



Success without compromise

**Insights from the 2018 Web
Summit on turning possibilities
into realities**

KPMG International

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Introduction



We live in an era of countless possibilities. Artificial intelligence, machine learning, augmented and virtual reality, blockchain and deep data analytics: these and many other innovative technologies are changing the way we live, work, shop and play. More than ever before, entrepreneurs are willing to think outside the box and are disrupting the status quo.

As companies embrace these new opportunities, however, they also face significant challenges — from being able to leverage their data effectively to ensuring the privacy and security of their customers' information. In a world where businesses are under intense scrutiny and one misstep can ruin a brand's reputation, businesses need to be agile, responsive and forward-thinking if they want to survive and thrive.

Both opportunities and challenges were at the forefront of discussions at the eighth annual Web Summit in Lisbon, Portugal — one of the largest technology gatherings in the world. Participants were energized, not only by what's happening today, but also by how things once thought impossible are on the cusp of becoming reality.

In this KPMG Enterprise report, we share insights from the Web Summit by looking at the conference through the lens of a number of questions that were debated over the week. These questions reiterated a number of themes that speak to the heart of innovation ecosystems, regardless of whether you are a startup or a world-leading Fortune 500 company in your industry: innovation opportunities, financial support, adaptability and agility, productivity and corporate responsibility. In this report, we share speaker perspectives on these themes to provide insights and industry best practices to entrepreneurs and companies juggling the same issues.

With the New Year beginning, we also highlight a number of predictions for 2019 and beyond — predictions that suggest no matter how tumultuous technology change has been to date, there is far more to come.

If you would like to discuss any aspect of this report in more detail, or would like to learn more about how KPMG Enterprise can help you get the most out of innovation, please contact an adviser in your area.

Jonathan Lavender

Global Chairman,
KPMG Enterprise,
KPMG International

Brian Hughes

Co-Leader, KPMG Enterprise
Innovative Startups Network,
KPMG International and Partner,
KPMG in the US

Arik Speier

Co-Leader, KPMG Enterprise
Innovative Startups Network, KPMG
International and Partner,
KPMG in Israel

Kevin Smith

London Chairman
KPMG in the UK

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What is Web Summit?

Web Summit is an annual technology and innovation conference held in Lisbon, Portugal. The eighth annual conference took place from 5–8 November 2018, attracting over 70,000 attendees, including global leaders, new startups and companies looking to scale, government officials and an array of influential investors.

Over 800 speakers and presenters took part in the conference, including executives from the world's largest companies, such as Amazon, Google, Microsoft and Samsung and the founders and CEOs of rapidly growing technology brands like Pinterest, Kabbage, Lime and Hanson Robotics.





Asking five critical questions

Web Summit included numerous sessions that spoke to participants with businesses at every stage of development and to the broader innovation ecosystems. Panels ranged from interviews with CEOs and founders of companies that have seen enormous success, to sessions discussing opportunities in specific jurisdictions, the intricacies of attracting or working with venture capital firms and the disruptive technologies changing the faces of different industries.

Throughout the week, however, a number of overarching questions continued to be asked, speaking to themes such as productivity, agility, growth and social responsibility. In this section, we highlight these questions and share some of the insights provided by different panellists.

Opportunities:

Where is the best place for innovation?

Not surprisingly, much of the discussion at Web Summit focused on potential opportunities, not only for startups, but also for companies looking to scale and more established businesses looking to embrace innovation. From retail to healthcare, financial services to transportation — every industry was represented in conversations about when, where and how organizations are breaking down boundaries and finding ways to better attract and retain customers.

Despite ongoing Brexit issues, trade war tensions and shifting regulatory frameworks, many speakers at Web Summit were highly optimistic about opportunities for startups in all regions of the world. Both investors and entrepreneurs agreed that good companies can win investment, regardless of their home location.

Brexit a catalyst for activity across Europe

While the US and Asia might be far ahead in terms of total VC investment, Europe's innovation and venture capital markets have been remarkably strong over the past year. At Web Summit, many investors and startups voiced support for Europe's growing VC scene.

"It's a really exciting time to be based in Europe...especially in some sectors that we know really well," said Reshma Sohoni, Co-Founder and Managing Partner of Seedcamp. "Fintech, insurtech, health...it's the best place globally to start a business."

With Brexit impacts still a question mark for businesses operating in the UK, other countries and cities have stepped up to position themselves to take advantage of potential uncertainty. "With Brexit, there's a huge opportunity to take on that number one spot," said Sohoni. "I think every major city and the mayors and prime ministers are busy copying each other, which is the absolute right thing to do."

According to speakers, there are numerous opportunities for companies at all stages of development, regardless of where they are in Europe. Pär-Jörgen, a partner at technology investment firm Northzone, explained, "In most of the

European technology hot spots right now, there is a very well-developed infrastructure for everything from seed financing to Series A...and they are pretty much all very well docked into the larger VCs like ourselves."

