In this case, Startup Studio Nescio is discussed. The text gives a description of its entrepreneurship, vision, strategy, management, and internal processes. The text was written in close collaboration with Mark Walschot, partner of Startup Studio Nescio.

1. Introduction

Nescio is Latin for "I don't know". Mark Walschot, co-owner, says: "The name Nescio was chosen with the idea that innovation starts at the point where you lack knowledge and direction. If you really want to do something new, then you have to dare to step into uncertainty - and that's often very exciting!" As the words Startup Studio in the name already indicate, Startup Studio Nescio is a company that values entrepreneurship. Startup Studio Nescio is the umbrella name for a number of software services provided by the company, namely Smart.pr, Journa and Persfilter. This case description shows how Startup Studio Nescio shapes entrepreneurship. It highlights the approach taken, the facets involved and the challenges encountered. The case aims to understand and analyse the entrepreneurial behaviour of Startup Studio Nescio. The accompanying teaching note (for teachers) offers a number of questions and answers, as well as a number of applications of theories and concepts from the literature.

2. A short history of Startup Studio Nescio

Startup Studio Nescio is located on the Rokin in the centre of Amsterdam. The original idea of the founders of what is now Startup Studio Nescio, was to develop an online entertainment calendar. This was about 12 years ago. Already during the development of the entertainment agenda, they found out that the idea would lead to insufficient turnover. Mark Walschot, now one of the four partners of Startup Studio Nescio (hereafter called Nescio), explains this as follows: "Tim, Stef and Martijn (the original founders of Smart.pr) found out that there was not enough money in clubs and nightlife venues to make the idea of a nightlife agenda a success. At the time, there were already 10 nightlife agendas on the table at the same time. So the competition was fierce and we couldn’t earn any dry bread. However, we did find out that there was definitely a problem with the distribution of news. We have further investigated that problem. The question was which organisations did have a budget for distributing news. This is how we arrived at PR agencies and companies with their own communication department. We then went to these PR agencies and asked them what we could build for them to help them send out press releases. At that time, the Erasmus University, among others, made a commitment, even before the product actually arrived. As a result, we have converted the entire party diary, which was not sufficiently profitable, into a system that allows an organisation to manage its press relations and send out press releases in a professional manner. What we developed then is still the foundation of our most important product, Smart.pr. The first version of this product was built more than 10 years ago by one of our partners, literally in an attic room. That this first version of Smart.pr would ever become Startup Studio Nescio, we could never have imagined at the time."

Smart.pr was followed by Nouncy, Persfilter and Journa (see Appendix 2 and the mini case on page 7 for a more detailed description). The name Startup Studio Nescio now includes several brands/businesses. The name can therefore be seen as an 'umbrella brand'. The name Nescio was created to bring together a team of people with a common mindset. Under this umbrella brand engagement in entrepreneurship takes place and new talent is attracted. Mark Walschot: "A common name helps in a market where competition for talent is fierce, it helps to better tell your story as a company and to make clear what your company stands. At one point, we had three brands in the market, but we had the same mission, we worked in the same way and at the same location. We had to do something about that, because it is very confusing, both for the team we already had and for people who wanted to come and work for us. Then, in 2016, we decided to name the coordinating studio that had come into being and Nescio was officially born."
3. Approach and working method

Why the name Nescio? - Click for the blog post!

Nescio is Latin for "I don't know". We repeat Mark Walschot's opening quote, but in more detail: "The name Nescio was chosen with the idea that innovation starts at the point where you lack knowledge and direction. If you really want to do something new, you have to dare to step into uncertainty - which is often very exciting. But you have to do it, otherwise you never know! And if you use a consistent method for these kinds of experiments, you learn a lot and new opportunities arise all the time. That's what we're trying to induce in Nescio." Nescio also refers to three different types of knowledge: (1) the things you know that you know them (your 'active knowledge'), (2) the things you know that you do not know, and (3) the things you do not even know that you do not know them... Walschot: "What we are trying to do through 'rapid experimentation' is to expand the first type by carrying out experiments on the second type of knowledge. And in the process you always learn something you that you didn't even know you didn't know. This is very valuable and leads to many new insights. In this way, we focus on the business that we already know something about and in this way attach pieces to it. By testing, we become sure of this new knowledge, which allows us to innovate. We sometimes carry out three or four experiments in a month. We do this with small multidisciplinary teams and it is very 'data driven'."
This way of working is noticeable in the company on a daily basis. Almost all processes have an experimental character, no matter how small. It has penetrated deep into the culture that it is better for employees to ask questions and do experiments, than to rely on blind assumptions. Whether it is a telephone conversation with a customer or a complex project in the architecture of one of the software products. It is all about short, targeted iterations. Much of this way of working within Nescio is reflected in Eric Ries' book 'The lean startup', which is on Nescio's desk. Mark Walschot: "When Nescio started, this book hadn't been published yet, but if you want to survive 'bootstrapped' as a company, you will probably end up with this way of thinking and working. If you took too much time for your next step and lost the feeling with the daily reality (your customer and market), you wouldn't make it anyway..."
Finally, Nescio obviously refers to, with a wink, the Amsterdam writer Jan Hendrik Grönloh (1882-1961), who wrote neo-Romantic stories under the pseudonym Nescio. De Uitvreter or ‘The Freeloader’ (1911), Titaantjes or ‘Young Titans’ (1915) and Dichtertje or ‘Little Poet’ (1918) are Nescio's best-known works. Like the four "business friends" in Titaantjes, Nescio’s four partners sometimes secretly dream of becoming an artist. They see entrepreneurship mainly a creative activity. By being focused on the company and by trying a lot of new things, they give shape to this creativity and hopefully turn it into business success...

