

Reflective Report: Flits Music GmbH

Founding Team:

Martin Erler (Germany, 34): CEO

Javier Sanchez Sierra (Spain, 44): CTO

Matej Zak (Czech Republic, 24): Business Development

Fernanda Gomez Rodriguez (Mexico, 24): UX Design

Morrise Pinedo Michelsen (Colombia, 28): Front-end Development

I. Summary of the Project

I.2. My Way to Flits

Ever since I have started contemplating about applying for Masters at Music Business & Global Entertainment at Berklee College of Music, I did so with the ultimate goal of creating a startup company. Naturally, as I have played guitar since the age of 7 and studied both performance and music business at 4 different music schools in total, building a music-oriented product has seemed the only choice. The music industry, and I believe most of my classmates would agree with me, has been the ecosystem which I have ever wanted to be professionally engaged with.

Although I believe I do possess some entrepreneurial skills (be it the fact that I have started a few festivals in young age back in the Czech Republic that are still alive and well, or the fact that I am a desperately curious person which makes me to love learning new things however challenging they might be) I wouldn't call myself an entrepreneur. Or at least not yet. I came to realize that, first, the word is unhealthily overused, and secondly and consequently, being an entrepreneur the way I see it means living a certain lifestyle that requires a lot of self-discipline, motivation, and emotional toughness. Or as Michael Bloomberg puts it: "Being an entrepreneur isn't really about starting a business. It's a way of looking at the world: seeing opportunity where others see obstacles, taking risks when others take refuge."¹ Even though, I believe I am on the right track, I am not an entrepreneur yet. That being said, I want to become one and that's why I have been enjoying the ride this academic year quite a lot. I have had the chance to build and to certain extent also execute a creation of a digital product from scratch. Besides the obvious academic skills that I have acquired this year, Berklee has given me the arguable most valuable opportunity: To find the right people to work with on things I am passionate about.

1.3. Flits' Way to Me

I remember the exact time, when Martin Erler (the mastermind of Flits) first introduced me to his business idea. I liked it a lot and so it has occupied my mind

¹ Michael Bloomberg, The Start-Up of You (The Start-Up of You), accessed 16 June 2015, <http://www.thestartupofyou.com/>.

ever since. I imagine that substantial part of why I have been struck by the idea was my past professional experience. Having worked on the management side of live music industry for 4 years before I started to attend Berklee, I foresaw the potential of the idea and its implications for my personal pains with finding music events. While I was pursuing other business project back in September, at the end of the second semester, we have decided to work together. I am very happy that we did so. We have 'clicked' with Martin on the personal level, too.

Flits is a social platform that allows concertgoers to find trending music events in their location. Its core added value with relation to existing services is providing multimedia (text, photo, audio, video) real-time user-generated updates from ongoing events. Although, we focus in its initial phase only on local small and medium size music venues (e.g. Facebook as a service for students on Harvard Campus), the business has a scalable model that can be applied in any musically rich urban area all around the world covering not only music, but also all kinds of other artistic events.

Beside providing instant live feed from events around the user and being a social platform connecting the concertgoers, Flits is also an database of all the events happening in the respective location. The user has, therefore, the option to find the desired music event of her choice based on the filters: genre, location, artists info etc.

2. Process

2.2. The Team

The opportunity to build digital music-oriented product from a scratch represents a natural equilibrium of my interests in music, technology, entrepreneurship, and the startups' ecosystem. I cannot emphasize enough, how much I appreciate and value to work in a small startup team. Among the biggest advantage of basically any startup's HR settings is the fact, that all the team members have a positive impact on the actual product development and all other business operations of the company. So even though, my focus within the project, for example, has initially been finance and fundraising, I have contributed to other segments of the business, ranging from marketing, over product development, to web development.

It has been proven many times with advent of digital technologies in recent years (e.g. Lean Startup methodology), that small teams have fewer difficulties to stay agile and therefore pivot faster along the pursuit for the ultimate goal of their mission. It has been the case of Flits as well. Over the short span of 5 month – the time we have been actually developing the product so far – a few game changing factors made us pivot the strategy already. Yet the goal has remained the same.