While Europe's technology ecosystem has grown dramatically, there is plenty of room to continue to grow. However, according to Alejandro Artacho, founder and CEO of Spotahome, part of that growth needs to be fueled by changes to the way entrepreneurs think about their companies and their people. "The biggest advice that I've seen...it's leveling up," he said. "Raising the bar in talent. I think it's underestimated. I think in Silicon Valley culture, that is very clear. But I think in Europe, we have more to learn."

In North America, success is possible outside of Silicon Valley

When people think about VC investment and innovation in North America, they typically think about Silicon Valley. During Web Summit, however, it was clear that startups don't need to be located in Silicon Valley in order to successfully attract investment, nor do they even need to be in the US at all.

In the US, numerous cities have attracted successful startups, from New York and Boston to Houston and others. One panel showcased the journey of Ann Arbor, Michigan based Duo Security — a successful cyber-security company acquired by Cisco for \$2.5 billion in August.

Dug Song, Co-Founder of Duo Security spoke fondly about Ann Arbor and its closest big city neighbor: Detroit. "What the story of Ann Arbor is about is the larger story of Detroit and the fact that there is an ecosystem around us," he explained. "We don't have to be in the city to benefit from that. We can be in Ann Arbor where, again, we have lots and lots of new graduates [from the University of Michigan], but the fact that there is an established industry around us from Detroit makes it easy for us to grow in scale."

Canada was also highlighted as a strong place for companies to grow while remaining conveniently accessible to the US



market. “The Canadian ecosystem is really on an amazing roll right now,” said Janet Bannister, General Partner at Real Ventures. “Toronto in particular is doing very well...We have definitely seen more foreign VCs coming into Canada, so there is more competition than we have historically faced.”

China is evolving very rapidly — posing opportunities and risks

China was recognized for its massive growth, both in terms of its support for innovation and for the way digitalization has been completely embraced by consumers — unlike in other jurisdictions, where consumers have been more skeptical of some digitization initiatives.

“[In China] today, if you just bring a cell phone, the cell phone has AliPay or TencentPay. You don’t need your wallet anymore,” said William Joy, Founder and CEO of Jilian Technology Group. “[In the US], I need to bring these bills and these coins. I can’t just bring my phone.”

Opportunities in China have been helped by a government highly focused on encouraging innovation — particularly in sectors it has deemed high priority. This has no doubt propelled R&D investment in the country, which has gone up over 70 percent since 2012 — to approximately \$279 billion in 2017.¹

While competition may be heating up in China, Chadwick Xu, Co-Founder of Shenzhen Valley Ventures said that, regardless of where a company is based, its focus shouldn’t be on beating their opponents, but rather on getting customers. “In today’s world, you can see a very diversified marketplace. There are different users in China, the US and also in Europe,” he said. “If you can develop a niche market and serve your customer, you are a winner for that unique market.”



At KPMG, we are excited to be a part of Web Summit. The growth of the event, from humble beginnings 8 years ago to over 70,000 attendees this year, highlights the growing emphasis being placed on technology and innovation across all markets and industry sectors.

Today’s business world rewards both ingenuity and collaboration. That’s why forums like Web Summit will continue to be important — for discussing opportunities, sharing successes and better understanding concerns. We are pleased to be a part of the ongoing conversation.



Jonathan Lavender
Global Chairman
KPMG Enterprise
KPMG International

¹ <https://www.cnbc.com/2018/02/26/china-spent-an-estimated-279-billion-on-rd-last-year.html>

Financing:

How do we get the right funders on board to help us achieve our goals?

Many of the panels at Web Summit focused on the intricacies of attracting capital, whether from seed and angel investors or from top tier venture capital firms. The general consensus among the different speakers was that there is a significant amount of capital available in the market globally for startups regardless of where they are based — but companies need to do their homework if they want to attract attention from VCs.

Recognize both the opportunities and the challenges

Pär-Jörgen, a partner at Northzone, suggested that now is a phenomenal time to start a company. “Instead of being disadvantaged as a small company, you actually have more access to capital at lower cost, you have more access to talent, you can actually build a cost structure that’s much more competitive and [you can] gain customers that are sick and tired of their old relationships,” he said during a panel on Europe’s tech scene.

While it might be a good time for entrepreneurs, it is also a challenging one for those looking to acquire investors. In part, that’s because the barriers to entry for technology businesses are lower than ever before.

“In ‘96, you couldn’t create an application without spending at least \$3,000,000 by the time you [accounted for] the service and the office and the developers and everything you had to develop,” explained Yossi Vardi, Chairman of Israel-based International Technologies. “What took \$3,000,000 to do then, you can do today for \$30,000.”

Finding a ‘warm’ approach

While starting a company might be relatively easy, ensuring its technologies can be commercialized and that the business can scale appropriately is much more challenging. This is where the majority of VC investors come in. Unfortunately, many entrepreneurs struggle with how to approach, much less attract, VC investors.

