

EXPAND YOUR START-UP. BUILD THE STRATEGY



CONTENT

Introduction **3**

Build Your Strategy **4**

Interviews **13**

CallPage **14**

Cashdirector **18**

Husarion **22**

Sentione **26**

Synerise **30**

There is a proud ring to the word “internationalisation”, but when talking to start-ups we prefer to speak of export, so as not to scare them. It’s important to understand that selling away from your native market is harder and calls for more than just efficient marketing. That is why relationships, projects, and cooperation networks like EIT are a great support. It is a great joy: we help Polish companies conquer the world.

Wojciech Przybylski
CEO of the Kraków Technology Park



The partnership between KTP and EIT Digital is connecting the Polish digital ecosystem with EIT Digital’s EU-wide one consisting of more than 250 industry, research and university partners. Thanks to it, Polish scale-ups have access to EIT Digital’s Accelerator support for international growth while Polish entrepreneurial teams can exploit the Venture Program to advance their MVP and establish their venture.

Fabio Pianesi
Head of External Collaboration, EIT Digital



Sonia Bazan
Coordinator of the EIT Digital project
at the Kraków Technology Park

This is a practical guide to approaching the foreign expansion of technology start-ups. It summarises our “Expand your Start-up. Build the Strategy” workshops and complements them with interviews conducted with representatives of start-ups that took their first steps towards internationalisation long ago. For those with an appetite for global development, this material will help you in taking the decision: it tells you how to start working on your foreign expansion strategy and what are the greatest challenges. In honest interviews, our interviewees speak of their successes but also concentrate on the mistakes they’ve made.

During the two rounds of the workshop we have trained nearly 20 promising scale-ups. Some of the companies that participated in the event in 2019 are already successfully selling their products and services abroad. We would like to believe that we have contributed to that success, even if only to a small extent.

The organisation of workshops and publication of this material would not have been possible without the cooperation with EIT Digital, EIT Digital is a leading European digital innovation and entrepreneurial education organisation driving Europe’s digital transformation. Its way of working embodies the future of innovation through a pan-European ecosystem of over 200 top European corporations, SMEs, startups, universities and research institutes, where students, researchers, engineers, business developers and entrepreneurs collaborate in an open innovation setting. EIT Digital invests in strategic areas to accelerate the market uptake and scaling of research-based digital technologies (deep tech) focusing on Europe’s strategic, societal challenges: Digital Tech, Digital Cities, Digital Industry, Digital Wellbeing, and Digital Finance.

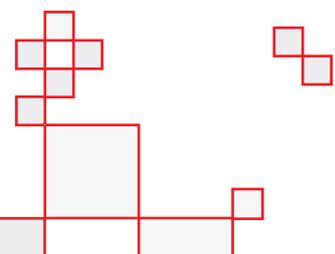
BUILD A STRATEGY

A series of workshops addressed to start-ups that want to enter successfully foreign markets was organised as part of the cooperation between the Kraków Technology Park (KPT) and EIT Digital, a pan-European organisation. The practical process of obtaining unique knowledge on foreign expansion was based on the support of experts who work for major international corporations and leading Polish scale-ups, and the experience of weathered educators and workshop facilitators. The material below summarises the two editions of the workshop.

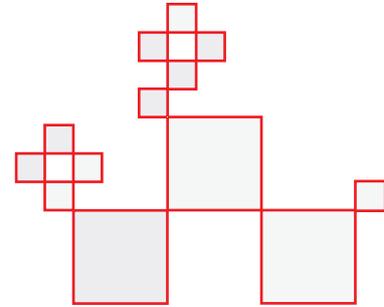
THE KNOWN KNOWNS, THE KNOWN UNKNOWNNS

The subject of internationalisation of specialised tech companies seems to be extremely important and valid. Internationalisation is a necessary condition for the scaling of start-ups. Without it, it would be hard, if not impossible, to speak of another success, another unicorn, about dynamic growth, or investor satisfaction.

Interpreting the memorable words of Donald Rumsfeld, the significance of internationalisation for the development of a start-up can be considered a so-called “known knowns”. Start-ups realise, and know, that scaling up is the only appropriate approach. The reality is, however, entirely different. As demonstrated in Startup Poland’s “The Polish Tech Scene” report, only 39% of start-ups have customers abroad. However, it is encouraging that no fewer than 75% of start-ups declare that they want to set up international cooperation within the coming 12 months. Yet that is not new, as that declaration has been voiced by most founders for years. On the one hand, this is encouraging, but on the other, how do we turn declarations into actions?



Remaining with Donald Rumsfeld for a moment, there are practices of entering the Pan-European market that can be called “known unknowns”. These generic practices can be named, and later adjusted to the specific nature of your own start-up and the markets that you intend to capture. It is doable, but also difficult. Doable, as there is a list of questions with which you need to confront your start-up’s business model when considering expansion. Difficult, as there are plenty of questions on the list and each of them requires an honest answer. The answers need to be ordered in a way that is methodically correct, which is why it makes sense to use a large sheet of paper to give your thought experiment a visual form. The correctly ordered answers must be arranged into the foundation of a new business model that is dedicated to international expansion. Their interpretation is the right step on the road to building your internationalisation strategy MVP.



The list of questions that founders should answer when preparing their start-ups to expand into international markets is long. Moreover, it is always open. It cannot be closed, for if market conditions change so must the questions worth considering. Nearly 200 questions were asked during the workshops on building the MVP. Some stemmed directly from a detailed investigation of the leading innovative project development methods, others from the workshop designers’ and facilitators’ experience in building international corporate-start-up ecosystems, and yet others from the experience of the guests, seasoned managers of internationalisation and international business management. Other than being on target and “opening”, all the questions were also difficult.

They resulted from the seasoned experience of the people who had alighted at dozens upon dozens of train stations, airports and car parks, where the official language was different from their native language. Eric Ries often notes that the essence of the lean approach is “to find ways of moving efficiently from A to B before our resources run out”. All the questions asked in the workshop could easily fit into the area defined by these two points in the journey. All the people invited to co-chair or reinforce the workshops with their own ideas and experience in building go-to strategy for the Pan-European market have covered that distance many times, always mapping, analysing, measuring, assessing, and amending their steps. This is precisely the reason why the questions they asked were not academic but vested with huge practical value resulting from their own successes and failures.

An interesting way of ordering them is to use the Business Model Canvas. Working with a flexible canvas that provides the foundation for visual mapping of your observations is usually much more effective than working on a classic business plan that is text-based. The ability to put your observations on a sheet of paper of a size that allows you to fully encompass it at a glance has a significant value. The ability to look at a business model as the sum total of granular elements usually makes it possible to notice the individual elements of the configuration and the relationships between them, which would have been lost if the business model were described in a wordy document. This is precisely the reason why the workshop participants played cards and filled in the canvas. That way of working guaranteed – also in the case of building the scaling up strategy – additional efficiency and reaching conclusions that



could have been lost between the lines in another model. It also guaranteed fun! When building an internationalisation strategy MVP it makes sense to consider not only the product area of your business, but also the options for expanding the scale of your start-up's operations, and the means of communication and delivering your offer to the customer. And it always makes sense to think about money. There are definitions that suggest that the start-up operation only becomes innovative when it allows making ends meet, i.e. when liabilities are covered and the development needs can be comfortably financed.

There was a powerful connection between the question cards used during the workshop and the Business Model Canvas. The cards were a pragmatic aid for start-up founders, helping them to analyse the possibilities of configuring the business models for their projects. Together, the cards and canvas provide tools for the entrepreneur who wants to build an “MVP of internationalisation strategy for their project”.

The canvas ordered the answers given by the start-ups, allowing the participants to synthesise answers immediately. And that is

important! The start-ups worked intensively, bearing in mind that they would be able to bring their theoretical MVP to experienced corporate innovators from companies such as Alior Bank, Lafarge Holcim, Ericsson, Budimex, EY, hub:raum, FoodTech Accelerator, and Indra.

