

82

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19th

Luxembourg ranking in the Growth Competitiveness Index 2014  
www.gouvernement.lu

30 years

Luxinnovation supports Luxembourg's entrepreneurs

100,000+ clients  
Outfittery's clients spend an average €250 per order after returns

# Luxembourg Business Gazette

Small and medium business news

Julia Bösch

## Mangrove Capital Partners invests in Outfittery

One of recent investments of Mangrove Capital Partners will interest businessmen who are reluctant to do shopping. We have tested it for you! Here's how it works.

**Are you an active man who wants to dress well but has neither the time nor the inclination to go shopping?**

Log in to [www.outfittery.com](http://www.outfittery.com), specify the colours, cuts and styles of your favourite clothes... It hardly takes 1 to 2 minutes. There is an optional telephone appointment with a lady expert. And that's all! A few days later a large parcel arrives with a handwritten note from your stylist, a pair of shoes, trousers, a jacket, a sweater, a shirt and a t-shirt. You keep - and pay for - only what you like. The rest you return free of charge. We have successfully tested the service with the Luxembourg post!

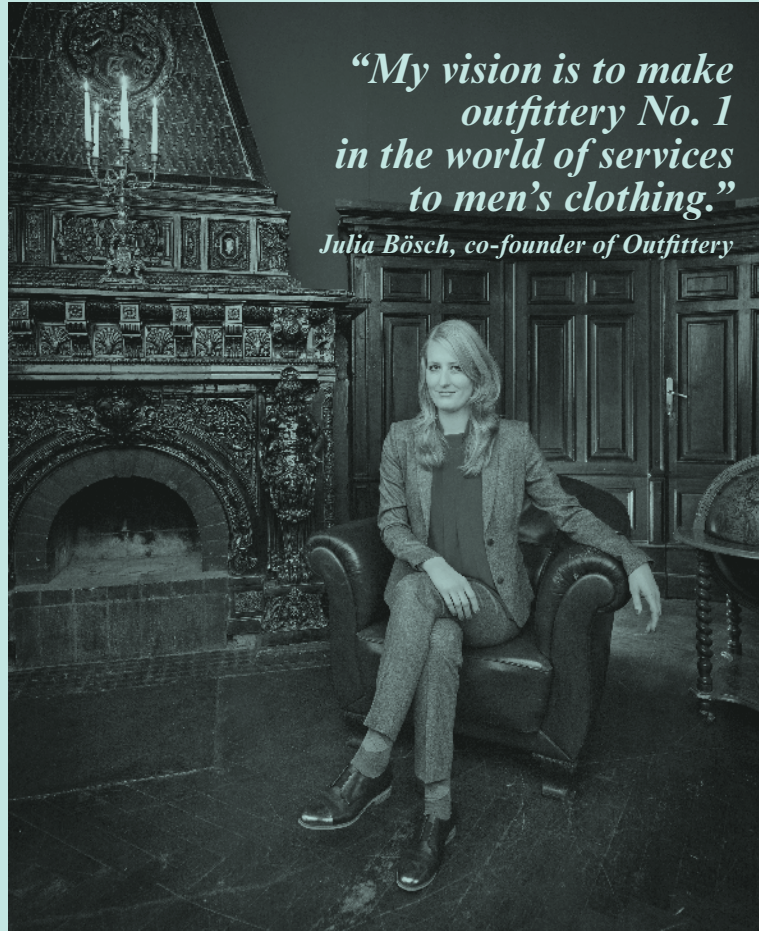
**Julia Bösch**

The co-founder Julia had the idea for the concept during a trip to New York, where a friend had booked a "Personal Shopper". The company she founded with her friend Anna Alex is in full

swing and has just launched in Luxembourg with encouraging results. It should be noted that after an experience in a private equity firm, she worked for two and a half years at Zalando, the European e-commerce champion. As of now, Outfittery claims more than 100,000 customers in eight countries, who spend an average of €250 per order after returns. 150 employees based in Berlin, of whom 70 are stylists, coordinate the delivery of 70 high-end brands referenced. A well-oiled machine.

**The Mangrove effect**

This Luxembourg venture capital company is looking for firms with promising projects for transforming the world. With Outfittery it is about introducing an e-commerce service without charging for it. A real challenge that could pay big dividends if the equation is solved, in particular with



*"My vision is to make outfittery No. 1 in the world of services to men's clothing."*

*Julia Bösch, co-founder of Outfittery*

sufficient volumes to absorb the cost of stylists. Because once the trust is established with businessmen who have a considerable purchasing power, the price of the average basket will no doubt increase along with the rate of new customers obtained through recommendation. Mangrove likes to be among the first institutional investors whenever possible and injects up to 15 million in the case of their best firms. Hans-Jürgen Schmitz is very satisfied: "Men behave differently than women

when buying clothes. Outfittery targets a very specific segment and has a strong team for entering this market of several billion euros. We are very optimistic about the fact that Outfittery has found the perfect service to keep all its promises. The first two years of operation are going in this direction". To be continued.

