

YEARS
OF SLOVAK-U.S.
ECONOMIC RELATIONS

sapie ▶▶

The Slovak Alliance
for Innovation Economy



www.sapie.sk

OUR MISSION

Since 2014, SAPIE acts as an independent and non-profit platform whose mission is to empower the Slovak innovation ecosystem. Being the largest professional association for innovations representing almost 200 member companies and organizations, SAPIE is also a leading platform for policy debate on digital economy and innovation in Slovakia, aspiring to unite leaders across the CEE region.

It is active in forming collaborative networks of private and public actors, supporting the startup scene and community and enhancing digital transformation of SMEs within the CEE region. Moreover, SAPIE has extensive experience in supporting the expansion of Slovak companies to foreign markets, which is also one of the long-term goals of the organization. With this goal in mind, SAPIE has also successfully organized several foreign innovation missions in the U.S., United Kingdom, Finland, Estonia, Sweden, Germany, Israel, and other countries.

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LETTER FROM AMBASSADOR

GAUTAM RANA

Ambassador of the United States of America to the Slovak Republic

Dear readers, as we celebrate 30 years of an independent Slovak Republic and 30 years of U.S. – Slovak bilateral relations this year, this is an excellent opportunity to look back and evaluate our strong partnership. It gives me great pride to say that over the past three decades, Slovakia and the United States have built a rock-solid relationship as friends, partners, and Allies. This is true of our governments, our businesses, and our people. While many factors contributed to this robust partnership between our two countries, bilateral economic ties played an outsized role in putting Slovakia on a path of post-Communist transformation, democratization, and Euro-Atlantic integration. Our economic relationship contributed to Slovakia's remarkable success as a young country over the course of the past 30 years.

Following the collapse of communism, U.S. investors were among the first to enter the newly liberalized markets of Central and Eastern Europe, including the former Czechoslovakia. They brought with them much needed capital,

state-of-the-art technology, and modern business techniques. In creating tens of thousands of quality jobs, they quickly became an essential part of their local communities and agents of change for the economies in which they operated. In turn, U.S. investors received access to an important market with immense growth potential and they benefited from a dynamic, highly-skilled, and driven workforce. With access to better jobs and a broader range of goods and services, living standards rose significantly. Post-communism, U.S. companies also served as models helping local businesses and industries develop, transforming the region.

**U.S. COMPANIES
IN SLOVAKIA HAVE
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SOME OF THE
COUNTRY'S LARGEST
EMPLOYERS,
TAXPAYERS, AND
INDUSTRY LEADERS.**

Over the past thirty years, bilateral trade and investment between Slovakia and the United States has skyrocketed and brought increased prosperity to the citizens of both of our countries. U.S. companies in Slovakia have firmly established themselves as some of the country's largest employers, taxpayers, and industry leaders. Slovak companies, in turn, have found the United States to be a vast and attractive market for their quality exports, and a springboard for their innovations. While in 1989 bilateral trade and investment was negligible, it has grown year after year, and today, the United States is Slovakia's most important non-European export market as well as a major source country for vital imports.

I am confident that our strong trade and investment relationship will remain central to the U.S.-Slovak bilateral partnership. As they have over the last 30 years, in the coming decades our flourishing economic ties will increase the prosperity our people, help us address global challenges, and underpin our shared values.



LETTER FROM AMBASSADOR

RADOVAN JAVORČÍK

Ambassador of the Slovak Republic to the United States of America

Immigrants from Slovakia have been contributing to the fabric of American society for over 150 years. We can find Slovak traces among refugees of the 19 century Hungarian revolution as László Ujházy of Budimír, who helped to settle Iowa or California, or Ján Fiala, who surveyed railroads in Missouri. Their motivation to move was existential. As were the reasons for John David Herz, the famous founder of the Yellow Cab company in New York City, or Andy Warhol's family in Pittsburgh.

After the fall of the Iron Curtain, Slovaks did not need to find a refuge of freedom outside their homeland. Almost overnight, the U.S. has turned from a one way ticket to freedom to a land of choice. The reason is simple – the U.S. market is the most competitive and the toughest. Success in America means success in the World. In sports analogy, it is as if an ice hockey player wants to be the best in his local league but remain unknown to the world. The other option is to play in the best league. Indeed, it means to play by tough but fair rules where

newcomers have to be twice as good as the oldtimers. Maybe in the 20th century, Slovakia had the luxury of waiting for something or somebody. This century does not wait for anybody; it paces forward with almost limitless resources. The challenge is to find them and use them well.

THIS CENTURY DOES NOT WAIT FOR ANYBODY; IT PACES FORWARD WITH ALMOST LIMITLESS RESOURCES.

Of course not everything is rosy – distance from former partners, huge competition, different mindset in the regulatory environment, porous social safety net and other cultural shocks are omnipresent. Although America is a very open society, it might be hard to penetrate established networks and customs, if they are charged head on. Knowing the environment and trends, having

an understandable business plan, good elevator pitch all still belong to the essential basket of assets. The only difference from the past is the increased speed of market changes. Again, as in sports, only a proper training or undisputable talent ensures nothing. Coaching, mentoring, the ability to communicate and build an agile team are all crucial.

When John Herz started his car rental, he was not a rocket scientist. He put together a good idea, audacity, understanding of the market, determination to adapt and, after achieving success, gave back to the society. Today, Slovakia's membership in EU and NATO provides our business with a valued bumper sticker. It matters for two reasons: it raises expectations of quality and offers access to the European market. Perhaps the latter is even more important than plain success. The ability to stay in Europe and keep competition at home healthy is an added value that will keep Slovakia playing in the best league for a long time, not just one season.

SLOVAKIA'S ECONOMIC ODYSSEY: A JOURNEY THROUGH THE DECADES

The 30th anniversary of Slovak independence offers an opportunity to reflect on Slovakia's journey over the past three decades, identify the major milestones as well as the missed opportunities, and, most

importantly, try to learn from the past and create a better future.

The main aim of our report is to look at the evolution of the Slovak economy and specifically at its economic relationships with the

United States. Compared to other countries in the region, Slovakia's economic journey definitely ranks amongst the more turbulent, with rather dramatic ups and downs.

BLACK HOLE IN THE MIDDLE OF EUROPE

The first decade of Slovakia's independence was characterized by an overall air of opportunity and potential for change resulting from the fall of communism. However, in a matter of a few years, Slovakia fell behind other post-communist countries in terms of economic development and became a political outcast.

Slovakia was left out of the first accession wave of post-communist countries joining NATO, while Poland, Hungary and the Czech Republic all joined in 1999. At the same time, the biggest companies in the country, which were state-owned and run prior to 1989, were privatized in a non-transparent and often very dubious manner. The economy was struggling and the national unemployment rate was attacking 20%. All of these factors combined created a very negative image of Slovakia from the perspective of potential foreign investors, who clearly preferred other countries in the region, not willing to accept the political and economic risks associated with Slovakia in the 1990s. In the late 1990s, cumulative per capita FDI in Slovakia was only one-sixth that of Hungary or the Czech Republic.¹

In 1997, former U.S. Secretary of State Madeleine Albright infamously described Slovakia as the "black hole of Europe". The pro-Western

orientation of the country stabilized only after the elections in 1998, which slowly culminated in Slovakia joining the EU and NATO in 2004, and the monetary union from 2009.

THE TATRA TIGER YEARS

The 2000s were characterized by a remarkable shift of Slovakia's image and economic performance. A clear pro-Western stance in foreign policy along with crucial reforms favorable for the business environment earned it lots of attention abroad. The tax reform introduced a 19% flat tax rate, tax on dividends was canceled, labor laws were partly simplified to favor the employers, and incentives to lure in foreign investors were introduced.

Between 1998 and 2006, cumulative FDI has increased sevenfold to USD 18.45 billion. In the earlier years, most of FDI came from privatization sales but since 2003 most FDI was generated through new development.² Slovakia closed the gap on its neighbors very fast and by the end of 2006, its per capita FDI (USD 771) was the highest in the region (USD 606 in Hungary, USD 584 in the Czech Republic, USD 362 in Poland).³

The results soon followed, as the fast pace of Slovakia's economic growth surpassed its regional competitors and earned it the "Tatra Tiger" moniker. As it became clear that the country's efforts to join the EU will be successful as

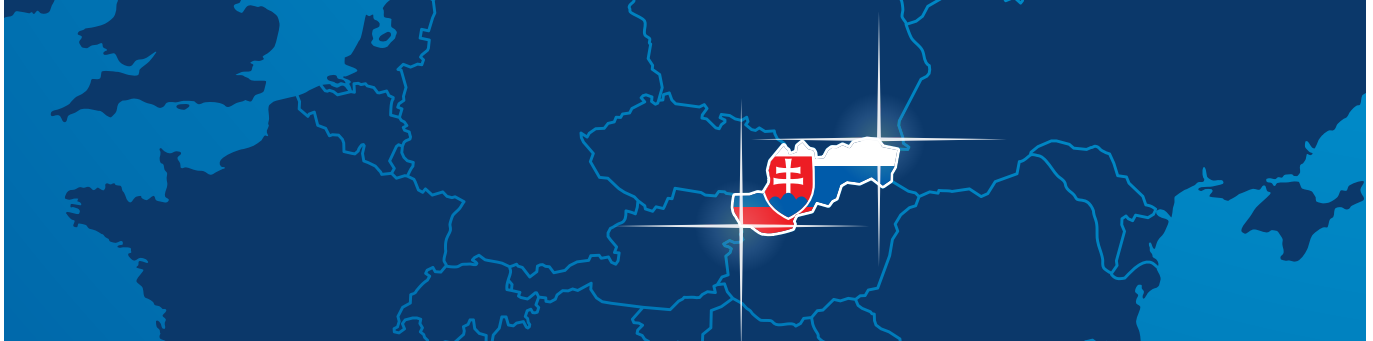
well, Slovakia became an attractive investment destination with a skilled and affordable workforce, great location, political stability and a huge potential to grow its economy at a very fast pace.

As the pro-business approach of the government and the reforms it adopted attracted more investors, Slovakia became the fastest growing economy in the region. The first decade of the 21st century saw the arrival of most of the major U.S. and other foreign investments which defined the development of the Slovak economy for years to come. Most notably, the huge boost of the automotive sector made Slovakia the world's leading producer of cars per capita in a matter of a few years.

CATCHING UP AGAIN

Slovak economy started losing steam and instead of building on the momentum from the previous decade, it began falling behind its neighbors. The issues most often cited by investors included the tax system (the 19% flat tax was abolished in January 2013), malfunctioning judiciary, excess bureaucracy, or poor infrastructure. Between 1999 and 2003, FDI as a percentage of GDP represented 9%; by 2014 it fell down to 2%.⁴

Despite the claims of several governments, Slovakia has yet to make a decisive step towards the next stage - creating more added value by investing in innovation,



research and development, science, or education, and transforming its economy to a different model. The praise of the “Tatra Tiger” from the previous decade has turned into a much less complimentary “Europe’s assembly workshop”. Slovakia belongs among the countries which are most vulnerable to industry 4.0 challenges.

In this period, the local startup ecosystem matured and several Slovak companies successfully expanded to the North American market, which represents a very attractive destination. Marek Križka, CEO of Sparring, identified two main reasons. Firstly, it’s its sheer size that baits Slovak companies, and the potential to reach U.S. customers. The second reason is the U.S. capital market, and some of the expansions are motivated by obtaining needed capital from American investors. The second motivation is especially appealing to scale-ups which are finding it difficult to raise sufficient funds in the local market.

Moreover, based on the information provided by Miloš Poplar from Eldison, companies need to decide on the right structure based on their business plans. The newly created U.S. entity typically becomes the parent company if getting funding from U.S. investors is one of the goals. If the expansion is motivated solely by gaining access to the U.S. market and offering their product there, the newly created entity is a subsidiary. However, if the company uses EU public sources for funding any of its projects, the mother company must typically stay based in Slovakia or another EU country. Companies also have to solve the issue of IP (intellectual property) and decide where it will be created and which entity will own it.

Practice shows that after expansion, Slovak companies become primarily research centers, while investment and commercial functions are moved to the U.S., if that is the primary market for reaching new customers.

As the stories in this brochure demonstrate, there is no perfect and straight path to the U.S. market. Some companies focus on securing their position in the local market before considering expansion. Others prefer to skip this stage and choose to launch their product in the U.S. right away, or use their local contacts to get funding.

DECADE NR. 4 - VISION FOR INNOVATION

In March 2023, Slovak government approved Slovakia’s first National Strategy for Research, Development and Innovation 2030. It sets specific goals which should help Slovakia on the path towards making innovation one of the defining elements of its economy. This also means fostering a more ambitious entrepreneurial spirit among the young generation, looking to commercialize their ideas and expand their businesses globally. One of the main ambitions is to strengthen the local innovation ecosystem, which should help drive more talent and financial resources both locally and from abroad. Success stories of Slovak startups at the global stage are becoming more common, although the wait for the first Slovak unicorn continues.

As experts from Slovak Investment and Trade Development Agency (SARIO) point out, Slovakia remains an attractive destination for U.S. investors. It still offers political and economic stability, and an educated workforce available at relatively lower costs. Another

factor that is becoming more and more important for investors is Slovakia’s greener energy mix. However, other countries are transitioning towards greener and more sustainable energy strategies at a faster pace. At the same time, Slovakia’s demography raises questions about the future of its labor market. Foreign investors present in Slovakia already list the lack of skilled workforce as one of the top challenges impacting their operations and future decisions.

