

# THE TEP TIMES

TEP CONFERENCE – INTERNATIONAL WEEK – OCTOBER 2016 – #TEP2016



## New Tools and Concepts To Grow, Expand, and Stay Relevant

### Is Software Having General Management for Dessert?

By New York International

**T**EP was founded in 2011 with the belief that the fast exchange of new concepts and ideas is vital for global economies. We started with a transatlantic perspective, which has since become a broader vision connecting tech ecosystems around the world. Originally, we focused on the media and publishing industry. Media was not only being challenged by new technology, but fundamentally disrupted—maybe like no other industry at that time.

The threat has not gone away, and the most successful media companies continue to transform themselves in order to persist and thrive. At this year's conference, we will hear from ESPN, News Corp, Axel Springer, and others with a status update on their transition to becoming technology and media companies. While this is interesting in itself, the 2016 TEP conference aims to explore the bigger picture of change. What can other industries learn from top media companies and their approach to change—both strategically and operationally? What are the con-

cepts, tools, and fundamental approaches to business that we can learn from media companies?

One of the crucial trends we have been following is that product design, especially for software-intense products, is increasingly developed differently than traditional engineering. Remember when we used to get everyone on the same page and ensure resources were properly allocated, through planning? At our best a thought-through plan was diligently designed, tested, and then brought to market; engineers implemented those plans and were expected to at least aspire to perfection.

Software development on the other hand often seems messy; never perfect, never on time and always a work in progress. This way of developing products and services is finding its way into general business management. These anti-hierarchy approaches sometimes appear as Holacracy, DevOps, or sometimes just “purpose driven organizations.”

As Marc Andreessen of leading venture capitalist firm Andreessen Horowitz famously proclaimed, “software is eating

the world.” Now it seems software is having general business practices and managers for dessert.

This year we are going to explore what is real and what is just hype in these trends and management approaches. This is a huge topic, one that matters for all sorts of businesses and even for cities and governments. It is fundamental if you want to attract the best and brightest in the US these days, either as employees or customers.

The time seems right to have this conversation. Longtime TEP participant Christoph Keese described the wave of new ideas, concepts, and technologies coming from the US across the world in his 2014 book *Silicon Valley*. Books and articles like *Sprint* by Jake Knapp, *Agile* by Darrell Rigby, and *Do More Faster* by Techstars founders David Cohen and Brad Feld are being translated into other languages now. Even the *Harvard Business Review* has published many articles on Holacracy and DevOps. Global businesses outside the US will soon get a closer look into where and how general management will develop in the twen-

ty-first century. This year at TEP we've brought in successful software entrepreneur Evan Powell to share his observations on the cultural shift in the way technology is built and run—a shift that is transforming businesses worldwide.

TEP has always aimed for impact—real tangible signs of progress. We have helped many startups with their first steps into the US market by supporting them in getting funding or just helping them learn how to run a better business and get more traction. What are we most proud of? Probably the Start Alliance by our longtime partner Berlin Partner. The first companies are starting to leverage closer city collaboration through the alliance to expand faster and cheaper than ever; see page 3.

Many of these thought leaders you will meet at the 2016 TEP conference in New York. As always, we'd like to be measured by the single word, sentence or person that you'd not heard or met before and that profoundly changed the way you think about business, government or maybe life—the right size of ambition for New York City. Welcome to the 2016 TEP conference!

# AGENDA

## Informal Kick-off • Oct 10, 2016 At Knotel, 1 State Street, New York

- 5:00pm** From Germany to NYC: An Insider Report
- 6:00pm** Pitch Clinic
- 7:00pm** TEP 2016 Informal Welcome and Introduction  
Global Media and Digital Disruption: Riding the Storm or Surfing the Waves? Lessons Learned

## Main Conference Day • Oct 11, 2016 At Microsoft, 11 Times Square, New York

### Pre-Program

- 8:30am** Registration & coffee
- 9:00am** Showing Up to the Most Competitive Game on Earth...  
*Workshop*  
*Workshop I: Fundraising in the US*
- 10:30am** Break
- 10:45am** ...And Closing the Deal  
*Workshop*  
**New Tools for Generating Leads and Showing Traction**  
*Workshop II: Business Development in the US*  
How does your US go-to-market plan stack up in the eyes of US startup sales leaders?

### Main Program

- 12:00pm** Registration and lunch  
Meet the startups, city representatives, partners, and guests  
**One-minute startup pitches**
- 1:00pm** Conference Opening
- 2:15pm** New Concepts and Tools: Does Code Eat Management for Dessert?  
*Insights*
- I: CHANGE**  
Shining Light into the Black Box - A Crash Course for Executives on Working with Engineers
- II: TALENT**  
Conflict Management 2.0: The Difference of Trouble in Tech
- III: DATA**  
Data is the New Oil, OK. Where is the Pump?
- IV: ENVIRONMENT**  
Policies, Frameworks and Society: Keeping up with the Game?  
**One-minute startup pitches**
- 2:45pm** Coffee Break

**3:15pm**

*Roundtable  
Discussions*

### Roundtable Discussions

- I: Smart City, Urban Tech and New Transportation**
- II: Connected Devices and Advanced Manufacturing**
- III: Coders are the New General Managers**

**4:45pm**

Program End

### Evening Program

**6:30pm**

- Evening Reception**  
Featuring the Start Alliance  
One-minute startup pitches
- I: Founders' Support Dinner**
- II: Start Alliance & World Innovation Tour Asia**  
An Invitation for Cities to Collaborate on Innovation

**9:30pm**

**Nightcap** (private club, RSVP needed)  
Grand Havana Room, New York

## Site Visits • Oct 12, 2016 Various locations in Manhattan and Brooklyn

**8:30am**

- Rise/Barclays**
- I: Banks + FinTech: Exploring Global Lessons for Cooperation on Consumer-focused Innovation**
- II: How Design Thinking is Influencing General Management**

**10:30am**

Rally

*Bus Talk*

Rapid Strategy Fix

**12:00pm**

Deutsche Bank

**2:30pm**

Meetup

**4:15pm**

Vengo

**6:00pm**

Evening reception at New Lab  
Start Alliance Signing with Stefan Franzke, CEO of Berlin Partner and David Belt, Co-Founder of New Lab

## Oct 13, 2016 At the German Consulate, 871 United Nations Plaza, New York

**8:30am**

**The Global Digital Economy: Business in the Twenty-First Century**

**12:30pm**

Conference End

## Welcome



Day by day our digitalized world grows closer together. In turn, it becomes more and more important for traditional businesses to constantly adapt to the new needs and requirements that are necessary to compete in a global market.

This is an especially crucial task for SMEs, Germany's "Mittelstand." Manufacturing trade is still the most important part of the bilateral trade relations between Germany and the United States. Startup companies in both countries understand the importance of digital transformation. They will have to support traditional businesses in their transition period and beyond as they lead the way in innovation and entrepreneurship, especially here in New York. It is vital for traditional businesses to take the opportunities that lie within the digital challenge.

The TEP Conference in New York will give you the opportunity to gain a unique insight which will foster and improve the transatlantic partnership in the long run. I wish you all productive and informative days in NYC.

