of them all. I highly recommend that all startups become involved and participate."

----Chris Mutti  
Founder of Foodphone.biz

# PITCH

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Showcase the business to high-caliber strategic partners, investors and industry executives.



# MATCH

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Get matched with the right partners and investors; enjoy online/onsite matchmaking meetings that lead to deeper collaboration.



# COACH

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Gain valuable coaching from experienced mentors and advisors to expand your business.



# COMMUNITY

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Join the InnoSTARS community to make connections with other kindred spirits and share experiences.





**200+**

Partners in the U.S. and China

**InnoSTARS**

# IMPACT IN NUMBERS

2017 - 2019



**3400+**

B2B Matchmaking Meetings were organized between U.S. companies and Chinese partners/investors



**1729**

U.S. companies applied for InnoSTARS



**620**

Collaboration intentions were achieved



**208**

Companies got selected to attend the roadshows and matchmaking meetings in China



**\$2M**

were spent to sponsor InnoSTARS preliminary winners to explore Chinese market and get trained in conducting international business



**20,000+**

Subscribers to the InnoSTARS newsletter

## INDUSTRIES OF FOCUS



**Medical Device  
& Biopharma**



**Advanced  
Manufacturing**



**Green  
Innovation**  
(Renewable Energy,  
& Clean Tech)



**Modern  
Agriculture**



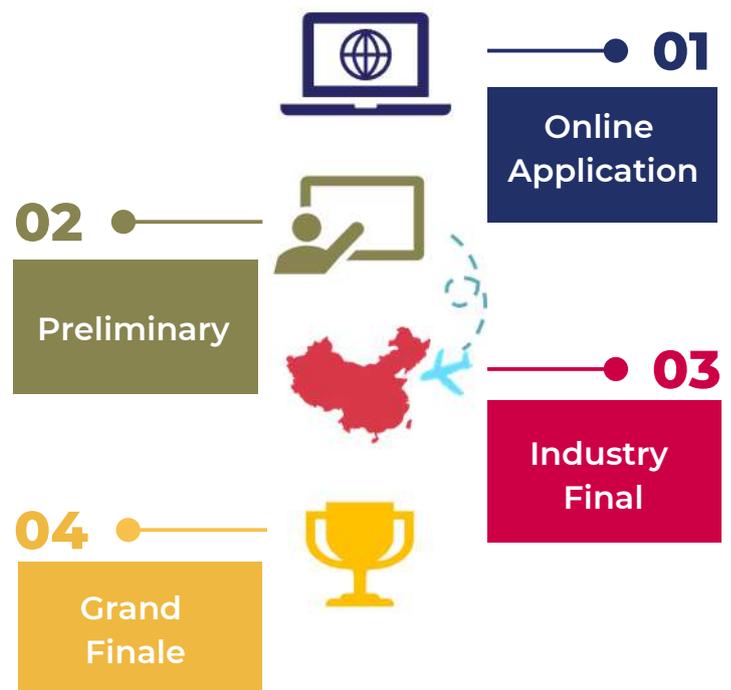
**Information &  
Communication  
Technology**

## APPLICATION CRITERIA

- The Applicant must be a representative of a registered U.S. company with innovative technologies or products that have been or can be commercialized.
- Application must feature a technology that falls under one or more of the focus industries and is not controlled under U.S. Export Control laws.
- Products, technologies, patents, and control of IP or exclusive licensing rights must be owned by the Applicant, or his/her company, and must not have any potential or outstanding IP ownership disputes.
- The Applicant must have an interest to seek Chinese investment and/or explore the Chinese market.
- The Applicant is committed to continuing the development of products and technologies with the intent to further commercialize these assets in the foreseeable future.
- Revenue generation and profitability are preferred but not required.

