



# Entrepreneurial spirit at the Sockholm School of Economics in Riga

## Stories from the Business Lab

2009



STOCKHOLM SCHOOL OF ECONOMICS IN RIGA  
BUSINESS DEVELOPMENT LAB



Foreword by Rector



Dear Reader,

It is a pleasure to welcome you to take part of the SSE Riga Entrepreneurial Spirit as it has manifested itself through the Business Development Laboratory or Business Lab for short. The Business Lab was launched in 2004 with the aim of promoting entrepreneurship among SSE Riga students. Since then, many business ideas have passed through the premises of the Business Lab. I hope that you will enjoy reading about eight of the business ideas that materialized into companies. There is plenty to learn from the successful ones and (which is often the case) maybe even more to learn from the not so successful ones.

Enjoy and get inspired by the entrepreneurial spirit of the SSE Riga Business Lab!

Anders Paalzow

Rector, SSE Riga

Foreword by Editors

Stockholm School of Economics in Riga (SSE Riga) is well known for its contribution in preparing qualified consultants, financial specialists and top managers. Many of SSE Riga students and graduates, however, choose to start their own businesses and amongst other initiatives, the school has developed a Business Lab which helps some of them to reach this target. Although Business Lab has been actively working from 2004, so far no systematic evidence has been collected on the outcomes of this passionate job.

This edition aims to reveal the nature of entrepreneurial spirit at the Stockholm School of Economics in Riga. In order to do that, entrepreneurs currently and previously working at SSE Riga Business Lab were invited to share their experience, e.g. story on how they started and developed their businesses as well as what are their plans for the future.

We have selected 'TOP 9' stories from the Business Lab of SSE Riga, and all of them, are very different. Companies, such as GatewayBaltic, for example, have achieved remarkable success and already working beyond the 'boundaries' of the Business Lab, whereas there are also cases where a firm started within Business Lab gets bankrupted. All the owners of the companies, however, share the same very high passion/ entrepreneurial spirit, clearly demonstrate the learning-by doing approach, and even in the cases when things do not go as well as planned, show the intention to proceed with the business activities also in the future. We hope that this experience and passion will serve as the inspiration also for other students to start new business and it is not too long to wait until new Nokia, Skype or IKEA will appear in the Baltic countries.

Arnis Sauka  
Lecturer and Research Fellow in  
Entrepreneurship at SSE Riga

Juris Rumba  
Coordinator of Business Lab  
at SSE Riga



# Contents

About Business Lab	6
Business Development Lab Projects	8
Mentor Club	10
Business Lab from a students perspective	12

## *Consultum to advice*

Focus	"a good playground for young businessmen that had not yet decided what direction to go to"	14
Gateway Baltic	"creative process is so fun that one forgets the core of running a business – selling"	16
Aksedo	"not doing and being afraid, one will never manage to accomplish and reach highest goals."	20

## *Genero to create*

Filmania	„my own company would give me more chances to grow and develop"	22
Manifest Studio	"Dare to dream, dare to do Exactly 'till the dream comes true!"	24

## *Perceptum to learn*

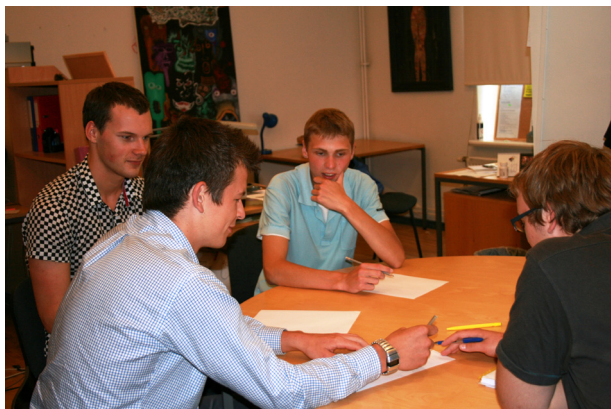
Novitus	"Don't be afraid, lack of experience can be an advantage sometimes."	26
Mondo Latvia	"The idea to establish my own company came to me very early on."	28

## *Vendo to advertise*

Adcopy	"Optimistic and full of enthusiasm."	30
Realister	"Creating products that would inspire high school students to learn."	33
Admotion	"NOTHING EVER GOES FAST OR SMOOTH!"	36



## About Business Lab



Business Development Lab was founded in 2004 by Stockholm School of Economics with a mission to promote and actively support young entrepreneurship in Latvia. Since then the organization has been providing assistance to the SSE Riga students, alumnus and staff as well as general public about their own business creation. The prime focus of Business Development Lab is to guide business from the early idea development phase to start-up and then to fully operational stage.

This is possible through considerable experience in this field and close cooperation with various partners to foster business growth. The core industry sectors for Business Lab are IT, various types of services and consulting, nevertheless it is supporting enterprises in other industry sectors.

### Our Partners

Without the valuable support from partners, the everyday operations would not be imaginable. First of all, Business Lab is grateful to its alma mater Stockholm School of Economics in Riga. Secondly, another partner is Riga Graduate School of Law, which provides so much required advice on the business law and efficient contracting matters. Thirdly, Business Lab is closely cooperating with many alumni companies, alumni and Stockholm School of Economics in Riga Mentor Club, which provides variety of required competencies and knowledge for the start-ups. Nevertheless, the list of Business Lab partners is constantly improved and updated.

### What is offered?

As soon as application is accepted, Business Lab is able to support its members in various ways. However, there are two types of membership: full and virtual, with the only difference being that virtual membership is not intended for infrastructure usage (except for meeting room). The infrastructure is offered free of charge for the start-up businesses in their first year operations.

Therefore there are three core support aspects, which are available to its members:

#### Knowledge

Mentorship program, networking, accounting and legal support, strategic consulting and other

#### Creative and interactive atmosphere

Monthly meetings, daily discussions - issues, success and problems

#### Infrastructure

Office, internet, phone, fax, meeting room

### How to apply?

In order to be accepted to the SSE Riga Business Development Lab you have to demonstrate a willingness to start your own company and have a detailed and realistic business plan. While this might sound as a very formal application form, in reality this is one of the key stones for the successful business development.

If you think that you are ready to take these steps, please contact the BDL coordinators and we will arrange a meeting and discuss your plans and the support that is possible from the Business Development Lab.





## Business Lab projects



In addition Business Lab has organized various projects and participated in several government initiated projects with the aim to promote entrepreneurship in Latvia.

### Ideju kauss

Ideju Kauss is a business idea competition with monetary prizes for the best business ideas. This idea was inspired from Venture Cup, which for more than 10 years is organized in Denmark, Sweden, Finland and Norway. The competition consists of three stages, in which participating teams submit their ideas or projects for consideration of a professional jury. Over the course of the competition, ideas develop into ready business plans. In the final stage teams have to present their business idea to high-profile financiers and entrepreneurs.

During 2008 there were more than 400 business ideas and 13 000 LVL money awards.

This event was organized in 2007 and 2008.

### Entrepreneur in 5 days (Uzņēmējs 5 dienās)

Entrepreneur in 5 days is annual business education program, which is intended for university students. The selection procedure is competitive and the main focus is on students from natural sciences background.

