



## The impact of pandemic on investments and startups

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**Kobi Katz, a board member at RDC (Elron and Rafael's joint venture) and VP & CIO at Rafael answers questions about COVID-19 and the impact on investments and startups**

With the coronavirus crisis still affecting us, companies worldwide are trying to adapt to the new economic climate. In times like these, we often seek out leading business figures, hoping that their rich experience will provide direction and guidance. Kobi Katz, a board member at RDC (Elron and Rafael's joint venture) and VP & CIO at Rafael, shares the company's experience under COVID-19, the current state of the industry, and Elron and RDC's vision and goals for the future.

**Hi, Kobi. How are you feeling these days?**

Hi, Ido. We are staying safe, and most of the companies in our portfolio are more-or-less back to normal. We see a growing trend of remote work,

too — with employees back to full-time work using flexible remote collaboration tools, such as Teams, Slack, Zoom, etc.

**Do you feel the situation had a significant impact on the organizations you work with?**

Absolutely. The digital transformation was imminent for a while now, but the pandemic greatly accelerated processes. A year ago, it would have taken 10 months to implement a digital system within an organization. Today, companies understand the necessity of fast deployment. Decisions are approved within a week, and implementations start immediately. This is where tech executives shine, and in times like these we see the real value of these roles. Executives can be extremely useful in helping employees adapt themselves and their organization to the high-speed digital revolution forced upon us by the pandemic.

The cybersecurity industry, in particular, is experiencing a major increase in demand, as organizations go beyond their conventional limitations. Services that were previously provided within the organization and were easy to secure are now performed, at least in part, outside of it. Companies must rethink their security strategies, and cyber protection is given top priority.

That all said, while the pandemic does challenge everything we know about the market, it also presents new, uncharted opportunities. I can't talk about most of the requests we received in the past few months, but I do have one great example: we were asked by Rambam Hospital to contribute from our knowledge and experience. Within a few weeks, we developed a unique cloud-based system. It made it possible to keep medical equipment screens remote, using simple video cameras and image processing technologies. This protected medical teams' health and safety, allowing them to monitor COVID-19 patients from afar.

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## **How do you think the pandemic is affecting tech companies and startups of the kind RDC invests in?**

Many of our companies rely on conferences to generate valuable connections and leads. With these canceled or postponed, many of the marketing activities we were doing had to be conducted differently and online. Also, the pandemic made it harder for organizations to maintain relationships and retain existing customers. On top of that, companies were forced to manage transactions, investments, and other dramatic decisions remotely. This generates heavy pressure on C-level management to stay informed and in sync with company actions and activities even when working remotely. Despite that fact, we see these challenging times as an opportunity for growth. Elron and RDC are still in the market for companies that fit our portfolio.

We're looking for seed and early stage companies developing solutions in cybersecurity, enterprise software, AI, and similar fields, with a strong tech team. Companies joining Elron and RDC will enjoy the full range of services we can offer. It's important to note that we make sure all of the companies in our portfolio are well-prepared for the changes ahead, taking into account the current financial situation around the world. We know ventures that wish to succeed will need some financial 'oxygen' to get them to the next round of investment in a healthy and optimized way. Our goal is to give each of our companies the support they need to succeed and grow.

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