Blockflyer at the Virginia Tech Global Challenge 2018

From 16 to 25 August, Steven Rüttimann represented ZHAW and Switzerland with his Blockflyer startup at the Virginia Tech Global Challenge. The finalist of this year's ZHAW Startup Challenge did not win the US$ 30,000 cash prize with Blockflyer, he is that much wealthier with exciting, new impressions and many useful contacts.

Many thanks to the ZHAW Startup Challenge Partners!

What does Blockflyer do?

Blockflyer is a revolutionary payment system that provides air travelers with a single currency in a single account. Blockflyer exchanges a traveler's airline miles for their own cryptocurrency, which can be used as a means of payment at all our partners regardless of alliances and mileage programs. We have rethought - from the ground up - what a loyalty system can do and improved aging systems with our block-chain approach, creating added value for all parties involved.

How did you get the idea in the first place?

The idea came quite spontaneously when I was drinking beer with a friend of mine over a year ago, and we suddenly thought how cool it would be to have enough air miles to book a first-class flight across the Atlantic. We then worked out a rudimentary system to collect enough miles, but this was based on the Air Berlin mileage program, which is now history, unfortunately. I could hardly believe it when the idea went down well with the airline so I started to think about how such a system could work for several airlines and a larger target audience. Now a year later it's called Blockflyer.

What were your first impressions when you arrived at Virginia Tech?

As a branch of my family lives only a short distance from Virginia Tech, I already know the region and the American culture quite well. But what impresses me time and again is the genuine "college culture" that exists in the USA. University life is organized down to the last detail, and the campus is more like a small town than anything else. This is certainly something that we in Europe will never have to the same extent simply for reasons of space. If you don't want to, you need never leave the campus during the semester because everything can be provided, arranged, or bought locally. Leisure activities are not neglected either. Furthermore, the impressive buildings on the campus are mostly made of local limestone, the so-called "Hokie Stone," which gives it a certain "Hogwart" character. Incidentally, "Hokie" is the VT mascot - a slightly exaggerated turkey!

During your pitch, your microphone suddenly cut out, and loud music started playing (due to a technical error). How did you manage to stay so calm in a situation like this?

I guess that's something to do with me and my style. I've never found it difficult to speak in front of an audience, and I don't give it much thought. Getting annoyed or upset about it wouldn't have changed the situation. In fact, the entire episode was rather entertaining. When I looked over to the technical desk, nobody was there, so I knew immediately that this interruption could last a while. I immediately tried to interact with the audience and especially with the panel of judges, so that the time would pass a bit faster and the tension would be defused a bit. I found out later that the loudspeakers had been overridden by a technician at the other end of the stadium for a general sound test because the football season was starting the following week! It was just a coincidence that it affected my pitch and not someone else's, but there's nothing you can do but smile and not let it get you down.

What were your personal highlights during the week in Virginia?

One of the things most valuable to me was working with my host company - a local company which the teams worked with during the week before the pitch to learn more about the American start-up culture and how to pitch. As luck would have it, my host company was a software developer with blockchain expertise, so the collaboration was incredibly helpful for me! We are still in contact even after the event and are thinking about a working arrangement in the future. On a personal level, our tour of the US Capitol Building in Washington was definitely the highlight of the week. I've been to Washington DC countless times, but I've never had the chance to go to the Capitol, which finally worked out for me this time.

What new knowledge regarding Blockflyer and your future entrepreneurial career did you take home from the USA?

For me, it was particularly interesting to see how the American market reacted to the topic of blockchain or cryptocurrencies - because opinion is very divided. On the one hand, there are the technological advocates, with whom discussions in this area are always easy. On the other hand, a large part of the country is very skeptical about cryptocurrencies, which for me means finding ways to make such concepts more accessible to people. The mood in Europe and Switzerland is similar but generally less extreme. A significant problem is the fact that most cryptocurrencies are very volatile, so there is a lot of uncertainty. Another problem is the still very limited knowledge about such products, which results in many using the term "Bitcoin" for it. This is bad for all crypto startups since Bitcoin is only an initial application of the technology. It can be compared to the first Mercedes-Benz patented car dating back to 1889. At that time, the population was still very skeptical about this new form of transport which suddenly did not need real horses anymore. Looking back, it was indeed not the best car they ever made, but it was the first car! Just as Mercedes-Benz had to convince people of a futuristic technology back then, we have to do the same for cryptocurrencies and loyalty systems with Blockflyer to drive this market forward.

What are your next goals with Blockflyer?

It's "back to the drawing board" as they say! You improve from pitch to pitch, and, in between, the concept is put through its paces, tested, changed, and improved. We are currently working on data models and research papers to give the project more scientific grounding. A large part involves showing the airlines through dialogue how the loyalty industry will change and where Blockflyer can create added value. Right now, we are in contact with some airlines and trying to meet their requirements with such a system. At the same time, we are also looking for financial resources to set up Blockflyer as a company as soon as possible and then strive for FINMA certification as a financial intermediary.

I would like to take this opportunity to thank the ZHAW Startup Challenge Team once again. Without this event, Blockflyer would not have moved into the RUNWAY Incubator as a startup and probably wouldn't be where it is today. In such situations, I'm always reminded of a poster we have at RUNWAY which says: "It's not about ideas, it's about making ideas happen!".