

CZECH FOCUS



The magazine of the Association for Foreign Investment and CzechInvest

Out to Conquer the World

The Rise of Czech ICT

The Association for Foreign Investment (AFI) is a non-governmental, non-profit organisation representing a group of global and regional firms actively supporting investors and being leaders in their respective fields in the Czech Republic. The AFI focuses on foreign direct investment, export of investments and services, commercialisation of R&D, support for innovative start-up projects and development of the Czech business environment.

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Dear Readers,



the Czech Republic has long been one of the most popular European destinations for investors in the area of ICT. When travelling through Prague and other Czech cities, you will find the Czech headquarters of Microsoft, Skype, DHL, Tieto, Red Hat, IBM and other major companies in this sector. And Czech companies are also celebrating successes in the field of zeros and ones. Millions of computers around the world are protected by the Czech AVAST antivirus program and Czech internet users prefer the domestic Seznam.cz search engine over the globally dominant Google. The vigorously developing ICT sector is one of the key priorities of both the Czech government and CzechInvest, as well as a featured topic of this issue of Czech Focus.

Thanks to investments in ICT infrastructure, investors are progressively discovering Czech cities other than Prague. In the Czech Republic's second city, Brno, incoming firms particularly value the local R&D institutions and the quantity of specialists trained at the high-quality local universities. More information about Brno, which is generally considered to be the IT hub of the Czech Republic, is provided in the Region Focus section.

The Czech Republic offers investment incentives in order to ensure that investors benefit from implementing projects here. The incentives system is undergoing changes due to the adoption of the new European Commission rules for regional aid that came into force on 1 July. The maximum intensity of state aid in the form of investment incentives has declined from 40% to 25% of eligible costs for large enterprises, which comprise the majority of applicants for this form of business support. Aid for small and medium-sized enterprises has also been reduced.

Before the imposition of the new conditions, CzechInvest received a record number of applications for investment incentives from companies that wanted to obtain more favourable support. In the first half of 2014, the agency accepted 108 incentives applications, which we consider to be a major success in comparison with last year's total of 98. However, applications for incentives are still coming in, so it is apparent that investors are not being repelled by the reduced aid intensity.

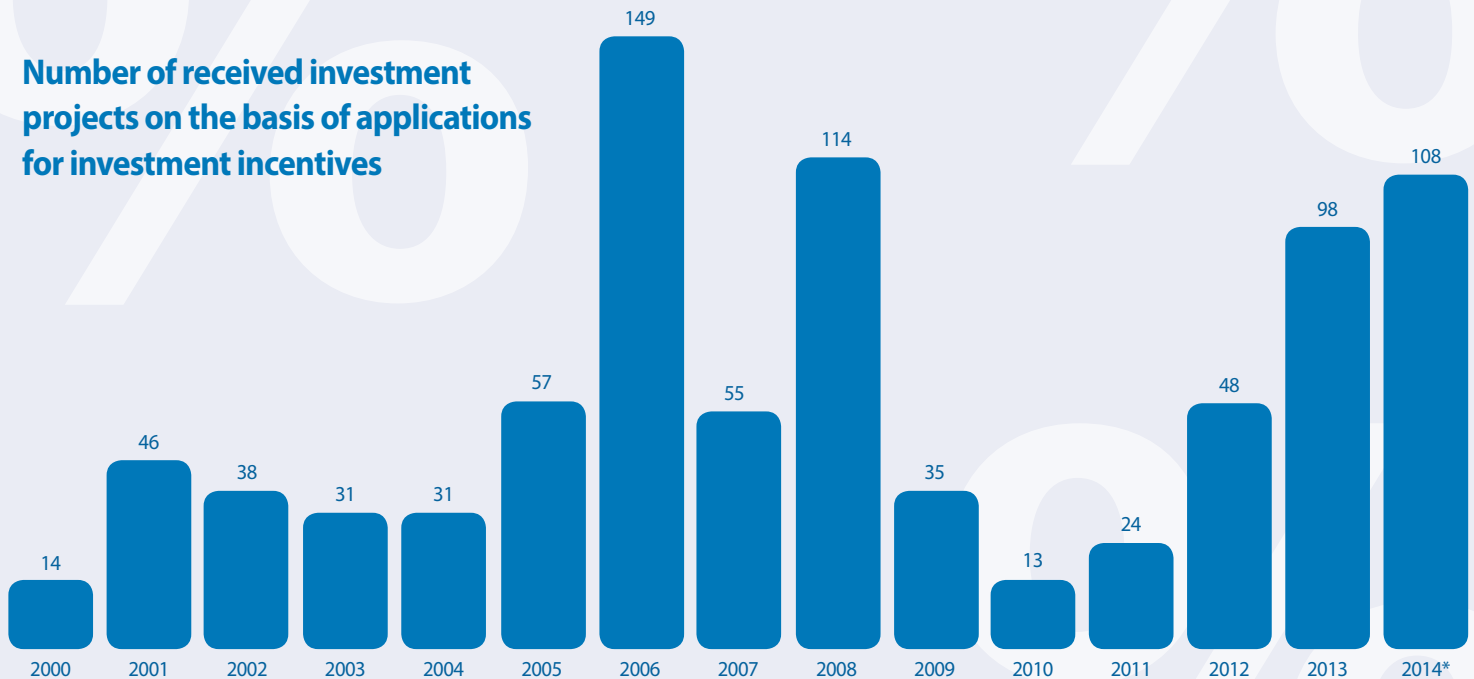
The Czech Republic's Investment Incentives Act must be altered to reflect the aforementioned changes. Therefore, an amendment to the act has been drafted in order to harmonise the European and Czech regulations while also offering other advantages to investors so that the Czech business environment remains sufficiently attractive to them. The amendment should come into force in the first half of next year.

In addition, CzechInvest has formulated the Action Plan of the Czech Republic for Supporting Investment Inflow 2014-2017, which outlines the main problems of the Czech investment environment and proposes solutions for such problems. The plan is currently being assessed by the Ministry of Industry and Trade and will probably be released in autumn this year. I believe that in this issue of Czech Focus you will find valuable information that will enlighten you and benefit your business in the Czech Republic.

Ondřej Votruba
Statutory deputy
CzechInvest

CzechInvest received 108 applications for investment incentives in the first half of 2014

Number of received investment projects on the basis of applications for investment incentives



* 1 January – 30 June 2014

CzechInvest received a record number of applications for investment incentives in the first half of the year. From 1 January to 30 June 2014, a total of 108 applications were submitted to the agency, whereas only 98 investors requested state aid in all of 2013.

This year's projects should be worth more than CZK 55 billion (approx. EUR 2 tn) to the country in future, while creating approximately ten thousand new jobs. The largest number of these investment projects are located in the Moravia-Silesia and Ústí regions. The strong interest among investors was spurred by a change in the conditions for regional aid, in connection with which the

maximum possible intensity of state aid in the form of investment incentives was reduced as of 1 July 2014. CzechInvest guaranteed the original, more favourable conditions for projects submitted by mid-March and investors therefore hastened to submit their applications. However, their interest has not declined since then, as the agency is continuing to receive applications. The European Commission's new rules for regional aid also require modification of the Czech legislation in the form of an amendment to the Investment Incentives Act, which is currently being drafted by the Ministry of Industry and Trade. ■

Welcome Package facilitates relocation of investors to the Czech Republic

CzechInvest has prepared the Welcome Package project for newly incoming investors, which is aimed at facilitating the issuance of residency and work permits for foreign employees of a range of investors. With CzechInvest's assistance, investors thus have the possibility of acquiring such permits more rapidly than was previously the case.

The project is intended for statutory representatives, managers and key specialists who need to reside in the Czech Republic for more than 90 days and, at the same time, come from countries whose nationals are exempt from visa obligations within the European Union for a period of 90 days.

The project is also open to newly established Czech companies, which can use two methods of relocating their future employees or, as the case may

be, statutory representatives. The first method involves internal transfer, when a foreigner is sent on the basis of a contract to work at a Czech branch while remaining an employee of the foreign investor. The second method is so-called localisation, when the dispatched foreigner enters into an employment relationship with a Czech company.

The project's benefit for investors consists in accelerated issuance of residency permits for foreigners within 30 days of submitting the relevant application to a Czech embassy abroad. In addition, the previously required document on completion of education, which had to be submitted with the permit application, has been replaced by the Foreign Investor's Declaration on Dispatching a Foreigner to the Czech Republic. ■

Nexen Tire to invest CZK 23 billion and create 1,000 new jobs



The Korean firm Nexen Tire signed an agreement with the Czech government on an investment in a factory in the Triangle industrial zone near Žatec in the Ústí region. With a total volume of CZK 23 billion (approx. EUR 827 billion), the project is the third-biggest greenfield investment undertaken in the modern history of the Czech Republic. Roughly 1,000 people should find direct employment at the new factory in the first phase of the project, with supplier firms possibly adding more jobs as well. In gaining the investment, the Czech Republic succeeded in the face of strong competition from neighbouring countries that had also attempted to win the investment, with Poland at the fore. "The acquisition of such a major investment for the Czech Republic is the result of intensive negotiations held over thirteen months between the Korean investor on one side and the Czech government, Ministry of Industry and Trade, CzechInvest, the Ústí region and the city of Žatec on the other side," says Ondřej Votruba, Statutory deputy of CzechInvest.

"Emerging Europe – Investment and Policy Trends" panel discussion in Poland led by the AFI

The most important economic and political debate in Central Europe took place in Krynica, Poland this September. Over 3,000 delegates from Europe, Asia, the United States and Russia attended the event which theme was "The Post-Crisis World – Time of New Leaders". Kamil Blažek, partner at Kinstellar Prague and the Chairman of the Czech Association for Foreign Investment, moderated a panel discussion entitled "Emerging Europe – Investing and Policy Trends". The discussions tackled investment trends in areas such as M&A, private equity, capital markets and foreign direct investment, with particular attention being paid to the Baltics, Central Europe and the Balkan countries. In the field of M&A, a significant increase of local buyers has been noted over the past five years which makes several of its countries no longer "emerging" in M&A terms but reaching Western European levels. A great level of interest has been also registered from Asian investors, especially from Japan, Korea and China. The FDI segment shows a strong trend in "emerging to emerging" investment projects – either through expansions or relocations.