**Brita Wagener**  
*Consul General of the Federal Republic of Germany*



## Start Alliance

International Expansion has Never Been Faster or Cheaper

*By New York International*

Stephan Beyer, Chief Financial Officer at BigRep—the Berlin startup for large-scale, commercial 3D printers—impressed everyone at Brooklyn's New Lab back in August. He had shipped a huge box from Berlin to New Lab with BigRep's newest and biggest 3D printer and was ready to install it for the first time. BigRep started working with New Lab just this year, and the partnership has benefitted both. "We are the center for design and new manufacturing in New York City. Having the BigRep team with us provides our members with impressive new printing capabilities," said Scott Cohen, cofounder of New Lab. For Stephan Beyer it was an easy choice. New Lab is part of the Start Alliance initiated by the cities of Berlin and Brooklyn and enables BigRep to expand to the US faster and cheaper than before. "Entering the US market is challenging for everybody. Having the Start Alliance enabled us to concentrate on our business and worry less about the basics."

Like New York, Berlin is the booming urban startup scene in Europe. Young founders, creative disruptors, and innovative thinkers have become a driving economic force to inspire a new culture of networking. Multinational and local businesses in Berlin, from mid-sized companies to big industry players, are working closely with startups across the field, seeking their advanced digital expertise. In return, established companies share their many years of market experience. This combination has become an innovative formula for success.

The Start Alliance, under the leadership of Berlin's trade promotion agency, Berlin Partner, is taking this to a new level by implementing a global exchange program in the world's leading startup capitals. The initiative has so far been successfully launched in Tel Aviv, New York, Shanghai, and Paris. "Within a year we brought four major tech hubs to the table. We built the base by supporting founders with their international expansion and agreed to foster a collaboration among global tech cities," said Stefan Franzke, managing director at Berlin Partner, who initiated the alliance. The concept is simple: young founders get the opportunity to test out a new startup ecosystem. Globally, Berlin Partner is collaborating with the most in-demand co-working hubs in partnering markets, and together they offer participating young founders free co-working space for a limited time period.



Stefan Franzke, CEO of Berlin Partner for Business and Technology is the initiator of the Start Alliance. © Fotostudio Charlottenburg

## Welcome to the 2016 TEP Conference!



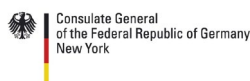
As one of the organizations that helped launch this annual conference in 2011, the American Council on Germany is delighted to partner with New York International, Berlin Partner, and the German Consulate General, among others, again this year. We are especially pleased to have the opportunity to round out this year's conference with additional sessions on Thursday focused on the nexus of policy, entrepreneurship, and the global economy.

Much as the founders of the American Council on Germany were forward-looking in 1952 when they recognized that it was critical to strengthen ties between Germany and the United States in order to ensure freedom and prosperity, the TEP Conference emphasizes transatlantic cooperation for a better future—in this case through the lens of entrepreneurship and innovation. Our two countries—now along with many others—continue to collaborate and learn from each other in this area.

Digital technology is creating opportunities for startups and new business ventures. It is fundamentally changing the way we work and the environment within which we work. In order to survive—let alone thrive—in an ever-changing world, we will need to develop and hone new skills. Creativity and innovation as well as an entrepreneurial spirit are among those skills.

The TEP Conference is an excellent way to strengthen the ties between our countries—and particularly the startup communities in Berlin and New York. This year's conference boasts an impressive roster of speakers and site visits. We wish all of the TEP participants a successful conference!

**Dr. Steven E. Sokol**  
*President*  
*American Council on Germany*



# The NYC Tech Ecosystem: Catching Up to the Hype

By Matt Turck

I'm fascinated by tech ecosystems and the network effects behind them. As an NYC venture capitalist, I'm particularly interested in New York.

The New York tech ecosystem is in an interesting place right now. The emergence of NYC was a big story at tech conferences and in the press maybe four or five years ago. Fast forward to today: on the one hand, NYC has become the clear number two to the Bay Area; on the other hand, it's hard not to notice that things have gone a bit quiet—at a minimum, we seem to be past the stage of unbridled enthusiasm.

The bull case is that New York is now firmly established as a startup hub, and therefore it is less press-worthy than when it was first emerging; to wit, entrepreneurial activity and VC investment levels have never been higher (for context, with \$1.9B invested, Q1 2016 saw almost 7x more VC investment in NYC than Q1 2012)

The bear case is that, for all the progress, NYC still suffers from many of the same issues that have plagued it for years: a relative dearth of \$1BN+ exits, a lack of local anchor companies that can serve as acquirers, and a comparatively lower concentration of talent, particularly when it comes to not just starting, but actually scaling, startups.

Those are non-trivial concerns. While they offer some protection, network effects can just as easily peter out as they can get stronger—an ecosystem is fundamentally a living and breathing organism.

My take: New York is in the process of catching up to the hype. That doesn't make for splashy headlines, and takes a long time, but the reality of the NYC tech ecosystem coming of age is actually happening right now.

## The Slope of Enlightenment

So where are we? If there was a Gartner hype cycle for emerging tech ecosystems, my sense is that New York would probably be somewhere in the “slope of enlightenment” phase.

Both the scale and the steepness of the slopes are not right, but this is probably directionally correct.

New York had a long ride to the “peak of inflated expectations.” Throughout the 90s and the 00s, New York went from having a handful of entrepreneurs and VC firms to something that felt more like a real community (then known as “Silicon Alley”).



But it probably wasn't until four or five years ago that people started talking excitedly about New York as having the potential to be a major global tech ecosystem. There certainly was tons of momentum, with everything coming together nicely. It had a deep connective tissue of meetups, conferences and new incubators. It had a mayor, a tech founder himself, who truly got it. It had some VC firms like Union Square Ventures with national appeal, and West Coast firms were starting to actively invest in later rounds. And most importantly, it had a whole series of fast-growing startups, the bloodline of any ecosystem. The press (a lot of it New York based) was all over it—not only was New York going to take over Boston, it was also about to give Silicon Valley a major run for its money!

A lot of the above is still true, but unfortunately, there has been a number of hiccups along the way. A lot of the “post-

er child” companies that were frequently mentioned then have gotten into various levels of trouble, after raising large amounts of VC money. Gilt (\$271M raised) had an underwhelming exit. Fab.com (\$336M raised) was a flameout. Quirky (\$175M raised) went bankrupt. Foursquare (\$166M raised) has been working on finding its second wind as a data company. There were some great acquisitions (Tumblr's \$1.1BN acquisition was a watershed moment), and some New York startups had IPOs—but unfortunately, those newly public companies, like many others across the country, experienced difficulties in the public markets (Etsy went from a \$3.3BN market cap at IPO to \$1.1BN currently; OnDeck went from to \$1.3BN at IPO to less than \$400M currently), with Shutterstock being the exception.

Finally, there are a number of large startups in New York that have been doing quite well, but are now reaching the ten-

year mark, and have yet to reach an exit.

All of this had led, perhaps not to “disillusionment,” but certainly to more nuanced feelings, and people generally realizing how long it will truly take for New York to come into its own.