The representatives of global corporations interviewed for this brochure all agreed that Slovakia remains an attractive destination for FDI for various reasons. However, maintaining this position requires constant effort and a long-term strategy dedicated to staying ahead of the competition. As Branislav Sandtner, Citi Country Officer, put it: *“Focus on innovative economy is the only approach, which can bring us prosperity, growth, and economic stability.”* As for Slovak entrepreneurs looking to bring their product to the global stage, the message from those who made it is clear - be bold and be passionate. In the words of ESET’s co-owner Anton Zajac: *“I like challenges, I like the struggle, I like to think and create. Proving that an underdog could become the champion was something waking me up in the middle of the night.”*

- 1 2009 Investment Climate Statement - Slovakia <https://2009-2017.state.gov/e/eb/rls/othr/ics/2009/117151.htm>
- 2 2009 Investment Climate Statement - Slovakia <https://2009-2017.state.gov/e/eb/rls/othr/ics/2009/117151.htm>
- 3 2009 Investment Climate Statement - Slovakia <https://2009-2017.state.gov/e/eb/rls/othr/ics/2009/117151.htm>
- 4 2015 Investment Climate Statement - Slovakia <https://2009-2017.state.gov/e/eb/rls/othr/ics/2015/241740.htm>

TRANSATLANTIC ENTREPRENEURIAL LESSONS

Embarking on an entrepreneurial expansion to another country is not merely a business venture; it's a narrative of courage, resilience, and strategic vision. The important role U.S.-Slovak economic relations have played over the past three decades is apparent through the numbers. However, each of the stories behind these numbers is unique in its own way and together they show how many different paths can lead to the same goal. We approached Slovak entrepreneurs who set their sights on the American market, as well as representatives of U.S. companies which ventured into the Slovak market. As you explore the experiences shared within these pages, you'll witness the diverse paths entrepreneurs have forged, each journey offering a distinct insight into the intricacies of the entrepreneurial mind.

Although there is no foolproof recipe for success, if you read carefully, you will discover various nuggets of wisdom born from direct experience, which have a much broader value. Almost all of the stories share several aspects - a leap of faith into the unknown, the courage to confront and overcome challenges, learn from one's own mistakes and experience but also try to maximize valuable insights from others' experiences, and uncover value within crucial networks and contacts.

Some of the necessary ingredients can't be fully controlled - whether it's the serendipity of timing, the power of influential contacts, or a dash of luck that can tip the scales toward success or failure. We hope that this compilation is more than a collection of stories. We hope that these narratives serve as both a guide and a catalyst for others, inspiring them to dream big, take calculated risks, and navigate the uncharted territories of global business. And, above all, as several contributors emphasized - don't be afraid!

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BARBORA ZÁHRADNÍKOVÁ

General Manager, Adient Slovakia

Adient is a leading global automotive seating supplier, producing complete seating systems as well as individual components for all major automakers. In Slovakia, Adient currently employs close to 3000 people in 5 locations, producing 140 000 car seats per year.

WHAT ARE THE KEY MILESTONES OF ADIENT'S PRESENCE IN SLOVAKIA?

In 2016, we completely separated from Johnson Controls, as the entire automotive division, which had been operating within Johnson Controls in Slovakia since 1998. At that time, the global separation of the automotive division took place and the new entity had no financial or leadership connection with Johnson Controls. So although Adient was established in 2016, I've been here for 18 years, and some of my colleagues for 25 years.

The very first plant was established in 1998. When Adient was formed, there were already nine locations in Slovakia. We had to close three and sell one division. We currently operate five locations - Bratislava, Trenčín, Žilina, and two plants in Lučenec. The Žilina plant supplies complete seats to Kia Slovakia; the two plants in Lučenec produce foam parts for various customers; Bratislava is Adient's biggest global Business Center; and in Trenčín, Adient operates a R&D Tech center.

The R&D Tech center in Trenčín plays a crucial role in the whole region. It has more than 400 employees who are involved in developing innovative seating systems for various car brands. The majority are highly educated employees from Slovakia with a specific focus or experience that we need.

WHAT ARE THE BIGGEST CHALLENGES YOU FACE IN SLOVAKIA?

The availability of workforce. At the beginning of the 2000s, this wasn't a big problem, but before the 2008 economic crisis, it was a significant

issue. Then it was ok again, but since 2010, it has been a constant challenge. Currently, it's difficult to find Slovaks willing to work in manufacturing plants, so we have to import labor from many countries, even exotic ones. Only in Lučenec, we work almost exclusively with local people, but even there, it's becoming a challenge. Every region where we operate is entirely different, and we deal with different issues. What makes Adient unique is our wide portfolio of activities, which a U.S. company and investor conducts here - we have manufacturing plants, but also R&D and a relatively big business center in Bratislava - we are proud of that.

HOW DO YOU CHOOSE YOUR LOCATIONS?

Locations are chosen based on good accessibility and a combination of factors, such as labor force, geographic proximity, customer proximity, and wage costs in the region. There are many other factors, but these are the primary ones. We do not choose our locations in Slovakia; decisions are made centrally, always with input from local people and careful consideration. The same is true for decisions regarding opening new plants or the closure of existing ones.

IS THE LABOR SHORTAGE PRIMARILY A PROBLEM IN THE MANUFACTURING SECTOR, OR DOES IT ALSO CONCERN R&D?

Primarily in the manufacturing sector. In Bratislava and Trenčín, we can manage it. We regularly have candidates from foreign countries, and if the best candidate is from abroad, we choose them. We do not prioritize based on nationality. Of course, for people from third countries, you have to take care of visas, which can be challenging, but if the candidate is the

TRANSFORMING OUR EDUCATION SYSTEM SHOULD BE THE TOP PRIORITY WHICH WOULD MAKE SLOVAKIA MORE ATTRACTIVE.



The official opening of the plant in Košany nad Turcom by Prime Minister Dzurinda in August 1999.



right fit, we have no problem with that, and we do it routinely. For example, 10% of the employees in our Bratislava business center are foreigners.

WHAT MAKES SLOVAKIA ATTRACTIVE TO A LARGE US COMPANY?

I don't think Slovakia is fundamentally different from Hungary, the Czech Republic, or Poland. However, Slovakia has a geographically advantageous location; it is within driving distance of everywhere in our region, even Romania, which is an important location for our production. The production of supplier parts is done minimally in Western Europe; it is much more prevalent in Eastern Europe, or it's being shifted to Northern Africa.

We are fortunate because we can easily go to Poland, the Czech

Republic, Hungary, Romania, it's just a stone's throw away. Secondly, we are relatively close to Western Europe, where decisions are often made. Bratislava is often attractive in itself because it is the capital, and daily commuting to three different countries is possible. But what I think is the best aspect is the added value that our people can provide. On the other hand, the tax burden in Slovakia is not ideal. The education system is quite rigid with many areas for improvement. I think transforming our education system should be the top priority which would make Slovakia more attractive. We also have to recognize and appreciate that we are able to make the most out of what we have, but this must be similar for other countries in the region, as we were shaped by a similar historical experience.



Visit of the KMS President in the Žilina plant.



TOMÁŠ HEGEDŮŠ

Managing Director, CBRE

With more than 105,000 professionals in over 100 countries, CBRE is among the global leader in commercial real estate services and investment. Present in Slovakia since 2001, it has offices in Bratislava, Banská Bystrica, and Košice.

CAN YOU SUMMARIZE THE MAIN MILESTONES OF YOUR COMPANY'S BUSINESS IN SLOVAKIA?

CBRE has been operating in Slovakia for 22 years, and there have been many milestones during this period. We firmly believe that there are still many milestones ahead of us, as business is primarily about constant change. Globally, CBRE has over 500 offices on six continents. In Slovakia, our offices can be found in Bratislava, Banská Bystrica, and Košice.

CBRE IS ALSO KNOWN FOR ITS EXPERT REAL ESTATE RESEARCH, FORECASTING AND ANALYTICAL ACTIVITIES. CAN YOU MENTION SOME OF THE LATEST TRENDS SHAPING THE LOCAL MARKET?

Yes, our trusted specialists in economics, data science, and forecasting deliver some of the most sought-after analytical real estate research in the world.

In one of our latest reports, we summarized the results of our May 2023 survey among retailers in the CEE region. The aim was to identify their plans and expectations and their possible impacts on the retail sector. We arrived at the following six trends that emerged from the survey.

1. Total sales are mostly at or above 2019 levels

63% of the respondents reported sales at or above the pre-pandemic level. However, the main driver of growth was inflation.

2. Footfall remains low on average

More than half the retailers reported that current footfall is below pre-pandemic levels.

3. Inflation and reduced purchasing power as the main concern

Rapidly rising wage costs, rents and reduced purchasing power are the biggest concerns amongst retailers.

4. Retailers believe in brick and mortar stores

Retailers still see brick and mortar stores as more effective than online.

5. Regional shopping centres remain the focus for occupiers

More than half the retailers the survey would like to locate new physical stores in regional shopping centres, followed by city center high streets and retail parks.

6. Focus on sustainability

22% of the retailers confirmed they would like to focus more on sustainability. Reducing the amount of non-recyclable packaging materials and reducing water consumption were the most common steps taken so far by retailers.

WHAT WERE YOUR BIGGEST CONCERNS BEFORE ENTERING THE SLOVAK MARKET?

The prerequisite for entering the Slovak market was a sufficiently large project potential (pipeline) that would allow us to enter the market, and that's exactly what happened. Gradually, we have grown from three employees to more than 300.

WHAT WERE YOU NOT ENTIRELY PREPARED FOR WHEN ENTERING THE SLOVAK MARKET?

One thing that takes getting used to in Slovakia is the constantly changing laws, sometimes several times a year, and, of course, the approach of public offices and officials. The quality of the business environment and its constant improvement should be a priority for any government, regardless of whether it is left-wing or right-wing.





HOW HAS SLOVAKIA AS A COUNTRY EVOLVED SINCE YOUR COMPANY'S ARRIVAL?

Slovakia is a beautiful, modern country that, I firmly believe, has its best days ahead.

IS SLOVAKIA STILL AN ATTRACTIVE INVESTMENT DESTINATION FOR AMERICAN COMPANIES?

In today's world, the motivations for investments are significantly different than a few years ago. The pressure for nearshoring and the overall lack of workforce and land within the EU make every country on our continent relatively attractive, as the range of investment opportunities has narrowed significantly.

THE QUALITY OF THE BUSINESS ENVIRONMENT AND ITS CONSTANT IMPROVEMENT SHOULD BE A PRIORITY FOR ANY GOVERNMENT, REGARDLESS OF WHETHER IT IS LEFT-WING OR RIGHT-WING.

WHAT ARE SLOVAKIA'S BIGGEST ASSETS AS A FDI DESTINATION?

Location, membership in the EU, the Eurozone, and NATO.





BRANISLAV SANDTNER

Citi Country Officer (Slovakia)

Present in Slovakia since 1995, Citi offers a full range of banking products and services to a broad spectrum of clients. It relies on its strong global network with banking operations in more than 150 countries.

CAN YOU SUMMARIZE THE MAJOR MILESTONES OF YOUR COMPANY'S VENTURE IN SLOVAKIA?

Citi has been offering its services in Slovakia since 1995 and was one of the first foreign banks in the country. Since then, it has built a strong position in the corporate banking segment and is a valuable partner to Slovak corporations, public sector clients, as well as the multi-national clients with operations in Slovakia and global investors.

interesting business opportunities. We came here with the expectation that the country would become part of European and global structures, which would make it easier for us to do our business. Slovakia's accession to the EU and NATO, probably the two most important milestones in Slovakia's modern history, only accelerated the transformation and, in principle, also fulfilled our expectations. Over the years in business, we have built up a huge number of ties that make us feel at home here.

system that we use in all countries where we operate. Another advantage is a well set up integration to the internal systems and processes of the company. At the same time, account opening and banking services are provided to clients remotely. Thus, our clients can manage their accounts in all countries from the Head Office in Slovakia. This includes opening current accounts and setting up payments, electronic banking, financing, foreign currency risk management or in-house cash flow optimization using liquidity management tools.

FOCUS ON INNOVATIVE ECONOMY IS THE ONLY APPROACH, WHICH CAN BRING US PROSPERITY, GROWTH, AND ECONOMIC STABILITY.

DO YOUR CLIENTS USE YOUR BANK'S GLOBAL EXPERIENCE FOR THEIR FURTHER EXPANSION?

They certainly do, the important client segment that we manage in Slovakia under the heading of Citi Commercial Bank are Slovak companies. Given our global profile and the resulting competitive advantage, in this segment we mainly focus on companies that are expanding abroad. The main advantage that Citi provides to its clients is the unified banking

SLOVAKIA MUST CONTINUE THE PROCESS OF CONVERGENCE WITH THE DEVELOPED COUNTRIES.

WHAT WERE YOUR BIGGEST CONCERNS BEFORE ENTERING THE SLOVAK MARKET?

Before coming to Slovakia in 1995, we had been providing services to the Slovak market remotely from the Czech Republic for a few years, so we knew the market quite well and did not go into the unknown. The first years were still a period when Slovakia was recovering from its socialist past and beginning to build a new path towards democracy, freedom, and a market economy. This process of transformation was a big challenge but it also brought us





THE SUPPORT OF EDUCATION DESERVES TO BE PLACED ON THE HIGHEST PEDESTAL IN TERMS OF A SOCIETY'S PRIORITIES.

