



**CMU CONNECTS:**  
**Startups' Option to Manage  
Supply-Chain from Japan**

Presented by  
Nob Seki, Founder of FabFoundry  
A platform for hardware startups

# Brief Intro

**Nob Seki, MBA Class of 2002**

- High-tech Editor in 90s in Tokyo/SF
- Exec at a web company in SF in 00s
- Co-founded a few startups
- Moved to NYC in 14
- Building an ecosystem for hardware

# Which do you want?

Same thing  
others have?

Different thing  
than others have?

# Demand More Diversified

Demand becomes:

- More difficult to identify
- Easier to change
- Harder to foresee

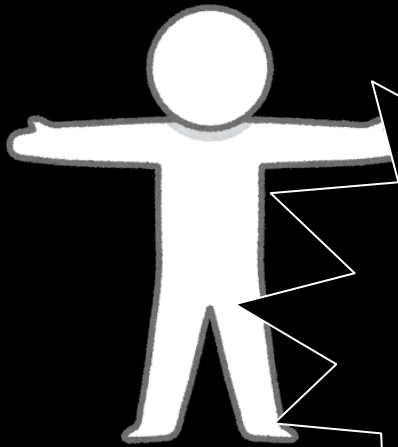


# Industries Yet Optimized for Mass Production

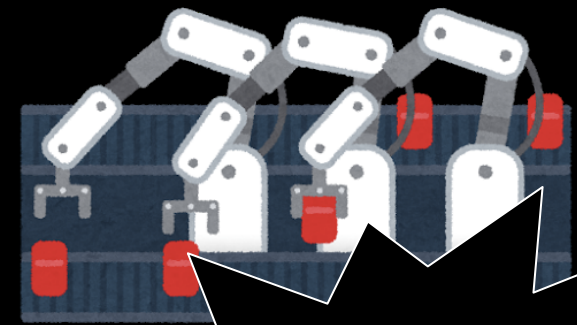
**Funding** is hard ...



**Manufacturing** is even harder ...



**Big gain!  
Instant Result!**



**More volume!**

# Hey, Hardware Startup Founders! Raise in SF, Make in China & Sell Globally

**China: Global  
manufacturing  
Superpower**



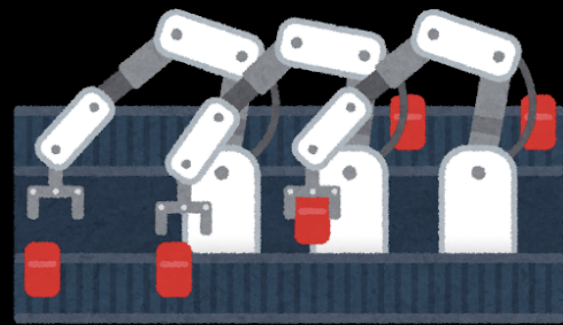
**SF Bay Area:  
Biggest Global  
Startup Hub**



**Not always the case**



# B2B Products: Healthcare/Medical Industrial Urban



**Not much volume...**

# “Lean Production”


# Growth of Hardware Startups Drives High-Variety, Low-Volume Production

Outsourced manufacturing world-wide

**\$420B**


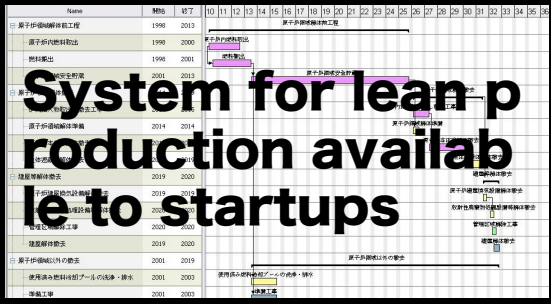
Growth (CAGR)

**5%**



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## Project Managers in Japan


**System for lean production available to startups**

Investment in early-stage hardware startups in U.S.

**\$2.6B**

Growth (CAGR)

**19%**



We work to bring  
Hardware Startups  
“Lean Manufacturing”

