

Digital Single Market

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The Century Of The European Geek

Successful European innovator and entrepreneur Lars Hinrichs believes that software “geeks” are the artists of the 21st century. That is why he has set up a pre-seed venture capital fund especially for them. He has also signed up to the Startup Europe Leaders Club to give budding European ICT entrepreneurs the chance to tap his considerable experience and know-how.

About the man

Born in Hamburg, Lars Hinrichs is a successful ICT entrepreneur and founder of XING, the global social networking site, enabling professionals to build useful connections and networks. XING was the first Web 2.0 company to go public, back in 2006. After selling XING, in 2010 Hinrichs founded HackFwd, which provides pre-seed funding to software developers (typically for a one-year fixed term), helping them to bring their programmes to beta phase and build a viable business case.



net-innov future: What made you become an ICT entrepreneur and innovator?

Hinrichs: I came from an entrepreneurial family and I always wanted to do something on my own and just did it.

What advice would you give budding entrepreneurs and innovators in Europe?

Just try it! Starting a company or working in a startup is an accepted career choice nowadays, which hasn't been the case for a long time in Germany and in Europe.

Not only is entrepreneurship fascinating and immensely rewarding, working as an entrepreneur is an MBA in real time.

Historically, the biggest innovations didn't come when times were good; they came when times were bad. Look at Greece and Ireland today. Lots of people are starting their own businesses.

In Europe, now is a good time to go into business and innovate. In fact, innovation is the most sure-fire road to recovery for the EU.

What opportunities and challenges do ICT entrepreneurs confront in Europe?

It's all in the Startup Manifesto (see page 23). Access to capital is always a major issue. There is a state of mind which needs to change. Entrepreneurs and financiers in Europe think too locally because local markets are already gigantic. Not enough people think of taking over the world. It's so easy not to think big enough.

In addition, there is the lack of series A and series B venture capital. There are only three professionally excellent venture capital companies in Europe, and they don't do series A anymore. So, you end up with lower-quality investors. In Europe, venture capital is mostly about managing risk and not managing growth.

What, for you, is the significance and importance of Startup Europe Leaders Club?

I think Commissioner Neelie Kroes is one of the smartest politicians we have in Europe. She has a high level of competence, business-minded thinking and understands what is needed for the next growth phase in the EU, which is the digital revolution. She's the only one who truly gets it, and that's why this initiative is so important.

What motivated you to get involved with the Leaders' Club and what do you see as your role?

Commissioner Kroes called me up and I said, yes. Simple as that. After 20 years of working as an entrepreneur and investor in Europe, I have an idea of what needs to change and happen. I can see what's missing and what others need to do. I want to help Europe get better. We want to play in the Champions League of innovation, and not in the third division.

Of course, it's not all bad. The good thing is that we have some very powerful and successful ICT companies. Europe is good and it has potential. We're just not so good at marketing ourselves.

What value-added does the Leaders Club bring to European entrepreneurs and innovators?

In the Leaders Club, we are all entrepreneurs and we all care about Europe and we all want to see a

better political framework to get things going. We know that there is a new entrepreneurial movement in the EU and want to help them to get better opportunities for success and support than we had.

What drove you to leave XING and establish HackFwd?

Although building up XING into a leading social networking site for professionals was great, I was keen on a new challenge. After I left XING, I went travelling with my family for several months. The trip was long overdue. After seven years of constant work, I needed the time and space to really imagine my next steps.

I grew XING into a \$250 million (€180 million) business; my successors took it to over half a billion dollars within four years. That's a thrill for me which is difficult to describe. That's when it hit me. For my next venture I wanted to help others get a chance to feel that same thrill.

But I didn't want to support the business guys. I wanted to support the coders, the developers, the geeks. My favourite memories of XING were the times I spent meeting with them, listening to them, and learning from them. I truly believe that geeks are the artists of the 21st century.

But in Europe, unlike in the United States, most startups are founded by the business people, not by the builders. This never made sense to me, especially because the coders I knew were brimming with great ideas.

HackFwd was the perfect company for me because it enabled me to empower the geeks and work with highly skilled software developers. European coders are not worse than Americans; they are equal, especially with the right support.

How does HackFwd work?

HackFwd employs and involves top-grade professionals in talent management, finance and marketing to serve as guides to Europe's most passionate geeks, and to support excellence for the individual business ideas we provide pre-seed funding. Our startup and support process accelerates the route to beta versions, profitability, and success. Successful startups supported by HackFwd include Equilibrium, a 3D strategy game for mobile phones, and Watchlater, an app for iPad users to bookmark and watch web videos afterwards, both on- and off-line.

More info

- HackFwd – <http://hackFwd.com> [1]

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