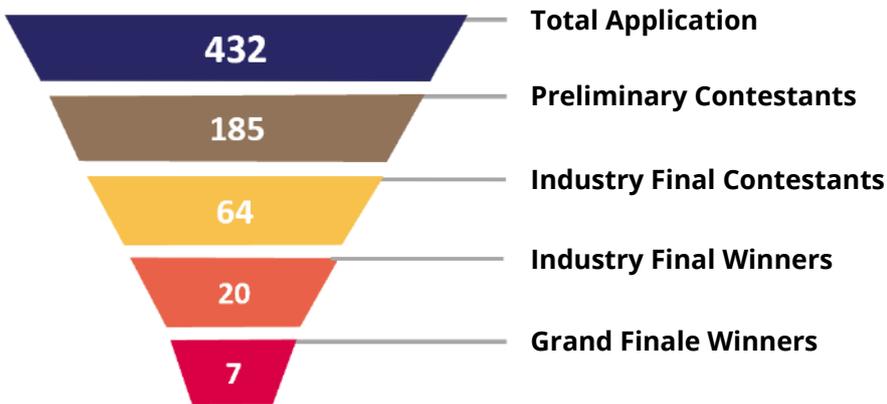
## HOW TO APPLY

- Register online with required information and document at this link:  
<https://2019.innostars.org/register>
- Selected applicants will be invited to present at InnoSTARS Preliminaries in different U.S. cities.
- Winners from Preliminaries will be invited to compete in industry finals in China on a sponsored trip in the fall of 2020.
- Top 3 contestants from each industry final will compete in grand final in China.