Neturen begins operation of a new plant

The Japanese company Neturen opened its new plant on 13 May in the Triangle industrial zone near Žatec in the Ústí region. The firm manufactures, in particular, steel armatures and hardened wire used in the production of springs for automobiles and motorcycles. The new plant cost CZK 450 million (approx. EUR 16 million) and employs several dozen people. CzechInvest assisted the firm in selecting the most suitable location for the plant's construction. The industrial zone near Žatec is one of the biggest in the Czech Republic and is anticipating the entry of more investors in this region with relatively high unemployment.

Korean firm Hyundai Mobis to create 900 jobs



Czech Prime Minister Bohuslav Sobotka and Myung Chul Chung, president of Hyundai Mobis, signed a contract on the second-biggest investment of the past five years in the Czech Republic and the third most significant Korean investment in the country overall. Hyundai Mobis is planning to build a plant for manufacturing vehicle headlamps in the Ostrava-Mošnov Strategic Industrial Zone in Moravia-Silesia, which is among the country's regions suffering from high unemployment. The company intends to invest up to CZK 4 billion (approx. EUR 144 billion) in the region in future. In the initial phase of the project, Hyundai Mobis will create 600 jobs, with that number rising to more than 900 when the factory comes into full operation in 2021.

New European Commission rules reduce state aid



New European Commission regional-aid rules came into force on 1 July 2014. State aid in the form of investment incentives for companies of all sizes in the Czech Republic was thus reduced by 15%. The maximum possible intensity of state aid in the form of investment incentives in the Czech Republic has been reduced from 40% to 25% of eligible costs for large enterprises, from 50% to 35% for medium-

sized enterprises, and from 60% to 45% for small enterprises. However, the Czech government wants to compensate investors for the reduction of aid. The Ministry of Industry and Trade is therefore currently working on an amendment to the Investment Incentives Act that will harmonise the European and Czech rules. At the same time, the amendment will offer investors additional advantages so that the Czech investment environment remains sufficiently attractive and competitive for them.

Novartis establishes its Global IT Hub in Prague

Novartis, a global healthcare company based in Basel, Switzerland, has successfully concluded the first phase of recruitment for the company's newly launched Global IT Hub in Prague. Since starting the project just over a year ago, Novartis has filled 150 IT positions at its Prague centre with highly skilled employees and plans to more than double that number in the next year. Comprising a significant investment on the part of Novartis, the IT Hub in Prague's Pankrác district provides shared IT services to the company's businesses worldwide. It is the first major IT shared-services venture located here by a major pharmaceutical company. The centre's Prague location will enable Novartis to draw from a strong talent pool in the Czech Republic and help it to achieve the right balance of skilled and experienced human resources by complementing existing locations in Europe.

Panattoni has two more investors in Stříbro

Two new investors are entering Panattoni Park Stříbro. The American furniture-maker Steelcase is moving into a 27,000 m² facility and Ideal Automotive has ordered the construction of a rental facility covering 16,000 m². "Investors' interest has been rising recently and the greatest demand is for sites near the German border," explains Pavel Savička, general manager of Panattoni Česká republika. Accolade, a Czech group, is the owner of the building leased to Ideal Automotive. "Ideal Automotive already has operations in Stříbro and its expansion confirms the fact that Stříbro is an ideal place for doing business," says Milan Kratina, chairman of the board of directors of the Accolade group. Together with the inflow of investors, a new roundabout has been built to replace the obsolete intersection at the site. Panattoni took part in its construction. Thanks to the expansion, the park won its second Industrial Zone of the Year award in connection with 2013 edition of the Investor and Business Property of the Year competition, which is organised annually by CzechInvest and the Association for Foreign Investment. ■



The most significant investors of 2013 recognised at Žofín Palace in Prague

The fourteenth annual Investor and Business Property of the Year awards were presented by CzechInvest in cooperation with the Association for Foreign Investment at Žofín Palace in Prague on 18 June 2014, during the Investment Week event organised by CzechInvest. The purpose of the awards is to give recognition to the investors with the greatest benefit for the regions in which they operate, as well as to significant projects among industrial zones and brownfields. This year's awards ceremony was held under the auspices of Minister of Industry and Trade Jan Mládek.

An expert jury based its evaluation of competing projects not only on the volume of investment, but also on the number of newly created jobs and the benefit for the given region. The investors that were the most significant for the Czech Republic in 2013 were selected in three categories. First place in the manufacturing category was awarded to LEGO Production, which will create up to 600 new jobs in the Kladno district. The winner of the Research and Development category was Honeywell, which is expanding its research and development centre in Brno. Y Soft Corporation took the top honours in the IT and Shared Services category for its YSoft SafeQ product aimed at reducing the costs of printing materials in companies.

The Business Property of the Year awards were also presented in three categories. Panattoni Park Stříbro, near Plzeň in West Bohemia, was named the Industrial Zone of the Year. Technologicky Park Brno, which is located adjacent to the Brno University of Technology campus, took the top prize in the category

Property of the Year for Technology Centres and Services. The Brownfield of the Year award went to Enterprise Zone Šternberk, which was established on the site of former barracks in the city of Šternberk in the Olomouc region. The competition draws attention to industrial zones and properties that are actively preparing for the entry of investors and want to offer them the best facilities. The category focused on brownfields recognises the most important locations in which unused sites have been transformed into living places where firms can put down roots.

Like last year, this year's edition of the event featured two special awards presented by the Association for Foreign Investment in

activities in Vysočina and is perceived very positively there. The American company ON SEMICONDUCTOR took over the former TESLA manufacturing complex focused on electronic devices and televisions in Rožnov pod Radhoštěm years ago and has since created more than 1,000 jobs there.

The jury that selected the winners was composed of representatives of CzechInvest, the AFI, the Ministry of Industry and Trade and the Ministry of Finance. The main partner of the competition was the bank ČSOB together with long-term AFI partners Erste Corporate Banking and real-estate company CPI Group, and Grafton Recruitment. The event was also supported by AC&C Public Relations and Zátíší

“ An expert jury based its evaluation of competing projects not only on the volume of investment, but also on the number of newly created jobs and the benefit for the given region. ”

recognition of the long-term contribution of companies operating in the Czech Republic. Both of the winners – Mann + Hummel Service and ON SEMICONDUCTOR CZECH REPUBLIC – are active in the areas of production and development in the Czech Republic. Initiating development activities outside of the home country is very much a strategic decision that in most cases is preceded by production activities and familiarisation with the local environment. Furthermore, both companies operate in regions with high unemployment, which further enhances their benefit for Czech society. Mann + Hummel of Germany evidently found the ideal environment for its

Group. Media support for the event was provided by the weekly Ekonom, the economics-focused daily Hospodářské noviny and its iHNED.cz web portal, internet magazine Komora.cz, and Rádio ZET. The announcement of the results of the Investor and Business Property of the Year 2013 competition was newly part of Investment Week, which took place for the first time this year with the objective of improving the business environment in the Czech Republic. ■

Petra Menclová
PR Specialist
CzechInvest

Investor and Business Property of the Year 2013 winners

Investor of the Year 2013 – Manufacturing

LEGO Production

LEGO Production is implementing an expansive investment in its production and packaging of LEGO toys in the Czech Republic. The investment will create at least 600 new jobs in the Kladno district.



Investor of the Year 2013 – Research and Development

Honeywell

Honeywell, for which the Czech Republic is the European base for implementing the company's global technology strategy, was recognised for the expansion of its research and development centre in Brno. Thanks to its talented staff and state-of-the-art infrastructure, the centre is involved in work on current and next-generation products for Honeywell's Aerospace, Automation and Control Solutions and Transport Systems divisions.

Investor of the Year 2013 – IT and Shared Services

Y Soft Corporation

The objective of this project is to create new functionalities and modules within the company's flagship product, YSoft SafeQ. The company plans to invest CZK 70.3 million (approx. EUR 2.5 million) and to create 40 new jobs at its centre in Brno.



Business Property of the Year 2013 – Industrial Zone

Panattoni Park Stříbro

Thanks to its convenient location near Plzeň and the German border, as well as to the availability of skilled workers, Panattoni Park is ideal for suppliers providing components for the automotive industry in neighbouring Bavaria. Lear, Assa Abloy, Leoni, Ideal Automotive and Steelcase are among the companies doing business at the park, which is set for further expansion.

Business Property of the Year 2013 – Property for Technology Centres and Services

Technologický Park Brno

Located in the vicinity of Brno University of Technology, the Czech Technology Park Brno is a development project that in the final phase will provide 190,000 m² of miscellaneous spaces for offices, research, light industry and services. The project is a joint investment of the city of Brno and the British multinational firm P&O Estates. The park already hosts the headquarters of 21 companies, including IBM Czech Republic, Vodafone, Motorola Solutions and Red Hat.



Business Property of the Year 2013 – Brownfield

Enterprise Zone Šternberk

Enterprise Zone Šternberk was built on the site of an expansive complex of former barracks. Thirteen entities in the fields of mechanical engineering, machinery maintenance, chemistry, transport, construction and telecommunications are currently operating in the zone and will eventually employ up to 300 people there.

AFI Prize for Long-Term Benefit to the Investment Environment of the Czech Republic

ON SEMICONDUCTOR

Located in Rožnov pod Radhoštěm and in Brno, ON SEMICONDUCTOR is involved in development of technologies and integrated circuits, production of silicon wafers and semiconductor chips, development and administration of information systems and a shared-services centre. The company provides more than 1,500 jobs in a region with high unemployment while also paying heed to the principles of ecology and CSR.



AFI Prize for Significant Achievement in the Field of Investments

MANN + HUMMEL Service

Having invested nearly CZK 90 million (approx. EUR 3.2 million), the shared-services centre of MANN + HUMMEL Service in Nová Ves in the Třebíč district opened a new development centre with a testing laboratory in autumn 2013. The company's investment activities support the development of the skilled workforce in a region with high unemployment.

