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Finance and Investment: The Practitioners' Perspectives (2)

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INVESTING OR DOING ENTREPRENEURSHIP IN NEWSPACE? WHAT DOES THAT MEAN?
DEFINING THE CATEGORIES OF INVESTMENT, FINANCING AND TECHNOLOGY
DEVELOPMENT AND WHY IT IS IMPORTANT.

Abstract

Over the past fifteen years, commercialization and privatization of activities in space has grown. This has entailed financing and investing from both government and private entities; as well as an increase in the development and deployment of disruptive or innovative space technologies. The increasingly private sector nature of the space domain has also increased geopolitical interest and created potential for nation-state competition as governments seek to best position their domestic industries for growth.

Meanwhile, the terminology that is used to describe those entering the market as players, as well as the technologies or applications they field, varies across community, segment and national boundaries. This creates significant confusion and, in many cases, erodes academic and professional business analysis of the space industry, creating poor strategic decisions by those coming into the market and lastly, wasting resources (time, people and capital).

The space domain today is a national security matter whether one operates as a private, commercial, or government entity. As the space domain becomes increasingly dominated by the private sector, consistent terminology (or at least shared understanding of terminology) becomes a key factor in state-to-state communication on space development; in businesses being able to clearly direct strategy; and in general audiences understanding the benefits of space technology. Yet there is no standard approach to ensure that those in government or private sector whether in entrepreneurship, investment or policy have the common terminology to communicate what the space domain is.

This paper presents initial findings from a research project analyzing the role of terminology in promoting growth in the space domain. Based on a combination of literature review and stakeholder interviews, the paper aims to identify key terms used to describe activities and objectives of the commercial sector. It aims to describe the history of the different terminology in use, clarify the intent of those terms, and describe what commonality exists (or does not exist) across different national jurisdictions and/or economic systems.

The goals of this analysis are: 1. Provide actors with a common reference point for terms that influence stability and growth in the space domain. 2. Enable actors to be more transparent about the nature of their space activities, improving not only their decision-making but also the decision-making of stakeholders.

The authors believe that providing an understanding of common terms is important in achieving positive benefit from further commercial activities in space and in establishing supportive and appropriate regulatory frameworks.