

WELCOME TO ESTONIA!

HOW THE ESTONIANS ARE FIXING EVERYTHING,
INCLUDING GLOBAL WARMING



Tallinn, Estonia

By Mike Southon, Editor-at-Large, The London Business Journal

“**Estonia is the best country in the world for start-ups”.**

This is the bold claim made on the e-Estonia website <https://e-estonia.com> I have double-checked this. It is 100% accurate.

I first wrote about Estonia in 2008, when I interviewed the then President, Toomas Hendrik Ilves. He explained that Estonia emerged blinking from the darkness of the Soviet Union in 1991 and immediately decided to put everything, including the government itself, online.

Of course, they had the advantage of only having 1.3M people. But they also had visionary leadership who were soon able to explain the benefits of the first and most important element of e-government, which is to have a personal identity card for every citizen. The main thing is not the physical card itself but the digital identity everyone is born with.

This idea would, of course, outrage a large section of the UK population, who (if we suggested it here) would complain bitterly about civil liberties, drawing analogies to George Orwell's 1984.

It is no good explaining to them that

if they are online and have ever clicked 'Accept Cookies', their personal information and buying history is constantly gathered by some rich and powerful organisations who claim no direct connection with any government.

And, if you have ever walked around anywhere in the UK larger than a tiny village or have driven a car on a UK motorway, you may have noticed the security cameras, which will soon all have highly accurate face recognition. It is accepted that we have more surveillance cameras in the UK than anywhere else on earth.

Today, the entire government is now online and any conceivable service you might use, and 99% of Estonian companies cheerfully accept the same card. 99% of all banking transactions are done online, and when it is time to do your taxes, this is done automatically for you. In around 3 minutes.

I explained to Toomas how Her Majesty's Revenue and Customs works here, with the comparatively poor user interface, endless requests for the same information and long waits on hold to speak to someone on the telephone. He smiled and offered me his condolences.

This positive attitude to being online, matched by the 'hands-off' approach of the government, immediately led to the formation of thousands of e-commerce companies. The result is that today, Estonia has more 'Unicorns (start-up companies valued at over \$1Bn which are privately owned and not listed on a share market) per capita than any other country.

These include Skype (pioneers of video calls), Bolt (Uber-like taxis, but better, in my opinion), Playtech (gaming software) and Wise (a banking comparison site). A full list is here:

<https://investinestonia.com/the-full-list-of-estonian-unicorns/>

In the meantime, enterprising Estonians got on with adding even more value to their e-card. In 2008, I met an Estonian doctor, Madis Tiik, who thought it would be a great idea to put everyone's health records online.

Despite any detailed understanding of complex project management, and oblivious to suggestions that it was impossible to implement, he put together a great team and they just got on and did it. The system was rolled out the following year.

But you cannot build lasting prosperity and a true legacy with just e-commerce.

The Estonian government then looked at the best physical industries to set up from scratch. Fortunately for the rest of us (and our children and grandchildren), they decided to support Clean Technology, often abbreviated to 'CleanTech'.

They do not have a hard definition of what constitutes 'CleanTech', other than 'something that makes the world a better place'. I had the privilege of being invited recently on a press trip to look at what Estonia has already achieved in this area.

The hospitality provided by Trade Estonia <https://tradewithestonia.com> was outstanding. Being mindful of the keen curiosity and wide interests of journalists, they arranged guided tours of the



delightful Old Town of Tallinn; as well as numerous lunches and dinners.

The Hiis Restaurant in the Baltic Coast provided us with a delicious ‘foraging’ menu, an experience I will never forget: <https://www.hiisrestaurant.com>.

At these lunches and dinners, we met a wide range of entrepreneurs and representatives of government agencies, who told us their stories. We were also treated to detailed presentations during the day at some CleanTech companies themselves.

The entrepreneurs explained their ideas and enthused about the comprehensive support provided by Trade Estonia and others. To get their ideas working in laboratories, they were encouraged to enter entrepreneurship competitions and also received generous non-refundable grants. Then, they were supported in getting angel investment (often called ‘Series A’) of typically between €200K to €2M to build proof-of-concept industrial prototypes.

Finally, they were guided through the often-choppy waters of raising Venture Capital and Private Equity funding.

Having been personally involved in many such fundraising exercises in the past, I can confirm the process can be excruciating and makes our TV programme *Dragons’*

Den look like *Teletubbies*.

It really helps if you have experienced support for this task, otherwise you might end up being bullied and exploited by the unscrupulous. So, to have a credible commercial mentor is essential, especially as Estonia is a small country, and this person might also know the current President, Alar Karis, personally.

