Chapter II

Remote Internet-Based Supervision Systems, S.L.

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Abstract

The present case study explains the process of creation of Remote Internet-Based Supervision Systems, S.L. (RISS), a spin-off emerging from the University of Figueres, Spain. It describes all phases, from formation to the present day, and the problems and challenges faced by the entrepreneurial team composed of academics and industry professionals. Starting in a lab shared by two computer engineers finishing their PhDs, their friendship later converted into a science-based new venture. After having developed products and survived financial difficulty, the company stood at the threshold of a stage of growth and a decision regarding the commercial strategy had to be taken. But some problems have arisen between the academic entrepreneurs and the industrial partner regarding commercial strategy.
Marc Torres, cofounder and general manager of Remote Internet-Based Supervision Systems, S.L. (RISS) sat in his office after a hard day. It was Tuesday evening, January 23, 2007. He was not only tired but also worried. In the afternoon, he had had another long and heated discussion with his colleague, Carles, about the future of the company: about the business model and growth strategy. The discussions with Carles had been frequent during the last few months and disagreement on a certain topic was the subject of daily debates. Marc and Carles had been working quite well during the first years of RISS but now the deep disagreement about the future of the company worried him greatly.

Marc felt that he was at a crossroads. On the one hand, he was happy and highly satisfied to have been successful in starting a high-tech company that had created a powerful technology and already gone through the knothole. After having developed products and survived financial difficulty, the company stood now at the threshold of a stage of growth. On the other hand, the different viewpoints regarding the commercial strategy they should follow worried him greatly.

There were two clearly opposite points of view among the shareholders of RISS regarding the commercial strategy. During a recent meeting, one of the shareholders in favor of having an experienced professional sales force external from RISS and coordinated by their industrial partner said:

*I think we should opt for a salesman with different experiences in the field. We are all technicians; we don’t have enough experience to sell our products! We should focus on our core competences, which are developing products not selling them! Definitely, we must create a professional and experienced sales team with our industrial partner.*

He could not even finish his argument when another shareholder expressed a completely different point of view:

*I do not agree with such an idea. I do not think we should leave the responsibility of commercializing our products to our industrial partner. We have to be independent from this partner; otherwise we have the risk to be completely tight to his demands. Besides, how can our partner sell products to its competitors? These potential customers will not rely on this supplier. I do not think that our sales department should be composed of experienced salesman coming from the industrial partner.*