4. Key figures and growth
A Smart.pr basic subscription for an organization is available from approximately €3,000 per year. Depending on the number of users, the number of press releases, and the functionalities (e.g. Pro-editor to enrich press releases, journalist databases for the Netherlands and/or Belgium, dedicated support/account management, Journa integrations, etc.), this annual subscription price will increase. Nescio’s products are known in the market as “pricey”, but understandable in view of the high quality of the product, the databases and the level of service.

Over the past few years, Nescio has experienced steady growth in turnover, averaging around 30% on an annual basis. The customer base now consists of around four hundred organisations. These include corporate clients (approx. 25%), PR and communication agencies (approx. 25%), NGOs and foundations (approx. 20%), government and semi-governmental organisations (approx. 15%), and SMEs and other organisations (approx. 15%). At the moment there are about 35 people working at Nescio, about 25 FTEs, including the four partners. To give an idea of the company’s growth, about 6 years ago Nescio consisted of eight to ten people.

In addition to a healthy growth of new customers, the company has low churn figures. This means that retention within the existing portfolio is high and stable - this makes growth possible. Growth from new business is not offset by loss of existing customers. The company serves leading corporates, PR agencies and governments that manage major public corporate interests with its products. The entrepreneurs consider it a great compliment that these organizations choose Smart.pr, Persfilter and Journa above other products in the market. On the cost side of the company, personnel costs are leading. Nescio works with highly skilled personnel who are scarce in the market. In this respect (see later in this case), the fit with the company is decisive. This makes the selection from both sides of the market narrow and there is almost constant demand for capable people in the company's growth. In addition to personnel (mainly development, sales and data), the company spends money on office rent, marketing, representation, car & transport, software & hosting, office costs, services from third parties (such as the accountant) and a few other small items. However, this list does not add up to half the cost of staff.

With a focus on the future, the entrepreneurs behind Startup Studio Nescio (see also above about Nouncy/Journa) continuously invest in innovation. Profit is not a direct target, but maximum revenue growth from recurring revenue streams (i.e. revenue from subscription sales, adjusted for non-recurring revenue for, for example, a product training on location) is. In recent years, the company has been operating on or around break-even.
The four partners have had one hundred percent ownership of the company since Nescio's inception, in other words, no external investors have been attracted. This gives the company the freedom to invest in those activities of which the partners think they can really make a difference. According to the partners, there is no question of an extreme, exponential, growth curve. "Growth has been steady and building the company and its methods was a process of trial and error," says Mark Walschot. "A disadvantage of working without an external investor may be that you are reinventing the wheel. Or that you really have to make it happen with the four of you, without anyone looking over your shoulder who occasionally gives you a push in the right direction...."
Mini case: Nouncy

Based on the first experiences with the software product Smart.pr, the four entrepreneurs started Nouncy at the end of 2012. The starting point was that the less scalable elements of the Smart.pr product would be made highly scalable and innovative in one fell swoop. We wanted a product that could have an impact all over the world. This meant: instead of e-mail the main means of communication will be newsletters & social media, instead of PR and journalists we will go to marketing and online influencers, because the tool is not tied to local contact details we can not only serve the Netherlands but the whole world, support will only take place via ticketing (no more by e-mail or phone) and finally payments will of course go by credit card every month (high volume, lower deal size). So we would actually be innovating fundamentally on just about every basic element of our earlier product Smart.pr.... Nouncy would become the worldwide tool for ambassador marketing. And not only we believed this. In a short period of time we were invited to Silicon Valley to pitch for Y-Combinator (the incubator that produced Dropbox, Stripe and AirBnb) and we were asked to participate with Nouncy in Tech Stars New York & Austin. So our own expectations became higher and higher.

So how did Nouncy work, anyway? Suppose Red Bull wants to bring a certain event to the attention of the public. Then Red Bull approaches all its influencers, extreme athletes and brand ambassadors with the help of Nouncy. This is happening behind the scenes. Red Bull gives you the head-hashtag and a URL and gives you a few suggestions for a text (A tweet then becomes: "I'm going to this awesome event, are you coming too?! #redbullhardline https://www.redbull.com/gb-en/events/hardline"). In this way RB gathers (still behind the scenes) an enormous mass of influencers and posts, which she aligns with her marketing message. Through Nouncy, these influencers allowed Red Bull to post on the timelines of their different socials (Linkedin, Facebook, Twitter). Finally, with Nouncy, RB could control the entire outflow (number and timing) of these posts, in order to achieve maximum impact of its social marketing message around (e.g.) this event.

So the ambitions were sky-high. This in itself is fine and necessary to achieve high goals. However, what we have learned a lot from, with knowledge afterwards, are two things. First of all: our first iteration before going live took (too) long. This may have given us too little room afterwards to make the right pivot quickly enough. Secondly: we should/can have made more use of the knowledge that we already had through Smart.pr (and shouldn't have tried to change everything at the same time). We did notice (even some light viral) use of Nouncy... There was growth, there was demand. The product did what it promised, so it worked well. Some companies became totally attached to it. In order to quickly reach a high volume, Nouncy was free. The earnings model came later, was the thought... The product was therefore driven by investments made by ourselves and a seed investor. And slowly but surely a squeeze came into being. Because in order to really pay for Nouncy (which is what our users were willing to do), we also had to do custom work. For example: 'branding' an online newsroom to the wishes of the user, with logos, integrations with own systems, etc. Very understandable, but contrary to the fundamental wish we expressed at the start of Nouncy: we wanted to build a hyper scalable internet paperclip! In the end, this forced us to make a very difficult decision.