**MORE INFORMATION**

[www.myofficialstory.com/outfittery](http://www.myofficialstory.com/outfittery)  
[www.outfittery.com](http://www.outfittery.com)  
[www.outfittery.lu](http://www.outfittery.lu)

Startup Grind

### From Silicon Valley meet-up to global network

At the end of December Startup Grind announced the establishment of its 150th local chapter in 65 countries. Launched in 2010, the group now stages more than 100 local educational events a month. Steve Glangé reports on an organisation that in three years has grown from a Silicon Valley tech meet-up to one of the world's largest entrepreneur communities.

**Smart people**

"It really just solved a personal need," Startup Grind founder Derek Andersen tells me. "I felt excluded by the events that I attended, and by the attitude of the people organising them and sitting in the audience. "We decided it was better to create a small group of smart people with similar values than to get your brains pitched out by everyone at a huge event." After two years of running the group, requests started flooding in from around the world to create affiliate chapters in local start-up communities. "Once people actually tried it, word spread quickly," Andersen says.

**Run by entrepreneurs**

Local chapters are run by entrepreneurs like myself who host, act as interviewers, and film the events. But those close to Startup Grind say that what makes it unique is the community's values. "Startup Grind values are about helping others, giving back to the community and sharing. There are so many entrepreneurs who ignore these important rules, and wonder why nobody trusts them." At every event since we started in Luxembourg in April 2014, I

To be continued page 2

Luxinnovation Start-up Network(ing) Event:

## Disruptive business models in e-commerce

Finding a unique business model or an innovative way of reaching your market can be a crucial success factor for a start-up company. Luxinnovation, the National Agency for Innovation and Research, offers you the opportunity to meet Outfittery co-founder Julia Bösch on 29 January 2015 and listen to her experience of how to gain international visibility and commercial success through innovative e-commerce.

Stimulating the creation of innovative companies and encouraging entrepreneurs with innovative business ideas is crucial for Luxembourg. It is also one of the key missions of Luxinnovation. Through its start-up support team led by Frédéric Becker, the Agency accompanies start-ups through the different phases of their development. Luxinnovation also advises start-ups on defining and implementing their business models.

To be continued page 2



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▶▶ The past few years have seen an exponentially growing number of e-commerce start-ups and the creation of giants on the e-commerce market such as eBay, Amazon or Alibaba. In this context, disruptive and innovative business models are keys success factors for e-commerce start-ups, but also for traditional shops, to gain competitive advantages and stand out against competitors.

Luxinnovation’s forthcoming Start-up network(ing) event will address disruptive business models in e-commerce. Keynote speaker Julia Bösch will be accompanied by renowned investor Hans-Jürgen Schmitz, partner at Mangrove Capital Partners. Together, they will discuss their experience and the importance of innovating continuously. **The training course “Launch your own**

**e-commerce business”** offers further insights to those who want to deepen their knowledge in the e-commerce field. It is the latest training designed by Luxinnovation’s Lionel Cammarata in partnership with the Luxembourg School for Commerce and LIST. The course targets shop owners and managers who wish to develop their business online, as well as people who have an e-commerce project

in mind. It provides a complete overview of different key elements required – strategy and business model, marketing, legal and technical issues regarding the choice of the right website platform or service providers, etc. – to launch and operate a future e-commerce business.

**MORE INFORMATION**  
www.luxinnovation.lu

▶▶ am asked why I’m involved in Startup Grind. My answer is that I love to see people get excited about entrepreneurship. There’s nothing like seeing someone who is frustrated with their career come to a meeting, hear a successful entrepreneur speak, and leave thinking: “I could do that. I’m going to.”

**A taste of Silicon Valley**

Luxembourg is now a city with an entrepreneurial community that is connected to the entire world. Every other month local entrepreneurs get a taste of the Silicon Valley networking style and genuine education from local entrepreneurs speaking about their backgrounds, failures, and successes. Startup Grind is one of only two programmes globally powered by Google for Entrepreneurs, a group inside of Google that supports entrepreneurial initiatives around the world. In Luxembourg, we have already heard from great innovators and communicators like Xavier Buck, Marie-Béatrice Noble, Didrik Eiriks and Karin Schintgen, and we are now looking forward to insights from the likes of Michael Jackson, Monica Jonsson and Karl Horsburgh.

**MORE INFORMATION**

www.myofficialstory.com/  
steveglange  
www.startupgrind.com/luxembourg

# Private Equity in Luxembourg: three steps ahead

**The metaphor “regulatory tsunami” has often been used when commenting on the arrival of AIFMD and other regulatory initiatives, but, unlike the massive wave, these regulations have no intention of receding.**

While, as a practitioner, I still grapple with the tangible benefits that AIFMD seeks to achieve, its implementation is a manageable task and the structural and financial impact, while not negligible, is not going to be insurmountable. A more pervasive threat to the industry at large, however, could be regulatory initiatives that potentially curtail the availability of capital from, and the deployment of capital within Europe for start-up and growth investments. Not something that I believe Europe can afford in times of economic contraction and financial turmoil that still lay ahead of us.