WHAT ARE THE ISSUES THAT YOU FIND MOST TROUBLING TODAY?

There are certain areas for improvement in Slovakia. If I should mention those which need to be addressed first, then it is the need of a system change in education and better flexibility in labor market. Improving the quality of education is a long-term effort, which will deliver results perhaps in a decade from now, but the support of education deserves to be placed on the highest pedestal in terms of a society's priorities. 20 % of Slovaks study abroad and most of them never return home. Without stopping this brain drain, we cannot be successful in kick-starting the country's innovation potential and moving from being a passive

recipient of innovations from abroad to becoming its creators and exporters. Focus on innovative economy is the only approach, which can bring us prosperity, growth, and economic stability.

IS SLOVAKIA STILL AN ATTRACTIVE INVESTMENT DESTINATION FOR U.S. COMPANIES?

Definitely. However, since the surrounding world is moving rapidly forward, Slovakia also must constantly work on increasing its attractiveness. The competition in attracting international capital is huge, and the more attractive the economic environment in Slovakia is, the less money we will spend on investment incentives. Slovakia must continue the process of convergence with the developed countries that has been set in motion.

WHAT ARE SLOVAKIA'S BIGGEST ASSETS AS AN FDI DESTINATION?

It is probably the quality of the workforce and at the same time the geographical proximity to the large economies of Europe. People in Slovakia are capable of creating success stories. For example, Slovak car companies belong to the better and more competitive plants within the production facilities of their mother companies.

I would suggest focusing on areas where we already have a background, in which we are strong and able of developing further. As an example, I would mention two areas - the transformation of the automotive industry to electro-mobility with emphasizing the importance of battery production, and shared service centers.





RASTISLAV KULICH

Country Manager, Google Slovakia

Google LLC, a U.S. multinational technology company active in the fields of online advertising, AI, search engine technology, cloud computing, computer software, or consumer electronics. Google's parent company Alphabet Inc. is one of the five Big Tech companies. The Slovak branch Google Slovakia has been operating since 2011 and is based in Bratislava.

WHAT ARE THE KEY MILESTONES OF GOOGLE'S PRESENCE IN SLOVAKIA?

Since its establishment in Slovakia in 2011, Google has focused on helping Slovak companies leverage digital marketing solutions for their growth on the global markets. In recent years, we have expanded our activities to encompass the full extent of digital transformation, including cloud and AI solutions.

WHICH PROJECTS DO YOU CONSIDER THE MOST SUCCESSFUL?

In 2016, we launched our flagship educational program, Google Digital Workshop, also known as Google Digitálna garáž in Slovakia. Since then, we have proudly provided high-quality skills training to over 330,000 individuals, both online and offline. Our comprehensive program equips participants with the knowledge and tools they need to navigate the ever-evolving digital landscape, empowering them to succeed in their personal and professional endeavours.

HOW DO YOU COLLABORATE WITH THE SLOVAK INNOVATION ECOSYSTEM?

We have been providing continuous support to non-profit organizations through our philanthropic branch Google.org. This includes grants to support women in IT (Aj Ty v IT), child safety online (Teach for Slovakia), or combatting the spread of disinformation (PDCS - Partners for Democratic Change Slovakia via TechSoup Europe).





BRANISLAV ONDRIK

Financial Director, IBM Slovensko

IBM Slovensko, Spol. Ltd. started operation in Slovakia in 1993, based in Bratislava. In 2003, the company established a second branch of IBM International Services Center s.r.o. (ISC). The company offers software and mobile solutions, applications, analytics and Cloud. It is focused on data archiving, IT security services, strategic outsourcing, CRM, training and IT consulting.

CAN YOU SUMMARIZE THE MAIN MILESTONES OF YOUR COMPANY'S BUSINESS IN SLOVAKIA?

IBM has been operating in Slovakia for a long time, even during the time of Czechoslovakia, since 1932 when it opened a representation office in the capital. In the modern history of Slovakia, IBM established its commercial and service operations in our market in 1993, and subsequently, in 2003, placed one of its operational service entities in Bratislava, providing services globally for IBM. Today, IBM is one of the most significant employers in the IT and related services sector in Slovakia, with several thousand employees operating in three branches in Bratislava, Banská Bystrica, and Košice.

social changes in 1989 and the split of Czechoslovakia in 1993.

WHAT WERE YOU NOT ENTIRELY PREPARED FOR WHEN ENTERING THE SLOVAK MARKET?

As a young state at the beginning of its existence, Slovakia showed a certain degree of instability and abrupt changes in the economic and political spheres. Nonetheless, IBM entered the local market right after Slovakia's establishment and began providing its commercial and service services. It strived to actively contribute to the development of modern Slovakia in the areas of digitalization and informatization of industry and government services. Today, it is one of IBM's strategic locations, serving its global corporate activities and global customers in IT consulting services.

WHAT ARE SLOVAKIA'S GREATEST ASSETS AS AN FDI DESTINATION? It's precisely its human resources.

IBM'S BRANCH TODAY IS ATTRACTIVE NOT ONLY FOR MANY YOUNG PEOPLE FROM SLOVAKIA BUT ALSO FROM MANY OTHER NEARBY OR DISTANT COUNTRIES WORLDWIDE.

TODAY, (SLOVAKIA) IS ONE OF IBM'S STRATEGIC LOCATIONS, SERVING ITS GLOBAL CORPORATE ACTIVITIES AND GLOBAL CUSTOMERS IN IT CONSULTING SERVICES.

HOW HAS SLOVAKIA EVOLVED AS A COUNTRY SINCE YOUR COMPANY'S ARRIVAL?

Slovakia has become a modern democratic European country firmly anchored in the EU and NATO. IBM's branch today is attractive not only for many young people from Slovakia but also from many other nearby or distant countries worldwide. We are an international entity that respects individuality and the development of our employees.

IS SLOVAKIA STILL AN ATTRACTIVE INVESTMENT DESTINATION FOR AMERICAN COMPANIES?

Certainly yes, Slovakia is a source of skilled, educated young people with good knowledge of foreign languages. This is true not only in IT, which makes it an attractive destination not just for IBM but also for many other American companies operating here.

WHAT WERE YOUR GREATEST CONCERNS BEFORE ENTERING THE SLOVAK MARKET?

Probably, it was the economic and political future of Slovakia as a new country formed shortly after significant



BRANISLAV BUDKE

Country Manager, Pfizer

Pfizer, a leading global biopharmaceutical company, was established in 1849. It currently employs over 90 000 people globally, and its products are available in more than 125 countries.

COULD YOU BRIEFLY DESCRIBE PFIZER'S PRESENCE IN SLOVAKIA AND ITS MAJOR MILESTONES?

Pfizer was one of the first pharmaceutical companies to establish itself in Slovakia, we are also approaching our 30th anniversary. We started with a small team in a small office and had only a few products in our portfolio. It gradually picked up pace, as we were successful in bringing in new products to the Slovak market. We moved to new premises a few times, as from the initial ten employees we expanded to 150 over time. It's important to note that Pfizer in Slovakia is a branch office, primarily focusing on marketing and education.

Over time, Pfizer acquired numerous other companies and our portfolio grew from only a few products to over 200 molecules. We only promoted our key products, we remain focused on research and innovation and committed to our vision. Our portfolio has developed and changed over time and we expanded in most fields, notably oncology and cardiology.

The COVID-19 pandemic represents a major milestone, as we were the only company capable of providing the first vaccine and committing to producing it in the large quantities required. It was the first mRNA vaccine. Our manufacturing capacity played a critical role in securing and distributing these vaccines. Another key achievement during the pandemic was the development of a drug effective for COVID-19 treatment, which is now recognized as an effective treatment for high-risk patients.

WHAT WERE THE BIGGEST CHALLENGES YOU HAD TO FACE WHEN ENTERING THE SLOVAK MARKET?

I was working as a surgeon at the time, so I didn't have an understanding of the pharmaceutical industry. I don't know about the specific challenges the founders faced, but it was undoubtedly a period of uncertainty. Imagine, after 1989, the market was quite wild, there were no regulations. American companies always have very high standards regarding ethics, quality, and approach. Logistics chains were quickly established, as they represented lucrative business for Slovak distributors. High healthcare costs launched the period of implementing stricter regulations in drug policy, resulting in new laws. Eventually, after about 20 years, Slovakia became the most regulated market in the Visegrad Group, if not in the entire EU.

DEREGULATION AND SIMPLIFYING THE PROCESSES COULD MAKE THE LOCAL ENVIRONMENT MORE ATTRACTIVE.

IN YOUR OPINION, IS SLOVAKIA STILL AN ATTRACTIVE DESTINATION FOR LARGE US PLAYERS?

I can't say it's not attractive. Attractiveness is relative. Essentially, if a company can achieve its goals here in its own way, it's fine. However, we are a small market. For instance, pricing regulations in Slovakia make it the second cheapest country for drugs in the EU. When we ask our headquarters to lower prices, they refer to so-called

reference baskets across Europe, where states reference each other. Since we have the second lowest prices, we influence prices across the entire European market, and the headquarters might say that they won't lower prices in 80 million Germany just because of small Slovakia with 5 million inhabitants. That's an example of where Slovakia's attractiveness can reach its limit. When we are asked by the state to create an attractive pricing structure, we're limited because large corporations have a much broader perspective when considering the impact.

COULD YOU IDENTIFY THE TOP FACTORS THAT COULD MOTIVATE COMPANIES TO COME TO SLOVAKIA?

Despite the underfinanced healthcare, we've maintained high medical standards and quality of care. Our doctors are capable of conducting clinical studies, which are essential for a drug to become approved. In the last stage of this process, clinical trials of the drug are performed on real patients. Slovakia has been able to conduct these trials at good quality and at lower cost than other countries. Due to legislative changes and overregulation in this area over the last decade, the number of clinical trials conducted in Slovakia has decreased dramatically by almost half. So, in my opinion, deregulation and simplifying the processes would be one way how to make the local environment more attractive. I would also add more support and funding for science and research.

Developing new drugs is a costly process and governments don't have the resources to finance the research. We are trying to explain that it is an investment in health, in the future, in the workforce.

KEY DRIVERS FOR U.S. INVESTMENT IN SLOVAKIA

American investors are heading towards the EU primarily due to the market potential. From this perspective, Slovakia's pro-European orientation, membership in the Eurozone, and long-term economic stability are crucial for investors. For investors in the e-mobility sector, it is also significant that Slovakia has a relatively greener energy mix compared to most EU countries.

Another important factor is the strong tradition and experience of the Slovak workforce in technical fields, as projects are characterized by a higher technological level than in the past. Slovakia offers investors an ideal combination of the previously mentioned factors and still relatively low costs, especially when compared to Western European countries.

This section was compiled based on data and materials kindly provided by SARIO, Slovak Investment and Trade Development Agency.

SARIO
SLOVAK INVESTMENT AND
TRADE DEVELOPMENT AGENCY

The 10 drivers listed on this page were originally published in SARIO's "Why Slovakia" report which can be found here:



www.sario.sk/sites/default/files/sario-why-slovakia-2023-06-29.pdf

1

LOCATION

Strategic location in the heart of Europe with great export potential

2

SAFETY & STABILITY

One of the safest and politically most stable countries in Europe

Source: Credit Insurance Group Credendo

3

EUROZONE

A member of the Eurozone since 2009 as one of the few in Central & Eastern Europe

4

QUALIFIED WORKFORCE

Cost-effective, skilled and loyal labour force with excellent multilingual skills

5

PRODUCTIVITY

The highest labour productivity rate in Central & Eastern Europe

Source: OECD

6

INVESTOR-FRIENDLINESS

The Slovak government is continuously increasing the quality of local business & investment environment

7

INNOVATIVE ECOSYSTEM

The highest share of higher added-value jobs in CEE, ready for new investments into R&D and innovation

8

OPENNESS

One of the most export-oriented and open economies in the EU

Source: Eurostat

9

DEVELOPED INFRASTRUCTURE

Developed and steadily growing infrastructure network with regards to road, railway & flight connections

10

INCENTIVES

Attractive investment incentives scheme and special tax regimes for R&D activities



ANTON ZAJAC

co-owner, ESET

The history of ESET, a global digital security company, dates back to 1987 when two of its founders wrote their first antivirus program. The company was officially established in 1992 in Bratislava, where its headquarters reside to this day. It expanded to the U.S. market in 1998. Currently it has over 30 regional offices and branches and employs well over 2000 people worldwide.

WHAT ARE THE MAJOR MILESTONES OF YOUR U.S. BUSINESS EXPERIENCE?

Obviously, the main (and the first) milestone is the date of the company establishment. ESET, LLC was not my first company although it was (and still is) the most successful one.

The most important milestones are the subtle ones, those that inspire the founders. Let me share one story to illustrate this idea. My first contact with the U.S. market and its business took place in Miami (1982). After the landing (from Jamaica), I wanted to call my remote family in Cleveland. There were no cell phones around at that time, only the paid public phones. I fed the phone with a few quarters, but the call failed, and I lost the money. I dialed 411 (the operator) and filed my complain. The operator made me push a few buttons and all the money fell out of the machine! I could make the call again with the same quarters. The efficiency and quality of AT&T service was shocking! I wanted to be part of the U.S. business ecosystem right away.

WHAT INFORMATION SOURCES PROVED TO BE THE MOST USEFUL WHEN PLANNING YOUR U.S. EXPANSION?