During five days students get education in business plan creation, marketing, finance planning, strategy formulation and market research. Students also get hands on information on sales, company registration, government support and other issues.

During the final presentation students defend their business plan and are encouraged to further start their business or apply to the Business Development Lab.

During 2008 there were 30 participants. This event was organized in 2006 and 2008.

### Entrepreneurship and Innovation

Another lecture cycle organized to promote innovation and assistance in innovation management, commercialization and development. The event consisted of one week lectures and students from natural sciences and artistic sciences.

During 2006 there were more than 50 participants. This event was organized in 2006.

### Business Lab Lectures

Throughout the year Business Lab organizes various lectures from distinguished speakers on various business topics, which are open to the general public.

### Entrepreneurship and Business Planning (EBP) course

For the Y1 students of Stockholm School of Economics numerous events are organized by the Business Lab or its companies. Firstly, scholarship for the best-performing team and students is provided. Secondly, an informative session about the Business Lab is provided. Thirdly, during the course various workshops and educative seminars about practical matters are provided.





# Mentor Club



## SSE Riga Mentor Club

REA Mentoru klubs (SSE Riga Mentor Club) was established by the Stockholm School of Economics in Riga (SSE Riga) and its graduates in the autumn of 2007. Since then the organization has been run to provide business mentoring support to companies in Latvia. SSE Riga Mentor Club members are alumni, who are currently successful entrepreneurs and managers in the business sector. In this way the Club mobilizes high class business knowledge and experience that is further disseminated for the benefit of the development of entrepreneurship in Latvia.

Mentoring support is provided to companies with growth potential and ambition to pursue their business development. Mentoring includes help from a business person who has been there and done it already and who has a highly developed sense of business. Business mentors support companies with practical management and business advice, consultation, feedback on various business development scenarios, contacts, options for solutions etc. Mentoring support provided by the SSE Riga Mentor Club is a great way to advance business thinking.

In June, 2009 SSE Riga Mentor Club successfully completed its second season of activities. The Club currently consists of more than 50 SSE Riga alumni – both from EMBA and BSc programs. During the past year more than 20 companies have been selected and have received mentoring support by the Club. Almost half of the supported companies operate in the IT industry. Others represent production, design, art, interior, consultancy and various service businesses. 40% of supported companies come from further regions of Latvia and 60% from Riga.

Every season Club holds up to 10 events to have business discussions and follow the presentations of the companies that have been granted business mentoring support. The presentations proceed with business case discussions and matching company with a mentor.

Today's challenging business environment has raised importance of these kinds of business support instruments. Hence, the board of the Club is actively working on further development of business mentorship program. During the next season SSE Riga Mentor Club will further extend its scope of activities, will welcome more SSE Riga alumni, and will support more companies through the business mentorship program.

## COMPANY APPLICATIONS

Any company interested in receiving mentoring support can apply by filling in the application form available on the SSE Riga Mentor Club webpage - [www.mentoruklubs.lv](http://www.mentoruklubs.lv).

## PARTNERS:

General sponsor Swedbank

Supporters: SSE Riga, DDB, LETA and Eko Investors.





## Business Lab from a Students Perspective



This article is for those who have never heard about The SSE Riga Business Development Lab, or those who only know that it exists, but have never worked there. I believe that Year One students should pay close attention to it, and review all the information available, because opportunities offered by the BDL are truly tremendous. In this article, I am going to share my personal experience and thoughts about the BDL, and explain what it is like to be one of the SSER "entrepreneurs".

Before we begin, I must mention that I was not an "average" person working at the BDL: almost everyone there was an owner or a co-owner of some enterprise. Unlike them, I was a hired worker, and did not have any stake in the company I was working for. This fact differentiates me from others; therefore, my opinion and story might differ from theirs.

I heard about BDL for the first time when I just entered the school, during one of the presentations. For me, it seemed too unrealistic to found a company, so I did not consider this option seriously. However, I was always interested in what was happening there; how people worked, how they found business ideas and courage to start. Therefore, when I received the e-mail with an offer to work in one of those companies, it did not take me long to think, decide and reply. For me personally, it was interesting not only to work there, but also to observe others deal with their day-to-day tasks and problems. I went to the interview, where I got to know that I wasn't the only candidate... Uhh, this brought a lot of worries... But I got the position!

"Don't be scared and join BDL - it is never too early to start"

This was where the interesting things started. My task was quite plain, but challenging at the same time: I had to look for clients who would be willing to buy our product, which was an advertisement on the trailer behind a bicycle. Quite challenging to sell it during crisis, isn't it? How to approach and persuade them? Telemarketing, of course! Sometimes very boring, sometimes exciting, but it took me several hours a day. I called to car dealers, food dealers, shops, radio stations, telecommunication providers, advertising agencies, financial institutions, political parties, bowling etc. After sending them our presentation and price list, I called them once more; and then we arranged meetings. If they were really interested and we agreed to work together, I passed the "case" to my boss, who negotiated the price. This may look like an easy work, but it takes a lot of effort to approach the person who is actually competent to speak about advertising.

"Now I know that everyone is capable of starting his own business"

I hope now you have some understanding of the position and responsibilities I had. However, I have to admit that actually being in BDL, and observing entrepreneurs at work was even more valuable experience than my work itself. It was very inspiring to see students just a few years older than me dealing with hard situations and fighting for customers. Now I know that everyone is capable of starting his own business, he just has to have a clear vision, and believe that everything is possible. I believe that this experience which guys shared with me will help me a lot in my future career.

Another reason why I am so positive about BDL is that for many entrepreneurs it is not just a place for working; free phone etc. - it is a community of people with the same interests. People working at BDL become friends; and work process becomes great fun. Everyone would like to go to work with a smile on the face - and this exactly what people do at BDL; this is why I am so happy to be part of it.

For current Year One students I would recommend to pay close attention to the Business Development Lab, review available information, and consider an opportunity to join it. Of course, not all of you will become entrepreneurs; but just in case if you have a great idea and willingness to make things happen, don't be scared and join BDL - it is never too early to start! I promise, you will get much more than just a workplace. And we will be happy to see you there.



## Focus Marketing and Social Research

“was a good playground for young businessmen that had not yet decided what direction to go to”



- Owners: Dmitrijs Kurbanovs, Kaspars Vītols
- Established in:

### History

Focus can be probably be honored as the first company to enter SSE Riga Business Development Lab, as, when two Year 3 students: Dmitrijs Kurbanovs and Kaspars Vītols answered the invitation from ex-Business Lab director Dean Strautins to start student market research company there was no living soul in the Business Lab that at that time was opened in the 6th floor of SSE Riga.

The fact that during studies in SSE Riga both owners had participated in several market research projects played a minor role for choosing this business sphere as their first business – the main reason was the wish to start a business of their own and, preferably, in an industry where no large investments were necessary.