Several of Web Summit’s speakers emphasized that finding a ‘warm’ introduction is a key way to get an initial meeting — whether the introduction is from a company in the investor’s portfolio, a financial advisor, a customer or even a friend. “I will always take a call with someone that a friend has made an introduction to,” said Trae Vassallo, Co-Founder of Defy Partners.

Vassallo also recommended that entrepreneurs go beyond text if they need to send an introductory email because text doesn’t always get a strong message across. Instead, people should send a few slides in order to illustrate that what they are working on really matters. Other investors added that the use of diagrams, prototypes and other visuals are also critical when meeting investors for the first time because they can tell a story more robustly than technical words on a page.

Knowing how to communicate

When engaging with potential backers, investors encouraged entrepreneurs to be authentic and to avoid technology-speak. Vassallo emphasized, “We don’t like entrepreneurs who come to us and are just spouting acronyms — VR, AR, ML, AI.” Instead, entrepreneurs and companies need to focus on showcasing how their technology can be used to enhance the lives of customers.

I expect you’re using state-of-the-art technology to solve a problem. It’s when you’re elegantly making someone’s life easier where we get excited — and where you ultimately can make a lot of money. That’s when I would ask for you to come to us.

Trae Vassallo
Co-Founder, Defy Partners

Understanding and being able to communicate what you want can also go a long way toward winning over the investor you are speaking with. Juliet de Baubigny, a partner at Kleiner Perkins said, “I want to see founders who... can really articulate what they need from [an] investor. Capital is ubiquitous, but support, advice, wisdom and experience — those are the skills that really can build significant businesses.”

Asking the right questions

There are many different types of investors. Companies looking for funding need to understand what they want out of their relationship with an investor and then make sure they are asking the right questions to determine whether a given investor would be a good fit. The best deals typically occur because entrepreneurs are patient and willing to wait for the investor best able to help them achieve their objectives.

² Quotes adjusted to question format.

Alejandro Artacho, founder and CEO of Spotahome, highlighted the need for patience in an interview related to growth. “You need to take time, think and then solve the problems rather than go with the first answer that you have,” he recommended. “This is a long journey...a marathon rather than a sprint — especially if you have global ambition.”

What is the one question entrepreneurs should ask before signing an investment deal?²

- *Can I speak to one of your portfolio company's CEOs, just to understand how you work?*
Carlos Eduardo Espinal, Managing Partner — Seedcamp
- *Can you explain the dynamics of your partnership and how decisions are made within the partnership?*
Janet Bannister, General Partner — Real Ventures
- *Can you walk me through a really difficult case that you have worked on in the past?*
Ben Brabyn, Head — Level39



Agility:

How can we be more responsive to our customers?

The topic of agility came up numerous times during Web Summit, driven, in part by a growing recognition among traditional businesses that the status quo is not enough to ensure success in the future.

Harry Nelis, a partner at Accel, suggested that enterprises, “... are all afraid of the Amazon or Google moment in which their industry will be disrupted.” This concern regarding displacement has driven many traditional organizations — such as banks, insurance companies and retailers — to prioritize digitalization and agile thinking so that they can become their own disruptors. These companies know that if they don’t embrace change, they could quickly find themselves falling behind competitors more readily able to adapt.

Agility comes in many forms, but most of the speakers at Web Summit recognized that it is typically driven by a need to understand and better respond to customers.

Leveraging Agile teams

Despite perceptions to the contrary, traditional companies can embrace Agile thinking successfully. In a marketing-focused panel, Michelle Peluso, Senior Vice President and Chief Marketing Officer at IBM, outlined how the company has completely reinvented its marketing model to become Agile — with all 6,000 of its marketers worldwide working in teams of eight or 10. “They practice Agile as a discipline,” she explained. “[This] gives them enormous ability to prioritize work...gives them enormous ability to actually think about how they optimize and get better every day...and encourages really rapid adoption and learning.”

The benefits of Agile are manifold — but one of the most recognized is the fact that it gets people within an organization thinking differently. Decision-making isn’t conducted in a siloed department anymore, rather it is facilitated by teams that reflect different perspectives, yet have the same goals.

Focusing on the customer

While many companies recognize that becoming more agile and customer-centric is critical to their long-term sustainability, few have put in the work required to get customer-centricity right.

Rosemarie Ryan, Founder and President of Co:Collective, noted that while many of her clients have conducted a lot of work on their organization’s business strategy, there hasn’t been the same amount of effort on the marketing front. “[Organizations might] have a lot of great initiatives underway, but there’s not necessarily any narrative that’s going to bring the two together in a way that will drive coherence,” she said.

In order to become more agile — or to ensure they can be agile from the start, companies need to ensure that every function and activity within their organization is fully aligned to their customers. The most effective organizations do this by embedding the concept of customer-centricity into their corporate culture. “Why are [some] organizations more successful than others?” asked Dug Song, Co-Founder, Chairman, and CEO of Duo Security. “It’s culture. How they operate. How they treat each other. How they treat their customers.”

