

# Acquiring Silicon Valley businesses from Athens

*Globo is a Greek technology company that is a world leader in the global enterprise mobility market. It is planning to continue its expansion this year and is well-placed to take advantage of a fast-growing market*

**W**hat is it that Globo does exactly?

We develop technologies that give businesses the ability to use mobile working comprehensively. When an employee is working in an office then certain security policies and tools allow the system administrator to avert bad use of company data and applications on his computer. But when this same data can be found on devices outside the office, and in many cases on devices that do not even belong to the company, for example the employees' own mobile phone, then things are much more difficult.

Globo has technologies that empower businesses to take advantage of all the opportunities mobile working has to offer—for example employees may reply to customer requests outside working hours and even during the weekend—but at the same time avert threats. We secure mobile devices so that we know exactly what the user does from his handset, we can block the misuse of company applications and, if the device is stolen, wipe out company data from it.

This part of our work is called Enterprise Mobility Management.

The second part of Globo's business is offering programmers and businesses the ability to develop applications for mobile phones and tablets that will run on all operating systems from a single code. This is fairly technical but has great value.

Globo's technology, called Mobile Application Development Technology (MADT),

## To sum up

Athens-based Globo is considered one of the 10 strongest businesses in the world in Enterprise Mobility Management and in Mobile Application Development Technology. It is buying out Silicon Valley businesses and planning to create hundreds of jobs in the next few months in Greece and abroad.

*Business File's Maria Kagkelidou* spoke to Kostis Papadimitrakopoulos, Globo founder and CEO, who also presides over Greece's Association of Mobile Application Companies, to find out more.

is a unique technology in which the programmer writes the code in one place and then we take it and update the application for each operating system, without the user having to rewrite the application in different codes for other devices.

### **Globo is among the top-10 players in the world for these technologies. What does this mean?**

Yes, indeed Globo has managed to be among the 10 biggest players globally for both platforms and is possibly one of only three companies in the world that have both platforms in one company. This gives us a great advantage against our competitors who are struggling with one of the two solutions.

According to IBC, in 2017 the Enterprise Mobility Management market will be worth around \$2.2 billion globally and the market for MDAP around \$4.8 billion. We are talking about a \$7 billion market and—even though it sounds strange, as there are many players in the market—around 80 per cent of this

amount will go to the top 10 players in the world. So Globo at this point has a comparative advantage that allows it to claim a very important part of this market globally.

### **Globo has changed its orientation a number of times since it was founded in 1997 – it has moved from e-business applications to software as a service and to Enterprise Mobility Management and MDAP. Since 2008 its stock has been traded in London's AIM. What share of revenues comes from abroad?**

In late 2012 Globo spun off its Greek business to the company's management – so the management of the Greek company, Globo Technologies, now has 51 per cent of the business and continues to develop it in Greece and the Balkans. It is one of the biggest players in Greece. This turnover is not included in the group turnover. More than 92 per cent of the group's turnover comes from outside Greece. We have significant presence in 42 or 43 countries but if I was to add up all the figures we



Going for growth: Kostas Papadimitrakopoulos, Globo founder and CEO, plans to expand his company further

would be talking about around 100 countries. Globo has two pillars at the moment, on one hand Enterprise Mobility and MADP for the Western world, and on the other mobility-related technologies that were developed in Globo's early days which are now being sold to developing countries in SE Asia, Africa, Latin America etc, essentially helping users with simpler mobile phones access the internet and services. The developing world which is a big part of the business and the Enterprise Mobility and MADT is an even bigger part of the group, and it is on this second pillar of our business that we are investing.

**You have taken over three businesses abroad. What is the thinking behind these kind of acquisitions?**

In 2014 we will invest more heavily in this way. Our industry is so fast-moving and competitive that if you do not grow across all different levels—sales, people, customers and of course technology—you will be left behind. And we might be talking about Globo in the global top 10 but the other 9 players are all from the US.

Having a Greek company among the ten biggest players in this sector, one of the most innovative in the world, is a kind of paradox. We believe this paradox is the exception that verifies the rule. We have succeeded in building trust with our investors and of course we have the end-result that allows us to invest the money we earn and raise from investors. So we don't only innovate but also look into all possible ways to grow and expand, whether they are organic or come through acquisitions.

The last company we bought in Silicon Valley in October has literally changed us. It was essentially our first big acquisition when it comes to staff. We now have 100 people in this company in the US market. So suddenly we have gone from the Greek or European

reality we knew to talking every day to our people in Silicon Valley and New York. They give us very different momentum and ways of working.

We are going to build on this. In the near future we will be looking to expand in the US because it's a very big and ready market, it has one language and one currency.

**Do you plan to move your base away from Athens?**

No. Globo's base is in Greece, even though it is a British business.

I do not think Greece lacks brains or people and we at Globo would like to change things a little, to the extent that we can. But the reality in Greece is that it has not, in my opinion, realised that its biggest asset isn't tourism, or hydrocarbons, or anything else but its people who are, as we speak, leaving the country and moving abroad.

We are currently growing and by the end of the year we will have around 400 more people working for us globally, around 100 of them in Greece. They will be engineers and app development consultants for our customers and partners. They will be people that use our products to create solutions for our customers. I believe this is a great opportunity to help these people, that truly have great potential, to stay in their country and produce value. Irrespective of Globo's ownership structure—at this point Globo belongs to foreign investors—the business invests more than 70 per cent of its profits and the money it raises in Greece. So, for as long as we are at the helm, Globo will be Greek.

**You also head Greece's Association of Mobile Application Developers. We are seeing a lot of movement in the ICT sector in Greece lately. Can Greece really and truly develop such an industry?**

We are working hard on this. Greece can come up with serious ideas which could eventually have great value globally. There are many startups that started from a student's desk and ended up raising funds abroad or been sold abroad. This is not the exception to the rule but the rule for Greece. I believe that with the right help and motives—and I am not talking about subsidies—we would not just be talking about a handful of cases like this.

I'll give you an example. In Silicon Valley, around 100 startups are created every day and 90 will go bankrupt in less than a year. But there the fact that a startup has gone bankrupt is not considered a criminal offence, so the founder will be able to make a new start very quickly without the stamp of failure. And venture capitals invest more easily in people that have lost their money once or twice because they understand these people have enough experience to make their next project even more stable and serious.

In Greece, both the legal system and funding avenues are still in an embryonic stage. To begin with, the bankruptcy code is onerous.

**So what are the main priorities you would set for Greece to develop its ICT sector, along for example lines of Israel which has become a hive for such businesses in this part of the world?**

I believe that the book keeping requirements should be fundamentally simplified. Startups in particular should be given at least 2-3 years in which to function in a much more flexible way when it comes to company accounts or at least until they reach a critical size.

The entire system should be simplified—that is the bankruptcy code, the accounting requirements, the tax system as well as the process to set up a business. All these are things the Greek government should simplify very, very much. **bf**