

SOFTWARE STARTUPS IN SPAIN AND THE JOB WE NEED

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There's a lot of "buzz" around the word entrepreneurship lately in Spain. With a deeply depressed economy and while more than six million people are slowly being unemployed, entrepreneurship may be one of the ways out, especially for the thousands of graduates, doctorates and highly qualified people who are unemployed. These types of people today face a dilemma: leave the country in search of better jobs, accept jobs that are very low paid or even below their qualifications, search and search for better jobs or decide to take the plunge and create a company. Better than better if this company is

technological, the experts tell us. **But, is it feasible to create technology companies in Spain? Is it possible to create a startup in Spain and compete with the global giants? Is there financing for this type of company? in which sectors?**

First of all, to focus the issue a bit, we should clarify what a technological startup is. Still today, and it surprises me enormously, we see in the press how Web companies with a very limited technological component monopolize this qualifier. Without wanting to name any, although surely we all have many in mind, it is difficult to see an advanced technological component in this type of company. I am not criticizing them, in fact many of them, like the famous "coupons", show truly extraordinary growth and benefits. These types of companies, from my point of view, have a much more optimistic scenario in Spain than the truly technological ones. **The so-called startup websites/Internet achieve their break-even much faster and with less investment, which makes them very attractive to small investors and, yes, they are appearing more and more here.**

The mobility sector

In this article I will stick to a sector that I know in detail and in which I have been immersed in the last few years as a founding partner of [Mobbitat](#): **the mobility software sector**. I will try to offer my vision of a sector of enormous global growth and of the closest reality.

The software sector is by no means new, but it continues to show tremendous growth and traction. At present, **segments such as security, big data, cloud computing or mobility are undoubtedly those experiencing the greatest growth**. These are young technological areas, with an enormous capacity to transform the competitiveness and productivity of many sectors.

In Spain, as in almost the whole world, new technology companies are emerging that work in these areas. Some of them successfully. In the emerging field of mobility there are also start-ups that are trying to get their heads off. **However, the ability to attract financing in Spain, and even in Europe, is very limited. And the possibilities of building globally competitive products without adequate financing are few.** The companies that will dominate the mobility software sector will not be Spanish, nor even European. Let's not kid ourselves, there is no money here for this.

It is very difficult for companies like [NetBiscuits](#) to emerge in Spain, for example, which raised 27 million dollars in 2012 to take advantage of the opportunity to deploy applications and mobile websites in the cloud. Or companies like [Mofuse](#), which has created a CMS for the generation of multiplatform mobile sites, achieving an investment of 1.2 million dollars in 2011. Companies such as [Digby](#), which formed an alliance with AT&T in 2011 to conquer the market for mobile solutions at the point of sale and with an investment \$8 million is launching a hot product, or [LightSpeed Retail](#) which raised a \$30 million investment last year to your system for the point of sale on iOS.

In the field of **Mobile Commerce** companies such as [Revel Touch](#) (10 million, 2012), [UnBoundCommerce](#), [Usablenet](#), [Leap Commerce](#), etc. are looking to take over the juicy cross-platform app market. All of them are building powerful products, at very competitive prices. In the

field of mobile application development platforms, companies such as [Kony](#) (19 million in 2011), [Appcelerator](#) (50.2 million investment), PhoneGap and many others will also dominate the world.

In the mobility software sector, as a technology-based sector, significant rounds of investment are necessary to achieve mature products that are globally competitive but capable of growth. In Spain, and even in Europe, this financing capacity simply does not exist. In fact, there are very few Spanish or European software companies that have emerged in the last ten or twenty years. I am referring to companies with software products, not to companies that implement software (consultants, implementers) that initially show much less growth potential and, above all, greater difficulties in scalability.

My final conclusion is that it is **extraordinarily difficult to build a company of this type from Spain. The European R&D financing model, clearly slow and excessively bureaucratic, is not valid for an industry that demands speed and focus on the market.** In fact, in many cases the software is classified as second-tier technology than certain public programs. Without a muscled venture capital sector, it will forever be another of the huge growth sectors that will never come out in Spain.

In Spain, and also, although to a lesser extent, in Europe, we will continue to use software from Google, Microsoft, Oracle and many other American companies for many years. A relative always asks me where the jobs we need can come from: here is a sector that could create them but it is necessary to really commit to it.

There are no comments yet.