

World Citizens/Global citizens

Juraj Gago (on the left) and Andrej Krúpa brought a service that could change the way cities communicate with their citizens.



SIMPLY CITY

TWO YOUNG SLOVAKS THAT STUDIED ABROAD, JURAJ GAGO AND ANDREJ KRÚPA, HAD ALREADY FOUNDED SEVERAL COMPANIES. AFTER SUCCESS IN SLOVAKIA, THEY EXPANDED TO AMERICA WITH THE COMMUNICATION PLATFORM SIMPLICITY DEDICATED TO CITIES AND THEIR CITIZENS. THEY WANT TO GO EVEN FURTHER.

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FOTO: ONDŘEJ PÝCHA

WHAT IN THE WORLD HASN'T BEEN EFFECTIVELY DIGITALIZED YET? MASS COMMUNICATION! IT SEEMS SURPRISING, BUT IT'S A FACT.

By the time the original message crosses from the source through Google, Facebook, or other filters all the way to the recipient, it often turns into something different. Alternatively, it doesn't even get through the algorithms and the Facebook noise.

„During the pandemic, it became clearer every day how desperately the city residents need a service like this,“ Juraj Gago begins the talk about Simplicity. „Information from municipalities, no matter how important and relevant, for example, vaccination dates, often get lost on the web. You would need a lot of luck to catch an important post from your city on Facebook. If you have an application that connects you directly to your city, you know about everything in real-time.“

They got the initial idea to create such a solution while they were still studying in Denmark. „We made there a prototype for the Trenčín city,“ recalls Andrej Krúpa. „When we returned to Slovakia three years ago, we revived the idea. We took a look at websites and ways in which cities and institutions communicate around the World. We found that really, there is a space, and it's enormous. So far, municipalities haven't managed to digitalize their functioning as successfully as private organizations. Flexible, effective technology still has a lot to offer them.“

In the era of mobile phones, it seems evident that a simple innovation of websites won't become a solution. People nowadays aren't used to actively visiting municipalities' websites to search through them or subscribe to receiving information via email.

„We spent about two years building the platform; we didn't want to make too much noise

around it,“ continues Gago. „We needed to check whether the product really works, whether it is something that customers are willing to pay for.“

Simplicity was initially established as a part of their company called Perry. Under Perry also belongs an accelerator Perry Talents, which helps Slovakian startups with education, connection to investors, and expansion to other markets. Gago and Krúpa founded it after making a name for themselves with motivational bestsellers, Hlava 20 (Head 20) and Hlava 21 (Head 21), before they were 20 years old.

In Slovakia, Simplicity has already managed to gain as their client countless municipalities. „The platform is free. The cities begin to pay monthly fees only after the employment of several modules, breaking a limit for sent messages or application maintenance. We are offering the platform as a software service (SaaS),“ continues Krúpa. They chose this model because the majority of existing solutions by their competitors were the so-called „one-shot apps,“ therefore just single-purpose solutions. They were unnecessarily expensive, and the programmers usually didn't maintain them afterward. „The city pays a software firm to develop their city application. It costs a lot of money, but the firm doesn't manage it, and the app becomes tech-wise old,“ explain the founders. „We made it simpler. We offer software with a constant base. Then we tailor it to each city's specific requirements.“

In February, they already had over 100 thousand users from all over Slovakia. Their initial numbers were showing a very high level of user retention (over 60%). This data shows how many users keep the app on their phone after download, i.e., how many users see a purpose in it. „People don't want to lose important information that relates to them. Whether it is a garbage collection schedule, an announcement about public service restrictions, or current events the city is organizing,“ recounts Krúpa.

The users select what type of notifications they want to

receive - one person might want to be notified only about city services, another one just about interruptions and warnings. There you go - a personalized communication channel filtered directly by users is open.

TO AMERICA

During further market research, they found out that their best chances for expansion are into the United States. „At Simplicity, we are trying to learn from founders of other successful European startups,“ continues Gago. „We've tested the possibilities of the project in Slovakia, and now we want to seize the opportunity to conquer the big market. Thanks to my studies in the USA, I find this market familiar, and so we said to ourselves - let's expand there where it has the greatest potential.“

For the United States also spoke the number of cities of all sizes and high purchasing power. And the fact that even the smallest American cities still haven't found satisfying means of communication. The majority uses Facebook.

