

Internet, Media & Telecom

Innovation powers collaboration

Intense focus on their target market has delivered high growth to internet and telecoms company Destiny. As a result, they topped their category in the 2015 Technology Fast 50 for the second year in a row.

Vincent Fosty, Industry Leader for Internet, Media & Telecom, told us about the challenges facing businesses in these sectors.

“The telecom sector has seen significant consolidation,” said Vincent. “Ten years ago, start-ups aimed for specific niches, such as B2B or mobile. Most of these have gone now.” New telecom players face high barriers to entry. It’s a global market demanding huge investment. But there’s still room for innovators. “Areas like mobile payments and digital health present possibilities. Telcos are interested in apps and value added services.”

The search for the sustainable business model

“The challenge for media—print, TV, radio and web—is how to make money,” Vincent observed. “All the established companies are struggling to find a viable business model and none of the Technology Fast 50 entrants have cracked the problem.”

Clarity in how their operation will derive value is a common issue facing Rising Star companies in both internet and media sectors. Vincent observes that many of these ambitious start-ups are yet to determine their strategic intent—are they technology, data or service companies? “It’s a question I ask all the Rising Stars and most are not sure yet. To succeed, they need to determine their business model.”

In the last ten years, there’s been a huge change in the way entrepreneurs approach internet start-ups. “Then it was all about companies using their assets in the business. Today’s innovation is in the collaborative economy, connecting supply and demand to build a business that doesn’t own the underlying assets. Think Uber or Airbnb,” said Vincent.

“There are hundreds of potential applications for this approach, but not all will find the ‘magic recipe’ for success. Size matters here, demanding massive investment and the ROI depends on a global, or at least multinational, market. It’s hard to achieve this from a small country like Belgium.”

Deloitte’s Technology Fast 50 helps bring focus

Entrepreneurs value programmes that acknowledge their achievements or potential. “It’s all about growth and Fast 50 participants use our recognition as they seek more funding,” Vincent explained. “It contributes to their reputation, helping them to break out of Belgium. Leaders also see the virtues internally to their company as it inspires teams to fight for quality and strengthen their professionalism. That’s one reason we’re seeing companies come back, year on year.” Vincent is also working with the European Commission on proposals to foster digital entrepreneurship. “We have a gap in conversion compared to countries like the US. Programmes like ours help shed light on Belgian entrepreneurs growing their businesses. We need to find more ways to allow them to keep growing and convert from start-ups to established businesses.”

