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Stockholm's Unicorn factory DNA.
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The birth of a Unicorn, that billion dollar start-up, is a rare beast. But not so rare in Stockholm, which in the past decade, has birthed more billion-dollar tech companies than any other location in Europe. We are talking about a city of 800,000 people beating the pants off metropolises such as London and Berlin, to earn the title of being a “Unicorn factory.”

On a per-capita basis, Stockholm is the second most prolific tech hub globally, with 6.3 billion-dollar companies per million people compared to Silicon Valley with 6.9. This impressive figure provides a lot more cause for celebration than Australia's joy for ranking so high in the Olympics. I know which stat generates more prosperity and you don't have to wait four years.

Often quoted is the small population of Sweden, forcing the nation to think global from the start, but the same could be said of Australia. If you add the isolation of Australia, the need to think global and digital should be a live cattle prod to the derriere of our innovators and policy makers.

But sadly, in Australia we have just one Unicorn, Atlassian, with a few promising companies going along the right path such as, Envato, Canva, Campaign Monitor, Aconex and Rokt. But they are yet to fly, and ironically enough, economists are now warning about the death of the unicorn, with investors not realising the returns, so perhaps our herd are a bit late to the party.

Cracking the ABBA code - **what is behind Stockholm's prolific Unicorn DNA (and other awesome companies)?**

In the spirit of ABBA, Swedes have found the importance of shooting for global presence. Controversially ABBA hit the market in English, not Swedish and blitzed the world. Instead of music, think of a nation who embrace change that comes from technology, who understand the imperative to innovate and compete against the best in the world.

Of course, way before ABBA, Sweden was inventing dynamite, telecommunications, ballbearings, propellers and other disruptive technologies. So Sweden's 'birthing' capability is nothing new. The unicorns come from a society that is used to producing companies that have a profound impact on the world. Here's a basic breakdown of how Sweden has produced unicorns and some of the most amazing multinationals, which have changed the world.

Thinking and planning **for the future**

Speak to a tech-founder in Stockholm, they talk about a tech scene, decades in the making. Sweden has one of the world's fastest and most extensive broadband internet networks (ranked number 2 at 19.1 Avg. Mbps), a result of tax breaks for infrastructure investments, subsidies for installing rural internet connections and forcing state-owned companies to provide local network services.

It helps, of course, that you have a powerhouse such as Ericsson, which has, since the mid 1970's, led the way in transforming telecommunications, both fixed and mobile. So you can imagine the brain power that has come from this multinational and the talent which can be utilised by the local entrepreneur.

Thus, Sweden became an incredible proving ground for testing and launching internet based companies.

A lot of the policy making in Sweden comes with the long-term play in mind, delivers confidence to local companies for investing. In short, the Swedes don't treat significant national building projects as political footballs; they have world markets to conquer.

A star-studded line-up of **success on tap**

Stockholm's start-ups can call on some of the greatest minds in technology and business to advise on how to scale a high-growth internet business. Sweden's earliest internet successes include Tradedoubler, an internet marketing company founded in 1999 that has a market capitalisation of around \$4bn - and Stardoll, an online gaming community for girls founded in 2004, which has more than 300mil users.

Their alumni are scattered across Stockholm's digital businesses. Former Stardoll executive Ted Nelson is Truecaller's chief commercial officer, Spotify's Daniel Ek sold one of his first companies to Tradedoubler and later became a senior executive at Stardoll.

Added to this new-fangled digital business are the industrial giants, who help the next generation avoid obvious pitfalls. The local firepower available in terms of experience and connections provides a first-time entrepreneur with invaluable resources to super-charge their business and avoid killer mistakes.



The reputation of Swedish innovation makes it easier for the next wave. Early wins in Stockholm mean that venture capital money, particularly from Silicon Valley, has been flowing into its start-ups for some time. According to Creandum, a local VC firm, Swedish tech start-ups raised more than €1bn in funding between 2008 and 2013.

Collaboration **in the national interest**

When you talk to a Swedish government official, a business owner or an academic you get the sense of “Swedishness”; a help-thy-neighbour attitude that promotes collaboration. I was stunned in Gothenburg, that a collaboration between the city, Volvo Bus, two science parks and some start-ups was achieved with zero lawyers and zero contracts. In Australia, people throw NDA's around like confetti. This project has created a new, advanced electric bus route to test an entire model. A new way of selling transport to cities.

If Volvo Bus manages to sell more ‘Electric Bus Systems’ around the world, everyone wins. High value jobs are created, start-ups gain globally significant case studies and the city enjoys one of the most advanced transport systems in the world.

This entire “Swedishness” is built on Sweden’s social democratic consensus, where young people benefit from free university education and universal healthcare, plus they get a safety net that supports them in taking the risk of starting a business.

In Australia, we don't need more government support for financing. What we need is a mind-set change to think global from day one, to collaborate rather than compete and to tap into the rich talent pool of successful business leaders who can show the way, and indeed, inspire others to have a red-hot crack.

We must have faith that prosperity will flow if we dramatically step-up our investment in engineering, science and maths graduates, celebrate our tech success stories and start making smart investments in technology infrastructure. The best thing our politicians can do, is stop bickering and start working together for the good the nation, and enable globally significant projects and companies to flourish here.

Otherwise, we will be a country waiting for the next big mine, while our kids will be serving coffees or running tours for international visitors. The world is competing hard. It won't wait for us to get our socks on.



When your advertising agency isn't enough.

You need a conspirator for prosperity.

Mihell & Lycos is your conspirator for prosperity.

The international strategic marcom agency, making companies globally competitive with insightful research, intelligent strategy and campaigns. We make brands, and what they offer, incredibly desirable. This goes beyond advertising. We inspire movements.

You are either globally competitive or you're waiting for demise.

Our passion is to work with companies who are globally competitive or have the ambition. We conspire with clients to ensure their brands, marcom strategy, communications and sales capabilities are world class. Mediocrity with brands, marketing communications and sales is not an option. Global competition dispatches the weak faster than ever before, and it's only going to get meaner.

Does your marketing scare your competitors?

As your conspirator for prosperity, we seek every advantage to inspire your business growth, and in doing so, unlease pain on anyone fighting the same buck. If your competitors don't fear or at least respect your marketing, then what good is it? You want competitors to dread the loss of market share, you gaining better profits and ultimately, them needing to face you as a stronger apponent.

Because people buy what they desire, perceived value is the key to unlocking an outrageous fortune.

People buy what they desire and if that level of desire is high enough, people pay handsomely. We exploit this human trait for you, to tap into the buyer's motivation with anthropological research and understanding. Then create communications, based on intelligent strategy, which incites real engagement; something that simplistic advertising cannot do.

Can it happen today?

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