



SPANISH ENTREPRENEURS HAVE
CAUGHT THE EYE OF
INTERNATIONAL INVESTORS

THE ACHIEVEMENTS OF **SPANISH STARTUPS**

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01

The extraordinary change in Spanish entrepreneurship

Experts stress that Spanish startups are experiencing a [good phase and conquering the international market.](#) 

“We have seen extraordinary change over the last three years. Spanish teams are much more ambitious, valuations are higher, the teams are more complete. There is no longer any reason not to be well prepared for a meeting with VC.” Rodrigo Martínez, Early Stage Tech Investor of the venture capital fund [Point Nine Capital](#), mentioned that Spanish entrepreneurship is experiencing a good phase. He was talking at the [Hispanic Startup Day](#) in July in Berlin.





"Investors are willing to invest their money in internationalizing Spanish companies. It's an extraordinary change," stressed Rodríguez. He added that "while Paris is known for its talent in B2B business and London is great with fintech, Spain is not linked to anything specific. The word is that there are entrepreneurs that are doing things very well."

As an example of the **international prestige of Spanish entrepreneurs** we only need to think of [Pep Gómez](#) from the semi-public fund **NUMA Growth**, a program

promoted by mVenturesBcn, which belongs to Mobile World Capital Barcelona and NUMA (the French global innovation network).

This 24-year-old Spaniard has been chosen to head the first European acceleration program targeted at growth. Under the umbrella of [NUMA Growth](#), 30 Spanish and international startups will be accelerated over the next three years with 4.8 million euros in public and private funds. The program aims to promote expansion in [European markets and help attract funds.](#) [f](#)

Companies are also supporting entrepreneurs: [BBVA received a European award for its support for startups](#). In February, **BBVA expanded its fund for investing in financial startups to [250 million dollars](#)**. These funds are dedicated to supporting investments in startups working in the area of technology and finance in the initial or more advanced stages of funding. One of the latest ventures is the acquisition of the [Finnish startup Holvi](#).

Back in Berlin, both Rodríguez and Carmen Bermejo (Vice-President of the Spanish Startup Association) stressed **how important regulation is**. The investor of Point Nine Capital said: "We tend to think that we need to get into the Mexican market while forgetting that Latin American markets are much more complicated. Thanks to regulation, it is a lot simpler to invest in Europe or the USA." Bermejo went a step farther - after mentioning that the [manifesto for Spanish startups](#) was released in 2015, she pointed out the importance of regulation to stop companies from leaving Spain.





And what tips should entrepreneurs follow to achieve success?

"There are no hard feelings in business. There is nothing more harmful than working for someone you do not believe in. Whether we're talking about your boss or the company. **Corporate jobs will always be there.** You can leave Google and then go back. There is no reason not to take risks: corporate jobs are always there. That's why it's so important to work for a startup . [You learn a lot quicker than in large companies.](#)" [in](#)


This was the opinion expressed by Freddy Vega, co-founder and CEO of the training platform Platzi. He

went on to say: "The best companies do not look at your career. We **only hire programmers with their own projects.** If a programmer doesn't have personal projects or a portfolio, we're not interested in them."

He also mentioned the job opportunities: "There is a crisis in technology talent across the world. Our civilization runs on software. Technology is everywhere. You can't escape technology." And he encouraged everyone to start an enterprise. **"Kill the monsters in your mind,"** he said. .

02

Ander Michelena (Ticketbis): “This has been a very hard year. I don't want to think about the future”

At the end of May, StubHub, a subsidiary of Ebay, bought the Spanish online ticket resale startup - [founded in 2009 by Jon Uriarte and Ander Michelena- for 165 million dollars.](#) 





A least two months have passed since the sale of their company, [Ticketbis](#), for **165 million dollars**. Curiously, it was sold to the American company from whom they copied the idea in 2009. Is this the closing of the circle? "Yes, it could be". Ander Michelena apologizes for calling just a few minutes after the time agreed for the telephone interview. He talks like someone whose feet are firmly on the ground, in spite of having just closed a sale of such **colossal proportions**.

