

Accelerate Your Startup in  
**KOREA**



**K-STARTUP  
GRAND  
CHALLENGE +  
2018**

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# K-STARTUP GRAND CHALLENGE 2018



# Introduction

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Industry 4.0 is a paradigm shift for the whole world. Major changes are already happening with artificial intelligence, blockchain, vehicle automation, smart factories and more. With a culture and infrastructure that quickly adapts to the most recent technological advances, Korea is at the center of it all. With more than 100 accelerators and innovation centres as well as 50+ coworking companies, Korea provides the most support and best environment for startups just beginning their journey.

Last year, 1,515 firms from 118 countries competed to be selected for the 2017 K-Startup Grand Challenge, a rigorous startup program in Seoul. 49 of them were selected to participate in a 4 month-long acceleration program and received initial funding and office space. The top 25 teams were then chosen in December at a demo day to receive additional funding of 6 months in order to help them successfully claim their place in the Korean ICT industry.

The startups that participated in the K-Startup Grand Challenge were evaluated by and given a chance to network with specialists in each tech area. Selection was based on the level of creativity in each startup, their business concept, technologies, as well as the startup's desire to base their business in Korea. By the end of the program, a number of promising companies were ready to take on the Asian market and startle the world.

K-Startup Grand Challenge has been applauded for its impartial selection processes, participating organizations' competence and passion, as well as K-Startup Grand Challenge's unique methods and accomplishments. K-Startup Grand Challenge's impact continues to bolster Korea's reputation as a leading startup hub in Asia.

The key purpose of K-Startup Grand Challenge is to promote collaboration and the exchange of ideas between startups from Korea and around the world. K-Startup Grand Challenge helps startups, like yours, get on their feet and running with new ideas, encouraging them to merge, collide, and lead on to new innovations. If you start your company in Korea, you can take advantage of this support as well as a surge of momentum into the Asian market thanks to the growing influence of the Korean Wave.

In 2018, the K-Startup Grand Challenge can provide you and your startup with the support and opportunities for investment that you need to launch your business in Asia. Apply now and let this exciting new chapter of your startup begin.

# The Advantage of Korea

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## ICT Infrastructure

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

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02

## Early Adopters

Korea is a great place for consumer testing. With almost half of the country's population in Seoul, Koreans are known to be early adopters of new technologies and are eager to be the first to buy and use newly released technology.

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03

## Collaboration with Major Korean Companies

In recent years, a great number of major Korean companies have expressed interest in collaborating with startups from around the world. The K-Startup Grand challenge program offers the opportunity for you and your startup to interact with the most innovative and influential Korean companies.

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## Gateway to Asia

Located in East Asia, South Korea has strong cultural and economic ties with China, Japan, Hong Kong, Taiwan and more, making it an advantageous point to launch your business into the Asian market.

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05

## Startup Ecosystem : [Google Campus](#), [500 Startups](#), & [Facebook Innovation Lab](#)

Korea's startup ecosystem is active and well designed, attracting the attention of investors, accelerators, and incubators from all around the world. Google, for example, launched its first ever Asian Google Campus in Seoul in 2015. 500 Startups also launched a Korea-focused fund called 500 Kimchi. Facebook is also joining the scene and further empowering Korea's IT developers through their New innovation Lab opened at Pangyo since April, 2018.

# 06

## Strong Government Support

Korean government is constantly improving the infrastructure that supports the startup ecosystem. In addition to the Startup Campus in Pangyo, the government will distribute 1 trillion Korean Won (roughly 930 million in USD) over the next 3 years through this venture and startup infrastructure.

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# 07

## Korea's Cultural Influence

From 'Gangnam Style' to kimchi, Korean culture and its influence on consumers are all over Asia and spreading throughout the world.

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# 08

## Seoul Never Sleeps

Koreans are the definition of the work hard, play hard lifestyle. Nightlife during after-work hours is always buzzing and restaurants, bars, and events go all night long.