Investment Week supports investors, schools and the state



Bohuslav Sobotka, Czech prime minister and Ondřej Votruba, Statutory deputy of CzechInvest

Organised by CzechInvest, the first annual Investment Week, which took place from 16 to 20 June 2014, had the purpose of enhancing cooperation between the state and specific investors through a series of events for business people, specialists and secondary-school students around the Czech Republic. CzechInvest's intention for Investment Week was to help spur the improvement of the country's investment environment, as the agency considers support for foreign direct investments as well as for domestic investments and expansions to be an important building block in creating a favourable investment environment. The current Czech government is aware of this necessity and is taking steps to contribute to the creation of a more investment-friendly climate in the country. The highlight of the week was the 2014: A Crucial Year for Investment in the Czech Republic conference, which took place on 18 June at Žofín Palace in Prague. Prime Minister Bohuslav Sobotka hosted a lunch for investors in order to determine what investors consider to be important for doing business in the country. A frequently recurring theme was the country's skilled workforce. CzechInvest is aware of investors' needs in this regard and thus incorporated into the Investment Week programme excursions of secondary-school students to companies. The aforementioned excursions took place throughout the Czech Republic during the course of the week. Visits to companies' operating facilities were intended not only to motivate the students to work in the given

field, but also to facilitate communication between the companies and schools. Popularisation of technical education is an important part of building interest in technical fields among young people. The students were able to see close up how large firms operate and to form an image of their possible professional

had the unique opportunity to tour the facilities of the software company RedHat, one of the most significant firms in the South Moravia region. Besides the excursions, CzechInvest also organised numerous seminars and workshops focused on various topics, such as human

“ The current Czech government is taking steps to contribute to the creation of a more investment-friendly climate in the country. ”

future; in some cases, students were even offered the opportunity to gain experience at selected firms. Over the course of five days, students took part in eighteen such excursions to firms that operate in a diverse range of industrial sectors, from the automotive industry and production of household appliances to software development. For example, the Pardubice-based company Synpo, which is involved in applied research and development in the area of polymers, presented to students the work of their older schoolmates who have undertaken internships at the company. A visit to the West Bohemian firm MD Elektronik laid the foundations of future cooperation between the company and the Secondary School of Electrical Engineering in Plzeň. Local students were welcomed to the testing facility and laboratories of the Research Institute of Textile Machines in Liberec, and students from the Šumperk area visited the appliance factory operated by Miele technika. Students in Brno

resources and the importance of design for reviving and diversifying brands. Attention was also given to social networks, with a seminar in Plzeň focusing on LinkedIn and the possibilities of online recruitment. In Pardubice, local businesspeople met with representatives of CzechInvest and the Pardubice Municipal Authority to discuss obstacles that they have encountered and want to eliminate. The seminar in Hradec Králové focused on tax deductions for research and development and presented to businesspeople practical examples of applying such deductions. The programme of the conference at Žofín Palace on Wednesday culminated with a celebratory evening during which CzechInvest and the Association for Foreign Investment announced the results of the fourteenth annual Investor and Property of the Year competition. ■

*Petra Menclová
PR Specialist
CzechInvest*

AFI presents how to execute FDI and M&A in the Czech Republic

"Invest in the Czech Republic – Your Gateway to Europe", Bohemian - National Hall, New York

The "Invest in the Czech Republic – Your Gateway to Europe" seminar took place in New York at the end of May 2014. In cooperation with the Association for Foreign Investment, the Consulate General of the Czech Republic in New York and other partners, CzechInvest presented the Czech Republic as an ideal location for investments in Europe. "For many foreign investors, the Czech Republic is still barely distinguishable among other countries in Central and Eastern Europe," says Kamil Blažek, chairman of the Steering Committee of the Association for Foreign Investment, explaining the importance of such events. "As a global financial centre, New York represents tremendous potential for the Czech Republic, especially in the area of strategic and portfolio investments," he added. Specialists from AFI members Kinstellar and KPMG Česká republika presented the Czech investment environment. Approximately 150 guests came to hear them speak.

"M&A Opportunities and Investment Incentives in the Czech Republic", CzechTrade, Brussels

Organised by the Ministry of Industry and Trade

of the Czech Republic, CzechInvest, CzechTrade and the Association for Foreign Investment, the "M&A Opportunities and Investment Incentives in the Czech Republic" seminar was held in Brussels in June 2014. As its name implies, the seminar's main objective was to present the conditions for implementing M&A investments in the Czech Republic, as well as the country's system of investment incentives, which is currently undergoing significant changes due to new European Commission rules for regional aid that came into force on 1 July 2014.

The Ministry of Industry and Trade is currently drafting an amendment to the Investment Incentives Act with the intention of harmonising the European and Czech rules, whereas the incentives system should continue to offer a range of advantages for investors. The AFI was represented at the seminar by an official from PwC.

"M&A Opportunities in the Czech Republic", Czech Embassy, Helsinki

Organised by the Czech Embassy, CzechInvest, the Association for Foreign Investment and Finnish partners, the "Gateway to Central and Eastern Europe: M&A Opportunities in the Czech Republic" seminar took place in

Helsinki at the beginning of September 2014. The event was focused on opportunities in the area of M&A in the Czech Republic and on the legal and tax environment in relation to such investments. FDI project management was also introduced to participants. Presentations of Czech government representatives was supplemented by the ones of AFI members PwC, PRK Partners and Havel, Holásek & Partners.

Other events at which AFI representatives will appear in 2014 and at the beginning of 2015:

- **London, Great Britain, 29 October 2014**, focus: investment incentives and M&A, supported by Erste Corporate Banking
- **Seoul, South Korea, autumn 2014**, focus: investment potential of the Czech Republic from the FDI perspective ■

For more information on where you can meet with the AFI abroad, please contact the AFI by e-mail at eva.bendlova@afi.cz.

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Out to Conquer the World

The Rise of Czech ICT

The Czech Republic is a technological leader with a long tradition of technical education. In the days of the Austro-Hungarian Empire, Prague was, together with Vienna, a significant industrial centre characterised by its technological advancement, which distinguished it from the rest of the empire. At that time, Czech industry and technical education began to take the form that we know today. It is no wonder that established research structures have given rise to new technical fields which over the years have come to be ranked among traditional sectors while gaining worldwide recognition. The ICT sector is unambiguously one of the most progressive of these fields.



Do you want to know more about the ICT sector in the Czech Republic? Download the free brochure from CzechInvest!

Cybernetic security

If we were to assess the security of nations based on the number of local companies in the field of cybernetic security, the Czech Republic would be seen as an impregnable fortress. Two of the biggest domestic companies, AVG and AVAST, are bound by a similar history. Both began working on their products in the late 1980s and early 1990s and both had a similar goal – to secure users' computers with their cutting-edge security solutions.

Following its establishment by Jan Gritzbach and Tomáš Hofer in 1991, AVG Technologies very rapidly rose to the top of its field on the global scale and today ranks among the biggest players on the internet market. We can trace the origins of AVAST back to 1988, when Pavel Baudiš and Eduard Kučera, researchers at the Mathematical Machines Research Institute, developed a solution for protecting computers against the Vienna virus. Today the products offered by AVG and AVAST each have more than 200 million users around the world and their technological solutions are among the best in the field. Other Czech firms are successfully following these celebrated

pioneers. Invea-Tech, TrustPort (both focused on network behaviour analysis), Safetica (data loss prevention) and many others are gradually penetrating the global market. Thanks to CzechInvest's CzechAccelerator programme, one of the companies using artificial intelligence techniques to detect advanced cyber threats began collaborating with the IT giant Cisco, which eventually acquired the company and established closer ties with the Czech Technical University in Prague.

Seznam.cz – the Czech Republic's answer to Google

As it has been made clear above, the Czech Republic has a number of successes under its belt in the area of information technologies. However, there is one unique feature that sets the country apart from all others in the world. While Google has come to dominate practically every aspect of the ICT sector, from its mobile platform to web search and online maps, it has a more-than-capable competitor in the Czech Republic called Seznam.cz, which stands toe-to-toe with the American giant and sometimes even outshines it. Thanks to Seznam.cz, the Czech Republic is the world's

only country using the Latin alphabet where Google is not the clearly dominant provider of web search and other services. Seznam.cz was established in 1996 by university student Ivo Lukačovič, initially as a list of websites among which the user could search by means of keywords. Seznam.cz quickly grew and improved and today its services are used at least once a month by 90% of the Czech internet population. There are only three other countries in the world where Google does not have a monopoly on internet search. Like the Czech Republic, each of them boasts a strong domestic player: South Korea (Naver), Russia (Yandex) and China (Baidu).

Today games frequently achieve profits that are many times those of the film industry. For example, an instalment of the latest episode of the Grand Theft Auto series from the American studio Rockstar Games (like 2K Czech, also owned by Take Two Interactive) earned \$1 billion in its first three days of release, for which the film Avatar needed seventeen days. The domestic gaming industry is indisputably the Czech Republic's biggest cultural export.

World

Seznam.cz is targeted exclusively at the Czech market and sees localisation as its advantage over Google. It is especially strong in its maps, which far surpass those of Google in terms of quality, currency and content. Furthermore, Seznam.cz is constantly improving and is currently collaborating with the IT4Innovations supercomputer centre on the preparation of 3D maps.

Gaming industry

Development in the field of multimedia entertainment, i.e. development of computer games, is one of the most interesting and most demanding segments of software development. The Czech Republic can be proud to say that in this area it is a towering force in the region, as it is the country of origin of a full range of globally popular games. For the past two decades Czech developers, 3D graphic designers and artists have been supplying the world with games such as Mafia, Hidden and Dangerous, Vietcong and Operation Flashpoint. Bohemia Interactive, a company focusing on software development and related research in the fields of 3D graphics, artificial intelligence and real-time simulations, indisputably ranks among the most significant development studios in this segment. Bohemia Interactive has been decorated with a full range of international awards and is the originator of games such as Operation Flashpoint and ArmA. A no less significant player is Illusion Softworks in Brno, whose Mafia, Hidden and Dangerous and Vietcong brought to the company such a degree of attention that it was acquired in 2008 by the American firm Take Two Interactive, which has built on the successful work of the graphic artists in Brno and is continuing to develop new games in the Czech Republic, now under the brand 2K Czech.

This wave of success is being ridden by a full range of new development studios often established by people who had previously worked on the creation of successful games. Particularly worthy of mention is Warhorse, which obtained for the development of a new game more than CZK 36 million (approx. EUR 1.3 million) via a Kickstarter campaign, by means of which the company gauged demand (the actual development of the game will cost tens of millions

of dollars). Companies in the sector can build on the tradition of Czechoslovak animated film and the heritage is obvious in products of game developers such as Amanita Design.