He **says this year has been very hard** -a year of negotiations in which only a small group of people inside the

Spanish ticket resale company were aware of the interest of [StubHub](#), a subsidiary of the [global internet auction giant Ebay](#), in the [Spanish startup](#). **f**

"People just didn't understand why we weren't launching any new ideas. We told them we had to wait, without going into much detail, and they didn't understand anything. There were moments of real tension. **There was also tension between the employees and within the small group that knew about the negotiations**, including Jon Uriarte, his partner and the co-founder of the company.

The first offer from StubHub totally failed to convince the two Basque entrepreneurs, who had founded Ticketbis after meeting at Vitoria airport after a weekend of festivities. “My father drove me to the airport and in the terminal he stopped to say hello to someone who was also there to drop off his son. That’s how I met Jon, who -he says, laughing- “ worked in the same bank as me in England, in **Morgan Stanley**. We’d never come across each other in London -there are thousands of people working in the bank-and we met in Vitoria thanks to our fathers”.

That was the start of the friendship that led them both to

return to the Basque Country and set up the **ticket resale platform**. Six years later they’ve sold it.

What has changed in the Spanish startup ecosystem in these last years? Michelena sees many positive aspects: “**In 2009 entrepreneurship was practically non-existent**. There were very few entrepreneurs, but now events like [IN3](#) serve to stimulate interesting projects, and we’re beginning to see an investment ecosystem thanks to business angels. The market situation is another factor, as there’s so much volatility in the stock exchange that people are looking for alternative investments, which has had

benefits for venture capital. There’s also now increased access to VC by public funds”.

Michelena highlights the arrival of “the second generation of entrepreneurs, who are hungry for success and **are reinventing the ecosystem**. We’re seeing a feedback attractor effect, and there’s money out there”. Money was the stumbling block in the first offer from the Ebay subsidiary. The US giant, from whom they copied the model of online purchase and sale of tickets, contacted the Basque entrepreneurs, and had to make **a second offer to convince them**.

“They were very interested, as we provide service in 47 countries and have a turnover of around 100 million dollars”, says the entrepreneur, who claims that “you often **don't need to have a brilliant idea -you can take an existing model and just do it yourself**. The way you do it is the key to success”.

With regard to the controversy surrounding their model of ticket resale -there are complaints about the high prices sometimes paid-, he says: “There is no controversy. **The resale is legal** -the users agree on the price and the only thing we do is facilitate the sale between users by putting the two parties in contact with each other. [The price is fixed by the buyer and seller and the law of the market](#)”. [in](#)

What are the company's best and worst moments? “Hmm... **Being an entrepreneur is a rollercoaster**. I remember the first sale, when we could finally breathe again after we saw that it all worked, and the first contact with the company that finally bought us. And the feeling of failure when we saw the first offer. The negotiation was very tough”, says the entrepreneur.

So what now? **“Both Jon and I are under contract to stay on three more years at Ticketbis**. We're looking to see how we can organize the work of our team with the new team in San Francisco. **I don't want to think about the future**”, he says.


When asked if he's seen any attractive international companies lately that could work in Spain, he says nothing springs to mind, but he looks to the future with optimism. **“We're 15 years behind Silicon Valley but that's only normal**. The good news is that every day we're nearer Berlin, London and Paris. We'll soon catch up with them”, he concludes.





03

ABA English: cellphones are revolutionizing teaching

ABA English, the online English language academy whose growth is based on audiovisual content and technology, in [May closed a funding round of 10.5 million euros.](#) 

History in reverse. On the point of leaving for the United States to study his Masters degree, Javier Figarola decided to stay at home in Barcelona to head up the family business. In 2007

his father had founded [ABA English](#) -after 30 years dedicated to distance teaching of English- and four years later Javier Figarola took over the online teaching academy.

In May this year, he concluded a funding round of 10.5 million euros headed by [Kennet Partners](#).

