Creating a flourishing environment for Nordic entrepreneurs

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Growth entrepreneurship high on the Nordic agenda

Young innovative companies are vital for the future competitiveness of the Nordic region. They accelerate productivity by challenging existing firms, they lead the development of industries, and they create new jobs and contribute to economic growth.

The small home markets and asymmetric industry strongholds in the Nordic countries pose several challenges related to scaling of young firms, both from the view of the entrepreneur and the investor. Many of these challenges are best addressed by working together on a Nordic level, preparing young companies for growth and expansion towards larger international markets and emerging markets.

Nordic Innovation recognises the importance of well-functioning ecosystems for growth entrepreneurship, and wants to help create an environment where ambitious Nordic entrepreneurs can thrive and build innovative and globally competitive companies.

On this background, Nordic Innovation launched a call for proposals within the Nordic High Growth Entrepreneurship Initiative in June 2013. After a thorough review of the 51 applications, 10 projects were selected for funding. Among these are a Nordic innovation house in Silicon Valley, an alliance of Nordic crowdfunding platforms, a cross-border high growth accelerator for life science SMEs and joint performance statistics for the Nordic venture capital market. Read more about these, and the other 6 exciting projects, on pages 4-13.

The Nordic High Growth Entrepreneurship Initiative is a result of the so-called lighthouse project for growth entrepreneurship under the previous Nordic Cooperation Programme for Innovation and Business Policy, running from 2011 to 2013. It has been developed in close cooperation with national innovation authorities and public early investors in the Nordic countries: Tekes, Innovation Norway, Danish Business Authority, Innovation Center Iceland and Almi. The Initiative also creates a bridge to the new Nordic Cooperation Programme for Innovation and Business Policy starting from 2014 - in which growth entrepreneurship once again has been named one of five focus areas, this time led by the Icelandic Ministry of Industries and Innovation. Nordic Innovation are pleased to continue our work in this important area.

As a part of another of our projects related to entrepreneurship and internationalisation - the Nordic-to-Global Initiative - selected Nordic startup companies, mainly within internet and media, got to present their concepts to American venture capitalists in New York and Boston. The ultimate goal of the event was to raise interest in the Nordic countries among American investors. You can read an interview with one of the companies, including reflections on the advantages and disadvantages of being a startup in the Nordics, on page 15.

Happy reading!
32 MNOK to accelerate growth among Nordic entrepreneurs

10 joint Nordic projects have been selected for funding among 51 applications. Their common objective is to boost growth entrepreneurship in the Nordic region by improving entrepreneurs’ competences and access to finance.

The Nordic High Growth Entrepreneurship Initiative aims to create joint Nordic growth enhancing activities and increase the deal flow of young innovative companies that are able to scale into Nordic and international markets. Young, innovative companies are crucial for the future competitiveness of the Nordic countries. But it can be difficult for these to grow in a small market. Together, the Nordic region constitutes a much larger critical mass.

– By working together on a Nordic level, we can provide entrepreneurs with a larger home market, greater visibility and better access to resources across borders. The objective is to create an environment where ambitious entrepreneurs can thrive and build globally competitive companies, say Hans Christian Bjørne and Natalia Glette, senior advisers at Nordic Innovation.

Nordic Innovation launched a call for proposals within the Nordic High Growth Entrepreneurship Initiative in June 2013, based on Nordic studies and dialogues on the possibilities and challenges of Nordic entrepreneurs. The funding programme attracted as many as 51 applications with a total budget of 353 MNOK. After a thorough review, 10 projects were selected for funding.

Helen Gjester, special adviser at Innovation Norway, is a member of the Nordic Agency Growth Forum that has supported Nordic Innovation in the evaluation process.

– I am very pleased with the outcome and have high expectations for the projects, which I believe can contribute to strengthening Nordic entrepreneurs’ skills in relation to internationalisation and growth, she says.

Thomas Ebdrup, project manager at FORA under the Danish Business Authority, and also a member of the Nordic Agency Growth Forum, agrees.

– The projects will help develop the entrepreneurship ecosystem in the Nordic region, and with no doubt increase access to both capital and global markets for Nordic entrepreneurs.

Read more about the 10 funded projects on pages 4-7.
The Nordic Venture Capital Return Statistics project hopes to have found the missing piece to attract international capital to Nordic venture capital funds.