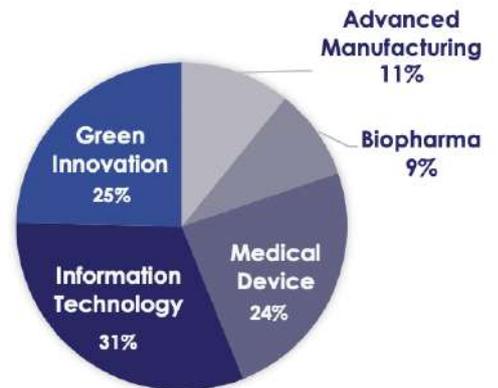


# 2019 InnoSTARS Statistics: Overview

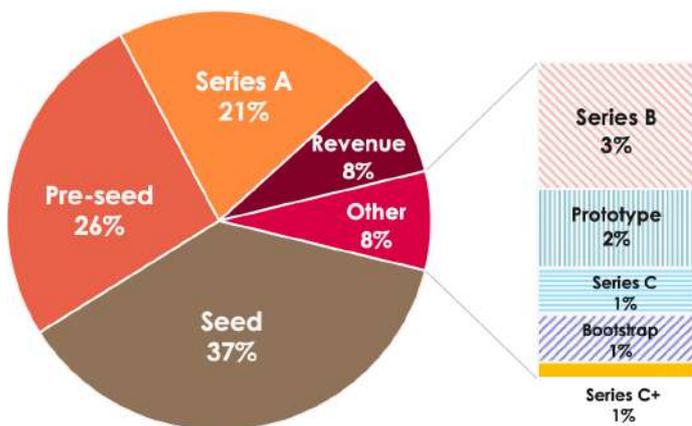
## NUMBERS BY COMPETITION STAGE



## INDUSTRY DISTRIBUTION

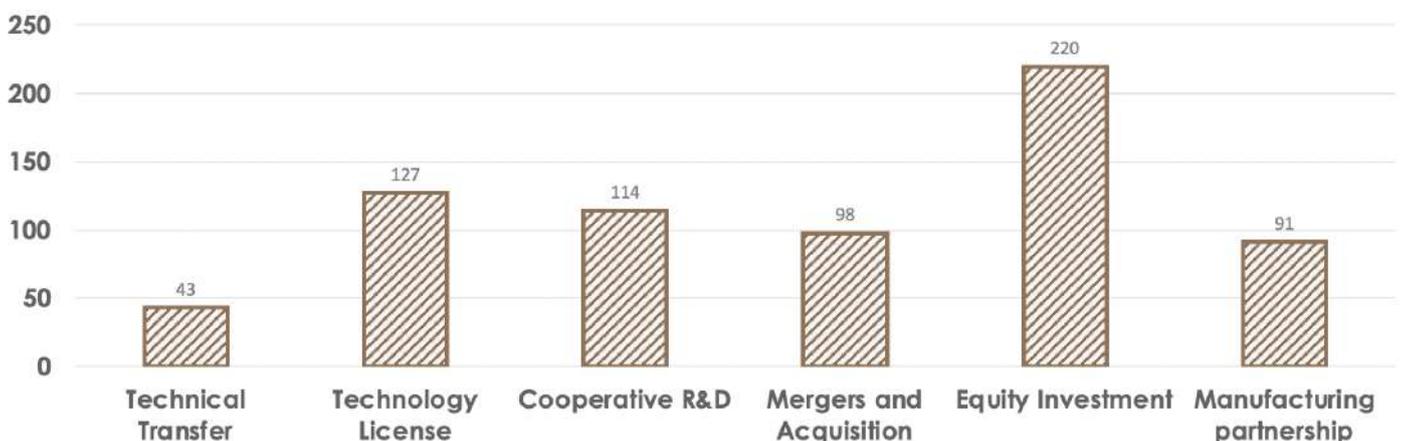


## FUNDING STAGE OF APPLICANTS



- Out of the 432 companies that applied, 64 companies were selected to participate in the road show and industry finals in China. Of these companies, seven out of the 20 advanced from Grand Finale into the competition.
- 2019's InnoSTARS companies were mainly made up of companies in the Pre-Seed and Seed stages of funding at 26 and 37 percent, with the third most being Series A at 21 percent.
- In terms of the cooperation intentions reached by InnoSTARS companies and Chinese parties, the most common one was equity investment with 220 instances. Technology license and cooperative R&D were second and third most common with 127 and 114 instances, respectively.

## PREFERRED WAYS OF COLLABORATION OF INNOSTARS COMPANIES





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Preliminary Cities

- Chicago
- Denver
- Detroit
- Atlanta
- Houston
- San Francisco
- Boston
- Maryland
- Seattle

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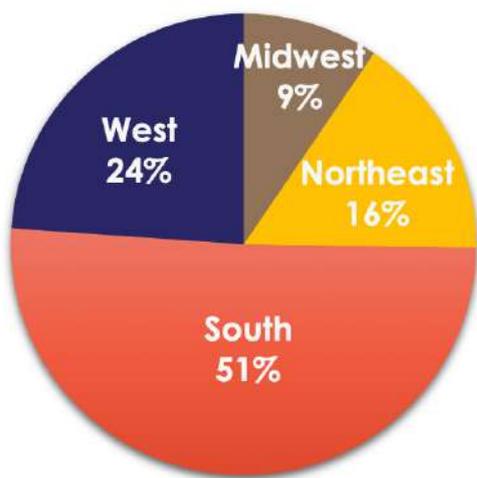
Industry Final/  
Roadshow Cities

- ❖ Beijing
- ❖ Shenyang
- ❖ Qingdao
- ❖ Jinan
- ❖ Zibo
- ❖ Wenzhou
- ❖ Wuhan
- ❖ Chongqing
- ❖ Changsha

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Grand Finale City

★ Changsha



Regional distribution of '19 InnoSTARS companies

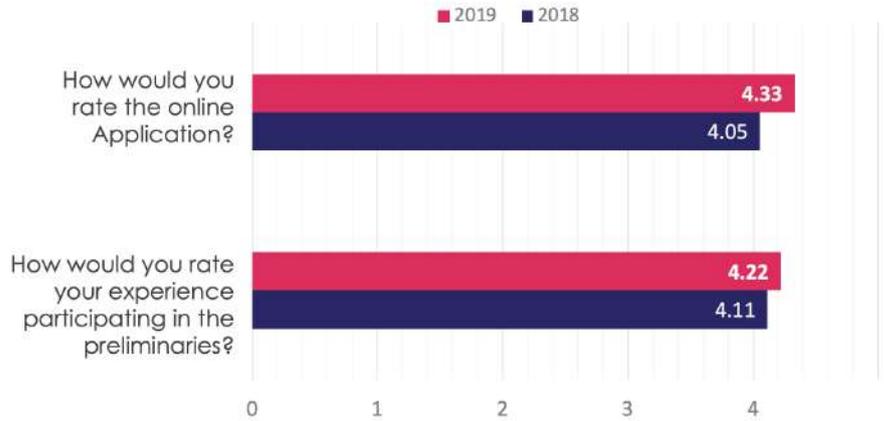
## INTERNATIONAL FOOTPRINT

A grand total of 18 cities were visited by the InnoSTARS program this past year, including nine cities each in the US and in China. Companies based in the Southern US made up more than half of the InnoSTARS companies in 2019, while the West and Northeast sent the second and third most companies, respectively. Companies that call the Midwest home made up less than ten percent of this year's participants.