Leveraging data effectively

Data security and privacy was a common discussion point at Web Summit, with speakers noting how the implementation of GDPR in Europe and recent data scandals have helped to shine a light on how companies collect, manage and use their customer data.

The challenge for both traditional companies and startups is that data is quickly becoming the competitive advantage of the future. Data is the foundational building block for companies looking to provide tailored or personalized products and services.

“It used to be that to truly understand what was going on, one would go and do complicated searches of media and it would take hours and hours and hundreds of humans. Now, with AI, we can collect perspectives, feelings [and] conversations from across the world in multiple languages...and that enables us, not only to know what people are thinking now, but to be predictive in how we’re shaping conversations and thinking about things on behalf of our clients.”

Gail Heimann

President — Weber Shandwick

The increasing pressure to gather content-rich data, combined with new privacy regulations and a heightened sense of distrust among customers, poses a significant challenge — particularly for marketing executives. “The bar that our marketers have to rise to is, ‘Are we providing compelling, relevant, life enhancing communication?’” said Michelle Peluso, SVP and CMO of IBM. “If we’re not, then all these regulations are going to make it harder for us to use the channels we’ve become addicted to.”



During 2018, we saw some very high-profile data breaches and questionable use of data by a number of the largest technology companies in the world. Data security and privacy were key themes at Web Summit with discussions ranging from industry regulation such as GDPR to individual corporate responsibilities. We anticipate the continued pressure to leverage data to build increasingly personalized user experiences will mean this discussion will continue for some time to come.



Anna Scally

Partner

Head of Technology and Media and

Fintech Lead

KPMG in Ireland



Productivity:

How can we become more efficient and effective?

There was a significant amount of focus on finding ways to make companies more efficient and productive during the conference. While much of this discussion focused on existing organizations, there was also an emphasis on how startups are creating value by helping organizations and individuals get more out of the time that they have.

Making teams more effective

One panel shared the story of Slack — one of the fastest-growing business apps in the world. Slack provides a way for companies to unify team communications and the use of different apps, providing a one-stop shop for managing communications such as email, voice, messaging and file management.

Cal Henderson, Co-Founder and Chief Technology Officer of Slack, highlighted that in a multi-year study by Google and Re:Work,³ “the only indicator of whether a team would be successful was the way the team communicated,” explained Henderson. “That’s a huge unrealized upside for every company across every industry. Every company has employees. If you can get them to work together better, then that’s a huge potential upside.”

Supporting professionals: Spotlight on healthcare

Numerous panels discussed how innovative technologies can be used to support and extend the reach of professionals,

both to enhance the quality of services being provided and to help address skills gaps. The healthcare industry was showcased as a prime example for such technologies, given the rapidly aging population in many countries, intense pressure on healthcare organizations and the lack of high-quality healthcare services in remote regions.

Dr. Roy Smythe, Chief Medical Officer for Health Informatics at Philips, noted that innovative technology can help address many of the concerns related to burnout among healthcare professionals. “In the medically developed world, between 30 and 80 percent of clinicians, doctors and nurses have experienced some symptom of burnout; depression, anxiety, even inclination to suicide,” he said. “And psychologists tell us...it’s more related to this concept of losing a human connection with their patients — and that’s largely related to the loss of control of their time.”

Dr. Smythe suggested that AI can be particularly helpful as a tool to support clinicians. He noted that Philips’ ILLUMIO platform can reduce the time required to read X-rays by 30–60 percent: time clinicians can then spend with their patients.

Dr. Hannah Allen, Associate Medical Director at Babylon Health, demonstrated how AI can also be used to support remote diagnoses of patients. She demonstrated one of Babylon Health’s solutions, showcasing how remote consultations can be, “enhanced by lots of features... [such as] facial recognition of the patient’s interaction and responses.”