## Rinse and Repeat: Still Early

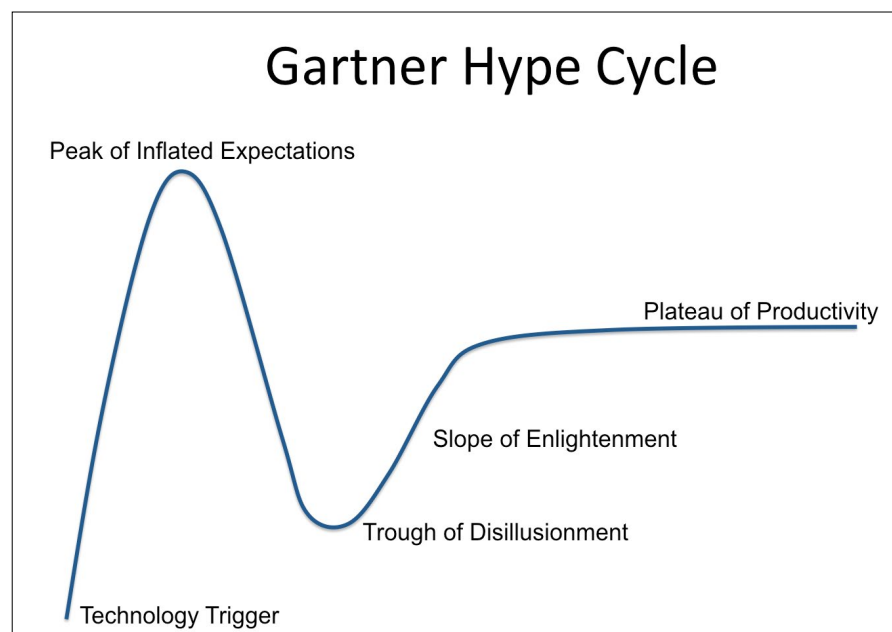
As any student of emerging tech ecosystems knows, the key dynamic to success is the “rinse and repeat” cycle. You need several waves of successful tech companies to go through the whole cycle of founding, financing, scaling and significant exit. Post-exit, the hope is that successful founders, employees, and investors then contribute back both money and expertise to the next generation of tech startups, a few of which eventually become highly successful themselves and then provide money and expertise to the following generation.

The trouble is, each successive cycle takes years, because the average successful startup takes five to ten years to get to a large exit.

One key reason the Silicon Valley has become such a powerful network is that this “rinse and repeat” cycle has been happening there for decades, at least since the 1940s and 1950s (Hewlett Packard), with a real acceleration in the 1970s and 1980s (Apple IPO, founding of Kleiner Perkins, etc.)

At the other end of the spectrum, some of the more recent tech hubs are arguably just at the beginning of their second cycle. In Paris, for example, the next cycle is under way, with alumni of successful startups like Criteo or Exalead creating a number of new ventures, such as Algolia and Dataiku, but those are still relatively young (two or three years in).

New York is somewhere in the middle, but probably still on the earlier side—perhaps five cycles in? The comparative lack of exits doesn't help, as it slows down when the next cycle starts. The point here is that, while New York is well on its way, things take time, and you can't just hope to rush through cycles—getting to a fully mature tech ecosystem will require continued patience.



Read the rest of Matt Turck's assessment of the NYC Tech Ecosystem on [NYIntl.net](http://NYIntl.net)

Matt Turck is a VC at FirstMark Capital. @mattturck

# The Future of the Workspace

## Are We Moving Away from the Traditional Office?

By Dr. Amol Sarva

From the time the physical office was first invented (picture Mr. Scrooge's counting house) to the start of the twentieth century, little had changed. Then, in the 1950's there was a great leap forward as architect Mies Van Der Rohe put the finishing touches on the Seagram building—a steel and glass box, every floor like an Excel spreadsheet of workers at desks.

But things are changing. Knotel—now running eight company-sized workspace locations serving hundreds of founders in New York—is part of the first big wave of change since the cubicle.

Here's the megatrend in four ideas:

**Headphones and cell phones.** The office is quiet now and there is little paper, so people sit closer together, needing fewer walls.



Dr. Amol Sarva

Change is now a constant in headcount. You need an on-demand office, not a ten-year lease.

**The office or the couch?** You and your team can work from anywhere, and often choose to do so. So running an office is partly about making it a place people want to go.

**Too much or too little.** Change is now a constant in headcount, especially with flexible hiring models. So your real estate needs are literally unknown. You need an on-demand office, not a ten-year lease.

**It's the physical social network.** Internally, so your people can bump into each other and connect, and externally, so they can bump into new people and ideas. The office is to your company

what a city is to a society—"where ideas have sex," to borrow from legendary VC Steve Jurvetson.

*Amol Sarva, Ph.D. is the founder of Knotel, Knotable, and Halo Neuro.*  
@amol

"Pitch Clinic"