If this has spiked your interest in investing in future Estonian CleanTech Future Unicorns, then Invest in Estonia <https://investinestonia.com> would be delighted to speak to you, whether it is just your own personal angel money, or a more substantial amount from your funding institution.

One of the companies we met was Sunly, <https://sunly.ee/en> a renewable energy provider involved in solar and wind power.

They have just raised €300M to strengthen energy security and supercharge renewable projects across the Baltics and Poland:

<https://tinyurl.com/rbzne6hm> .

New financing rounds will be used for the development of the remaining 3 GW portfolio, which is expected to become operational by 2030.

I am busy researching the business stories of all the entrepreneurs that I met personally. There were many more in number than the 15 dishes at the Hiis Restaurant. Estonia has over 120 CleanTech start-ups in total, and over the next few months I hope to write about them all.

But I thought I would first ‘whet your appetite’ with what I believe to be The Greatest Elevator Pitch I Have Ever Heard, from renewable carbon specialists UP Catalyst.

<https://upcatalyst.com>

In our ‘BeerMat Model’, an Elevator Pitch is ‘fifteen seconds to win fifteen minutes’, and has three simple elements:

THE ‘PAIN’ YOU SOLVE;

THE ‘PREMISE’ OF YOUR IDEA (A ONE-LINE SUMMARY);

YOUR ‘PROOF’, THAT YOU HAVE SOME CREDIBILITY AND SHOULD AT LEAST BE LISTENED TO.

The greater the Pain, the more your Premise should be realistic. And Proof is always essential, especially at this very early stage.

In the UK our Prime Minister, Sir Keir

Starmer, is setting ambitious zero-carbon targets; warning that UK taxpayers will soon have to dig deep into our pockets to achieve these.

I have a suggestion for him and the Secretary of State for Energy Security, Ed Miliband. Why don’t they spend some of the tax money raised on a UK trial with UP Catalyst?

Here is their Elevator Pitch:

Pain: Global Warming caused by CO2 Emissions;

Premise: A carbon-neutral catalytic process which turns CO2 into carbon;

Proof: Here are some working batteries they have already made from this carbon!

Their Chief Executive Officer, Gary Urb, has run several large technology companies. Below, he shows raw carbon that they have already prepared in their laboratory:

This carbon is then purified using a straightforward chemical process and turned into useful items such as domestic batteries.

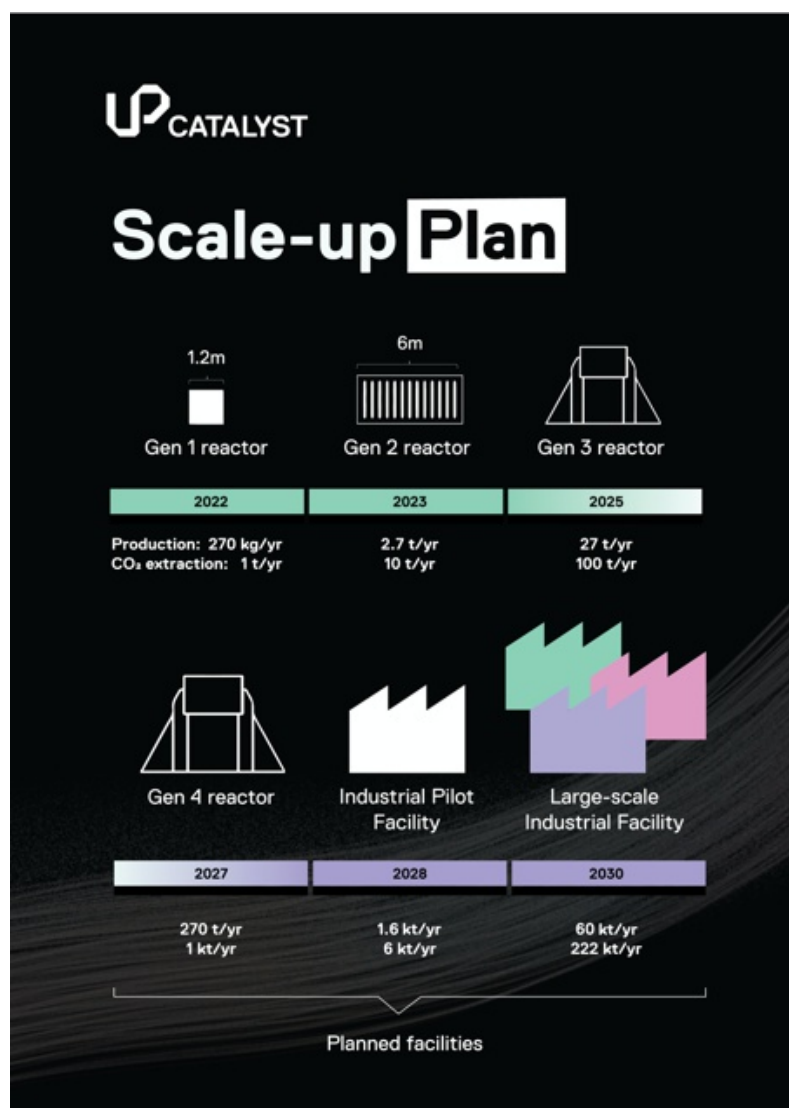


They have also made the types of batteries that you might find in an electric car.