**HISTORIC ASSETS**

More stringent regulations are set to change the private equity environment worldwide, and Luxembourg has all the right assets to take advantage of this

situation. Journalists often ask whether Luxembourg will repeat the same success with the AIFMD that it had with UCITS. In fact, there is one major difference between the two. UCITS primarily protects the investor from himself, whereas the AIFMD is aimed at professionals. Private Equity is an asset class with limited liquidity and is more complex than UCITS, which automatically rules out any form of ‘industrialization’. That being said, Luxembourg has extensive experience in a regulated context. Since the advent of the risk capital investment company (SICAR) in 2004, the country has been building up know-how in Private Equity. For a long time, it was the only country requiring the use of a custodian. The complete infrastructure is already in place.

**TOWARDS A PRO-ACTIVE IMPLEMENTATION**

With the implementation deadline of July 2013 now passed, investors should soon demand that AIFMs fully comply with the AIFMD Directive. Luxembourg has adopted a pro-active approach to implementation. The transposition



*“Luxembourg has developed tremendous expertise in Private Equity.”*

*Hans-Jürgen Schmitz*

laws are in place. The CSSF (as the financial industry supervisory authority) has a long-standing experience in product supervision and has geared up to embrace the arrival of AIFMs seeking approval. Finally, Luxembourg has recognized the need to separate the UCITS world from Private Equity. As a case in point, servicing the depositary requirement of the Private Equity industry does not require a banking license. The status of a (specialized) professional service provider has been created and service firms are currently implementing their offerings.

**LEVEL PLAYING FIELD**

Luxembourg has developed tremendous expertise in Private Equity over the past decade. The presence of a large number of international players is only one

of many indicators attesting to this. Luxembourg’s reputation of stability in terms of politics, law and tax, has contributed to this considerably. This being said there is little room for complacency. Promoters have alternatives as AIFMD is being implemented across Europe and other financial centers are gearing up at similar speed. Leveraging its UCITS expertise, maintaining its attributes of stability and flexibility, combined with building the industry specific execution capabilities is a widely shared commitment in Luxembourg to establish a leading position as Europe’s onshore domicile of choice for Private Equity.

**MORE INFORMATION**

www.myofficialstory.com/  
hansjuergenschmitz  
www.mangrove.vc

# 360Crossmedia Innovation made in Luxembourg

**360Crossmedia has established itself through innovation as one of the leading media agencies in Luxembourg, publishing 82 magazines in 2014 and providing clients with a wide range of ingenious services.**

**BREATHTAKING PERFORMANCE**

360Crossmedia has grown from a start-up to a profitable company by delivering amazing performances, including a website in three hours

and a 20-page magazine in three hours. “Our company is at the intersection of two streams of innovation: on one hand, we have invested for many years in disruptive technology that empowers our users,” says CEO Jérôme Bloch. “Meanwhile, innovations such as Dropbox, Wix and Skype allow us to serve clients anytime, anywhere, at the speed of light, for a fraction of the traditional cost.” Briefly, 360Crossmedia has created a patented system involving

a stock of more than 3,000 ready-to-use articles and several hundred templates for websites, magazines or brochures. Users can choose

to do everything by themselves or call on assistance from professional writers, photographers or designers.

**INTERNATIONAL AMBITION**

Today, 70% of 360Crossmedia’s clients are in Luxembourg and 30% abroad, but the ambition set for 2015 is to win more international clients and further expand turnover. By how much? Says Bloch: “Plan A is to accelerate our growth by taking on board one or more investors. A business plan is circulating, in the shape of a magazine, of course! Plan B is to continue to finance our growth through cash flow. Either way, the company keeps growing month by month.”

**THE ILLUSION OF SIMPLICITY**

So what’s the secret? When most companies need multiple weeks or months to create a website or a magazine, how can 360Crossmedia deliver in three

hours? “It is a matter of technology and attitude,” Bloch says. “If a great team is assembled and everyone meets their deadline, things can get done extremely fast. And even if people don’t have the skills to write themselves, our system of questionnaires allows us to complete an article within one hour. Producing a magazine or a website is technically complicated for a beginning, but not for experts who do it every day”. The track record is spectacular, with magazines published in French, English, Chinese, Russian and Arabic. “We work hard, but our clients connect us with spectacular decision-makers: we can look back on recent interviews with Donald Trump, Avishai Abrahami (Wix), Andoni Luis Aduriz (Mugaritz), Milton Glaser (I love NY) and Florian Heinemann (Project A Ventures). We are going to Tokyo next month for special coverage of three-star restaurants.” Innovation is sometimes simpler than it seems.



**MORE INFORMATION**

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