BALTIC BRAND FORUM 2019
VIDEO TRANSCRIPT

[00:04] My name is Andris Rubīns. I'm from DDB Latvia and together with many of our partners we're organizing Baltic Brand Forum this year, October 3rd.

[00:15] And one of the big panel discussions we want to have is, how startups and big corporations can collaborate, can do synergies in Baltic level. And I'm not alone here, as you can see.

[00:29] Hi, Andris!

[00:30] I have Kristaps Banga from Accenture Innovation lead. So great to have you here and you'll be the one moderating the panel.

[00:39] Correct.

[00:41] Why do you think it's a very important topic to discuss?

[00:44] Yeah, first of all, thank you for your visit. I think this topic is very important because there is a lot of the myths about the open innovations, and one of the things we are as Accenture already discussing for the few of the years that the open innovation platform is much wider than just corporates and startups. And we

really want to spotlight that because there are different approaches also how corporations can scale up or how the startups can do new business models.

[01:17] So, basically, that's the main reason to gather different opinions, share their success stories so the rest of the audience can learn and take the best of it.

[01:28] And I also know you are a big fan of open innovations can you share what is it and why it's a big thing?

[01:34] Why I'm fan, because sometimes, like in the previous life, I have been also in a private business, partially in the innovations, partially in the startup, so I kind of was in the shoes and, one thing, I want to kind of give it back to the society.

[01:52] Second, I know how hard is actually to, kind of, rise this awareness and rise a business, and that not always big money is the best approach, but the smart partnership actually matters more.

[02:08] Regarding this partnership, what I have been experienced in that position and also now, I see that the partnership is really about the whole ecosystem, as I said, it's between those who does the business but also between those who make this policy,

for example, like also on a global scale right there has been a lot of discussion why in some areas uber has success, in in some regions don't, just because there is a policymaker who is more open who is less open.

[02:40] The same is also about the educational system, right? Startups are maybe kind of very passioned and they know how to make the business, but sometimes they lack the depth of the technology or some insights.

[02:54] So again, academic sector has that, but they lack the commercial approach of it. 03:00 So blending that together I believe this diversity of opinions, diversity of experience with this twist of the probably, a big corporations, so to say, scope and magnitude, that's what makes magic.

[03:21] Let's say I have an innovation. What makes it an open innovation? What's the big difference? When it gets open?

[03:29] I believe, the first thing is the mindset. That's actually not just about the organization what is also one of the things that try to evangelize also once we're working with the clients, once we go to the universities its first thing is about the mindset.

[03:42] But does it mean I have to share my idea?

[03:44] Yes

[03:44] With all the possible partners?

[03:49] Yes, yeah, one thing is that you need to share, but prior to that you also need to want to share, so it's not a push. You need to believe that sharing is caring and by sharing you get that kind of immediate feedback, you can pivot, you can get partners, you can get the critics, but from the critics probably very good insight, so one thing is a mindset and the other thing is also understanding that it's not about me, myself and I.

[04:17] It's really about the teamwork and seeing the benefits of the ecosystem.

[04:22] I also know that you in Accenture have a platform, basically, how those startups and even big global clients and corporates can meet each other. Can you share a bit more about it?

[04:34] Yeah, so there's a different type of approaches depending again from the industry or from the scope for example, we're running a specific industry accelerators, so we do support our big clients with startup scouting and this is again, where we value partnership with local incubators, accelerators or other partners who is actually aware of those startups, because also, to be very honest, our capacity don't allow, let's say, to scan all the like new batches or all the new entries in the market, right? So, I want to have the partners like accelerators, incubators, who is professionals into to doing this, narrowing the.., kind of qualifying this, yeah.

[05:28] And then, knowing the need, for example, as there is:" Hey! There is a big bank looking for open banking solutions within the fin-techs," then I know, okay this is an accelerator who is very keen on searching for the fintechs, approaching them and saying: "Hey guys, I know that you want to kind of scale up your startups. Here's a good opportunity, let's make together the kind of mentorship, because from our side what we kind of tune up, is this scaling, because, to be honest, a lot of the startups, once they're operating in the local market even in the Baltics, they still don't understand the kind of the scale what will be once you really will be on the list for the big company, right?

[06:17] So it's really also we help with this understanding from technology side, but as well from the industry side as well from the shaping up the pitch decks, so they really can go in front of the c-level people and pitch it as not just like kind of geeks and fans of the cool tech, but as a kind of a business.

[06:40] Any good examples so far, where the platform has already given the results?

