

ENGAGING ENTREPRENEURIAL ECOSYSTEMS FOR THE YOUTH

E-CAP: Venture Biography



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Disclaimer

The document presents a story of an existing startup prepared through desk research and a narrative interview with the founder. For reasons of data protection, the names of people, cities, support programmes and companies are exchanged with pseudonyms. The biography has been approved for publication by the startup and can be used for further research by citing it accordingly (see below).

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1 ID Card

Name of the startup	E-CAP
Which ecosystem?	Varna
Founding date	Idea: 2012, Founding date: 2017, September 25
Sector	IT/environmental compliance assistance software for ships
No of employees	4
(Expected) Turnover	200 000 €
Male/female founder	Male founders
Timeslots of startup phases	
idea generation	2012-2015
incubation	2015-2017
consolidation	2017-onwards
Funding / financial support	Own sources, American investors

2 Founder(s)' Background and Motivation

While working in the shipping industry, the two founders gained experience ranging from shipboard and bridge systems to intense environmental regulations. They faced challenges linked to the maze of regulations, all of which must be adhered to conserve the marine environment realistically and promote a positive reputation and avoid costly violations.

E-CAP was founded in 2017 in response to the need to reduce the risk of seawater contamination due to human error. Yavor has 10+ years of work experience as a corporate environmental manager and first environmental officer at different shipping companies. He is responsible for business contacts and marketing.

Christopher has 10+ years of work experience as chief officer and first officer at different shipping companies. He is responsible for technical issues.

3 Business Model

E-CAP is a startup company established in 2017 to develop an innovative expert system for planning and managing waste ship disposal processes in line with the Environmental Compliance Assistance Program (ECAP).

ECAP is a software system installed on a vessel navigation bridge to help plan and monitor the vessel's environmental operations. It uses electronic navigation charts and calculates the vessel's position in relation to regulated areas. The operational aspects of the ECAP systems alone are useful for the ship's crew, although at its core is the requirement to provide various levels of environmental regulations and their respective boundaries.

Another service offered by the company is ECAP Hub. It includes almost 15,000+ marine protected areas throughout the globe and provides a centralized database of marine environmental regulations.

Although the main objective of the Hub is to provide information for the ECAP, many shipping organizations choose the Hub platform to identify and provide its members with these environmental regulations and information. The ECAP Hub is the platform for which policymakers and regulatory bodies can provide the details of the regulations under their responsibility.

The company's main clients are shipping companies and regulation bodies. Currently, the software is installed on 50 ships of one of the biggest cruise companies and is used on 250 ships of three integration partners.

4 Startup development

4.1 Idea-Generation

The two founders met in 2012 while working as an environmental officer and chief officer for one of the big shipping companies. They had to follow company regulations that their ships must follow to avoid heavy fines and penalties for violating the environmental laws and regulations set forth. They observed that the research for these regulations is mostly done manually, and there is considerable room for human errors as well as the possibility of missing critical information.

The following year, they stepped on the idea of building software to help plan and monitor the ship's environmental operations. In the following months, they decided to develop the idea further. In the years till 2015, it was just the two of them working remotely from each other, communicating, and developing the initial idea.

4.2 Incubation / Founding

In 2015, they started the first company, which involved 6 shareholders. To get the initial funding in 2017, they applied for a grant under ERDF, [Innovations and Competitiveness](#) Program with the funding organization Ministry of Innovation and Growth in Bulgaria. They were successful under the procedure [BG16RFOP002-1.002 "Support for development of innovation by startups"](#), and they received 200,000 EUR to develop the product ECAP - optimized ship waste management system.

In August 2017, a contract for incubation between company and Business Incubator – Varna (with the Regional Agency for Entrepreneurship and Innovations – Varna) was also signed. The company was accepted for incubation with the project "Development of an innovative product - an interactive electronic map for the marine protected areas around the world". The main activities to achieve the project goal were prototype activities and activities supporting its future market realization.

The company was operating till the end of 2017. After the felling out of the original shareholders due to the differences in the approach, the two original founders started again in the autumn of 2017 with another company, E-CAP, using the knowledge from what they had learned during the previous company, and they outsourced all the IT development to a company based in Sofia. They worked with them to build their first viable testing product for the market.

4.3 Scaling-up / Consolidation

In Feb 2020, they had their first major client and did their first ECAP installations on ships of one of the biggest cruise companies. During that time, they had already had issues with their major developers.

According to the two founders, outsourcing the software's development was a mistake. It was not a mistake to get things going, but the problem was keeping the deadlines for development.

After the first ECAP installations on ships, they were also trying another market approach – looking for existing solutions that could integrate their product. By June 2021, they had won the deal with the same cruise company to install on their entire fleet. In January 2022, they finally split ties with the software development company. They wanted a better deal with them but decided to cut the contract instead.

At that time, an investor wanted to invest 1.5 M dollars in the company. He did the due diligence, and the only condition he posed was to have the developers under their company. They tried to negotiate with the outsourcing company to hire two people who had already worked on the product and enforce internal quality insurance. Still, the contract with the software development company was cut at the end.

It was a rough transition for the company, but they managed to hire a developer who helped them build their internal team.

According to the founders, the main challenge was related to the team. "If you have the right resources and the time to build the team first internally, it is something that all other companies taking our path should consider", revealed one of the founders.

During the COVID-19 pandemic, they had to adapt. They developed another opportunity to integrate partners and started generating some revenues from other products they have developed.

Now, they outsource small tasks, not the software development itself – they have two separate lawyers and hired a marketing company to help them with sales for four months. Unfortunately, the marketing company succeeded in marketing, not sales. "We need more support – in sales, marketing, everyday management and negotiations, so we can concentrate more on support of our products and their development", they admitted.

They also tried to approach a large European Accelerator, and their advisors helped apply, but they were unsuccessful.

That is why they decided to look for another round of investment of 1.5 M Euro. They hired advisors to help them organize the round for commission – they would like to find one local VC fund that understands the local environment and one industry impact fund.

Imprint

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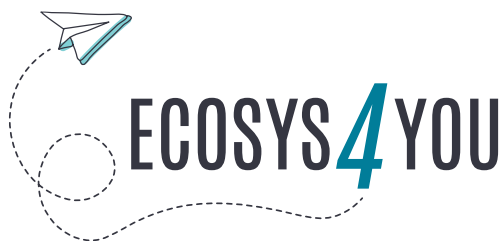
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Ecosys4you – Engaging Entrepreneurial Ecosystems for the Youth (2023-2026) strives to bridge the entrepreneurial ecosystems of the Ruhr, Germany, Varna, Bulgaria and Slovenia by connecting young founders, startups, HEIs and other ecosystem actors.

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