Fundraising for private Nordic venture capital funds has been most difficult in recent years, and several funds have disappeared. The remaining funds are on the other hand more experienced with more mature processes, and have stronger teams and networks.

To attract international capital to these funds and promote the Nordic region as an attractive region to invest in, the people behind this project will collect credible performance statistics for the Nordic venture capital market, and create a Nordic Venture Capital Index.

Accelerace Life

With a goal to create more than 200 new jobs, the Accelerace Life project sets its aim high.

The Nordic countries have traditionally been among the international elite in life sciences and medical technology, with one of the world’s highest patent filing rates per capita. Still, it does not seem that small and medium sized enterprises (SMEs) in this sector are able to capitalise on the existing Nordic framework, and the number of viable startup companies have declined in recent years.

The Accelerace Life project wants to set up a cross-border high growth accelerator to help promising life science SMEs into the international market, placing it in four Nordic markets simultaneously. By forging a strong collaboration between the best Nordic incubators and accelerators, the project’s goal is to translate their gained market experience into the international market, with more than 25 new collaborations established among regional and national organisations, and approximately 75 SMEs creating more than 200 new jobs.

The Ping Pong Alliance

With world-leading ambitions, the Ping Pong Alliance project may leave new and old ICT entrepreneurs bouncing off the walls.

There are limited early-stage funds for entrepreneurs. Available capital often comes from the government, where funders often lack the relevant experience and understanding of entrepreneurship. Outside the Nordic countries, the best resources are hard to access.

For the people behind the Ping Pong Alliance project the answer to these challenges lies in creating an ecosystem in which new entrepreneurs can be matched with successful ex-entrepreneurs through a founders fund, and a Nordic alliance of incubators can be forged to establish a stronger access to Nordic and international resources.

Among the objectives are establishing a Nordic founders fund of MNOK 100 and developing the Ping Pong Alliance as one of the leading ICT incubators in the world – ultimately fostering a highly competitive base of ambitious Nordic ICT entrepreneurs.

**Project participants:**

**Norway:** StartUpLab Norway (Project Managers)

**Sweden:** STING Sweden

**Denmark:** Scion DTU A/S

**Finland:** VIGO Accelerator KoppiCatch

**Iceland:** Innovation House Iceland (Dvorzak Invest)

Read more about venture capital funds on page 13.
Nordic Cleantech Innovation Cluster

Few potential customers in the home market leave many Nordic Cleantech startup companies ill-fated - but there may be a cure.

Small home markets with a limited amount of potential customers make it difficult for Nordic cleantech entrepreneurial startups to get enough customer references, and thus the critical proof-of-concepts needed for attracting investors and making further growth possible.

The Nordic Cleantech Innovation Cluster project hopes to remedy this by building an innovation cluster network that primarily extends across the borders over Sweden, Denmark and Norway, but is also reachable for Finland and Iceland.

The idea is that this network will overcome the small-market challenge by establishing a larger Nordic home market, providing at least three to four times as many prospects from which the startups can find pilot customers. The objective is that it will give the cleantech startups the customer references needed to attract investors, and strengthen the companies’ capability to grow internationally.

Nordic Cleantech Accelerator

To speed up the journey to become a global cleantech hotspot, the Nordics needs an accelerator.

This is the thesis behind the business-driven Nordic Cleantech Accelerator project. Highly promising Nordic startup companies in the cleantech sector are emerging, but at the same time private capital is withdrawing from the sector.

There is therefore a strong need to help these early-stage companies survive, and to speed up their growth. Nordic cleantech startups are typically strong on innovation and technology, but weaker when it comes to market and sales capacity.

The aim of this project is to design, establish and test an accelerator for growth of Nordic cleantech companies. The acceleration process will focus on market entry, partnerships, customer contact and internationalisation. It will provide intense training programmes, a new model for network building and faster funding, and a model for international market entry - paving the way for the Nordics as a global cleantech hotspot.
Piloting a Nordic Innovation House in Silicon Valley

Together we are stronger – the Nordic Innovation House seeks to bring Nordic added value to Silicon Valley.