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# 09

## Safety & Security

South Korea is one of the safest countries in the world thanks to its extremely low crime rate.

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# 10

## Korean Charm

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



# What's in it for you?

Bring your creative ideas to Korea and get the full support of the world's most tech-savvy country.



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## 3½ Month Accelerator Program

After passing a regional audition, the top 80 teams selected by the judging accelerators will be invited to stay in Korea to participate in a 3½ month-long accelerator program. This program will give you access to free office space, 1-on-1 mentoring, information sessions and coaching on Korean and Asian business culture, as well as other education and consultation on topics like patents, accounting regulations, tax laws, and more. You will also have access to regular networking sessions and opportunities to meet with large Korean companies, eager to partner with your startup. Furthermore, to prevent any inconvenience, participants will receive funds to cover their living expenses during their stay in Korea.

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## Free Office and Project Space

You will work at Korea's new Startup Campus in Pangyo, located within a walking distance of many of Korea's top tech companies and just 14-minute subway ride away from the famous Gangnam district of Seoul. You will also receive an office for your team as well as all sorts of equipment and space to further develop your products and services. This includes access to a production space filled with 3D printers, hardware testing platforms, and more.

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## Corporate Sponsorship and Support

Korea's largest tech companies will participate in various seminars, workshops, and 1-on-1 mentoring. If you need any help beyond the scope of the K-Startup Grand Challenge program, You can be a partner with these companies and receive resources and their expertise.

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## Help Desk & Visas

If you are selected for the accelerating program, We will make sure your Startup Visa acquisition is processed in a timely manner. This is part of the government's OASIS program, aimed at entrepreneurs. Beyond help with your visa, you'll also have access to administrative support, translation, and interpretation, to make sure that you can work effectively while in Korea.

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## Financial Support

The top 80 teams selected for the accelerating program will receive a total of \$11,130 over 3.5 month in equal installments to cover living expenses. The top 40 startups selected will be eligible to receive a total of \$22,727 each for settlement in Korea based on their 'Demo Day' and Settlement Evaluation scores. Distribution of funding will be as follows:

- Initial Funding: 20% of total funding will be distributed in January
- Remaining funds will be distributed to startups that pass the performance evaluation held in April 2019, with 50% distributed in April and 30% in June. The top four teams will be rewarded with grants between \$6,000 and \$100,000. Impressive startups may also be offered equity investment opportunities from accelerators and local VCs.

# Background of the K-Startup Grand Challenge

## Object

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The Korean government is working to transform the Korea's economy for another century of success, ultimately raising the employment rate, the GDP, and Korea's place in the world. In order to do this, Korea is supporting talented entrepreneurs and promising startups to turn Korea and the Pangyo Techno Valley into a global startup hub.

The top ranked 80 teams selected by the accelerators will be invited to stay in Korea to participate a 3½ month accelerating program in Pangyo, located south of Seoul.

10 of the 80 startups will be led by Koreans:

- Overseas Koreans, including both Korean nationals living abroad and Koreans that hold citizenship of nationalities
- Returning Korean international students who have earned an Associate's degree or higher from a university abroad

At the end of the accelerating program, the government will host a demo day to select the top 40 startups. These startups will get additional financial incentives and if they choose to establish their businesses in Korea, they will get additional support from the government.

## When

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Application period : May 3 - June 14

Accelerating Program : August 15 to November 30

The final demo day is in December.

## Where

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Startup Campus in Pangyo Techno Valley, 14 minutes by subway from Gangnam station



# Startup Selection Criteria

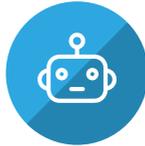
The selection panel will give priority to startups working on disruption in the following criteria, but they will also consider startups with brilliant ideas in any sector.