Another massive upside of working on this project has been the fact that the core funding team (4 plus I members) is a diverse group of people in terms of

professional and academic background, age, nationality, and even family status. It goes without saying that it has proven to be motivational, personally enriching, and above all entertaining. We all share passion for music, startups (entrepreneurship), technology, and our own academic specializations. Altogether, I am not afraid to say, we all have happened to love to work on Flits, therefore it hasn't felt like a work at all.

2.1. Product Development

I still have a few dozens of paper iPhone templates with drawings on them attached to the wall in my living room. They have hung there since January – the moment when we first started to sketch out the flow charts and each single view of the application. The whole process has been an invaluable experience. I came to realize that only by contributing to the product development, one could fully understand the whole dimension of the business. That experience has had crucial implications for other parts of the venture – most importantly strategy and creation of the business model.

Say, for example, we would have had a few thousand spare EUR on our bank accounts that we would be willing to invest in the development of the product – mobile app. To start prototyping as soon as possible, we would hire a specialized firm that would code everything we wanted in matter of weeks. And that would appear to be the problem – the firm would code exactly what we asked for. As we wouldn't have really known what we wanted at the moment, the further

enhancements of the app would become more and more expensive and we would eventually be out of the game – all that before we would have had even started.

Assembling a diversified team, on the other hand, that develops the product from scratch has served us well both personally (the learning curve has been incredibly steep) and professionally (we were able to identify our audience and business model much more clearly).

3. Results

3.1. Expectations

As mentioned above, I came to study at Berklee College of Music to develop a tangible product and my entrepreneurial skill along the way. I believe that especially in the digital realm we live in, the 'networking' purpose of university education is more important than ever. With all respect, most of the substance of any university lecture can be found online – free or for a fraction of a university tuition fee. Therefore, I looked at Master's program more as an accelerator program than as at university in the traditional sense. Accelerator programs usually provide mentorships, industry connections, funding, and office space. They organize networking events, hackathons, and pitch days. When I got accepted to Berklee I was hoping I would find a project I would be truly passionate about and that studying at Berklee would help me to accelerate it.

Critically speaking, working on Flits at Berklee College of Music has exceeded my expectations. I suppose it has been evident throughout this text (and my studies), that I love technology-oriented startups and music. I am happy that my dreams came true and I have been able to work on a project that I feel genuinely passionate about. Again, that wouldn't be possible without my partners (especially Martin Erler and other founding members of Flits) and Berklee's accelerations abilities: mentorships, network of industry professionals, updated and demanding curriculum, and even comfortable learning environment of the campus.

3.2. Accomplishments

The performance milestones of Flits can be breakdown into six interconnected blocks (with no specific order).

First, we gathered a diverse team of people passionate about music, startups, and entrepreneurship. Working in this team has been enjoyable and motivational. This has been invaluable experience for me especially for I initially planned to work on the CE (different project) on my own. Now I know the importance of a great HR tactic when founding a new venture.

Secondly, we have applied for number of accelerator programs and startup competitions, including Wayra Munich, Plug and Play Berlin, Sonar D, TechStars in Seattle and London. We have been selected to present Flits at Primavera Sound Festival competition in Barcelona at the finals of Business Idea contest. Although

we haven't been selected for the other accelerator programs, the challenging application process made us re-think and shape the business model. We had to also produce professional videos introducing our team & product (and therefore I have advanced my video editing skills too).

Thirdly, we have incorporated the company as 'Flits Music GmbH' in Hamburg, Germany. All of the founding members have received a share of the company's equity.

Fourthly, we have successfully developed, published, and tested out the mobile application. We will shortly re-design the initial user interface into a professional-looking sleek-design application ready to be tested in Prague, Czech Republic.

Fifthly, we have build connections a expand the network of our mentors and potential angel investors, including George Howard (Berklee Boston), Mirek Vana (Berklee Boston), CzechInvest (Czech government agency helping startups to expand to US), Michael Bredford (Hubspot), and many more.

And finally, we are motivated and result oriented. It goes without saying, that Flits hasn't been only a school project. The above-mentioned achievements prove that we mean it seriously and therefore we carefully plan the next strategic steps.