This was not the only Spanish startup to attract investors in 2016: in May an eBay subsidiary also bought [Ticketbis](#) for 165 million dollars; one month earlier, [Cabify](#) closed a new funding round of 120 million dollars headed by Rakuten, [the investment fund of the leading Japanese e-commerce company](#). **f**

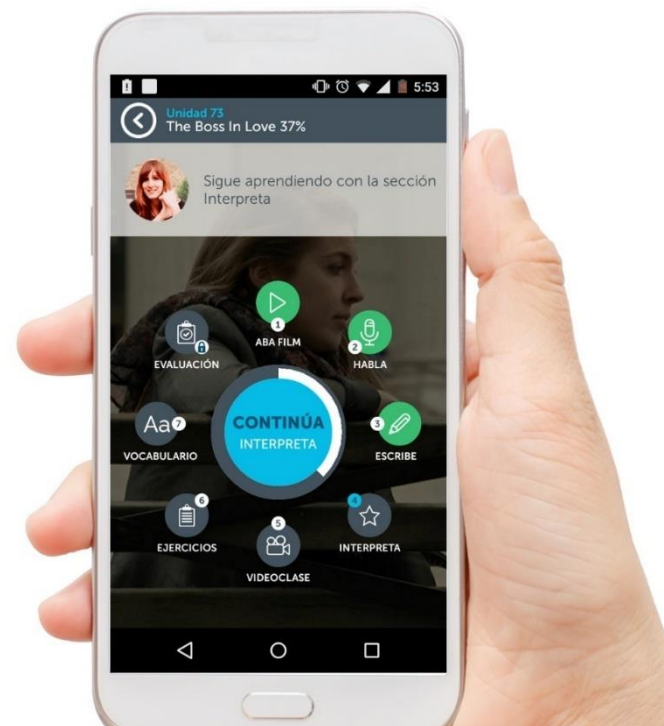
Are Spanish startups having their day in the sun? According to the CEO, they are currently doing very well, and “particularly in Barcelona”, although he doesn't attribute this to any “specific reason”, but

rather to “stimuli such as the [Mobile World Congress](#), which attracts numerous investors”.

Figarola has radically changed the family company, which is now 100% digital, **and recent developments have seen the mobile element take center stage**. Paradoxically the crisis has benefited his company, as thousands of people have signed up for courses. Figarola doesn't talk about students, he talks about **end consumers**. And that **digital mindset** is part of his success, as he says what the platform's followers find most appealing is its **audiovisual content**.

“And they really like what they see, the films we recreate. We teach using a natural method:

you begin by listening and understanding a native language and then start speaking and writing”. With their app –[winner of a Reimagine Education Award](#)– the students are shown exclusive contents in the form of short films recreating everyday life in the United Kingdom or the United States.





Returning to Spain –and now in the real world–, the CEO of ABA English is fairly critical of government aid: “They should encourage creation and talent, but I don’t see the public sector giving any facilities at all”. What has helped Figarola most to grow ABA English is his **experience as a consultant**. That’s why he recommends that entrepreneurs should “first work in a company. Personally, my past as a consultant has really helped me in running ABA. You learn to work with the methodology, systematically, under pressure, and in the short term, and you understand things very quickly”. He

describes it as “**hard work**” and says it requires a lot of persistence.

Brazil and Italy are “two excellent markets” for students, according to the **EdTech entrepreneur**, who attributes the success in Italy to the need to learn English, and in Brazil to the high penetration of cellphones.

And looking to the future, his goal is to continue educating and entertaining using technology –with analytical methods adapted to learning– [to continue attracting millions of students.](#) [in](#)

04

The figures confirm the success of Spanish startups

Spanish startups received a total investment volume of 659.4 million euros in 1,527 investments in 2015, up 83% from 2014. 

Spanish startups have caught the eye of international investors. Evidence of this is the recent acquisition of the Basque startup Ticketbis by a subsidiary of the American giant Ebay for 165 million dollars, Jobandtalent's round of financing for 37 million euros, and 105 million euros for Cabify.