The Silicon Valley ecosystem of universities, entrepreneurs, investors and ICT-related industry is unique, and is the most important gateway to US markets and global expansion for ICT startup companies. Finland, Denmark and Norway already have a strong presence in the valley, while Sweden and Iceland have little or no presence.

The Nordic Innovation House project wish to align the balance. Investors are already working on a Nordic level, and encourages the idea of Nordic, rather than national, efforts, as the probability of finding high quality companies increases.

The Nordic Innovation House project is a pilot concept aiming to create a Nordic community for startups targeting global expansion. The house will provide 32 desks for Nordic entrepreneurs and a network with trusted partners. In addition, it will host events. With Sweden and Iceland on board, the Nordic presence in Silicon Valley increases, and the project hopes to reduce the barriers to the Valley and the US market for Nordic high growth technology companies.

Nordic Crowdfunding Alliance for Entrepreneurial Growth

Can alternative funding be a way out of the “valley of death”?

The time where entrepreneurial ventures have limited access to seed capital but are not yet mature enough to engage and interest professional investors, can be critical. The project Nordic Crowdfunding Alliance for Entrepreneurial Growth looks at crowdfunding as an alternative, although partial, solution to financial requirements in a company’s early stages.

Crowdfunding is a funding mechanism that involves the public, and the project wish to establish an alliance of Nordic crowdfunding platforms where 180 Nordic entrepreneurial ventures are invited to run pan-Nordic crowdfunding campaigns. Each of the 180 campaigns will be reviewed and receive academic input both prior to and during the online launch, with results analysed and knowledge communicated back to the market.

Start Nordic

Finding decision makers, setting up meetings and closing deals have been proved difficult for many Nordic startup companies.

Nordic high growth startup companies often struggle to find the abilities and skills to accelerate growth and fully realise their global potential. Growing outside the home market has been proved difficult, and many startups experience a lack of successful support programmes at this stage.

The Start Nordic project wish to connect Nordic high growth companies to four of the leading startup hubs in the world - San Francisco, Boston, London and Berlin - through an established partnership platform. The goal is to recruit, train and prepare at least 50 high-potential Nordic startups over two years, and let them visit these hubs in an up to 3-week period to connect with the startup scenes.

Project participants:

Norway: Innovation House, Silicon Valley, by Innovation Norway (Project Manager)
Sweden: Vinnova Silicon Valley
Iceland: Innovation Center Iceland
Denmark: Innovation Center Denmark
Finland: Team Finland/FinPro

Read more about Silicon Valley and the project on pages 8-10.
Establishing the Nordic Innovation Exchange

Creating a shared market place can be vital for Nordic entrepreneurs with high growth potential.

There is a need for competent early stage equity capital in the Nordic market place. When a startup company has come through its initial period of development and sales, funding for expansion are hard to come by. With Finland as an exception, there are no market place for early stage investors and growth companies to meet in the Nordic region - but with a shared population of 25 million people, the Nordics has the potential of being an interesting market place.

This is what the project Establishing the Nordic Innovation Exchange aims at: To create a web based innovation exchange, where investors and young innovative growth companies can meet on a virtual floor. The project’s goal is to engage 200 investors and 100 innovative growth companies in four different groups in the exchange. The project also wishes to bring in three major Nordic corporate companies, as well as arranging physical arenas for the investors and growth companies to meet.

Network of Nordic business leaders and matchmaking with startups

Market terms often leave startups short of the talents needed for growth. Matchmaking in Denmark has however proven a success, and now it’s time to make it Nordic.

Building on a successful matchmaking pilot in Denmark, this project acknowledges the issue of attracting relevant talent on market terms for startups. Lack of talents means lack of funds needed for growth, and there is a need to improve startups’ access to the competence of experienced business leaders. The challenge is to make them willing to collaborate with startups on alternative terms, and providing them with economic incentives to work as business accelerators.

This project wants to create the Nordic Business Leaders Network, from which willing experienced business leaders can be matched with the right startups. This gives entrepreneurs the capability for internationalisation, since the business leaders can connect them with potential partners, clients and business angels in their home market. The business leaders, on the other hand, will engage actively in the management of the startup, and will be compensated with performance-based incentives. It has already proven successful in Denmark, and now the project wants to scale it to the rest of the Nordic region.
A Nordic entrepreneur in Silicon Valley
Thorsteinn Gunnarsson is the executive chairman of Cooori, an online language learning system, that came to Silicon Valley in 2013. He has been in the startup ecosystem for half a life time as an entrepreneur and a mentor.