AI



Block Chain



Robotics



Software



IoT



Cloud



FinTech



Big Data



Information Security



5G



Urban Solutions



Biotech



UHD



Digital Content



Wearables



Gaming



Beauty



Logistic



ETC



# Benefits at a Glance



## State-of-the-Art R&D Labs

Prototyping and testing facilities, expert support.

## Brand New Startup Campus

Global Startup Campus is 14 minutes from Gangnam and next to Korea's tech giants.

## Expert Support

Experts from some of the world's top tech companies with experience in market entry.

## Corporate Partnerships

Meet Korea's top tech companies in areas from smartphones to software and semiconductors.

## A Foothold in Asia

Meet Korea's VC and angel investors to make an invest opportunity.

## Break into Asia

Korea is safe, developed, and two-hour flight away from over 1 billion potential customers.

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## Financial Benefits

All financial benefits will be paid in Korean won in equal installments (\$1 = ₩1,100)

### Living Expenses

All 80 startups in the program will each receive about \$11,136 (12,250,000 KRW) to cover living expenses in equal installments over 3½ months.

### Grant for the Top 40

The top 40 startups selected will be eligible to receive a total of \$22,727 each in funding for settlement in Korea based on their performances at the 'Demo Day' and according to the Settlement Evaluation.

The final 40 teams selected on 'Demo Day' will each be given a settlement fund (25 million KRW, equivalent to \$ 22,727 in total) as follows:

1. 20% of the fund will be given in January
2. 50% of the fund will be given in April, from this point the fund is only available to teams that pass the performance evaluation during April 2019. The evaluation will be based on participant's goal achievements (in according with the goals described in the outcome evaluation and 'Demo Day' presentation in 2018.)
3. 30% of the funding will be provided in June

### Grant for the Top 4 Startups:

- 1st Prize : \$100,000 (110,000,000 KRW)
- 2nd Prize : \$40,000 (44,000,000 KRW)
- 3rd Prize : \$20,000 (22,000,000 KRW)
- 4th Prize : \$6,000 (6,600,000 KRW)

### Additional Investments

Participating accelerators will make equity investments in the most promising startups. As such, startups will have access to other VC's and investors who may choose to invest.



# Procedure



※ These dates are subject to change

<b>Application Period</b>	May 3 to June 14
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<b>Application Review</b>	June 15 to June 29 (Dates are subject to change)
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<b>Global Auditions</b>	July 9 to July 18 (Dates are subject to change)
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<b>K-Startup Grand Challenge Accelerating Program</b>	August 15 to November 30
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<b>Demo Day</b>	Early December
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# Program Timeline and Process



Recruitment kicks off on May 3rd 2018, and the program will wrap up in December of the same year.

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※ These dates are subject to change

## Application Period

May 3rd - June 14

We will accept applications from startups around the world during this time.

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## Application Review

June 15 - 29

Startup ecosystem experts and Korean accelerators will review all applications.

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## Global Auditions

July 9 - July 18

Based on application reviews, the organizers of the K-Startup Grand Challenge will select 80 teams from around the world to interview in their own countries or online via web conferencing.

The selected 80 teams will be invited to Korea.

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## K-Startup Grand Challenge Accelerating Program

August 15 - November 30

[Stipend: \$ 3,180 (3,500,000 KRW) /month/team]

The 3½ month K-Startup Grand Challenge accelerating program will kick off in August. Up to two members of each of the most promising startup teams will travel to Korea.

The 80 teams will be able to use project space, including equipment for product production and service development, testbeds, as well as incubating infrastructure. Information sessions and coaching on Korea and Asian business culture, specific business topics (e.g. patents, accounting regulations, tax laws, etc.), pitching lessons, and one-on-one monitoring will also be provided.

