ECOSYS4YOU

ENGAGING ENTREPRENEURIAL ECOSYSTEMS FOR THE YOUTH

Comp:
Venture Biography

Content

Disclaimer

The document presents a story of an existing startup prepared through desk research and a narrative interview with the founder. For reasons of data protection, the names of people, cities, support programmes and companies are exchanged with pseudonyms. The biography has been approved for publication by the startup and can be used for further research by citing it accordingly (see below).

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1   ID Card

Name of the startup	Comp Ltd
Which ecosystem?	Varna
Founding date	idea 2010-2013, founding 2014
Sector	Software company
No of employees	8
(Expected) Turnover	100 000 – 150 000 EUR
Male/female founder	Male
Timeslots of startup phases	
idea generation	2010-2013
incubation	2013-2015
consolidation	2015-onwards
Funding / financial support	Own funds

2   Founder(s)' Background and Motivation

The founder has a background in economics and Informatics. His career started as a business consultant in a large software company, his main expertise being in implementing business software solutions like CRM, ERP, business intelligence, POS helpdesk, e-commerce, etc.

He shares that he had the opportunity to work with world-renowned companies offering business software, and he realised that it was not so difficult to introduce this type of software to large companies when you have the necessary knowledge and means. He also noticed that this was not the case with small and medium-sized companies – for them, the price was too high, and the time for the implementation was too long. He became curious and searched if there were already such solutions, but the ones he found were not many, and the ones on the market were not very good. The available solutions were made the other way around – initiated by entrepreneurs or company owners or someone who saw that there was such a problem, but they did not have the necessary knowledge and technical expertise to develop it professionally to make a competitive product.

That is how he first came up with the idea, but at the time, he only knew how to implement software. He had no knowledge of how it is developed or the necessary marketing and sales experience. Now, when he looks back, he sees that his biggest strength was his experience and expertise in software consulting and implementation. What he found most difficult was learning the skills necessary to develop the business idea successfully.

As to his experience as an entrepreneur, he has had many other ideas, some of them successful and others not, which made it easier for him to give it another try with this idea. He also likes to take risks, and his curiosity leads him to always search for solutions to different problems. It was also interesting to try something new as the work as a software consultant was becoming comfortable and not as challenging as a job. At the time, he had already identified himself as an entrepreneur, but he did not

fully realise the extent to which he would have to submerge in this new endeavour and the personal sacrifices it would take. Like for example, from one point forward, he had to deprive himself of the comfort and income of a permanent job to be a full-time company owner and manager.

Looking back at their hardships and the mistakes that have been made, Comp founder shares that what he was missing and wishes that he had during that time is a mentor – someone experienced in the field, whom he could ask for an opinion and could save him a lot of time and efforts that "learning from mistakes" usually takes. Here also comes the role of the entrepreneurship ecosystem – he attends local networking events like Varnapreneurs, which started this year in Varna, where he is eager to share his experience and advice with young people who would like to develop in the IT sphere. At these events, he often meets people who help him find solutions for issues faced by the company – here, he also adds the role of the online community with forums like Quora, where he often finds support and advice from IT professionals who have encountered the same problem.

3 Business Modell

The mission of Comp is to help SMEs realise their full potential by providing them with entire business software solutions. Currently, the company portfolio includes the following solutions: Enterprise Resource planning (ERP), Customer Relationship Management (CRM), Business Intelligence (BI), eCommerce, Point-of-Sale (POS), Help Desk (HD).

The ideal client for the software developed by Comp is an SME with personnel of 5-10 people and up to 100 people. Usually, these are trade companies – wholesale and retail, small manufacturing companies, and services companies.

4 Startup development

The idea for establishing Comp started from the need to solve a concrete problem – small and medium-sized companies needed tools and software solutions that are tailored to their needs and would allow them to: better manage their business resources, organise their orders and relationships with the clients, and make it possible to sell their products or services online. At the same time, these solutions had to be affordable and customisable to fit the needs of a specific company.