You can easily replay the exercise that the founders took during the workshop, even now. How? Print out the canvas, and take your time to cover the processes described below, record your conclusions on Post-It notes, attach them to the canvas, and start validating them in the practice and spirit of the lean start-up method.

1. Make sure you know why you are deciding to conduct international expansion.
2. Choose the markets you find most interesting.
3. Consider all the unique features of the markets on your radar.
4. Make sure you know how to speak about yourself and your motivations concisely. It's important that you can prove to yourself that you have done your fundamental homework. Only then will you be able to pass to the tasks that lead you to the construction of the scaling up strategy MVP.
5. Then divide the composition of your company into 4 parts: Offering, Operations, Visibility, and Monetisation.
6. Analyse each part of your company's business model separately.
 - A. Start with the Offer, think broadly, and focus on the following questions:
 - I. Does your product suit clients in the new markets? (Product)
 - II. Will the services you attached to the products be attractive in the new markets? (Service)
 - III. Can your product gain from being combined with other offers available to customers in the new markets? (Product Systems)
 - B. Move on to Operations, focusing on the following questions:
 - I. Is your current partner network sufficient to expand internationally? (Network)
 - II. Is your structure – personnel, material, resource – ready to expand your operation to new markets? (Structure)
 - III. Will your processes cope with the need to run more extensive activity, also in new markets? (Process)
 - C. Then rethink your Visibility in the market:
 - I. Can your existing communication channels be copied into the new markets? (Channel)
 - II. Will your image in the domestic market be helpful in expanding to new markets? (Brand)
 - III. Will you be able to build a community of engaged customers in the new markets as well? (Engagement)
 - D. In the last step, consider how you're going to Monetise this:
 - I. Does your profit model work effectively in the current market?
 - II. Do you intend to introduce changes to it for the new market?
 - III. What profit models do your clients prefer?
7. You have just mapped the MVP of your scaling up strategy! Congratulations!
8. Take a look at your answers. Now assess them according to the "I'm sure/I guess" criterion. Divide the canvas according to the areas of risk and their impact on the likelihood of the positive scenario for your expansion.
9. Before starting a true expansion into foreign markets, create hypotheses and conduct experiments (lean start-up) that will help you make the scaling up strategy MVP more realistic, and reduce the risk of a costly failure.

The start-ups that participated in the workshop went through the same process.

BONUS

It is certainly worth listening to experienced people, and learn from their successes and failures. It also makes sense to read books that they consider interesting and inspiring. In building your entering the Pan-European market strategy it's certainly worth reading the following:

→ Predictable Revenue

| <https://www.amazon.com/Predictable-Revenue-Business-Practices-Salesforce-com/dp/0984380213>

→ The SaaS Sales Method: Sales as a Science

| <https://www.amazon.com/SaaS-Sales-Method-Science-Blueprints/dp/198626968X>

→ Measure What Matters |

<https://www.amazon.com/Measure-What-Matters-Google-Foundation/dp/0525536221/>

OPEN INNOVATION

OPERATIONS

- What partner ecosystem do you need for the quick and complete internationalisation of your operations?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

OPERATIONS

- How unique are your processes on a global scale? Do they adapt global mechanisms to a local market? Or perhaps they are entirely proprietary and original?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

VISIBILITY

- Which markets (geographically) do you find most attractive from the perspective of the value proposition you offer? Why? Is it their size? What other feature?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

VISIBILITY

- What could the optimum channels of communication and distribution for your product in foreign markets look like? How different are they from the ones you use today?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

OFFERING

- Have you investigated the customers to whom you are going to address your product in the new markets? What kind of research is it? What results did it return?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

OFFERING

- Would your product be better and/or more complete if it became a part of a system (e.g. an external platform)?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

OFFERING

- How flexible is your customer support process? How quickly will you be able to shift it to a bigger and broader volume of activity?

THE PATH TO INTERNATIONALISATION

OPEN INNOVATION

BENEFITS

- Will expanding into new markets force you to change how you monetise your offer? Will you be able to maintain the coherence of your monetisation model?

THE PATH TO INTERNATIONALISATION

GO GLOBAL | CORPORATE-STARTUP PATH

MY STARTUP, NAME IS DEVELOPING OFFERING TO HELP CUSTOMER SEGMENT

SOLVE PROBLEM WITH SUPER POWER. WE COMPETE WITH COMPETITOR I AND COMPETITOR II

BUT WE KEY COMPETITIVE ADVANTAGE. CURRENTLY WE HAVE PRODUCT, TEAM, OTHER RESOURCES

BUT WE ARE LOOKING FOR COOPERATION/NEED SO THA WE CAN COOPERATION PLAN !!

OPERATIONS

OFFERING

VISIBILITY

BENEFITS

Handwritten notes in blue ink:

- OPERATIONS: NETWORK, PROCESS, STRUCTURE
- OFFERING: PRODUCT, SYSTEM, SERVICE
- VISIBILITY: BRAND, CHANNEL, ENGAGE
- BENEFITS: PROFIT MODEL



EIT Digital is supported by the EIT,
a body of the European Union.



Digital



KRAKOW
TECHNOLOGY
PARK

"If you are not embarrassed by the first version of your product,
you've launched too late." – Reid Hoffman

THE UNKNOWN UNKNOWNNS

Having a verbalised prototype of an international expansion strategy is one of the key steps on the start-up's path to internationalising its business: a step that is necessary, albeit not sufficient in and of itself. Turning a prototype into a product calls for a series of experiments, a confrontation with the market, a series of adjustments, and iteration. The internationalisation strategy MVP follows a similar path. Its transformation into a proper, final, solid, and adequate strategy requires additional effort.



Let us again return to the words of Donald Rumsfeld. Even the best internationalisation strategy MVP won't save or protect a start-up from running into the "unknown unknowns" of the new international markets. Cultural context, local circumstances, regionalisms, the history of a given nationality or society, norms, standards and regulations, habits and traditions, symbols and ways of communication, beliefs and superstitions, typical methods and forbidden practices – for all these, watchfulness, focus, brisk reaction, genius, adjustment, iterative activity, and skilful application of methods are as important as experience in the scaling up process. The report mentioned above also speaks of "champions of innovation", that is start-ups that develop the fastest and demonstrate the highest growth rate. Such enterprises share a number of distinctive features. First, more than half of their growth results from international cooperation. Secondly, 75% of them have international teams. Thirdly, they cooperate with large companies. What is the conclusion? Internationalisation of your business and opting for an international team are the best recipe for switching the development of your company into a higher gear!

Considering all that has been said above, how should you prepare your start-up for a collision with something as enigmatic as the "unknown unknowns"? One of the best practices may be listening to the people who have gone on that foreign exploration before you and are ready to share their practical experience, which is often quite surprising and therefore extremely useful. What are the far from obvious aspects that are worth paying attention to when you guide your start-up into international markets? This is precisely the question we asked experienced start-ups. You can find the answers below.

THE KNOWN KNOWNS

The known knowns are the robust innovation drivers in the European ecosystem. These entities, like EIT Digital are working closely with the EU institutions.

EIT Digital strengthens Europe's position in the digital world by delivering breakthrough digital innovations to the market and breeding entrepreneurial talent for economic growth and improved quality of life. EIT Digital helps business and entrepreneurs to be at the frontier of digital innovation by providing them with technology, talent, and growth support.

The organisation's Accelerator pillar, the EIT Digital Accelerator consists of more than 30 dedicated international business developers and technology financing specialists operating from 14 major cities across 10 EU countries and a hub in San Francisco.



The 'Access to Market' support is tailored to help you grow businesses quickly on an international scale. We open the doors and make the right introductions to close the next deal.