The total volume of investment received by Spanish **startups in 2015 was 659.4 million euros in 1,527 investments**, up 83% over 2014, according to the report entitled [Venture Capital & Private Equity Activity in Spain 2016](#) by the Spanish Association for Capital, Growth and Investment (ASCRI).

The report also notes that the [average investment per transaction has also risen from 316 to 432 euros.](#) **f**

More figures: in the recent IN3 entrepreneurship forum, David Goldberg, director of Founder's Pledge, announced that the Kibo Ventures, KFund and JME Venture Capital funds would **create three venture capital vehicles in Spain for Internet startups for a value of 170 million euros.**



05 / INFOGRAPHIC

The achievements of Spanish startups

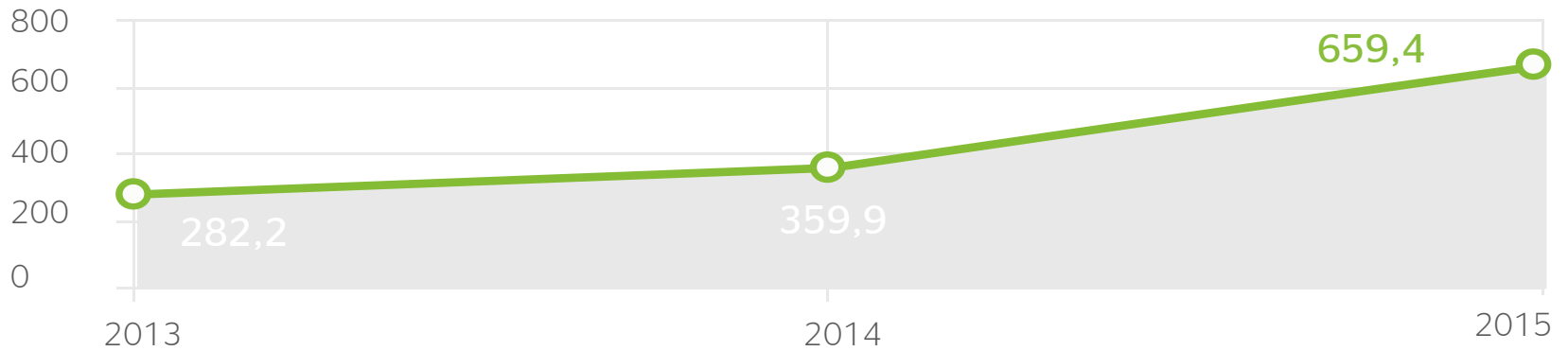
Spanish *startups* are going through a good phase and are attracting domestic and international investors.



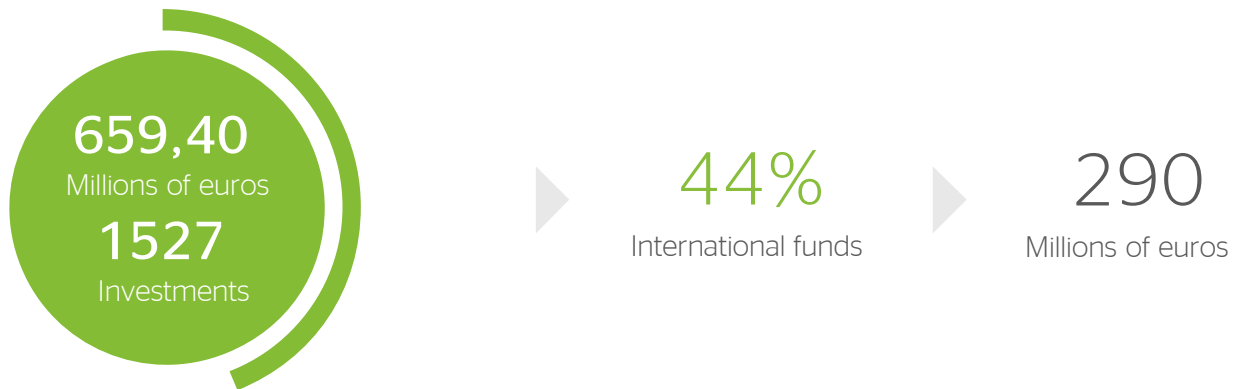
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Investment in spanish startups