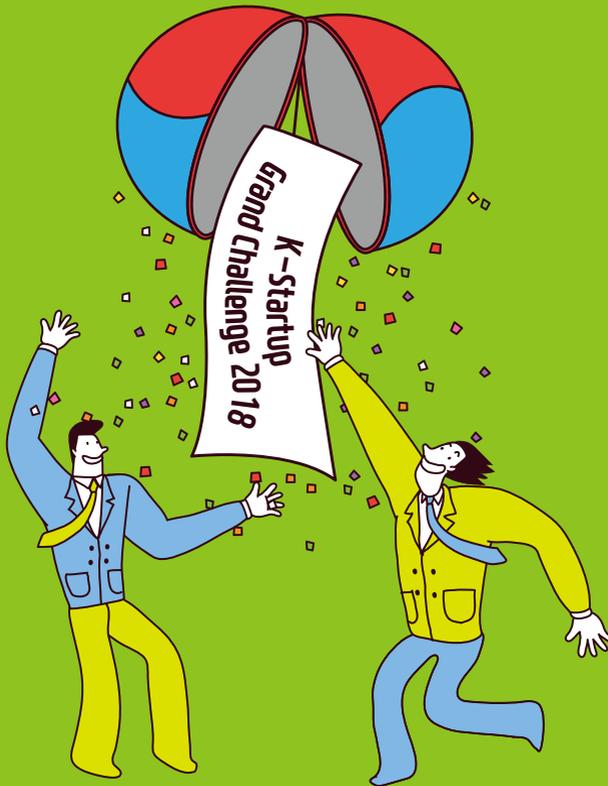
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## The final 40 teams selected on Demo Day will be given a settlement fund

(25 million KRW, equivalent to \$ 22,727 in total) as follows

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3. 30% of funding will be provided in June

# Accomplishments from K-Startup Grand Challenge 2016~2017



Startups that participated in the KSGC 2016~2017 made astonishing accomplishments last year. The following is just a glimpse of their achievements.



have co-worked with international startups

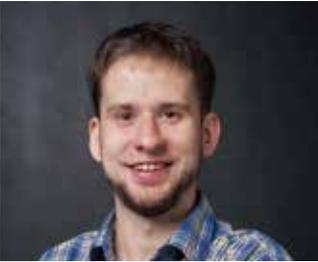
# Voices from 2017 Participator



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## More growth potential than Silicon Valley

*“Charles William Moyes / Blockschool / CTO / United States of America”*



The reason why I chose to do my startup in Korea after living in both Silicon Valley and Korea, is that while people tend to be content having their brand well-known in Silicon Valley, Koreans constantly try to be the better version of themselves. Although Korea may not be as popular as Silicon Valley, they are extremely passionate about innovation, and the country has many opportunities for startups. All you need to do is to take the first step. If you find it difficult to start a new business in an unfamiliar environment completely out of your element, apply for the K-Startup Grand Challenge. You will receive a huge amount of support, like connections to the local companies, mentoring, and of course financial support. If it wasn't for the K-Startup Grand Challenge, I wouldn't have come this far nor had the chance to made my way into Korea.

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## A golden opportunity to expand your network

*“Tetiana Akinina / Preply / Director of APAC(Asia-Pacific) / Ukraine”*



Korea is a startup-friendly country, eager to communicate with the world. Koreans are always looking for opportunities to collaborate with business from abroad. So, we decided to come to Korea to do our startup. Thanks to the K-Startup Grand Challenge, we were able to build connections with people easily. The program organized a network for startups like us with Korean companies, major Korean corporations, and accelerators with a shared interest. This created great synergy for us and helped our business to take one step further.

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## Korea is by far the best place for startups

*“Bruno De Azevedo Muniz / Totalcross / CEO / Brazil”*



Korea is technology oriented and the people here are early adopters. This is really great because these are the perfect conditions for startups to ease into the market – not to mention the government's constant support. Thanks to the Korean government, the door to connect with other companies is always open. Another great thing about Korea is the culture. Korea has an amazing culture and people are very friendly. It makes things easier to settle in and do business. Start your business in Korea with the support of the K-Startup Grand Challenge!

# Korea at a Glance

South Korea is conveniently located in East Asia, 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 Koreans living in Seoul.

