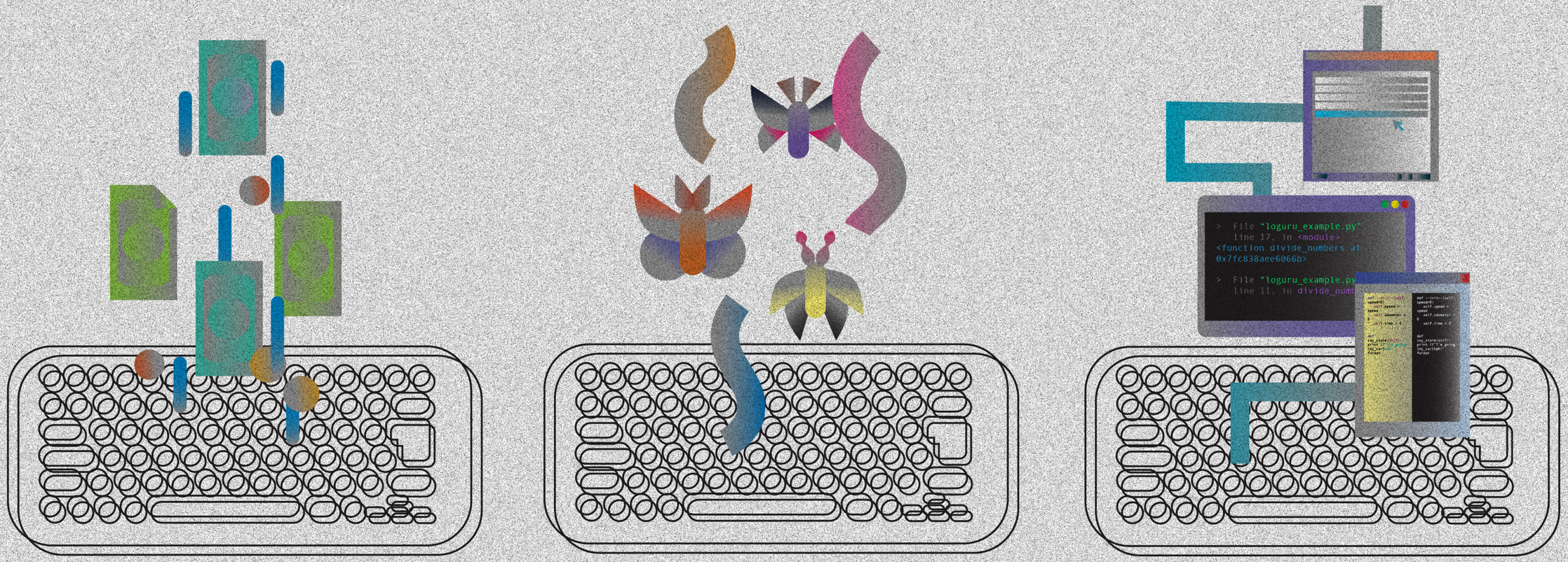

ETF Skills Lab Network of Expert Webinar

Digitalization and the digital transition

Bridging the Gap: The Vital Blend of Technical and Soft Skills for International Success

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Bridging the Gap:
The Vital Blend of Technical and Soft Skills for International Success

There are 300-400 startups in Belgrade and Novi Sad. The size of the scene is similar to other cities in the region such as Warsaw and Bucharest, while it is twice as large as the number of startups in Budapest.

The Serbian startup ecosystem is in its first development stage, known as the "activation phase". It is still small in size, resources, and startup experience, but is one of the fastest growing compared to other ecosystems in the same stage.

2022 was a record year for Serbia with inflows of foreign direct investments of approximately €4.4 billion (National Bank of Serbia, 2023). In June 2022, the EU and the World Bank jointly pledged €84.5 million to finance Serbian research and startups.