The Czech Republic isn't only Prague. Brno and Ostrava are making their mark

When they picture the Czech Republic, many foreigners think only of Prague and cheap beer. However, when it comes to the domestic ICT sector, that image is far from the truth. Most of the above-mentioned companies are spread out around the country and, in terms of the significance of corporate and university facilities and international projects, Brno (home to, for example, AVG, 2K Czech, Y Soft, GoodData and Red Hat) rivals Prague and in many aspects even surpasses it. Recent years have seen the funding of research infrastructure on which the city is building. Due to a full range of successful companies, high-quality university facilities, suitable business environment and convenient location in proximity to Vienna and Bratislava, Brno has become a popular destination for foreign investors. Thanks to the combination of the above-mentioned factors, this Moravian metropolis has earned the flattering nickname of "the Czech Silicon Valley".

Even Ostrava, the country's third-biggest city, has been striving to demonstrate its potential in the ICT sector in recent years. IT4Innovations, a research institute at the Technical University of Ostrava, is home to a supercomputer centre that will soon rank among the world's top 100 supercomputers in terms of computing power. The smaller Anselm supercomputer cluster, in which – among other things – Seznam.cz is processing materials for its 3D maps, is already in operation in Ostrava.

Quality and potential

Czechs have long been recognised for their precision and ability to improvise, even in an environment where standard solutions are not possible. It is this ability to think "outside the box" that underpins the success of a number of Czech firms. "The German influence on the discipline and diligence of Czechs is well known. Furthermore, Czechs excel in terms of their

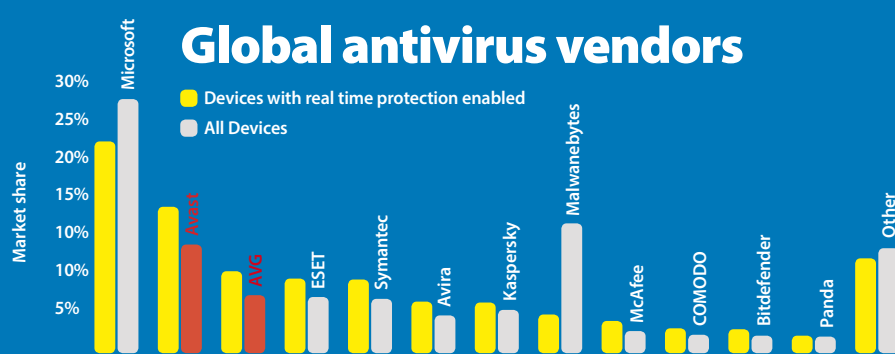
professionalism and education. They don't have their own MIT (Massachusetts Institute of Technology), but they definitely don't lag behind in quality," says Jan Šedivý, who led research teams at IBM and Google for more than twenty years and currently works at the Czech Technical University (CTU), where the Czech Institute of Informatics, Robotics and Cybernetics (CIIRC) is being established. In the coming years, the CIIRC should be able to bring together multidisciplinary teams of people working on specific problems. This year the pharmaceuticals giant Merck Sharp & Dohme, for example, established cooperation with CTU and is building a centre for analysing patient data in order to improve treatment and others are likely to follow. "We are interested in a strategic partnership and sustainable investment with well-defined goals," Šedivý adds, describing the type of collaboration that the CIIRC and CTU desire in future.

The Czech Republic has achieved a full range of successes and is keeping pace with the latest trends in a sector that from time to time catapults a new technology into the stratosphere. Among the most recent successful players to arise out of the Czech environment, we can name, for example, GoodData and Socialbakers, and others will very likely follow. ■

Matouš Kostlivý

Sector Manager for ICT, CzechInvest

All of the Czech Republic's regions are striving to keep pace with the latest trends in the sector. The university in Hradec Králové offers education in several IT disciplines and is endeavouring to work with enterprising professionals in its incubator. A unique project has been undertaken in Písek, where a technology centre specialising in research of cloud technologies has been established on the site of former barracks. The necessary conditions for such research are provided by the Czech Republic's most advanced data centre, which is housed in the underground floors of the technology centre. Because there is no local university in Písek, the centre collaborates with universities around the Czech Republic as well as in Austria.



Source: OPSWAT™, January 2014

Ostrava supercomputer helps to create 3D maps of Czech cities

Researchers at the Czech IT4Innovations National Supercomputer Center are assisting the company Seznam.cz with processing the data necessary for creating 3D models of Czech cities for the Mapy.cz portal. The unique 3D maps will enable the portal's visitors to display their selected locations three-dimensionally from all sides, including from above.

How it works

The original application performing the computations was custom developed by an external firm for the Czech search engine Seznam.cz. In this application's final phase of development, researchers at IT4Innovations collaborated with Seznam.cz and designed modifications in order to achieve maximum performance and efficiency when the application was deployed on the Anselm supercomputer. The calculation algorithm uses both standard processors and graphic accelerators for calculations with a high degree of parallelisation. Thanks to assistance from IT4Innovations, the high-performance hardware that the Anselm supercomputer possesses is fully utilised for the solution. Aerial photographs of cities and their surroundings from various angles

are a prerequisite for creating 3D models of urban areas. Three-dimensional models and their textures are then created from such photographs using computationally demanding algorithms. The Anselm supercomputer thus processes images covering nearly 8,000 km², which is equivalent to 10% of the Czech Republic's territory or 1.5 times the size of the Moravian-Silesian region, where the IT4Innovations National Supercomputer Center is located. Models are being created for more than 250 towns and cities. Seznam.cz is processing an average of 3,443 aerial photographs every 24 hours. A model created in this period of time covers 133 km². The total time needed for implementation is estimated at more than six months. Thanks to the modification of the application and use of the Anselm supercomputer, the computing time has been reduced by more than a half. The trial version of 3D maps was launched in April 2014. The final form of the application will be made available to users by the end of this year. ■

Tomáš Kozubek

*Head of the HPC Libraries and Supercomputing for Industry research programme
IT4Innovations National Supercomputer Center*



3D map of Český Krumlov created by IT4Innovations

IT4Innovations

The IT4Innovations National Supercomputer Center conducts research especially in the areas of high performance computing (HPC) and embedded systems. Since its inception, the centre has been part of the PRACE international network of supercomputer systems. Partners of the project are the VŠB-Technical University of Ostrava, University of Ostrava, Silesian University in Opava, the Institute of Geonics of the Academy of Sciences of the Czech Republic and Brno University of Technology. The centre currently operates the Anselm supercomputer. A big cluster, which will be put into operation in 2015, will rank among the hundred biggest supercomputers in the world. IT4Innovations is funded from EU funds through the Operational Programme Research and Development for Innovation.

Czech roots + global impact = worldwide success

AVAST's roots date back to 1988, when Czech researchers Eduard Kučera and Pavel Baudiš encountered the Vienna virus. This discovery was the beginning of their quest to protect computers around the world. The company emerged in difficult times under the rule of communism, but over the last 25 years AVAST has grown into a global security player. As AVAST's co-founder Eduard Kučera says: "To be successful, we needed freedom." In 2001, AVAST launched its first free product, using a new freemium business model. Today, AVAST protects more than 200 million PCs, Macs and Android devices worldwide with its security solutions, making avast! Free Antivirus the most downloaded and trusted software in the world. The key to AVAST's success is not only offering a free product, but a high-quality product; 60% of new customers come from a personal recommendation. The product has attracted many supporters, or "evangelists", from around the world. In addition to recommending AVAST,

these evangelists voluntarily help AVAST customers via the company's forum and translate AVAST products into their native languages. This has helped AVAST to offer its products in 43 different languages. AVAST also acts as a socially responsible company and has established the AVAST Foundation to support important humanitarian projects in the Czech Republic. Last year the AVAST Foundation donated over CZK 50 million (approx. EUR 1.8 million).

Massive numbers of customers increase protection

The 200 million devices AVAST protects act as sensors to find and report threats from around the world. Threats are automatically analyzed in the cloud and SMS-sized updates are issued approximately every six minutes, providing AVAST's customers with up-to-date protection.

Mobile focus

Mobile communication is one of AVAST's main

focuses, as people today use their mobile devices even more often than their desktop PCs. Cybercriminals are increasingly targeting smartphones and tablets, and consumers want solutions to protect them from Wi-Fi attacks, phishing threats and privacy breaches, as well as the consequence of loss or theft of their devices. Through continued innovation, AVAST meets this need for its global users.

Growing fast and expanding

AVAST's headquarters are located in Prague, Czech Republic, where it employs nearly 500 professionals. Outside of Prague, AVAST has offices in the US, Germany and China. AVAST is proud of its company culture and values its employees, thanks to which AVAST received the "Best Employers in the Czech Republic 2013" award in the category of large companies. AVAST has greatly expanded within the past year, acquiring the German-based secure.me, US-based start-up Jumpshot and recently the Czech mobile-development firm Inmite to extend its mobile leadership. ■

*Ondřej Vlček
COO, AVAST Software*

Double-digit annual revenue growth? Y Soft has been doing it for ten years

Czech company Y Soft has an interesting history. The company started out in Brno in 2000 as a classic start-up and now has operations worldwide.

A group of enthusiastic schoolmates, an office in the basement of a university dormitory and a few falls back down to the bottom all marked the inception of this successful project.

Today, Y Soft is a rapidly growing firm with more than 230 employees as well as branches around the world (e.g., in Dubai, Singapore, Australia, Japan, Miami and Dallas). The company's flagship product is the unique printing solution YSoft SafeQ, which enables companies and organisations to optimise their entire printing environment and centralise their administration. Crisis or no crisis, Y Soft has recorded a double-digit revenue growth throughout the entire time of its existence. The group's consolidated total revenue currently amounts to EUR 18.5 million (USD 25 million).

How can young, emerging entrepreneurs discover a gap in the market? The impetus that started it all was a client's unobtrusive requirement – the necessity to control access to printed documents by means of identification cards and readers.

The decision progressively to add other functionalities proved to be a step in the right direction. Thanks to its robust set of functions, reliable customer support and demonstrably rapid return on investment, YSoft SafeQ has been adopted by 8,000 organisations in more than 100 countries around the world. Today YSoft SafeQ saves costs and time in all areas of business and government: in small local firms and major global corporations, government offices, healthcare facilities and educational institutions.

