SILICOM VENTURES, ARTENTINA VISIT – August 28, 2005– by Shlomo Waser.

Argentina is well known for Tango, Beef, Soccer and great scenery. It was also reported on the media that the country went through a serious financial crisis few years. However, Argentina is emerging from its financial crisis and the government as well as other organizations is eager to build an environment that encourages entrepreneurs and investors in start-ups. One of the organizations that are helping Argentina is ECODAR introduced SilicomVentures to the government in Argentina. Recently, there was an annual venture capital conference, **CREARCIT VENTURE FORUM,** organized by a government agency and a private group IECyT. SilicomVentures was invited to participate in the **FORUM** in Buenos Aires, Argentina. Shlomo Waser, an Advisory Board Member of SilicomVentures was a guest speaker and panelist at the conference. In addition, he had meetings with entrepreneurs, angel investors, business schools, banks and private organizations (NGO) dedicated to help start-up companies. During the visit, it became clear that Argentina has to offer more than most business people in the USA recognize. They have a knowledgeable and cost effective workforce and good universities in advanced areas such as software and biosciences.

One of the most successful start-ups in Argentina is Core Security Inc. www.coresecurity.com, which sells testing software to test the security of networks for customers like the White House. The company was co-founded by Emiliano Kargieman and Jonaton Altszul in Argentina and now is an USA company, but all the engineering development is still done in Argentina. The company original funding came from Argentina angels, but its recent funding was in the USA from Morgan Stanley. Also it was helped locally by Endeavor the key NGO that help start-ups to be ready for funding in several Latin America countries.
In the various discussions with members of all the venture eco-systems, it was concluded that the best business model for success is to do R&D in Argentina, but build the rest of the company esp. marketing, sales and finance in the USA. While Core security is a great example, most start-ups are not as advanced and need more guidance. Also, while Argentina has wealthy individuals that are eager to become Angel Investors, they don't have yet serious organized angel groups with track record. Also, they don't have a Venture Capital community to do follow-on investors after the angels do seed investments. These present an opportunity to have a great cooperation between Argentina venture eco-system and SilicomVentures.