Big cities like London in Europe and Los Angeles in the USA already have their own mobile application. The study by McKinsey found that thanks to the app, citizen engagement had increased by 20%. „But these big cities can afford it; they have a big budget,“ continues Krúpa. „Small cities like Menlo Park, Valga, or Bernolákovo can't afford the same expenses; they have thousands or tens of thousands of citizens.“

He doesn't mention these specific cities by chance: the Valga, with a population of 12,000, is Simplicity's first client in Estonia, a European digital superpower. Even for this country, where the state administration and elections are almost completely digitalized, it remains true that local governments remain behind in regards to „e-government.“

The city hall of Menlo Park, a city connected with the key companies of the digital era (Facebook or Google), is the first client of Simplicity in the USA. „The ex-mayor of the city Catherine Carlton became part of our Board of Supervisors in the USA,“ says Krúpa. The startup has opened its branch nearby, in San Francisco.

AFTER INVESTORS WITH NUMBERS

Since the beginning, the advantage of Simplicity has been that they could go to investors not only with a 'good idea,' but also with numbers. „We started with calling cities; we even made a nice booklet that we took with us to the cities,“ laughs Krúpa. „Once we managed to convince a couple of cities, they started generating us some income. Thanks to that, we had a great advantage in front of the investors: unlike many startups without paying customers, we came in already having a turnover. We didn't have to prove every single thing; they saw that we are a capable team, and we came to a quick agreement.“

From the start, we were looking for an investor with in-

ternational experience who could help with the connection to key foreign markets. The first investment was 1 million euros from a group of angel investors and from the venture capital fund Zero Gravity Capital, which administers and invests the resources of Slovak Investment Holding. „Roy Ramon, a partner of Zero Gravity, came from Intel Capital, one of the largest corporate funds, that invested into several successful startups,“ says Krúpa.

Simplicity already has several cities in the United States, and their next branch is in Israel. For the expansion to the USA, they have prepared the next round with investors. In May, they should get several million euros, which would be one of the biggest investments into a Slovakian startup at this stage.

INTEGRATE THE WHOLE CITY

The founders believe that the platform has great potential because it is not just a simple means of communication. „We can potentially integrate all of the cities services; it can be parking, garbage collection, local tax payments, and many others for which in the meantime is being created a plethora of individual apps. Our platform works for the whole city, and it's just one. When somebody arrives in the city, somebody who introduces a parking system, we will display it for the citizens,“ explains Krúpa.

The place which Simplicity could take in the communal world is truly interesting. „At first place, the city gains a verified app for themselves,“ recounts Krúpa. „However, it also brings a real insight into how many users does it have, what are they interested in, how are they, what themes are important to them, and what incentives are they giving.“

Through the app, of course, they send notifications to phones, but the messages also travel in the opposite direction. If the user finds something in the city that doesn't work, for example, a fallen tree, they send a photo accompanied by a GPS location, and the message is delivered directly to people in charge of such problems.

The platform also enables the creation of public opinion polls, for example, about security, ecology, or satisfaction with the municipality. Also important are the settings; citizens can choose the messages they receive by customizing notifications. Here also lies another potential - if the app could automatically predict the importance of specific messages for individual users in the future.

„If you want to park in the future, the app will



automatically send you a notification about a free parking spot based on your location," adds Krúpa.

Thanks to the platform, the city could be learning valuable data for a traffic plan, based on which it would gain another input for the decision making about where to widen the road, build a bus lane, sidewalks, and so on.

The individual examples of employment are not revolutionary by themselves; there are already solutions for them. However, a company that would introduce a simple and effective fusion into a single platform hasn't established itself

on the market yet. In front of the founders now lies a task, which functionalities to focus on now and which later so it could spread.