Kaspars Vītols

### Development of firm

At first, the company tried to do everything „by the book“, but the market situation and inexperience of the young businessmen dictated their own path. Although the company actively tried to sell and even managed to get a couple of small market research projects, the fact that large river of money from EU funds was flowing towards Latvia made its adjustments and company started to work as finance attractors for Latvian companies, writing EU projects and business plans for companies willing to acquire financing from EU funds and/or banks. During the process Dmitrijs quit the company and started to work in a consulting company and Arvīds Rasa joined the company, nevertheless Focus was used as a base for many projects with numerous people involved although there were never more than three people in the company.

After earning some money for EU funds, Focus understood that consulting was not the thing they would like to connect their lives with and started a completely new project in advertising sphere - Ze Blox, the free student notebook, that, at that time, received good media coverage, positive response from all sides: advertisers, media agencies, and students, and was, in general, a fun and interesting project to work with. After the project was up and running for two years it was sold to another company, unfortunately, now it is only active in Estonia.

Afterwards, Kaspars and Arvīds went separate ways – Arvīds started to work in sports betting sphere that was close to his heart and Kaspars started a new company Novitus that during the last two years now has successfully developed into number one E-learning solutions developer in Latvia.

All in all, Focus was a good playground for young businessmen that had not yet decided what direction to go to. During 5 years of its existence it worked on projects in various spheres, giving its owners invaluable experience in business creation, project management, product development, selling and other spheres that could not have been that easily gained by working in a company. It worked in such different industries as

“your inexperience, naiveness, and lack of industry knowledge can be your advantage”

market research, consulting, finance attraction, and advertising and the message that all Focus people want to share with you is that your inexperience, naiveness, and lack of industry knowledge can be your advantage, we did not have a clue what we wanted to do and how we will do it when we started but now, looking back, we can say that starting a company was definitely worth it.



# GatewayBaltic

“creative process is so fun that one forgets the core of running a business – selling”



**GatewayBaltic**  
- your Gateway to new markets

- Owners: Inese Andersone, Kim Pettersson
- Established in: 2004
- Turnover (show also for previous years): 95 000 LVL

## History

In year 2004 there were some significant winds of change in Europe; In May EU expanded with 10 new member countries, among those were Latvia, Estonia and Lithuania, taking a historic step towards the EU, and in September same year GatewayBaltic was founded by a Latvian and a Swede.

The end of the student life was getting closer in spring 2004 and inevitably this meant that a new phase in

life would enter with a professional career in some of the common paths that newly graduated Stockholm School of Economics in Riga students take, such as finance or banking.

This story had another twist; instead of applying for work, we wanted to create our own business. There was only one small problem. We did not know what kind of business to start; we had at least five months to figure it out. We started to generate ideas, everything from NGOs to cheap pizza

chains. The process continued for several months and continued well into the summer when we finally came up with the idea that we could use our cultural background as a foundation for the business. With knowledge of both the Swedish and the Latvian culture, we saw a business opportunity in bridging business differences' and using the knowledge we had in each market.

Again there were just some small problems; we did not have any money or practical business experience, more than that, the Latvian had been selling blueberries on the street corner and the Swede had been selling ice-cream from his soapbox car, but it was a long long time ago.

We had heard about the incubator possibility in SSE Riga's Business Lab and that it was possible for graduates to use the facility to start up new businesses. During the summer we had written a business plan that

we presented to the administrator in order to be able to move in to the Business Lab. We were accepted on the spot and the day after we took our two private computers and moved in.

It was a great feeling of having our "own office", though we shared it with another company. At that time, the Business Lab was on the top floor of SSE Riga with a view over Riga's rooftops. It felt like everything was possible and we surely needed that feeling as we entered the daunting task of becoming an independent and profitable business. One of the most rewarding phases is the creative process of setting up your own business. As we did not have any money, we needed to create everything: a homepage and content, the whole design, marketing materials, and learn the terminology of our new business. We even printed and cut out our own business cards. The initial phase is also one of the first traps that most start-up companies falls in and never gets out of. One reason for this is that the creative process is so fun that one forgets the core of running a business - selling - which most people do not prefer.

## Development

We had a very short start phase for all the preparation, as we in the second month had our first impor-

"Entrepreneurship is not an easy path, but challanging and exciting, with lots of ups and downs. I wish that more SSE Riga students and graduates would taste the freedom of entrepreneurship!"

tant match-making event in Sweden, organised by the Swedish Chamber of Commerce in Gavle. The purpose of the event was to increase business cooperation in the Baltic Sea region. All the preparations and presentations at the event were an immense learning process and a boost for the self-esteem; a manifest of us actually being able to realize our business strategy. However, the event did not lead to a single client that year, but years later it would.

During the business plan development in the hot summer, we had organized a meeting to present our business concept with the head of the Latvian Investment and Development Agency in Sweden (LIAA), who was also the former ambassador of Latvia in Sweden. He was very positive and started to draw up a possible food project

that had been successful in Finland. This meeting had a significant impact on the future business development.

We brought up the food project idea in the autumn when we came home from the match-making event in Gavle. We met representatives from LIAA in their head office in Riga, and they were positive of cooperation, the meeting lead to a long process of setting up a contract. Finally we signed our first important contract and for us it was quite a big step as we did not have any experience at that time, but we got the trust of LIAA. Now it was "no going back", we just had to succeed in this project, named "Go Sweden" with the aim to increase Latvian food sales in the Swedish market. Altogether we managed to sign eleven contracts with some of the largest Latvian food producers: Pure Food, Lai-

"Let me tell you what I do: I sell. I sell all day long. There is no time left for all that other mumbo jumbo stuff I thought I would do when I first started this company."

- Unknown Swedish entrepreneur



The Crew





Inese Andersone

ma, Dobeles Dzirnāviņš, and other. The project was financed by the companies. Now we had to sell in their products to Swedish wholesale companies. We arranged a marathon meeting schedule with seventeen companies in just eleven days (do not try this!) The follow-up was an exhausting task that almost never ended, with a huge number of samples sent over the Baltic Sea and expensive telephone bills; this story was before we discovered Skype.

This was our first successful project. We managed to initiate export with nine out of the eleven of the companies that participated in "Go Sweden". LIAA were also pleased with the result. With some of the clients like Pure Food and Lielzeltini we continued cooperation for increasing their exports to Sweden. Two years later after we started, our first employ-

ee joined us. Suddenly we stood in front of totally different issues than the usual everyday problems. Now we had to motivate and push forward another person to achieve results. It may sound as an easy task but it is much more difficult than to do it yourself. Our business culture is relaxed but with that comes a responsibility of employees to not take advantage of that culture. Internet is a useful tool for companies but at the same time it is definitely the most distracting factor for employees. The relation between the employer and employees will probably always be a learning process that never ends.

In year 2007, we moved out of the Business Lab, our first employee left us for an employment as a state servant at a competitor, and we signed a contract with one of the global leaders within market intelligence. This pushed us to enter the sec-

ond phase in the story of GatewayBaltic.