I met with UP Catalyst Chief Technology Officer Sebastian Pohlmann, already a veteran of another technology start-up.

We agreed that, while scaling up engineering processes has its challenges, it is not ‘rocket science’, and these processes have been continuously developed since the start of The Industrial Revolution in the UK in 1760.

All you need is the will to do it. Here is the scale-up plan proposed by Up Catalyst:



So, my advice to Ed Miliband is therefore very straightforward:

First, find an existing plant that currently churns out CO₂, such as a waste incinerator, brewery, or biomass plant which generates renewable organic material from plants and animals.

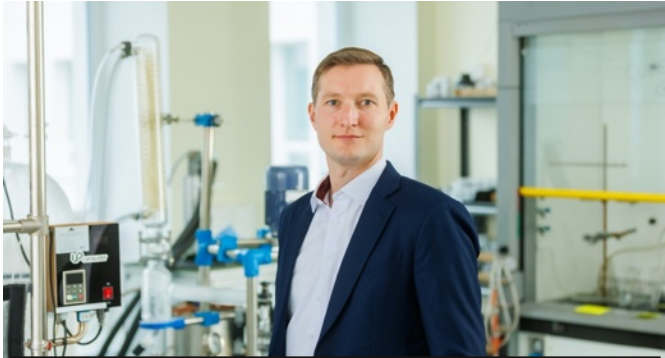
Then work with Up Catalyst and get our fine British Engineers to build a modest and inexpensive catalytic plant next to it.

Finally stop buying carbon from the main exporters, China, and Russia, and export our own 100% British Carbon to any people we like.

I have a feeling our King, a keen supporter of environmental issues, might well be interested in applying royal branding to this exercise. I think ‘Duchy of Cornwall Refined Graphite’ has a good ring to it!

As I am writing this, I can almost hear the distant cacophony of “yes, but....!” and “that would never work in the UK!”. I have spent the last 30 years working in large-company entrepreneurship, often called ‘Intrapreneurship’, so have heard this many times before.

The process for generating and prototyping new ideas in structured organisations is at first identical to that used by early-stage entrepreneurs. In our model, this involves Beermats, Elevator Pitches and being at the right place at the right time, with the right team. This is initially just two



Sebastian Pohlmann: Chief Technology Officer, UP Catalyst

people, one to define your solution, the other to go out and sell it.

The difference for Intrapreneurship is you need someone at the top of the organisation, not only to approve your concept, but, crucially, to also prevent anyone else internally finding out what you are really up to, until it is too late to stop you.

I am realistic about the chances of my being able to help Up Catalyst turn the UK carbon neutral. I suspect they would soon be ground down by endless requests for further free information, be asked to deliver innumerable presentations to self-serving bureaucratic committees and suffer unpleasant meetings with local 'experts' who all have PhDs in 'NIH' ('Not Invented Here').

But there are 192 other countries in the world, and top of my list would be Estonia's Baltic neighbours Latvia and Lithuania, plus anyone else keen to lose their historical dependency on Russian oil and gas.

For my part, I have just applied to be an e-Resident of Estonia, which, if successful, will enable me to start, run and

grow an EU company, easily and securely, with an e-Residency Digital ID.

<https://www.e-resident.gov.ee>

I am rather hoping that this e-Residency status might also one day enable me to access my own genetic data via the Estonian Biobank.



<https://genomics.ut.ee/en/content/estonian-biobank>

Many of the Estonians that I met on this trip had already volunteered their blood for this project, so now understand their own historical ethnicity, any diseases they might have to look out for and even which particular over-the-counter painkillers were just right for their biology.

I am not in the least bit worried that my personal data might ever be hacked and then used inappropriately by criminals. Since they were first cyber-attacked (allegedly by the Russians) in 2007, Estonia has developed the most comprehensive firewalls and other digital countermeasures available anywhere. I will be covering this in a future article.

In the meantime, I hope to see you in Estonia. As Visit Estonia says: *"It's about time!"*

visit estonia

<https://visitestonia.com/en>