One of the fundamental principles they are certain about at this stage is that they don't want to ask for registration or personal data from their users. Therefore, they don't have to deal with the theme of personal data protection. „We are developing the platform so people in cities can live better," says Krúpa. „We don't need to register users and know them by name.“

From the point of view of aggregated numbers about users, it is clear that in the future, the number of citizens with

smartphones and thus potential employments of Simplicity will only grow. Suppose the platform establishes a position on the market as a popular, universal, and adaptable solution. In that case, it could become interesting even for true giants who also need to get their business into cities - from big Cloud providers to traditional technology suppliers. „We are on a mission which could change cities forever," says Gago. „If the city begins to better the lives of its citizens and use Simplicity, it will get used to it - and the citizens as well.“

How fast and to what extent the ultimate form of the promise to the investors gets fulfilled also depends on further technology development. „Presently, we are looking for the best ways to integrate other city institutions into the platform. There is enormous space; you can add schools, other city organizations, maybe even local churches," says Gago.

The next challenge for the developers will soon become the employment of artificial intelligence that should simplify citizens' communication with their city. „The correct utilization of this technology - since we have a lot of information and texts from cities - will be very important," continues Gago. „We want to classify the data and send it to the people it concerns - based on their behavior in the app, what they follow and what they like.“ The application already has a personalized approach towards users, although for now, it's just based on their selected interests.

MILLIONS OF DOLLARS AND USERS

Besides investors, they are attracting a team of people with managerial experience in successful companies—for example, Salesforce, Google, or SAP. „Our product is easy to grasp and meaningful because it helps real people. That's also why we are succeeding in recruiting the best people from the top of their respective fields and connecting them with young talented people. They complement each other really well. We have the youthful energy, and the seniors provide experience, prudence, and a broader perspective," says Gago.

As a part of compensation, they offer their employees employee shares (so-called ESOP). „They already have a decent value," says Gago. The company value is already at over 20 million dollars. „When the firm succeeds, the people could gain a very nice bonus. For founders of American companies, it's a common practice that most of the original team that helped the firm succeed gets shares. It is very important to set up this mechanism in our company as well.“

Starting June, Juraj Gago and the manager of client relationships, Martin Ragan, should be working from California already. The first goal is for the cities in Silicon Valley that are already using the app to become an image of the app's potential. „We want to help cities to use Simplicity to its full potential so their story can be talked about in other states in the USA where we plan to expand," says Gago.

Simplicity is already approaching other cities. „They see that their neighbors have the app, and they want it as well. We can provide them with the tech practically immediate-

ly. The city gets an account, and the web content, initiatives, photos, and news get integrated into the app.“

The quickest way to the client, of course, is when they ask for the app themselves. „We are also testing other channels for gaining citizens - firstly, the city is sending them the app itself, but we also have our own ways, for example, the use of local ambassadors, or blog creation," says Krúpa.

Furthermore, a small team will contact cities directly and spread awareness about the platform at webinars and presentations of regional city associations. Ten people should start working in the USA. By the end of the year, their number should grow to thirty. (Presently, the firm has approximately 40 employees, almost all of them in Slovakia. Some are working from Bratislava, and the rest is situated in Trenčín. By the end of the year, their numbers should grow to one hundred.

The approach of a small Slovak startup mini-team venturing to the U.S. to sell its product - even just a digital one, but still rather directly - is not very frequent in Slovakia. What should the company achieve to be considered successful? In recent years the criteria for what is considered a successful Slovak startup are slowly being redefined. The more mature firms like Sygic or Pixel Federation are being joined by newer technological projects: Slido, or Exponea, which also got into the selling phase.

What specific goals is Simplicity setting up for itself at the beginning of its expansion? Juraj Gago answers in a bit of a roundabout way: „We both have studied abroad, in the USA, Denmark, or Singapore. Thinking about the global market is probably a little bit easier for us than the founder of startups that are starting purely within the Slovak environment. But we are also aware that there isn't anybody waiting for us anywhere," he smiles.

He adds that the most vital task will be whether Simplicity will manage to inspire others at home. „It's great that thanks to Pixel Federation, or Slido, Slovakian startups already have an example that it is really possible to succeed abroad. The most important outcome - so there will be others showing that it's possible.“

And specific goals? The ultimate goal of the ambitious founders is to get Simplicity on the stock market, though even while talking about it, they remain with their feet firmly on the ground. „We know our big target. To get there, we have to overcome many problems and complete a lot of small checkpoints, and it doesn't even have to succeed. The next target is to reach 1000 cities on the Simplicity platform and ten million users," adds Gago. 📍