We moved to a small office (less than 20sqm) with a bingo and casino landlord that knew all the tricks of the trade; how to squeeze out money of tenants. We were the only one out of four tenants in the house that had to pay for the public corridors and toilet, which ended up with a total office space of 30sqm. Anyway we had our own office. Now when we look back, it would probably have been better if we had moved out of the Business Lab one year earlier than we did. But the first staggering steps out of the safe haven of an incubator are not as easy as it may sound. Suddenly you are faced with market-driven rent and other unexpected cost factors.

Since we started, we had been planning every week in a structured way with Monday meetings on a regular basis, as well with some longer-term planning, but a well defined strategy and the "final" business model had been lacking. There had been a feeling of drifting from one project to another with a loose financing structure. This all came to an end when we got the brilliant idea of letting the client pay for our export knowledge expertise, which we have gained over several years of "learning by doing". It took us just three years to realize how simple

it was – to let the client pay for your service.

At the same time, we entered a new sphere of Market Intelligence services (continuous market monitoring in a structured way) by joining the Global Intelligence Alliance (GIA), one of the global leaders within Market Intelligence with clients such as, Fujitsu Services, MedImmune/AstraZeneca, DHL, MAG and others. This has enabled us to think beyond the common boundaries of traditional market research knowledge. It has also resulted in a sudden increase both in number of clients and in terms of revenues. Together with GIA, we are able to reach all markets around the globe with our market intelligence services.

Today we have two directions in our business: export consulting expertise and Market Intelligence services. They both accompany each other and diversify our business activity. We have developed our own methodology that secures future strategies, though we can never lean back in an ever changing market place – especially in such times of trembling economic downturn as we have not seen for decades. However, we have found the market shapes out as an opportunity instead of a threat.

At the moment, we are a team of four permanent

### Most important turning points for the company

- First real contract and client
- First employee - coming and leaving
- Moving out of Business Lab and our first real office - start to calculate the real costs/change in business mindset
- Understanding how we can define our service and get paid - analyzing the past to learn and develop
- Contract with Innovation Norway (Norwegian state organization for export promotion) - the past has paid back and future is bright!

persons and a number of project consultants which we employ on regular basis for market intelligence services in the Baltic countries and export consulting. We have moved to a larger office, and are working on establishing long term partnerships with organizations and companies in nearby countries.

In autumn 2009, we plan to re-energize the business plan and the GatewayBaltic brand as a result of our continuous development of the business; we believe this is vital for any business to have a successful future. Hopefully, as you read this and now soon will end learning of our small story, we have signed one of our

most important and long term cooperation contracts ever with a foreign state organisation.

If you are planning to set up your own business, do not forget what the unknown entrepreneur said:

"I sell. I sell all day long. There is no time left for all that other mumbo jumbo stuff..."

Thanks for reading the Beginning of the Story about GatewayBaltic; to be continued...



# Aksedo

"not doing and being afraid, one will never manage to accomplish and reach highest goals."



- Owners: Gatis Bankovičs, Jānis Bethers, Vigars Kaktinieks
- Established in: 2006
- Turnover (show also for previous years): 100 000 EUR

## History

After the first year of studies, one of the owners had internship in a consulting company. During this year, he kept working with the company till the beginning of 2006. The initial business idea was to provide outsourcing services for quantitative research to consulting companies that do not want to organize data gathering and analysis themselves. Companies that would become our clients would gain in cost efficiency and more in-depth data analysis compared to their own expertise and to competitor offered services.

During 2005 first outsourcing services were delivered to consulting companies, where all three entrepreneurs acted as freelancers. In January 9th 2006, limited liability company "Aksedo" was registered. The name of the company is coming from Latin "Accedo", meaning, bringing to perfection, reaching the peak, etc.

## Development of firm and current situation

Aksedo delivered its first project in April 2006, an outsourcing service for a consulting company that

had won a Public Procurement. Simultaneously with quantitative research, Aksedo did sales in market research finding service providing and production companies in Estonia and Sweden that were interested in penetrating the Latvian market.

In 2007 Aksedo had gathered experience and expertise to participate in and deliver projects for Public Procurements for Ministries and local municipalities. During 2007 and 2008, Aksedo delivered projects for Ministry of Economy, Secretariat of Special Assignments Minister for Electronic Government, Competition Council, and Special Assignments Minister for Integration, Office of Citizenship and Migration Affairs, etc. Aksedo established collaboration with an international market research group that did not have representative network in Baltic States, Aksedo established freelancer network in Tallinn and Vilnius to ensure pan-Baltic research.

Starting from 2007 Aksedo also provided management

consulting and financing attraction services.

In Year 2007, Aksedo developed a vision to be an Eastern Europe based consultancy group with branches in every new European Union member state. In September 2007, Aksedo opened a branch in Sofia, the capital of Bulgaria

## Future

Company is fighting with the changing economic environment. Since the opening of Sofia office, Latvian business representation in the country and Bulgarian interests in Baltic countries has been the priorities. Client signals have led the team to look for Middle East contacts for broader trading roots for different commodity goods. In Baltic countries company is moving to specific business project management, energy project development. Sofia office is diverting to Public Procurement preparation and lobbying center, as some of the business operations are limited due to the slow accession of EU structural funds.

'You learn by doing'  
<aksedo team>

comment comment comment comment

## Most important turning points

- Year 2005, SSE as a place for the three owners to meet;
- Establishment of Sofia office in Year 2007;
- Middle East contact development in Year 2007.

comment comment comment comment



# Filmania

„my own company would give me more chances to grow and develop”



- Owners: Anda Podniece
- Established in: October 29, 2007

## History

For 12 years I had worked as a freelance producer for different media companies – LTV1, LTV7, TV3, LNT and TV Riga. I had also gained quite a bit of experience working as a journalist and Project manager for different publishing houses. I sold my articles, stories, produced TV shows. I had an advantage of being familiar with the media atmosphere and knowing a lot of people in the field. While I enjoyed

working as a freelance producer, I also understood that owning my own company would give me more chances of growth and development. When I attended a seminar hosted by Investment and Development Agency of Latvia, one of the lecturers was Inese Andersons who represented the SSE Riga Business Lab. That is when I first learned of the opportunity offered by the Business Lab to try creating my own company under the supervision and with the

help of the mentors from the Business Lab.

## Development of firm and current situation

My first idea was to develop a full service agency where producing video materials would make up only about 70% of the total services offered. After I discussed this idea with my mentor, I became convinced that there were already enough of this kind of agencies in the market, so it would be best to focus on one particular service, and since my strength is video production, that is what I decided to do, specifically – presentation films, technical films, video instructions, video catalogues, documentaries and music videos. The next step was to find clients. I started by contacting my old clients from my freelance days and exploring the market. My first negative experience occurred when I offered my services to several advertising agencies and was turned down immediately. They wouldn't even listen to what I had to offer, the only response I got was that they already

had their own partners they worked with and weren't interested in any new ones. So I understood that the only way I had was to contact potential clients directly. I subscribed to the country's biggest business newspaper "Dienas Bizness", read the articles where different companies told about themselves and their work, and started sending out detailed and personalized offers to their managements. While I still got turned down a lot, I did find my first clients this way.

Today my team consists of 7 people plus a sales manager which means I don't have to look for new clients myself anymore. I also feel that our name has become more recognized, we are being approached by companies wanting to work with us.

