ECOSYS4YOU

ENGAGING ENTREPRENEURIAL ECOSYSTEMS FOR THE YOUTH

Nearshore IT Centre Varna: 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).

Suggested citation:

1 ID Card

Name of the startup	Nearshore IT Centre Varna
Which ecosystem?	Varna
Founding date	05.12.2019
Sector	IT Services
No of employees	7
(Expected) Turnover	100 000 – 150 000 EUR
Male/female founder	Female and male
Timeslots of startup phases	
idea generation	2019
incubation	2019-2020
consolidation	2021-onwards
Funding / financial support	Own financial resources

2 Founders Background and Motivation

The main characters in our story are the founders of the Nearshore IT Centre Varna – Svetlyo and Marina partners in life and in business.

When it comes to his background, Svetlyo has a Master's degree in Industrial management from the Technical University – Varna, plus a second Master's degree in Corporate finance from the University of Economics – Varna. He has substantial experience in business and marketing development, establishment of foreign contacts and internationalisation of companies, enterprise architecture and project management, gained while working as a consultant for the High-technology Business Incubator in Varna and for German companies. Furthermore, he has very strong family role models in doing business in the face of his father and brother. There was a time when he supported their business activity but always wanted to have his own undertaking initiative. That is why he co-founded a company with two other friends. Maybe it was not the right moment, or for some other reason, this company didn't develop well, and they had to close it. But he always knew that the business is in his veins, and he will soon succeed.

Marina has a Master's in Finances from the University of Economics – Varna and a strong background in the financial and banking sector. She worked in a bank for many years, gaining a lot of knowledge in financing planning, reporting, and accounting.

One day, he received a very attractive professional proposal from a German company, and both decided to grab the opportunity and start a new adventure. This adventure was even bigger for her as she became a mother and decided to stay home and care for the kids. They used every year spent in Germany to gain experience. They created a network of contacts, as they knew that someday they would return to Bulgaria and put all the gathered knowledge into developing their own business.

3   Business Modell

Nearshore IT Centre Varna is focused on providing nearshore IT services, consulting, and reinforcing the existing teams with additional expertise.

Consulting services are mainly from the area of:

- Enterprise architecture management and governance;
- IT strategy development, business analysis and planning,
- Project management;
- IT application portfolio management;
- Company digital transformation;
- Common information modelling.

Nearshore IT Centre Varna provides possibilities for software development, maintenance, support of teams, as well as outsourcing of the activities. The approach is tailored-oriented – it could boost clients' SW development projects with a dedicated team, delivering extra skills and knowledge. The team could include a SW development specialist, managed by a team leader from Varna or the client's organisation. The company is flexible enough and could provide an additional developer and account manager as a primary contact person. Through its team, they provide:

- Software development and implementation;
- Application maintenance and support;
- Remote security support and administration

As mentioned above, they use two models:

Option 1: Partner-steered team: The team works remotely from Bulgaria under the management of the client and steers, extending the client's in-house IT team.

Option 2: Managed team: The team is managed by Nearshore IT Centre Varna as a service and delivers the respective tasks and projects for the clients. The clients could rely on a full or part-time team lead/ Project Manager from Nearshore IT Centre Varna to handle tasks and management team.

Today, the company has clients from different sectors and countries. It operates mainly on international markets, e.g., Germany, but it also targets the rest of the DACH region Austria and Switzerland, Benelux, and Nordic Countries. The company currently employs seven people.

4   Startup development

> *"Great things in business are never done by one person; they're done by a team of people."*
> *Steve Jobs*

4.1   Idea-Generation

The journey starts with the decision to move back from Germany to Bulgaria. For them, the hardest part in this phase was deciding whether to go out of their comfort zone – a stable job, an acceptable monthly salary, and jumping into the insecure deep waters of entrepreneurship. It was also obligatory for both of them to be sure that there would be a smooth transition for the whole family. They knew that going in this direction meant that Marina also had to dedicate more time to the business than childcare. Work-life balance is usually difficult to achieve. But she managed with the support of the rest of the family and available childcare – kindergarten and school.

<u>The beginning: from spring to winter of 2019</u>

As he came from an entrepreneurship family with a solid consulting service background, it was easy for him to shape the idea quickly. Since he had some business experience, he didn't face any problems with the company's legal registration. Both were aware of all the necessary procedures to be followed. He managed to organise all the documentation needed for a few months, and they jointly founded the company in December 2019.

4.2   Incubation / Founding

The beginning was hard. They had to count on their savings to pre-finance the company. There were only two of them – he was responsible for administrative and consulting activities, and she was doing the financial management and accounting. Initially, they started with consulting in IT project management, enterprise architecture and portfolio management. The first clients are from Germany. They managed to attract them based on the experience they gained and their existing contact network, friends, and fellows. Knowing that these first clients would be "the face of the company" and could support their rise, they put a lot of effort and gave their heart to providing the best quality service. And since then, they have never decreased the quality level. The fast scaling-up of the company is the main proof of this fact.

The balance between the number of clients and the number of employees was crucial for the company's future development. Attracting new clients is essential for the stable development and enlarging the company.

Fortunately, due to a well-prepared business plan and enough resources, they managed to overcome the most difficulties faced by startups during the first years of their existence, ensuring stability in the market and the possibility of keeping the main staff.

4.3   Scaling-up / Consolidation

Since 2021, they have been running Nearshore IT Centre Varna, through which they started outsourcing some services and software development. The number of clients from Germany increased; a new long-term partnership with a client from the Czech Republic was established. The clients' main activities are in the fields of software development, IT services, agrifood, etc.

Even though they achieved success, they still struggle to reach new clients and markets. So, currently, they are open to any support in this direction. They identify the lack of startup support for attending international IT sector exhibitions where micro, small and medium-sized companies could meet and match as a barrier.

Another challenge for scaling up the company, indicated by the founder's difficulties, is recruiting qualified IT developers and specialists to form the teams requested by the clients of Nearshore IT Centre Varna. Lack of qualified staff is a big burden when responding to the clients' needs. He admits that even several deals failed because of this. But they remain positive, as the company's results are going high well enough at a smooth pace.

During the last year, technological giants have massively released people into the global market due to economic difficulties also affecting Bulgaria. Hopefully, this is an opportunity to develop the Nearshore IT Centre Varna and possibly enter other markets.

Future plans include enlarging the company's activity in the same or different markets and developing a customer-oriented IT platform.

Imprint

Publisher and Contact

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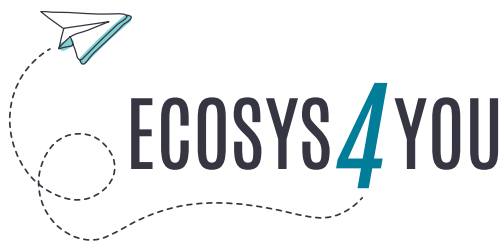Project Coordinator: Dr Anna Butzin, IAT - WH GE

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