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September 2019

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01 Latest Transactions



Salesforce Buys Israeli ClickSoftware for \$1.35 Billion

ClickSoftware produces and markets resource management software for customer service systems. Following the deal, CRM software giant Salesforce is expected to expand its development center in Israel's coastal city of Tel Aviv.

Israeli-Founded Corindus Valcular Robotics Sold to Siemens for \$1.1 Billion

Corindus manufactures the CorPath robotic platform, which is the first medical device cleared by the FDA to bring robotic precision to percutaneous, coronary and vascular procedures. Siemens believes the addition of its imaging and artificial intelligence tools to Corindus' robotics platform will help it garner a stronger foothold into the vascular robotics sector.

Amazon Buys Israeli Startup E8 Storage

The team at E8 Storage, which develops a storage management app for optimizing the use of SSD storage devices, will merge with the Amazon Web Services development center in Tel Aviv. This is Amazon Web Services' second acquisition in Israel this year, having bought cloud computing company CloudEndure in January for an estimated \$250 million.

Anaplan Buys Predictive Analytics Startup Mintigo

The deal is valued at tens of millions of dollars. Anaplan is a US connected planning company. The Mintigo acquisition will allow it to embed and deepen predictive capabilities across its core HR, marketing, and sales applications.



02

Focus Area Industry 4.0

In a Few Simple Steps,
We Can Make
Industrial Machines
Self-Aware

Industry 4.0 is rapidly changing the way products are being manufactured, and Israeli startups play a key role in this revolution. **The CEO of the highly promising startup Feelit Technologies** gives us some insight into the incredible technology they developed

It is not a question of if, but rather, when. The traditional industry's imperative to move forward and become digital, automated, connected and data-based is no longer up for debate. Therefore it's little surprise that Industry 4.0 is quickly shifting from buzzword to reality, becoming one of the hottest high-tech sectors globally, and especially in Israel.

Otherwise known as the fourth industrial revolution, Industry 4.0 touches manufacturing everywhere. Connectivity and data are changing the way manufacturers operate. In the Israeli startup scene, there are currently more than 230 Industry 4.0-related companies, a 60% increase from 2014, in fields like sensing and imaging, operations optimization for factories, robotics, connectivity, 3D printing, predictive maintenance and many more. These startups benefit from the presence of 50 large global firms that run local R&D centers, accelerators, innovation hubs or corporate venture arms, all related to Industry 4.0.



One of the most promising Industry 4.0 startups in Israel is Feelit Technologies, aiming to provide

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The continuous streaming of information about the state of machinery enables manufacturers to optimize the production line's entire maintenance processes //

any manufacturing-line component with the ability to "feel" and become self-aware of its mechanical and structural state. "We aspire to help companies reduce their unplanned downtime to zero by having machine and production line components report back on their condition", says Gady Konvalina, Feelit's CEO and Co-Founder. "Unplanned downtime events are the most costly maintenance issues in factories. These events require unplanned repairs and replacements and many times brings the entire production to a halt, causing major delays in supply."

Feelit Technologies - Industrial Machines with a Sense of Touch

This is where Feelit's groundbreaking development comes in: a printed nanomaterial-based sensing solution that feels the structural state of machinery and production lines components, and remotely provides live performance insights to both manufacturers and users.

"We call this 'Structural Sensing'", Konvalina explains. "We were inspired by the human skin and developed smart patches that conform to the surface of a material and interact with the object, like an electronic skin. When printed, the uniquely-designed ink becomes highly sensitive to stimuli and provides structural information like micro-deformations, the pressure and material flow inside pipes, wear and tear of valves, pipes, and gaskets, and informs on any change. It can even detect micro-cracks in metal and polymeric objects, which is unprecedented."

The continuous "streaming" of the state of the material creates what is called "predictive maintenance",





enabling manufacturers to optimize the production line's entire maintenance processes. According to Konvalina, "When I worked as a production engineer, we realized something went wrong only at the end of the production line when we analyzed the quality of the product. The ability to detect existing and potential malfunctions in real-time can reduce energy, material and labor costs. In fact, planned maintenance costs 90% less than breakdown maintenance"

A New Manufacturing Paradigm

Founded in 2017 by experts in materials science and chemical engineering, Feelit's smart patches are highly flexible, low cost and low power consumers. They can be either affixed as a sticker on existing equipment or embedded in new equipment. In a few simple steps, Feelit can "smartify" an entire production floor. "The installation process is very fast, no more than a few hours", Konvalina declares. "We determine the scope of work, attach the patches onto strategic points on the machine and run the software." What's more, the patches never come in contact with the media flowing in pipes and valves, so there is no threat of process contamination and no need to halt production in order to install them.