10/10 @ 6:00 pm  
Knotel, Battery Park

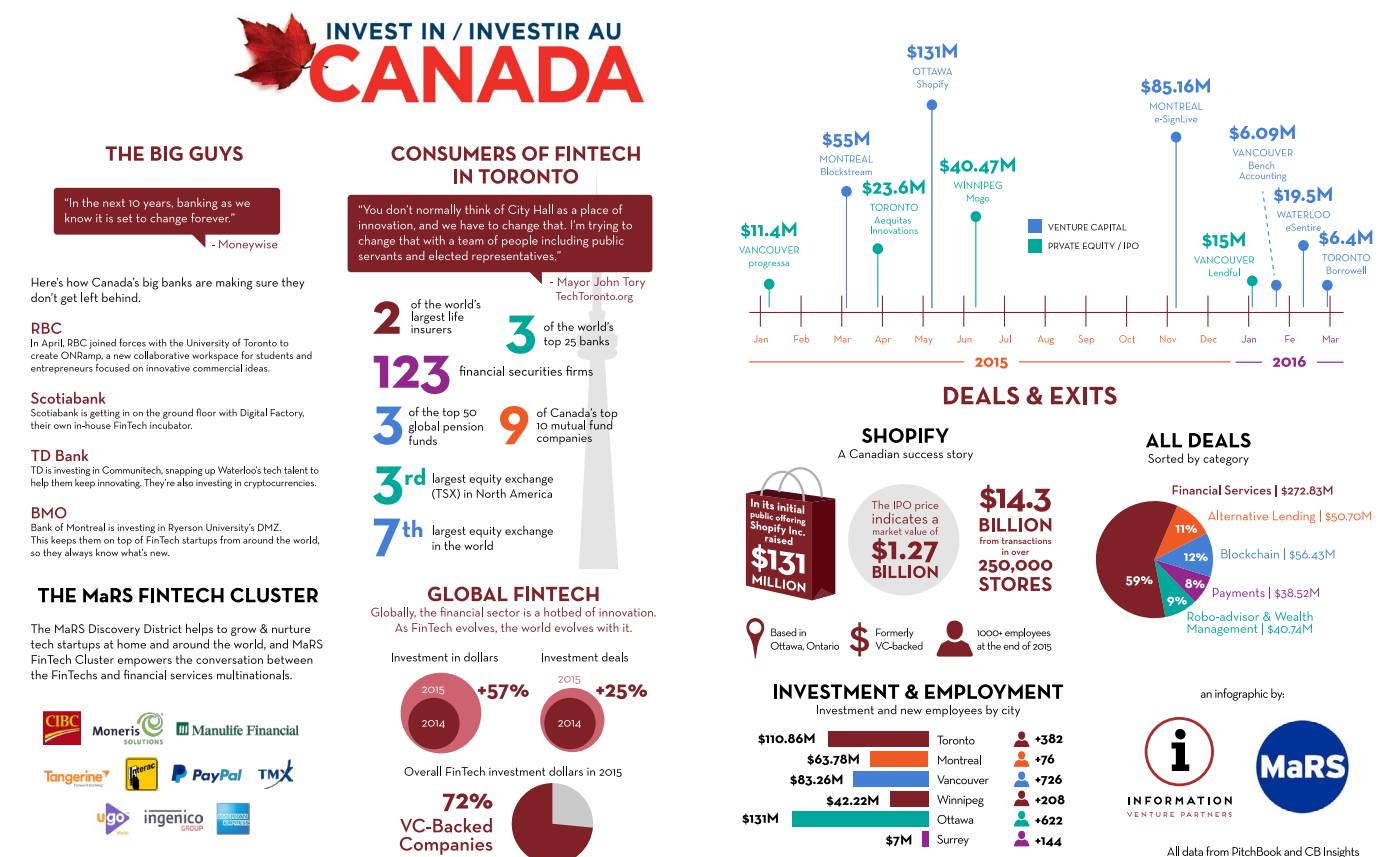
## FinTech By the Numbers

The rise of Canada's FinTech sector is backed by the world's most stable financial services sector, a world-class technology sector, and a creative hub for new and emerging technologies. Technology spending by the Canadian financial sector was \$12B in 2013 and expected to increase to \$15B by 2018. Growing collaboration between financial institutions and technology companies is spurring innovation and competition—resulting in new business models, new revenue streams, and better products/services for clients. According to a March 2016 report by PwC, "The main banks in Canada are laser-focused on responding to both threats and collaboration opportunities presented by FinTech companies." PwC estimates that there are currently over 80 FinTech companies in Canada, which have attracted investments of about \$1B.

Robert Antoniades, general partner and co-founder of Information Venture Partners, a spin-out of RBC Venture Partners from Royal Bank of Canada, will take part in the FinTech session on October 12.

### Invest in Canada Background

Whether you are considering business expansion or new North American investment opportunities, Canada should be at the top of your mind as an investment destination of choice. Let Invest in Canada



and our global network of professionals show you why Canada should be the strategic choice for your next business opportunity. Invest in Canada is responsible for ensuring that foreign investors have the information and assistance they need to make successful investments in the country. We work closely with partners across Canada to deliver the market intelligence,

connections and support business investors need to identify and capitalize on opportunities. We offer a comprehensive, confidential and free of charge service.

To learn more about Canada's investment advantage, please visit [www.investincanada.com](http://www.investincanada.com) or [www.international.gc.ca](http://www.international.gc.ca).

"Banks + FinTech: Exploring global lessons for cooperation on consumer-focused innovation"

10/12 @ 8:30 am  
Rise NYC

# Access Asia in a matter of days, not months

## World Innovation Tour series

A question every growing startup can no longer ignore is whether or not to expand into foreign markets; if so, how, and when?

In today's digital economy, addressing global market challenges and opportunities early and quickly has become a necessity in order to succeed in an increasingly competitive landscape.

To help companies better understand foreign markets before considering entry, we teamed up with our local and international partners in order to develop hands-on business development tours introducing a select group of high-potential, later stage startups, industry experts, investors and corporates to the world's innovative startup and business ecosystems—starting in Asia in November and December 2016.

With FinTech, IoT, New Manufacturing, and Smart Cities being some of the key emerging industries, our first tours will take us to Singapore, Seoul, Taipei, Hong Kong and Shenzhen.

### FinTech in Singapore and Seoul

#### November 14-18

Join the delegation of high-potential FinTech startups on November 14-18 in Singapore and Seoul including participation in the Singapore FinTech Festival.

### IoT, Manufacturing, and Smart Cities in Taipei, Hong Kong, and Shenzhen

#### November 28 - December 3

Join the delegation of high-potential IoT, New Manufacturing, and Smart City startups in Taipei, Hong Kong and Shenzhen including the InnoDesignTech Expo in Hong Kong.

### Uniquely tailored program

During these week-long trips, participants benefit from a hybrid program structure allowing everyone to get a head start when it comes to setting up their business for the Asian market.

The general program introduces participants to a number of innovative startup and business ecosystems in Asia. Tailored introductions and meetings supplement the program and help participants to connect with investors, suppliers, distributors, customers, talent, and government, among others based on their specific needs to establish their network on the ground.

### The World Innovation Tour Asia in Context: Information for partners

The World Innovation Tour series was initiated by New York International, and its overarching idea goes hand in hand with our mission: To enable businesses, initiatives, and ideas to expand further and faster.

1. The WIT Series is about helping high-potential companies expand into the foreign markets.
2. The WIT Series helps each participating city/country within the region attract investment, talent, and innovation from a pool of targeted and pre-selected companies as part of a worldwide and ongoing initiative.
3. The program is developed in partnership with local governments and trade promotion organizations, local experts and corporate partners to:
  - Educate about and showcase the local startup and business ecosystems
  - Provide vital touch points for partnerships and collaboration
  - Facilitate market entry and growth within and beyond the local market
  - Foster exchange and drive progress for society as a whole

Our World Innovation Tour series is a long-term initiative that thrives on the support of our partners.

Keep in touch to learn more about our upcoming programs (Asia 2016, Europe 2017, Asia 2017) and opportunities to get involved with World Innovation Tours.

*We have a few spots remaining for our upcoming Asia tours. If you are a startup considering these markets and want to find out more, contact Danny O'Brien (Danny.O'Brien@NYIntl.net) or apply online today at WITAsia.net.*

## Cities on the Tour

### Singapore

Singapore is the third largest FinTech ecosystem in the world after New York and London. The Monetary Authority of Singapore and government agencies have been keen to promote inward investment in one of the world's most open economies. The Singapore FinTech Festival is a great opportunity for FinTech companies to explore the ecosystem, hear from nearly 100 renowned speakers from the global FinTech community, and network with the expected 2,000 attendees.

### Seoul

Korea has always been a world leader in innovation. The quality of talent there has been underlined by the various startups who have made it to the Korean Startup Summits in New York to seek investment. The local government has been a keen supporter of the startup tech ecosystem with initiatives such as the Accelerator Investment-Driven Tech Incubator Program for Startups (TIPs) which we will visit.

### Taiwan

Taiwan, a gateway into China, is a world leader in IoT, Connected Devices and New Manufacturing, making it an obvious choice for inclusion on the World Innovation Tour. Taiwan US Alliance (TUSA) has been responsible for forging closer links between both countries making it easier than ever to set up your company there or source manufacturers. Highlights include visiting Gogoro—the pioneering scooter and battery technology company—the Taiwan Startup Stadium accelerator, and VCs keen to invest in startups considering the move to Asia.

### Hong Kong

Hong Kong is an easy city for international companies to set up in. Not only is it a financial hub, making it easier to seek investment, but given its highly connected diverse population, serves as a good testing ground for international startups before taking on other Asian markets. The HKTDC InnoDesignTech Expo, which we will attend, is a unique one-stop platform for creatives and technologists with enterprises looking to enhance their competitiveness and find business partners for the new opportunities emerging in Asia.

### Shenzhen

The delegation will take a day trip to Shenzhen from Hong Kong—a city which is reputed to make over 90% of the world's electronics. Shenzhen has a population which has grown by over ten million in the last twenty years. Highlights include the electronics market, a factory visit, incubator visit and networking reception.