[06:48] I would like to share with you that there is a lot of cases. Still there is, we are on early stage, because again, that's probably our bit kind of a minus, that big corporations are a bit slower. But the other side, it's
really about people who make decision. So there is also a good example, so approximately half a year ago IKEA did the Nordic scouting for the startup, specifically focusing on e-commerce, the kind of predictive analytics.

[07:18] And as I mentioned, just because we had this previous collaboration with Startup Wise Guys and I was aware that there is a match, so I shared with them this scouting program and there was around 60 entries from the Baltics and Nordics together and four was chosen like for the finals, to this this kind of

this mentorship accelerator prior to the speech to the C-level, and one of them, actually was from Latvia. So, I think that's already a very, very good success story and that gave also a positive feedback for the rest of the teams here, so that they see that there is this traction and there is this fast track what we as Accenture can support.

[08:09] And similar accelerator program is now launched by H&M, again in the Nordics, because we mostly operate with the Nordics as a closest center. And this is also shared now, and we're gathering the input.

[08:25] So in a tinder language speaking, we'll see who will be the match for H&M, hopefully soon and hopefully somebody from the Baltic startup scene. So besides Accenture, what do you think, why big corporates should really look into startup scene, what are the benefits they can gain from those, you know, small, but very promising, sometimes a little naive tech startups?

[08:55] Yeah, so once we were launching this open innovation program, we did a really.., we spent a lot of time to gather those insights not just for us what we can gain, but, also, what we can give it back, so there is a really, should be a win-win at the beginning. As you mentioned, there is different type of startups, some are, I would say, already mature and they have already attraction and good revenue streams, and that's definitely what is easier for us to work, as we already know that there is some type of maturity. For those, who are less mature, but probably have a like a kick-ass product or service, we're coming up with our internal

Latvia Acceleration program, and kind of goes through the two months stages to get the maturity on. So, what we are gaining? We are gaining very niche use cases, probably day to day, where we don't have that on day to day time to spend our effort on some R&D and look into those things, and this is because, you never know, probably, which of those cases will be, as you said, this matchmaking to the client needs, right? So, I would say that's the biggest one, because we have a much bigger portfolio, what to offer to tailor the clients' needs, right? Because for us and, I believe, like in your agency business, it's very important that we look on the client problem, not just to kind of push some products we have in a stock, and just kind of…

[10:32] So if you know that the problem exists out there, and if yourself for your company, or my company or another bigger company don't have the ready solution for that, the startup who is already has spent some time digging it and trying to find an answer is probably good way to start with, right? Yeah.

[10:55] Liquid Studio, I know there is a place called Liquid Studio in Accenture. Is it a great place to make those matches or what's happening there?

[11:05] Yeah, I would say the name of the Liquid Studio is kind of, resonates with the form how we operate. So that was invented as a part of within the Accenture kind of core business, where we do this like incubator. Maybe that's more kind of known word for the startup industry or similar. It's kind of internal incubation, where ideas- internal ideas, external ideas, client use cases are kind of discussed. We're running also a lot of the design thinking sessions, so it's not just about kind of tech innovation, we're really spending a lot of the time really discovering the right problem, solving the right problem, and looking into these approaches.

[11:51] And open innovation platform really is a good match here, because once looking at the problems we kind of validate that okay what we can do ourselves, I don't know, like with this POC timeframe, I don't know two months, what is in, let's say, we also had a very good catalog with local Baltic startups. So we know again there are kind of slice and dice by industry, by technology, by maturity, which could be a good fit. And/or we also have a cooperation with local universities, like for example with RTU with that kind of deep research programs, right? Because, as again, as an example there could be a use case from let's say big companies that they want to apply kind of drones as a monitoring kind of option, but they're not aware whether I don't know like infrared is the best thing, whether it's a computer vision is the best thing, whether some IOT sensors is the best thing, so they want to validate that and, as previously I said to you, with Accenture, we don't have so much time to investigate specific needs, but again for universities that's a very good use case to do this kind of transition from academic research to really applied research, right? So as I said it's I think it's again win-win for both sides.

[13:24] And sometimes academics, so those research centers can become part of the journey.

[13:32] That's definitely sure.

[13:33] So what does the startup need to become an open innovation? Like what to do, what's the homework they need to do to actually become one of those that you can match with the big globals?

[13:48] So I think it's the start of this roadmap doesn't matter, whether they engage with us or no. So they really need to tap into the consumer or their customer problem, so it shouldn't be just the kind of hype of the: "Oh, it's a cool thing, so I will do it." So it should be a matchmaking of the of the problem and if their pitch as I said also is finding ears within the incubators, accelerators, so it's a kind of first step which we're looking for. It's\

[14:22] So you have to have a pitch deck, you have to be engaged in one of those big communities of startups.