4.1 Idea-Generation

It took more than a year and a half from the initial idea to the time the founder fully realised what they would do. He was still working full time as a business consultant when he found his team – three other young people with little or no experience, 2 were programmers (1 of them was a co-founder) and the third one – took the role of sales and marketing and they together decided that they want to start their own business.

4.2 Incubation / Founding

It was about the same time they decided to start a company (Comp was established in 2014) when they also decided to move from Sofia to Varna. It was, to an extent, a personal decision – because the founder and his business partners are from Varna. On the other hand, salaries in Varna during that time were 50% lower than in Sofia, and this was a factor for the new company, which had to rely on its own funds.

There were, of course, disadvantages as well. For example, finding people with the right sales and marketing experience in Sofia would be far easier than in Varna. These differences are not so big now due to globalisation and after COVID-19, when everybody can work from anywhere, especially in the IT field. Online training opportunities are now also available to everyone (like SoftUni), but everything was new to our young team back then. Based on his international experience (20-30 countries) and having led staff trainings during his work as a software consultant, he organised trainings for his team, mainly on the aspects of working with international clients. This later was a great advantage for the team that started Comp.

He relied on his savings for the company's start, but they lasted for about a year, and then he borrowed some loans and credit. The company has not used any government support in the form of grants or other support. One of the reasons for this is that he thinks that viable businesses should not rely on subsidies but make their profit on market principles. He would approve of some type of support in the beginning –for example, there is a "tax vacation" in the first years of a startup in some countries for startups in the IT sector. This is necessary because in the software business, it would take 3 to 5 years to develop own product and realise it on the market, and this is a sphere that is very labour intensive and depends on highly qualified staff, which makes the staff costs a heavy burden for a newly established company.

During the development and testing of its software solution, the company secured its revenue by working on outsourcing projects for other companies. It was sometimes difficult to keep the balance between these projects and the development of own products. In the end, having this source of revenue was important, but it also took a considerable part of the company's resources. As a result, the release of the development of the final product was delayed by at least a year or a year and a half. Another challenge the company faced was introducing the product to the market. Martin has realised the difficult way: it is not enough to only have a good product. Especially in the beginning, marketing campaigns and sales experience is crucial.

4.3   Scaling-up / Consolidation

Currently, the Comp team consists of eight people based in Varna, Bulgaria, and there are 2 to 3 people from Ethiopia. The main team performs main activities like programming and client support, while for many of the non-essential activities, the company relies on freelancers (activities like server maintenance, cyber security, basic programming tasks, marketing agencies, etc.)

The main goal remains to develop its own software products that don't need complex setups. They have a straightforward process that involves analysing a client's business for an hour or two, setting up the system, and making quick improvements. After the initial training, there's a month of hands-on support to fix initial mistakes. The company has a marketing and advertising strategy in place. From the beginning, they relied more on their website and SEO optimisation, and they implemented Google Adwords campaigns. Now, the focus is more on social media ad campaigns. Also, many new clients are attracted by the recommendation of old clients, who are satisfied with the software and the services offered by Comp.

As for the future, Martin looking to expand the client base abroad – although the company has international clients, they have the potential to attract even more because their product is competitive and applicable to other countries and languages. In this regard, they lack the methodology to enter foreign markets. He considers this a problem for many Bulgarian companies, and more support is necessary. A logical next step for him would be to look at the neighbouring countries – Greece, Serbia, and Türkiye. "Especially in Greece, there are not many good products, which might be a great opportunity for us".

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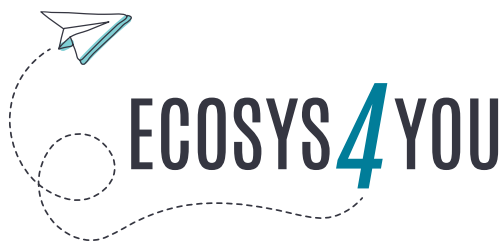
Ecosys4you – Engaging Entrepreneurial Ecosystems for the Youth (2023-2026) strives to bridge the entrepreneurial ecosystems of the Ruhr, Germany, Varna, Bulgaria and Slovenia by connecting young founders, startups, HEIs and other ecosystem actors.

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