The 'Access to Finance' team of technology financing specialists works with European digital companies to raise €2-15M in Series A-B, connect scaleups with the right VCs, and help raise the funding companies needs to scale and achieve their potential.

In turn, in his bestselling *Creativity, INC.*, Ed Catmull mentions the concept of serendipity, which is a certain element of chance in the development of innovation. In the meeting, apart from the elements that we fully controlled, i.e. the input from the experts (we knew they represent an extremely high level of expertise), the structure and agenda of the workshop exercises (proper preparation also limited risk here), the start-ups had space for the spontaneous exploration of the concepts in conditions that were close to the market – in a dynamic confrontation of the vision for their internationalisation strategy MVPs with more experienced representatives of scaleups and international corporations. The discussion sessions, the coffee breaks spent together, the exchange of observations and experiences, launched two important processes in the

development of global businesses: the aforementioned exploration of the “unknown unknowns” and the pursuit of the concept of “serendipity”. It is great that corporations are ready to open up to the unknown, that the financiers look at solutions from beyond fintech, that the engineers look for inspiration outside of the Internet of Things, and that the developers are as interested in the challenges of serving the individual client as they are in the questions of material engineering. The “known known” is that this is the only proper way for those who want to build corporate–start-up synergy and transfer it to successive, higher levels.

Perhaps the most important thing has been saved for the end. The Polish start-up ecosystem has matured, it is ready to share knowledge and listen carefully to others. In this series of workshops, more mature start-ups shared their experience very openly and spoke about the things that can scarcely be found even in the wisest books. They showed humility, emphasising that this vision of internationalisation continues to exist in the “wishful thinking” category, emphasising full mobilisation. In turn, the participants listened, took notes, asked questions, and discussed the issues. It seems that the Polish ecosystem has matured to building start-ups that are “global from Day 1”, or perhaps not if a rationally developed strategy indicates otherwise. The awareness and declaration that “I want to operate on the international stage” is Step 0, while a good plan and strategy are Step 1. Now what’s left is Step 2 – the hardest – namely turning that strategy into reality. All enthusiasts and practitioners of innovation should keep their fingers crossed for the start-ups preparing to take this step, for their success.

The series of workshops took place in 2019 and 2020. Its initiators were Mateusz Cybula and Sonia Bazan of the Kraków Technology Park. The expert content of the workshop, the pragmatic approach to the materials, and the dynamic facilitation of the workshop were the work of Łukasz Cieśla and Marcin Szymański of Open Innovation House. Roman Warkocz was responsible for the co-moderation of one of the workshops.

Eighteen start-ups – Gym Manger, FindAIR, Talent Alpha, E-nform, VersaBox, Zeme Tech, Renderro, Wheelstair, Hexerio, Emplo, Wandlee, MC2 Innovations, Nais, Scan IT, Husarion, NSFlow, Sense Monitoring, Drukuje.to, and EHS VR – participated in the workshop. The construction of the MVP for international expansion strategy was supported by representatives of Synerise, Callpage, 1000 Realities, Zencard, HCM Deck, Alior Bank, Lafarge Holcim, Ericsson, EY, hub:raum, Budimex, FoodTech Accelerator, and Indra, for which we express our deep gratitude.

This article was written by Łukasz Cieśla & Marcin Szymański of Open Innovation House in close cooperation with Sonia Bazan and Mateusz Cybula of Kraków Technology Park.

INTERVIEWS



09:23

Następny slajd

- Experts's Talks
- Introducing EIT Digital
- Business Model
- Open Discussion



ing strategy for IONALIZATION

13|DEC|2019

ŁC: Zgodnie z najnowszym Raportem Startup Poland "The Polish Tech Scene", tylko 39% startupów (na reprezentatywnej grupie ponad 1300 technologicznych spółek) ma klientów poza Polską. To spadek o 7% pp w porównaniu do badania z 2018 roku, i 18% spadek w stosunku do badania z 2014 roku. Przewidywane...

CallPage is a Kraków start-up supported by leading European investors, including funds such as Innovation Nest, Market One Capital, TDJ Pitango, and Startup Wise Guys. CallPage Widget engages visitors to your website and gives them an opportunity to speak to a consultant within 28 seconds. CallPage supports its customers through innovative solutions and quick action. The company is constantly working on improving its tools to revolutionise the future of sales conversations.

HUBHUB

Sonia Bazan: Bogdan, for two years now you've been our special guest during the Expand Your Start-up – Build the Strategy workshop that we organise to work with start-ups eager to sell their solutions in international markets. Your story is so informative that it's worth reading by everyone who is thinking of foreign expansion. Could you first tell me about your situation at the moment, which markets are you present in?

Bogdan Tyskyy: In the beginning, we tried to be present more or less in every country of the world where you can find the Internet and in which you can make a call. We thought that this was what foreign expansion meant. Now we are focused on 13, maybe 15, key markets. Obviously, Poland is still our home base, but when it comes to foreign sales we have customers in English-speaking countries such as the US, the UK, and Australia, and in Western Europe – Germany, Italy, France, Spain, Portugal, and Austria. We are doing very well, especially in the Italian market. I must admit that we don't have an Italian-speaker in our team and in the future it would be useful to have one, as customers in Italy hardly ever speak English. However, with the help of Google Translate, you can answer an email or a chat message. This shows that you can easily do your sales in Europe if you also speak languages other than English. You need to remember that it is primarily the product that must do its job. In our case, we have our “powered by Callpage” link on the widget, and thanks to that, if we reach a bigger or more famous customer it generates additional traffic on the website. A good example is our success story from Italy: one larger customer installed our application and many noticed it and began writing to us. We are also present in Brazil, but our strategy in that country is entirely different: we just cooperate with a partner who is our reseller. In that case we've got to consider two very important aspects: the time difference of five or six hours, and the specific cultural factors.



“It is very important to measure customer satisfaction and understand where it comes from, but also to know what problems customers encounter.”

Bogdan Tyskyy
CRO, Callpage



All right, so can you tell me more, for the sake of contrast, about your first steps in internationalisation? There is that story about the several dozen markets you mentioned before.

We managed very well in Poland. Large-scale cold mailing, visiting trade fairs, presenting what we do, building contacts, distributing visiting cards – we were simply making sure that everyone knew about us. I thought it would work the same way abroad. It may be worth adding that in Poland we have one large operator thanks to which we provide connections for our customers. Speaking of foreign markets, we had to find a solution that could be launched in all the countries. It turned out that such solutions are available in the market, but different rates apply in each country so we couldn't have one price list for different markets. Additionally, every country has an individual approach to sales: one may want to speak English, somebody else might not, yet another can be keen on content marketing, and others not at all. That taught us to focus on specific countries where first of all there are very good conditions for developing business, and where we have the resources. Another issue in our case is content marketing. We have invested in it and we produce a lot of valuable content on the blog, we continuously update it, and we try to make sure there are no posts that may generate plenty of traffic but, for example, speak of social media marketing in 2018. Who needs such data in 2020? It's not only about the production of valuable materials and positioning of keywords, but also the continuous updating of content.

You've already spoken about the most important lessons to learn, but I'd like to discuss your experience and mistakes.

We selected several dozen markets and tried to adapt websites and product subpages to them. We translated them into individual languages, as well as our Callpage panel. The translation proved to be a major mistake. At such an early stage the company develops very dynamically, and that means continuous addition of new functionalities, often even weekly. In such circumstances you can easily forget that you added a tab or a button, and that these also need translating. Otherwise it doesn't look professional: the whole

panel is in Italian, and one button is in English or in Polish. Currently our website and panel are managed in only three languages.

Looking back, do you have any advice for people who are only just starting to consider foreign expansion?