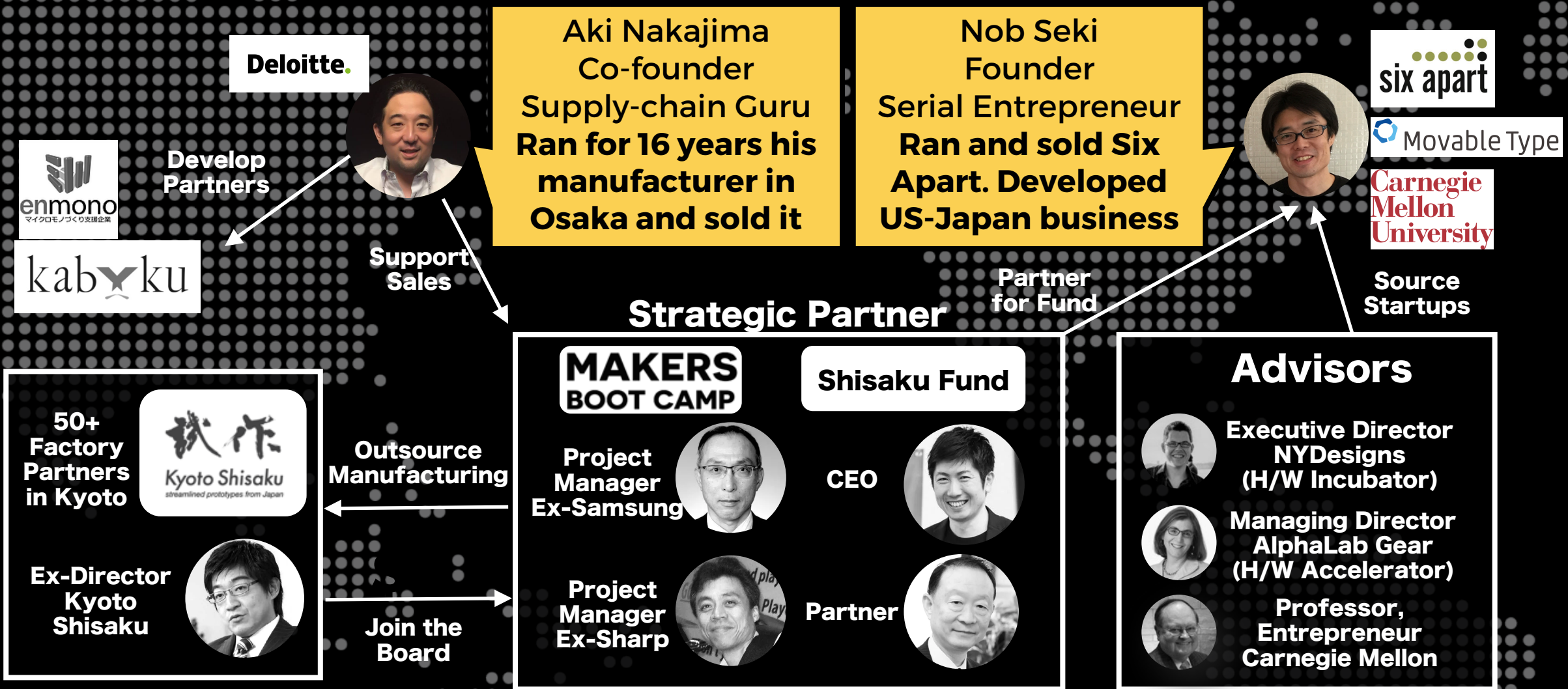
# Platform for Hardware Startups

- Community
  - Manufacturing Bootcamp Program
- Investment
  - Micro VC fund (\$20M) for prototyping & low-volume manufacturing
- Business Services
  - Online services for project management, contracts and payments for startups

# Invested in 3 NYC Startups since July



# A Team to Solve the Issues with Extensive Partners in US and Japan



# We Earn Not Only Platform Fees But Information Fees from Investors

- Investors
- Backers
- Coin Buyers
- Media

Investment, purchase

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Project Managers



Tracked payments quantify projects

Project Name	Start	End	Status	Amount
Project A	2017-01-01	2017-03-31	Completed	\$100,000
Project B	2017-02-15	2017-05-15	In Progress	\$50,000
Project C	2017-03-01	2017-06-01	On Hold	\$20,000
Project D	2017-04-01	2017-07-01	Planned	\$30,000
Project E	2017-05-01	2017-08-01	Completed	\$150,000
Project F	2017-06-01	2017-09-01	In Progress	\$75,000
Project G	2017-07-01	2017-10-01	On Hold	\$40,000
Project H	2017-08-01	2017-11-01	Planned	\$60,000
Project I	2017-09-01	2018-01-01	Completed	\$200,000
Project J	2017-10-01	2018-02-01	In Progress	\$80,000
Project K	2017-11-01	2018-03-01	On Hold	\$35,000
Project L	2018-01-01	2018-04-01	Planned	\$55,000


Project management fees



Platform services fees

Subscription fees for financials of supply-chain value

Project scorecard

 **Project: Orphe**  
 FF's RPS Index: **3,972**  
 (as of 08/23/2017)

Type: Mass Production  
 Progress: 85% (On-time: 65%)  
 Expected Completion: 10/30/2017 (+30)  
 Real Option Value: \$350,000

Paid: \$65,000  
 To be paid: \$35,000  
 Material in Process: \$32,000

Production Quantity: 1,000  
 MSRP: \$500  
 Gross Margin: \$250  
 ...