Compared to the average in the activation phase, our startups target the global market more often. Only 22% of Serbian startups are oriented towards the markets of Serbia (11%) and the former Yugoslavia (11%), whereas total of 69% of startups are focused on Western markets (US (37%), Europe (26%), UK (5%), and Canada (1%)

Most Serbian startups are operating in the following fields:

1. Enterprise solutions
2. AI, Big Data & Analysis
3. Gaming, Smart City, Blockchain & Crypto

Startup Genome (2023) has recognized Blockchain, Gaming and Life Sciences (BIO4 Campus) as the highest potential subsectors in the country.

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concept and methodology

Research 1

Serbia Innovates (2021)
supported by USAID

AIM: to identify 4 most promising innovative domains in Serbia and get first insights into their networking, hybridization and spillover potentials.

Mixed method approach:
semi-structured interviews (107 total, 36 with startups) and a quantitative survey (408 respondents, 49 business including startaps) were carried across Serbia with key interlocutors from the innovation ecosystem in Serbia (June-December 2021).

Research 2

Alice in Wonderland: Challenges of Data Compliance for Startups from Serbia
supported by UC Berkeley, Center for Long-Term Cybersecurity

AIM: to identify how data privacy laws like General Data Protection Regulation (GDPR) & California Consumer Protection Act (CCPA impact startups as data-driven and data dependent businesses from Serbia

Qualitative method:
semi-structured interviews (24 in total) and survey (35 respondents) were carried online with startups based in Serbia (December 2021 – April 2022)

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insights emerging from research

What are the key skills required for startups to successfully scale into foreign markets?

SOFT SKILLS

Importance of cross-cultural competency for startups aiming to expand into foreign markets

Effective negotiation and communication skills to establish partnerships in foreign markets, navigate and adapt to different business practices and customs in foreign markets

Networking skills to develop strong network of international contacts and connections to support their expansion into foreign markets

BUSINESS SUPPORT SKILLS

Language skills are crucial for startups looking to enter international markets

(Digital) marketing and branding skills are very important to penetrate foreign markets effectively

Supply chain planning skills, business and strategic planning

Understanding local regulations and compliance for startups planning to expand into foreign markets

Market research and analysis skills play an important role for startups to succeed in foreign markets

Managing talent acquisition and building diverse teams when scaling into foreign markets

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quotes from the research

"Creating a groundbreaking product was just the start of my journey, for I soon discovered that true success lies in mastering the art of selling. Recognizing this pivotal truth, I dedicated myself wholeheartedly to understanding business strategies and sales tactics, becoming a trailblazer in the field. This unwavering commitment ultimately paved my path to the ranks of Fortune 500 companies." (Interview, August 25th, 2022, CEO of a software company in San Francisco)

"As we prepared to introduce our product to the EU market, I, as the CEO, believed my English skills were proficient. However, it soon became apparent that the language I spoke was not tailored for the world of business. Realizing this crucial gap, we embarked on a quest to find a team member who possessed a rare combination: expertise in sales and a mastery of business English." (Interview, November 17th, 2023, CEO of a gaming company)

As a startup founder, venturing into the realm of product promotion and seeking investments from various VC funds and investors becomes paramount. It was a valuable lesson for me to realize that the technical intricacies of the product, while important, pale in comparison to the ability to effectively pitch and explain it in plain language. . In that context communication and sales skills are vital. The majority of funders and VCs are generalists, driven by a desire to grasp how the product will revolutionize the market and generate substantial returns ." (Interview, December 7th, CEO of a bio-tech company in Serbia)

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While technical skills are crucial in developing a product, **its successful promotion** and sales are dependent on business support and soft skills.

The researches shed light on the importance of developing these skills alongside technical expertise for startups aspiring to promote their products/services internationally.

This research also acknowledges that luck plays a significant role in startup success, but unfortunately, finding an ISCO/ESCO classification for it is as elusive as catching a unicorn in a suit and tie.

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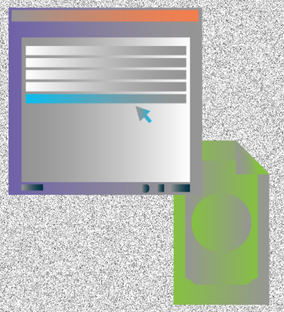

Thanks for listening!

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