For fifty years Silicon Valley has attracted talented entrepreneurs. They all come with the ambition and intention to scale or fail trying. Thorsteinn Gunnarsson is one of them; he has for more than ten years been part of the global startup scene and has no doubt that a joint Nordic Innovation House will increase his and others’ odds of success in the Valley.

Why did you go to Silicon Valley?

– Silicon Valley is the hottest spot for start-ups in the world due to three factors: A lot of talent, a lot of knowledge and a whole lot of money. All three factors influenced our decision to go. If you want global success it is extremely important to get people with experience and connections involved in your company. Silicon Valley is where you will find these people so it has always been our plan to go.

– If you want to think big, if you really want to get things going then you have to go to Silicon Valley. People are pitching in cafés and bars. Just the experience is eye opening and it will help you think bigger.

Silicon Valley is the world’s leading hub for high-tech innovation and development, accounting for one-third of all the venture capital invested in the United States. How can a Nordic Innovation House help startups beat the competition?

– For entrepreneurs coming to Silicon Valley with no connections the entry can be extremely difficult. Luckily I had a friend who referred me to Innovation Norway. They agreed to help us, even though we are Icelandic. So when we arrived in Silicon Valley, they had already set up meetings, arranged a workspace and made a report on the attack arena. Already in the first week we started to gain from this setup. The fact that I lived in the US for years have of course helped us but there are still a lot of hurdles. You do not get meetings unreferenced in Silicon Valley. A Nordic Innovation House can help startups get over the first hurdles and this makes all the difference. If you were to do this on your own, it would probably take months or even years.

In the Nordic Innovation House several of the Nordic countries’ separate activities in Silicon Valley will be merged. What do you think of this initiative?

– It is a great step. You will get talent from a larger pool, the whole Nordic one, which means that the quality of startups showcased in the Nordic Innovation House will be higher, thus attracting more investors. The big guys will be looking and saying: “Hi, let’s see what’s going on there!” These guys do not show up for anything, you will need to have more than one or two interesting startups per year. The competition in Silicon Valley is fierce so to merge strengths, knowledge and connections is quite simply a good business strategy.

– The Nordic Innovation House might also have a great side effect. If a few startups get global recognition it will undoubtedly fuel the local startup scene. It is just like sports, if your local football team does well then all small boys and girls want to play football.

But why not use your resources back home instead of on a house in Silicon Valley?

– The startup ecosystem in the Nordic countries should definitely be nurtured as well. You do not have to move your company away from the Nordic countries. A general piece of advice in Silicon Valley is to leave your programmers and developers back home but to bring your marketing and sales. But if you want to create a successful international startup, you have to get out of your comfort zone.

Any last advice for the “small boys and girls” out there?

– Think big, make sacrifices and live the dream! Making it should only be half the fun!
The Nordic Innovation House project in Silicon Valley is aiming to create a Nordic community for startups targeting global expansion.

But what is the value of merging all Nordic activities in Silicon Valley in one house?

We asked this question to two of the project partners located in Silicon Valley, Anne Worsøe from Innovation Norway and Lene Schulze from Innovation Center Denmark.

- We will be able to pull together our resources and join years of experience from similar programs to create a best practice scenario. The resources and network we can offer our entrepreneurs and startups will multiply, meaning we can offer much more targeted introductions and meetings to the individual entrepreneur, Lene Schulze says.

  Finland, Denmark and Norway already have a strong presence in the valley, while Sweden and Iceland have little or no presence. The Nordic Innovation House project wishes to align the balance.

  Investors are already working on a Nordic level, and encourages the idea of Nordic, rather than national, efforts, as the probability of finding high quality companies increase, Anne Worsøe says.

  - With a joint Nordic push in Silicon Valley we will get a stronger brand. We can promise people that they will meet the best of the Nordics and not just the best from one country. We have on more occasions proven that this will increase the number and quality of people attracted to our events, which means we are able to involve very high caliber Silicon Valley executives, investors and so on, Schulze adds.