The choice to continue with Nouncy or not became a trade-off between this fundamental drive as internet entrepreneurs to build a scalable global product and the 'faster revenues', which lay in the possible addition of custom elements to our product. This, of course, immediately put the scalability under great pressure. A Catch-22. And even then we kept questions about whether the market was big enough... Finally, even then there were signs that the APIs of LinkedIn, Twitter and Facebook would be opened up less (of vital importance to Nouncy, because we used it to automate that posts with the right hashtags could appear on someone's timeline). This prevented us from having the option of, for example, picking up a large investment round. In the end, taking all these factors into account, we made the difficult decision to stop using Nouncy in the summer of 2015.

We then took the two aforementioned lessons very seriously and applied them directly to our innovation that followed: Journa. We did start from the basis of an internationally scalable internet product, but stayed closer to what we now had to offer in terms of experience (Smart.pr and Nouncy) and built Journa with very short iterations. From the same philosophy, Nescio was born as a brand and so the experience with Nouncy (despite its failure as a product) has been invaluable for the company. By now, some other players seem to have succeeded in making Nouncy’s proposition a success worldwide: check out https://buffer.com/, https://hootsuite.com/, among others.
5. Environment and market
The journalism market and the public relations market are developing rapidly. The turnover of paper newspapers, for example, has been under pressure for some time (see also the article 'What does the future of journalism look like'). On the other hand, there is more demand for online press, for which it is not yet clear how it can earn money and how it can continue to deliver quality news. The traditional media have entered a major transition. The old earning model in which newspapers earn their income from subscriptions and advertisements is therefore in motion. The balance of power is also changing.

What does the future of journalism look like?
Hamïët Salm, Trouw, 31 December 2018 (adapted)

If you look at the figures, you can't ignore them: more and more people are taking out a digital subscription, and fewer people are subscribing to the purely paper newspaper. Two experts look ahead to see what this will mean for the newspaper in the near future.

Is it beneficial for quality media that more and more people take out a digital subscription?
Irene Costera-Meijer, Professor of Journalism at the Vrije Universiteit in Amsterdam: "Yes. Digital has advantages, it is cheaper, because you have no distribution and paper costs. In this way, more money can be dedicated to journalistic content work. And you can reach your audience directly via the Internet with your articles, not once every 24 hours. But the problem is that people still often say: 'news via the internet? I don't pay for that. They don't link this to quality. Yet you'll see that more and more people are making the transition. We are already paying for Netflix or Spotify. It is becoming more and more normal to pay for digital products, and the newspaper will benefit more and more from this." (…)

Not many young people subscribe to quality media, how do you convince them?
Costera-Meijer: "Our research shows that young people's use of social media such as Twitter or Facebook to absorb news is regularly overestimated. They don't get news from there. Much more important are the apps on their mobile phone. For short, quick news, they look at the NOS app or the nu.nl app. Klaske Tameling, coordinator crossmedia at BNN/VARA "If you put your energy [as a quality newspaper, GM] in those messages that are already on nu.nl, there will be less time left for in-depth articles that fit your identity. Earning money for news media is done by paying subscribers who deliberately choose you. So focus on that, leave the rest to others."
Mark Walschot: "A lot is happening in the market, because everyone is looking for ways to keep media as we used to know them viable. Traditional earnings models for media are actually broken, they still are. Who pays for content in what way? Previously, readers paid for a subscription and companies advertised in the newspaper." With the rise of the internet and social media, a lot of news is available free of charge and investigative journalism is under pressure, as evidenced by the publication ‘Investigative Journalism in the Netherlands, Exploration and Analysis’ from 2018. Nevertheless, news still offers many possibilities. By new technology perhaps even more so. "The unique thing about news is that by definition it's new every day. In order to stay up to date, you as a visitor must come back to a news site. This does not apply to a normal website, because it is much more static than a news website. That's why news is such an important part of many advertising strategies, the news sometimes almost seems to become the lure for the advertisement. Hardly any other kind of website has this dynamics," explains Mark Walschot.

In this light, the strategy of a large media party like Talpa is very interesting: Since the acquisition of the ANP, Talpa now has elements in almost the entire circle of 'content creation', advertising and news distribution. Of course this leads to cost savings, but because Talpa is ultimately just a commercial company, the neutrality or purpose of the news can be questioned. And of course this does not only apply to Talpa, there are many parties that are active in the media and journalism in this way, certainly also internationally.

The key trends in communication, branding and PR in 2019

The basis of a good customer relationship is the reputation of an organisation. This is the area where the rules of communication, branding and public relations apply. This playing field has been drastically changed by digital transformation. In particular, the rise of social media has meant that companies and institutions no longer have complete control over their own affairs. Consumers are no longer passive spectators but active participants. Communication will continue to evolve in the coming years. But how? And which trends play a prominent role in this? Communication agency Linden & Barbosa distinguishes several trends in communication, including the continued confidence in traditional news sources. It is striking that people have the greatest confidence in the news that they receive via radio, television and newspapers. Facebook and Instagram have a confidence problem.