[14:28] Yeah, so at least, it's not obligatory that you are on acceleration program, but you need to be tried out through this so you have as you said, yeah you have been, you have prepared a pitch deck you know what is the sequence of let's say a pitch deck and the slides, so some type of maturity it's must be. It's not like a hobby after hours of your regular paid work.

[14:56] And which stage of the startup like of development of a startup is the best one when they can hope to become interesting to you?

[15:05] I would say that's why we kind of split it, like scale ups and startups, so, of course, the faster potential co-innovation business model could be with the scaleups, who has already a track record of some revenue streams, some maturities and some clients. Because again it allows us for us to make a better offer to our clients, right? Because they also basically the startup has a competition with any other vendors, right, with them? Like I'm saying to our teams that I don't care which vendor will solve this solution, whether it's a Microsoft with some specific services or it will be a start-up B with the same services, right?

[15:49] I need that there is this is a best solution, I need a mature team who can deliver and scale it, other than that, they are equal for me, right? So, they need to understand is that on the big market they are competing with also those big guys, right?

[16: 06] So the scale-up means that you can trust them, that they can actually build a real product it's not just something…

[16:14] Yes, on the other hand, they also need to be flexible to be to customize their product. This is sometimes a clash, when they say, "no, we just kind of A,B,C option, so if you choose- no, yes?" So because big clients need some kind of specific, or even some, like we call it, like on-premise solution, which is just kind of not even in a cloud, but sometimes startups need to even re-think architecture of their solution, which is made maybe in a cloud with some easy in Microsoft or AWS services, but they need to pivot probably solutions which is kind of incognito just for this client.

[17:01] You meet a lot of startups, right, on everyday basis? And also I know that Accenture is looking for a new talent all the time. So is it something that you also are scouting while listening to their pitches?

[17:17] Yes and no. So, we of course we share this message that we are open for the new talent in any type of collaboration form, as I said, so collaboration with the universities on the applied research, with the startups on collaboration on some new products or new services, as well, not just the startups, but also kind of big companies, we look into the co-innovation also with the big companies, who're looking for the new revenue streams, new business models. Because sometimes, and I believe that's also the role probably of the advertising agency, to be this hustler in the middle and do this bridge-making and kind of big companies, we look into the co-innovation

also with the big companies, who're looking for the new revenue streams, new business models. Because sometimes, and I believe that's also the role probably of the advertising agency, to be this hustler in the middle and do this bridge-making and kind of balancing the both or three parties' needs to make something new, where all the parties benefit something.

[18:10] I don't know about hustler but like a choir thing, yeah composer yeah producer yeah that's maybe a better word, yeah.

[18:19] In very soon, we will have the new Baltic Startup Brand Ranking, for the first time in Baltic level. Last three years, we've been doing it in this partnership with Accenture in the local level in Latvia, and I think it already gave a bit more of kind of clear what which startups are the most kind of marketing oriented, also most innovative startups in their fields, and also those who really have reached some growth levels. So, how do you feel about making and being partner of the 1st Baltic Startup Brand Ranking? What's the value you want to see in and from the ranking?

[18:58] One of the biggest things I see it's really about the scaling this kind of market from the Latvia to the Baltics because this is also one of the things once the clients come to Latvia, we always also kind of discussing about at least about the Baltic region. So now it enables us to have you, actually, as a partner who does this monitoring and scouting, so what's hot on the Baltic arena so that's definitely I think a beneficial for all involved

parties. What's personally for me is interesting also to see, once going through those like close to 80 pitches,

[19:39] Close to hundred, I would even say, 90+

[19:43] To see what's actually trending within these technologies. And what was very interesting for me, once I saw the results of the kind of top 10 shortlist, as one of the trending companies was actually having the use case very similar to what we did a year ago also in our incubator. So that's also kind of I shared like kind of this also with our guys giving them: "Hey guys, you are basically like a start-up minded and and that's actually what we internally wanted to like three four years ago to set it up that it's kind of internal startup mindset and attitude. and I like that the people really think about the same ideas and use cases and it's it is there. But again, if you want to scale that type of solutions, that's actually even better, that there is a similar kind of topic so once uniting, we can be bigger on the Baltic level and kind of spread it out.

[20:48] And have you already noticed while you're part of the jury this year's jury of Startup Brand Ranking, and we have many great minds judging the startup pitches and their evaluations, like Startup Lithuania and Startup Estonia, Startup Latvia of course, and a lot of people from investors and the marketing side. And do you notice Lithuania, Estonia, Latvia, the sum or difference is, how we sell ourselves, or..?