## Future plans

Ideally, I would like to work with the new media (some work has already started in this direction, but please excuse me for being too superstitious to give out any details), my goal is to produce two documentaries a year and I'd also like to work on co-production projects with other EU countries.

## Most important turning points for the company

- My mentor: Aigars Runģis
- Most important client to date: Company JSC LSEZ "Liepajas Osta LM"
- Meeting Rolands Laķis, whose friendship and experience in the field have been irreplaceable.

*Anda has asked me to advice on best business strategy for her new start-up. The mentoring consisted of two steps. First, I helped in defining her core competences. Second, she had to find business niche to capitalise them. Asking the right questions was the way to proceed.*

*What is your core competence? What are you best at? These have been the first questions Anda had to answer. She was very experienced in TV film production. I think it was her most valuable asset. However Anda was planning to launch a full-service advertising agency that would offer many different advertising services to clients. But there are dozens of large, full-service advertising agencies in Latvia. Would there be business for the new start-up? How your service could be different and better? Why not to think opposite? Why not to launch single service advertising agency?*

*Focus, focus, focus! The smaller your company, the less resources you have, the more focused your business should be. To succeed as a new start-up Anda had to be the best in one service, not good in many services. Why not to become the only film production company in Latvia that specialises in presentation film production only?*

*Aigars Rungis, mentor*

## Quality always wins



Anda Podniece



# Manifest studio



"Dare to dream, dare to do  
Exactly 'till the dream comes true!"

- Owners: Gatis Kleinbergs
- Established in: 2006
- Turnover: ~ 12 000 (2006); 12 000 (2007); 12 000 (2008)

## Veni

In 2006 Gatis Kleinbergs and other three aspiring artists decided to start their own enterprise. The idea came from Gatis and Ojars Ceihners, who worked together in the independent television. They simply wanted to have more freedom in their work and to do everything by themselves. They completed a team of four people that were also the owners: artistic and enthusiastic Gatis, experienced Ojars, orderly girl Gunta and silent Romans. Gunta Gavarina was a graduate of Banking Institution of the Higher Education, but Romans Tarvids was a

talented web designer. As predicted by their friends, four people who are the owners of one small enterprise will sooner or later face some problems.

So it happened. In 2007 Gunta and Ojars left this alliance in order to allow new entrepreneurial ideas and creativity.

And then there was two, silent and talented Romans and enthusiastic Gatis. As they were so different they also decided to go their separate ways and the company became a one man show with Gatis Kleinbergs as the sole owner. He began working together with

creatively innovative web designer Arturs Tigulis and artificially modern video editor Indra Klimovica. So now there was a new team consisting of one owner and two brilliant partners in ideas and work.

They are just artists who love their work. As they all are addicts of art, they analyzed every website, advertisement or film they watched, developing their own style of making advertisements.

Gatis realized that he could meet requirements of a contract with less time and money resources than the big enterprises. That's how he assembled his perfect team of artists that work with web design, post production, editing and filming and offer a different concept of price.

Why did he make his interest to a business? Because business is what enhances the revenue and is the way of making new good ideas to become a reality.



Gatis Kleinbergs

## Vidi

Their work started with a challenging animation for The Latvian Music Channel. That was the very first product ever sold. Then followed several other collaborations with National Television, Statoil Latvia, 1188 and a few other companies. Currently they are working on two projects.

The first includes web design, post production, videos and TV. A lot of websites have already been appreciated by different artists. Websites have been made to artists like Linda Leen and Deniss Pashkevics also several CD covers are made. The new way of thinking in editing the TV programs has been valued by TV3. Manifest Studio is currently working on a program called "Nofilmets!" that means "Cut!" and is strategically a little like the MTV show "Punk'd"

The second thing is the development of new ways of advertising. Like putting advertising on parking lines or elevator rails.

Closing their eyes and falling into a completely different world, the World of Creativity. Getting inside of it whenever it's needed, freeing mind and falling into the creativity even with eyes opened. Thinking about an object from the sides you don't see it in everyday life – that's the duty of art, that's

Most important turning points of the company
<ul style="list-style-type: none"> <li>• Getting the first deal with National Television</li> <li>• Meeting new people that work on TV broadcasting</li> <li>• Meeting Arturs – web designer with crazy and innovative ideas in advertising</li> </ul>

the duty of Manifest Studio as a company that's pointed on advertisement and visual arts. Becoming an object and thinking like it. Becoming an advertisement that wants to be seen, becoming a customer that can understand the meaning. Becoming the meaning of the advertisement. Becoming the invisible string that connects the product and the customer.

That is the World where the ideas come from. Ideas about any work of Manifest Studio. Philosophical talks and meditations.

Maybe Manifest Studio should also use the same creativity strategy for sales management that needs also a practical and calm entrepreneurial attitude.

Manifest Studio is also collaborating with café INDEX CAFÉ and a media agency THE MATTER.

Now they are working on a new sales strategy that's pointed out on the big enterprises like pharmacy, telecommunications, big media agencies and other enterprises that are in need of advertising.

## Vici

The nearest future plans are magnificent! Manifest Studio is thinking about how to develop the untraditional advertising. The innovative ideas of putting ads on parking lines, stairs, moving staircase, etc. have already attracted attention of new potential partners. One the other hand the enterprise is planning to expand high quality web design, post production, editing and filming work to other Baltic states also.

Manifest Studio artists are planning to continue the craziness in their minds, to get inspired by everything and everyone in the world. The endless flow of the generating ideas is going to be growing and may be even taught to others who don't know how to create. The main areas for improvement are selling process and defining the unique value proposition.

The main advantage of the Manifest Studio is innovative ideas, artistic way of thinking and love of hard work that is connected with art!



# Novitus

"Don't be afraid, lack of experience can be an advantage sometimes."



- Owners: Kaspars Vītols, Gatis Višņevskis, Kārlis Sproģis
- Established in: 2007
- Turnover: ~ 50'000 EUR

## History

The not-so-long history of Novitus began in spring 2007 when two SSE graduates Kārlis Sproģis and Gatis Višņevskis started to chat about a thing they did not have any clue about – e-learning. Both guys were not very impressed by their current jobs in consulting and banking industries, to say the least, therefore the option of starting their own company seemed not bad at all. Of course there were some insignificant problems like lack of funds, lack of knowledge in programming and e-learning in general, and lack of such industry in Latvia, but which new

startup does not have its problems, right?

Kārlis and Gatis invited also Kaspars Vītols, an ex-course mate of Gatis to join their conversations and, surprisingly or not, he also thought it was a good idea to drop everything he had been doing for the past couple of years (a small company managing projects in finance attraction and advertising) in order to join the venture. Since then many things have happened and, hopefully, much more will happen in the future. First half a year the team spent almost solely on developing the missing competencies, namely, studying the

vast subject of e-learning, developing products they thought would be interesting for Latvian companies, designing examples of e-learning products, and acquiring the knowledge in arts of programming, video and audio recording and editing, and e-learning design. These spheres, as you might imagine, were not quite the best competence areas for three economists, but armed with belief that in order to tell other people what to do one should hold at least basic knowledge in the subject, as well as general interest in the above mentioned arts, the team slowly mastered them.