"We work with both production lines and large manufacturers of industrial machines and plants", says Konvalina. "The patch is applicable in a wide variety of industries, like pharma, semiconductor, food and beverage, distillation, robotics and irrigation. I see how production lines all around the world are changing their paradigm, and this is clearly the direction they are taking. I believe we can take a substantial part in optimizing the way **products are manufactured.**"

The Industry 4.0 Space in Israel



Total number of companies:

2014  **146**

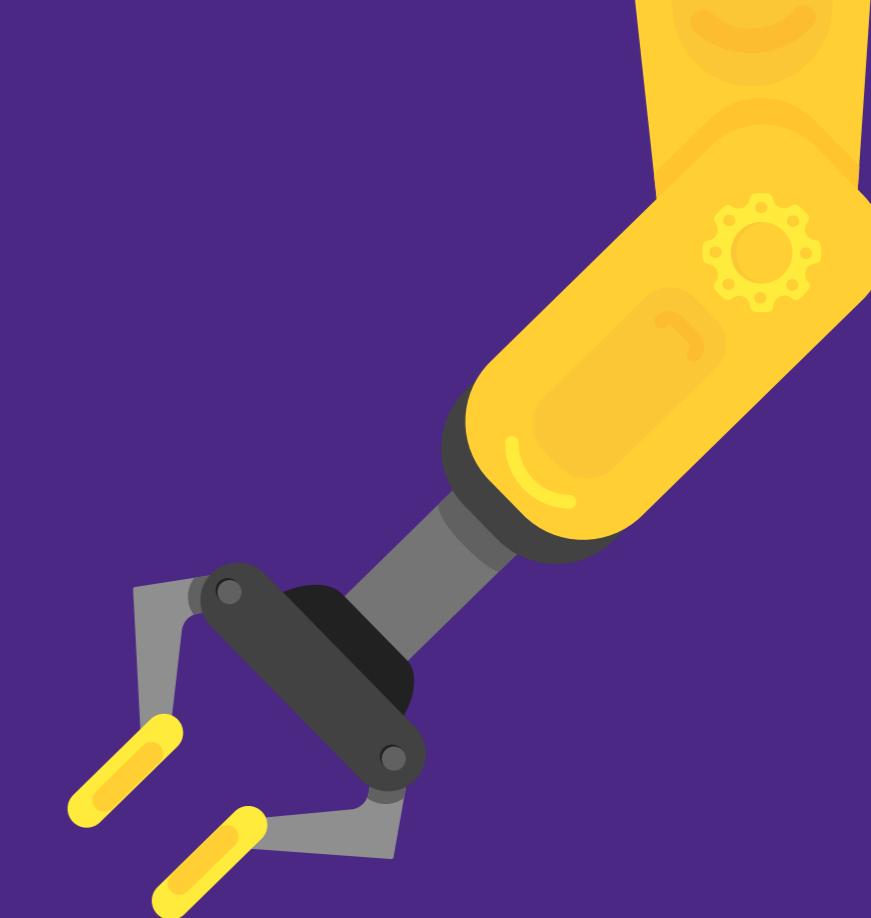
2018  **230**



Total investments:

2014  **\$113** million

2018  **\$365** million



61%

Of 2018 investments were made by at least one foreign investor



40%

Of companies are mid to late-stage companies

Venture capital investments in Industry 4.0 (2013-2018)



Largest Subsectors:



Operations Optimization: **26%**



Industrial Cybersecurity: **14%**



IoT Platforms: **12%**



03 Israeli Innovation

New Hope for Pediatric Burn Scars Using Israeli Lasers

A seven year old girl from Jerusalem was severely burnt in a fire. Despite losing an eye, an arm, both ears and most of one foot, today she is smiling thanks to Israeli-developed laser technologies.

The girl was treated at the I-PEARLS (Israel Pediatric Aesthetic and Reconstructive Laser Surgery) Center of Excellence at Sheba Medical Center – the first of its kind in the Middle East and one of only a few in the world.

Since the girl was so young, the doctors couldn't use skin grafts to treat the burnt skin. Instead, they used a sample of the girl's skin to grow new skin in a lab. To reduce the devastating impact of the scars, the doctors used carbon dioxide (CO₂) ablative lasers

developed by Israeli companies such as Lumenis, Alma and Syneron. This new generation of lasers has the capacity to penetrate the thickest raised scars and make them softer and suppler. The vascular laser reduces discoloration and abnormalities caused by burns, and the non-ablative laser treats atrophic scars. These powerful lasers will change the standard of care for children.

<http://www.ipearls.org/>



04 Cultural Bite

The Galilee Olive Oil Trail

Olive trees have been growing in Israel for thousands of years. These trees are not only a source of food, medicine and cosmetics but olive oil production is part of Israel's culture and tradition. Today Israel produces about 19,500 tons of top quality extra-virgin olive oil annually, from 81,000 acres of olive groves.

Many of the country's olive groves can be found in the foothills of the Lower Galilee. Besides being breathtakingly beautiful, this area is also a "nerve center" for many olive-oil related activities.

While traveling along the olive oil trail you can meet some of Israel's boutique olive oil producers and get a peek behind the scenes at the small scale presses. At the village of Nahalal, the "Lavido Visitor Center" provides fascinating information about the production of cosmetics from mixing local plants and herbs with olive oil. Visitors can tour the garden and also visit the factory.

Don't miss seeing Kfar Kedem, an ancient olive farm, and experience what life was like in ancient times. You can dress up in biblical Jewish costume and enjoy freshly ground olive oil, hummus and hot pita in the sunshine.

The best time to visit the olive oil trail is at harvest time (October-November), when the Olive Branch Festival takes place. Visitors can have a hands-on experience of picking and bottling olives, meet with different ethnic communities in the Galilee, enjoy food tastings and free tours, and take guided hikes through olive groves to learn the history of the trees and the area.

www.touristisrael.com