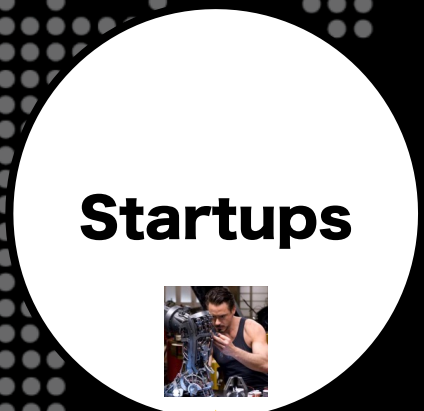


# Growth Strategy: Open Up Project Features for Design Feedback

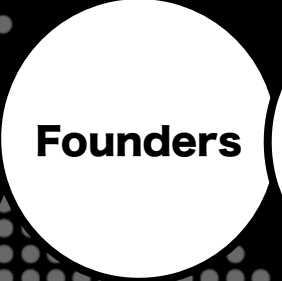
## Virtual Engineering & Simulation



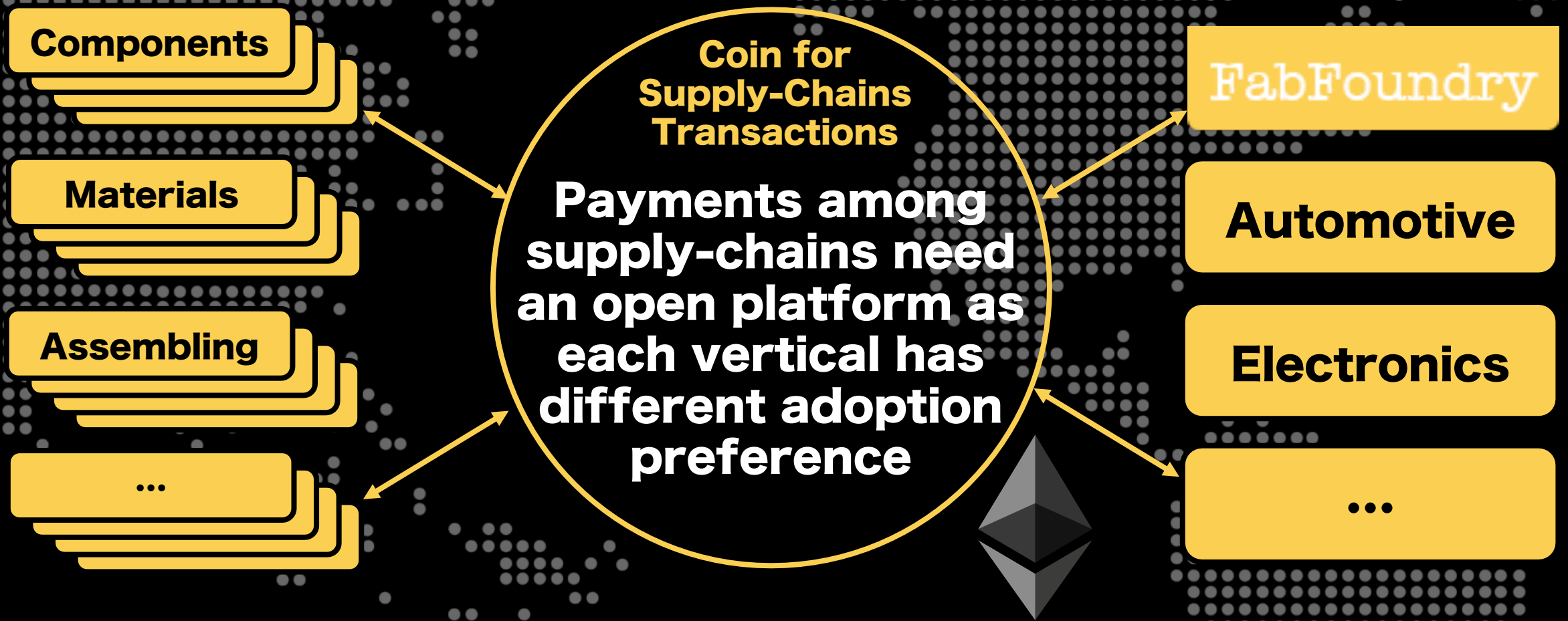
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More startups generated



# We Connect Industries



The background of the image is a photograph of the Statue of Liberty in New York City, with a dense urban skyline of skyscrapers visible behind it. The scene is captured in a slightly dim, dusk-like lighting. The text is overlaid on this background.

# FabFoundry

Platform for Hardware Startups  
to Grow and Succeed  
in the 21<sup>st</sup> Century manner

Contact for investment, manufacturing & more  
to [nseki@fabfoundry.net](mailto:nseki@fabfoundry.net)  
We're HQed in NYC!