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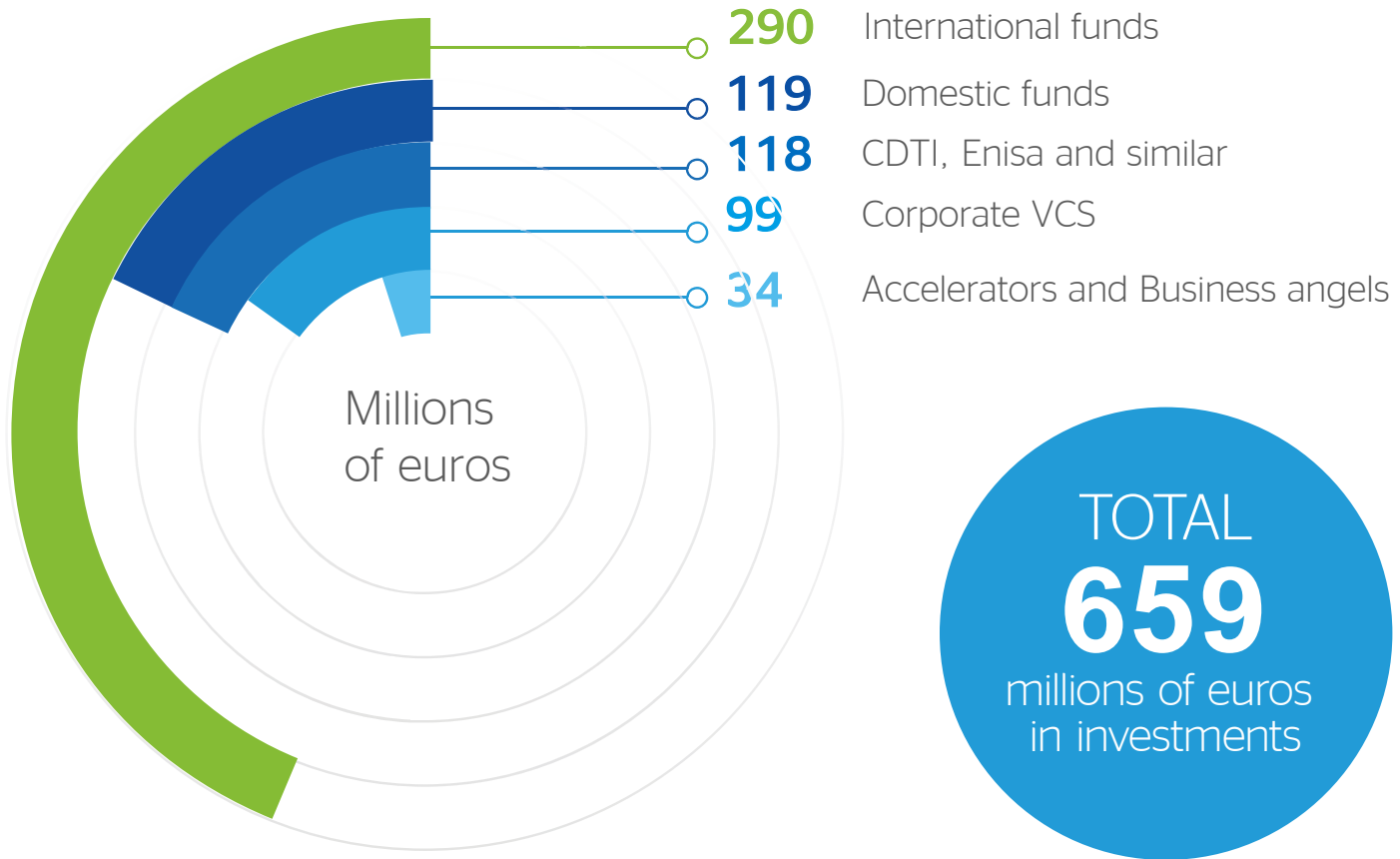