*Tailored, week-long tours enabling rapid business development in Asia with introductions to the people and partners you want and need to succeed*



In collaboration with:



# Tech City – Dublin



Dublin city, the capital of Ireland, has been proving itself to be quite the location for emerging startups and technologies that can stand up and compete on a global scale. In recent years the city has become home to more than 1,200 startup companies who are producing world class products and services across multiple sectors including FinTech, Lifesciences, IoT, and AdTech.

The growth of startup companies and technology in Ireland demonstrates how Dublin is making its mark as a key ecosystem for early stage businesses; helped by an abundance of talented graduates and a strong entrepreneurial spirit among the people of Ireland. Not only is Dublin the location of some excellent home-grown enterprises, but multinational giants such as Google and Facebook—among many others—have made the city their European base.

A large portion of Ireland's home grown companies and global multinationals are

based in the buzzing Docklands area of Dublin which has appropriately been nicknamed “Silicon Docks.” The presence of early stage and large international companies has transformed the area from a once relatively industrial part of town to one of its main cultural hotspots with plenty of trendy cafes and bars—a testament to the effect startups can have on the cities they call home.

Exports are key for many Irish companies who are supported internationally by Enterprise Ireland, the government organization responsible for the development and growth of Irish enterprises in world markets. The United States is a key market for a large proportion of these companies, with record export figures to the US reported in 2015.

With rapid development that doesn't appear set to slow down anytime soon, a growing number of co-working spaces, and a pool of ready talent, Dublin is holding its own as a global startup capital.

# A Case for Distributing Economic Development

By New York International

Prior to each TEP, W2NYC and International Week, we talk to each participating startup and explain the program, but more importantly we ask about their objectives for coming to New York City. Over the last five years two things have significantly changed:

## 1. From “great to know” to “must know”

In the beginning, companies came without clear businesses models, refined pitches, or even a strategy to do business here. So we initiated a “Rapid Strategy Check,” for the companies. The check revealed a shift in company strategy. For the first three years we saw the focus on fundraising—pitching investors and presenting ideas. For the past two years though, things have changed. All companies are successful locally and have initial funding; US expansion has become part of almost every business plan. Traction here is mandatory for their continued success.

## 2. From “open support” to “gated communities without a gate.”

The tech ecosystems have matured: the number of funds have increased and coverage by specialized web sites has made it much easier to navigate the ecosystem.

At the same time, it has become almost impossible to cut through the noise and know what is relevant and provides value. Noise filters have evolved into to noise cancellation, making personal contacts and qualified introductions more important. A trend that is likely to continue. In that sense, New York City might become the biggest gated community for even the best startups and ideas.

US expansion has become part of almost every business plan.

Looking back, the startups coming to NYC have become really good and at the same time it has never been so hard to get New York's attention. Now what? We are inviting the TEP, W2NYC and International Week friends, partners and contributors to a more formal, purpose-driven network of friends with the idea to invest and collaborate for the benefit of young companies, cities, and citizens as a whole. Inquire to become a part.



Read more about this network on [NYIntl.net](http://NYIntl.net)

# Can You Relate?

By Milos Spiridonovic

My first negotiation took one week to close. The market opportunity: MLaaS (manual labor as a service). The client: parental units. The deal: \$2/week for dish washing. The underlying incentive: a Friday ritual that would involve a full sprint off of elementary school premises to get a slice of pizza for lunch. This took intensive planning (studying teacher habits, devising distractions) and relied heavily on timing, coordination, and performance.

I found that by cleverly arranging similar types of dishes, I was able to increase my efficiency three-fold. However, the market moved. The soda/pizza combo skyrocketed to \$2.50. I had to expand my offering. Release 2.0 included trash duty. This time, I would not be caught off guard by another economic shock and managed to re-negotiate \$3/week. Yes, I was EBITDA positive! Then, the world got bigger, and Jay-Z released Rocawear...I had to pivot. Things



Milos Spiridonovic

were different now.

School/work/sport/social balancing amounted to increasingly complex responsibilities. Solving the enigma (who am I? what makes me unique?) grew in importance as I struggled to find a place in this world. Analyze, theorize, adopt, fail, adjust, repeat. The world kept getting bigger. Travel and experience demystified, yet

simultaneously complicated the “big picture.” When the desire to solve all worldly problems faded, I learned to focus, prioritize, and became more effective.

My father's advice (ignored until I was about 24) proved invaluable. “Focus on three things at a time. Otherwise, none will be done well.” I found myself adopting many of my parents' habits—structure, patience, perseverance, purpose. To my relief, the world started to get simpler; the progress was clearer; identity was stable; value was explicable. We were now engaging in very interesting debates.

Old vs. new. I push them to new technologies, they pull me into history. They pensively experimented while I dubiously read into the past. Anyone with a family member on social media will attest—simply adopting the new, does not imply appropriate use. Their past experience (failures) delayed quick adoption—causing frustration in delivering benefits I assumed were basic. Learning to communicate in their style and understanding their thought pro-

cess helped—but is not short of patient and persistent effort.

This (true) story was intended to foreshadow the current state of affairs between startups and corporations. My advice to the startup is: maintain a visionary, ambitious, and challenging stance—but take the time to (truly) understand history and continue to develop your communication with corporations. My advice to the corporations: Waiting for “winners” to emerge will be costly. Open communication will be fundamental in crossing the bridge between these worlds.

Milos Spiridonovic is a CFA at Deutsche Bank AG and Head of Startups@Berlin.

“NYC Innovation Tour”

Lunch Session 10/12 @ 12:00 pm  
Deutsche Bank



# Outlook for Messaging Apps in the US

By Dr. Simon Lorenz

**M**essaging apps have officially surpassed social networks in amount of engaged active users. All signs point to messaging apps being the “next big thing” for the US digital economy. Today, about 2.5 billion people are registered to use at least one messaging app, according to advisory firm Activate. By 2018, the firm expects that number to be 3.6 billion, 90% of the world’s Internet enabled population.

“There is no other technology that is more closely examined and discussed in Silicon Valley than messaging,” says Jenny Lee, a managing partner at GGV Capital.

Take the Chinese Internet giant Tencent Holdings Ltd. for example. In 2011, Tencent Holdings launched a smartphone app so people could send each other free text messages. Five years later, WeChat’s hundreds of millions of users are on the platform ordering groceries, sending videos, and even managing doctor appointments.

## Monopolistic Competition

The most interesting aspect of this emerging market, both in the US and internationally, is that there is a variety of competition with no single dominating messaging platform.

India touts 70 million users on WhatsApp, as of November 2014. That number has likely increased considerably since the total user base for WhatsApp has grown from 600 million to 800 million in less than a year. Nations such as Mexico and Brazil tend to favor WhatsApp, as does much of Western Europe.

WeChat continues rising in popularity in China. The app launch coincided with the expansion of China’s middle class; for many consumers, the app was their introduction to the Internet.

WeChat and other messaging apps initially won users looking to avoid texting costs that are 26 times higher in China than in the US, according to Activate.

“There’s no great example in the West,” says Ted Livingston, chief executive of Canada’s Kik Messenger Inc., which introduced a texting app in 2009.

While dissenters may cite Facebook’s Messenger app at 1 billion monthly users, the app has been criticized for “forcing” users to use the technology (by splitting the feature from the core Facebook platform in an effort to push external apps). Facebook Messenger has also yet to be utilized as a major messaging platform with in-app features such as booking tickets, managing schedules, etc. The market (share) is for the taking.