³ <https://rework.withgoogle.com/print/guides/5721312655835136/>

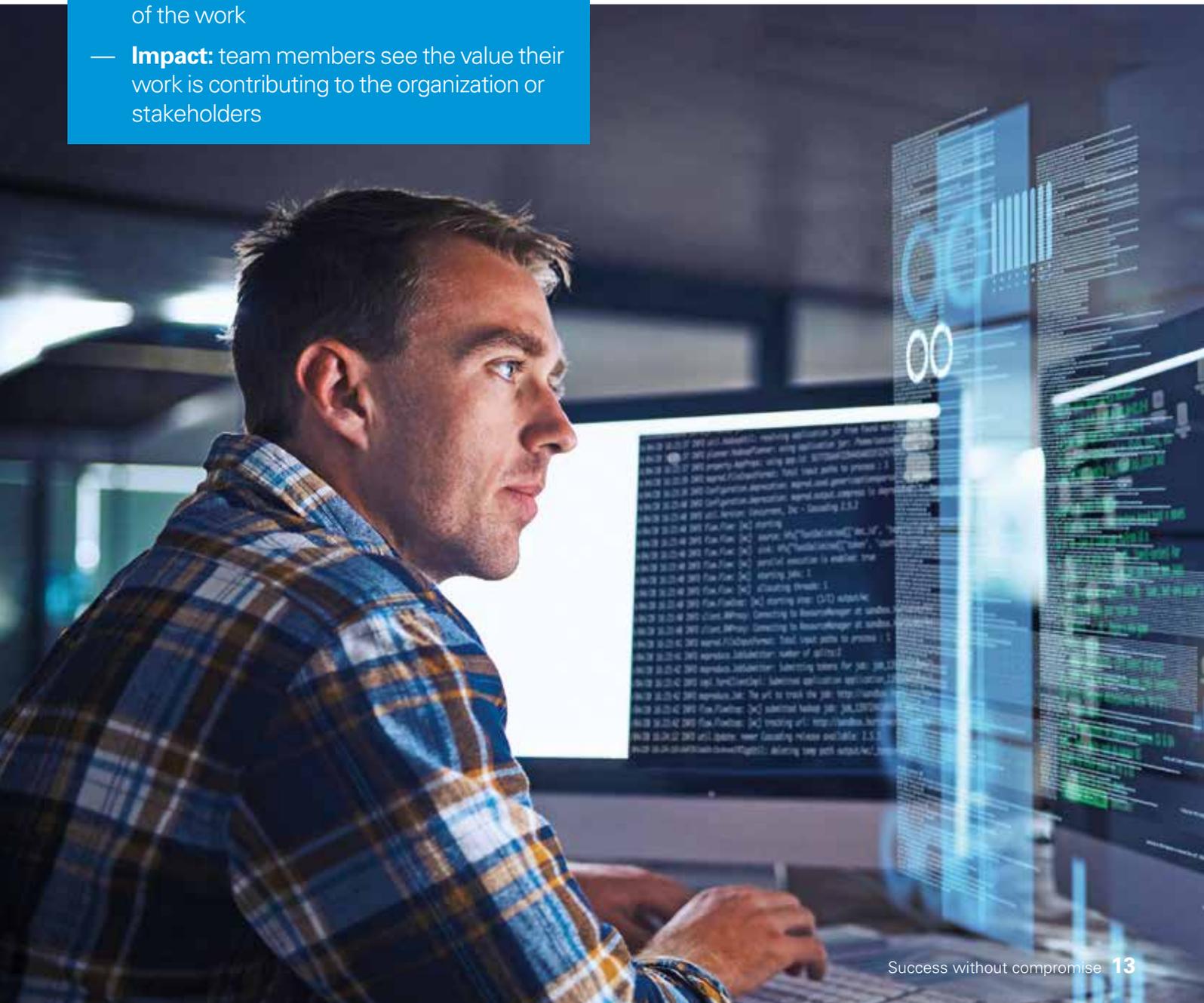
What matters most for team productivity?⁴

- **Psychological safety:** the belief that the team is a safe place for taking risks
- **Dependability:** team members complete their work on time and at the expected quality
- **Structure and clarity:** team members have a clear understanding of their role, expectations, how to achieve those expectations and the consequence of different performance outcomes
- **Meaning:** team members have a sense of purpose in terms of their work or the output of the work
- **Impact:** team members see the value their work is contributing to the organization or stakeholders

The discussion of AI use in healthcare didn't downplay the associated challenges, including the need to manage data sharing, ensure patient privacy and address regulatory requirements to ensure the best quality of care for patients.

"As a medical professional, we instill implicit trust in our patients, because we're very transparent and clear and open about how we are trained, what exams we have passed," said Dr. Allen. "We need to be the same with artificial intelligence. We need to be as open and transparent and open those dialogues with the regulators and the governing bodies to make sure that we instill this trust in artificial intelligence moving forward."

⁴ Ibid.



Values:

How important is it for companies to be socially responsible?

Corporate social responsibility emerged as a key theme — from the rationale driving traditional companies to take moral stands on specific issues, to the value of entrepreneurs considering social responsibility when they launch a new startup. While there was some debate over the, ‘how’ — speakers agreed that companies should consider their potential social impact right from the beginning.

Rising influence of millennials

To be successful in today’s world, companies need to provide more than a high-quality product or service: they need to have a purpose and corporate values that speak to the issues their customers care about.

Millennials are one of the driving forces behind the pressure for companies to be more socially responsible. The millennial generation — accounting for a massive 2 billion people worldwide — are now adults. Many have entered or are in the process of entering the workforce. Over the next 5 to 10 years, their influence in all facets of business will grow considerably.

Panelists at Web Summit recognized how much the growing influence of millennials matters. “[For] millennials and Gen Z, the generation that’s coming after, purpose is hugely important,” explained Gail Heimann, President of Weber Shandwick. “They will ‘boycott’ a brand that does not have a purpose that is relevant and relatable for them.”