Another trend is that more and more demands are placed on the communication professional. Corporate communication is becoming increasingly important, changing the set of requirements imposed on the communication professional. Companies are increasingly asking for communication professionals who are entrepreneurial and have a business background - professionals who are familiar with marketing, communication and strategy, and who can act as sparring partners who challenge, contradict and question management. A third trend is that there is a revolution in 'influencer marketing' in which the chaff is increasingly being separated from the wheat. For example, Instagram is taking a harder line on influencers who buy followers and paid influencers must clearly state this in their posts. Influencers with fake followers are increasingly falling through the basket.

Source: CustomerTalk
For both large global players and smaller *local heroes* such as Nescio, the introduction of the GDPR has (had) consequences for their business operations. See the box below on the introduction of the GDPR. For Nescio, the GDPR means that in some cases the 'cost of sales' will go sky high because so much negotiation with, among others, legal parties is required. Can you avoid these extra costs, and if so, how? Or should you look at a completely different market? In that light, Nescio is increasingly looking at PR agencies or SMEs, for example, because there the privacy risks are usually assessed in a slightly different way.

**GDPR introduction**
The General Data Protection Regulation (GDPR) is a European ordinance (with direct effect) that standardises the rules for the processing of personal data by private companies and public authorities throughout the European Union. The aim is not only to ensure the protection of personal data within the European Union, but also to ensure the free movement of data within the European internal market. The Regulation applies worldwide to all companies and organisations that collect and process personal data on individuals in the European Union, regardless of whether services or products are paid for or not.

The Regulation replaced the 1995 Data Protection Directive, which was no longer compatible with today's digital world. The GDPR entered into force in May 2016. Organisations were given until 25 May 2018 to bring their business operations into line with the GDPR. The maximum fine is 20 million euros or 4% of the annual worldwide turnover in the case of a company, whichever is the higher. Separate privacy legislation applies to investigative bodies and the Public Prosecution Service. The EU-US privacy shield is an agreement on the protection of personal data of EU citizens processed in the US.

6. Vision and strategy

Within Nescio, the starting point is 'the company's own unique DNA'. The company is concerned with the things in which it believes and in which it is good. Mark Walschot: "Starting from your own strength and conviction has the advantage that no one can imitate you. After all, your DNA is unique. People can try to recreate a product, but because a product is the result of a broader vision, it is harder to copy than you might think. Every 'feature' always comes from a certain thought. That makes the feature unique. Just copying the feature itself does not mean that such a company has the same vision. The latter is decisive, because it is also the source of the continuous development of new features. We've seen several times with Nescio that a competitor, or even a collaborator, tried to copy our product. Of course, we were shocked at first. But experience has also shown that at such a moment this usually happens from a completely different drive. Because you then by definition continue to develop from your own DNA, your products will be different in no time at all. And so your customer can easily choose between these different visions and products."

Another reason for not being too busy with competition from day to day is that doing business on the internet has the advantage that, if your product-market fit is good enough, you can tap into an almost infinitely large market: 'the sky is the limit'. According to the entrepreneurs, it is more about 'making the cake bigger' by developing even smarter software that is valuable for a larger market, than about 'dividing the cake' by competing for it.

Despite its strong focus on its own DNA, Nescio is of course also concerned with market developments and with its own proposition in relation to (international) competitors. In the Benelux several relatively small companies operate such as Nescio. There are also a number of larger, global players active in the industry in which Nescio is active. According to Mark Walschot, a possible reason why Nescio still operates completely independently could be that the Dutch market\(^1\) is simply too small to be of interest to large players. With the English or Spanish language, for example, a much larger area can be covered at once. This leads to increased competition from many small players within the Benelux. The question why no major player has come forward (yet) that is active in this market, has not yet been answered...

\(^1\) In fact, this concerns the Dutch language region, because the business is partly dependent on, for example, a language-related journalist database.
Instead of unnecessary competition, Nescio prefers to work with affiliated partner companies. Nescio works together with the conviction that you should not burn your fingers on things you do not understand or that you are not the best at. As a result, Nescio's products automatically became fairly specialised products. Mark Walschot: "A system such as SAP, for example, an Enterprise Resource Planning (ERP) system, can do everything, but far from everything that SAP can do, the system does really well. According to Des Traynor, co-founder of Intercom.io, start-ups should be based on the scalpel model and not on the Swiss pocket knife model. We really are a scalpel. The metaphor is that a scalpel only does one thing, namely cutting, but then really extremely well. A Swiss pocket knife, on the other hand, does almost everything... But with a Swiss pocket knife you can't cut a branch from a tree, you can't open a can without cutting your skin open... You can't even cut very well with it. Anyway, there's a market for it, so maybe it's just a difference in taste. You can see that 'all-in-one solutions' have a substantial market share worldwide, but in our 'scalpel conviction' these are often also very non-user friendly products. In any case, these are products on which we would not dare to put a quality mark. We wouldn't be able to develop such products either, because you need huge teams to do that. In our market there are a number of international players with these kinds of all-in-one products. There are also many scalpels. So it's a mix. Our strategic partners are usually also scalpels: companies that are specialists in a particular field."

7. Products, development and technical collaborations
Nescio's software products are specialist SaaS² products, which generally solve a specific set of problems (in the case of Smart.pr, for example, those of a PR professional). Nine times out of ten a user is fully catered for in this way. Nescio develops these products all by itself. However, if a user wants more than that and if, in addition to managing press relations, sending press releases, monitoring effects (again Smart.pr as an example), she also wants to follow publications in print, online or social or also manage an online newsroom, then we work together with other companies that are specialised in this area (in this case, for example, Clipit Media Monitoring, Obi4Wan or PressPage).  