# 2019 InnoSTARS Statistics: Breakdown

## 4.33/5

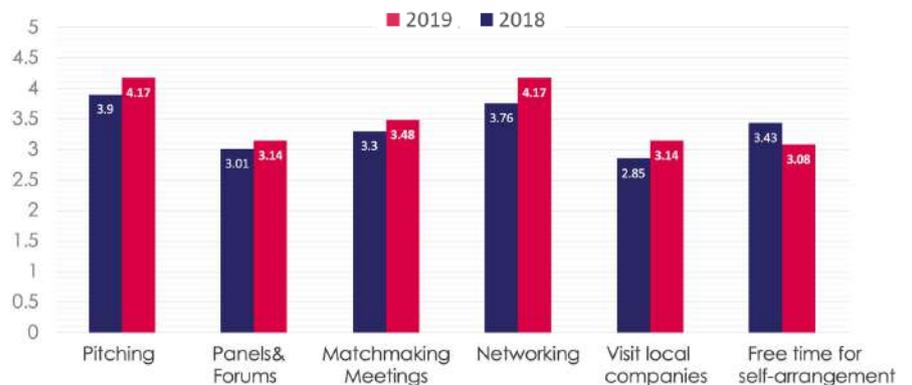
Rate the experience participating in the preliminaries



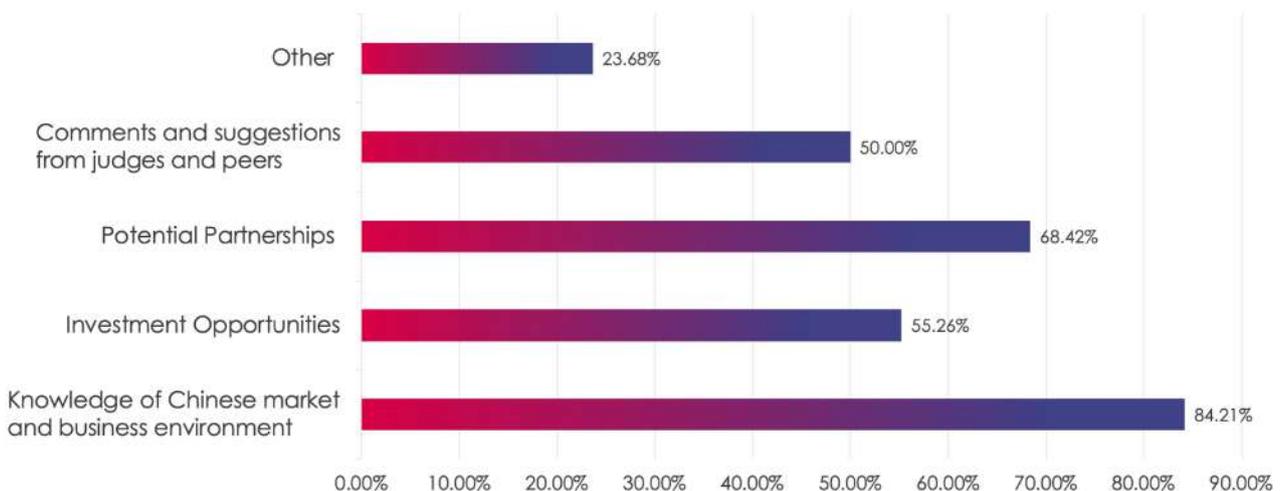
## 4/5

Experience participating in the roadshows in China

“To what extent did any of the following elements add value to your company ? (out of 5)”



“What are the valuable takeaways from InnoSTARS that will help you expand your business in China? “



# Matchmaking Highlights

## What is a Matchmaking Meeting?

B2B matchmaking serves as the key component of the Matching program. B2B matchmaking is the pre-arranged customized service while we intend to match the InnoSTARS companies with the right Chinese audiences.