4. Next steps

Reid Hoffman, the founder of LinkedIn and member of so-called PayPal mafia, has in his book *The Start-up of You* introduced easy career-planning concept that I particularly liked. It is called A – B – Z². Hoffman looks at the career as at startup and proposes that one should plan it in three steps. First (A) is the original plan, the best possible scenario. The second (B) is variation of the original plan, if something goes wrong or unexpectedly (hence the sequence A – B). Third (Z) is a backup plan that has nothing to do with the previous two.

I am planning Flits and my own career in the same way. Most startups fail, most careers don't. The passion and motivation can overcome many hurdles, however, it won't do much about the actual feasibility of a product. Since most startups try to break through with a new idea, technology or an approach, the risks in stake are usually high.

Right now, we are preparing launch of the service in Prague (**plan A**). The city is has a good strategic location for expansion of the service around Europe – it just a few hours ride from vibrant metropolitan areas Berlin, Munich, Vienna etc. There are up to 180 music venues and 70 concert halls. Before entering Berklee College of Music, I worked as a life music promoter and festival manager in Prague and

² Reid Hoffman and Ben Casnocha, *The Start-Up of You: Adapt to the Future, Invest in Yourself, and Transform Your Career* (United States: Crown Publishing Group, 2012).

studied in 4 different music schools; therefore we have good industry connections to start with. I have also studied at iCollege in Prague, private educational program focused on digital entrepreneurship. Therefore I am also connected to the local startup scene, accelerators and venture capitalists. The ultimate goal of the Prague market entry is generate traction of minimum 5000 users. With the initial user base, we plan to go to Boston, to pitch the idea to investors and expand the service internationally. We are connected to Berklee's Board of Trustees thanks to my friend Mirek Vana (Senior Advancement Officer at Berklee) and Boston's startup scene thanks to Jan Fried (Czech Invest).

If we won't be successful with a broad user adoption of the service in Prague, we will try to launch the service in Germany (Hamburg & Berlin) with the similar objectives (**plan B**). With the experience from Prague, we may shift (shape) strategy towards music festivals, or even open the service to broader means of use – such as artistic events, (galleries, theatres), bars, restaurants etc.

The **plan Z** (end of the story of Flits) would be deployed if both plan A and B fail and we wouldn't generate enough users, revenue, nor fundraise enough capital to cover the operational expenses of the company. Then, we will apply for jobs in the music industry. As Scott Cohen said during his first appearance at the music business seminar (paraphrasing): Best way to reduce the career risks is to take them now – once you are young, flexible and to certain extent independent.

5. Contribution to the Discipline and Profession

We are striving for simplification of live music event discovery. As mentioned countless times during our presentations and in the business plan, concertgoers need to look up the respective event in 6 to 8 different services. We want to create single-stop solution, a database with the aspects of social platform that would enable anybody to find the right place, with the right music (artist), and right people. At the end of the day, the service will help not only concertgoers, but also venues and artists to promote their shows in real-time. Flits reduce the friction among all these stakeholders.

6. Impact on the student completing the work

Frankly speaking, I believe that working on the Culminating Experience project that is meant to be a real-life project has accounted for up to half of the learning experience I have received from attending the Masters program. Linking the CE with something I feel passionate about has made the learning curve steep and the overall experience enjoyable. Having the possibility to put theory into practice (e.g. first semester Finance and Accounting) has been a great way to interconnect the 'safe' academic setting with the future professional path I am going to take. I am glad I have only assured myself, that tech-oriented startups is the space I would like to be in the future.

To name a few of the profoundest 'aha' moments, I have learnt by working on my first startup that: (1) you need a co-founder; (2) you most likely need a tech co-founder too; (3) connection to the right mentors is very valuable asset; (4) design matters; (5) everybody needs to sleep – even the startup team (or in other words, working smarter pays off better than working harder).

7. Bibliography

Michael Bloomberg, The Start-Up of You (The Start-Up of You), accessed 16 June 2015, <http://www.thestartupofyou.com/>

Reid Hoffman and Ben Casnocha, The Start-Up of You: Adapt to the Future, Invest in Yourself, and Transform Your Career (United States: Crown Publishing Group, 2012).