[21:18] One of the trends, I think the pattern was that Estonia really was about the blockchain. U somehow I was it was it seems so like most of the solutions even there wasn't…

[21:30] So blockchain is a new normal for Estonians?

[21:33] Yeah! So I was there was a one specific don't recall what was the name, but there was a in the kind of pitch deck mentioned that there is a kind of applied methodology of the blockchain by putting something like a blocks, but from technology sides there wasn't a blockchain. So even they don't have it, they sell it as a blockchain.

[21:55] Okay

[21:56] But I think probably they have had a very good mentorships, because I somewhere read this article, that if you have within your solution a blockchain so the validation is at least 25% higher, right?

[22:10] Okay. It's like if you had a red color, it somehow adds attention level so you would have red there.

[22:19] Otherwise I would say we are on average pretty equal, so that's I think the good thing there is no kind of any market dominance on that thing.
Yeah, of course there is Estonians owns this kind of traction of this previous Skype and Transferwise, and

[22:42] And Bolt added to it...

[22:43] Yeah, so of course once you're pitching to some European accelerator and you're having some mentor or investor from that, of course, it's adds value, right? That's where we are again coming back to this, if there is a validation from the accelerators or even like from the ecosystem partners, of course, it helps startup to scale up, right?

So and this is I think it's a very good example that about again about this, was there a lot of money but so to say dummy money or less money, but the smart partnership, right? So I think those partners and again also this is the one from Latvia, this Giraffe, I know the owner of this, he also has tried out different kind of scaling and sales opportunities within the Europe, going like direct sales, going through the distribution channels, and also his feedback was, once he build a partnership with some coalition's within the regions, the business kind of boomed up faster.

[23:47] So the good news in our Baltic Startup Brand Ranking TOP10 we have all three countries, so really great, I was really hoping to have it, so we have startups from Estonia, from Lithuanian, Latvia, so their friendly competition the next stage is TOP10 pitch session that's becoming very soon, and the big award gala ceremony in October 3rd in Hanzas Perons in Riga. We'll have a great forum, where we discuss the startup and the corporate synergies and then we have a world show with a lot of CEOs and marketing people from big corporates and startups from all three Baltic countries. So I think that's that's where we will see the the biggest stars at the moment in Baltic startup scene.
So,yeah, the last question what do you think startups actually need to think about their brand and why do they need to care about it? Because, if they have a great innovation, maybe, that's it? Why the brand matters?

[24:54] Yeah, so I would probably a bit reformulate.

Not specifically brand, but I think this what they're kind of the problem was they're solving; that's actually the core. Again coming back to this, whether it's actually meant for the customer or the consumer, because I think it's at least some last two, three years there's a hype or a rat race, who will raise more money, and there is a kind of less thinking about actually whether it's useful for the end-user or there something, some gain, right? So, I think that should be a kind of mindset refresh a bit. And probably again, it's a question on the table for the whole ecosystem, right? Because I mean, if there is a kind of demand and there is a supply of those things, so ventures probably need to really re-think how they give the money on that? And in an essence, if you care about the right problem, then there is a right brand values, right? If you just care about "the hockey stick", I mean it's a cool thing, but it's not the brand, it's a kind of, it's a venture or an adventure, right?

[26:12] So I got the point, but still the question, why do startups need to be able to do the marketing, the creating buzz, why do we need to you know, to kind of put them on the big stage? What's the value?

[26:24] I would think because its innovations and the competition in the world is much faster, and once you will be writing some intellectual property document for the whole year, the other company with a bigger marketing budget will own the market share, and then basically you can forget your second, third position with a good IP right. So, I think use this first mover advantage, own the market share and own the heart share of the consumer.

[26:58] Even if the product is still in the making, right?

[27:00] Yes, yes. And then I kind of fix at that on the go and then,yeah.

[27:08] And I'm supposed also the talent hand is a little more easy to attract of those young talents if you have a brand, if you you've heard about the company rather than you were just a name,

[27:20] Yeah, best-kept secret, in some R&D laboratory.

[27:24] So no more best-kept secrets, yeah? So everyone, for this year, you can't apply anymore, because we are moving quickly very soon into the top 10 pitch sessions, and we will see who is the brand number one of the startups in Lithuania and Estonia, Latvia, and, of course, who is the Baltic Startup Brand winner very soon. So thanks Kristaps for a good conversation, once again, and thank you Accenture and you personally for being a great partner in the building the rankings, especially this year's, when we scaled it up to three countries and it takes even more, you know, resources and network, and community to put it all together. So, let's see where we end in this October 3rd, and who wins this year.

[28:12] Yeah, let's do it.