Thanks to its global network of branches, Y Soft is able to serve customers across all time zones. Global corporations profit from this, as they need to have printing solutions integrated across countries and continents. Users of YSoft SafeQ therefore include, for instance, a globally known carmaker and a leading aircraft manufacturer. Y Soft is aware that high-quality people are the main key to its success. In cooperation with CzechInvest, Y Soft is planning to invest CZK 70 million (approx. EUR 2.5 million) at its Brno headquarters next year and create forty new jobs, primarily for highly skilled developers. In the last year alone, the number of employees in the company's Research and Development Divi-

sion has risen from 43 to 72. In recognition of its investment activities, Y Soft was named Investor of the Year 2013 in the IT and Shared Services category. ■

Václav Muchna

CEO

Y Soft



Tieto Czech: Ostrava in Nordic style

When the Finno-Swedish IT company Tieto decided to establish a branch in the Czech Republic, few probably expected the development that would eventually occur. Within ten years, the original twenty-member team grew into a stable and prosperous company that today has more than 2,000 employees, making it one of the two biggest IT firms in the Czech Republic. The decision to establish a Czech branch was preceded by a detailed analysis of the Czech business environment. The Finnish managers took into account the aspects of the local labour market, profiles of university graduates and other economic, demographic, technological and logistical factors in the regions.

Skills and diligence of the local people were decisive

Ostrava is home to technically educated and diligent people who have a strong relationship to the region and whose work is competitive. That is the reason why TietoEnator's first devel-

opment centre was established here in 2004. The original twenty-member team soon grew into a company with hundreds of employees thanks to cooperation with the region, the city and universities. Three years after the establishment of Tieto Czech, the number of employees had grown to one thousand and the company had become one of the most significant employers in the region.

From twenty computers to two thousand

Both experienced IT workers and university graduates got an opportunity. Emphasis was placed not only on professional skills, but also on language skills, which are necessary for working in an international firm. As the company grew, its headquarters changed several times. More addresses were added to that of the villa in the city centre, whereas Tieto Czech had long been associated with the Ostrava Science and Technology Park. In 2012 Tieto Czech relocated to the newly built Tieto Towers, which are currently the second-tallest structures in Ostrava.

With more than two thousand employees out of the total 14,000, the Czech operation has become Tieto's third-biggest branch.

Customer care provided to the whole world from Ostrava

Premises have been expanded, people have been hired and competencies have been increased. Today local IT specialists take part in projects for the Finnish and Swedish governments and regions, telecommunication and financial firms, and leading metallurgy, wood-processing and media companies. The highly valued work of Czech IT specialists is evidenced by the Ostrava branch's growing significance within the Tieto group. Tieto Czech is no longer only a supplier, but also a partner that understands the needs of its customers and assists them on the path to success. ■

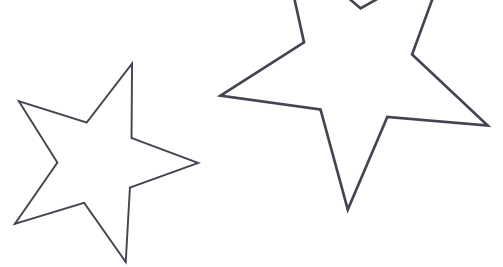
Petr Lukasič

Country Manager

Tieto Czech

The United States:

Strategic investor and export partner



The United States is the third-biggest investor in the Czech Republic, where American firms not only manufacture goods, but are also expanding their operations by engaging in research and development. Economic relations between the US and the Czech Republic will continue to grow stronger.

The Czech Republic is roughly the same size as the American state of South Carolina, but with twice the population. This country in Central Europe is close to both Western and Eastern European markets and offers a long industrial tradition. Though it is a small country in comparison with the US, the Czech Republic engages in brisk transatlantic trade and American investments in the Czech Republic are among the most significant undertaken here. With the world's third-biggest population and covering an area twice the size of Europe, the United States influences the political and economic events around us and thanks to its several decades of economic dominance, it has maintained its position as a global leader in many aspects of the modern world.

Research and development

The United States is characterised by its high level of labour productivity, excellent infrastructure and the fact that the major share of the economy is held by the private sector. The country features a large number of industrial patents and places strong emphasis on education and innovation. Spending on research and development in the US amounted to 2.8% of GDP in 2011. By comparison, the Czech Republic invested one percent less in research and development projects in the same period. However, the Czech Republic is also among the countries that have given rise to inventions that have had an impact on the lives of people across the entire planet. Czech scientist Otto Wichterle gave the world contact lenses, Josef Ressel invented the screw

propeller for ships and Jan Janský discovered blood types.

The Czech Republic in the post-Soviet era

The Czech Republic has already cast off the stigma of its post-communist economy. The country has been a member of NATO since 1999 and of the EU since 2004. It has gained the trust of foreign investors, of which some of the most active are American, as well as German, Japanese and South Korean. In the 21 years since the breakup of the former Czechoslovakia, the Czech Republic has undergone development reminiscent of the Czech proverb "without work, there is no cake". After years of work, the Czech Republic can now boast major investments and the fact that CzechInvest has succeeded in attracting an ever growing number of investments to the country year after year.

Baťa's fame across the ocean

The Czech Republic has a long industrial tradition. At the time when it was part of the Austro-Hungarian Empire, the Czech lands were the most industrialised region of the monarchy. Between the first and second world wars, one of the first true multinational firms arose in the then

Czechoslovakia. Using processes that were very innovative even by today's standards, the Baťa concern, which was based in the Moravian city of Zlín, employed more than 65,000 people around the world, including in the United States. Besides shoe production, the company was

involved in agriculture, transport and the aviation industry, and it remains an inspiration for entrepreneurs of many nationalities.

Bilateral trade

Due to the limited size of the domestic market, the Czech Republic focuses predominantly on exports, the share of which in GDP exceeds 80%, placing the country among the world's very open economies. In 2013 Czech export volume reached USD 154 billion. The greatest quantity of goods is exported to Germany (31%), whereas the US accounts for 2.2% of Czech exports. The main articles exported to the US in 2013 were electrical devices and equipment, machines and machining material, equipment for industrial mechanisation and iron and steel. Measuring instruments, medical devices and machinery were among the products imported into the Czech Republic from the United States in the same period. The Czech government has included the United States in its list of priority countries with which the Czech Republic wants to develop commercial ties and

strengthen exports. The main implementer of this strategy is CzechTrade's Chicago office.

Investment

The foreign investors from around the world that began coming to the Czech Republic in the early 1990s and building factories here contribute to the country's strong standing as an export-oriented nation. Foreign investors account for more than two-thirds of the country's total export volume. In this respect, the United States is one of the Czech Republic's most important partners, as it ranks third behind only the Germans and Czechs in terms of the number of investment projects. For the Czech Republic, the US also represents investments with high value added. The largest number of investment projects from the US are in high-tech sectors such as ITC, mechanical engineering, the automotive industry, BSS, electronics and electrical engineering, and aerospace. In recent years the Czech Republic has received investments from numerous leading American companies such

as IBM, Honeywell, GE Aviation, Eaton, AT&T, Red Hat, Cisco, Oracle, Johnson & Johnson, Johnson Controls, Merck and Caterpillar, among others. An important indicator of American companies' satisfaction with the Czech Republic's business environment is the fact that the vast majority of them have decided to invest in additional projects, often with higher value added. Last year the combined value of American investments in the Czech Republic reached USD 298.452 million. In light of the recovery of the American and Czech economies, further positive development in the inflow of foreign direct investments can be expected. Prospective sectors will surely include medical technology, new materials, clean technologies, ICT and data centres. ■

New ambassador in Prague

The United States has a new ambassador to the Czech Republic. Andrew Schapiro, whose mother was from the former Czechoslovakia, arrived in the country this August. Schapiro, a top corporate attorney, replaced Norman Eisen, who had been the ambassador to the Czech Republic since early 2011.

Selected American investors in the Czech Republic

Company	Sector
Honeywell	Aerospace, business support services
GE Aviation	Aerospace
Hayes Lemmerz	Automotive
Visteon	Automotive
Johnson Controls	Automotive
IBM	IT, business support services
Caterpillar Solar Turbines	Machinery
Ingersoll Rand	Machinery
Hewlett-Packard	Machines and equipment
Accenture	Business support services centre
Gardner Denver	Business support services centre
Exxon Mobil	Business support services centre

Roman Horáček
Director of West Coast Operations
CzechInvest





Red Hat in the Czech Republic: Unplanned growth

Radovan Musil
Senior Director
Software Engineering, Red Hat

Red Hat came to the Czech Republic ten years ago. The only reason for this expansion was that there were talented people able to work in globally distributed teams.

Since then, we have hired 700 people. This growth was not originally planned. It was solely based on the quality of the people we were able to hire, their level of integration into company structures and their stability; people don't often leave us.

Some factors naturally help to support our growth – we are the first choice for people who want to work in an open-source way and people in our country are able to compete with anybody in the world. Also the quality of technical

universities is very good here and two of the best IT universities are in Brno, where we are based. But it wouldn't be enough to rely just on the natural advantages. Long-term cooperation with universities and giving students the opportunity to get their first professional experience with us during their studies form a solid base for getting the best talents in the future. And the future matters because our presence in the Czech Republic is not a short-term deal. We have built our biggest engineering entity here and it has been recognised as the best site internally. We have just opened our third building and our total office capacity is for more than 1,000 engineers now.

We can proudly say that Red Hat wouldn't have achieved such a great position in the fast moving enterprise software market without the investment in the team in the Czech Republic. ■

About Red Hat:

Red Hat is the world's leading provider of open-source software solutions, using a community-powered approach to reliable and high-performance cloud, Linux, middleware, storage, and virtualization technologies. Red Hat also offers award-winning support, training and consulting services. Red Hat's operation in Brno started in 2004. Ten years later the company employs 600 people and 80 students are currently getting their initial professional experience with the company. Red Hat Czech has become Red Hat's largest engineering facility in the world and the employer of choice for people who want to work and live the Open Source way. The Brno operation has received many internal and external awards including Best Engineering Site and Best Employer in the Czech Republic.

GoodData benefits from worldwide cooperation

GoodData's journey began seven years ago when successful Czech entrepreneur Roman Staněk launched his third start-up project, this time focused on a cloud-based BI solution. From the very beginning, the company set its sights on the global market, where it immediately found great potential.

In building the company, Roman Staněk benefited from the experience he had gained with his previous successful firms: NetBeans, later acquired by Sun Microsystems (today's Oracle), and Systinet, which was acquired by Mercury, later part of Hewlett Packard. It was clear that in the early stage GoodData would be focused on the US market, which is more open to new solutions and technical innovations in comparison with Europe.