Figures in 2015

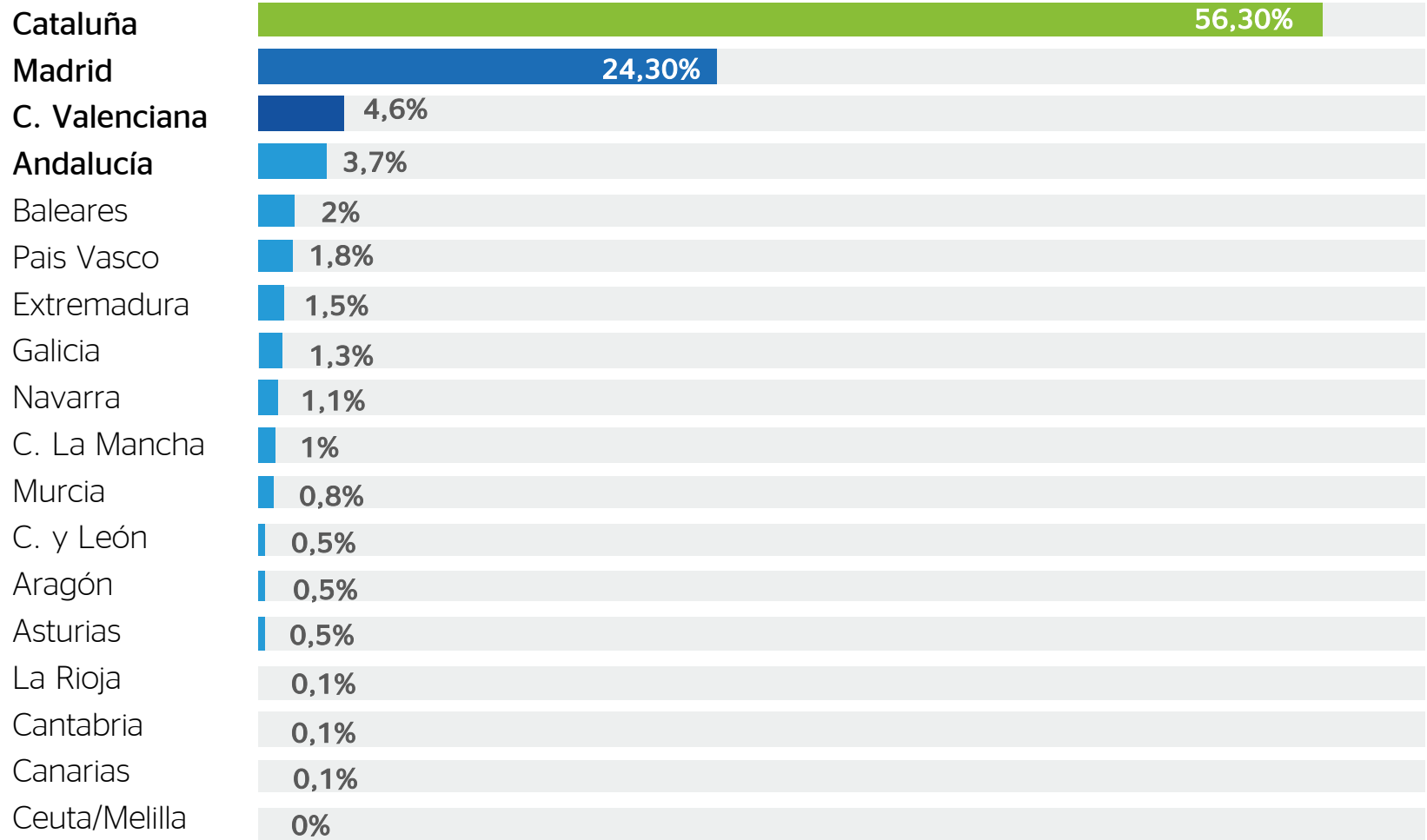


Type of investments

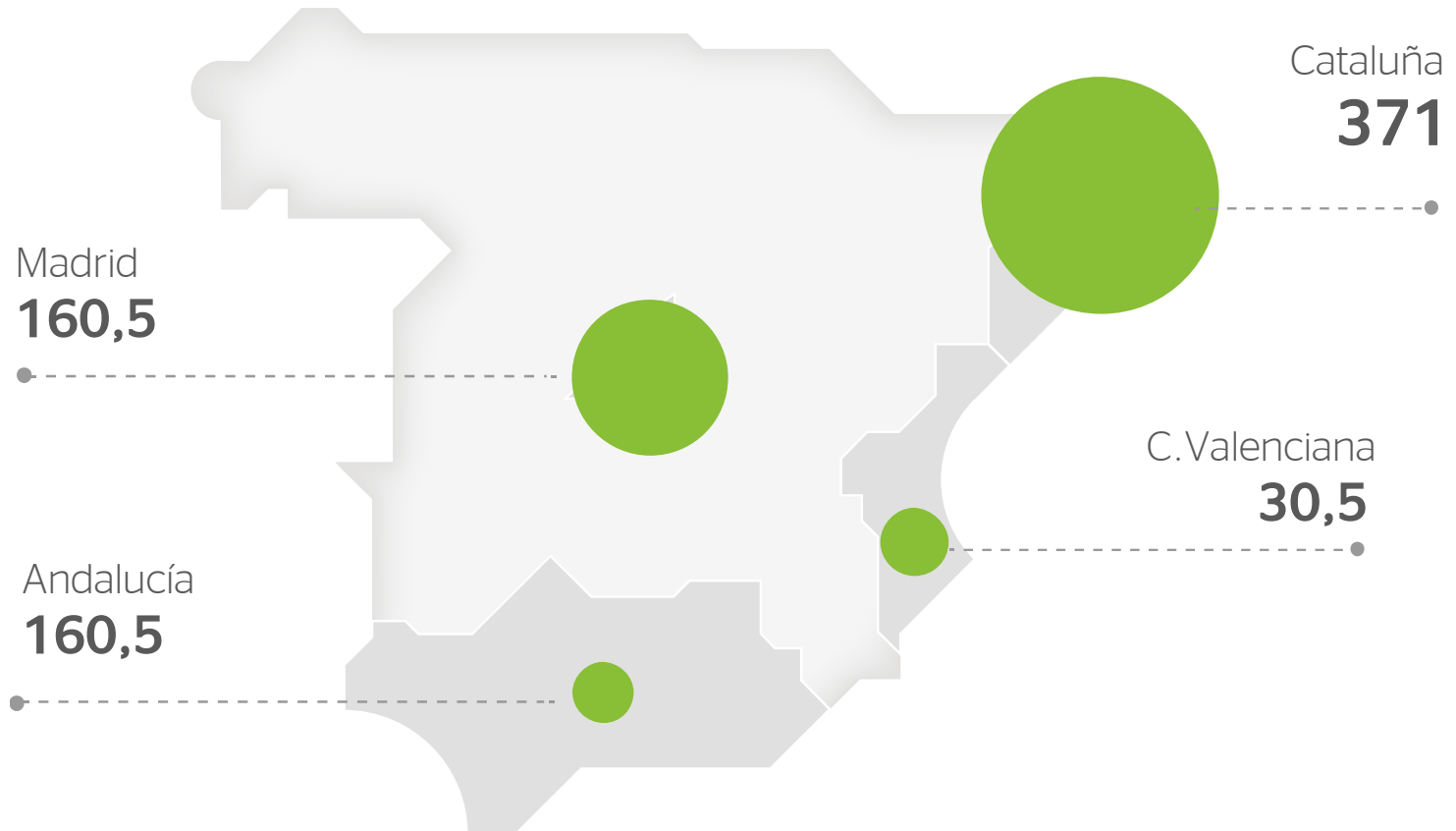
The good news is that there is gradual and increasing interest of internal mutual funds in investing in Spanish technology companies.



Investments Ranking



Investment in main communities



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