Recognizing what employees want

Both traditional companies and startups should also think about social responsibility because it is typically a factor high on the radar of their potential employees. If organizations want to attract the talent they need to be successful, they need to show that they are companies worth working for — and worth isn’t simply about how much a company is willing to pay.

“If you look at all the statistics, they say that people want to work for companies that share their values, that they’re proud to be part of,” explained Rosemarie Ryan, Founder and President of Co:Collective.

Entrepreneurs need to define their values from the beginning and work to embed them into the culture of their organization as it grows. Jager McConnell, CEO of Crunchbase, stressed that social responsibility is particularly important for startups that can’t use equity as a driver for recruitment. “[You need to sell that] they are doing something good for the world by being a part of your company,” he suggested. “And if you don’t think about the social impact until Series B, Series C or Series D, that is going to feel artificial.”



How we live, how we work, how we play: everything is being reinvented. These countless opportunities, however, also raise questions, such as how, in an increasingly connected world, do we manage critical issues like corporate values, data protection and personal privacy?



Jonathan Lavender
Global Chairman
KPMG Enterprise
KPMG International

“Just like you should be thinking about having a diverse team from the beginning, you should be figuring out what is your social impact as a company from the beginning.”

Jager McConnell
CEO — Crunchbase

web summit

Spotlight on Technology

Beyond visual search

These days, visual search is more of a jumping off point for innovation rather than an end point. Just look at Pinterest. The social media company introduced Lens in 2017 as a means for people to get personalized recommendations based on objects in the real world. But that was just the beginning.

“Our job is to use that computer vision to try to recommend things based on what you know, but things you haven’t actually seen before,” said Ben Silbermann, Co-Founder and CEO of Pinterest while at Web Summit. “When you find something inspiring, we want to make it as easy as possible to make that thing a part of your life.”

Silbermann identified machine learning and computer vision as two technologies that will continue to be critical for achieving Pinterest’s future goals, but he also recognized that everything isn’t going to be about technology. “The thing that there’s not an easy technology answer to, but will also be fundamental, is figuring out how...[to] make sure that people feel inspired when they use the product — that it feels fresh and fulfilling.”

On demand transit — Public and private sectors working together

At Web Summit, Daniel Ramot, the Co-Founder and CEO of Via Transportation, highlighted how cities and private companies can work together to test and offer innovative solutions to problems such as traffic gridlock. “About a couple of months ago, we launched this service called BerIKonig... It is the largest publicly operating dynamic transit fleet that’s connected to a local public transit service,” he explained.

“I think it’s a beautiful example of how a company that’s bringing a new technology to the market can work with the

city and the transit authority to launch an innovative service... BVG is operating extremely effectively in Berlin, we can add to that and provide a solution for when you need to get between two points that aren’t well served by the existing public transit service.”

While on demand public transit might sound futuristic, the technology is available today. Over the next few years, it could quickly become a go-to solution for cities and regions needing to improve their transit options.

A tale of two AI assistants

Bots were a big hit at Web Summit, with appearances by the latest models of two different AI assistants. With investors and corporates very interested in the ability of AI-enabled assistants to extend services and make interactions between customers and companies more efficient, there will likely be a lot more to come.

- **Furhat:** Furhat is an AI assistant developed by Furhat Robotics that can be customized with different faces to provide more natural human responses that copy how humans react with each other, including listening, maintaining eye contact and showing emotion. Furhat addresses the awkwardness of interacting with faceless AI assistants.
- **Sophia:** Designed by Hanson Robotics in Hong Kong, Sophia is capable of learning and adapting to human behaviors. The human-like robot integrates AI capabilities, visual data processing and facial recognition tools in order to interact with her environment.



Artificial intelligence was a big theme again at this year's Web Summit. The event featured a number of futuristic examples of artificial intelligence in action — including Sophia the Robot. Beyond this, we saw hundreds of companies using artificial intelligence as an underlying technology behind increasingly creative solutions for a wide range of industries. Its no longer about use cases — artificial intelligence is already here — and its application will continue to be a major theme for years to come.

Brian Hughes
Co-Leader

KPMG Enterprise Innovative Startups Network, and National Co-Lead Partner
KPMG Venture Capital Practice
KPMG in the US

"We're getting better and better at understanding your specific taste in preferences. Our dream is that someday when you open Pinterest, it should feel like everything was handpicked for you. It should feel like you have a friend out there that knows your taste and preferences and they're showing you things that you haven't seen before. Technologies like machine learning, like computer vision, are getting us closer to that path."

Ben Silbermann
Co-Founder and CEO — Pinterest



Connecting Greater Manchester with the World

While London has traditionally been viewed as a center of excellence and innovation in the UK, other cities are starting to demonstrate the same strength in a strong but understated way. Despite the political uncertainty in the UK currently, startups are continuing to scale and hold their own on a global stage.