Soon after founding GoodData, Roman Staněk left for San Francisco to find the company's first customers. At the beginning they were relatively small companies with turnover of roughly \$100 million. The size of the deals grew with each new contract. Today GoodData sells enterprise BI cloud solutions for millions of dollars a year. Most of its customers are in the fields of marketing, media and communication, as such firms

are used to working with business analysis on a daily basis. However, government and educational institutions are discovering the power of big data, thus further widening the field for GoodData's solutions.

GoodData received its first angel investment in 2008 in the amount of \$2 million. Roman Staněk's captivating visionary approach and the good name of Systinet were definite advantages during negotiations with investors. The well-known venture-capital firm Andreessen Horowitz took part in the third round of investments. The fourth and most recent round of investments took place last year, bringing the company's total funding from all rounds to \$75.5 million.

Though GoodData runs its sales and marketing from San Francisco, its engineering and development are based in the Czech Republic, specifically in Prague and Brno. The Czech Republic offers talented people with a strong technical background who are innovative and good at improvising and solving problems. This setup gives the company a unique ability to take advantage of all locations where it operates, and there is always somebody "in the air" travelling between the US and the Czech Republic. ■



Jaroslav Gergič
Managing Director, GoodData

About GoodData

GoodData, the leader in end-to-end cloud analytics, enables more than 40,000 companies to store, combine, analyze and visualize data to quickly answer business-critical questions. GoodData's mission is to help companies become all data enterprises: organisations that gain a competitive advantage by leveraging all data through advanced analytics. The GoodData Open Analytics Platform helps companies manage and analyse that data in one seamless, interactive environment and create breakthrough applications to empower their customers and users. GoodData is headquartered in San Francisco and is backed by Andreessen Horowitz, Fidelity Growth Partners, General Catalyst Partners, Next World Capital, Tenaya Capital, TOTVS SA and Windcrest Partners.

Young Czech companies out to conquer the world

Though the Czech start-up scene is relatively young, it has been developing at a very rapid pace over the past several years. The number of individuals, small teams and companies implementing their own business projects is increasing. The Czech Republic has not yet produced any major global start-ups like Google, Facebook or Twitter, but it is home to firms that have managed to penetrate foreign markets, find a broad portfolio of users and successfully embark on business ventures beyond the country's borders. A good example of a successful Czech start-up is Socialbakers, a young, Plzeň-based company engaging in analysis of social-network data. Socialbakers has received 26 million dollars from investors for the purpose of strengthening its impact on the global market and its current value is estimated at 200 million dollars. Brand Embassy is another example of a successful Czech firm. Its software, for the development of which the company obtained one million dollars from investors, is able to flexibly respond to and subsequently assess requests and complaints of customers on social networks. In addition to Prague, the company currently has offices in the United States, Colombia, Dubai, London, Slovakia, Spain, Portugal and the Netherlands. A local start-up that is definitely worthy of mention is Futurelystics, which developed software that processes and evaluates information obtained from data-processing systems and programs (e.g. CRM and e-commerce platforms). Thanks to this program, companies can process data automatically and effectively. The Futurelystics team took first place in the prestigious Seedcamp competition in Budapest and later obtained an investment in the value of USD 800,000.

CzechInvest supports Czech start-ups

Now in its fourth year, CzechInvest's CzechAccelerator 2011-2014 project was set up to ensure that promising projects of Czech start-ups are not confined to the Czech environment, but are rather given an opportunity to prove them-

selves on the global market. The objective of the project is to support Czech start-ups in their efforts to gain experience in foreign markets. To date, CzechAccelerator has supported 42 projects, whereas Silicon Valley has been the most popular destination among participants, particularly those in the ICT sector.

IT sector still top among young entrepreneurs

The two youngest CzechAccelerator participants, who took part in the project in spring this year, are already achieving success. Both companies undertook their residencies in the United States with projects focused on the IT sector. Libor Hoření travelled to Boston with Fasheebo, a fashion aggregator that has potential to gain popularity primarily among female customers. Based on the taste and style of individual users, Fasheebo recommends appropriate articles of clothing that can subsequently be purchased. Libor Hoření considers the greatest benefit of his stay in Boston to be the contacts and inspiration that he gained there. "In one building you can find hundreds of other projects and thanks to the range of events going on there, you also have the chance to meet people and get inspired. We even managed to establish contact with an American company developing a similar project, with which we are now discussing further cooperation, even after returning to the Czech Republic," says Libor Hoření. Martin Novák also travelled to Silicon Valley in search of investors for Visidom, a cloud-based tool for analysing the behaviour of website visitors. In addition to obtaining contacts, the young entrepreneur sharpened his marketing skills and ability to engage with customers and investors.

Fearlessness is the key

Even the most minor successes of Czech start-ups can provide the impetus for other Czech entrepreneurs to try their luck beyond the country's borders. And good examples are starting to pile up. While in the United States, the aforementioned Visidom registered in

the prestigious YCombinator, perhaps the most influential start-up accelerator. Out of the total 3,000 applicants, Visidom was one of only 300 companies to be invited to a personal interview with investors.

CzechAccelerator illustrates the essential role that similar programmes play in assisting start-ups. "Without the facilities and the mentor that CzechAccelerator provided to us, we would have struggled in Boston on our own," says Libor Hoření, who advises everyone considering expanding to a foreign market to prepare a brief and interesting presentation of their product and spend their time only on business while abroad. "In places like Silicon Valley, Boston and New York, there are tens of thousands of start-ups and therefore it is necessary to come up with something extraordinary that people don't see every day."

The CzechAccelerator project is set to continue in the upcoming 2015-2020 programming period, during which it should again help Czech firms gain a foothold in foreign markets. ■

Veronika Doskočilová

*Project Manager, CzechAccelerator 2011-2014
CzechInvest*

About CzechAccelerator

The project sends beginning entrepreneurs to technologically advanced destinations, where they spend several months in a partner business incubator, attend networking events and, primarily, benefit from the guidance of mentors who help them get their businesses off the ground. Participants can choose from five destinations: Silicon Valley, Boston, Singapore, Switzerland and Israel. Those eligible to participate in the project are innovative companies with global ambitions and potential for success in the fields of ICT, bio- and nanotechnology, life sciences, precision engineering, medical technology and clean technologies. The project is financed from the Operational Programme Enterprise and Innovation.

South Moravia an iridescent and innovative region



Basic data

Total population:	1,170,078
Population density:	159.4
GDP:	16,050 (EUR mil.)
Share of GDP of ČR:	10.5%
Average unemployment rate:	8.3%

Source: Czech Statistical Office, 2014

South Moravia is one of the biggest regions of the Czech Republic and with more than one million people, it is the fourth most populous. With a 10.5% share in the country's gross domestic product, it also ranks among the regions with the highest levels of per-capita GDP. South Moravia's performance and position are underpinned by the economic power of Brno and its surroundings. Brno is the Czech Republic's second most important administrative and economic centre with a large concentration of activities predominantly having high value added (ICT, specialised services, research organisations, etc.). Conversely, some parts of the region (micro-regions in the Znojmo, Břeclav, Hodonín and northern Blansko districts) can be viewed as lagging behind economically. The region is generally well developed, but with significant internal differences in terms of economic performance and the situation on the local labour market. South Moravia is distinguished by

the fact that it has the country's second-biggest share of the services sector (accounting for 61.2% of employment in 2012) after Prague. At the level of individual sectors, the main drivers of the regional economy are manufacturing and services with high value added. Thanks to all of these factors as well as to its rich natural, geographical and historical heterogeneity, South Moravia can be considered the most diverse region in the Czech Republic.

Investment, export and competitiveness

The Czech economy as a whole is driven by the activities of foreign firms. As recently as at the end of 2005, South Moravia's per-capita inflow of foreign direct investments amounted to CZK 50,600 (approx. EUR 1,800), which was the fourth lowest value among the regions. Since then, however, it has become the main destination outside of Prague for FDI and is currently one of the most popular destinations among investors.

South Moravia's main export-oriented sectors are mechanical engineering, electrical engineering and electronics, which together account for nearly half of the region's exports and, in conjunction with the related metallurgy industry, represent one-fifth of the region's private-sector economy. The IT sector is undergoing dynamic development in Brno, whereas a large number of IT firms specialise in software solutions for industry. The dynamic development of IT and its connection with the traditional fields of mechanical and electrical engineering create a favourable environment for the development of modern technologies and knowledge-intensive firms. The food and agriculture sector is still very important, especially in the southern and eastern parts of the region. South Moravia has a long agricultural tradition, suitable conditions for farming and well-established food-production and food-processing firms. At the same time, the region is near major cities where, in accordance with long-term



trends, there is growing demand for high-quality groceries supported by high purchasing power (Brno, Bratislava and Vienna). South Moravia's wine-making firms industry has national significance and is a symbol of quality, whereas in the Znojmo and Břeclav districts it is a major sector driving the local economy and supporting, among other things, specific segments of the travel industry. Brno, the regional capital, is a major trade-fair centre. The company Brněnské veletrhy a výstavy annually organises dozens of events including the traditional International Engineering Fair.

R&D in South Moravia

In terms of the scope of R&D capacities, South Moravia is second only to Prague in having the most favourable conditions for development of the knowledge economy. In 2012 more than one-fifth of total R&D spending in the Czech Republic was in South Moravia, which is also the second most important region in the Czech Republic, again behind Prague, with respect to the number of research institutions. The reason for this is, in particular, the concentration of university capacities in Brno. Besides universities, the city is also home to nine institutes of the Academy of Sciences of the Czech Republic.

In recent years, there has been obvious dynamic growth in the number of companies that conduct their own research and development in the region. In this respect, South Moravia is the most successful region of the Czech Republic. Of the total CZK 6.2 billion (approx. EUR 223 billion) in corporate R&D spending, two-thirds fall within the key sectors of electrical engineering, electronics, mechanical engineering and IT. Both domestic firms

(Alta, Zetor and Tescan) and foreign companies (e.g. Honeywell, FEI and ABB) have major R&D capacities in the region. More than ten leading global firms conduct R&D activities in Brno, and that number is progressively rising. Together with the existing concentration of company-based R&D, the region's industrial tradition, high-quality engineers and the capacities of universities, which are a source of highly qualified workers, create suitable conditions for the development of production in technologically demanding industrial sectors. The same is true of services connected with technologically (intellectually) demanding industrial production.

