

# The focal points of the local startup



**Matej Ftáčnik**  
Co-founder  
TheSpot.sk

The Spot is an initiative of startup enthusiasts from Slovakia. We have built a space for all creative and innovative people with an entrepreneurial spirit. We help them start their businesses and constantly encourage them to higher goals. Our members enjoy a constant stream of workshops, mentorship sessions and opportunities to meet experts in fields like tech, marketing, presentation skills or sales. Furthermore, we act as a startup community integrator. We participate on the formation of the state innovation policy through SAPIE - Slovak Association for Internet Economy, and work on developing new ways to support startups through cross-border cooperation.

[www.thespot.sk](http://www.thespot.sk)

**Over the last few years, Slovakia's startup community has grown both in size and scope. A whole support network consisting of coworking spaces, incubators, startup competitions, and investors has grown around it. We have also witnessed the first success stories. We spoke to two young men who are an integral part of this scene about the challenges that lie ahead.**

**You have each started an innovative business project. Could you describe your experience with introducing a project that aims to lift the local startup community to a new level?**

Matej Ftáčnik: The aim of The Spot is to increase the number of successful startups coming from Slovakia. In order to achieve our vision, we are conducting a number of activities aimed at fresh entrepreneurs, students of business, management, tech and economy, as well as seasoned founders and corporates that are looking for a change. These activities range from networking events, evening educational workshops and mentoring sessions, to a long education track over a few months for aspiring founders. I am very happy to say that we have received a positive response from the community and that we have received a lot of support and help throughout the beginning of our journey.

Vlado Vaculík: At the end of my university studies, many of my classmates wanted to start their own businesses. Unfortunately, most of them saw more obstacles than opportunities for doing this. This motivated my friends and me to open a business innovation space in Bratislava. We first had this idea in early 2010, and it has taken us about one-and-a-half

years to open our space in the historical factory known colloquially as Cvernovka.

As we were new to the market, finding partners for projects was challenging from the beginning. However, thanks to a passionate team, we managed to open a co-working and incubation space with an area of 1000 m<sup>2</sup>. Over the time that we have been hosting events in our venue, we have seen more and more people getting involved with startups. The increasing attendance at our events, as well as a higher level of membership requests, shows an increasing interest from people in running their own businesses.

**How would you describe the startup scene in Slovakia and its development over the last few years?**

Matej Ftáčnik: The development has been fascinating. In only four years, the startup community went from obscurity, with almost no funding and support organizations, to a vibrant community of founders with some early success stories, a number of active investors, incubators and organizations that are fueling the ecosystem. I think that in 2014 we will start to see the next wave of Slovak startups succeed in other countries. This might be Sli.do (with their amazing coverage



**Vlado Vaculík**  
Founder / Idea Creator  
Connect

Connect is a business innovation space located in the wider center of Bratislava, in the historical factory building known as Cvernovka. We create space for young entrepreneurs to develop their business potential, with the goal of offering support to those who are founding new companies, so that they can create innovative, successful and ethical businesses.

We offer working space, education, mentoring and access to investors. Since our start in November 2012, we have delivered over 100 expert lectures (with up to 250 attendees), mentored over 40 startups, and provided space and services for more than 50 members.

[www.connect-network.com](http://www.connect-network.com)



# community

on SWSX), Datamolino (and their 500k investment) or Synopsi.tv. I can only hope that from our pool of successful founders, some will become serial entrepreneurs and replicate their success in other businesses as well.

Vlado Vaculík: "Brace yourself, results are coming." Since we started *Connect*, there has been a huge progression in the startup ecosystem. A couple of years ago, there were not so many young people working on startups as there are now. Events such as Smart, Startup Weekend, Startup Live, etc, where participants can gain experience in how difficult it is to start a startup in a relatively short period of time, enable young people to start their own projects in a "safe" environment. The drive to create their own startups is now much higher. For the last run of our incubation program, i.e., Smart, we had more than 150 applicants.

The public is getting more involved as well, and startups are getting much more media attention. The education system is paying attention as well, with teachers becoming more open minded and encouraging students to start their own businesses.

