

Bánáti Anna**BÁNÁTI ANNA**  
**journalist**

**2020 SZEPTEMBER  WOMEN**

**THERE ARE NO MALE OR FEMALE PROJECTS, ONLY GOOD AND BAD**

**For two decades Andrea Kozma worked on long and arduous court cases. But in the past four years she has spent her time in a completely new milieu, among rising startups. For its first three years the CEU Innovationslab was a boys’ club, but today there is an increasing number of female entrepreneurs. And success has come: the forty groups they have incubated have attracted six million Euro of capital and created more than 130 jobs.**



**For a long time it was difficult to follow news on the fate of CEU, but we were certain that the University was moving to Vienna. What can you say about the future of the Ilab?**  
We approach this challenge as a startup: every situation is an opportunity, as is this one. The campus building is not going anywhere, but there will be space available inside. I think that this building, the Faculty Tower, in its current state, will be an incubator house. Teaching is moving to Vienna, while research will remain here until 2025—that is when the final Vienna campus will be completed, the Otto Wagner building complex. Once that beautiful area is constructed, all CEU activities will move there.

***Profile****: A graduate of ELTE, lawyer, and a double CEU alumna, first studying international business law, then completing an MBA. She also studied philosophy and classical singing in the Bartók Béla Conservatory. In the nineties she was the Legal Director of of TV3 Magyarország. In 2000 she moved to London to work as the General Counsel of the TV3’s station’s new owner, Central European Media Enterprises (CME). From here she went to HBO Europe, where she served as legal director for ten years. In 2016 she was appointed to the director of the Central European University’s (CEU) innovation lab, CEU Innovationslab (Ilab).*

**Yours too?**

For sure there will remain an iLab operation in Budapest, but soon we’ll be opening the Vienna Ilab too.

**Will you be leading that one too?**

Yes. In any case we’ll be transferring the same model and building it further up. For now we’ll be a tight fit in the Vienna campus, and its possible we’ll only get dedicated space from 2021. But by all means we want to be where the students are.

**You worked in the legal profession for twenty years, at media and telecommunications firms. How did you move into this world?**

At first it was telecommunications that got me excited: I participated in internship programs in the United States, England and Canada, and it was here I met iconic legal professors who were experts in this field. This kind of specialization was not typical in the legal profession in Hungary at the time. I was interested in how a lawyer could contribute to the development of communications infrastructure—this was a pertinent issue in Hungary back then, at the time of the privatization of telecommunications. When I came home I went to work at a US law firm: this was when Matáv was privatized, and we acted as expert counsels to the government on the transaction.

The new regulation allowing to apply for commercial television licenses created new opportunities in the television business, and it was here I continued my career. I went to work for a television company, Central European Media Enterprises (CME), with György Baló. This was also the time of the Írisz television tender: as we know from history, we lost the tender and this was followed by a very nasty lawsuit. *(In 1997 the National Radio and Television Body (ORTT) announced the results of the competition for commercial frequencies, which Írisz TV (György Baló and his team), which was closely connected to CME, lost despite promising a higher concession payment than the winner, RTL. CME went to court and won, but the ORTT did not carry out the court decision. In the end CME began operating its own programs under the TV3 banner, which was later bought and closed by the owner of TV2).* At the same time we purchased the cable tv station TV3 and used it to try and stay in the market and compete with the two new national commercial channels, TV2 and RTL. This was, naturally, impossible, as our cable tv did not have national reach. It was a very exciting, startup-like time.

**In what way?**

When we started to work together with György Baló, it was only the three of us; ten years later, when I left the company, CME was registered on the NASDAQ, operating several tv stations in East Europe. In the end we won the Írisz case, which for me was an incredible professional success. However, CME exited the Hungarian market and CME’s CEO asked if I would go to London to be the General Counsel of the NASDAQ company. Several years later, after I left CME, Time Warner acquired CME, which is interesting because after CME I went on to work at HBO, another Time Warner company. This industry is quite a small circle.

**At this point you went to CEU a second time, and did your MBA studies while you were working at HBO.**

Yes. At first I thought I would continue at the London Business School and do a full MBA there. In the meantime, however, I became pregnant with my third child, and I did not want to commute with a newborn. So in the end I entered the lecture halls at CEU, eight days after giving birth. I had to take a breast pump with me to the university. (Laughs.) I am a seriel degree collector, I love studying and explore new disciplines.

*In the iLab, women hardly applied to the program at the beginning, or if they did, they were employees working for male founders. There were practically no companies founded by women in the first two-three years.*

**Why would a lawyer want to study for an MBA?**

At the time I didn’t feel there were challenges left for me in the legal profession. I was lucky in my professional life I worked on once in a lifetime exciting professional tasks that I was no longer inspired by routine legal work. I thought I would start a company—that is why I did an MBA. On the CEU Business School website I saw there was an incubator, and that there was some kind of financing available, so I thought this is where I could learn to start a company.

**Ilab, however, only launched in 2016, so this incubator could only have existed on paper, at best.**

That is true. They showed it to us within the building: it was a hall repurposed as a co-working office, but really you would never see anyone there. Then one day, during a class break, I spoke with the Dean: the incubator came up and I said I would love to try and get it running. He replied by saying let’s give it a shot, as to that point they had only tried with Americans, and never with a Hungarian.