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² Software as a service, often abbreviated as SaaS, also sometimes referred to as 'software on demand', is software that is offered as an online service. The customer does not have to purchase the software, but, for example, concludes a contract per month per user, possibly in combination with other parameters. The SaaS provider takes care of installation, maintenance and management, the user accesses the software over the internet with the SaaS provider. Source: Wikipedia
By 'connecting' several specialist products, depending on a customer's needs, by means of a stable API\(^3\), Nescio can offer users, if desired, a chain product from 'super-specialists'. That is a big advantage for Nescio's customers. The disadvantage can sometimes be that you also have to deal with multiple contracts or with multiple account managers (namely at Nescio and at our partner company). Larger customers in particular can sometimes find this inconvenient, because they are used to large providers who arrange everything for them. However, these are often very large deals, in which whole products, apps or websites are custom made. SLAs (service level agreements) are signed - so in the eyes of the customer, custom work is carried out - often they are at least "single sign on" solutions. With Nescio, we only offer 'standard', off-the-shelf software products. 100% SaaS. Solutions to a specific problem that many people experience. The fact that the product is the same for all our users makes it good and stable. This is the only way to offer the highest quality. Paradoxically, any exception to this rule (which a prospect would like, for example) would directly threaten the core reason why the prospect would purchase our products, namely reliability, safety, ease of use and stability. We therefore always opt for uniformity and simplicity, which offers value for all our customers at the same time. This is often much more difficult than building a complex solution for just one party," says Mark Walschot.

Nescio builds its own software in Amsterdam, with a team of developers who literally work alongside the commercial team. So the lines are short and the feedback direct. This does not mean that all functionality within Nescio's software products are developed 'from scratch'. In web development there are now numerous niche players ('scalpels') that solve one very specific problem very well, for example, sending e-mails or uploading attachments. In SaaS entrepreneurship in which Nescio is active, this type of technical partnership, for example via API links, is very common. "The users of Nescio's products don't get to see this. Behind the scenes, for example, we use an external party to upload attachments to e-mails. It's deeply hidden in our product, but it prevents us, as a small player, from having to build such a functionality ourselves. That would be far from efficient. In fact, no one actually does. Not only the development, but also the continuous maintenance of such an application, would be a company in itself. These kinds of make-or-buy decisions are made in software development every day," says Mark Walschot.

\(^3\) An Application Programming Interface (API) is a set of definitions that allows a computer program to communicate with another program or component (usually in the form of libraries). Often APIs separate different layers of abstraction, allowing applications to work at a high level of abstraction and outsourcing the less abstract work to other programs. Source: Wikipedia
Nescio's motto is to keep its products simple. Mark Walschot: "The biggest difference with most competitors is that we do very little. But what we do, we do very well. Even though we are constantly innovating, I don't think we have a product or company that really does something groundbreaking. We have discovered a skill and now we know a lot about it. And we are very honest about what we can offer a customer. We never sell anything that we cannot live up to and this is appreciated by our customers in the longer term. I think we are extremely good at doing only those things that have real added value for a user, often through experimentation and innovation." One of the company's beliefs is that customers need to know exactly what they get and what they do not get. Nescio therefore wants to be honest and transparent about the things they deliver in all cases.

When Nescio receives a request to add a certain functionality to one of the products (a so called 'feature request'), this request is not automatically executed. The criterion is that, in principle, a certain functionality has added value for all customers and will also be used frequently. Mark Walschot: "We're almost making it a sport to listen to our customers in an extremely good and structured way. We have been logging and categorising every form of feedback for years, from process to product. In this way we can now clearly indicate whether a customer's question is an outlier or not, based on data. As soon as we start adding features that make us think, "What does it actually do, who is using it?", it's very likely that the feature isn't that useful, that only a handful of users find it useful, or that it's still insufficiently defined. This focus is important and is actually the core of what we do. A functionality must therefore be a 'must' for the user, then it follows automatically with high priority in the product."
He continues: "Return on development also plays an important role here. Of course there are complex projects that deliver a lot of value. These are our main lines, the core of our innovation. When such projects succeed, after a long period of hard work and continuous failure, that's the best there is. But these kinds of projects are usually slow, so users become dissatisfied when you only do these kinds of projects (because the result is invisible for too long). That is why we always look for low hanging fruit in parallel. Can you achieve maximum results in customer satisfaction with minimal development power? For example, at first we only had LinkedIn, Twitter and Facebook as social media. Recently we added YouTube and Instagram. That turned out to be little work after some research, as these plug-ins are used worldwide. Despite the fact that this didn't take much work in the end, many customers were really pleased with it. So these kinds of side projects are perfect to complement the high-impact complex projects. Finally, the projects with minimal effort but low added value can sometimes be considered... And the projects with high complexity and low added value? Well, that goes without saying...!

8. Nescio's team and culture

When hiring new people, the owners (see Appendix 1) usually take a lot of time. 'Hire slow, fire fast' is the overarching theme. "Even though we've never really fired anyone, I believe, I am happy to say", explains Mark Walschot. People who apply are told immediately that they have certain responsibilities, but that they are very free in how they fulfil these responsibilities and that they should mainly manage themselves, together with their colleagues on the team. An old-fashioned manager looking over someone's shoulder to judge someone doing the right things, will not be found at Nescio. A job within Nescio is seen as an intermediate point in one's own career. This makes it important to know which way a person wants to go, also in the long run. "As a result, the way in which people enter here, but also how they leave, is often organic and feels logical to both parties. I think this is because we are very open during the application process. Then I often tell them that Nescio is 'just' a station and that it is important that the possibilities within Nescio do fit in well with someone's personal ambitions. In other words, someone has to know
exactly why he or she wants to come and work for us. In that case, not much management is needed. In this sense, it is about alignment. It has to be good, otherwise we don't even have to start", says Mark Walschot.