The problem of funds was solved by getting money from EU funds meant for encouraging business startups. Kaspars needed to "take one for the team" and attended two month long seminars in various important subjects such as time management and team building to qualify for the support. Although the guys were not sure whether the committee at the bank understood a single word of their presentation on new and promising business of

e-learning, the money was in the pocket/account and the purchasing of necessary equipment could begin.

The first experience in business was not really the one that a young entrepreneur with shining eyes would expect – the guys got ripped off by a person that promised to deliver the PC's for the company. The PC's never arrived, so did the money paid, and again, time was lost in explaining to the bank how come their money was not spent on the things that were in the original business plan, but as a "school money" for three wannabe businessman. The company started its operations anyway, but things went slower than expected because of this setback.

At first, Latvian companies were not really covering the guys with money as the products were new and the practices of developing e-learning programs were not really popular among companies. Slowly first clients started to "take the bait" and, surprisingly, they liked the products Novitus made them and gave good references. Now, the clients of Novitus include banks, government agencies, educational institutions, and other companies.

Since then much has changed and the company has become more mature, profitable, and stable, but there is still a long way to

## Do it!

Start when you are young. When you are 35 with all the needed experience, you will most probably also have a good salary, mortgage loan, car on leasing, family to take care of etc.

go until the place where three founders of Novitus would want it to be. And we will not stop until we get there... ;)

## Future

Right now Novitus has gained quite a bit experience in developing interactive learning content, but has little experience in developing, supporting and managing e-learning platforms. Guys are planning to invest time and money to develop an e-learning platform, which will allow them to cover the needs of the clients more thoroughly. As right now they can film, record speech, make software simulations, flash animations, tests etc, etc, but they don't have a platform which could easily adopt all this learning content. And as the clients have told them, they need

some ground where these applications could be used, and test results gathered, analyzed, charted etc. Novitus needs to come up with a solution for clients' clear need of analyzing e-learning results.

Second line of development as owners have understood is to broaden their sales target audience, from only HR managers, to HR managers and marketing and client service managers. Because it appears that companies need to educate not only their employees, but also their clients, and this can be a totally new sales channel for Novitus.

And finally the bright future should also mean that the guys could leave the cozy business lab premises and move on to renting their own office, hopefully.



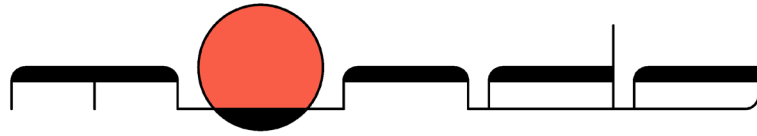
Gatis Višņevskis, Kārlis Sproģis and Kaspars Vītols

## Most important turning points

- Getting start-up finance from Altum program
- Selling to Hansabanka and LIAA
- Meeting Mentor Club mentors Zane
- Čulkstēna & Helmut Bēms



# Mondo Latvia



"The idea to establish my own company came to me very early on."

- Owners: Ilze Alļēna
- Established in: 2007
- Turnover: 16 000 LVL (year 2008)

## Beginning

The idea to establish my own company came to me very early on. I was a good student at school, so I started to give private lessons to smaller pupils when I was about 16 years old. At the same time I got to know about the possibility to create a Student Company in the Junior Achievement Latvia program. So I gathered some friends and we made a Student Company called "Gudrinieks" that offered private lessons in various school subjects. We participated in an international entrepreneurship fair (for youth) in Norway and got a prize for the "Best



Ilze Alļēna in "Movie Stars" summer camp

## Marketing Plan"

After finishing school, I decided to keep on working on my business idea and to establish a new company, this time – a "real" one. I took part in a project called "Altum" (organized by EU and Latvijas Hipotēku un zemes banka) which offered great opportunities for young entrepreneurs, like courses about business and finance, leadership and business plan writing, considerable grants and mentoring. Thanks to this project I got all the necessary skills, contacts and money to start my own business. I established a company called "Mondo Latvia" that offered private lessons and various courses for school students of every age (during the school year) and amazing summer camps (in summer).

After a while I took part in the Business Development Lab and got another three mentors. I have to say the

biggest thanks to my mentor Jānis Spogis who helped me a lot with my first summer camps. We spent hours to make the most appropriate marketing plan and to figure out how to attract more clients. And what is the most important – Jānis helped me not only with his knowledge; he shared his business contacts and gave me moral support when I needed it the most.

## First steps in business

I founded the company in November 2007 and the first six months were extremely busy. I was the only owner of the company and had to everything on my own. In the beginning I was a director, an office administrator, a marketing project manager – all in one! Somehow I managed to organize first courses and private lessons. The first spring (the time before exams) there were enough clients to pay all the bills.

You sometimes have to lose a battle to win a war!

The first summer camps were even more amazing! By the end of spring I started to work together with another girl (Juta Vējiņa) so it was much easier to generate ideas and make decisions. We organized two summer camps – "Movie Stars" with a well-known Latvian actress Agnese Zeltiņa as a teacher and "Secret Agents" that we made together with Latvian Security Service. We had the best team I could imagine (even after working non-stop, day and night, for seven days) and the camp programs were extremely attractive for both - parents and children. Unfortunately, we didn't earn much money from the summer camps – we didn't have any partners/sponsors and we didn't manage to attract enough clients.

After the summer (2008) all the things started to go down. We had decided to rent the office / study centre during the summer (although we didn't organize any courses during the summer season) so expenses were higher than income. Autumn came not only with much fewer clients for the courses and private lessons (because exams were only in spring), but also with economical crisis.

We spent all autumn trying to save the company – we moved to a smaller office / study centre, we dimin-

## Most important turning points

- Participation in the project ALTUM;
- Work together with Juta Vējiņa (my project manager) and my mentor Jānis Spogis;
- Decision to rent the office / study centre for the whole summer;
- Economical situation in Latvia in autumn 2008

ished prices and salaries but nothing helped. In the end, after trying to do all our best, we decided to close the company.

## Experience

During this two-year period while having my own company I have learned very much about making business – more than I could learn in any university. I now see clearly all the mistakes I have done, and I am very glad about it, because it means – I will never do the same mistakes again. I have grown intellectually and psychologically.

I am now having a year abroad – job and studies – and I am sure that I will establish another company after some years. This time – "real" AND a "successful" company!



# Adcopy

“Optimistic and full of enthusiasm.”