The only information I needed was the size of the market. The key, however, was my desire to prove that even a company originally based in a tiny, business-insignificant country, could become a major, global player. I like challenges, I like the struggle, I like to think and create. Proving that an underdog could become the champion was something waking me up in the middle of the night. When I took a red-eye flight from the West to East coast and saw tens of thousands of

lights below. Each light turned into a client in my mind. I could see the huge opportunity the market offered. That was the most fundamental information I needed.

I LIKE CHALLENGES, I LIKE THE STRUGGLE, I LIKE TO THINK AND CREATE. PROVING THAT AN UNDERDOG COULD BECOME THE CHAMPION WAS SOMETHING WAKING ME UP IN THE MIDDLE OF THE NIGHT.

LOOKING BACK – WHAT KIND OF SUPPORT OR INFORMATION WOULD HAVE HELPED YOU THE MOST?

Looking back, all the information I needed I acquired by experience and study. When I needed professional help, I took a huge book (the Yellow Pages) and began making phone calls. Before starting a business, I worked at the University of San Diego and lectured at Palomar College. I was exposed to the U.S. environment for several years before I founded my first company.

WHAT WERE YOUR BIGGEST CONCERNS BEFORE ENTERING THE U.S. MARKET?

I did not have time to have any fears. The word "failure" was not part of my

dictionary. I always follow general Hannibal's principle: "Aut viam inventiam aut faciam!" ("We either find the way or make one!")

WHAT CHALLENGES DID YOU HAVE TO OVERCOME TO KEEP PACE WITH INTERNATIONAL COMPETITION?

The biggest challenge is, obviously, to develop a competitive product. The next is building the brand awareness from zero. When ESET developed its first product, Peter Norton (later founder of a huge antivirus company) said the viruses were as real as the crocodiles in the sewage of New York. When ESET, LLC was established in San Diego, Norton's company was already listed on stock exchange; it was a giant. ESET's product did not have all the bells and whistles, however it had some features that were unique. I talked to lawyers and asked about the risks of comparative ads. We published the ads in PC Magazine and instantly became the favorite product of computer geeks. Even Dell Computers became our distributor.

LOOKING BACK, ALL THE INFORMATION I NEEDED I ACQUIRED BY EXPERIENCE AND STUDY.

WHAT WERE YOU NOT FULLY PREPARED FOR WHEN ENTERING THE NORTH AMERICAN MARKET?

The U.S. market is very tough and dynamic. One thing that is damaging



the market is the legal framework. ESET had to defend its rights in courts many times. The most damaging are the patent lawsuits because they last long and cost even more... Last month ESET won a case against Finjan. This case started eight years ago. The plaintiff was represented by a lawyer who never lost a patent case in her entire life. Several of the defendants gave up without fight. It costs less to pay a fraudulent license fee than the lawyers. Patent trolls are a source of a major headache for many businesses, especially the mature ones.

**AUT VIAM INVENTIAM
AUT FACIAM!"
("WE EITHER FIND
THE WAY OR MAKE
ONE!")**

HANNIBAL

**WHAT WAS THE KEY TO YOUR
SUCCESSFUL EXPANSION?**

There is no single key that leads to success. Developing a competitive product is the fundamental requirement. The product should have a competitive edge in at least one area. The rest is a combination of hard work, a lot of blood and sweat and, of course, a great deal of luck.

**WHEN IS THE RIGHT TIME FOR
A SLOVAK COMPANY TO START
CONSIDERING EXPANDING TO
THE AMERICAN MARKET?**

The planning should start at the very beginning. Before you start developing a prototype, you need to understand the needs of the market. You don't want to waste time inventing the wheel or missing the target.

**THERE IS NO SINGLE
KEY THAT LEADS
TO SUCCESS.
DEVELOPING A
COMPETITIVE
PRODUCT IS THE
FUNDAMENTAL
REQUIREMENT.**

**WHAT ARE YOUR BEST PRACTICES
AND WHAT ADVICE WOULD
YOU GIVE TO OTHER STARTUPS
LOOKING TO EXPAND INTO THE
U.S.?**

Today's market is far more dynamic than that of 1998 when ESET launched its operations in the U.S. We could afford to grow organically. Today, it becomes almost inevitable to acquire some sort of financing to get to the market as quickly as possible. Hire the best talent available and be ready for a very bumpy ride. Remember the Hannibal's principle.

**IS THERE SOMEONE (AN
INDIVIDUAL OR AN INSTITUTION)
YOU WOULD LIKE TO HIGHLIGHT
FOR THE HELP OR ADVICE THEY
PROVIDED?**

While still working in academia, I would often meet with my good friend,

Captain Celustka, who used to be a fighter pilot. Bob would often repeat his favorite quote: "Anton, remember, there are only two kinds of people: quick and dead!" That is the best advice I ever got.

**CAN YOU COMPARE YOUR
COMPANY'S PERFORMANCE IN
THE PRESENT TO THE PERIOD
WHEN YOU WERE EXPANDING?**

After a few years of U.S. expansion, ESET, LLC became a member of the prestigious group of the 500 fastest growing companies in the U.S. (INC magazine). It actually remained in the group for four consecutive years. We also launched a community project: "Securing our eCity" and were invited to the White House to receive president Obama's award.



With the Governor of California Arnold Schwarzenegger



RAŠO IVANIČ

Co-founder and CEO, GroupSolver

GroupSolver, founded in 2014, is an online consumer research platform that provides real-time qualitative and quantitative insights. The company's platform captures natural language feedback from relevant online consumers, enabling its clients to synthesize and analyze customer feedback.

HOW DID YOU TURN YOUR IDEA INTO A COMPANY?

During our studies in the U.S., together with my brother and another childhood friend, we came up with the idea to improve communication and the ability to find consensus on tough issues. We created our own algorithm to build a system which could help people arrive at consensual solutions. As our project slowly grew, Jozef was in Slovakia, I was in California and my brother Maros was in Washington. We managed to create a working prototype and were selected for an incubator in San Diego. Another big milestone was a grant from The Gates Foundation, which liked the idea of applying our solution also in the Third World.

After about a year of work on improving the prototype, we were ready to launch the commercial software product and were looking for an investor. We got in touch with Neology, which invested in numerous Slovak startups. They became our first investor and these funds enabled us to grow our team and further improve the product. That's when we hired our first developers in Košice and truly became a Slovak-American company. All our development, every line of the code, everything was made in Slovakia.

WERE YOU WORRIED ABOUT THE COMPETITION ON THE U.S. MARKET?

I think that any truly innovative company shouldn't look at what the others are doing but should focus fully on itself. We knew it wasn't going to be easy but we had no clear idea of the challenges that awaited us. We were aware of a few competitors with much better access to funding but at that time we simply didn't care - when you're starting a business you have to

believe that it will be your company which will prevail.

WHAT WERE THE BIGGEST CHALLENGES YOU HAD TO FACE WHEN BUILDING UP THE COMPANY?

As they say - every successful startup is an "overnight success". After 15 years of work... In order to succeed, you need lots of luck; you need to be in the right place at the right time. We had no entrepreneurial background to rely on and no experience, so from day one everything was a big challenge and we were learning along the way.

ANY TRULY INNOVATIVE COMPANY SHOULDN'T LOOK AT WHAT THE OTHERS ARE DOING BUT SHOULD FOCUS FULLY ON ITSELF.

CAN YOU COMPARE THE CONDITIONS IN THE U.S. AND IN SLOVAKIA WHEN IT COMES TO FINDING AND HIRING TALENT?

Back in the days when we were first looking for developers in Slovakia it was extremely difficult to find people willing to take the risk and give up their safe job to work for a startup. Today, there's a lot of available talent with a different mindset - they don't just want to collect their monthly pay check, but work on something meaningful.

The last few years were quite difficult for us due to the global challenges that influenced the business landscape. Before that, about half of our people were based in the U.S. and the other half in Slovakia. However, we've discovered that some of the roles which I thought had to be located in the U.S. can be moved to Slovakia - such as sales or analytics. So our long-term strategy is to shift more activities to Slovakia. People in Slovakia are skilled, less expensive, and don't have such big egos as most people in Silicon Valley.





AS A FOUNDER, YOU CAN'T BE LOCKED IN A SMALL ROOM, ISOLATE YOURSELF AND FOCUS ONLY ON MAKING DECISIONS - YOU HAVE TO BE INVOLVED IN EVERYTHING.

WHAT IS YOUR ADVICE FOR COMPANIES LOOKING TO EXPAND TO THE U.S.?

What surely helps any founder is to find a few people you can trust, whose

advice you value. It is good to have a close circle of people who deal with similar issues and can understand and help in difficult times (letting people go, making an important pivot). There is no shortcut. Eventually you have to learn what your customers want, how to communicate with them and how to offer them your product. In the end, everything is about the customer and the market. Everything else is just a support ecosystem which can help you get on your feet.

Fail fast is a popular saying in Silicon Valley, but the really successful companies are those which don't give up. Sometimes, even though the entrepreneurs have a clear vision how to implement their idea, they lack support and feel alone; that is when you need the community to hold the door open for you and push you a little.

ANY OTHER ADVICE FOR YOUNG ENTREPRENEURS?

I can offer three lessons that I've learned.

1. One thing that has always served us well is transparency - in good times and in bad times.
2. As a founder, you can't be locked in a small room, isolate yourself and focus only on making decisions - you have to be involved in everything.
3. Most startups don't fail because their idea is bad, it's the organization that breaks. It's very important to stay focused on what is really important and not to lose track of that.



DUŠAN ZELEŇÍK

Researcher & Analyst & Developer, Orderlord

Founded in 2014, Orderlord offers complex order management tools for restaurants and brands in the gastronomy sector. It is currently used in more than 35 countries worldwide. In 2020 it was acquired by logistic giant REEF Technology from the U.S.

COULD YOU DESCRIBE YOUR EXPERIENCE WITH EXPANSION TO OTHER MARKETS?

After a period, we shifted our primary focus to the English market and endeavored to extend our Orderlord solution to the United States. However, this expansion to the U.S. posed challenges, primarily due to the complexities associated with travel and our limited success in establishing a foothold. Acknowledging the comparative ease of selling in Europe, we redirected our efforts toward this region. Despite a year-long initiative to establish a presence in the U.S., which involved deploying personnel on the ground, the outcomes fell short of expectations. Consequently, our predominant operational focus shifted to Europe.

When contemplating an exit strategy, be it selling the company or forging a partnership, we garnered interest from several parties. Opting for collaboration over a straightforward acquisition, we aligned with REEF Technology, a major real estate company, about three years ago. Our software solutions for restaurants, encompassing point of sale system, driver application, and kitchen applications, along with integrations with American food delivery services, appealed to REEF. Their offer was unique in its collaborative nature, ensuring our continued involvement as employees.

REEF's particular interest lay in our kitchen application, as they were venturing into setting up restaurants on their parking lots, utilizing container-based or food truck-style setups for fast food sales, including their own brands and partnerships with chains like Wendy's. This "ghost kitchen" solution aimed to bring their products closer to customers, proving mutually beneficial for both entities. However, as

time progressed, REEF faced financial challenges following a significant investment from Japan. The subsequent rapid expansion of restaurants, while not prioritizing immediate profitability, led to financial constraints and necessitated substantial downsizing. In response, REEF decided to pivot and bifurcate its parking and kitchen businesses, gradually separating these two divisions.

The company introduced a business model often confused with a franchise, allowing individuals to set up their food truck-style restaurants using our technology. It provides versatile tools, giving them the flexibility to sell products beyond food. The goal is to centralize and optimize operations for enhanced efficiency.

setup, the company is now presenting employees with the opportunity to relocate along with their families to these two primary offices.

WHEN YOU EXPANDED TO THE UK, DID YOU MOVE THERE AS WELL?

No, at that time, I didn't relocate to the UK, nobody actually did. At most, there were some week-long trips. However, a significant number of individuals did travel there. Salespeople, I recall, used to go for a week, sometimes just for a single day, specifically for one client. We had a rented house there, shared with Slido, and we had office desks in coworking there. There was always someone staying overnight, but no one lived there permanently.

TO WHAT EXTENT DID YOU RELY ON HAVING A LOCAL PRESENCE IN THE UK OR THE U.S.? WAS IT HELPFUL?

In the UK, we established a partnership with an individual who both lived and worked there in the past, taking charge of various responsibilities. Interestingly, he wasn't a salesperson; rather, he had previously headed a different company offering a solution similar to ours. Residing in the UK, he possessed valuable contacts and extensive industry involvement.

In contrast, our approach in America was more opportunistic. One of our founders moved there for a year when his wife went there to study. He obtained visas, allowing him to stay for the entire year. They were based in New York, and it was from there that we initiated the offering of our solution. However, nothing substantial materialized from that venture.

WHY DO YOU THINK THERE WAS NO INTEREST IN THE U.S.?

It's challenging to pinpoint the exact

EXPANSION REQUIRES A NUANCED UNDERSTANDING, AND HAVING INDIVIDUALS WHO SPECIALIZE IN THE MARKET IS CRUCIAL.

In the past, our offices were spread across different locations, such as Slovakia, Israel, UK and many in North America. However, a significant portion of these offices has been closed. At present, only the Miami and London offices are still in operation. To address the inefficiencies and communication challenges posed by the scattered office



issue. Likely, at that time, there was hesitancy to trust a solution from Slovakia, especially considering our limited customer base. The UK presented a more favorable scenario – we could present a larger team, and the English market seemed more receptive than New York. I understood the reluctance to collaborate with someone from Eastern Europe in New York, but I believe our prospects might have been better in another state.