He continues: "Alignment remains important, even if someone's been with Nescio for a long time. An example of alignment and openness even during an employee departure is that during the last evaluation round we could discuss with an employee why he was still working here. A crazy starting point, perhaps, but very fundamental. While we were talking about this, it turned out that he indeed had the feeling that the adventure here was coming to an end after more than four years. We then decided to put an end to it and to look together for a next step that would better fit his current wishes and situation. It's very refreshing that it can be done this way. That the company is built on the people who work there and that they make the difference. That it is never the other way around and that 'you should be happy to work here', 'the profit should always be maximum', or something like that. It's nice to see that we can do things with so much peace and respect for an individual's own future, I'm very proud of that. In this way, as an employer, we also get the best return from our people. I also believe that in the end, in addition to an open and pleasant working atmosphere, this always leads to the best operating results."

At Nescio we work intensively in teams. Stef Gallé or Mark Walschot still have a leading role within the teams. The aim of the management team is to be very clear within each department and each team about what goals Nescio is pursuing and why. In Sales, for example, via target letters and churn/expansion targets, and in Development, via three-monthly roadmaps. Mark Walschot: "It's almost a saying within Nescio that how you achieve that goal is entirely up to you. This gives employees a lot of freedom and ownership. We also emphasize that there are several roads leading to Rome and never enforce a particular method. It is true that we demand a quality standard, of course. So suppose someone underperforms and that's clearly because someone doesn't know how to do something, we'll discuss it together and try to improve it through training or something like that. The first and most important training of employees takes place through our selection in the application process. That's the start of everything, that's where it has to match. Based on what people want themselves, they take on a role within Nescio. For example commercially, on data or as a programmer. Within this role, they are given full responsibility. They can fall and rise, as long as they communicate about it. Communicate when it's too much, too difficult, or too easy.
Most people develop from the moment the penny falls: ‘Oh, it's really about what I want and how I want to develop myself, as long as it is matched with what the company is doing!’. From that moment on, people start flying. On the other hand, it can also happen that responsibility and freedom are perceived as too much. Then people go swimming and find it very difficult to give direction to what exactly they are going to do within their domain.

It is true that most people (including ourselves as MT) focus our attention as much as possible during a certain period in order to have as much impact as possible. So you see very typical growth paths within the company: from operations manager to product owner to daily management. From CRM cleaner to sales qualifier to operations manager... We even called this 'Schwarzenegger 4 careers' in a management presentation, because it's really free within Nescio to try out multiple totally different roles and to perform at the top, if you have the drive for this. So we only want to encourage this, because all these different kinds of knowledge and experience probably only reinforce each other in unexpected places. So people can certainly work in every corner of the organisation. As long as there is the will, the belief in high performance, and of course there must be room for it at that particular moment.

Nescio minimizes any kind of overhead. Everyone is expected to ‘join in’ with his or her common sense. Mark Walschot: “So, for example, cleaning up your own crockery when you have it on your desk, but also giving a scream when anything substantive stands out, even ‘cross-departmental’, so for example from sales about data and such. However, we do have an operations manager since four years. This was a golden touch at the time and took away a lot of daily pressure from the MT. Within this role are many corporate finances, wages, possible subsidies, the office, company outings, and more. It is a very cool function because you have to deal with all corners of the company and operate at every level. The spider in the web.

9. Current challenges within Nescio

There are several important issues within Nescio at the moment. Three are explained below:

1. Positioning and strategic partnerships
2. Vision transition: from data to platform ownership?
3. Transition of the management team (MT)

**Issue 1: Positioning and strategic partnerships**
The first concerns the positioning of Nescio and the need for strategic partnerships. Mark Walschot: “We are exploring whether there are several comparable companies in our international market with a similar vision to ours. The big players operate much more from an old economic idea: wanting to be everything for everyone in order to maximize the lock-in and turnover. These are software multinationals whose products cover a wide range of functionalities. As an option for ourselves, we don't believe in this, certainly not in the long term. These products are often less user-friendly and lack specific functionalities. So Swiss pocket knives. Small businesses like Nescio are much more like scalpels. These kinds of products have less functionality, but what they can do, they can often do better than the more generic products of the big players. Also, web-based specialist products are slowly but surely gaining ground with governments and multinationals, for example. This adoption was much more difficult 10 years ago.”

“So we are now working with a few other small businesses to find out what we could do together. When I talk to other CEOs about this, I notice that they are very receptive to this, even though it is difficult to find

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4 Arnold Alois Schwarzenegger is an Austrian-American actor, film producer, entrepreneur, ex-bodybuilder and former politician of the Republican Party. Schwarzenegger was the Governor of California from 2003 to 2011.
synergy. Anyway, they too can see that at the moment, as small companies, we’re competing a bit like a David in the direction of those Goliath larger players. At the same time, these big players are breathing down our necks, with a completely different vision of the market than we ourselves believe in. This extends to how you feel about journalism, media and news distribution. The products are therefore often significantly different, because they were created from a different vision. How do you arrange for a counterbalance? How can you, as a smaller player, compete with the giants in the market? We may either have to get bigger ourselves, organically or through investments, or enter into smart collaborations. Acquisition by larger players is not immediately obvious, due to the difference in culture and vision, but also due to the previously mentioned relatively small market interest in the Netherlands and the differences in product and probably in customer profile. But, of course, it could always happen.”