That is how it began. The fact that among the 57 MBA students in my cohort there were many who had for decades worked in global companies, although their real ambition was to have their own company, was very inspiring. I thought, there are a lot of us who could make use of the incubator.

From that point—and this was surprising to me—things got moving quickly. I thought that when the university had first tried this, in 2011, the Hungarian startup ecosystem was very young. They started too early, and focused on entrepreneurship curriculum development.

**You said that the incubator started working quickly. Am I right to think that you mean that a year and a half after its launch you won the Central European Startup Awards prize for best incubator? A year and a half is not a long time—what were you able to achieve in this time?**

Visible results came very soon: the first team I hired was Absorice. The already had a produc on the market and seed financing in place. My second team, the Talk-A-Bot idea grew out of a project that the students developed for the CEU MBA entreneurship class. It was an idea only and had no product yet. They approached me in June and by November they had an exclusive contract with Viber. I might say I was lucky, as very good teams joined, right from the beginning. But of course, an incubator’s success is measured by the success of its teams.

**What added value does CEU bring to Ilab activity?**

First of all, the location itself and the physical infrastructure, and the fact that a significant portion of master’s students complete their capstone projects by cooperating with startups working in the Ilab. A good portion of our mentors are from various faculties, or are alumni who have experience in some professional area o industry. A good portion of our projects is still brought to us by CEU students and alumni, even though we are now open to external projects too. We iterate this incubator program in the same way as our startups do: we are constantly experimenting with new things and build these experiences into our program—leaning heavily on the University’s intellectual heritage.

**The program itself is free, meaning you do not ask for money, but you don’t give any either. Do you have expectations of startups?**

Since the beginning of last year we have been asking teams for 1,5% swap equity. The reason I insisted on the options structure is because within one year—that is how long we take teams on— many projects fall apart, founders realize their idea wasn’t very good, or for some personal reason no longer want to work on it together. I don’t want to get trapped in ownership with projects that t progressing. As such we created a kind of approval system: we excercize the option in projects which generate substantial revenue or get venture capital financing,. By excercizing the option Ilab sends the signal to investors that it believes in the viability of the project.

***Three success stories***

***Brokerchooser***

*“When they applied to the program I asked the founders about their revenue. They said, that in one month they make enough money to buy one hamburger and share. Their target revenue this year is one million Euro, and by the end of the year they will have thirty employees. They grew organically all along, never raised external financing.”*

***Capital raised:***

***0 HUF***

***Plantcraft***

*“Today they produce vegan deli goods under a uniqe IP, but they applied to the program with gluten-free pasta product.After their iLab incubation they went to a German vegan food incubator. At the end of last year they raised 150 million HUF VC financing, and a follow up investment in April this year. They were getting ready to launch production in the United States when the pandemic broke out.”*

***Capital raised:***

***260 million HUF***

***Talk-a-bot***

*“In June 2016 they approached me with a business plan with a product launch in September that year and a paying customer in October. I said, Ákos, you’re talented guys, but this is a bit too ambitious… But no problem, come join us. They finished the bot in August and by September 2016 had their first paying client. By November 2016 they had an exclusive contract with Viber.”*

***Capital raised:***

***2 million Euro (690 million HUF).***

**If I understand correctly, this is more about prestige than sacrifice for the startups.**

Yes, it is a kind of confirmation of the strength of the project.

**Who finances the incubator?**

It is 100% financed by the University. We had a small portion of the Department of Economics and Business budget earmarked for us, but now we are working on a new legal structure to make our operations more agile. In this ecosystem it is important to be able to respond to situations quickly.

**What is the budget for this year?**

About 200.000 Euro.

**Last year you created a scholarship aimed at female entrepreneurs, to motivate them to participate in your boot camp. How can you support women? Do you really need extra scholarships at all?**

I don’t really like female labels, because I can’t look at a project as a boy or a girl project. There are good projects, and there are bad projects, I don’t care whether they are brought in by a male or a female founder. On the other hand, it is true that in the first three years iLab was practically a boys’ club. Girls hardly applied, or if they did, they were employees working for the founders. There were practically no companies founded by women in the first two-three years.

I’m not sure I can really explain this phenomenon, but I could not help noticing it. Last year, we received female entrepreneur scholarships from Blackrock for our summer bootcam and it had an immediate effect on the male/female ratio of the bootcamp which was almost 50-50. This was very different from what I experiencend in the incubator.

**How successful have you been in “transferring” this 50-50 ratio?**

Our latest cohort consisted of almost entirely female founders. Every year we have two intakes, and in the February cohort we realized only after the selection process finished that in this cohort we have almost only female founders. Of course this was not a criteria at all, we evaluated the projects only. Much has changed in the four-five years the Ilab has been operating, I see many more female startuppers. The good examples are by all means inspiring—but I continue to think there is no such thing as a male- or female-project.

<https://magazin.forbes.hu/2020-szeptember/nincs-fiu-vagy-lanyprojekt-csak-jo-es-rossz>