According to the 2018 Bloomberg Innovation Index, Korea was 1st for receiving the most US patents, 2nd in the world in R&D investment and manufacturing. This year marks Korea's 5th consecutive year to top the index overall as number one.

According to the Information and Communication Technology Development Index (IDI), Korea was number one in 2016 and number two in 2017. This is thanks to Korea's high ratio of computers per household, high internet penetration rate, and high tertiary education rate.

Furthermore, Korea has a highly developed ICT infrastructure. 95% of Korean territory is covered in wifi and offers the world's fastest internet speeds. Korean people are active social media users and live their lives through internet. 28% of online shopping is made through mobile applications. The e-commerce giant Coupang's CEO Kim Bumsuk once had an interview with CNBC and was quoted saying, "Imagine having twice the population of Texas living in a place half the size of Massachusetts." Crowded it may be, that says a lot about the potential Korea has got for mobile e-commerce. Nowhere else would be a more ideal for startups to try and test new businesses than Korea.

In addition to infrastructure, Korea is a cultural power with the Korean Wave, encompassing K-Pop, dramas, fashion design, cosmetics and the arts. Korea is an alluring country, a source of fascination for Asia, the Americas, Europe and even the Islamic world.

Korea also has major intangible assets like passion, creative ideas, and a momentum created intensive synergy with cutting-edge ICT technology and inclusive governmental support. The government has declared establishing new businesses is key to Korea's future and the next generation and provides enormous subsidies to prospective business leaders.

Korean government has announced that they will invest 10 trillion won in startups and ventures over the next 3 years as part of a plan for innovation and economic growth. Currently there are around 40 startup accelerators in Korea providing funding for entrepreneurs in various sectors. As the funding of Korean venture capital firms increases and the number of Korean startups climbs, South Korea is poised to become the hottest startup hub in Asia.

# Startup Hub : Seoul, South Korea



The social, political, and economic climate in South Korea is favorable to the growth of the startup scene.

According to 'Tech Crunch', startup investment in Korea is increasing in full speed. Venture capital funding was only \$71 million in 2013, but it skyrocketed to \$949 million by 2014. In past 5 years a total of an incredible \$4 billion has been invested. Over 150 angel investors including Samsung, Altos Ventures, SoftBank Venture Korea, Formation Group, 8VC, and 500 Startups have been actively investing in Korean startups. For instance, Yanolja received \$55 million funding and many other investment contracts are being made.

Korean Government is working hard to make the best infrastructure for startups. Through the K-Startup Grand Challenge, the government will organize more collaboration between Korean and overseas venture companies, and the local government in Pangyo is supporting startups through their own startup campus. Furthermore, Korea has more than 100 accelerators, incubators, and innovation centers as well as over 50 different coworking space providers including WeWork, FastFive, Fab Lab, Seoul Startup Hub, Google Campus Seoul, Maru180, and more.