B: I would look at this from the perspective of the sales funnel and preparation of the offer. First of all, your business must pay. If we have a tool in the SaaS model, every company must calculate their profit margins as they are different in Poland and different in foreign markets, where even just a text message or notification may mean a completely different cost. Compared to foreign markets these costs are low in Poland. Perhaps on a smaller scale it doesn't make a major difference, but on a larger scale these are significant fees and you've got to develop your offer based on such considerations. Another thing is obviously lead acquisition and selection of channels for promotion. Some companies think about investing in advertising, for example, Facebook Ads or Google Ads. However, without the appropriate knowledge your per click costs rise, which has an impact on the budget. Moreover, the methods that work in Poland are not necessarily right for other markets. You need to study very closely what companies with similar offers are doing, whether they operate with similar customers. If cold mailing, ebooks, and blog posts work in Poland, it doesn't mean they are effective abroad, which is why I would suggest multiple options and looking at what brings real profit.

Now you've already attracted your customer, what next? If you are addressing your offer to a smaller number of customers, a good user experience should be important to you so that the customers can operate by themselves. Thanks to that, your staff will spend less time chatting and your customer service costs will be lower. In the case of larger customers who are primarily interested in face-to-face contact, it is not so important what your panel or application looks like. In this case it is the result and security that count. And at the end: the closing. It's very important that people who close the transactions have the appropriate skills and also an appropriate approach to customers for the market. For example, in the US you need to have specific materials or offers ready, while in Italy you



rather need to talk with them, build relationships, connect on Facebook and LinkedIn, and message them on WhatsApp.

And the last thing: payments. Currently, the only form of payment in our company is a subscription paid by credit card. That was hard to reach as we allowed customers to use various methods of payment, which required additional work and everything had to be controlled. Last year, we carried out an analysis, a kind of customer journey. We took a large sheet of paper and drew the whole process of purchase in individual countries from the first time we reached out – whether via advertising, LinkedIn messages, a business card, or an off-line/online event – up to the payment of the invoice and purchase of another package. It is very important to measure customer satisfaction and understand where it comes from, but also to know what problems customers encounter. It is certainly best to know that before a subscription is cancelled or cooperation discontinued, because such decisions are difficult to prevent or change.

Thank you for mentioning the aspect of differences between individual markets, and saying that sales actually looks somewhat different in each, and this takes some prior preparation. We are coming close to the end of 2020. What are your plans for the future? Do you already have plans for 2021?

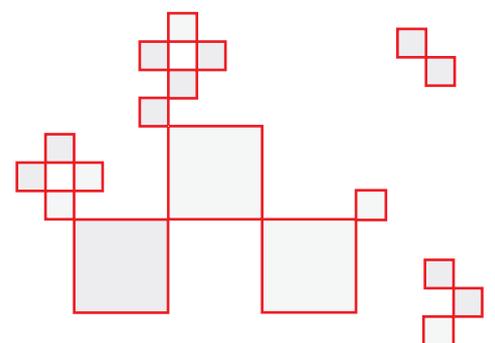
Thanks to the fact that we become organised and understood the customer journey, we've managed to increase the share of foreign revenue in our MRR. As far as our plans are concerned, we have a very simple answer: ahead of us is the process of scaling up what we have learned. We are certainly no longer looking at things through rose-tinted glasses, which means we are no longer thinking, "Hey, all right, we'll invest in the US, and then we're on the way to the moon". We can see what works, what increases our share every month, and this is what we focus on.

I'd like to ask you about one more thing. I expect that some start-ups that want to go beyond the national market will find competing solutions in those markets. Even if a similar solution does not exist, one will quite likely emerge quickly. How do you cope with such situations?

In 2020, in a time of digitalisation, we see that the competition is not asleep anywhere. There is even a useful saying that if you have invented something, it has quite likely been invented long before. Execution is the most important. Because the idea is only one thing, and its execution is another. Speaking of competition, I could perhaps say that it is very good that there is competition. This shows that something works in a specific country, that users and consumers need such a solution. I'm more afraid of statements like "there are absolutely no companies doing that in Germany", and investing there would be a major risk. You need to answer the question, why aren't they there yet? So a proof of concept is the first thing, and it doesn't matter how many such companies there are there; it is important that they are there at all. Each company will certainly find its customers. Secondly, with competition around you, you can always observe what they do and what mistakes they've made, and find inspiration. You don't have to address your competitors aggressively, on the principle that you do not talk to competitors. Often it is the other way round: you can often find things in common, areas to cooperate and share your know-how. My experience proves that such companies are open to discussion and mutual education.

Thank you for the interview! We are talking just before Black Friday, so I won't be keeping you a minute longer.

Thank you.





CashDirector is a digital financial assistant, providing real-time transaction accounting, invoicing management, debt collection, recording of expenditure, paying bills, planning, daily cash flows, avoiding cash shortages, and access to financing when required. CashDirector operates in France, Germany, Italy, Poland, and the United States.

Sonia Bazan: You run your business in France, Italy, the US, the UK, and Poland. Could you tell me how things currently stand, in what markets are you present, and why you have decided to develop in precisely those four foreign countries?

Patrycja Strzelecka: In Poland we are already a mature company and our situation in the market is stable. We have over 100,000 customers who use our platform and we work with bank partners. A natural step in the development of a tech company and a scale-up is to look for new international markets that have major potential for scaling up our company. In selecting target markets we considered a number of factors: the number of SMEs, i.e. the volume; the level of consolidation of the banking sector (as we run our sales via banks, among others); and whether there is powerful competition, i.e. whether there are already many applications similar to ours. That is why we primarily opted for the markets of Western Europe, chiefly France, Germany, Italy, and the United Kingdom. At the moment we are more focused on France and Germany, as competition is already very tough in the United Kingdom and there are many other players there already. Yet we have the impression that the French, German, and Italian markets still represent plenty of potential for development. Well, there is also the US: it is a vast market, very interesting, extremely competitive, but also offering huge opportunities for projects from all over the world. As far as the countries of Western Europe prefer promoting solutions that have been developed by local start-ups, the origin of the company really does not matter in the United States: it is the idea that counts.

From what you observe, are there visible differences between the individual markets of Western Europe, especially in the fintech sector? Can we say that situation in all the West European countries is similar, or are there any differences between those individual markets? And first and foremost – what is the difference between the US and Western Europe?



“In Poland we are already a mature company and our situation in the market is stable. We have over 100,000 customers who use our platform and we work with bank partners.”

Patrycja Strzelecka
CCO, CashDirector



The US is certainly more competitive. There is a vast number of solutions already in operation there. On the other hand, if an idea is good, it has the opportunity to rise up and find investment support. Investors pay attention to slightly different things. A European investor looks at the revenue that the company generates or will generate in the nearest future, how quickly you reach breakeven and the EBITDA. In turn, investors in the US do not focus so strongly on the financial aspects but rather on the potential: how many users can a company gather, how innovative your idea is, and how quickly it will be adopted. So the difference is in stronger competition, but also in a greater openness to innovation in the US, which means that good ideas are quickly adopted. In Europe, however, start-ups are mostly required to “deliver” financial results.

Are there any significant differences in the implementation and sales of your solution in different markets?

The American market is several times bigger, so therefore it is very important for us. If you manage to take the first step and then another, to carry out the first and then a second implementation, then the possibility of rollout to further states, partners, and banks is very high. It is a huge and rich market with a vast potential. The banking market in the US is less consolidated; there are, for example, several thousand community banks. They are smaller regional banks but it is easier and quicker to start cooperating with them, and easier to reach their decision-makers. When you have a successful project with one bank, it's easy to roll out to other similar banks, for example, in the states. In Europe, our sales are different because the market is consolidated. Over 80% of customers in each country are served by several leading banks, which, as a rule, means that in fact four or five of the biggest banks provide services for the majority of the market. This is the case in the United Kingdom, France, and Spain. It makes the sales process to such a very big player very complicated and difficult as they are organisations with longer and more formalised decision-making processes. Summing up: the sales process to the banking sector in Europe is longer. It is true that it is easier to sign a smaller contract in the US, but thanks to that you can later multiply such projects in neighbouring states and with other corporate partners.