*Business Insider* recently noted,

“Messaging apps are about more than messaging. The first stage of the chat app revolution was focused on growth. In the next phase, companies will focus on building out services and monetizing chat apps’ massive user database.”

## Utilizing Messaging Apps for Business

If businesses want to stay on the cutting edge and keep customer contact open and easy, they need to adapt to this new wave of communication. According to a new study from the Mobile Ecosystem Forum (MEF) more consumers are now using messaging apps such as WhatsApp to chat to businesses. In fact, 76% of consumers have received communication in the form of SMS from businesses before, whilst 65% engage via chat apps.

Mobile messages are a direct route to your stakeholders, with mobile messages having a 98% open rate, while e-mail has

only a 20% open rate (Mobile Marketing Watch). In addition, text messaging has a 45% response rate, while e-mail only has a 6% response rate (Velocity).

Messaging apps are about more than messaging.

We find that niche, industry-based applications can be found among the message app hype. According to one poll, the activities people with text capabilities would most prefer to do via text are: check order status (38%), schedule or change appointments (32%), and make or confirm reservations (31%).

At Klara, we enable mobile messaging for secure internal and external communication. We call our model B2B2C as the sim-

ple messaging app interface allows for inter- and intra-messaging capabilities. Unlike e-mail or phone, messaging apps such as Klara can be used to triage and coordinate messages within a business workflow.

Pharmacists, physicians, insurance agents, and ultimately, patients, are seeing the transformative power of messaging applications in their health management. As we approach 2017, messaging apps will continue to grow and penetrate industries such as healthcare, finance, and retail.

*Dr. Simon Lorenz is the founder and managing director of Klara.*

## “From Germany to NYC: An Insider Report”

10/10 @ 5:00 pm

Knotel, Battery Park

# How Meetups Can Grow Your Business

By Odile Beniflah

**M**eeetup makes it easy for anyone to start or find a local group where people are meeting up face to face. Meetups help people get training, get jobs, get funding, launch businesses, and help companies take off. They inspire and change lives. They are engines for economic growth and innovation.

## How?

Meetups are fueled by the magic that happens when people of shared passions and interests get together in person to pursue their dreams together. Whether your dream is to teach coding skills to create job opportunities for refugees (like the ReDI Meetup in Berlin), organize inspiring community events in your co-working space (like LeTank Meetup in Paris), empower women in tech, practice your pitch, or find a co-founder for your startup, Meetup is an easy way to find people around you who share your interests. And when people meet in person and talk, new ideas emerge. Community unleashes opportunity.

Scott Heiferman, founder and CEO of Meetup, was inspired to start the NY Tech Meetup after having heard that Steve Wozniak (Steve Jobs’ co-founder) said that if there were no Homebrew Computer Club, there’d be no Apple. Homebrew was a community where people could demo technology. It gave them opportunity. Maybe Silicon Valley wouldn’t be what it is



today without that community back then. Now there are Tech Meetups everywhere, poised to grow local tech economies; not just in big cities like New York, London, Paris or Berlin: Tech hubs are starting in every city, no matter how big or small.

## How can Meetup help you grow and expand?

Meetup gives visibility to your activity and constantly promotes your group to the entire Meetup community based on their interests. New members regularly join your Meetup without you having to do any marketing or communication. You can focus on organizing events, trying out new concepts, sharing successes and failures, and finding local talent. Meetup takes care of promoting your activity. The more

people join, the more Meetups happen, the more visible you are, and the more you will inspire others to join or do something different. With Meetup Pro, you can even set up a network of Meetups and start chapters in many cities—in your country or across the world. The power of community and people getting together face to face has no limit.

*Odile Beniflah is head of International at Meetup.*

## “NYC Innovation Tour”

10/12 @ 2:30pm

Meetup

# The Master Key to Cross-Border Business Success? A Global Mindset!

By Sophie Lechner

**S**o you think you are ready to go international. You are likely not. Consider this: Research shows that 50% to 70% of all deals fail because of culture and communication issues. It's the silent killer because it is rarely diagnosed, even after the deal is dead.

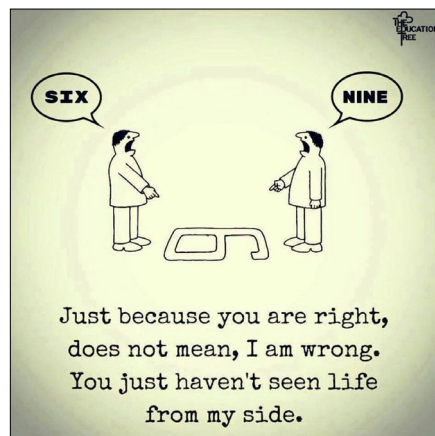
The issue comes from underestimating the role of cross-cultural understanding in the successful development of global markets. Preparation, of course is critical, but so is having a global mindset.

One of the pitfalls in global expansion comes from trying to get results too fast, focusing on the deal. The focus must be on building solid and lasting business relationships that will create a foundation for long term, sustainable business. That requires understanding the culture and adapting to it. To do any kind of business, trust is critical. And how can trust emerge if people are not communicating effectively?

Research shows that 50% to 70% of all deals fail because of culture and communication issues.

With business increasingly conducted in English you may have a false sense of comfort. You understand the words but you may be missing the person's meaning entirely. I am French and when I got my first performance review in the US I completely missed what my boss was trying to tell me! In France, if someone says you are doing a great job, then the message is simple: you are doing a great job! There is no context that needs interpreting. I would have better understood my boss' remark if I had given more weight to the context of the conversation. This happens because we all carry our own cultural assumptions into a dialogue. A global mindset means you have learned to take your assumptions out of what is being said. It takes time and effort. The good news is that if you show a willingness to do this, your counterparts will appreciate it enormously and blunders will be forgiven.

It is not about reading the etiquette book; it is about opening your mind to see



where the other person is coming from. Adapting your product to the customer in the foreign market is another very common mistake that even corporate giants make. Speaking about the failed global expansion of his company in the 1990's, the founder of Intuit, Scott Cook, said, "We should've known better." So what went wrong? After years of success in the US with the QuickBooks accounting software, Intuit launched in several European and Asian countries. After an initial success, sales started plummeting. Cook went to the countries to investigate and was struck by this user's question: "Why does it look just like an American product?" Intuit had built a product in the US that was highly intuitive (hence the name) for a US user, but only translated the materials for foreign markets. They failed to realize that people approach things differently across cultural boundaries. Intuit withdrew from their overseas markets and didn't attempt it again for over a decade.

To avoid such pitfalls, we suggest you find a guide to help you navigate your new market.

Global Commerce Education, Inc. (GCE) is a member of the French American Chamber of Commerce. The Chamber recently opened our new co-working space, FACC CoWork, especially for young companies coming to the US. GCE's G2 Experience is an immersion program that helps companies trade across borders more effectively. To learn more, go to [www.g2experience.org](http://www.g2experience.org) or call Sophie Lechner at +1 917 859 5268

*Sophie Lechner is the CEO of Global Commerce Education, Inc.*



# 8 Pointers for Hiring in the US

By Feargall Kenny

**A**t Glenborn we help earlier stage marketing and ecommerce SaaS firms make crucial sales hires—from CROs and VPs to senior individual contributors. Here are the pointers I give to international startups looking to learn how to start hiring in the US:

**1. Are you really ready to hire in the US yet?** Consider the alternatives. Think about contractors (1099 workers in US vernacular). Maybe using them or a sales agent is a better way for your firm to enter the US market.