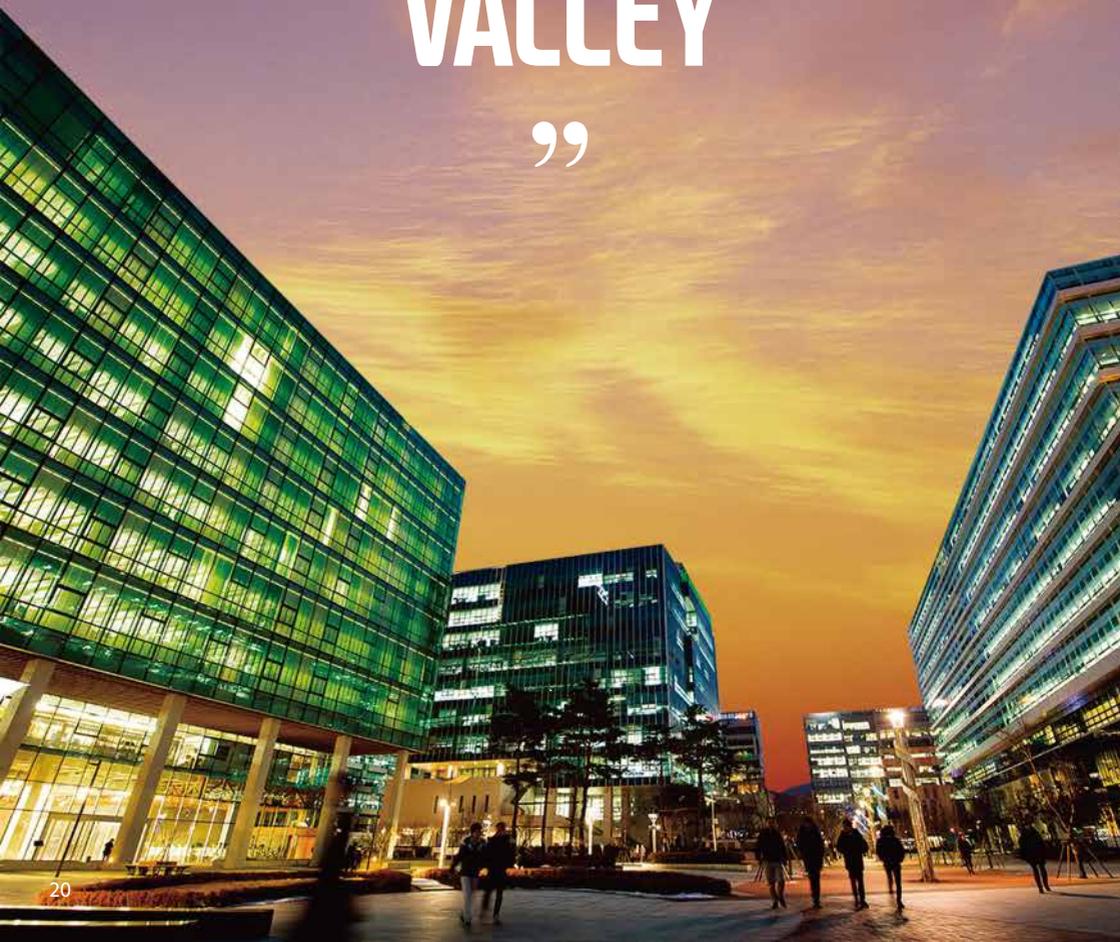
South Korea encourages the growth of the startup scene by endorsing tax breaks and incentives for angel investors and venture capitalists, tax benefits for mergers and acquisitions in the technology and R&D sectors, and improvements in visa regulations for startup and entrepreneurs from abroad.

Korea has a phenomenal reputation when it comes to its potential for e-commerce thanks to the extremely high rate of smartphone usage in the country. According to CNBC, Korea will be the third largest e-commerce market in the world in five years, catching up with China and the United States. Coupang is a great example of this potential, having received a valuation of over \$500 million.

Human capital can also be said to be one of the strong points of Korea's startup ecosystem. According to Bloomberg, Korea has ranked 2nd globally for education and Korea already has the highest university and college matriculation rate of all the OECD countries. According to Startup RADAR, Korea boasts about 30,000 startups that employ over 100,000 people and have a better approach to entrepreneurship and business culture than major Korea companies like Samsung, Hyundai, and LG.

Korea's startup scene is attracting a large and diverse collection of investors, including Korea based funds as well as corporate VCs, Silicon Valley venture firms, and more.