What were your first steps, when did you make the decision to expand to foreign countries? What did you start with?

The first step was obviously conducting a market analysis. An analysis of the potential, customers, distribution channels, competition, entry barriers to a given market, and also legislation – this is a big job that really needs to be done from your desk. Such research helps you find markets and niches where your strengths turn into opportunities for development, where you find it easier to adapt, answer local needs, and fit into the range of services already offered. The next step is to look for interesting accelerators and participate in conferences. We found participation in acceleration programmes, for example, in London, Singapore, and Frankfurt, of special significance. That was an opportunity to meet mentors and investors, and to talk to other start-ups. Each such meeting is a step forward in understanding how our solution is perceived, and an opportunity to gain feedback from people with huge experience. Sometimes a 20-minute conversation with a mentor in a given sector opens your mind and can make up for several months of individual work. I believe that participation in accelerators is a good investment of your money and time.

Last year you participated in EIT Digital Challenge, and later you joined the EIT Digital accelerator. Could I ask you why you took those steps? It will soon be a year since you started cooperating with the accelerator. Do you see any effects?

We opted for EIT Digital because the programme covered most of the European markets that we find interesting. We also liked that EIT Digital offered two elements: assistance in finding an investor and assistance in business development, including contacts with potential partners. Even though we were at quite an advanced level of fundraising, EIT Digital could introduce us to many new investment funds we had not had the opportunity to talk to before. Yet EIT Digital enjoys such clout, strength, and renown that the funds treat every project that the accelerator takes under its wings seriously. This means that you start to talk from a high level, bypassing the preliminary preselection. Moreover, the EIT Digital staff have plenty of experience and they are helpful with a wide range of advice:





how to prepare a pitch, how to emphasise the competitive aspects of your solution, how to present yourself, and what companies to turn to. Cooperation has really worked very well. We completed our financing round this June. Moreover, representatives of EIT Digital organised many intro calls with West European banks for us. Obviously, no one has ever made and will never make our sales for us, but by working with EIT you can count on doors being opened, and meetings and conferences organised, or else simply find support in establishing contacts with the decision-makers in a given sector.

What resources do you really need to cooperate with EIT Digital?

It's important to delegate an experienced decision-maker, and it is best if he or she is a co-founder. You really need to get engaged in such a cooperation, be responsible, and accessible to them. Only in this way can you fully exploit the opportunities that come from cooperation.

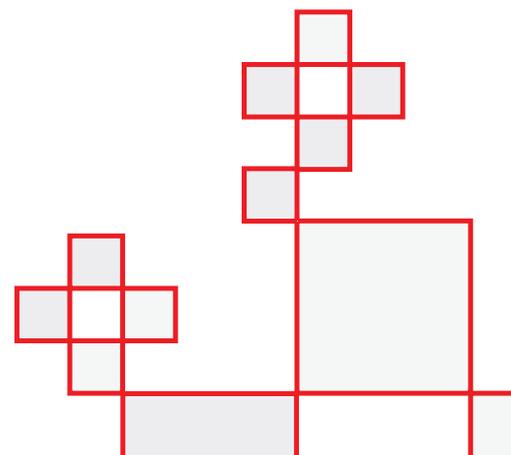
Looking back in time, do you perhaps have some thoughts on what you could have done better, quicker, or just differently?

We could have contacted EIT Digital at a somewhat earlier stage of development. Quite likely, if we had met them earlier we would have been able to close the investment round more quickly. In turn, it is good to have someone in the local market from the perspective of business development. It's an ideal situation when your lead is "entertained" by a local manager.

Can you say when the time is right to go out beyond the national market?

I think there is no one answer for every company. It depends on the start-up or the scale up, on the idea itself, and on the sector you operate in. In our case, the time was right as we have a solution that has been tested in the Polish market, and in coming out to foreign countries we can present specific case studies. Experience, hard numbers, and customers make us more credible in a foreign market. It's also worth remembering that to break through into a foreign market you need to be twice as good as the local players. Clients find it easier to cooperate with local teams. Entering a foreign market is primarily a major investment. That is why you look for an investor precisely when you are planning to expand and to finance that expansion. Your financial runway must account for the time necessary for adaptation in a foreign market. If implementation of your plans takes more time than you expected, you may fail to make a successful start. That is why it is important to put your nose to the grindstone while preparing the business plan and gather a competent and motivated team to carry it out.

Thank you very much.





Husarion is a company set up in 2013 by diehard fans of robotics. Its products include a range of autonomous mobile robots, but the company also develops custom mobile platforms and software for Polish and foreign customers. Husarion uses the Robot Operating System for its products and is an international expert in the field. The company is successful in foreign markets, including the United States and Western Europe.

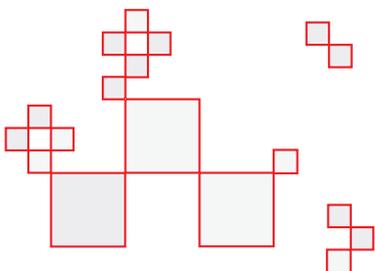
Sonia Bazan: You told me that most of your sales takes place in United States. Why did you opt for that market?

Dominik Nowak: From the start, we decided to sell internationally. It wasn't the case that we first developed sales in Poland and only later set out for foreign markets. We adjusted our offer to those markets from the start, meaning we prepared all the materials, adapted our website, and all the product descriptions. We prepared the offer in English, and the currency in our online store is the US dollar. In this way, we started selling to the whole world from the start. The strategy you follow depends to a great extent on the specific nature of the market you work in. We operate in the autonomous mobile robot market and also develop software for them in the ROS (Robot Operating System). Interestingly, people who use ROS in their daily work form a large and rapidly growing community. It is a system that allows you to develop software for autonomous robots in a modular manner. It contains ready-made software blocks that are responsible for navigation, LIDAR communication, building maps of the terrain, pathfinding and selection, and many, many others. By the appropriate combination of these blocks and the ones we develop, we create software for autonomous robots. You could say that ROS, the software we use, has become the kingpin of robotics, as it has been increasing its share of the autonomous mobile robot market for years. Husarion, our company, stays very close to this trend and framework. We also try to be active in the global ROS community and position ourselves as experts in this field by publishing helpful content that appeals to people who deal with this software all over the world. In our case, it doesn't make any sense to limit ourselves to any strict geographic location; our work focuses on a specific sector and system environment, and we are active in that global ROS community. Our key customers are developers using ROS and companies that develop software in this framework. For us they are the key.



“At the moment we are not building our sales actively and we have no salesforce disseminating our offer to different companies or distributors.”

Dominik Nowak,
CEO & Co-Founder, Husarion





So what is your situation then? Do you employ business developers on the spot, or do you run remote sales? Have you decided to build a distributor network?

Interestingly, at the moment we are not building our sales actively and we have no salesforce disseminating our offer to different companies or distributors. We have strong inbound sales that results from the position we have built for ourselves in the ROS ecosystem. We have created plenty of tutorials, sample projects, and educational aids that allows the engineers working with ROS to find us online easily and to find our offer there. This is how we sell our robots and services. We run no marketing, we don't advertise, companies come to us and we respond to that traffic with sales. A specific characteristic of autonomous robots is that you sell relatively few very expensive products, so that you don't need to go for large volumes to reach the appropriate level of sales.

As you sell hardware, how do you cope with servicing those robots?

The aspect of servicing is made easier as our products and robots are sold to engineers. It is much easier to explain the problem to an engineer than to an end user. You can always send them the missing or faulty part, and in most cases they'll know how to replace it themselves. Life shows that plenty of problems result not so much from technical issues but from, let's say, the lack of technical skill in handling such solutions. That is why we not only provide support by email but also run a dedicated forum in which people discuss their problems. Interestingly, it is often the case that those who help with technical issues and problems are not only the experts from our technical team but people from the whole community who support one another in that forum.