In London, our clients were diverse, representing nationalities such as Indians, Pakistanis, and Turks who owned restaurants and were active in the industry. Interestingly, the location of our origin didn't matter to them. What they needed was a solution that genuinely saved time and addressed the challenges of order tracking in a chaotic environment. This is why our efforts gained traction in the UK compared to the U.S. Perhaps it was simply a matter of not selecting the right city in the U.S.

AND DO YOU THINK YOU WILL BE PLANNING ANY EXPANSION TO AMERICA IN THE FUTURE?

Currently, with REEF, we maintain a presence in America, extending to Canada as well. We continue to operate restaurants in these regions. Naturally, we've retained only the profitable ones, so, for example, out of 1000 restaurants, we now have 100 and we are pivoting the model step by step.

AND HOW DO YOU MANAGE THOSE RESTAURANTS – CAN IT ALL BE DONE REMOTELY?

We have dedicated teams based in America that oversee various aspects of managing these restaurants. Specifically, there are teams dealing with technical matters, responsible for installing software updates for the restaurants. For any unforeseen issues,

we enlist the services of vendors. When it comes to replenishing supplies for the brands, there are established processes managed from America. The parent company, located in Miami, takes care of these operational aspects. Our involvement is primarily focused on the software side of things. The intricacies of sourcing ingredients like meat and tomatoes are handled by our American counterparts.

WHAT WOULD BE YOUR ADVICE TO SLOVAK ENTREPRENEURS LOOKING TO EXPAND ABROAD?

My advice to Slovak entrepreneurs seeking to expand abroad is to ensure a dedicated and knowledgeable team familiar with the target market. Expansion requires a nuanced understanding, and having individuals who specialize in the market is crucial. Some companies specialize in selling products for others, leveraging their expertise and market knowledge. While learning about a new market is possible, it can be both costly and time-consuming. Ideally, consider hiring local experts who understand the intricacies of the market.

For instance, in Italy, we successfully employed a local individual who, despite not having extensive training on our solution, effectively sold on our behalf because he spoke the language. This localized approach proved successful. Similarly, in Vietnam, clients used our system in English due to design challenges, making it more difficult for them to fully comprehend and utilize the solution. Understanding cultural nuances, such as naming conventions, is crucial – for instance, our company name faced issues in Kuwait and Dubai due to cultural sensitivities. Each country has its specificities, making it essential to have someone on the ground to navigate the local environment.

Additionally, actively participating in industry events and self-promotion is valuable. Attending events, like the Takeaway Expo in England, allowed us to collect business cards and approach potential customers in the restaurant business, contributing to our successful expansion efforts.

KNOWING WHAT YOU KNOW TODAY, IS THERE ANYTHING YOU WOULD HAVE DONE DIFFERENTLY?

Given what I know today, if I were to approach it differently, I would emphasize simplicity when expanding a software solution to multiple countries. The complexity arises when the solution itself is intricate and demands extensive training. My recommendation would be to streamline both the user experience and the sales process by simplifying the solution.

In particular, I would refrain from promising extensive support. Similar to how users engage with platforms like Gmail without expecting constant support for minor preferences, I would adopt a more hands-off approach, while maintaining a customer-centric mindset. The key change would be to sell it strictly as software without overly accommodating support promises. Our previous approach led to the system becoming overly complicated, with an abundance of settings options that complicated the onboarding process for new clients. A simpler model, purchasing from an app store and having it function seamlessly upon installation, would streamline onboarding, support, and alleviate the workload on developers. This shift could potentially save significant hours of work, which, at times, we provided without charge.



PETER SIMKO

Founder and CEO, PowereX

Founded in 2018, PowereX is building an AI-based advanced interconnected clean energy routing platform to manage energy systems globally. PowereX technology provides generation, storage and distribution capacities; flexibly, when and where they are needed. They help asset owners radically reduce energy costs and maximize ROI, whilst also providing energy decarbonization and increased resilience for the grids.

WHAT ARE THE MAJOR MILESTONES OF YOUR U.S. BUSINESS EXPERIENCE?

At the time when we had the opportunity to expand to the American market, we seized the chance that came through the Slovak-American Foundation (SAF). We were in the development and market testing phase in Slovakia when SAF announced another round of its US Connections program for innovative Slovak entrepreneurs. We applied and were fortunate to be selected, which launched the whole expansion process. There was also some funding available to support us in initiating and establishing our position in the U.S. This coincided with another opportunity when we were selected to be part of an American accelerator in Virginia - Smart City Works. Additionally, we received a grant from the Office of the Deputy Prime Minister for Investments and Informatization. So, it was an interesting confluence - being selected by the accelerator, receiving a grant, and having support from SAF. Then, COVID-19 hit, and everything crumbled.

HOW DID YOU PROCEED AFTER THAT?

Before COVID-19, the start was fantastic. We had a network, infrastructure was in place. The accelerator was built on the idea of creating a locally specific version of what we were doing for the American market. Because not everything you do here is exactly the same. The goal was to update the proposition, do market testing - we had a clearly defined idea of the people and the network we work with, as well as the potential investors. This is very important because the infrastructure and the network can tell you what you don't know; it can open new paths for you.

After six weeks, it all fell apart because the pandemic arrived. We started in February 2020, and in March, COVID-19 hit, so everything closed. From the perspective of our U.S. efforts, we shifted to online mode. The acceleration process continued, but in a peculiar state because it's challenging to do market testing without being present in that market. Something can be done online, but you need to be in contact with those people, work with them. We develop software for the energy business, and you can't encompass all of that remotely. Thanks to that accelerator, we managed to onboard a local American who started helping us with business development. So, that was an important milestone - having someone local providing a touch point for local partners, seeking potential customers, and helping us further develop and facilitate the project. It eventually led to closing the first contracts with local customers. The local presence was substituted by having a remote person there. We didn't create a partnership model at that time because we didn't have a fully finished product; we still needed to work on our side, and that person was onboarded to our company, effectively into the American company. We then established a subsidiary company - a very simple one.

After COVID-19, things picked up again, we traveled to the U.S., carried out local activities, collaborated with our local person, set up a gradual expansion plan. We are currently conducting Proof of Concepts (POCs), so that we can scale further through these customers.

WHAT IS THE SCOPE OF YOUR ACTIVITIES IN EUROPE COMPARED TO THE U.S.?

At this moment, the majority of our operations are in Europe. Regarding revenue-generating activities, it's essentially 100% from selected markets within Europe. As we grew, we had to prioritize, and since the American market is in the POC phase while we're already active in the European market, we temporarily directed most of our time and energy towards Europe. Now it's picking up again with the partners we found. We've also found a U.S. partner and are initiating collaboration with them. So, the model for the future will involve collaboration with local partners. They are there 24/7, have built their own business, infrastructure, channels, support, and sales. Unless we want to go for a full solution that needs to be built and invested in, this is the simplest model, shortening the path to the market.

THE INFRASTRUCTURE AND THE NETWORK CAN TELL YOU WHAT YOU DON'T KNOW; IT CAN OPEN NEW PATHS FOR YOU.

WHAT ARE THE BIGGEST CHALLENGES YOU FACE?

1. Local Presence - you need to be there, which we address through the local team member.
2. Dedicated resources in the market - you need to allocate dedicated people from your own team specifically for that market.
3. Cost of human labor - people are expensive in America. I don't



think we employ cheap people in Slovakia - we are in AI software and specialization, and we have a team of skilled individuals who don't want to work for low pay. However, the cost of labor in the U.S. is much higher. People without specialization want to earn much more than highly specialized, skilled Slovak employees. We really have to consider whether it has value to employ an American with all associated costs and under what conditions. The challenge is taking that step, having a team, having targets.

Therefore, you need an allocated investment budget for that team. Option two is a partnership model with other partners who are already in that market, and that seems like a better alternative to us. You can then focus on doing the subset of activities necessary to deliver our service. A significant part of those activities is supplemented within the partnership model that already exists in that market.

HOW DO YOU PERCEIVE COMPETITION IN THE AMERICAN MARKET?

I would say the market is so growth-oriented that it can accommodate many companies. We're not in a saturated market but a growing one, providing space for companies in this sphere to grow. At the same time, we wouldn't have gotten to POCs if we didn't have the ability and opportunity to convince them that our solution is better. In the comparison customers made - and they're not small customers but large corporations - we were evaluated as technologically excellent. What's lacking is the entire infrastructure for a normal functioning company that's building its local business. And for that, you need

internal investment to build networks, infrastructure, and your presence. Or build it on the second model through those partners.

I LEARNED ABOUT ALL POTENTIAL NETWORKS AND CONTACTS THROUGH THAT SAF STARTUP NETWORK; IT WAS OUR GATEWAY.

IS THAT THE REASON WHY YOU ESTABLISHED A SUBSIDIARY COMPANY IN THE U.S.?

Yes. It's a different perspective when you're a U.S.-based company. It's a company with U.S. headquarters, address, you can call there, there are people behind it who can handle things. If it's a type of business that isn't purely business-related - from my point of view - the customers require that we have local presence there.

DO YOU TRAVEL TO THE U.S. OFTEN?

Yes, depending on what often means. It's driven by need. When we had inspections there or it was necessary for us to be present, I was there. A lot of things can be handled remotely, and again, next year, we will get into a phase where we will have to travel there because we will start implementing those POCs. That will require not only project maintenance but also customer care, local presence. We will get to the point where we need to build a local team that will perform

at least the activities needed alongside partners.

HOW DID YOU GO ABOUT BUILDING YOUR LOCAL NETWORK?

I learned about all potential networks and contacts through that SAF startup network; it was our gateway. They gave us recommendations and we chose what suits us and what we can use. In principle, it's the only way - talk to a lot of people, ask questions, and suddenly, things start connecting somewhere. A good piece of advice from the network can open doors, and it's much better than knocking on doors without an invitation or contact.

WHAT IS YOUR BEST ADVICE FOR ENTREPRENEURS CONSIDERING ENTERING THE U.S. MARKET?

1. Timing is essential. In the sense that what you offer aligns with what the market wants. So that the friction to get that market test, or the first acceptance, or the first POC is as low as possible.
2. Timing in the sense that once you're going there, you're going there. Don't do back and forth. It's essential to maintain the momentum that one starts with some investment.
3. Have a strategy for market entry. In terms of how you conduct market testing, how you create a proposition, the adjusted product proposition that will fit where the demand is, but also have a human capital strategy. You don't have extra resources; in startups, you need to allocate resources. You have a million potential opportunities; you need to choose the right ones and allocate human capacity. It's critical to focus on the right things.



IVAN STAŇO

EVP & Evangelist , RESCO

Established in 1999, Resco stands for REMote Solutions Company. Founded by three fellow university students, RESCO has been strongly focused on foreign markets from its very beginning. It develops customizable mobile solutions for field workforce.

WHEN AND WHY DID YOU START FOCUSING ON FOREIGN MARKETS?

From the start we were focused on mobile technologies. In the first decade of our existence this meant simple apps for mobile devices of the day, mostly what was then known as Personal Device Assistants. Since the market with these devices was practically non-existent in Slovakia, we naturally focused our efforts toward Western Europe and North America. We never did much in the Slovak market and were heavily focused on foreign markets from the very beginning. Customers from the CEE region make up about 0.5% of our customer base.

It's almost as if it were a part of RESCO DNA - this urge to do business globally and create products which can be sold all over the world - this idea has characterized our company since its beginning.

WHAT ARE SOME OF THE MILESTONES THAT HAD THE BIGGEST IMPACT ON YOUR COMPANY?

After about ten years, we shifted our focus more towards corporate customers and the B2B segment and we started developing mobile apps that could be used by companies for their employees. Our apps were mainly designed for employees who were on the move - traveling salesman and people in field services (on-site technicians). We created a mobile CRM system to help them do their job more efficiently. We slowly launched this product between 2008 and 2010. As our app was closely interconnected with Microsoft solutions, we started a close cooperation with Microsoft offices across Europe and in the

U.S. This business model ultimately resulted in our need to open an office in the U.S.

IT'S ALMOST AS IF IT WERE A PART OF RESCO DNA - THIS URGE TO DO BUSINESS GLOBALLY AND CREATE PRODUCTS WHICH CAN BE SOLD ALL OVER THE WORLD.

WHAT WAS YOUR STRATEGY WHEN ENTERING THE U.S. MARKET?

We used the same model that we used in Europe - building our network of contacts through the Microsoft

network in the given country. We received great support from Microsoft and our product was very well received, so in January of 2013 I packed my bags and moved to Boston. I didn't know anyone in the beginning and I started to build our local branch from scratch.

We have invested a lot of resources into attending numerous conferences across the U.S. and we had been doing this even before we set up our U.S. office. We would buy a booth, have a presentation, or have a speaker on one of the panels. We were always prepared and tried to contact potential customers in advance and set up meetings during the conference. This approach works well for us. Being in touch with companies from our segment, within the Microsoft network, we stay up to date on the latest trends, find new connections and opportunities and maintain and strengthen the existing ones.

WHAT ABOUT COMPETITION?

Even in our specific segment of mobile CRM solutions we did have direct





competition - one company from Canada and one from the Netherlands. The first one was fully focused on the BlackBerry market and went down with it. We managed to surpass the second one technologically and in the end we ended up buying the company along with its customers.

WE WERE PRESENT IN THE U.S. MARKET EVEN BEFORE WE OFFICIALLY SET UP OUR OFFICE - WE WERE PRESENT AT CONFERENCES AND WERE TRYING TO GET FAMILIAR WITH THE PECULIARITIES OF THE MARKET AS MUCH AS POSSIBLE.

