

Embracing entrepreneurship internally & externally

by  **Ken Ryan,**
Managing Partner,
KPMG



You see things; you say, "Why?"

But I dream things that never were; and I say "Why not?"

– George Bernard Shaw

It is never easy to change the direction of a company. It is even harder to make a decision to at least make an attempt to actually do so. Several years ago we decided to embrace entrepreneurship – we made it part of both our internal culture and interactions with the "outside world". Today we are at a point when we see the first results and have had a chance to learn from some of the successes we achieved and mistakes we made. In the past five years, KPMG has launched and expanded the iKid program, supported dozens of startup founders via The Startup Studio, established a data analytics partnership with Black Swan Rational and became part of the Brainstrust community. Our goal is simple – we are building authentic and lasting relationships with our current and future clients and partners.

The result of the past five years? We got to know ourselves much better. We got to know those who inspire and will continue inspiring us and the new generation of Slovak global founders and companies. Today we are working with some of the leaders of the Slovak startup and innovation ecosystems. We are working with those leading the tech transformation of the country. We are working with those, who will lead Slovakia in the years to come. Here is our story.

iKid

A couple of years ago, I visited one of the Slovak universities. It was a regular recruitment event – standard agenda, standard expectations, standard questions posted by students. However, this time, something did not go quite as well. I noticed that the students' attention was so focused on areas such as salary,

number of hours spent in the office, career growth pace, etc., that it was basically impossible to see any drive for change, any will to lead, any desire to change the world (or, in this case, at least a company). Yes, it could be argued that those characteristics are not that essential for working within the corporate world. However, we believe that, no matter which path you choose – a mature corporation, a scaleup, a startup, an NGO...you name it – you should always keep your eyes open, you should always look for new and innovative ways to help your team and yourself grow.

It is essential to reinforce students' ability to challenge the status quo and to do so constructively. Starting at a university level, however, might be too late. This is why we decided to establish iKid with one simple goal – plant the seed of innovation and see what the young generation would do with it.

The program was launched in 2012 just at one school in Bratislava. Children (aged 10 to 14) had an opportunity to form a team, come up with an innovative product, build a prototype and compete in the final event with other teams from the same school. In 2013 the iKid project was launched in two schools (one in Bratislava and one in Bošany); during the following school year, seven schools were involved across the whole country; in the upcoming year there are already more than ten schools which confirmed their participation. Throughout the whole entrepreneurial journey, kids are supported by sector experts, real entrepreneurs, startup founders and our own staff – all of them share their knowledge with the future generation of entrepreneurs and leaders.

During those years, the range of students' ideas was amazing – an automatic hot-dog machine, an app for combining the perfect outfit

for a specific event, a kettle combined with a thermos, a tablet app for digitalizing school books, skateboard breaks, an ergonomic back-support system for school chairs, an app for ordering school lunch, a special table extension intended to make students' lives easier and more comfortable – and these are just some of the ideas!

We set a new goal for ourselves: build long-lasting relationships with those launching young innovative companies today; build long-lasting relationships with those, who will lead Slovakia in the upcoming years.



Thanks to the kids, their teachers, their mentors, and their supporters involved, we learned that some of the most non-standard ideas could come from those who we do not always expect to actually formulate them. Moreover, we saw that kids' drive and the drive of teachers and schools we worked with could be infectious for us (as corporates) and (almost) anyone else who came across the program and kids' presentations. We learned that sometimes all it takes is to give the seed of innovation an opportunity. Results will surprise you.



The Startup Studio

A couple of years ago there were no local institutional investors, no startup incubators, no "startups" (though, of course, there were always entrepreneurs launching new businesses). In 2011 we decided to take the risk and started to support selected startup initiatives and events financially and knowledge-wise. As of today, we are collaborating with Startup Weekend (Bratislava, Žilina, Košice), The Spot (Bratislava), EastCubator (Košice), Impact Hub (Bratislava), Connect (Bratislava), the main ecosystem competition StartupAwards.SK and one of the leading startup news portals Startupsers.sk.

After a while we realized that first, we could share a lot of the knowledge and experience accumulated via our work with our clients with young founders; second, the founders' drive and knowledge of the tech sector could give us invaluable insights into industries which had been quite distant for us up until that point. We set a new goal for ourselves: build long-lasting relationships with those launching young innovative companies today; build long-lasting relationships with those who will lead Slovakia in the upcoming years. In 2014 we established The Startup Studio.

The Startup Studio is our special program aimed at supporting founders throughout their entrepreneurial journey. The program focuses on providing fundraising, tax, legal and other support to young innovative companies via our staff who historically specialize in those fields.

Brick-by-brick, the local and regional startup ecosystems got stronger and stronger. We have seen many of our startup clients succeed; we have also seen many of them fail and stand up back on their feet. We do our best to share our knowledge but, most importantly, we learn every day and make sure that we use that innovative momentum within our own company.

It is essential to reinforce students' ability to challenge the status quo and to do so constructively.

Partnership with Black Swan Rational

Embracing innovation is no longer just about sponsoring, mentoring and consulting for us. In 2015 we launched a special data analytics project, within which we are building a series of innovative products that will serve both our clients and us. One of those products is entering its finalization stage and will soon be publicly launched. This step would not be possible without our partnership with Black Swan Rational, whose team shares their data analytics experience with us. In turn, our team shares exclusive sector knowledge and helps to define problems that those products should address to succeed on the market.

We learned a lot about ourselves. The biggest lesson, however, was that sometimes, to really make innovation work, to really make it happen within the company, we need to open up and acknowledge that there are external individuals and companies who are essential for our company's growth. Simply put, sometimes we cannot grow without building lasting partnerships and relationships, which are (at times) way beyond our (often conservative) comfort zones.

Braintrust

Relationships are important for sustainable business interactions. Lasting relationships are essential for sustainable business growth. Nourishing those authentic connections, sharing knowledge, sharing experience, sharing stories of successes and failures is key.

Exploring this dynamic further and further we found ourselves at a table with tech leaders of Slovakia. We became members of the Braintrust community, which connects successful Slovak business tech leaders and facilitates knowledge and experience exchange within that network. Braintrust in Slovakia was co-founded by and is supported by Google, Startup Grind and KPMG. The main goal of this network is to support Slovak companies in becoming global leaders. Some tangible outcomes may be visible tomorrow; some of them will be visible in several months or even years. In any case, we will all benefit from companies' and founders' growth.

Lessons Learned

The description of our journey above is far from being complete. Quite naturally (and in a rather corporate manner), we summarized only those projects that actually saw the light of day. Of course, many of our initiatives failed along the way – some failed quickly, other ones failed at a stage of almost full completion. However, those failures made us realize some important things. Here are some of them:

- Things don't always work out. They don't always work the way you expect them to. And that is totally fine. That's actually exactly how it is supposed to be.
- Pivoting is essential.

Constantly challenge your initial ideas, filter feedback received, refine, refine, refine, to avoid constantly looking forward.

- Fear is the biggest challenge. It is natural to be risk-averse, to avoid making visible mistakes, to try to keep a position or a job. It is essential to allow individuals to fail and let them see that there is no punishment. The braver one becomes, the more one could achieve.
- Authentic relationships can make a huge difference. It is not enough to "know" someone. It is essential to know who one can trust, who one can learn from, who one might need one's support.
- Ideas are just 10%. The rest is execution. We could all come up with great innovative ideas. But it is essential to simply get things done. Even if, at times, it means simple mundane work.

We have seen many of our startup clients succeed; we have also seen many of them fail and stand up back on their feet.