“In any case, like the smaller niche players, we spend money on the development of new (and comparable) products and functionalities, at a high cost of development. At the same time, the ‘cost of sales’ is also higher, precisely because we compete with each other. Cooperation is therefore likely to lead directly to synergy effects, both in terms of development costs and in terms of sales. That does require making difficult, perhaps even impossible, choices. Duct taping software products together usually doesn't lead to the best user experience, so perhaps if you're working together, you should make the most objective choice as to which product is the best. And then just go through with that particular product... For us, that would mean that if, for example, we didn't turn out to be the best product, we’d say of ten years' work: ‘okay, that's great, we're going to do something else now!' That's practically unthinkable! It also means that you have almost no ownership of what you sell. This is not to mention all the shareholder structures of all these smaller parties. Of course, it's incredibly difficult to merge. Yet there are opportunities... But it's still quite a long-shot and maybe a bit of a paper theory."

Issue 2: Vision transition: from data ownership to platform ownership?
The second issue relates to the choice between ‘platform-owner’ and ‘data-owner’ in combination with internationalisation. The Smart.pr product could work well on the European or even global market. This could include, for example, the English or American market. Mark Walschot: “We are considering offering our own data set for the English market, which will enable us to offer Smart.pr internationally from now on. This also includes a 'buy or build' question. Do we as Smart.pr want to collect this data ourselves or do we want to buy it from a large database provider? Apart from that, the real question is: do you want to become the owner of the data or just be the owner of the platform on which this data is exchanged?”

“The traditional, and so far very effective, way is to search for information yourself and then to offer a structured dataset per region, i.e. a Dutch dataset, an English dataset, etc. Whether you buy from a supplier or not: in that case we are the owner of the data and we feed the data ourselves. However, this is at odds with our vision as a SaaS company. Ideally, we at Nescio would only be the provider of a platform, i.e. of only the software, the technology. In that case, you're just a platform builder. With good incentives on both sides of the market, the data could be fed from both sides of the platform (PR and journalism) - and our primary business will therefore only be offering the technology with which we facilitate all these stakeholders. In the case of Uber they are drivers and people looking for a ride, at AirBnb they are travellers and people with a room/home to rent for short stay. Uber doesn't own cars and AirBnb doesn't own homes. As well as improving quality through transparency, this also reduces potential risks, which is an attractive position.”
“We still believe that this can (or should) work in our niche in the long run, because this is the only way in which information is always up-to-date and complete (i.e. coming from stakeholders themselves) and communication becomes fair, for example through mutual reviews, but also because privacy legislation is expected to become even stricter. People on both sides of the spectrum will therefore have to enter into a more transparent and open relationship with each other, and the quality of the data and interactions will therefore increase. This is also the vision behind Journa and for years a decisive factor in how we develop Smart.pr and Persfilter. Always with the highest respect for the journalist and his or her interests in PR and communication. Both sides of the market need each other, we just need to facilitate the contact as well as possible and make it as relevant as possible, 'to the highest benefit of both'.”

“So let's put the vision dilemma in a nutshell: if we offer our own dataset in the UK, this will certainly generate turnover. At the same time, we will be taking an international approach based on that older business model in which we have limited faith in the long term. We do notice that in the short term this is where our income lies. This is a vision dilemma. (...) The ideal position, according to almost everyone in the company, would be that of the platform owner. However, this is a matter of a very long wait; Journa has been running since 2015 and we have not yet sufficiently unlocked the platform dynamics. How do you build a bridge from data-ownership to platform-ownership? Perhaps as a data owner, by applying smart techniques and feedback mechanisms, you can also offer a dynamic dataset that would be future-proof...?”

**Issue 3: Transition of the management team (MT)**

The continuity of the company towards the future is of course considered very important by the four partners. Mark Walschot emphasizes that the company should not be dependent on the owners: “We're really trying to create an entity that can work for thirty-five people and that has growth potential, but that doesn't depend on us and/or how our mood is. We are now working on a transition in which part of the day-to-day operational management is going to be transferred to a lower level, so that we, as partners, can continue to do things that add maximum value at a strategic level, such as the internationalisation of the company and the creation of partnerships. This issue is about ‘doing things right or doing the right things’. We need to keep thinking about what is the right thing to do for Nescio. We want to (continue to) put ourselves in a position where we can allow the company to grow as much as possible. If we continue to do exactly what we are doing now, we will actually be making ourselves too important and no longer offer the maximum value for the company. Just doing things right isn't enough for us. You have to remain critical, also of your own contribution.”

Walschot emphasizes that the company should not be a show that revolves around him and the other entrepreneurs, where everyone keeps running the same circle. Mark Walschot: “Which can also be quite pleasant when you're sensitive to it, but I don't think the company will then be going anywhere. Of course you have some directors who think it's important to be the boss, so they want a team that thinks he or she is great. Usually when you come back to a company like that in a few years' time, the team will still be the same size, but almost all of them will be new people. The churn is high. Much then still depends on the whims of the person at the top. This seems unhealthy to me and I wouldn't want to do it myself. In this sense, change is not only a goal, it is also a means to stay sharp as a company and as a management team (MT)."
Appendix 1: The partners and division of tasks of Startup Studio Nescio
(Source: www.nescio.co/team)

Stef Gallé (Strategy, products and innovation):

As part of the management team of the studio Stef loves to be in charge and point to distant roads the company should take. His ideas range from original to downright ridiculous. Just the other day he proposed somnifacient toothpaste to clean your teeth and put you to sleep at the same time. The studio didn’t go for it.

