

## The Batchery Case Study Gryphon

### Overview of Gryphon

Gryphon builds a powerful cloud-managed network protection platform, driven by machine learning. This platform makes home and small business networks more secure, even providing parental control via a phone app. Gryphon understands the silent but real threat which continues to grow in homes and businesses, increasing our vulnerability to cyber-attacks that can violate privacy, create an environment for identity theft, and expose children to inappropriate Internet content.

According to [Variety News](#), the average household has eleven connected devices, including seven with screens to view content. It is expected that once 5G is present across the United States, there will be a significant increase in the number of connected devices in households across America. Unfortunately, these devices are extremely vulnerable to being hacked.

The Gryphon platform involves a high-performance WiFi router system, a simple App, and machine learning that improves with time and usage. With a simple setup (no additional software to be installed on the end devices), the protection works at the network layer to block unwanted content, malware, and intrusions for all connected devices. Gryphon also licenses its software platform to 3<sup>rd</sup> party hardware.

The Gryphon co-founders have more than two decades of experience in networking technology and security, leading the team that invented the revolutionary MiFi mobile hotspot technology. While understanding the benefits and convenience of being connected, Gryphon also has a deep understanding of the associated threats. Gryphon believes every customer's data is their property, and that they should have total control of how it is stored, accessed, and used. In short, Gryphon is committed to protecting the home, WiFi, and privacy of its customers.

### Why Gryphon Chose to Work with the Batchery

Gryphon joined the Batchery when the company was in its fledgling stage—the idea was present, but the technology had yet to be fleshed out to construct an actual product. Gryphon needed help with a number of key aspects of the business. Engaging with investor advisors was crucial to vetting the idea and getting it off the ground. The Batchery works with Series Seed and A stage entrepreneurs who leverage the Batchery Deep Dive and Batchery Roadshow programs.

What makes the Batchery special—and helped Gryphon achieve success—is the “*network of networks*,” which proves an ecosystem of industry partners, services providers, Investor Advisors, the internal angel group, the Batchery Angels and fellow startups embarking on the same journey. All of these Batchery networks have a stake in a startup's success, therefore, freely share what they know, while ensuring startups “*get it right*.”

One of the really great things the Batchery brings to startups like Gryphon is our model, which is primarily virtual, implementing Zoom videoconferencing. All that is needed is a computer and a high-speed internet connection. As a result of this model, the Batchery has the opportunity to work with the very best startups—regardless of where they are located.

### **What the Batchery Helped Gryphon Achieve**

Gryphon, like many startups, needed assistance with a number of issues—issues the Batchery is uniquely able to address, such as:

- Building a strong business plan
- Creating the most compelling “pitch”
- Connecting with investors
- Market fit for the product
- Legitimacy by being part of an incubator
- Connecting to necessary marketing and business development resources

### **Company Growth Story of Gryphon**

Gryphon joined pre-revenue, and now sells online at a \$3 million ARR, after having their first product in the market for a year and a half, with placement in Amazon, New Egg, Walmart, and Best Buy. Next, a second, lower-cost model launched, broadening Gryphon’s customer base. When Gryphon joined the Batchery, it was valued at \$3.5 million; the current valuation for Gryphon is \$20 million, with the Smith Micro note.

Batchery holds a 2 percent warrant, so in two years, Gryphon’s value to the Batchery has increased from \$70-\$400k. The founder of Gryphon, John Wu, had this to say about the Batchery:

*“Being able to join the Batchery was a great learning experience for us and really helped us crystalize our business plan and go-to-market strategy. Everyone at the Batchery was very helpful in getting us off the ground.”*

### **How the Batchery is Helping Gryphon Achieve Their Grow Goals**

From 2018 to 2019, the Batchery helped Gryphon revenues to multiply by nearly 2.5 times. It is expected that revenues will continue to multiply at a rate of 2-3 times per year, while services revenues also grow. The Gryphon Guardian is now the most affordable advanced security and parental control system on the market, and can be used as a standalone unit, or combined with another Guardian for seamless mesh WiFi coverage.

*“I invested in Gryphon based on the technology and patent work accomplishments. I felt that John had the technical chops to do it. As a member of the Batchery, John was very responsive and proactive in working with the IAs.”—Malcolm Smith*

A second product was recently launched by Gryphon—a smaller, slightly less powerful, less expensive mesh router. It is believed this new product will help Gryphon achieve a much broader consumer base. The Batchery is currently assisting Gryphon in connecting with marketing, business development, and growth capital.

The Batchery is proud to maximize a startup like Gryphon’s success by combining Silicon resources and mentorship—with a Berkeley twist. The Batchery seeks to take companies like Gryphon to the next level, making sure the business is viable, then identifying and removing

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obstacles to the company's success. We are drawn to founders who demonstrate leadership in how they engage with the program and with the community—our founders are persistent, curious, coachable, and fully committed to success.

*“As a Batchery Investor Advisor, I am always pleased to work with, and ultimately support (via direct investment), those companies that are led by smart, coachable, ambitious founders. John Wu, from Gryphon, is all that and more. He has a vastly credible background in the hardware and security space and proactively seeks out inputs and sounding board advice. And, as always, with an investment, it's all about execution and steady upward progress. John and his team deliver results and keep investors informed of their progress. Every investor wants more founders like John in their portfolios.”* –Jeff Wallace