WHAT DOES YOUR ORGANIZATION LOOK LIKE TODAY?

We currently have around 120 employees, but only five people in the U.S. The rest of our people - the development, programming, support, marketing and most of the sales team - are based in Slovakia. However, we are finding it more and more difficult to find quality people in Slovakia - the labor market, especially for experts in specific fields, is very small.

At the same time, North America accounts for about 43% of our annual turnover. It is a very important market for the company and our success here wouldn't be possible without our presence here in Boston.

WHEN IS THE RIGHT TIME FOR A SLOVAK COMPANY TO EXPAND?

We were present in the U.S. market even before we officially set up our office - we were present at conferences and were trying to get familiar with the peculiarities of the market as much as possible. This is what I would recommend. Today it is much easier to test your product on other markets and if you have a product that resonates at several European markets there's a good chance that it will do well even outside of Europe. So I wouldn't hesitate too much.





ANDREJ DULA

CEO, Rezztek@

Founded in 2017, Rezztek@'s patented material for the hockey stick's blade allows for better puck control, faster and more accurate shots and is fully customizable to players' needs. The material also offers new opportunities for branding and advertising.

WHAT ARE THE MAJOR MILESTONES OF YOUR U.S. BUSINESS EXPERIENCE?

I can name several events which were a major boost to our presence in the U.S. market.

1. Obtaining a grant (30,000 EUR) through the Startup Sharks program from SBA for a monthly stay in Boston.
2. Winning the Startup Awards competition and the financial prize (35,000 USD) from the Slovak-American Foundation to enter the North American market.
3. Winning the Mass Challenge in Boston (50,000 USD).
4. Successfully attracting the first North American investors to the company.
5. Entering the North American market in collaboration with the largest hockey product retailer, Pure Hockey.

WHAT INFORMATION SOURCES PROVED TO BE THE MOST USEFUL WHEN PLANNING YOUR U.S. EXPANSION?

There wasn't much to choose from; very few Slovak entities were able to share relevant information, so we mostly had to acquire it ourselves. Many Slovak companies or Slovak branches of foreign companies have very limited knowledge of the North American market.

LOOKING BACK - WHAT KIND OF SUPPORT OR INFORMATION WOULD HAVE HELPED YOU THE MOST?

Information from companies actively selling their products in the U.S. or Canada, ideally in a similar market to ours, or selling products that are related to Rezztek@ products.

WHAT WERE YOUR BIGGEST CONCERNS BEFORE ENTERING THE U.S. MARKET?

The sheer size of the market and the financial demands of entering it. That's why we began selling our products first in Slovakia and then adapted our brand, marketing communication, and the product itself for entry into the North American market.

WHAT CHALLENGES DID YOU HAVE TO OVERCOME TO KEEP PACE WITH INTERNATIONAL COMPETITION?

Build up our general presence on social media, build our audience and gain relevance within our segment.

WHAT WERE YOU NOT FULLY PREPARED FOR WHEN ENTERING THE NORTH AMERICAN MARKET?

The financial demands. Even the simplest tasks, if you want them to be done at least at a sufficient level, are extremely expensive compared to our conditions.

WHEN IS THE RIGHT TIME FOR A SLOVAK COMPANY TO START CONSIDERING EXPANDING TO THE AMERICAN MARKET?

If they have the right product and the target audience is there as well, it's better to ask yourself why not start there right away rather than plan when to expand.

WHAT WAS THE KEY TO YOUR SUCCESSFUL EXPANSION?

Not to be afraid.

EVEN THE SIMPLEST TASKS, IF YOU WANT THEM TO BE DONE AT LEAST AT A SUFFICIENT LEVEL, ARE EXTREMELY EXPENSIVE (IN THE U.S. MARKET) COMPARED TO OUR CONDITIONS.





WHAT ARE YOUR BEST PRACTICES, AND WHAT ADVICE WOULD YOU GIVE TO OTHER STARTUPS LOOKING TO EXPAND INTO THE U.S.?

Find a company or a person in your network who successfully went through this process, and ask them a lot of questions. Don't expect this advice for free; don't be hesitant to pay for it, as it will save you a lot of time and even more unnecessary expenses.

FIND A COMPANY OR A PERSON IN YOUR NETWORK WHO SUCCESSFULLY WENT THROUGH THIS PROCESS, AND ASK THEM A LOT OF QUESTIONS.

HAVE YOU MANAGED TO INTEGRATE INTO THE INTERNATIONAL STARTUP COMMUNITY? OR HOW DID YOU APPROACH NETWORKING AND BUILDING NEW RELATIONS IN THE U.S.?

We participated in several startup events and accelerators (Techstars, Mass Challenge, Stadia Ventures, MIT accelerator) – whether you want it or not, they create a community for you.

IS THERE SOMEONE (AN INDIVIDUAL OR AN INSTITUTION) YOU WOULD LIKE TO HIGHLIGHT FOR THE HELP OR ADVICE THEY PROVIDED?

There are certainly more people, but I would probably prefer to introduce them personally rather than communicate them publicly like this for everyone. If someone is truly excellent at what they do, they can choose whom they decide to advise. On the other hand, there's too many advisors who want to provide advice, but their advice doesn't add much value. You need to be able to choose those who are relevant to your business objectives.

CAN YOU COMPARE YOUR COMPANY'S PERFORMANCE IN THE PRESENT TO THE PERIOD WHEN YOU WERE EXPANDING?

Right now, seventy percent of our revenues are generated in North America. It is our largest market.





MARTIN BASILA

CEO and Co-Founder, Sensoneo

Martin Basila and his wife, Andrea, founded Sensoneo in 2017 with the aim to improve waste collection in Slovakia. From an ambitious startup it has grown into a global leader in smart waste solutions, continually growing its portfolio and currently serving customers in more than 80 countries worldwide.

CAN YOU DESCRIBE YOUR EXPANSION EFFORTS TO THE U.S. MARKET THUS FAR?

We've already had three attempts, and now we're launching the fourth. As our first attempt, we tried to service U.S. clients from Slovakia, and in principle, this is not possible. Customers require a certain level of service quality. To be near to the customer is essential to resolve any issues immediately. We also were quite small at that time and weren't technologically prepared for the U.S. market but took many experiences from it to learn. In our second attempt, we tried what everyone else does – to find local partners to sell our solution. We collaborated with two enthusiastic individuals from Denver who showed great interest in selling our solution. However, regrettably, the collaboration proved to be unreliable, leading to dissatisfaction among end customers. In the end we had to terminate this partnership.

WE PREFER TO WORK WITH A RELIABLE TEAM FROM OUR OWN COMPANY – INDIVIDUALS WHOSE CAPABILITIES AND LOYALTY WE ARE FAMILIAR WITH AND CAN TRUST.

On to our third attempt. You keep hearing that to make it work, the CEO

must relocate to America. But that wasn't an option for me because of my family. We've decided to create a joint venture with a well-experienced professional having a Harvard and Boston Consulting Group background, and several startup exits. The partner provided funding for business, marketing, and scaling up. In the end, the sales were a lot lower than we both expected. Our product requires a strong after-sales service that includes monitoring and adjusting. The joint venture didn't work out for us although it had all the right parameters. We are terminating the joint venture and switching to a classic partnership model.

We're currently relocating some of our people who have excellent English skills and understanding of our products to New Jersey. They will be our universal soldiers, able to travel and install sensors around the U.S., visit factories, and demonstrate our software to the customer. They will bridge the gap between Slovakia and America and build a strong partner network there. Currently, we are combining having our 'branch' there for maximum aftersales support with expert follow-up services and assistance. This can be considered our fourth attempt; with the three previous ones I mentioned providing valuable learning experiences.

HOW DO YOU PERCEIVE THE COMPETITION IN THE U.S. MARKET?

There's not much competition in our segment, the smart waste market is still in its early stages. Our two local competitors were acquired by large companies and thus left the market. There are some European players as well, but they are much smaller

than us. I will mention an example of a competitor who failed in the market. They set up a large branch in Boston and employ a large workforce. However, these employees were very expensive, and their actual contribution to the company's success was minimal. We prefer to work with a reliable team from our own company – individuals whose capabilities and loyalty we are familiar with and can trust. We're currently in the process of assembling a comprehensive package, which includes provisions for accommodation and visas, to ensure the success of our endeavors.

IF YOU WANT TO SCALE THE BUSINESS OUTSIDE SLOVAKIA, YOU MUST HAVE THINGS UNDER CONTROL AT HOME FIRST.

DURING THE PLANNING STAGE, DO YOU RELY ON THE HELP FROM THE MINISTRY OF FOREIGN AFFAIRS OR ANY OTHER SLOVAK PUBLIC OFFICIALS?

We have very good relations with the Ministry of Foreign Affairs. We strive to collaborate with the ambassadors and especially with economic diplomats. They very often invite or showcase Sensoneo at important meetings and events as a best practice and an export innovation of the country as there aren't so many Slovak startups or scale-ups. We appreciate this a lot as it helps us



in building our brand and network. I can only recommend building a good relationship with the Ministry of Foreign Affairs.

WAS THERE ANYTHING IN PARTICULAR YOU WERE WORRIED ABOUT BEFORE THE VERY FIRST EXPANSION ATTEMPT?

Having reputable investors on our board is tremendously important. Credo Ventures and Crowberry are organizing events like the Founders Summit, which is an amazing project where founders who have been in the U.S. share their experiences. Some of them say, "Go to the U.S. immediately, don't wait, forget about Europe". In our case, it's different because green policies are stronger in Europe than in the U.S.

THE PRODUCT MUST BE PERFECT; THEY ALMOST ALWAYS GIVE YOU A CHANCE, BUT THEY RARELY GIVE YOU A SECOND CHANCE.

The other message is that as a CEO, you must go to the U.S., wake up, and go to bed there. Let's observe the forthcoming developments. Maybe I'll have to commute up and down more often, but I've built a structure of divisional directors reporting to me. The U.S. team is under the leadership of Tomáš Vincze, who has been with us from the very beginning. He is like my stepson, he lives for the company, and

he's very loyal. I'm sure he will transfer that founder's enthusiasm to those people because he has it.

It's also well known that expanding the business to the U.S. is very expensive. If you're taking an investment and expanding to America quickly, you can burn that money at an insane pace. These were our main concerns. I also believe that when you're running a startup, you're ready to take huge risks. But if you want to scale the business outside Slovakia, you must have things under control at home first. It is always a challenge to scale up the business outside your country, and besides that, America is different - it can be both a cultural and a business shock, and your product must be adjusted to fit the market needs.

WHAT ARE THE TOP LESSONS YOU TOOK AWAY FROM YOUR PREVIOUS EXPANSION EFFORTS?

The product must be perfect; they almost always give you a chance, but they rarely give you a second chance. So maybe it's not the best idea to approach the biggest player in the market as the first. Test the product acceptance with someone in the middle instead.

The next thing is that in the U.S. you can make a deal right away. What can take two years of struggles in Europe, the Americans will solve at the table at the first meeting - write it down, see if it makes sense, and calculate it. It's all economy-driven. It must make tremendous commercial sense. So be ready and be prepared - prepare the data, do the math, like how much potential savings and revenue enhancement you bring to the table, these numbers should offer the evidence.

SO BE READY AND BE PREPARED - PREPARE THE DATA, DO THE MATH.

IS THERE SOMETHING YOU WOULD HAVE DONE DIFFERENTLY?

If I did a joint venture again, I would invest more time in finding the right partner for our business and ask many more questions to set up the partnership. You need to find someone who truly knows the market and is highly skilled in the field. This is crucial to guaranteeing a consistent delivery of high-quality service to your customers throughout the entire project because you put your name and reputation on it.





PETER KOMORNÍK

CEO, Slido

Founded in 2012, Slido is an audience interaction platform for meetings and events. In 2021 it was acquired by tech giant Cisco. The Slido team currently exceeds 260 people operating in 26 countries.

COULD YOU DESCRIBE YOUR JOURNEY TO THE U.S. MARKET?

In our case, the entire expansion didn't follow the usual path. We didn't feel that we were well established in Slovakia and thus ready to conquer the American market. It wasn't even a conscious decision to expand. It was a very organic process. At the time, we were a small bootstrap startup which has just received an investment from Anton Zajac. My initial visits to the U.S. were motivated by the fact that we already had some customers in the U.S., as they were able to purchase and use Slido without assistance. As the demand started to grow, we added another person, but it was organic growth and we didn't follow any specific guidelines. It is very difficult for me to offer any specific recommendations as I think each company needs to find its unique way and it's better to follow stories of other companies and try to find inspiration and what is applicable to you.

WHAT MADE THIS INITIAL GROWTH IN THE U.S. POSSIBLE?

In the beginning, the vast majority of our team was located in Slovakia. As a bootstrap startup, we were extremely cautious about our expenses. At first we sent one person to London to explore the local market. Our strategy, from the very beginning, was to reach the top markets globally. Slido is a viral product and we knew that if it is used at conferences, people will notice and word will spread. We didn't really have a business strategy focused on sales. It was more about helping the users who were already using Slido use it well. The other goal was to find conferences where we could gain visibility and persuade the organizers that we have a tool which they should use. We often did this for free because we knew we

would get valuable exposure. As more and more people in the U.S. started using Slido, it made sense to send more people there, specifically to New York and San Francisco, cities which hosted the most conferences. Their mission was to be there during the few months of the "conference season" and gain the biggest possible visibility for Slido at these conferences. As the number of customers increased, we decided to set up small offices in these two cities.