**2. Assuming you are ready, get prepped to hire.**

- Incorporate with a lawyer and get prepared to hire with offer letter samples / employment contracts etc. Get an EIN (tax id), accountant, payroll, and benefits provider.
- Choose your location. Think of your sales model. Inside versus outside sales and associated labor costs. Where are your key verticals located? Move to the area closest to key customers and partners.
- Get an office. With so many co-working options this is easy and cheap in most US cities.
- Get local case studies and localized collateral fast. Acronyms like ICT are not used here, so test your lingo first.

**3. Go local fast. Hire Americans.** A few HQ transplants work for a while but the quicker you hire local the better. This is especially true the further away from the major cities you get.

**4. Get your recruitment act together before you come.** Consider hiring an agency. Local knowledge is key. Don't rely on job postings and inbound responses to those postings or ads. Inbound applications in the US are generally of very poor quality.

**5. Differentiate yourself in your outreach and interviews.** Remember candidates are bombarded by choice! For salespeople expect to be asked lots of questions around how you stack up relative to US competition. Here are some things to consider in differentiating yourself:

- Have a good backstory on your history / founding.
- Show them money raised, not revenues! That's what US startups do—in the US your revenues are not public, so why share them if they are detrimental to your pitch?
- Be aware of expectations around benefits—healthcare, 401K, etc. If you don't have them in place you will not be competitive.
- Play up the international factor! In my experience American candidates love the

mystique of working for a foreign startup and the implied international travel.

**6. Interview pitfalls and tips.**

- Beware of cultural differences. Americans (especially salespeople) tend to be more confident and assertive than Europeans. This can-do attitude that makes the US the leader in the startup world can trip you up when assessing candidates. Add a pinch of salt to most interviews.
- Beware of legal pitfalls. Certain interview question can be a no-no in the US and it is a litigious society, so better not get in trouble before you start.

**7. Paying people.**

- Salaries. Get up-to-speed on market rates for the roles at hand.
- Options. If you don't offer stock options, you will be at a competitive disadvantage versus local hirers. Options for everyone is the default expectation.
- Benefits. Healthcare and retirement offerings like 401K are crucial.
- Terminology. Get used to the hiring lingo. W2s, Base / OTE (on target earnings), exempt versus non-exempt, etc.

**8. Remember "at will" employment is a two-way street.** Employment in the US is generally "at will" which means anyone can break the relationship at any time. This flexibility makes the US very hiring (and firing) friendly. It works two ways, so be very aware that loyalty is thinner on the ground. Work on your company culture and perks to keep folks happy.

*Feargall Kenny is a New York City-based executive recruiter and president of Glenborn Corporation. @FeargallKenny*



**"Business Development in the US"**

10/11 @ 10:45 am

Microsoft Technology Center

# Expanding the “Silicon Allee”

By Kai Hennig

Known as the “Silicon Allee,” Berlin is undeniably one of Europe’s top tech hubs. Every 20 hours there is a new startup founded in Berlin—with roughly 2,500 of them in total. In addition, there are over 14 major incubators and accelerators located in the German capital. In 2015, German startups raised nearly 3 billion Euros in venture capital, over 2 billion of which were spent on startups in Berlin. In the first half of 2016, about 520 million Euros went to the scene on the river Spree. Alongside Berlin there are two more very well established entrepreneurship ecosystems in Germany—Hamburg with its significantly smaller but tight-knit and powerful startup community, and Munich which benefits from its proximity to large tech companies.

But it is important for federal governments, no matter the country, to not on-



Kai Hennig

ly focus on the larger startup hubs but to work toward growing smaller startup communities into thriving centers for innovation. Let’s take a closer look at three promising regions where the Silicon Allee

is expanding and see how the government is promoting this growth.

The federal state of North Rhine-Westphalia, with its metropolitan Rhine-Ruhr region, registered a significant 50% growth of its local startup scene in 2015. Now, more than 15% of the startups in Germany have their headquarters here. Promoting this ecosystem is one way of trying to master the structural change in the former coal mining district. The main goal of the federal government is to simplify the transfer of innovative technology from its numerous well-known universities to the marketplace. Its initiative “Startup Hochschul-Ausgründungen” (which can be roughly translated to “Startup University-entrepreneurship”) supports selected startups with a total of 20 million Euros through 2020.

Saxony follows with its program SAXEED, a similar approach to that of North Rhine-Westphalia, that offers

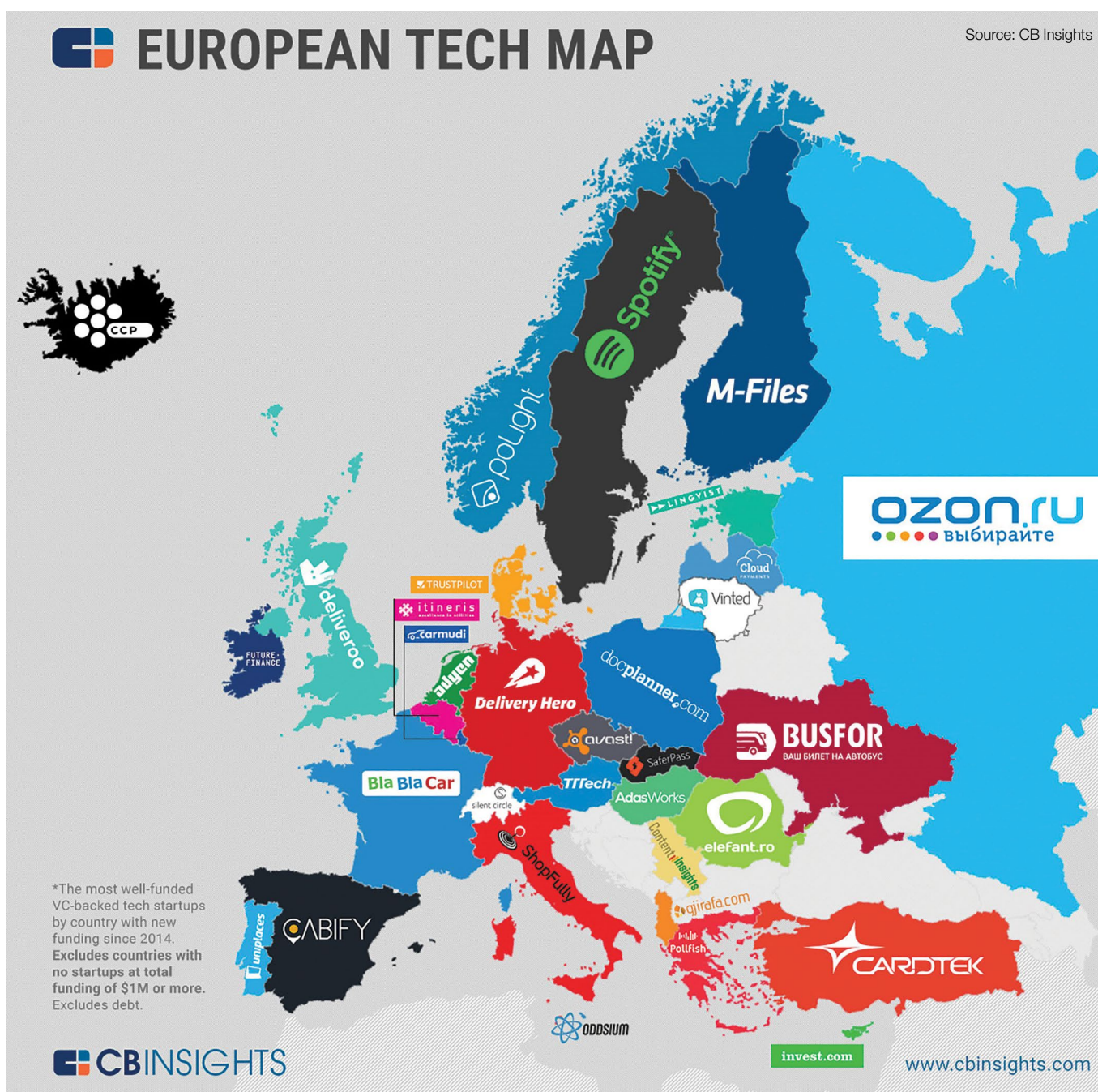
coaching for young university graduates during the implementation of their business ideas. The startup scene in Leipzig is especially booming, which is why locals have begun to refer to the city as “Hypezig.”