From the point of view of financing, the situation is improving as well. We are seeing more and more venture capitalists coming to Slovakia looking for investment opportunities.

***There are a growing number of voices in the US which are beginning to question the stability of the fast-growing community of young entrepreneurs, and warn of a "startup bubble". Do you agree? Do you think some of these concerns can be applied to Slovakia as well?***

Matej Ftáčnik: The dot-com

bubble is still pretty recent in the minds of the US entrepreneurs who experienced it, so it is completely understandable that they are concerned about the valuations of startups skyrocketing again. The main differences between then and now are that in the 12 years after the bubble burst, we have come to understand online businesses better, valuations are not as high for new businesses with no traction or track record, and most importantly, companies are mainly being acquired for cash or stock (only a small fraction of companies go for an IPO). That means that the general public is not involved, and the valuations of the companies are based on better KPI's than before. Personally, I do not think that there are any threats for Slovak startups stemming from a lack of stability at the moment, or for any startups for that matter.

Vlado Vaculík: Whether it is just a bubble or not depends on many factors. If the Slovak startup ecosystem bubble bursts, all of the startup communities around the world would be harmed. The ultimate objective is that it is very important to bring real added value to customers. Any kind of economic crisis will test the longevity of businesses and startups.

***From your experience, what is the single biggest obstacle a young team based in Slovakia with a great idea has to face?***

Matej Ftáčnik: The first and most important thing is to really make sure that the team has a great idea. I think that startups in general do not spend enough time on idea validation, market research and competitive analysis. Once a team has nailed this and is sure that the idea is worth pursuing, then the rest is only a matter of execution. Of course, that is the second most important parameter

that influences the success of a startup. The Spot was created exactly for the purpose of supporting these kinds of teams, so we are always happy to help teams with big ideas and global plans.

Vlado Vaculík: From my point of view, it is lack of experience. Young teams have to work for a long time before they will have success. The sooner that they learn how to avoid possible problems and obstacles, the bigger their chance will be of achieving their goals. However, thanks to the growing community, there are lots of successful entrepreneurs willing to share their experience with entrepreneurs who are just starting out.

Another obstacle is distance from the target market. Many startups focus on the U.S market, but it is not easy to sell to customers in the U.S from Central Europe. Therefore, programs that help with product/service exports are really helpful for startups.

***Do you believe that Slovakia has the potential to make innovation a defining feature of its economy?***

Matej Ftáčnik: The great thing about Slovakia is its size and demography. We are a country with a lot of tech talent which has the potential to create amazing products or services. On the other hand we have a small population that makes Slovak startup entrepreneurs look at foreign markets in order to grow. By carefully nurturing the startup ecosystem for years to come, and trying to avoid huge mistakes along the way, I firmly believe that we can create a lot of new jobs and capital for Slovakia, as a result of the progress of innovation businesses.

Vlado Vaculík: Of course we do. We will either utilize the potential

of young people through support centers for international corporations, or we will start to build businesses with added value. With all the creativity and support in the startup ecosystem, we can make sure that innovation is one of the pillars of our economy.

***And to finish on a positive note, could you mention one success story that demonstrates how an innovative idea was turned into a successful project by a local startup?***

Matej Ftáčnik: Currently, my favorite story is that of Sli.do, which was created on a Startup-Weekend a few years ago. They have been working and educating themselves in The Spot, and have made it to Austin for the most popular tech festival SXSW, where their technology was actively used on stage in order to simplify the communication of the audience with the speakers. And I imagine that it is only the beginning of the real game for these guys.

Vlado Vaculík: There are many examples which we could mention, for example, Sygic, SynopsiTV, Pixel Federation, etc. One story in particular which I like is the gaming platform Board3D, developed by Andrej Grek. Andrej wanted to change the way that he plays with his kids. All of the online gaming is fine, but he was missing the personal touch that we used to have while playing typical board games. Therefore he created an augmented reality platform for game developers. A prototype was created during Startup Pirates, and afterwards it was presented in a national newspaper. There was an investor who liked his idea, so Andrej received funding to develop a working prototype, and now he is presenting his product in the U.S.