So, the majority of those customers who adopted Slido, it's not like they switched to us from another solution. They saw Slido in use elsewhere, liked it and decided to use it as well. We weren't really aware of any competition at the beginning. It was more about creating a market for our product and raising awareness that such an option exists and it makes sense to use it.

WHICH CHANNELS WORKED THE BEST FOR YOU WHEN IT CAME TO SPREADING THE WORD ABOUT YOUR PRODUCT?

There were three channels we relied on the most. The conferences themselves remain to be the best channel – there is no better visibility for us than when Slido is used at a conference and the participants like it and want to use it themselves. We can call the second channel "word of mouth" – customers who had a good experience with Slido recommended it further. And the third one, our proactive effort – we were very active in blogging. Since the market for our product didn't exist, we wrote numerous blogs about how to organize better meetings, conferences, how to run panel discussions better etc. This kind of thought leadership and the creation of our own content were very helpful and effective.

WE WEREN'T REALLY AWARE OF ANY COMPETITION AT THE BEGINNING. IT WAS MORE ABOUT CREATING A MARKET FOR OUR PRODUCT AND RAISING AWARENESS THAT SUCH AN OPTION EXISTS AND IT MAKES SENSE TO USE IT.

HOW CAN A COMPANY FIND OUT WHICH CONFERENCE COULD BRING THE MOST BENEFIT?

This depends on the segment you're in. I would definitely choose industry conferences over classical startup events, as they are surely better for business. You have to gain certain know-how of where the main thought leaders in your industry go to talk, you have to follow the right people online and build your own network. One of the turning points for us was a conference

AS A SLOVAK COMPANY, HOW DID YOU PERCEIVE INTERNATIONAL COMPETITION IN THE AMERICAN MARKET?

This was a new market, essentially. At the conferences, they either weren't using anything before or they were using microphones, and then we came along, saying - this is better.



for event organizers in London. It was recommended to us by one of our angel investors who had a company focused on organizing conferences. They attended the conference regularly and he thought it was the right place for us as well. We've never heard about it but it turned out to be one of the key moments for our company.

DID YOU HAVE A TOP LIST OF CONFERENCES WHERE YOU REALLY WANTED TO SEE SLIDO BEING USED?

There are a few conferences that have cult status. One of them is South by Southwest. It was my number one goal to get us there when I went to the States in 2014 and it took four years until they used Slido. That was a big thing and it earned us a lot of credibility in the U.S. Another major achievement was when Slido was used at the World Economic Forum, which is a huge prestige. These events only use the best solutions and it made our brand a lot stronger. We've always put focus on building a brand that is associated with world-class quality, even though we're based in Slovakia. In the beginning, I was a little worried to admit that we were a Slovak company, but over time as our reputation grew, the trust was there and nobody perceived it as a potential problem.

HOW HAS SLIDO GROWN OVER THE YEARS AND WHAT CHANGED AFTER THE EXPANSION?

Back in 2014, when we first went to the U.S., our headcount was ten people and our app was used at about 1000-1500 events during the year. The pace of growth during the following years was huge and I think we reached one million for the first time in 2020.

The U.S. market is key for us as it accounts for 40% of our users but it's possible that we would have achieved growth there even without our physical presence. Our presence certainly speeded up the growth though. However, this is due to the type of our product. It's completely different for hard-core B2B products – if someone doesn't sell it there it simply won't be used. We only needed to pave the way for our product, while others must adopt a more aggressive and direct approach, hire a sales team and progress from sale to sale.

I THINK IT'S VERY IMPORTANT THAT ONE OF THE CO-FOUNDERS GOES TO VISIT THE MOST IMPORTANT MARKET IN PERSON TO GET THEIR OWN PERSPECTIVE OF THE ENVIRONMENT BECAUSE IT'S COMPLETELY DIFFERENT THAN IF YOU GET THIS KIND OF INFORMATION SECOND-HAND.

WHAT WOULD BE YOUR RECOMMENDATION FOR SLOVAK COMPANIES PLANNING TO EXPAND TO THE U.S. MARKET?

I think it's very important that one of the co-founders goes to visit the most important market in person to get their own perspective of the environment because it's completely different than if you get this kind of information second-hand. During the first two years it was just me who travelled to the U.S.





RICHARD ROŠTECKÝ

Founder, Executive Director, Touch4IT

Touch4IT is a software & design house with a unique team of specialists operating since 2015. With a current headcount of 70 people, they offer "one-stop shop" innovative solutions and digital products to their clients around the world.

WHAT ARE THE MAJOR MILESTONES OF YOUR U.S. BUSINESS EXPERIENCE?

The first real milestone came five years ago when we got in touch with American clients who were looking for someone to cover the development of their projects and foster their expansion, and we were a suitable company for that. It comes to show the vital importance of personal contacts, as nothing would have happened without that initial introduction. We started with small projects. Currently we operate in New York, Chicago, Nashville, where we've built our biggest network, and also in L.A. and San Francisco.

The vast majority of our projects there were made through carefully developed personal relationships. Buying ads and saying, 'Hire us' or 'Buy our product' simply doesn't work. That is why we tried to find and meet the right people, diligently build that network, talk about what can be done with whom. You have to work for it and gain their trust. It's challenging to reach such a vast market with advertising. We are a small company with a team of 70 specialists, which is very few by American standards, so we need to go after the contacts directly. It's about putting in the effort, meeting, contacting, building a network, and looking for key people.

The Slovak community of professionals living in the U.S. has been very helpful in finding the right contacts and building relationships. Each positive reference is very valuable and it helps building the network further. Having a decent track record that speaks for your efforts surely helps in any selection process. But I think one of the key things that still await us is establishing a company in the U.S. It really makes a difference to them if you are present in their market. Biden's administration is also pushing programs

and funding for companies that use firms that have a presence in the States. So far, we've handled it remotely but we feel the need to be there.

IT'S ABOUT PUTTING IN THE EFFORT, MEETING, CONTACTING, BUILDING A NETWORK, AND LOOKING FOR KEY PEOPLE.

Generally, 60-70% of our projects comes from references, also in Europe. This certainly works. That's how we gained several key contacts in the U.S., which are still expanding. It's also worth it to build a small local team – that is the reason we as founders don't have to be there all the time. We also have project ambassadors who can recommend us to customers for whom we can be a good tech partner. Trust is extremely important, which emphasizes the importance of personal approach once again. The culture there is entirely different, we keep experiencing it over and over again and building relations and contacts on this personal basis works extremely well. We've built a network that works for us. We managed to sell our expertise and team. We are good even at fixing broken things and start building them over with better technologies. That's one branch, and the other is that we had specific technology. The agencies there need suppliers but they try to optimize costs, so they often go for India, or

even Romania or Serbia. Standard development projects don't end up going our way because they find us too expensive in comparison. However, our expertise is our competitive advantage and we are hired for more specific projects

We also try to get involved in various open calls, although it's a bit more challenging to get such projects. We even applied for Grand Central Station, the task was to create a brand new website and everything associated. It has helped us learn how their culture and decision-making work. Our project was among the last two they were choosing from; we applied with an American partner, saying they would provide first-line support, and we would provide the complete technological solution. But we didn't win because we don't have a female founder from a minority group. Diversity – that is what decided in favor of the other company. This is something we're not used to at home. Of course, it's disappointing, but these are things you need to be prepared for and anticipate. Actually working in the U.S. has helped us understand these cultural differences better.

DO YOU SEE EXPERTISE AS YOUR BIGGEST COMPETITIVE ADVANTAGE?

Our expertise and the quality of our team are our main competitive advantages. We must be able to align culturally as well, which is extremely important. Americans go straight to the point and sometimes they ask directly why they should choose a company from Slovakia. You need to be prepared to offer them good reasons and capture the essence of the company briefly and clearly. And also be prepared to argue why – it's not just one thing, like price, presence in the time zone, customer



In Chicago with our partners from Big Heart, Big Heart Philanthropy, and MyOwnDoctor. Together we have been digitalizing American healthcare for four years now.

relationships, shared values. The time zone is extremely important. I'm very glad that we managed to build it without our physical presence until now; it's certainly also about luck. Because we come across companies that started cooperation, everything went fine, but the time difference was an issue for them and they backed out. The East Coast is better for us, the meetings with them start at three or four, so we have about 2-3 hours of working time overlap with them. Once it's the West Coast, it's more challenging. You need to be prepared in advance for this.

AMERICANS GO STRAIGHT TO THE POINT AND SOMETIMES THEY ASK DIRECTLY WHY THEY SHOULD CHOOSE A COMPANY FROM SLOVAKIA. YOU NEED TO BE PREPARED TO OFFER THEM GOOD REASONS AND CAPTURE THE ESSENCE OF THE COMPANY BRIEFLY AND CLEARLY.

WHAT WERE YOUR BIGGEST CHALLENGES? WHAT SHOULD SLOVAK ENTREPRENEURS CONSIDERING EXPANSION BE CAUTIOUS ABOUT?

Clearly define what your added value

is because there's a whole ocean of companies out there. But that also applies in Slovakia. Set clear rules, for example, when to pay an invoice. In the U.S., they are used to bi-weekly payouts, so communicate everything accordingly. Definitely communicate your rates in the local currency, set up a local bank account, and so on. And prepare your team for the time difference, for working in a different time zone, adapt the team processes as needed.

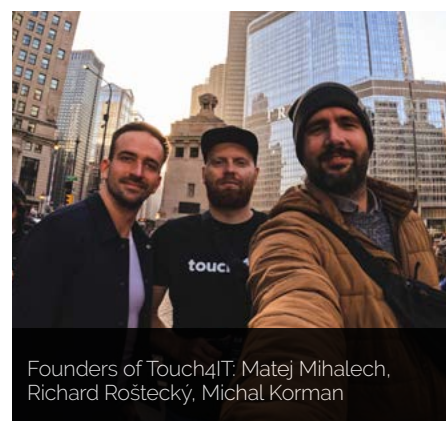
Not everyone's English is perfect; don't forget that and don't let it prevent you from communicating – that's what I've learned there. Pay attention to language skills when you're hiring; people must be able to communicate, but there's no need to be afraid. We often feel we don't speak the second language well enough, and try to compare ourselves to native speakers – we're used to that from Europe. But they understand that it's our second language and are impressed because most of them don't learn foreign languages and only speak English.

WHAT ARE THE MAIN DIFFERENCES BETWEEN THE EUROPEAN AND THE U.S. MARKET?

Europe is not a single market but 27 different markets, and it's incredibly complicated when you want to place products. Each market thinks differently, has a different language, legislation, and outside the eurozone, there's also a different currency. Just take Austria, for example; there's a very conservative discourse there, a different culture. Germany is completely different, and the UK is unique in its own way. In the U.S., it's more uniform. Of course, there are states in the Midwest where people think differently and are more reluctant to work with foreign

companies, but then L.A. or N.Y.C. is a completely different story. Even the straightforwardness – it takes time, but once we align with the conditions, they say, 'go for it' – we see the value, we'll pay you for it. It can be perceived as one big market. They are more open towards foreigners than our Western European neighbors. They are used to daily meetings and doing business on daily basis. You can feel that. And there is no language barrier. It's possible to get by with just English in the bigger markets in Europe as well, but if you want to sell, you should know the local language and ideally have a native speaker in your team.

CLEARLY DEFINE WHAT YOUR ADDED VALUE IS BECAUSE THERE'S A WHOLE OCEAN OF COMPANIES OUT THERE.



Founders of Touch4IT: Matej Mihalech, Richard Roštecký, Michal Korman

FROM SLOVAKIA TO SUCCESS: INSIGHTS ON U.S. MARKET LANDSCAPE

The importance of asking advice from the right people has been stressed by most entrepreneurs we talked to. It can save valuable time, money and help avoid

numerous costly mistakes resulting from ignorance or simply insufficient information. We have approached several personalities with exceptional knowledge and

experience related to expansion efforts of Slovak companies and the U.S. market in general.



The US market is the most competitive, inspirational market of the world, with the most dynamic innovation ecosystem. It offers great opportunities to explore possibilities, knowledge, skills & talent.

I have three key recommendations for Slovak companies considering a U.S. expansion: **1.** prioritize, specialize, think of what makes your products and services exclusive; **2.** identify partners and build partnerships; **3.** look for guidance from institutions with knowledge and experience from the U.S. market.

INGRID BROCKOVÁ

Ambassador of the Slovak Republic in Prague



Regardless of your company's stage, nothing beats personal experience. Take a flight, book a ticket to an industry conference, and start building your business network. If you already have some clients or prospects, meet them in person. If you don't, ask some of your mutual connections on LinkedIn to make introductions for you. Only when you get a feel for the market and, ideally, gain some traction with your product, should you start building a local team to boost the local growth.

Once you're in, Americans expect you to live up to your promises 100%. If you can deliver, they'll treat you with respect. Another challenge is finances. As a growing company, you're racing against time and your funding. Everything is 3-10 times more expensive, so you need to think twice to decide where to invest your resources.

JURAJ HOLUB

Co-Founder, Remote People



Slovak entrepreneurs should do their research and learn about the U.S. business culture. They should also network with other Slovak entrepreneurs who have successfully expanded to the United States to learn best practices. The U.S. banking system is highly regulated and setting up a bank account can be a complex and time-consuming process. Slovak companies need to have a realistic budget in place and be prepared to invest in their new business. The average total annual cost for a branch office of a foreign company with up to two employees can vary significantly depending on the location, industry, and specific needs of the company, but can be between \$150,000 and \$250,000 per year.