Furthermore, it seems important to keep an eye on the developing startup scene in Baden-Wuerttemberg. The newly elected federal government seeks to make Baden-Wuerttemberg “the most dynamic entrepreneur ecosystem in Europe.” To do this, they aim to build a statewide founder network and promote the relocation of business angels and venture capitalists. Throughout this process, the federal government can rely on several already established initiatives, including its “Elevator Pitch BW”—the first statewide annual pitch competition. In addition, Baden-Wuerttemberg is a partner of the MedTech Startup School (MSS), where participants “receive real-world innovation training while working on a startup idea.” MSS adapted Steve Blank’s Lean Launchpad for Life Sciences & Health Care Curriculum from the Universities of Berkeley, Stanford, and San Francisco. Additionally, Stuttgart is also home to the FinTech-Days which inspire teams to “get finnovative” with events including a Bankathon, where interdisciplinary teams develop and implement FinTech ideas within 40 hours.

Naturally, the federal governments also keep track of what is going on in Berlin and try to learn from the capital’s strategic approach to promoting its startup scene. In 2015, Berlin’s Senate and representatives of the startup industry founded the Berlin Startup Unit. The key purpose of the Berlin Startup Unit is to enhance the frame conditions for startups by analyzing existing structures, exposing what the system is lacking and using this information to develop new incentives for founders. The information gathered through this bottom-up process resulted in the “Berliner Startup Agenda,” which will set the direction of the industry for the years to come. One of the agenda’s main goals is to strengthen Berlin’s collaboration with tech hubs worldwide. To this end, Berlin’s senator for economics, Cornelia Yzer, came to New York City in 2015 to foster the exchange between local startup communities.

North Rhine Westphalia, Saxony and Baden-Wuerttemberg are only three examples of the widely spread efforts of Germany’s federal governments to promote their local startup scenes. Without a doubt there is still a lot to do, but they are a positive notion of how the “Silicon Allee” is steadily expanding throughout Germany.

*Kai Hennig is, Deputy Consul General of the Federal Republic of Germany, head of the economic department.*



# Participating Startup Companies

## 12grapes

We are an AI-driven people analytics company. We develop tools that help investors evaluate and choose teams, and helps teams choose best-fit candidates.  
<http://start12grapes.com/>

## Leondrino Exchange

Leondrino is a new type of virtual currency which combines the benefits of the monetary policy via central banks and the technological advantages of virtual currencies.  
<http://leondrino.com>

## APDS

American Prison Data Systems, PBC enables the incarcerated to consume permitted digital content and services, safely and securely.  
<http://apdsincorporate.com/>

## Opinary

Opinary makes content come alive. We visualize debates and give millions of users a voice, empowering them by letting them take a stance with a single tap.  
<http://opinary.com/en/>

## BigRep

BigRep is the market and technological leader for large-scale serial 3D printing, aiming to revolutionize design, prototyping, and industrial production from the core.  
<http://bigrep.com/>

## Rally

A platform that enables pop-up mass transit. Rally modernizes travel for riders, drivers, and operators of high-occupancy vehicles from vans to buses.  
<http://rallybus.net>

## blogfoster

blogfoster provides a SAAS-platform that helps professional bloggers and social media influencers analyze, manage and effectively monetize their reach.  
<http://blogfoster.com/en/>

## sleevematix

Sophisticated cup sleeves from Berlin. Highly customizable, green, practical, made of first-class materials and provide excellent insulation. For B2B and B2C.  
<http://sleevematix.com/>

## Box at Work

Europe's leading on-demand self-storage platform. Box at Work offers a stress-free, eco-friendly service renting out reusable boxes that are cheaper and smarter than your usual cardboard box. <http://boxatwork.com/>

## sofatutor

Better grades. Less stress. With the fundamentals at your fingertips, it's easy to study the smart way. Get help with homework, and be better prepared for class and exams.  
<http://us.sofatutor.com/>

## cantinio

Your daily lunch update. Can't decide where to go for lunch? See a whole bunch of lunch specials in restaurants near you, without walking around outside like a fool!  
<https://cantinio.com/>

## Swissbank

Swissbank is a global Fintech engine that has its own worldwide stock index and sells real-time stock and business data for this index.  
<http://swibank.com/>

## Green Window

Green Window - The green marketplace that provides the easiest way for consumers to find and buy sustainable products.  
<http://greenwindow.com/>

## United Talents

As united talents we analyze, consult and realize business development and cross-media marketing campaigns for mobility company brands, products and services.

## iventic

iventic – professional web-based software for online guest-management and organization of B2B-events of all kinds and sizes, web-feedback, and check in.  
<http://iventic.net/>

## Videopath

A digital video solution that lets you easily create and publish interactive videos on the web. Inspire, engage, and convert.  
<http://videopath.com>

## Konsole Labs

Individual software development tuned to the customer in minute detail. With BREAKING PUSH, Konsole Labs offers an individual notification service for mobile apps.  
<https://konsole-labs.com/>

## Visitate

Smart ticketing solutions for cultural events. Our smart services enable a simple and largely automated sale of tickets, tours, merchandise, etc. as well as facilitating organizational processes. <http://visitate.de/>

## Labiotech.eu

Labiotech.eu is the leading digital media covering the European Biotech industry. It is used by over 45,000 people monthly to keep a watch on the business and innovations of biotechnologies. <http://labiotech.eu/>

## WestTech Ventures

Technology-oriented early-stage investor in Berlin. We invest in startups in the pre-seed/seed phase in B2B, SaaS, Developer Tools, Enterprise Software, MediaTech etc.  
<http://westtechventures.de/>

## labfolder

labfolder is the operation system for research laboratories. Researchers can plan experiments and resources, connect to lab instruments, and collect data in one place.  
<http://labfolder.com/>

## Yoove Mobility

Yoove Mobility GmbH is an owner-led service company. Yoove develops, acquires and offers new forms of mobility and communication.  
<http://yoove-pro.com/>