In 2019, more than **160** Chinese enterprises, investment institutions and strategic partners were invited to participate in the B2B meetings to conduct in-depth discussions with the US InnoSTARS companies. InnoSTARS has facilitated more than **900** online and offline one-on-one B2B meetings, and about 30% of the U.S. companies have reached initial cooperation intentions with Chinese companies.

*"The curation of bringing parties together for a common theme, around well-organized meetings, made the matchmaking program very efficient."*

**-Heather Potters**

*Vice-Chairman and Chief Business Development Officer, PharmaJet*

## Process of a Matchmaking Meeting



# Matchmaking Case Study I:



## VAIREX air systems – Cathode Air Supply for Fuel Cells

Ski Milburn is founder and CEO of VAIREX air systems. VAIREX air systems, based in Boulder, Colorado USA, is a leading manufacturer of proprietary fuel cell compressor systems. VAIREX has customers in 23 countries, with sales offices in Tokyo, Japan, Seoul, South Korea, and Shanghai, China.

VAIREX's China journey started in 2017, when they first started looking at the Chinese market, but without the slightest idea of how to approach entering the country. Eventually, VAIREX received its first order from China and after making \$20,000 in sales from the country, settled on an experimental business model.



2018, the year VAIREX decided to participate in the InnoSTARS competition became a watershed year for the company. After viewing just one of Ski's presentations in the United States preliminary competition, a judge made a \$100,000 investment in VAIREX. The judge later became a partner and consultant for Chinese expansion strategies as the relationship grew. Through a great deal of hard work and effort, VAIREX made it to the 2018 InnoSTARS grand finale and won the "Best Business Model". Ski has attributed his recent gains of \$100,000 in sales to China in a large part to fame and credibility garnered through participation in InnoSTARS, remarking:

**"Winning InnoSTARs impresses everyone"**



Ski Milburn (second from right) accepted InnoSTARS "Best Business Model" in Suzhou, China

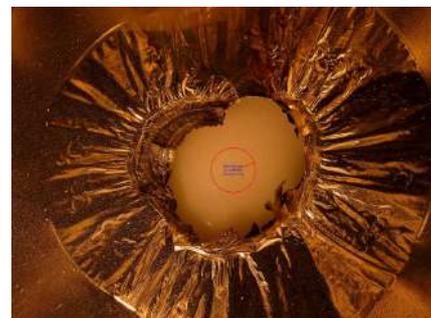
As of the present, VAIREX has already customized product lines to fit Chinese Electrical Vehicle needs, with big inroads into the delivery truck and urban bus portions of the market. As a part of their long-term strategy, VAIREX plans to open their first office in Shanghai this November, with the ultimate goal of setting up a manufacturing office in Suzhou. Despite all challenges, and thanks to help from InnoSTARS, 2019 may prove to be an even more promising year than 2018 for VAIREX, with some Chinese subsidiaries of European-based manufacturers providing joint venture offers, and the VAIREX sales department planning for an increase in sales to \$200,000, a whopping 10 times the amount the company made before starting on their InnoSTARS journey in 2017.

# Matchmaking Case Study II:



**Sorteria Batteries – A Unique material architecture to enable Lithium battery safty**

Soteria Battery Innovation Group (BIG) is a growth company that is promoting broad adoption of a technology that will eliminate lithium ion battery fires, reduce weight of lithium ion batteries and reduce cost. Soteria BIG has formed a consortium of companies and licensees to support this mission, whose initial members include NASA, Mercedes, DuPont, DNV-GL, Teijin, Teledyne and others, who will work together to set aggressive safety standards and use branding to drive adoption of the technology.



A Soteria metallized film current collector

Soteria has won multiple awards, including being named the #1 Most Fundable Company by Entrepreneur Magazine in 2018 and the #1 Advanced Material company by InnoSTARS in the same year.

Dr. Brian Morin is co-Founder and CEO of the Soteria Battery Innovation Group. When asked what some major takeaways from participating in the 2018 InnoSTARS were, Mr. Morin stated that InnoSTARS provides credit and validation, showing that Soteria is serious about expanding in the China market. Another point worthy of mention is that InnoSTARS organized complementary IP/trademark related online training to InnoSTARS participating companies. Mr. Morin emphasized that Soteria continues to benefit from the training and maintains a close relationship with the lawyer who provided the training.



