

# US NETWORKING HELPS TECH-SECURITY CO. GAIN GLOBAL FOOTPRINT

CASE STUDY | AUGUST 2019

Melbourne-based cyber security startup Datasec Solutions has scored a global breakthrough in securing data on connected printers. With the help of Austrade connections and the San Francisco Landing Pad, it networked intensively in Silicon Valley over a two-year period, and is now strategically working with HP Inc. to take its technology to an international audience.

Data security is a big issue across the globe. We never see, or interact with, most of the people with whom we share data. So, can we trust them? That's the question Datasec Solutions Director, Paul Waite, and his team have grappled with – trusted data sharing with untrusted parties.

'People discard their old printers, put them out in the street, give them to a friend or sell them online and all that information still resides on the hard drive,' he says. 'If you can access that hard drive, you can see all that information, be it from a doctor, an accountancy firm or a real estate office.'

## Tech startup cracks global security issue

Based in Melbourne, Australia, Datasec Solutions Pty Ltd (Datasec) is an IT security company that helps solve security and privacy issues when organisations transmit sensitive information.

Over the last four years, Datasec has refined its data sharing platform, Cryptix, to ensure personal or business data that is shared is not compromised or accessed by unknown parties. 'We pick up the information on the device and encrypt it off-device,' he says. 'Nothing resides on the hard drive.'

This capability caught the attention of tech giant HP Inc., and Datasec was able to secure a global relationship to load Cryptix on their multifunction



**'The biggest thing we learned from our participation in the Landing Pads program in San Francisco is that everything is possible if you are working with the right people'**

Paul Waite, Director, Datasec Solutions.

printers to protect the information scanned and reproduced by the devices.

Moving forward, Datasec hopes to have 100,000 devices in use by printer-manufacturing companies by the end of 2022. Estimating a fee of \$1 per day per device to use the technology, Waite says the company could potentially make \$100,000 a day.

## The lead up to a global relationship

For the Australian technology company, the size of the US market has always beckoned. Waite estimates there are at least twenty times the HP printers in the US as compared to Australia – signalling huge market potential.

In a bid to learn more about the US, Datasec took part in two cyber security missions led by Austrade and AustCyber and the 2019 San Francisco Landing Pads program.



Australian Government

Australian Trade and Investment Commission



'In 2018, we participated in the Cyber Security Mission to the USA which gave us an inside look at the market, and introductions to corporates and customers: it confirmed that there was an opportunity for us,' Waite says.

It was following the 2018 cyber security mission that Datasec signed a developer agreement with HP Inc., which promised to be a world-first for the computer giant.

In 2019, Datasec was selected for the second Cyber Security Mission in San Francisco, which proved key to following up on leads they had generated, as well as cementing key relationships in the US.

## San Francisco Landing Pad helps fund raising

Another boost to networking in the US was the Landing Pads program, administered by Austrade and supported by AustCyber. The program helps Australian market-ready startups and scaleups take their business global in five innovation hubs worldwide: Berlin, San Francisco, Shanghai, Singapore and Tel Aviv.

In early 2019, Datasec participated in a three-month Landing Pad residency in San Francisco. During the residency, Datasec worked closely with entrepreneur-in-residence, Mick Luibinskas. The company has since engaged him to work with Datasec on the US venture.

'He's provided us with fantastic input into how we go about raising money there, and he's helped us fine tune our market entry strategy,' Waite says.

One outcome from the Landing Pad program – and immersion in world of the San Francisco tech – was a realisation that to expand in the US, the company would need more capital.

'Being part of the Landing Pad made us realise that we had to raise more money than we anticipated to establish a US presence,' he adds.

By mid-2020, Datasec plans to list on the Australian Securities Exchange (ASX). Currently, Datasec is looking to raise funding in Australia to fund their expansion.

## Guided networking in Silicon Valley

Waite describes the networking opportunities provided by the Landing Pad as excellent.

'We were able to meet a variety of different people and learn to structure things for the US, which was a fantastic takeaway,' Waite says.

'Austrade not only provided introductions, it helped us understand the corporate side of things, such as governance and taxation.

'Because of our US experience, we've also been talking to Austrade about setting up in Singapore and establishing an Asia-Pacific-Japan network.'

## Advice for Australian tech startups looking at US: engage with Austrade

Datasec is now on a global roll. The company and HP Inc. will launch their technology in October 2019 for global roll out. As a result, Waite anticipates his headcount will rise significantly from four permanent employees. The scale of this success leads Waite to advise Australian tech companies to start small – and think big.

'You've got to really take time to build networks and touchpoints,' he says. 'I think a lot of Aussie companies don't venture into some of the larger markets because it takes them a long time to get established, so there's a fair bit of cash burn before getting to that stage.'

He advises tech companies to engage with Austrade to make expansion in the US easier. This is because the US market itself is highly complex.

'If you do business in 50 states, you've got 50 different types of legislation, 50 tax laws, 50 HR laws and 50 different ways in which you need to interact,' he says. It's reassuring that Austrade has offices across the US to facilitate that next interaction.'

Waite says the Landing Pad and the cyber missions taught him that preparation is vital to success. 'The biggest thing we learned from our participation in the Landing Pad in San Francisco is that everything is still possible if you are working with the right people.'

## About Austrade

The Australian Trade and Investment Commission (Austrade) is the Australian Government's international trade promotion and investment attraction agency.

We deliver quality trade and investment services to businesses to grow Australia's prosperity. We do this by generating and providing market information and insights, promoting Australian capability, and facilitating connections through our extensive global network.

**Disclaimer:** Whereas every effort has been made to ensure the information given in this document is accurate, Austrade does not provide warranty or accept liability for any loss arising from reliance on such information. © Commonwealth of Australia 2019