MARIÁN VOLENT

Head of Commercial Section, U.S. Embassy, U.S. Commercial Service



Any company expanding to the US should carefully plan all the necessary steps to consider the move. From careful market research to engaging legal counsel for corporate planning, intellectual protection, tax liabilities and immigration options, they should engage with a trusted partner like the Foreign Commercial Service in the US Embassy in Bratislava or contact the Slovak Embassy in the US. They will have to understand the challenges they are about to encounter and be steadfast in realizing their dream from inception to being a major player on the market through hard work, will and determination.

MARTIN VALKO

Honorary Consul of Slovakia to Texas



SAF had the opportunity to work with many talented and visionary Slovak entrepreneurs who had their eyes on the US market because of its size and potential. A critical factor that successful entrepreneurs seem to share is the ability to shift from a singular concentration on the product to a market, customer and distribution focus. Gaining a deep and broad understanding of market dynamics, sales strategies and customer needs and the ability to internalize and adapt from feedback can be the foundation for success and growth in the US.

MARY MACPHERSON

President & CEO, Slovak-American Foundation



The US market is highly competitive - any company that wants to expand to the US needs to be ready to focus attention, resources and C-level time on the penetration of the market. Local presence either directly or through a local partner is absolutely essential. By far the biggest asset Slovakia has in the US is its diaspora - Slovak professionals in high positions across industries and across America are ready to help aspiring entrepreneurs. My advice would be to get in touch with organizations such as Slovak Pro or Brainboard and of course the Slovak Embassy's commercial counselors in Washington, DC or NY. One of the key challenges Slovak entrepreneurs face while expanding to the US is the lack of understanding of the competitive landscape and limited sales acumen - you need to network, ask questions, know what problems you are trying to solve for your clients, build trust and references.

PETER KOLESÁR

Partner, CIVITTA



The U.S. offers one of the most attractive consumer markets in the world, with a wide range of advantages for businesses. When it comes to expansion, the United States can be a growth opportunity for nearly any company. But companies expanding to the U.S. must prepare themselves for strong competition. They must find the right niche for expansion and focus on how they are unique or different. They have to invest the necessary capital and time to succeed, consult with specialists on U.S. rules and regulations (each of its 50 states has different laws and regulations), and build a network of advisers and experienced partners who can help. Timing is also crucial, as well as choosing the exact location if they need to establish a physical presence in the country.

PETER PETIAN

Ambassador-at-Large for Science and Innovation,
Ministry of Foreign and European Affairs of the Slovak Republic

U.S. MARKET NAVIGATOR

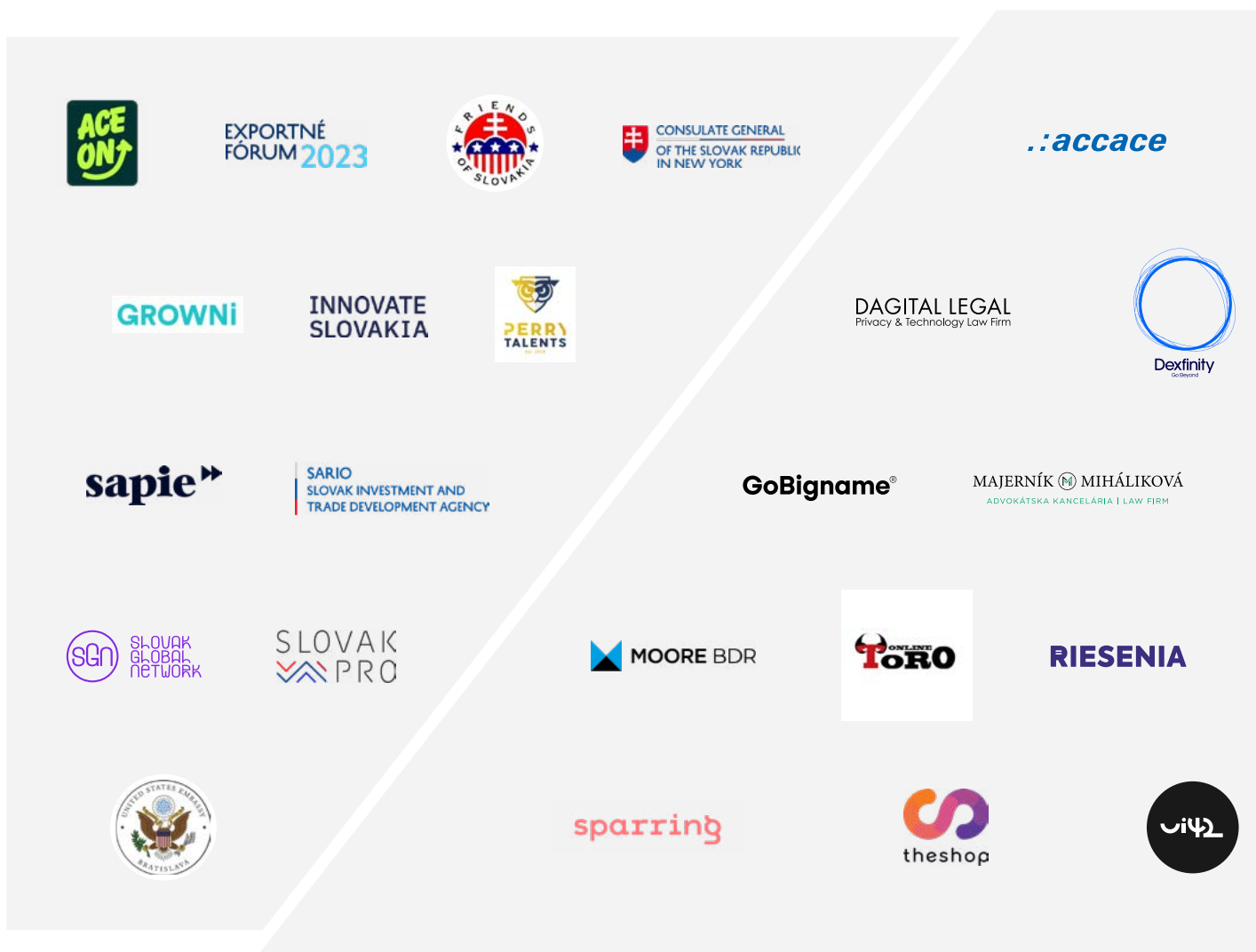
A VISUAL GUIDE FOR SLOVAK COMPANIES PLANNING U.S. EXPANSION

The interviews in this brochure emphasize the importance of finding the right source of information and support when preparing for your expansion

to the U.S. market. This visual representation of companies and organizations that can be helpful in assisting Slovak companies in various stages of their expansion

efforts. We hope it can serve as a useful compass on your expansion journey.

NETWORK



DISCLAIMER

This map includes the snapshot of companies on the Slovak market ready to help Slovak entrepreneurs expanding to the U.S. market in three key areas: 1) access to funding, 2) access to network, and 3) support in other areas such as advice on the legal, tax or IP issues; online marketing tools and visibility; e-commerce and others.

The list includes selected companies which are members of SAPIE as of November 2023 which confirmed their willingness to be mentioned and non-member companies that approached us proactively in response to our open call shared through our social media channels to join this initiative.

SUPPORT

FUNDING



SLOVAK ENTREPRENEURS IN THE UNITED STATES



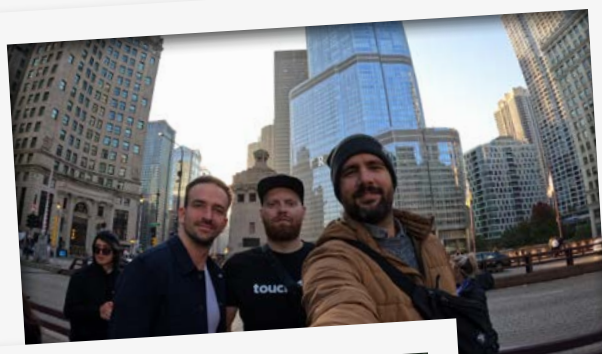
ESET



GroupSolver



Resco



Touch4IT



SAPIE



Slido



Rezztek



SAPIE



Groupsolver



Slido



Resco



Touch4IT



Groupsolver



Slido



Sensoneo



Touch4IT

NAVIGATING U.S. EXPANSION TAXES

THIS SECTION IS
POWERED BY



EY has come across many Slovak businesses entering the U.S. market. Based on their experience and our knowledge we put

together a brief overview of U.S. expansion lifecycle and typical tax and practical considerations associated with each stage.

In general, the U.S. expansion journey of a Slovak company can be distilled down to the following typical stages:

1

REMOTE ECOMMERCE SALES TO THE U.S. FROM SLOVAKIA

Ecommerce businesses may, particularly during the earlier phases of their lifespan, serve U.S. customers from overseas without stepping a foot on the American soil.

Remote sales activity could possibly trigger a federal or state / local tax filing obligations or tax liabilities for the Slovak company. At these stages, if a tax liability were to arise, most commonly it would be for the following taxes:

- Sales and use tax (SUT) and/or
- State income tax

As opposed to the VAT levied in Europe, which is more or less standardized across the whole continent, SUT differs state-by-state in the United State. If your business sells to customers in the U.S., you should pay attention to the SUT registration threshold in each state you sell to. The registration thresholds are typically based on the annual sales in that state and quantity of transactions (certain levels could give rise to "economic nexus" with the given state). Similarly, your business could likewise end up with a state income tax liability if you established an economic nexus with that state.

2

PRESENCE OF THE SLOVAK COMPANY IN THE UNITED STATES

Presence of the Slovak Company in the U.S. could take various forms:

- There is an external sales agent who intermediates / negotiates sales for the Slovak company in the U.S. territory.
- Workers of the Slovak company travel to the U.S. to meet with potential customers and / or to sign contracts there.
- The Slovak company serves its customers on the U.S. soil.

As soon as you reach the point of having this type of presence in the U.S., in addition to state taxes, you should also start caring more about federal income tax. Apart from the Slovak company, also the workers performing their job on U.S. territory could become taxable on their income in the United States.

3

ESTABLISHMENT OF A U.S. COMPANY

Main considerations associated with the process of forming a company in the United States include the following:

- State of incorporation - Delaware is a popular choice due to low state taxes and well-established and enforceable corporate law.
- Choice of entity - the limited liability company (LLC) in the U.S. is different from the LLC form in Slovakia, so foreign businesses typically form a US Inc (C-corporation) in the U.S.
- A tax ID number (referred to as an "EIN") should be obtained in due course.
- "Check-the-box" election - if LLC is formed, it is critical to make this election in a timely manner as it pre-determines the tax regime the company would be subject to.

For further guidance, we recommend watching the recording from an event where we discussed various considerations with a U.S. tax counsel. Alternatively, you can reach us at richard.panek@sk.ey.com or cyril.chovanec@sk.ey.com.

DISCLAIMER

The information provided in this document is of a general nature, and its sole purpose is to provide a broad overview of the relevant topics. These pieces of information cannot be considered as complete or sufficient for decision-making, nor can they be used as a substitute for advice provided by a professional advisor. Ernst & Young, s. r. o. assumes no responsibility for losses incurred as a result of actions or omissions by individuals utilizing the information contained in this document.



CLOSING REMARKS

MICHAL KARDOŠ

Executive Director, SAPIE

I would like to thank all those who played a role in the creation of this report - our partners, respondents, members, supporters, and the entire SAPIE team.

The 30th anniversary of the U.S. - Slovak relations is a significant milestone. Through this report, we intended to showcase the achievements, lessons learned, and best practices from the economic cooperation between the U.S. and Slovakia, mainly in the area of innovation, technologies, startups, and scaleups.

I am very grateful for the interest and the positive response from Slovak entrepreneurs and U.S. company representatives who willingly contributed to this report by sharing their stories or providing insights into the evolving markets in both the U.S. and Slovakia. The most common advice from Slovak entrepreneurs emphasizes the importance of

not being afraid, courage and the readiness to demonstrate that your company deserves to be chosen. Additionally, they stress the significance of not underestimating the challenges associated with operating in different time zones and business cultures.

As we approach the 10th anniversary of SAPIE in 2024, I am committed to continue to leverage on our previous activities and experiences to further support the expansion of Slovak companies into the U.S., thus strengthening the bilateral economic cooperation. I believe that the practical advice offered in this report, along with a mapping of the ecosystem players who can support entrepreneurs in their business expansion, will serve as an initial guide on where to start and whom to approach.

I would like to express my deep gratitude to numerous individuals in Slovakia and the

U.S. who are helping to build the ecosystem and foster bilateral cooperation, thus encouraging an exchange of ideas and innovation. My special thanks goes to the U.S. Embassy in Slovakia for their steadfast support, Ambassador Gautam Rana, Ambassador Radovan Javorčík, all the respondents mentioned throughout the report, as well as Mary MacPherson, Peter Kolesár, Marián Volent for their contribution and connections, but also to EY representatives in Slovakia, Eldison, SARIO and Sparring for their content contributions.

Thank you for being a part of our joint efforts and helping to create a future we can look forward to!

We would like to express our gratitude to all the dedicated authors who contributed their expertise, insights, and hard work to make this report possible. Lucia Katriňáková, Martina Kmecová, Natália Vicenová, Ivan Mistrik, thank you for your commitment and collective efforts.



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Economic Relations,
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