- Owners: Danielius Stasiulis, Saulius Nižinskas, Ruslans Kalvāns, Ignas Vaitkunskas
- Established in: 2007 August
- Turnover (show also for previous years): 45000 LVL

## Surround yourself with pro-active people

We were three Lithuanians – one Y2 and two Y1’s (Saulius Nižinskas, Danielius Stasiulis and Ignas Vaitkunskas) in one winter evening of 2007 having one dream that united us – to make our own business. I don’t remember how we got to know each other, but we definitely were great friends from the moment they entered the school and we met. Look for people that you feel inspired by and surround yourself with them, which will motivate you and make you take the first step! What I liked about Danielius and Saulius is that they

were passionate and serious guys, who could bring it on and we really felt great together! So was also the case with Ruslans Kalvans, who joined our team and helped to start AdCopy by conquering Lavia (Lithuania was started 4 months later). We were brainstorming and we got an idea to place ads on one side of each photocopy and allow students copy for free in the Baltic States. We decided to start with one copier in SSE Riga (due to high demand for SSER students) and then expand to all Baltic States in all the biggest universities. What we shared that evening was real en-

ergy and belief that we are going to make it; we had that entrepreneurial spark of passion! And I believe it happened because we felt like a team! So we went to celebrate to Riga centre.

After celebration, we started our actions – first presentation was prepared and pricing was calculated. However, the beginning was hard. We decided that a great opportunity to inform companies about this business idea was Days of Opportunities. The night before the event I remember how we were practicing the presentation, which we presented the next day in Wallenberg to representatives of approximately 10 companies.

Our first sales presentation was a nice experience. After the event, to our surprise and disbelief, no company was interested, so we were a bit discouraged for some time. However, we did not drop our idea but instead decided to go BIG straight away, instead of starting small. That’s where Ruslans joined the team, as we decided to start in all three Baltic States at once – from

September. That was an extremely ambitious aim, as we look at it now, but it was damn worth doing it!

I remember going to universities with Ruslans and seeing how they genuinely liked the idea, so we started dreaming big, about million copy sales, and proceeded. Each team member contributed their ideas and building on each other’s strength we won “Ideju Kauss ’07”, a business idea competition in Latvia, out of 383 other ideas and started AdCopy in Latvia in September 24th, 2007 and started AdCopy in Lithuania in January of 2008.

To sum up, there were many memorable moments, but the key is to find your own team right NOW, and just do it. This sounds really simple, but this is what separates champions from the others – they decide and don’t stop. Current market situation is not necessarily the trend, its rapid change... and where change happens, opportunities and niches appear – find them and make your dream a reality!

## Grow smart

One of the most important things after you establish a company is to grow your organization – to allow new people enter the team and allow them to realize their potential while at the same



comment comment comment comment

time enjoying that. It happens naturally for the initial team, but you have to be smart when taking new people in. Our first try was not successful, but later we made up for that. Learn from your mistakes all the time! We suggest taking in 1-2 people at a time and really getting to know them as people. Secondly, give them responsibility, let them feel that the decision that they are going to take is going to mean something and there is no right solution, talk with them as they would be on the same level as you and treat them that way – then they will feel as they are be-

hind the steering wheel and might exceed your expectations, if you do everything right. Lastly, encourage cooperation between them – give them really difficult tasks that they have to work it out together and don’t hold back “important clients” or “important meetings” from them – let them participate and encourage that. Expanding your team is not only good for better results; it is also good for finding new inspirations and ideas, which drive the growth further. We would like to mention Karolis Jasinskas, Janis Jatnieks and Ignas Daunys, who made great contribu-

## Important turning points for the company

- Decision to make the business
- First meetings with universities
- First sale to SEB
- Winning Ideju Kauss ’07
- Successful launch in Lithuania



Danielius, Saulius & Ignas



Find yourself a great team, be optimistic and full of enthusiasm, decide to create your business.

tions to AdCopy growth and expansion in Lithuania and Latvia, we love them!

Another equally important thing for growth is to understand the business – understand what drives it and develop the necessary skills. For us it was learning to present our idea in a great way to potential advertisers and to sell the free copies, it also was about understanding how the marketing industry works – what is media agency, who takes decisions when choosing channels, what is important to companies. In general, sale is about discovering what the company needs and showing that your product is a

great tool to fulfill that need. What we also learned is to negotiate, negotiate, negotiate – that is a really fun part of the business.

All the above mentioned things make you work hard and make you expand your horizons beyond you think it might be possible. We know you would say that if you start your own business and then look back after few years.

Final thing – grow your business as if there is no way back! Imagine as if you have nothing to lose and you will feel the strength and dedication.

All in all, growing is foremost about expanding the organization, learning and maintaining enthusiasm – that's what keeps it entrepreneurial. All of this is very specific to every company and what is most important, very enjoyable and interesting!

### Future opportunities

AdCopy business driver is a geographical market – which means business grows when business is operating in more countries. We already were in several big markets – Scandinavia and UK, however, require stronger effort and most of our team is still students. It could be started after a few years, when marketing industry recovers. All time and effort was definitely worth it as we all share the experience that would be close to impossible to get if working in a large and stable company.



comment comment comment comment

## Realister SIA Brand: Formulu Klade



"Creating products that would inspire high school students to learn."

- Owners: Sten Saar, Eiko Kivisik, Evita Medne
- Established in: June 2006
- Turnover: 2006: 14 000 LVL; 2007: 90 000 LVL

### History

The idea of paper notebooks with Math, Physics and Chemistry formulas on inner covers, innovative cover design, advertisements, games and other interesting stuff started in Estonia as a project within the Junior Achievement student-company program. Later, in May 2006, the owner of Realister in Estonia met with Eiko Kivisik who was the president of the SSE Riga Student Association. They decided to bring the business outside Estonia's borders, so Sten and Eiko started the same idea in Latvia. Meanwhile, Eiko had made friends with Evita Medne throughout working together for the SSE Riga Student Association. Inspired by this idea she helped him to gather a team of communicative and hard-working SSE Riga students – Vita, Liva and Igors – who made a valuable contribution in finding the initial advertisement partners. In fact they were so successful that the initial advertisers later became loyal long term partners for the company and, within a year and a half, Vita's achieve-

ments lead to her promotion to director's position. Within less than 3 months since the establishment of Realister SIA in June 2006, the selection of Math, Physics and Chemistry formulas was made in cooperation with high school teachers, advertisement spaces were sold, designs were made, notebooks were printed, and negotiations with the wholesaler were done, so that by the start of the school-year the innovative notebooks were in the shelves of many stationery stores and bookshops all over Latvia.

Since Evita had shown great interest and initiative in the idea of formula note-

books throughout summer of 2006, Eiko invited her to run the business together in Latvia. In September 2006, the ownership structure changed and the business became to be shared among three shareholders – Sten, from the Estonian mother company, Eiko, and Evita.

### Development of firm and current situation

The main idea was production of paper notebooks for separate high-school subjects (initially Math, Physics, Chemistry) with respective subject's most useful formulas on inner covers, as well as innovative cover design, and practical ta-



Sten Saar, Eiko Kivisik, Evita Medne



Details matter for company's image and every-day tasks are important, but don't forget sometimes to sit back and look at a broader picture – revisit your one month, one year, five years goals and how you are going towards them.

bles and games inside the notebook, so called "formula notebook" or in Latvia known for its brand "Formulu Klade". Advertisement sales for some fields in the notebook were used as an additional source of income for the company. The earlier experience of formula notebooks in Estonia made the business start-up in Latvia easier. Nevertheless, Latvia had its own market specifics with its own benefits and challenges for the following development phases of the firm.