In sporadic cases, when remote support fails, the customer sends the old robot back to us and we send them a new one. But these are isolated cases. As far as the distribution of our robots is concerned, we work with a handful of companies that are also our intermediaries in providing support for our customers.

Have you observed any similarities between selling of robots to the US and Europe?

Yes, one such similarity is the path from the first contact to the closing of the sale. That path is shortest in the case of US clients. We've noticed that they send us specific requests and questions: we would like this many robots with such and such peripherals – tell us how much they cost. We reply with an offer, and they accept it. Then we send them the invoice, they pay it, and we send them the product. It just takes a handful of emails and the whole process is closed. In turn, its most difficult and time consuming to sell to some Polish entities, as many such projects are financed from grants, or it is university money.

Could you share some key lessons that you've learned, the mistakes that are not worth repeating? Tell us what you need to focus on in the selling process?

In our case it was worth investing in the development of proper content, as it's actually the content on our websites that generates our sales. I think we have a different perception of content marketing than many other businesses. They often write some general articles, for example, "10 trends in IoT that will change our lives" or "Five uses for mobile robots". This is not the way to go. Moreover, many companies understand content marketing as creating purely promotional articles "for the coffee table". What we create is content that is deeply embedded in technical issues, which means we provide specific answers to specific questions. We have also created a whole series of educational tutorials in the uses and applications of the ROS and have prepared case studies and visualisations of robots and IoT networks in practical environments. That is the information that the customer finds on our website: real value that they can try to recreate in their own environment. This works and it helps to solve problems. In our case it is also why this "deep tech content" is really constructive and does a great job.

Another important aspect is the product market fit. Our company has operated for seven years, but it's only been three or four since our growth has stabilised, so that we know we are on the proper path and can scale up our activities. The first three years of operation were a time of experimentation, a time of pos-



ing various hypotheses and verifying them. They did not always prove true, but I also believe that the market was not fully ready for our solutions and products. The market of autonomous mobile robots skyrocketed around three years ago and that trends continues.

Thanks to our experience I have another suggestion for people launching start-ups: even if you can't see the space for your products in the market at the moment, it might be that the market is simply not ready for them yet. Perhaps you will still need to wait for that moment to come.

So it generally pays to create a knowledge base: that would be one lesson learnt.

Yes, certainly.

And the other – to wait for the right moment.

Yes, precisely. Do not give up when the first problems appear, for your solution may prove to be really fantastic and to solve specific problems. Sometimes it just makes sense to grit your teeth and create your starting position. And when the market skyrockets, you will be the default solution filling a particular niche. It's not only making a good product that counts but also making it at the right time, before others have managed to do it.

Do you feel you've made some mistakes as far as foreign expansion is concerned?

Have we made any mistakes? Well, you know, looking back now, instead of focusing on the construction of components for the construction of the robots, I would have paid more attention to the development of complete, autonomous mobile platforms. However, at that time it was hard to guess what the future would look like and what would sell better. It's certainly worth trying many things at the same time.

In our case, we started from the construction of robot controllers together with the whole ecosystem known as RoboCORE, and later, after some time, we marketed the next generation of those controllers that did sell though there was no big demand for them. During the premiere of the new generation of controllers we attached another product to our crowdfunding campaign, a ready-made robot built on our controllers. It turned out that despite the very high price that we set

in that campaign, the new product was highly successful. From that moment on, sales of ready-made mobile platforms significantly exceeded sales of controllers. So there came that time, early in 2020, when we practically discontinued the retail sales of our controllers: now we only wholesale them to selected partners while we focus only on the sales of ready-made robotic platforms.

We've been talking about the past, let's now move into the future for a moment. What are your plans for the future, for the coming year?

We have product plans that include marketing of the successive versions of our mobile platforms, but we also want to develop software for managing those platforms. Obviously, the most important goal for us here is the building of the sales result. We feel that there is huge potential to scale it up. If we have succeeded in increasing our turnover and revenue from year to year without a sales force and without proactively taking our offer to customers, it is all the more likely we will succeed with a dedicated team. The growth will be quicker. We have opened interesting partnerships in the ROS and ROS 2 market with key companies that are active in the field so there is room for cooperation and joint business development, which bodes well for the future.

There is one more thing that I wanted to mention, namely that there is another company, Husarnet. You have heard of it, haven't you?

Oh yes, I have. Husarnet allows robots to communicate with one another, doesn't it?

D: Yes, our robots, but not only ours. This is a universal VPN peer-to-peer solution. Currently, it's the best one in the market for connecting robots operating on ROS (but not only) over the Internet with only small delays. Our plan for the coming year is to create as many partnerships as possible with other companies that will implement Husarnet in their applications. In our long-term plans we would like Husarnet to become the default VPN for bringing together mobile robots over the Internet.

Thank you very much and may this come true.



SentiOne supports brands in customer service automation using AI technology. From online listening and integrated contact centre to new-generation conversational bots. SentiOne solutions have been used worldwide by brands such as Procter&Gamble, McDonald's, Nike, Unilever, Beiersdorf, Tesco, Starcom, Mindshare, Mediacom or Saatchi&Saatchi and many others. The company is located in Gdańsk, Warsaw, London, Ostrava, Budapest, Munich, Eindhoven and Mexico and has acquired over 400 satisfied customers in 26 European markets, North America and Latam.

Sonia Bazan: Let's talk about foreign expansion. You run your website in no fewer than six languages, which suggests that you are active in this area. What is your current situation?

Bartosz Baziński: More than half of our revenue comes from international markets, and this year we have recorded the highest growth in that space. We run our website in six languages and our offices are situated in six countries, including Mexico and Colombia. Although the pandemic has made further expansion harder, we intend to open more offices in Europe. Moreover, working remotely has slightly decreased the importance of physical location, although it would be hard to imagine long-term customer acquisition without a physical presence in the country where customers operate. In the nearest future we will carry on focusing on corporate and enterprise customers who pay us from €200,000 to €500,000 a year. Acquisition of such customers is a long-term process of building relations, which certainly requires a presence where they are located.

You cooperate with international corporations. Does that help in expanding to further markets?

Theoretically it should help. In practice, as a rule, each region in a corporation operates independently. For example, it does not help us at all in winning successive markets of a large corporate consumer electronics business that operates in 15 markets from the regional seat in Warsaw. Winning a large customer in a given country does not mean that we will be able to win the same customer in another country, even if our solution is greatly appreciated. There are fundamental cultural and legal differences in running business between European markets. Gaining the position of the leader in each of them, one by one, is a challenge. And to tell you the truth, we should aim for the position of the leader as it is only that that has a real bearing on the valuation of the company. This is a lesson learnt from our international expansion: it is better to focus on a single large market and obtain the position of the leader there rather than scale up your business



“We have strong competition. At the same time we know that in the market segment we have chosen, our product is better than our competitors.”

Bartosz Baziński
Founder & COO, SentiOne



up in many different markets simultaneously. Unfortunately, the VC model of financing for fast growing companies requires you to obtain a sufficiently high growth rate in a large market. In turn, the European market is fragmented due to the cultural differences mentioned previously: in every country we find a different competitive environment, different products, different customer awareness, and last but not least, a different level of education. Therefore, reaching the dynamic growth that the VCs require in a long-term perspective seems to be far harder than in the United States, with its big and uniform market.

How did you approach the subject of expansion at the very start? Where did you obtain your know-how? And looking back now, would you make the same decisions?

We would certainly make different decisions. At the outset of our international expansion, we didn't use the knowledge of consultants or experts in the field enough. I think that if we were to start the conquest of foreign markets again, we would start from expansion into the United States. The market there is big enough for us to obtain a larger revenue stream, despite the large number of competitors. The companies that have significant revenues from the United States are also, as a rule, valued more highly than companies whose revenues come from Europe.