  Silicon Valley is an ecosystem of universities, entrepreneurs, investors and ICT-related industry, and is considered to be the most important gateway to US markets and global expansion for ICT startup companies. But what makes this place so unique?

  - **Access to knowledge and experience** that only exists in the Valley. Multiple technology cycles have led to an ecosystem of entrepreneurs, investors, service providers and key employees who have started multiple companies and been part of the process from founding to exit. **Access to leading technology companies**, which could serve as strategic partners and/or early customers. **Access to capital**, the two agree.

  With all the Nordic countries on board the hopes are to reduce the barriers to the Valley and the US market for Nordic high growth technology companies. The project has initially received funding for three years.
Accelerating life science innovation through Nordic collaboration

In a time where innovative solutions within health and welfare grow increasingly more important, there is much potential for cross-border life science innovation in the Nordics.

- There is a strong tradition for life science research and industry in all of the Nordic countries. If we can combine this with a strong Nordic innovation ecosystem, we will be in a good position to hatch ideas for successful startups and help them gain fast access to international markets.

  The words belong to CEO Örjan Norberg of Lund Life Science Incubator – one of the collaborators on the Accelerace Life project that has received funding through the Nordic High Growth Entrepreneurship Initiative by Nordic Innovation.

  - We have a few big companies within the life science sector in Sweden that sit on a lot of competence. People with excellent qualifications have come through those companies and started new and interesting ones, and I think this is also the case in the other Nordic countries, he adds.

Focus area

In a time where we live longer than ever, the demand for good health and welfare solutions will continue to increase. This is a global issue, which means that there is a global market to reach for innovative Nordic companies within the health and life science sector.

  - Life science are important for meeting the future societal challenges, and political parties, at least here in Sweden, emphasises the need for innovation on this area, Norberg says. Health and welfare is a focus area in the Nordic region through the new lighthouse project Innovative Nordic Welfare Solutions in the Nordic Cooperation Programme for Innovation and Business Policy that will run in the period 2014-2017.

  Örjan Norberg thinks there is an excellent foundation for life science innovation in the Nordic countries, but also recognises some obstacles on the path to international markets for life science entrepreneurs and startups.

Size matters

  - One of the biggest problems is that seed funding is too small. Perhaps we can learn from the US where they often pump in large amounts of money in an early stage, but also know early on if a company is viable or not. In Sweden, you often get a smaller amount of money now and then, which may prolong the life of companies that should have been shut down earlier, says Norberg.

  He believes pan-Nordic collaboration is key to reaching international markets, citing the small size of the home markets in the Nordic countries as an issue. He points out that there are many excellent life science researchers and developers in the Nordic countries, but not necessarily in the same place.

  - If we can gather the best people from all the Nordic countries in one project, we will make it much more interesting for investors to provide the money needed for success.

As a collaborator on the Accelerace Life project, Lund Life Science Incubator has already proved the will to work with joint Nordic entrepreneurs and startups, but Norberg doesn’t think their position is unique.

  - I believe there is a common understanding among Nordic actors in this field that we are too small on our own to make an impact. Hopefully, this will bring success to the Accelerace Life project as well as to other pan-Nordic projects and startups.

Orjan Norberg, CEO of Lund Life Science Incubator
Who wants to become an investor?

Crowdfunding is a relatively new, but fast growing, phenomenon, giving entrepreneurs the opportunity to apply for funding from the general public, who may believe in the concept when investors don’t.

- It is a way of democratizing investments, meaning you don’t necessarily have to be a wealthy, professional investor to invest in a new venture, says Rotem Shneor from University of Agder in Norway, project manager for the project Nordic Crowdfunding Alliance for Entrepreneurial Growth that has received funding through the Nordic High Growth Entrepreneurship Initiative.

Shneor adds that crowdfunding may provide a solution to the critical period at early stages of a venture, when access to seed capital is limited and the company is not yet mature enough to engage and interest professional investors and venture capital.

But how does it work in practice?

Entrepreneurs looking for crowdfunding can promote their project in the online community of a crowdfunding platform, with experts providing feedback and advice prior to and during the launch of each campaign. Before the launch, the entrepreneurs set a goal for the campaign - a minimum sum that needs to be met in order for the project to get started. Of the money that comes in from the crowdfunding, a small part goes to maintaining the platform. Except if the campaign falls, then the service is free. The crowdfunding campaigns can be run as reward-based or equity-based, meaning that the investors can be rewarded with everything from a sample of the product to shares in the company.