Manchester is one of the fastest-growing tech hubs in the UK outside of London. With a highly skilled talent base supported by three universities, the city has become home to numerous digital commerce startups and organizations in areas ranging from healthtech to financial services. Successful companies based in Manchester include Auto Trader and LateRooms, in addition to the BBC and ITV Granada. The city is also home to Manchester Science Partnership's Central Campus — focused on supporting startups in life sciences.

KPMG in the UK brought a group of six ambitious scale-up businesses from the Greater Manchester area to Web Summit in order to showcase this burgeoning powerhouse of innovation to Europe and the world. Among them were several companies that offer innovative platforms that connect people and services in relatively traditional industries.

One company, Broadstone, is embracing the idea of 'labor as a service' — using the power of AI to address complexities in the temporary recruitment space. Broadstone provides a highly innovative temporary staffing platform that is designed to match employers with the best candidate —

and candidates with the best roles related to their skills. Broadstone also makes it easier to manage temporary workers with tools such as integrated timesheets. "We want to give the flexibility of the gig economy to both job seekers and to companies so that they both get what they want," explained Tom Pickersgill.

Another Manchester-based scale-up, Spareroom.co.uk, operates a shared space rental platform. The company has seen extraordinary success in London, with approximately 30,000 rooms available for rent on its platform at any given time. Now Spareroom is targeting New York City for growth. The company operates on a number of fundamental principles, including building trust and broadening the perception of shared spaces. "One of our key beliefs is that shared accommodation shouldn't be seen as the poor man's choice," explained Andy Lole, Chief Technology Officer of Spareroom. "Actually, spending time with people makes most people happier."

During Web Summit, Lole, and representatives from four other Greater Manchester companies — Digidentistry, AVM Solutions, Radic8, and Tao Digital — participated in a series of growth-focused sessions, had opportunities to meet with investors and were able to network with other high-potential companies from around the world.

"The fact so many people are here is exciting. Walking past startups and seeing people passionately talking about businesses is inspiring. We're all thinking about how we're going to grow. The execution is the hard bit, but it is spurring and inspiring new business."

Andy Lole,
Spareroom.co.uk.

"The scale of this conference is huge. It's great to be in this environment because you pick up the energy... and you pick up nuggets. It opens up relationships. "

Tom Pickersgill
Founder Broadstone



With Brexit looming and the uncertainty of a 'no-deal' situation heightened, the smart money is on businesses who seize this as an opportunity rather than waste time deliberating over it being a problem. It is almost impossible to separate any business's current decision-making processes from the political uncertainty surrounding the economic environment they operate in and outside of the EU's Single Market, the UK's exposure to changes in the global economy is only expected to increase. Being more international creates opportunity by providing access to a wider customer and supplier base, a larger talent pool and a diversified value chain. Implemented effectively, operating internationally also provides a more diversified risk profile to help manage changes in the global and UK business environment. Strong and successful scaling UK businesses are acknowledging this and acting on it with the intention of creating resilient and renowned global businesses that lead the way in their fields, proving that regardless of the political landscape, market demand will always provide opportunities if you're courageous enough to act upon them.



Kevin Smith
London Chairman
KPMG in the UK



Predicting what the future holds

With 2019 rapidly approaching, it was no surprise that many business leaders, investors and startups were asked for their opinions on what the future might hold.

Healthtech: An increasing focus on wellness and patient empowerment



We're moving away, as society, from sick care to wellness now — and how we can empower patients to stay well is really interesting. How can we put so much information into the palm of their hand that they know if they continue to smoke, they have X percentage risk of developing lung cancer, for instance or cardiac disease? It's really important that patients are feeling empowered with regards to their health and I think that that will be really key moving forward. ”

Dr. Hannah Allen
— Babylon Health

Fintech: Making banking more cost- effective



I believe that the big breakthrough is going to be cost. I believe that the big banks will copy everything the fintechs will do. It'll be a couple years late, but it will get there...What we're doing at the moment is creating the new entities with new technology that are fresh and innovative and are very, very affordable. And when we choose to put — to deliver a platform that changes the cost base and is a hundred times cheaper, then we actually can deliver banking to all. ”

Anne Bowden
CEO — Starling Bank



I think open banking and PSD2 and even, look at blockchain and how that's starting to unite different ecosystems to think differently how they communicate with each other. These things do add value. I would look at them as accelerants, to get more people at the table... but will they be the tipping point? No...The cost to access those building blocks and build new process services will be the ultimate tipping point. ”

Ross Mason
CEO — Mulesoft

Ethics: In a world of opportunities, tech companies need to be responsible



With the data, with AI, with [the] kind of computing that we have, we can make big changes in our world and all industry will be disrupted. To me, all of you, that's an opportunity: opportunity to gain, opportunity to replace, opportunity to make it more efficient. But, at the same time, I think we have an obligation as technology leaders to make it responsible...to address what's right, what's not...and not abuse our privilege. ”