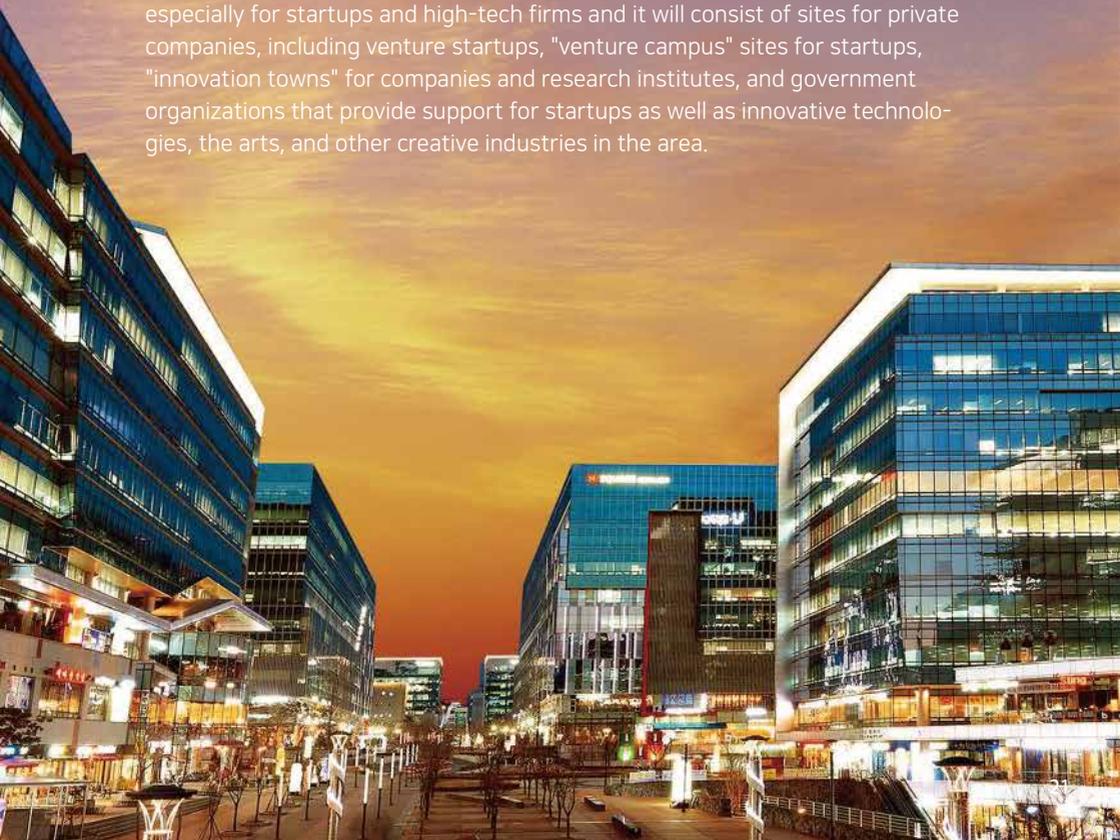
“  
**PANGYO  
TECHNO  
VALLEY**  
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Pangyo Techno Valley is an innovation park located south of Seoul in Gyeonggi Province. It focuses on information technology, biotech, and the fusion of culture and technology. It is Korea's best ICT-based R&D innovation cluster with a total of 5.27 trillion won (around \$4.2 billion) invested 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 Center, Public Support Center, and the Industry-Academy R&D Center.

Pangyo Techno Valley is the type of environment where SMEs and startups can mutually exchange information with high-tech technology research institutes and large, global companies. This hub aims to merge different industrial sectors, mostly within information and communications technology, to create new business opportunities and foster the growth of startups. Born 2 Global reports that Korea's top 60 startups and the K-Global 300 startups are all located in the Pangyo Startup Campus.

To further support the growth of startups, the Korean government began constructing an addition to the existing Pangyo Techno Valley complex, which is scheduled to be completed in 2019. The extension will foster a new community especially for startups and high-tech firms and it will consist of sites for private companies, including venture startups, "venture campus" sites for startups, "innovation towns" for companies and research institutes, and government organizations that provide support for startups as well as innovative technologies, the arts, and other creative industries in the area.



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[www.K-StartupGC.org](http://www.K-StartupGC.org)



# K-STARTUP GRAND CHALLENGE 2018

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