

*Intriguing stories about Poly-preneurs<sup>®</sup>*

## Dr Gordon Yen

### Enhancing the development of young ventures

Building a start-up that will survive and last is never an easy task. It is often claimed that about 90% of start-ups fail, and 75% of them fail during year two through five. Despite the alarming statistics, more and more young people are diving into the start-up realm.

Are they ready? Are the conditions already ripe? Perhaps Dr Gordon Yen, a DBA graduate of The Hong Kong Polytechnic University, is among the best persons to provide advice on that. Dr Yen graduated from Boston University with a BSc degree in Manufacturing Engineering and then received an MBA degree from McGill University in 1990's.



Dr Yen co-founded Radiant Ventures and Radiant Tech Ventures (Radiant), investment firms focusing on sourcing, investing in and supporting top-tier start-up and early-stage technology or technology enabled companies, in 2014 and 2016 respectively.

Radiant has more than money to offer. Leveraging the experiences and networks of its partners and advisors, Radiant provides start-ups with management advice and the network they need to expand their businesses globally. Dr Yen sees it more as a partnership than as an investment – partnering with entrepreneurs who seek to create, improve or utilise state-of-the-art technologies for the betterment of lives. He has made investments in Israel, North America and Greater China but are currently focusing more on opportunities in Hong Kong and the Greater Bay Area.

Over the years, Radiant has cherry-picked around 40 start-ups operating in areas such as SaaS, AdTech, FinTech to invest in and support. Quite a number of them are doing great and managed to attract investments from the market. Notable portfolios include Pebbles Interfaces, Corephotonics, Oculii, TZOA, FreeD Group, Zeek.one, etc.

Dr Yen has around 30 years of financial and management experience with private and listed companies involving cross-border investments, manufacturing and infrastructure. He has been engaging in innovation and technology investments since the late 1990s through angel investment as well as corporate and venture capital investments in Hong Kong, Mainland China, Israel and the United States.

Understanding the challenges and opportunities faced by entrepreneurs, and knowing that his hometown needed innovation and technology to upgrade the traditional industry and to revitalise the economy, Dr Yen decided to contribute his expertise to nurture start-ups with promising ideas and good potential for success. He believes there is no lack of entrepreneurial talents in Hong Kong.

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Predicting whether a start-up will succeed or fail is incredibly challenging. Dr Yen considers four basic factors when evaluating funding applications. In other words, if a start-up fulfils these requirements, it might have a better chance of survival. The four essential factors for evaluation are:

### **Product market fit and differentiation**

Does the market need such product or service? Does it really create value for others? Does it address some pain points, or is it just a replica or something nice to have? Can the technology and skill set involved be easily picked up by their competitors?

### **Addressable market size**

Will there be enough customers to ensure sustainable business? If the market size is huge, does the start-up have the capability to scale up the production of products or the provision of services? Dr Yen observed that most start-ups in Israel aim to service the US or European markets at the very beginning, while majority of those in Hong Kong are generally building their businesses based on local market demand.

### **Capabilities of the core team**

For a start-up to grow, it needs more than just an innovative and brilliant idea. Execution matters. In addition to being perseverant and passionate about his work, a start-up owner has to be a visionary leader, a good planner who attends to details, a problem solver with critical thinking as well as a resourceful human resource professional who could deal with staff issues. The management team of a start-up should be strong with all the needed expertise, from innovation to execution, from management to fund raising and expanding internationally.

### **International perspective and exposure**

In today's globalised economy, international perspective and exposure are not nice-to-have qualities, but essential criteria for start-ups to succeed. Core teams with international outlook are more likely to impress Dr Yen and win his support.

When asked to share some rewarding experience, Dr Yen quoted FreeD Group as an example. This start-up company developed a TravelFlan platform which utilises artificial intelligence and chatbot technology to empower travel, hospitality and retail industry players to more effectively connect with their consumers. Satisfying the abovementioned four criteria, it received investment support from Radiant Tech Ventures Fund and the Innovation and Technology Venture Fund in 2019.

Dr Yen said, "It is very rewarding to see FreeD Group's business grow rapidly, winning many awards in the last few years." Its current business partners include China Mobile, Samsung as well as many airlines, hotels and online travel agencies in APAC area.

Dr Yen, however, does not recommend all youngsters to start their business right after graduation. He said, "unless they consider themselves an expert in a particular field, they should benefit from having relevant work experience to hone their skills and build credibility before starting their own business."



Dr Yen speaking at Youth Forum - Internet Economy and Your Future by The Government of HKSAR

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Dr Yen as a moderator for “GBA Startups Road to IPO” panel

Committed to enhancing the development of young ventures, Dr Yen hopes that the ventures supported by Radiant would do the same to other start-ups. “In Israel and North America, it is a common practice for successful start-ups to provide funding and mentoring support for up-and-coming entrepreneurs. I would very much like to see the same practice blossom in Hong Kong.” he said.

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