Checking the concept

Shneor points out that a concrete business plan is recommended before before launching a campaign. How will the product be brought to market? Marketing skills are a great advantage for entrepreneurs looking for crowdfunding.

- As the crowdfunding platform allows the entrepreneurs to present their product online for a few months before the actual funding process begins, it provides a great opportunity to check the concept as well, letting people respond to it and suggest improvements, Shneor says.

In most cases, backers of successful campaigns are likely to become active promoters of the venture during and after the campaign, while being directly engaged in positive word-of-mouth and brand loyalty in consumption.

Scaling up to a Nordic level

At the moment, there are only a few crowdfunding platforms in the Nordic region. By scaling up these national operations to a Nordic level and sharing resources, entrepreneurs can reach out to a bigger audience - getting access to a larger pool of potential investors and customers across Nordic borders. In the same way, investors can find more interesting projects across the Nordic countries for investment, while also monitoring actual market reactions to each campaign.

This is the purpose of the Nordic Crowdfunding Alliance for Entrepreneurial Growth - in which five crowdfunding platforms from Denmark, Finland, Iceland and Norway, have joined forces. Projects looking for funding on a Nordic level can publish their product on a common Nordic platform scheduled to be launched around mid-2014.

- Based on its success, the Nordic Crowdfunding Alliance will eventually become an independent organisation, Rotem Shneor says.

“A first step towards acceptance”

Andrea Di Pietrantonio from the Finnish project participant Invesdor, says that they, by joining a Nordic crowdfunding platform, see the chance of creating interaction and synergies across national platforms and projects in order to deliver a higher added value to the consumer - and to boost Nordic entrepreneurship and growth companies.

- The Nordic countries have similar values in terms of both consumer and investor behavior, and we believe that this project can strengthen the crowdfunding culture in the region.

Di Pietrantonio says that teaming up in the Nordics is a first step to a public acceptance of crowdfunding as a business model, scaling from early adopters to mass market in the innovation adoption life cycle.

- Our goal is to facilitate the creation of a fertile business environment where companies have access to finance and are able to validate their product and maximize their marketing efforts.
Using statistics to attract investors

The financial crisis has been hard on the Nordic venture capital funds that in recent years have been struggling with fundraising. By collecting performance statistics for the Nordic venture capital market, the aim is to attract more international capital to the region.

- At the moment, there is no statistics available indicating the return an investor can obtain by investing in Nordic venture capital funds. This is a clear obstacle for fundraising, says Erik Hagen, managing partner at Viking Venture and project leader.

Hagen is convinced that the lack of performance statistics solely can and should be solved on a Nordic level.

- This makes perfect sense, as the individual Nordic countries are too small in the global competition and the region already very often is seen as a single market by international investors. In addition, the countries share many similarities, as for example when it comes the high focus on technology.

Promoting the Nordics

The performance statistics will to begin with build on full cash flow data from the members of the Nordic Venture Network, which is the owner of the project. Four of the members have taken lead in the project: Conor Venture Partners, Finland, Northzone Ventures, Sweden, Sunstone Capital, Denmark and Viking Venture, Norway.

WHAT IS A VENTURE CAPITAL FUND?
An investment fund that manages money from investors seeking private equity stakes in startup and small- and medium-size enterprises with strong growth potential. These investments are generally characterized as high-risk/high-return opportunities (source: Investopedia).

WHAT IS NORDIC VENTURE NETWORK?
Nordic Venture Network is a non-profit Nordic organization of 11 of the leading technology venture capital firms in the Nordic region. The network was established in 1999 and is headquartered in Stockholm. It mainly focuses on strategic relationship building between the members and international financial and industrial players. In addition, it acts as a discussion forum of joint issues between the members as well as between the members and the major Nordic private equity investors.

The decreased access to capital to the Nordic venture capital funds has had a considerable impact on Nordic startup and growth companies - especially within technology.

- Credible statistics will be used to promote the Nordic region as an attractive region to invest in. This will benefit all the venture funds taking part in the project - not the least Nordic technology companies ready for internationalization, Erik Hagen says.

