

University spinoff Sensirion wins biz award

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Sensirion's tiny technology is big internationally (Sensirion)

Sensirion AG, a Zurich based firm that makes chip-based sensors, won this year's Swiss Economic Forum award on the merits of fast growth and potential for expansion.

Sensirion has come up with a way to integrate sensor technology on semiconductors that could be manufactured using the industry standard "CMOS" process, making them economical to produce.

It also developed packaging and interfaces to make the chip easy to integrate into electronic devices. Today the chips are found in systems that measure heat, moisture, gas flow and liquid currents in a wide range of industrial applications, where accuracy is critical.

Founded in 1998, Sensirion managed to achieve sales in a highly competitive global marketplace.

Its line of products was based on an innovation that was little more than a scientific experiment seven years ago, when its founders, who were then post-docs at the Swiss Federal Institute of Technology, had the idea to start their own company.

Global concern

According to an interview with swissinfo, the firm does a third of its turnover in Europe, a third in the United States, and a third in the Far East. Only five percent of its turnover is earned in Switzerland.

Its sales team and reseller partners are key drivers of its ability to go international, according co-founder and CEO, Felix Mayer.

Sensirion salespersons are trained engineers, recruited and hand-picked by the management team. He says his sales managers spends a lot of time making "cold calls" to potential customers, not always an easy task -- it is often difficult to find the right person in companies located abroad. It requires perseverance, confidence, as well as engineering know-how.

"It is not easy to find engineers who are willing to work in sales, but we have had good luck recruiting on university campuses in Germany and Switzerland," commented Mayer to Swiss Venture. The firm does not use executive search agencies.

Secrets of success

Mayer believes that winning the Swiss Economic Forum award will also boost the firm's profile amongst the pool of potential employees. "People want to work at a winning company," he said.

While most of the credit for the firm's success to date, lies in the hands of the managers and employees, Sensirion also availed itself of the tools available in Switzerland for entrepreneurial scientists. For example, it used the Swiss Federal Institutes of Technology's ETH Tech Transfer office's services. In fact, according to Mayer, his team was one of the first companies to use the tech transfer services.

Nowadays, ten to twelve spin-offs emerge each year from the ETH's tech transfer department, according to ETH Life, a university publication. It is a number that has risen "constantly" over the past few years, it said.

The policy at the ETH is supportive of entrepreneurial scientists. Employees at the ETH, even full-timers, have the right to take on work outside academia, which provides would-be entrepreneurs with a financial safety net.

In addition, for the first two years, ETH spinoffs are allowed to rent equipment and rooms at ETH at "attractive rates", as well as laboratories and office space in Technopark Zurich or the Life Science Incubator in Zurich-Schlieren.

"Being able to rent rooms at the ETH was helped us in the beginning," said Mayer.

Building a profile

It participated in and won the "Swiss Technology Awards", a competition run every year by the cantons, along with SECO, which does not offer huge cash prizes, but sends the winners to CEBIT or Hannover Messe, two global trade fairs in Germany.

It was at the Hannover Messe that Mayer was approached by distributors and resellers from around the world that expressed an interest in selling his firm's products. "The discussions with the resellers helped us to understand how our product could meet market needs, but the decision to choose who to work with was not easy," said Mayer.

Technology Award winners also receive press coverage and a chance to network with other entrepreneurs and businesspersons in the region. "The award helps to increase a young firm's profile and we think it gave some of our customers a bit more confidence in us," said Mayer.

Sensirion also tapped the coaching and R&D funding available from the state-funded CTI Startup program. The startup program paid for research at the ETH which in turn helped Sensirion develop its first prototypes.

CTI Startup also provides coaches who are paid a small honorarium by the CTI to provide consulting services to startup companies in its portfolio. Sensirion received the CTI Startup label, a tool that the CTI uses to help science-based firms get the attention of venture capital and private investors.

Another smart move by the firm's founders was to participate in the ETH's business plan competition, dubbed Venture '98. They were the first winners. The Venture competition, a brainchild of the ETH council and McKinsey, a management consulting firm, provides a number of seminars, training, and help defining business plans. The competition is now held bi-annually.

by Valerie Thompson