Was it a trial and error method? Or did you have an expert on board, or did you follow somebody's advice?

We had on board both business angels and experts who had previously managed the international expansion of various businesses. However, I believe that we strongly underappreciated the customer acquisition costs, especially in the markets of Western Europe and the United States. The funds at the disposal of Polish start-ups, that is investment rounds of several million Polish zloty, are absolutely inadequate for building any competitive position in the Western markets and gaining customers efficiently.

Drawing from your experience, could you please reflect on what you should pay attention to in planning such a foreign expansion.

First of all you need to have more funds than you origi-

nally thought you would need. The other thing is to focus on one market first. It is essential that you get to know it well and to also have the people managing the business understand it really well. Scaling a business in an international market is the adjustment of your product and/or service to operate in new markets, and in successive languages. For this to make sense, the whole organisation must be eager to follow. The easiest way to do it is to make the management of that business operate close to the new market that you find interesting.

This year you made it to the finals of the EIT Digital Challenge, which received applications from over 400 scale-ups from all over Europe. What does this accolade mean to you?

First of all, we see it as an appreciation of the hard work of the entire SentiOne team who have been with us for years. We also find it a particular recognition that, despite the short history of capitalism in Poland, we can build cool businesses here, businesses that are appreciated by experts from the whole continent. We find it an important signal, proving that the course we are following is correct and the strategy we have adopted is working.

I also wanted to ask about the competition that the start-ups and scale-ups eager to develop into foreign markets are certain to encounter. What is it like in the chatbot market?

In each and every dynamically growing market that will become a valuable one in future, you encounter strong competition. It is especially important from our perspective that our technology, into which we have already invested many millions of euros, is simply better in use for a certain, limited group of customers that we have defined. And it is to that group of customers, that segment of the market, that we adjust our platform.

And how do you approach the competition? How should you approach the competition that is present in foreign markets?

We have strong competition. At the same time we know that in the market segment we have chosen, our product is better than our competitors. We have



devoted plenty of effort in comparing our solutions with those of our competitors. We have investigated over 200 competing solutions, made detailed product comparisons for several of them, and also analysed the pricing. With such a complete dataset we knew how to choose precisely the segment of the market we are going to focus on and adjust our pricing strategy accordingly. I also believe this is something we have learnt with time: to approach competitive analysis very seriously and know precisely where our competitors' solutions are weaker.

A perfect comment. Now one last question: the year 2020 is about to end; do you have any New Year's resolutions concerning your further expansion?

Our plans for the next year are primarily focused on acquiring customers in the enterprise segment in West European markets. Thanks to the EIT Digital programme, we will have the support of over 30 business developers operating in the majority of EU countries who will help us establish links with the largest businesses in the segments of our choice. And obviously we're going to continue to develop our technology for the English, Spanish and German languages.

Thanks, I am keeping my fingers crossed in that case.



09:23

Następny slajd

- Experts's Talks
- Introducing EIT Digital
- Business Model
- Open Discussion



g strategy for
ONALIZATION

13|DEC|2019

ŁC:
Zgodnie z najnowszym Raportem Startup Poland
"The Polish Tech Scene", tylko 39% startupów (na
reprezentatywnej grupie ponad 1300
technologicznych spółek) ma klientów poza Polską.
To spadek o 7% p
roku, i 18% s
mkił P
A- A

Synerise is a leader in the field of AI and Big Data, adapting its technology to the needs of the biggest brands across various industries, including retail, e-commerce, telco and the financial sector. The company is a Technology Partner of Microsoft, Orange and EY, and a part of EIT Digital & PwC Accelerators. As part of its global expansion, Synerise accelerates its business operations across 20+ countries including those in Europe, the Middle East, and the Americas.

HUBHUB

Sonia Bazan: Can I start by asking about your current situation? What markets do you operate in?

Krzysztof Blusz: We are technology company and a foreign expansion has underpinned our strategy from the start. We were born global in mind. Our technology is provided mainly, although not exclusively, via cloud (as a Software as a Service (SaaS), is accessible remotely in real-time and independent of time or place. Its markets are everywhere. Hence, it seemed obvious to us to expand our offer beyond the borders of our country. We started to execute that plan two years ago.

Currently, our company is active on four continents. In Poland, we have offices in Kraków and in Warsaw. In Europe, our offices are in Madrid (it caters for the Iberian Peninsula and the whole Spanish-speaking realm) and office in London for the UK and Ireland will be opening soon though somewhat later than planned due to the pandemic. Another office is in Dubai, in the United Arab Emirates, from where the team caters for the Middle Eastern countries. Our business development and sales teams operate in Brazil, Colombia, and Mexico, as well as the United States. We also have an office in Gurgaon in India, where we cater for the countries of Central Asia. We have been also eyeing markets of South-East Asia and I hope that when that process of expansion matures, we will be present in all time zones.

There is a saying that appetite comes with eating. Is that true for international expansion? What is the process of getting ready to enter foreign markets, and is there any essential guidelines for others keen to embark on such an adventures?

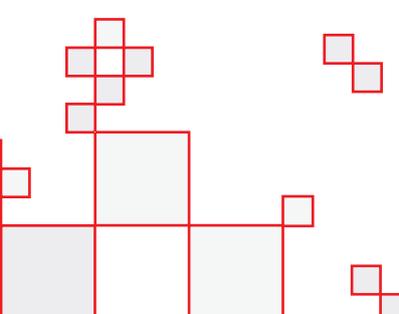
I believe that taking the decision to expand internationally is a key choice that entrepreneurs make in the history of their companies: second only in its importance to the decision that they want to start a business. This is a crucial business decision with many consequences of a strategic nature, and needs to be made in a very thoughtful manner and after thorough reflection. Obviously, a company may see

SYNERISE



“It is worth remembering though, that the export of goods to foreign countries, however legitimate and profitable as a business strategy, is not a fully-fledged internationalisation.”

Krzysztof Blusz
Global Expansion Director, Synerise



SYNERISE

many reasons to expand abroad. These may be strictly business reasons that have to do with diversification into new markets, investment opportunities, better cost-effectiveness of manufacturing or close distance to resources and means of production, and last but not least more conducive regulatory environment. Yet, whether you plan a global expansion or just stepping into the closest markets next door, you need to have a very good and firm understanding of why you are doing it. This is the first and foremost advice that I share while being asked “shall we expand?”. Despite many reasons why you may have the appetite and ambitions to do it, identify, evaluate and define very precisely these business objectives for your expansion that would make a difference to your business.

Another thing worth mentioning is the fact that very often, as a result of various coincidences, the whole process of foreign expansion for a company starts with exports of goods or services abroad. That is what is known as “passive internationalisation”. It is worth remembering though, that the export of goods to foreign countries, however legitimate and profitable as a business strategy, is not a fully-fledged internationalisation.

An entirely different story is when a company enters a foreign market and not only tries to sell something there, but with an intention to “put the boots on the ground”, to become a stakeholder of that local market and eco-system through capital investment, production, new jobs creation or outsourced R&D. It is precisely then that you start to participate in and are exposed to everything that takes place in that market. That scenario of expansion is certainly the most complicated and demanding. It needs careful consideration and incremental execution.

Finally there is the third aspect, which is also worth discussing when talking about internationalisation. It is what technology has given us in recent years, namely the possibility of running businesses digitally, in practically unlimited ways. Today, the the COVID-19 pandemic clearly demonstrates that, thanks to technology, potential for running business is for many unlimited both when it comes to the means of delivering products and services (if these are digital obviously), methods of communications and sales, customer support, and servicing. If you have a digital product, you

may sense that time and space became virtually compressed and ceased to be an impediment to your ambitions. This is largely true of businesses operating in the world of technology, which feel that it is precisely for this reason that it is easier to develop in foreign markets.