He also emphasizes the importance of the Nordic countries doing what they can to secure the access to resources in the future, in order to be able to continue to invest in those who dare to venture into the intensifying international competition.

While he sees the new emerging markets as competitors, he also sees them as enormous opportunities.

- We have expertise areas in the Nordic countries, in which we can benefit greatly from these new markets arising.

The project begins in spring and seeks to have the first results ready by the end of 2014.
Showcasing Nordic startups in the US

Seven Nordic startup companies and one Estonian, mainly within internet and media, were selected to present their concepts to American venture capitalists in New York and Boston.

- The companies are not only representing themselves, but the entire startup scene in the Nordic countries. The ultimate goal is to raise interest in the Nordic countries among American investors, says Erik Johansson from the coordinating firm Nordic Investment Solutions.

The so-called US East Coast Activity 2013 is part of the Nordic-to-Global Initiative, aiming at providing a fast track to internationalisation to Nordic innovative companies by offering support, relations and insights. Members of the initiative are the leading Nordic public early stage investors, which also picked out the eight startups based on strict criteria.

- One requirement was that the companies already were active, or in the process of starting up activities, in the US, Johansson says.

The delegation that headed to New York and Boston also included a number of leading Nordic private and public early stage investors.

The selected startup companies were:

- Bmobilized, Norway
- CloudMe, Sweden
- GreenQloud, Iceland
- Netrounds, Sweden
- Realeyes, Estonia
- RoomSketcher, Norway
- Videntifier, Iceland
- VividWorks, Finland

Read an interview with RoomSketcher on the next page.
Nordic cooperation as a driving force

The most difficult thing about being a growth company in Norway is to attract talent. There are plenty of skilled people – but to find skilled people that also are willing to work hard is challenging.

- At least our experience tells us that these people often are entrepreneurs themselves, says Trine Bretteville, executive VP and chief marketing & sales officer at RoomSketcher. RoomSketcher was founded in 2007 and has its headquarters in Oslo. The company provides an online interactive house planner to its customers – an idea that originally came from working with visualisation of oilrigs. Today RoomSketcher has partnered up with some of the leading providers of visualisation services for the real estate industry in the Nordic region. They also have a collaboration with finn.no, the largest online marketing place in Norway.

Having a long-term investor has been a part of the success. This meant that they didn’t have to rush the profit, but could instead focus on building up the company slowly but stable.

- In the beginning, we made the mistake to hire lots of sales and marketing people, even though the product wasn’t ready for the market. We ended up having to let many of them go. This taught us how important it is to do a careful mapping of the customers’ needs before trying to sell a product.

Next big step

Now RoomSketcher is ready for the next big step: The US.

- The market over there is enormous, and as our product is already available in English and with American measures as well, it makes it very attractive to us in comparison with a much more heterogeneous European market. To enter emerging markets would demand better solutions for mobile phones and tablets than we can provide at the moment.

Considering future efforts, all recruiting processes already take place in English. Bretteville says though, that it isn’t a goal in itself to move the company across the Atlantic. In fact, RoomSketcher would be happy to keep one foot on Norwegian soil. The company has been able to use its home market almost as a test market, as Norway is very much in forefront when it comes to advanced technology for house planning.

- If something works here, it will probably work in other regions as well.

Joint Nordic inspiration

In November, RoomSketcher participated in a trip to New York and Boston together with seven other Nordic startup companies as a part of the Nordic-to-Global Initiative, aiming at supporting the internationalisation of innovative companies in the Nordic region.

- For us it was mainly to be able to practice on our pitch and reconsider our storytelling. It was an excellent way to see what works and what doesn’t when it comes to future investors and customers.

She is positive to strengthening the collaboration among Nordic entrepreneurs, and says that it could be particularly useful when it comes to inspiration and motivation.

- Norway is a small country, as are the other Nordic countries. It would be fantastic to gather the best entrepreneurs from around the region to share experiences and serve as a driving force for one another.
Nordic Innovation is an institution under the Nordic Council of Ministers, running projects and programmes to increase innovation and trade in the Nordic region.

The initiatives are typically collaborations between the Nordic governments and their agencies, the industry and other organisations.

Our goal is to create Nordic added value - more than the sum of its parts.