Dr. Brian Morin presented in the InnoSTARS preliminary in Boston

When asked about plans moving forward, Mr. Morin disclosed that Soteria hosted a workshop in Shanghai on August 27, 2019 to promote Soteria and showcase the company's uniquely portable and safe lithium battery separators. Mr. Morin expounded that Soteria has a two-part business model for expansion when tackling the Chinese market, seeking first to license technology to qualified Chinese companies, with the eventual second goal to move the company's whole supply chain to China. Soteria ultimately remains optimistic that moving the technical support office to a city with a low operating cost and close geographical location to Shanghai will be a smart move in furthering their long-term goal of legally sharing their technology with local partners and promoting their mission, to create and share safe and low-cost batteries with the world.



**STEVE PAPERMASTER**

*CEO & Chairman, Nano Vision  
Former Senior Advisor to President  
George W. Bush*

**2018 InnoSTARS judge and  
speaker**

"I was invited to speak on a panel about U.S.-China innovation and investment cooperation last year at the U.S.-China Innovation and Investment Summit. I'm always excited about the InnoSTARS program, I think it's a fantastic vehicle for American and Chinese business people, students and entrepreneurs and representatives of government to come together and find very positive ways to both addressing issues and challenges, and more importantly, finding ways to collaborate with each other. I highly recommend that innovative startups consider taking part in this exciting, global, and growth-oriented program and realize that is a gateway along your journey, not just about winning a competition. It is part of your ongoing journey to evolve yourself as an entrepreneur and a leader in your company. It is also a path towards understanding how to navigate the world and navigate relationships between US and China, which is the most important bilateral relationship in the world."



# Experience Sharing

"The InnoSTARS experience has been particularly valuable for PharmaJet, helping to expand its network of potential collaboration and investment and trading partners, in China.

While PharmaJet had already been collaborating with a division of the Chinese Medical Academy of Sciences for the development of a vaccine prior to the series of InnoSTARS events, we would not have had such a robust view of the market potential for our technology, and multiple partners for various aspects of collaboration. The curation of bringing parties together for a common theme, around well-organized meetings, made the visits very efficient. In addition, the visits to China and extended opportunity to meet other local partners where development and incubation could potentially come together was particularly helpful and insightful into the vast resources China has to offer. Each and every interaction with the individuals at all events, and meetings within China, were extremely professional and productive. "



**HEATHER POTTERS**

*Vice-Chairman &  
Chief Business Development  
Officer, PharmaJet*

**1st Place in 2018 InnoSTARS  
Grand Final**

# Testimonials

InnoSTARS provided key outreach for Emerging Technology Ventures in understanding the China market that we would not have achieved alone. We have continuing discussions with companies and economic development entities as we plan our China expansion.



**CLIFF HUDSON**

CEO,  
Emerging Technology Ventures, Inc.



**WILLIAM ALTMAN**

CEO, CorInnova

The InnoSTARS Roadshow was a great introduction to the Chinese Life Science industry and the landscape of potential investors in China. I learned a lot about what Chinese investors want and how my product might best enter the Chinese market.



**BJ JOHNSON**

Co-Founder and CEO,  
ClearFlame

The InnoSTARS judges were very engaged and knowledgeable, and gave valuable feedback for any company considering the Chinese market.



**SANJIB KALITA**

CEO, Guppy

The InnoSTARS experience in China was unique and transformative for Guppy because it enabled us to have conversations and learn about both the realities and opportunities of the massive Chinese market. The access to people and resources helped us accelerate our thinking and make a quantum leap in terms of exposure.

We know the China market is essential to our company and that the timing to enter this market is just perfect. Nevertheless, we have no prior experience doing business in China so the InnoSTARS program was most helpful understanding the ‘big picture’ and the ‘rules of the game’.



**APOSTOLOS LERIOS**

VP Strategy,  
Restream, Inc.



The U.S.-CHINA Innovation Alliance(UCIA) is a non-profit 501(c)(3) tax-exempt organization that promotes innovation through the exchange of ideas and collaboration between China and the U.S. UCIA is the host organization of the annual InnoSTARS program and the U.S.-China Innovation and Investment Summit.

### Contact Us

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