The first sales were done almost without any market re-

search or a written business plan! The primary goal was to be the first in Latvia with the idea already successfully tested in the Estonian market. We did not follow any guidelines of business books until the first 18`000 copies of notebooks were printed and brought to the wholesaler. When Evita joined the management of the company we started analyzing the first season's results – we ran feedback sessions to find out our target audience's likes and dislikes for being able to improve the product for the next season. In the meantime, we faced the first hardships of

being a small and inexperienced player in the market. Soon after the first sales, we learned that debtors do not pay on time, especially to such small companies. Also, it did not take long for bigger companies to try to copy the idea and make it cheaper in the stores by having a lower quality product, and benefitting from the economies of scale.

However, by the time the first competitors showed up, we were already a step ahead. A broader vision and motives for the company had emerged. Sales and distribution channels were broadened (including local retail giants Rimi and Maxima). And the product was upgraded – bigger variety of subjects, higher quality components of the notebook, etc. Another innovative development was including a unique ID number into each notebook, which could be registered online to participate in various competitions. Such contests, in turn, allowed us to compile a database of our customers' contracts and gain on our public image. Despite limited resources for marketing activities, we got reasonable recognition of "Formulu Klade" within the first year of operations. In addition, thanks to SSE Riga students Juris, Arvis, and others who joined the company at the beginning of 2007, we got many more advertisement partners. The experience gained in the ad-

vertisement sales market of two countries helped us to undertake another project in the summer of 2007. The new product "Student Planner" was distributed for free to university students. The project, initiated by Eiko and managed by Juris and Māris, was solely based on income from advertisements. Around the same time, while perfecting our understanding of students, we also bought the project "Ze Blox" (free notebooks to university students) from another inhabitant of the Business Lab.

By the beginning of 2007, plans of bringing formula notebook to Finland emerged. Further international expansion of the formula notebooks brought along its clear benefits. Several ideas about improving the notebooks and about developing new projects, and greater visions of the company's future are just the first few bonuses that we found from sharing our stories with the partners over the borders. The leaders of the companies in Estonia, Latvia and Finland met every three months, each time in a different country. And of course, they did not forget to enjoy the free time together, officially so called "team building activities". Eventually, the initial idea of "producing paper notebooks with formulas inside them" was turned into a more mature idea of "creating products that would in-

Agree upon 'exit strategies' before you start sharing the business, no matter how friendly and dedicated to the idea you all are don't say exit is never going to happen with you or that situations are too complex to imagine from the start.

spire high school students to learn instead of perceiving the learning process as mundane".

The major turning point for the company's owners was at the end of 2007 when Evita went to study abroad for a Master's degree and Eiko also left Latvia for a semester with the ERASMUS student exchange. The company still continued its operations with SSE Riga students taking the key management positions.

Despite all efforts to sustain successful business practices after the two shareholders had left Latvia, it very soon became clear that Evita and Eiko could not continue with Realister. Despite the initial great future plans within the company after returning from studies, both owners went their own paths and sold 100% of the shares to the Estonian mother company. For both ex-owners, more important than the financial return on investment was the invaluable experience they gained in Realister which will be priceless in their future businesses.



The part of Realister's story, which was connected to SSE Riga and the Business Lab community, is over now. Still, the never-resting flagship of Realister's wider success story has its base in Estonia, where new media- and learning-related solutions for youth are in constant development. We would like to pull ends together here by thanking the SSE Riga Business Lab for all its support, which helped us bring this idea to life in Latvia and contribute to developments within the international team. Thank you so much, and continue to be an inspiration, and a helpful and experienced "big brother" to many more start-up businesses!

### Important turning points for the company

- Initial meeting of Sten and Eiko when it was decided to bring the idea to Latvia
- Evita becoming a shareholder and manager of operations in Latvia
- Increased production amounts of "Formulu Klade" from season of 2006 to 2007
- Creating "Student Planner" and buying "Ze Blox" within 2007
- Eiko and Evita selling their shares



## Admotion

"If you have a good business idea that could be turned into profitable business opportunity – don't hesitate – try it out and see what happens."

- Owners: Toms, Aleksandrs
- Established in: March 2008



Toms & Aleksandrs

### History

The year 2008 had just started. I was in the middle of my first year in Stockholm School of Economics in Riga and also it was a point in my life when I just had left my previous employer and I had nothing to do except school and sports. At that point I already was used to waking up, going to school – studying, and after that working. I felt that something is missing in my schedule. Since it

is impossible to work full time while studying in SSE Riga and I didn't fancy another half time job, where I couldn't have any influence, I decided that if I will start working somewhere, it will be for myself.

Not more than a week passed till the moment when I was sitting in a bus, looking out the window and suddenly not far from Monument of Freedom this idea about mobile bicycle advertising service just crossed my mind.

It seemed as a perfect idea that suited all my criteria – little investments, easy and fast to execute, make some money. So, I started looking into this opportunity by performing market analysis starting from potential competition to pricing to potential customers to potential partners who could produce these trail-

ers for advertising. But in order to get a better understanding about engineering side of this project, I found a partner for this venture – my friend Alexander, who is studying to get a degree in engineering. From that point forward we divided tasks in order for everything to go as fast and smooth as possible. **BUT OF COURSE, NOTHING EVER GOES FAST OR SMOOTH!** Initially we thought that by the beginning of May we will be fully ready to operate, but in real life we were ready only on July. We learned that the more you do, the more has still to be done.

### Development of firm and current situation

The first sell we did was in the middle of May; we had a contract with Zelta Zivtina for two day advertising campaign in Riga. At that point the project was completely ready yet, but we managed to complete this task successfully. After that during the summer we had a few other big clients that didn't cover the whole summer but still – we had something to do. At that time it

was perfect – I was dealing with potential clients and tried to sell AdMotion services while Alexander was managing all the logistics side of our business and everything connected with setting up campaigns.

Last year as well as previous at least 5 before that was a good time for advertising businesses; economy was expanding rapidly, people spent more and more, companies had more money to spend on marketing because everybody had to advertise their new products that were imported or produced in Latvia in order to satisfy never ending increase in demand for new goods and services. This year though, everything has changed – global economic crisis together with Latvian real estate bubble burst and credit market crash as well as banking crisis in Latvia (mainly Parex) has led to fact that consumption has decreased enormously; individuals have no money to purchase goods or services therefore companies have less money also and they have to cut budgets. The first place where companies cut budget expenses are mainly in marketing therefore advertising field has already shrank and will continue to shrink. It is bad news for us as an advertising company.



### Future

If you read what I wrote in the second point then it should be obvious to you that the only thing that we can do at the moment is to take a year off from providing mobile outdoor advertising service. If we will continue to operate, it will happen very passively. It is bad news for all the young entrepreneurs because businesses that need lit-

tle investment but where you can earn quite a lot of money usually are connected with marketing sphere. And at this point – these businesses will face much tougher times than years before.

### Important turning points for the company

- Generating the initial idea
- Attracting good partners for business – it is better to share more money than keep everything if you don't earn anything.
- First sale is always the kea stone of successful business.