Young Sohn
President and Chief Strategy Officer — Samsung Electronics

Marketing: Moving toward immersive experiences



AI and VR and all of those things are going to change the way we market in the same way as the internet changed how we marketed in 1998. I think we moved then from this idea of marketing being about persuasion to marketing being about participation...I think this is going to take us into...a totally immersive experience. ”

Rosemarie Ryan
Founder and President — Co:Collective

Quantum computing: On the cusp of monumental change



I think we're at like the 1950s in Silicon right now in quantum computing world. I think when that catches up to where we're at, it's going to be a game changer as far as all the stuff we're using as far as technology goes. ”

Jager McConnell
CEO — Crunchbase

Connectivity: Focusing on people not yet online



Living in London or Hong Kong, [we forget that there] are actually only four billion people connected online today — roughly 50 percent of the world's population. That won't last for very long. The other four billion people coming online will disrupt and change entire economies. ”

Tom Stafford
Managing Partner — DST Global

The sharing economy: A wealth of opportunities



The sharing economy...if you look at the shift in spend, workforce allocation, the fact that in the United States this year, 50 percent of the population will be millennial and Gen Z, you think about flexibility of the workforce, you think about mobility and you think about technology as the enabler — and then you think about the possibilities not only for the disposable income but then of the impact on the workforce. That is an area that is of great interest to us as we look forward to investing. ”

Juliet de Baubigny
Partner — Kleiner Perkins

Achieving growth without compromise

Innovation is a spark that any company can embrace — from a new startup looking to turn an idea into reality to a market leader wanting to redefine its value in a world where doing business is radically different than in the past.

Regardless of where entrepreneurs and companies are today, the possibilities for the future are exciting. What events like Web Summit show us is that anything is possible for companies that have inspiration, creativity and the right support.

Yet, growth in the future will also require tackling some challenges head on — sensitive issues such as data privacy and security. To get it right, companies need to understand what their customers want and value and ensure those factors are not left behind as they work to achieve growth.

Success can be achieved without compromising on what matters most. Companies that live their values even as they work to respond to the dynamic needs of their stakeholders will likely be the ones able to build brands that last — regardless of what other challenges come their way.

KPMG Enterprise: Committed to visionary thinking

At KPMG Enterprise, we are excited about the possibilities that exist for entrepreneurs and growing companies. That is why we are firmly committed to participating in events like Web Summit, so that we can stay on top of the issues keeping founders and CEOs up at night and share insights into how successful companies are tackling the challenges freezing others in their tracks. In addition to Web Summit, we are also a proud strategic partner of Collision (Toronto), MoneyConf (Ireland) and RISE (Hong Kong).

KPMG Global Network for Innovative Startups

The KPMG Enterprise Global Network for Innovative Startups has extensive knowledge and experience working with the startup ecosystem. Whether you are looking to establish your operations, raise capital, expand abroad or simply comply with regulatory requirements — we can help. From seed to speed, we're here throughout your journey.

Working with you for today — and tomorrow

In today's business environment, success isn't a guarantee. But for entrepreneurs and companies with the right knowledge, mindset and customer-focus, anything is possible.

At KPMG Enterprise, we are dedicated to working with businesses like yours. Whether you're an entrepreneur looking to get started, an innovative company looking to scale or an established company looking to make an exit, our KPMG Enterprise advisers understand what is important to you and

can help you navigate your challenges — no matter the size or stage of your business.

When you work with KPMG Enterprise, you have all of the experience of KPMG at your fingertips through a single point of contact — a trusted adviser who understands your company and can help you achieve growth without compromise. With all the resources we have, we can help you respond to pressing day-to-day issues, even as you work to shape a successful future.



About KPMG Enterprise

You know KPMG, you might not know KPMG Enterprise.

KPMG Enterprise advisers in member firms around the world are dedicated to working with businesses like yours. Whether you're an entrepreneur looking to get started, an innovative, fast-growing company or an established company looking to an exit, KPMG Enterprise advisers understand what is important to you and can help you navigate your challenges — no matter the size or stage of your business. You gain access to KPMG's global resources through a single point of contact — a trusted adviser to your company. It is a local touch with a global reach.

The KPMG Enterprise Global Network for Innovative Startups has extensive knowledge and experience working with the startup ecosystem. Whether you are looking to establish your operations, raise capital, expand abroad or simply comply with regulatory requirements — we can help. From seed to speed, we're here throughout your journey.

Contacts

Jonathan Lavender

**Global Chairman,
KPMG Enterprise**

KPMG International

E: jonathanlavender@kpmg.com

Arik Speier

**Co-Leader, KPMG Enterprise
Innovative Startups Network,
KPMG International and Partner**

KPMG in Israel

E: aspeier@kpmg.com

Brian Hughes

**Co-Leader, KPMG Enterprise
Innovative Startups Network,
KPMG International and Partner**

KPMG in the US

E: bfhughes@kpmg.com

Kevin Smith

London Chairman

KPMG in the UK

E: kevin.smith@kpmg.co.uk

kpmg.com/socialmedia



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