Are there any industries that find it much easier from the start to be successful abroad?

If you operate in a tech business, in which products, methods of supply, and customer services are based on technology, you need to remember that there is a very significant difference between what in tech jargon we call “low touch” and “high touch”. “Low touch” products usually allow potential recipients to use the product without, or with a minimal level, of service or additional support from the manufacturer or service provider. A good example are the generally accessible apps downloaded from online stores. You download an application or software to your smart phone or computer, or digitally purchase an ebook or an audiobook from a large marketplace or another specialist vendor. If you encounter no technical problems on the way, you can start using it right from the moment of a purchase. That makes international expansion much easier for companies that sell these kind of products or services. It is different if your business, particularly if it operates in B2B market, offers a more complex and/or sophisticated product or service that requires plenty of support. You then have to remember that internationalisation will immediately trigger the need to build a local team; whether your own, or from a partner. You will need them to provide services to your customer who has purchased the product and is often in a different time zone or requires a localized service because of a market culture.

Let’s then discuss the differences between individual markets. Have you observed any regularity or rules governing a specific area, whether the US or in South America? For us these are exotic destinations with incredible cultural differences that could, nevertheless, influence the way the customers make decisions.

I always keep repeating that the world looks different from different places, and in thinking about conquering other markets you first need to get rid of your bias, stereotypes, and thinking about a specific location

SYNERISE

from the perspective you may have acquired in your home market or in your own country.

Your outlook on the world is defined by your reality, by the map of the environment in which you function. The world does not look like a map we, in the so called “West”, know thanks to Flemish geographer and cartographer Gerardus Mercator in 1569 who for navigation purposes put everything on this map very neatly but caused massive distortions. Territories and markets remain in various and varying proportions to one another, whether you mean volume, size of the population, wealth or any of the many important parameters. The world looks very different and often unlike what it seems to be from Europe. That’s something worth remembering. China – 1.4 billion people – is not a country, it’s a continent. It’s the same with India. Hardly anyone remembers that South America consists of huge countries, such as Brazil with over a 200 million population of consumers.

Do you remember what your first steps looked like, or perhaps your first decisions concerning foreign expansion?

Yes, of course! The first and most important decisions were to define the reasons why we want to expand into other countries. Then we prepared a plan of internationalisation and the goals we wanted to achieve with it. We also selected specific countries in which we decided to try. A separate strategy was developed for each of them, with our goals and what we called a “roadmap” (or “go-to-market”), that is a plan of how to attain these goals. It always had multiple variants that we tested, checking which of them could be successful. We decided to test the variant of building partnerships with multiple companies in a single country to provide ourselves with a very important competency; knowledge of and access to the local market. At the same time we also built our small teams in many markets. What did we learn? First of all, that we must reduce the distance to those markets, which means that we must be accessible in them. Our product belongs to the “high touch” B2B category and our clients require our support. We knew that we must be physically available, and we have to reduce the reaction time resulting from operating in different

time zones. Our customers expected that we would be working when they are working. We have also learned to reduce the cultural distance, which was the reason why we made sure we have partners who represent us in every country, possibly in a local language and with respect for a local way of doing business. That is because they understand the cultural underpinnings, often operating in a very powerful manner. That builds credibility and trust for a new company that comes from Europe.

When you build both the brand and the demand for your product, it is very important to find solutions that allow you to win this trust and credibility. This calls for engagement, and may prove difficult to be realized completely remotely.

It is also very important to be able to keep your ambitions realistic and on a tight rein, so as not to succumb to the illusion that you can do everything at the same time. Never forget about the risk of “imperial overstretch” - overextension either geographically, economically, or operationally that inevitably leads to the exhaustion of resources and a failure. Of course, there is the concept of hyperscaling, that is the fastest scaling up of your business, but even hyperscaling needs careful planning and a tight control.

Looking back in time, do you see any mistakes you made expanding to foreign countries?

Of course. Only those who do nothing make no mistakes. Mistakes are of great importance because they are a source of invaluable knowledge. These are lessons you quickly need to learn, examine and, most importantly, improve on, changing and amending the options for action in search of other, better solutions. We made several business errors that, for example, were connected to entering certain markets too quickly: we were not prepared enough to run operations in the local language.

Our company is also exposed to important regulatory frameworks in each country. Technology is based on data that today is the object of major regulatory efforts connected to privacy, but also to business security and value, intellectual property, competitive advantages and so forth. Many countries regulate the way in which this data can be used and transferred beyond

SYNERISE

specific geographic areas and territories. In these cases, we also had to slow down several operations and to prepare our infrastructure because we provide our services in very different models. Now we are ready to provide services based on the data that can be kept anywhere in the world, out of multiple locations globally but we have had a moment when we had to slow down to allow our ambitions to cool down. There were really many things that we've had to learn on our way.

What has your cooperation with EIT Digital been like? I guess it is working well because you've recently decided to extend it. What do you get from participating in this accelerator?

Cooperation with EIT Digital is a truly powerful support in what we do. I can see at least three reasons. First, EIT Digital is a team of highly experienced business developers, who help to reduce the time and distance to the market. They work in local markets and usually come from them. Even if they are not native to a given country, they know it very well and have worked there for a really long time, so therefore they have the necessary competence to advise wisely and efficiently how to develop there. Secondly, thanks to its established brand and credibility, EIT Digital has a positive impact on the credibility of a company participating in the programme. Last but not least, cooperation with EIT Digital is based on a business model that allows us to build HR resources in our business development division very quickly, without running a long-term process of recruitment that is often fraught with multiple mistakes. Moreover, the model of cooperation with EIT Digital is based on revenue sharing in case of success, or the mythological "success fee": if we manage to build something together, we will share that success with you. That cooperation has continued very well. It has allowed us to gain very important customers in Europe. At the moment, we have three sizable projects with very large enterprise/corporate customers running that is why we have decided to extend our cooperation for another contracting period.

The year 2020 is about to end. Do you have any plans and resolutions for the following year?

We are currently working on a strategic review and a summary of the year. We know for sure that the future of our business is connected to the further expansion of the company. But it is also connected to the further internationalisation of the product, and everything that the product is supported by; marketing, sales, business development, HR, finance, accounts, and so forth. We realise that access to new markets and expansion is not an easy task, but there is also another task of tremendous significance; our "internal internationalisation". As one very successful and experienced Polish entrepreneur used to joke: a truly internationalised company is the one that has no department for foreign sales and cooperation. And that is true. Our everyday working language at Synerise is English, and not only because a large proportion of our partners and colleagues don't speak Polish. Both, here in our Polish offices and in our overseas ones, we automatically enter the mental space of considering ourselves participants in the global market. And the global market uses different languages. There is French and Spanish, and there is English and Arabic. There is Sunday on Friday and Monday on Sunday in some of our offices. We have no foreign sales or cooperation department.

Thank you.



**To develop your start-up in European
markets contact:
Sonia Bazan, sbazan@kpt.krakow.pl**

<http://eitdigital.kpt.krakow.pl/>

www.eitdigital.eu/accelerator/

**Organisation of workshops and preparation of expert content - Marcin
Szymański, Łukasz Cieśla, Open Innovation House**

**Concept and interviews: Sonia Bazan, coordinator of the EIT Digital project in
Krakow Technology Park**

Cooperation: Mateusz Cybula, Kraków Technology Park

Design/DTP: Studio Manto

Translation: Hobbit Piotr Krasnowolski

**Editing and proofreading: Maria Dubis, Michalina Jodłowska,
Barbara Wityńska-Słęcz, Krakow Technology Park**

**Kraków Technology Park (Krakowski Park Technologiczny), ul. Podole 60,
30-394 Kraków, Poland**

This publication is part of the EIT Digital Arise Europe.