

# 1, 2, 3 GO

## The innovative start-ups of the 1, 2, 3 GO-contest: **UniversalOwner**

**Amongst the prizewinners of the 1, 2, 3 GO-contest in September 2012, UniversalOwner specializes in quantitative risk management software and services. This company founded by Krassimir Kostadinov works directly for clients in the financial sector as well as for subcontractors to other software and consulting companies in the area.**

**UniversalOwner recently launched their first own software product: LiquidityMargin is a tool for liquidity risk management, automated risk reporting (the new Basel III/European Banking Authority requirements) and risk transfer pricing. The tool aims small and mid-sized banks in Luxembourg. In cooperation with 2 other companies, UniversalOwner has also launched a software tool for data management, analytics, and credit risk (impairment) reporting according to the International Financial Reporting Standards for banks. This product is targeted at banks in emerging markets like Africa, Latin America and South-East Asia.**

**Interview with Krassimir Kostadinov (KK), CEO of UniversalOwner.**

**1, 2, 3 GO:** Since your participation in the 1, 2, 3 GO Business Plan Contest, how has your company evolved in terms of...  
... number of employees?

**KK:** There are no fixed positions yet, the work is done by the founding team as well as by colleagues and partners working on freelance basis (team of 3-5 people in total). We are looking forward to hiring our first employees later on this year

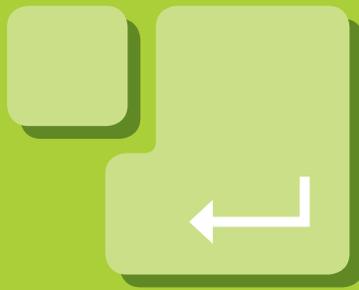
... your turn over?

**KK:** Our turn over is minimal for 2012 and will start to pick up in 2013.

... product range or service range?

**KK:** The original idea for the 1, 2, 3 GO Business Plan contest was an innovative, best-practice-in-analytics, risk management software-as-a-service for UCITS IV funds. It looked promising and several market participants expressed their interest. However, after a deeper market test we concluded that it is too early to pursue the original plan in full. We will come back to the idea later on this year or in 2014 and will 'retest' the market readiness.





... type of clients?

**KK:** Our clients are financial institutions: banks and asset managers. We work with them directly or as subcontractors to other companies in the area.

... opening to other countries and partnerships?

**KK:** Yes. For such a small company we have a really global footprint. We rely extensively on a network of partnerships.

... positioning towards the concurrence: How do you maintain your competitive advantages? What is the role of research & development in your company?

**KK:** R&D is in fact all we do. Innovative algorithms and modeling techniques, implementing best-practice approaches in data and analytics, clean and robust software code, strong focus on specific client issues (pain points) is what set us apart from the other alternatives and allows us to offer competitive pricing.

... financing: How did you obtain your first financing? Are you still looking for financing today?

**KK:** Our company is financed completely by founders' savings. No additional cash was raised and no need for such cash-only investment exists. We plan to bootstrap completely the company for the next 5 years at least. However we are very interested in attracting experienced and well-connected advisors as non-executive directors to the company.

**1,2,3 GO:** Which were your main difficulties? How did you overcome them?

**KK:** Finding first clients was and remains a major challenge in our business, dominated by mature players and conservative client organizations. We work together with (and continuously look for new) experienced and well-connected partners and advisors (non-executive directors) as 'door-openers'.

**1,2,3 GO:** Does your company adopt a CSR (Corporate Social Responsibility) attitude? If yes, how?

**KK:** No, we are too small. But you are invited to take a look at <http://my2cents.proxyexchange.org/> and the hosting –

organization (The US Proxy Exchange) which illustrates my personal engagement in these matters.

**1,2,3 GO:** What are your objectives for the following 5 years to come?

**KK:** To gain 1-1,5 million € in annual revenues, mostly through recurring subscriptions. We would like to have 15-30 clients in Luxembourg/Frankfurt (mostly small players) and 15-30 clients worldwide (through partnerships). Our team would count 7-10 people, mostly as functional experts and for business development. We will occupy a niche, and yet offer well established expertise in software tools for risk management and risk reporting. We will develop broad network of partnerships with other consulting and software companies. As long as the market conditions permit it, we will encourage a technological shift to truly cloud-based solutions, as stated in the original Business Plan for 1,2,3 GO.

**1,2,3 GO:** How did the 1,2,3 GO contest contribute in concretizing your business project?

**KK:** It was a great marketing and promotion tool for the company.

**1,2,3 GO:** If you had to create a company again today, what would you do differently?

**KK:** I don't know; I do not like this kind of backward-looking thinking. I prefer to ask forward-looking questions such as 'If we would get broke in 1 year, what could be the reason of it?' or 'If we get 5 new clients to sign next month, who should we hire to get the projects done?'.

**1,2,3 GO:** What is your philosophy as an entrepreneur?

**KK:** I like small-scale prototyping, experimenting and carefully testing market reactions rather than following a fixed big product vision.

**1,2,3 GO:** Thank you for your answers!

For more information please visit [www.universalowner.com](http://www.universalowner.com)