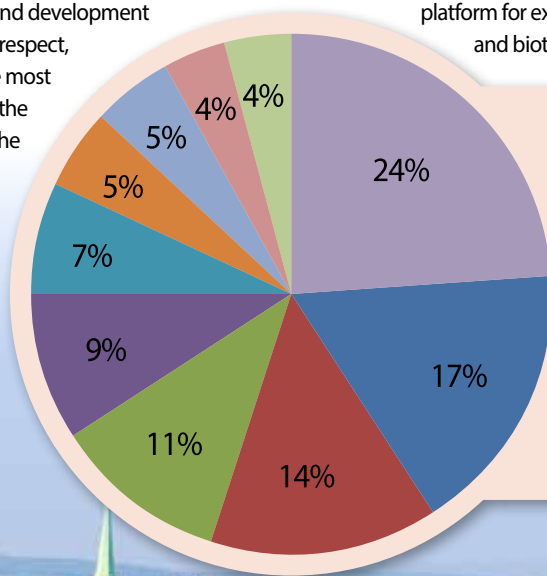
Brno – Europe's Silicon Valley

Without exaggeration, Brno can be referred to as Central Europe's Silicon Valley. Three multinational centres of excellence have arisen here in the past five years. The first of these is CEITEC, which is focused on advanced nano- and microtechnology, molecular medicine, brain research and veterinary molecular medicine. CzechGlobe is oriented toward climatic and ecosystem analysis and innovations aimed at reducing the impacts of global climate change. FNUSA-ICRC is involved in the development of new strategies for diagnosing and treating cardiovascular and neurological disorders and serves as a shared multidisciplinary platform for experimental medicine and biotechnology.

South Moravia has outstanding infrastructure and potential in the areas of university education and healthcare. There are more than 80,000 university students in Brno, comprising a necessary source of talent for the development of business and research. The region is home to five public universities (Masaryk University, Brno University of Technology, Mendel University in Brno, University of Veterinary and Pharmaceutical Sciences Brno and the Janáček Academy of Musical Arts), one state university (University of Defence) and numerous private universities focused primarily on humanities.

Thanks to the availability of talent, many companies in other regions are relocating their R&D to Brno. Brno University of Technology is the main R&D partner for a number of firms throughout Moravia. Two major university hospitals providing top-quality healthcare and the Masaryk Memorial Cancer Institute, together with a high-quality medical school, comprise significant capacity for creating and using new medical and related technologies.

Public research organisations in the region mainly comprise institutes of the Academy of Sciences of the Czech Republic (ASCR). As previously noted, nine of these institutes are located in South Moravia, together with 15 others that are mostly branches of Prague-based ASCR institutes. The most important ASCR institutes are the Institute of Biophysics, Institute of Scientific Instruments, Insti-



COMPANIES BY PRODUCTION IN 2012

Number of enterprises* in manufacturing: **249**
 Enterprise density per 100 sq km: **3.45**

- machinery and equipment n.e.c.
- food products
- electrical equipment
- basic metals
- motor vehicles, trailers and semi-trailers
- fabricated metal products
- rubber and plastic products
- other non-metallic mineral products
- computer, electronic and optical products
- other manufacturing

*with 100+ employees

Source: Czech Statistical Office, 2014



tute of Physics of Materials, Institute of Analytical Chemistry, Institute of Vertebrate Biology and the Global Change Research Centre (CzechGlobe). A full range of research results from these institutes have already led to direct use in the application sphere, whereas the results achieved by the University of Scientific Instruments in the area of electron microscopy are particularly worthy of mention.

Besides the institutes of the ASCR, public research organisations established by ministries are also located in South Moravia. The most significant of these include the Research Institute of Veterinary Medicine (Ministry of Agriculture) and the Transport Research Centre (Ministry of Transport). These institutes generally conduct both basic and applied research for the needs of the public and private sectors.

South Moravia has long supported innovation infrastructure and thus established the South Moravian Innovation Centre (referred to by its Czech initials, JIC) in cooperation with universities and the City of Brno. The success of the established regional policy is evidenced by the fact that the JIC Innovation Park, a project of the South Moravian Innovation Centre, was among the six most successful participants in the Smart Growth – SME Innovation category of the European RegionStars 2014 competition organised by the European Commission. ■


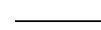
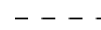

Petr Chládek
Innovation Strategy Manager
for the South Moravia Region
South Moravian Innovation Centre

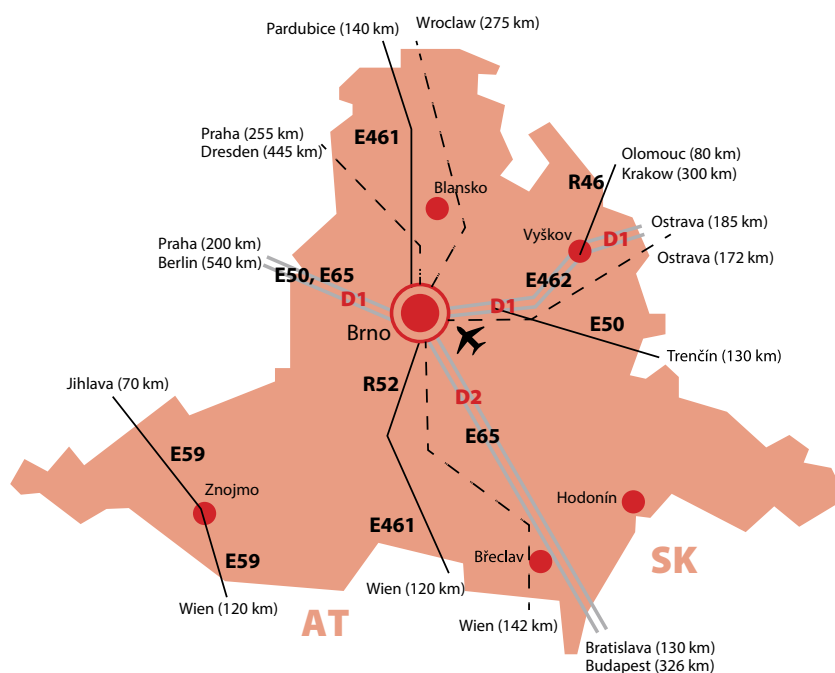
Patrik Reichl
Director, Regional Office for South Moravia
CzechInvest

Investment projects mediated by CzechInvest in 2013

Region	Number of projects	Investment amount (EUR mil.)*	Jobs
South Moravia	15	368,42	1,960
Central Bohemia	14	249,94	1,668
Moravia-Silesia	14	495,84	922
Plzeň	10	187,89	1,326
Ústí	9	159,77	1,203
Zlín	9	205,57	820
Pardubice	8	257,85	584
Liberec	7	130,25	650
South Bohemia	7	215,61	269
Olomouc	6	122,22	396
Hradec Králové	5	30,59	415
Prague	2	1,48	260
Vysočina	2	17,10	46
Total	108	2 442,54	10,519

Transport infrastructure

-  Motorway
-  Road
-  Railroad
-  Airport





Prof. Armin Delong (right) with Patrik Reichl, Director of Regional Office for South Moravia, CzechInvest (left)

“I’m not a scientist, but a designer,” says world-famous Czech physicist Armin Delong

He was born only a few years after the founding of the First Republic (after establishment of the independent Czechoslovakia in 1918), but his age does not prevent him from working in the laboratory from morning to evening. The 89-year-old Armin Delong is regarded as the father of electron microscopy in the Czech Republic. He is currently working with his team on the development of a 2-3 million-power microscope for use in biology which will be able to reveal previously unknown properties of viruses, bacteria and DNA.

To begin, please allow me to pose a somewhat indiscreet question. What nationality are you, Professor Delong? Your name and surname are not common in the Czech Republic.

I got my surname from my French ancestors, who

“ One-third of the world’s electron microscopes comes from Brno. ”

fled France during the period of religious strife at the end of the sixteenth century and settled in Silesia. I was born in Bartovice, which is now part of Ostrava. Unfortunately, I don’t know why my parents named me Armin, but I like it.

When and why did you decide to work on the development of electron microscopes?

I became interested in technology and especially electrical engineering when I was a child. During my high-school studies in Hranice, in Moravia, I amateurishly built a radio receiver. During one of the trials at the Dr. Edvard Beneš University of Technology in Brno, Professor Bláha offered me the possibility to take part as an assistant science worker in the development of a prototype electron microscope under his leadership. That was a great honour, challenge and opportunity for me.

When did the results of your work first gain significant international recognition?

An electron microscopy laboratory was estab-

lished at the Microbiology Institute of the Czechoslovak Academy of Sciences, to which we came after the transformation of the Dr. Edvard Beneš University of Technology in Brno. A table-top transmission electron microscope was developed at the laboratory and introduced into production at Tesla Brno. That microscope was extraordinarily successful and its production was rapidly expanded. In 1958 it was awarded a gold medal at the Expo 58 World’s Fair in Brussels. A total of 1,200 of those microscopes were manufactured, which was a respectable number at that time.

Besides your extensive research and scientific work, you were also active in teaching. Didn’t the time demands of being a university professor detract from your main activity?

Just the opposite. Following the example of my professors, I both taught and did scientific work. When you share knowledge and experience with a younger generation, you also learn something. Moreover, you get inspiration and the feeling that maybe there will be someone to continue your work. In order for a university teacher to teach skilfully, he must be a researcher familiar not only with practice, but also with the latest trends in science and technology.

What instrument are you currently working on and why?

My current main focus is a microscope for biological purposes. I consider its development to be extraordinarily important. The problem with this type of instruments is that the energy of electrons impacting the biological specimens is so strong in current instruments that test specimens very quickly break down. Ordinarily, these microscopes work with an energy load of 150-170 kiloelectronvolts (kV). Furthermore, they

are characterised by a very robust design, often five metres tall and very heavy. The new type of microscope, which we are further improving as a prototype device, works with an energy load of 5 kV. As for its size, it’s roughly 30 cm tall and weighs about the same as a personal computer.

That brings to mind a comparison with the IT sector, when Steve Wozniak and Steve Jobs came out with the desktop computer when other manufactures were selling room-size machines. Would you say that’s a valid comparison?

