

123hjemmeside / Morten Elk presentation



Morten Elk,
CEO and founder
Ph.D. physics

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Bio

- Morten Elk, born 1967, 45 years
- Ph.D. Physics, work in Los Angeles and Munich
- First company started 1997

First company - ELK

- Founded medio 1997
- Digital Agency (web-bureau) - but we didn't know that
- 3 people - sales (my brother), tech (me), arts (our dad)

- Wanted to have our own company (lifestyle)
- Seemingly new open playing field (Internet)

- Dramatic growth in a dramatically growing market
- Learn-as-you-go
- Execution very, very important
- Good customers key to learning and development
- End of 1997 ~ 30 people, exited company at 55 MDKK



Next company - 123hjemmeside

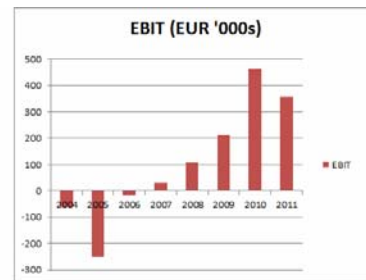
- Founded 2003
- Lifestyle company
- Idea
 - Families have lots of digital photos, but nothing to do with them
 - Give them a place to show photos in an easy and entertaining way
 - Do it well enough that they will pay a subscription
 - Partner up with main Danish sites for sales/marketing
 - Danish market
- Pain? - well.....
 - Building costs < 0,5 MDKK and half a year of work
 - Let's simply build it and see if they will pay !

- "Bootstrapped startup"



The business now

- 15 full-time employees, 10 part-time
- 50.000+ paying subscribers



What is SimpleSite today?

Website builder for small businesses & special interests

Really, really easy

Affordable (€50-100 per year)

Hosted & subscription based (SaaS)



Photographer

Target group

Small businesses / special interests



Holiday home



Bee farmer



Photographer

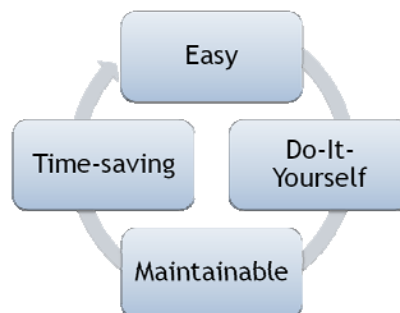
EU-27 has 20 mill businesses, 92% of those are micro-businesses (10 employees or less)
Rough EU market size estimate: 1-2 bn €



Problem solved

- Small businesses need a website
- They typically waste lots of money and time - or get no solution

SimpleSite offers a good and affordable solution to the problem

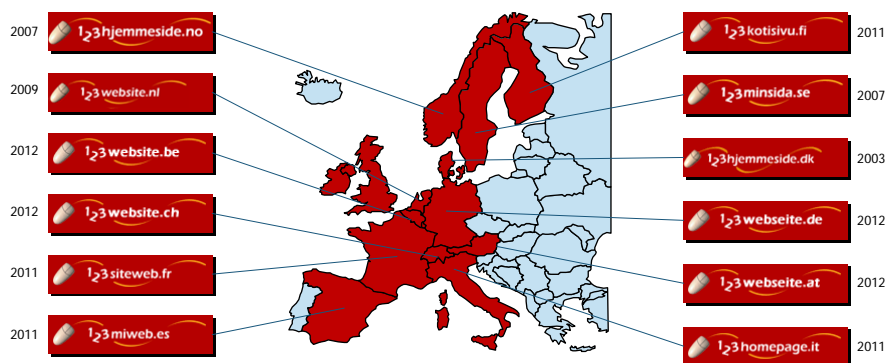


How did we get there?

- Great success in DK
- Go US, failure
- Take markets at slower pace starting close to home in Scandinavia - that worked
- Get stuck at Holland
- Spend some years learning internationalization (sales model, key metrics)
- Now we seem to know the formula
- Seen shift from "family entertainment" to "useful to small business and special interests"
- Current: Great ambitions of expanding much more rapidly, external financing



Proven internationalisation & localisation



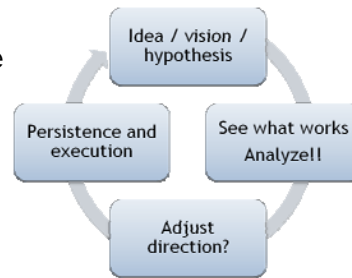
Local sites, local brand, local language, support in local language

SimpleSite.com in English and Spanish used globally (US, UK, AU, SA, ...)



Learnings

- We tested the value proposition by simply doing it
 - Very interesting tactic, if available
- We got a lot of markets "wrong" to begin with
 - But kept at it and now they work
- Execution, persistence and trial-and-error are critical
- Measure, measure, measure and model



Learnings II

- In none of the two businesses did the original plan include the exit or current situation
- In both, the initial plan included **quickly selling something to someone**, thus **validating** the business
- In both, strength of execution and ability to adapt becomes more important than the strength of the original idea
- Both businesses were started on the desire to do it yourself, to create something from nothing and to have the freedom to follow the opportunity
- A good shareholder agreement *will* be important, seek advice and make sure to create one

If I could go back...

- We had fabulous metrics in 2005-2007 and probably should have been more ambitious then and have gotten financing to boost growth (seize the moment)
- Should have made many more controlled A/B experiments much earlier
 - Amazing way to improve the business

Is there a theory that fits?

- "The Lean Startup" by Eric Ries outlines a way to think about a startup business and develop it
- In hindsight, we have been following those practices rather closely