

## Press Release

### Early Stage Venture Capital in Turkey discussed at the 2<sup>nd</sup> iVCI Strategic Network Meeting

After the successful kick-off meeting in May 2009, the second Breakfast Meeting of the Istanbul Venture Capital Initiative (iVCI) Strategic Network was held on the 3<sup>rd</sup> of November 2009 to explore various angles of early stage venture capital investments in Turkey. The meeting hosted over 40 representatives of Venture Capital (VC) funds, entrepreneurs, business angel networks and leading technology companies. The meeting was sponsored by Teknoloji Yatirim, an early stage technology VC fund in Turkey and was chaired by Mr. Akin Öngör, Chairman of the iVCI Strategic Network.



Akin Öngör emphasized the potential of innovation and entrepreneurship in Turkey, both of which can be driven by the cultural diversities and dynamism that the country possesses.

Pekka Mäki, Managing Partner of 3TS Capital Partners, presented his investment approach in the CEE region and explained how, with the support of iVCI since October, they were looking at new opportunities in the Turkish technology, media and telecommunications sector.

Mehtap Mae Özkan, Managing Partner at Golden Horn Ventures, one of the first venture capital funds in Turkey, spoke of the challenges entrepreneurs face in emerging markets.

Kjell-Håkan Närfelt from VINNOVA in Sweden, an expert on R&D commercialisation, analysed the differences between US and Europe, in terms of the impact of early stage/seed investments, on the respective economies and identified the factors affecting the performance of the European venture capital investments.

The final part of the meeting focussed on “Turkey VC: Too Early in Time or the Time is Ripe?” A panel discussion, moderated by Jose Romano, Head of Turkey & iVCI at the EIF, comprising the three above speakers and Haluk Zontul, CEO and Board Member of Teknoloji Yatirim, whose experience combines both researcher and VC player aspects.

After lively discussions, the panel concluded that Turkey’s universities research findings remain untapped and often do not translate into business opportunities and value creation. Academics and entrepreneurs have different values and goals and hence university-originated deal flow is virtually non-existent. Well advertised success stories are needed to create opportunities and lead the way in early stage VC in Turkey. It is not just about mobilising state funds but also about building an approach that brings public and private resources together, which is iVCI’s

approach. Filling in the funding gap must be combined with understanding cultural barriers, appreciation of failures, perception of entrepreneurship and the need of a meritocratic environment. There is also a need for stronger IP regulations, a wider network of legal and advisory services for early stage or start-up companies which will support entrepreneurship. However, although it is difficult to talk about an early stage VC ecosystem currently in existence in Turkey, it is starting to develop and therefore this is the right time to be moving into the early stage VC space in this country.

Mr. Öngör summarised the key points that were raised during the meeting including that financial and economic crises brings opportunities that should not be missed, that celebrating success is as important as learning from failures and that creating value and generating returns will help entrepreneurship to develop in Turkey.

The next iVCI Strategic Network Breakfast Meeting is planned to take place on Tuesday 4 May 2010 and will focus on the regulatory framework in Turkey.

The iVCI Strategic Network meetings take place twice a year on the first Tuesday of May and the first Tuesday of November.

To access the speakers' presentations please click [here](#). This event was sponsored by Teknoloji Yatirim, click [here](#) for more information.

### **About iVCI**

Established in November 2007, Istanbul Venture Capital Initiative (iVCI) ([www.ivci.com.tr](http://www.ivci.com.tr)) is Turkey's first ever dedicated fund of funds and co-investment programme. Total fund commitments amount to EUR 160 million. Investors in iVCI are the Small and Medium Industry Development Organisation of Turkey (KOSGEB), the Technology Development Foundation of Turkey (TTGV), the Development Bank of Turkey (TKB), Garanti Bank, the National Bank of Greece Group (NBG Group) and the European Investment Fund (EIF). EIF is the adviser to iVCI. *For further information please visit: [www.ivci.com.tr](http://www.ivci.com.tr)*