When he’s not mapping out the strategy of studio with Mark, Stef tries to spend most of his time tinkering with current and future products together with the incredibly talented teams of artisans.

Martijn van Hoek (Sales, commercial growth):

Beaming the energy of a newborn pup, this man is unstoppable. As part of the management team of the studio, Martijn oversees sales and everything related. He’ll identify an opportunity at least 5 minutes before you do. This might seem nothing, but beware: it’s the sole step ahead you need to build a company, this is where the magic happens.

When Martijn is not extending his vast network of friends and business relations, you are most likely to will find him in one of the world’s oceans riding a wave. And yes: the hair, the torso, those 7 languages, they’re all natural.

Tim Molendijk (Technology, innovation, architecture):

Tim’s lack of fitting any stereotype forces people to revert to complex terms like wine-slamming-hipster-dj-nerd-fashionista-foody to describe him. As part of the management team of the studio he has always been in the driver’s seat of the technical strategy of the company. He combines a keen eye for tech products with an artisanal love for software engineering.

Like a genuine Alice in Wonderland, Tim plunges down the rabbit hole every now and then. Don’t try to find him as he’s out pondering on world-changing stuff. Trust the process and watch him submerge again in a few days – with ideas that shift paradigms.

Mark Walschot (Strategy, finance and team management):

As part of the management team of the studio, Mark makes sure the company lives long and prospers. He leads the team with spirit and humor, keeping our people, culture, strategy and products close at heart. Will build you an office just as happily as he will build you a financial forecast. He loves blues rock, provided that it’s played loud.

Mark spends his time away from the studio with family and friends, playing sports or being outdoors, designing furniture or being extraordinarily artsy indeed. Only to return to the studio with more ideas and inspiration to make things fly.
The Nescio team currently consists of about 35 employees (25 FTEs). These employees are managed by four partners (the owners or entrepreneurs of Nescio): Mark Walschot, Martijn van Hoek, Stef Gallé and Tim Molendijk. Two of the partners (Martijn van Hoek and Tim Molendijk) are true specialists: "Martijn van Hoek is 100% sales and Tim Molendijk is 100% technical. Stef and I are a little more in the middle. Together we take care of the general management and define the strategy. The focus of Stef's work is more on products and innovation, that of my work more on team and finance. Although we actually work closely together in all these areas. Each partner has an equal say in decision making."

Mark Walschot and Stef Gallé work closely together. Their responsibility is that everything within the company is integrated and aligned. In addition to the technology, Tim Molendijk is naturally involved in the innovation and architecture of the products within the studio. In addition to sales, Martijn van Hoek focuses on commercial growth opportunities at home and abroad. In 2019, the management team will be expanded by two people, both of whom have been with Nescio for several years. They are then responsible for the product side and the commercial side of the company, respectively, and play a decisive role in day-to-day operations.

The team further consists of about 6 programmers, 8 people on the commercial team, about 10 data analysts, an operations manager, a designer and, finally, usually 1 or 2 trainees. The main features of the organisational structure are as follows. Design, Product, Data, Sales and Operations are the departments within Nescio, see the organisation chart below (supplied).
Appendix 2: Nescio's software products

With its SaaS solutions, Nescio is active on the cutting edge of media and journalism, communication and public relations. The company currently has three brands/businesses. These products are briefly discussed below.

**Smart.pr**

Smart.pr was founded in 2008 as Nescio's first project and is the most mature business in Nescio's portfolio. Smart.pr is a CRM system focused on PR. With Smart.pr, organisations manage their press relations, send out press releases and measure the effect of the press releases. Everything is web-based and real-time. Smart.pr is growing rapidly and serves a growing number of business customers, international brands and agencies. At the moment the company focuses on international expansion (see also section 9 on current challenges within Nescio). [www.smart.pr](http://www.smart.pr)

**Persfilter**

Persfilter exists since 2013 and is 100% complementary to Smart.pr. Persfilter is a journalist's database that is automatically kept complete and up-to-date and where the journalist himself or herself has access to his or her profile (the latter is unique and essential in Nescio's view). Persfilter can soon be purchased in several countries and is a basic element in the internationalization of the company. A must-have if a PR or communication professional wants to know which journalists and/or media are leading in their sector. There are approximately 10,000 journalist profiles in Persfilter, classified by medium, subject, region, publication frequency, etc. Persfilter cannot be used without Smart.pr, because (in line with Nescio's vision) Smart.pr is the smart 'software shell' that ensures that news distribution remains relevant (and 'spamming' is therefore always prevented). [www.persfilter.nl](http://www.persfilter.nl)

**Journa**

Journa was founded in 2015. It is an ambitious project that makes use of advanced technology in, among other things, collecting, indexing and unlocking (i.e. making it searchable) large amounts of online data. With Journa, every journalist in the Netherlands can manage his or her own portfolio website, which also keeps itself up to date. This is useful for acquisition by the (increasingly freelance) journalist. On the other hand, Journa gives PR users access to a smart search engine for news, journalists and journalistic content. Journa currently shows the work of more than 45,000 journalists in the Netherlands. All these portfolios are automatically kept up-to-date in Journa without any effort on the part of the journalists themselves. [www.journa.com](http://www.journa.com)