Absolutely. While designing this instrument, we combined the advantages of electron and optical microscopes. In the final phase, the microscope will make it possible to study biological mounts by magnifying them 2-3 million times, normally on a laboratory table without the necessity of a big room. This is very important. I anticipate that such an instrument will help to reveal, for example, more secrets of viruses, bacteria, proteins and DNA, and it will be much more accessible to the broader scientific community.

You currently work for Delong Instruments. Is that your company?

No, I’m not an owner of that progressive enterprise in Brno. I only made part of my name available to the company. I’m not a businessman; my life’s mission is the development of new devices. I don’t even consider myself a scientist; I rather rank myself among designers. I am proud that the field of electron microscopy in Brno has grown from those first small steps on which I was able to collaborate as a student to the point that today electron microscope manufacturers in Brno cover roughly one-third of the global market. I am happy that my work could contribute to such a beautiful result. ■

Patrik Reichl
Director, Regional Office for South Moravia
CzechInvest

How to find young Czech IT talents?

The increasingly prominent trend of information technologies that have recently expanded into the area of “smart devices” and the frequently discussed BYOD, cloud computing and mobile applications requires for its development new IT talents who have been prepared for the task at high-quality universities. Successful completion of a study programme in an IT-related field, particularly programming, information systems or security, is the initial prerequisite for gaining a prestigious and well-paid job in the ICT sector. The second prerequisite is the quality of graduates themselves.

Generation Y

Current IT talents are members of Generation Y, also frequently referred to as “Millennials”. As they will comprise 75% of the overall workforce in 2025, it is important for employers, HR managers and team leaders to consider what these young people expect from life and from their work environment. It is necessary to bear in mind that they have grown up in an environment of constant praise and permanent reassurance of their specialness. They accept binding rules only when such rules make sense to them and their motto is “Life begins after work”. Enjoyment of life is not a matter of only their personal lives, but also of their work environment. They expect their employers to be accommodating in terms of working from home, flexible scheduling, a broad range of benefits, relaxation zones with game consoles and wellness centres, among other things.

How to deal with them?

This is the fundamental question that makes the personnel specialists’ and managers’ hair stand up. If a company wants to have IT talents under its

roof, it must adapt the work environment according to their ideas of helpfulness on the part of the employer, i.e. the company must give them a free hand in choosing when and where they will work, ensure access to modern technologies and professional and technical development. As personnel specialists, we should be aware that this generation lives on the internet and social networks, so we must target our search for and recruitment of IT talents there, while promoting a friendly corporate culture at career fairs, organising open houses and offering them internships and part-time jobs.

Universities are striving to flexibly respond to the demand for ICT specialists, increasing the capacity of their informatics departments, expanding specialisations and collaborating with the commercial sphere. However, this effort is not “good” for all IT talents. In practice, we encounter two types of young IT talents. The first type is aware that the knowledge acquired during their studies provides a strong foundation for further professional growth, whereas the other type does not see any value added in their studies and live by the motto “What I don’t know, I can Google”, the result being that those of this type do not even finish university and would rather develop themselves by starting their own businesses.

Location is decisive

In the Czech Republic there are many universities that offer informatics study programmes. For employers, the location of these universities is important so that they have future graduates close at hand. Examples of this are Brno (Brno University of Technology and Masaryk University) and Prague (Czech Technical University and Charles University), where companies require

a large number of ICT specialists. However, in terms of the per-capita number of positions, Prague lags behind Brno, which is reflected in the fact that Brno has a large concentration of IT firms. On the other hand, Prague maintains the principle of higher average wages, which in the case of Czech Technical University graduates amount to roughly EUR 1,257 per month as compared to their colleagues from Brno University of Technology, who earn approximately EUR 1,006 per month on average.

The Czech Statistical Office has presented the percentage demographic distribution of informatics students according to their place of permanent residence (for 2012), which is usually their hometowns. However, students do not have a problem with moving from their hometowns, leaving their families and relying on themselves. Graduates often stay to work in the cities where they spent their student years, made friends, found their partners and gained experience.

According to statistics, it is apparent that the strongest representation of informatics students is the Hradec Králové region with 2.5%, with Prague in third place with 1.7% and South Moravia coming in fifth with 1.3%. The Karlovy Vary and Ústí regions are the weakest in this respect with only 0.8%.

The Czech Republic as a whole has a wealth of IT graduates. The approach taken by companies is the key to attracting these young, self-confident and demanding junior specialists and thus capturing the best IT talents. ■

*Denisa Ondrušová
Director of ICT Contracting Division
Advantage Consulting*





The Czech Republic as an attractive location for international IT professionals

If one could name a single factor that could be significant to the success of free market economics, then labour mobility can certainly be counted as a key. The Czech Republic ascended to EU membership in 2004 surely to enjoy the economic and cultural benefits of opening its borders to both increased international foreign investment and boosting employment, as well as allowing a mobile international workforce to fill gaps in local labour skills. IT represents a sector where professional skill sets are critical, both for the success of a company and also in the competition for jobs. A Java developer is unlikely to be able to compete for a database administration role, and a PHP programmer cannot hope to fill the shoes of an Oracle guru. Personality and cultural fit will help, but it all comes down to this: you either have the desired IT skills or you don't; you can't fake IT.

The Czech economy faces fierce competition for IT professionals between both local, established Czech firms and international firms that have invested heavily to take advantage of a skilled, educated workforce with lower labour costs. International brands such as Barclays Capital, IBM, DHL, Concur, Hewlett Packard and Accenture are just a handful of names continually fighting for IT talent across the country.

Trends in IT are as fast and brutal. Technologies that were insignificant a moment ago are now key to success in today's fast-paced IT environment. The demand for cloud-based business intelligence brings more jobs for database administrators, virtualisation specialists and cloud architects. Companies scrambling to take advantage of mobile e-commerce need Android developers yesterday and iOS developers the day before yesterday.

Banks trying to manage customer data flows need data-warehouse professionals to help drive their technology roadmaps forward. While the Czech Republic has an excellent talent pool in the IT sector, companies sometimes need to source top IT talent from abroad to fill the skill gap locally. For a foreign investment company in IT, the Czech Republic represents an advantageous place to invest. Its central location in Europe brings access to a host of markets and makes the country a central hub for international travel. Salaries for IT professionals are typically 40% lower than in Western European countries. Local IT professionals are largely university educated, possess the relevant base of technical skills and have fluency of English, not to mention work experience under their belt before graduation. When attracting IT professionals to the Czech Republic, the ease of attraction fundamentally comes down to which direction they are coming from. It is generally easier to attract candidates from Eastern European countries, as they will likely have an upward shift in salary and standard of living. IT professionals from Romania or Bulgaria, for example, generally fare very well in the Czech Republic because they typically have a good track record in IT, with applicable skills and fluent English, and are not overly demanding on the budget. As EU citizens are free to work in the Czech Republic, candidates from these countries generally don't face major bureaucratic constraints in finding and starting work. Those from outside the EU need a work visa or work permit. With Western European candidates the situation is more complex. IT professionals typically need to accept a drop in salary in order to attain work locally as wages are significantly lower than in

their home country. On the other hand, the cost of living is lower too. The reasons for the move are therefore not financially motivated but can be the attraction of finding an international work opportunity abroad, the prestige of the company they will be working for, or the adventure of stepping out into unknown territory. Such roles are more attractive for less experienced professionals who are single, with no immediate plans to settle down with a family. Of course, attracting more experienced candidates or managers can be more difficult, but a solid remuneration and relocation package, together with assistance with moving, usually works very well.

The social aspects of the Czech Republic, particularly Prague, can be attractive for candidates. Prague is a cosmopolitan metropolis where one can enjoy any number of pursuits, including sport, cultural activities, rich heritage and a good standard of living. Public services and healthcare work well and are inexpensive. Accommodation is typically easy to find and also reasonably priced, and food is affordable. Candidates from any country are likely to find an expat community that will welcome them into the fold. Trends in globalisation are continuing and the Czech Republic is a good haven for companies with an interest in IT professionals to invest in. The fight for IT talent continues, as companies increasingly look to other countries to source the best talent. The Czech Republic is an attractive location for IT professionals to enjoy international opportunities abroad. ■

*Dillon Werry
Team Leader – IT & Telco
Hays Czech Republic*

Financing innovation with Erste Corporate Banking

Erste Corporate Banking (ECB) sees support for innovation, science and research as one of the strategic areas of its development. For firms, innovations represent an indisputably integral part of business and their existence and implementation are proving to be increasingly important for maintaining long-term competitiveness and market position. Our ambition is to offer innovative firms not only available financing, but also other above-standard services associated with preparing and implementing innovation activities including, among other things, consulting provided by our specialised banking advisors in the course of the innovation process and the corresponding structure of financing, expert project assessment by independent consultants in the area of innovation, provision of aid management, mediation of contacts with our partners for the transfer of technology and venture capital. How specifically does our support help clients in their introduction of innovations?

TOP Innovation programme

Of course, we are aware of the fact that introducing an innovation is not a simple matter and there is a lag between the formulation of the original idea and the time when the resulting innovation starts to have real benefits for the company. For this reason, we provide our specialised TOP Innovation programme intended for investment financing of innovation activities under favourable interest conditions for a predetermined period. We thereby ease clients' cash-flow situation during the period when the given innovation has still not brought forth the planned results. The interest discount is provided for fifty percent of the loan in the range of 1%-2% p.a. depending on the scale and planned impact of the innovation on the company's finances. The discount is provided fully from ECB resources and can be combined with any other form of support provided by the state or from European funds.

European Investment Fund guarantee programme

Another common problem encountered by clients is insufficient collateral connected with

loans for innovation activities. Therefore, Erste Corporate Banking offers, in connection with the EIF guarantee programme, financing for innovation and technology projects with a 50% guarantee for institutions with an AAA rating. Financing is provided for loans up to the amount of CZK 190 million with the maximum repayment period of seven years.

Both programmes are, of course, appropriately combinable and thus offer clients a comprehensive solution for financing their development activities.

Activities financed within the TOP INNOVATION programme also include those that are connected with obtaining licenses that help firms to innovate their products, services and production processes by means of commercialising the results of innovation activities or subjects of industrial-property rights.

Advantages of innovation solutions at ECB

- Possibility of combining the interest-discount programme with the EIF guarantee programme.
- The EIF guarantee in the amount of 50% of the loan substantially reduces collateral requirements and increases the availability of the given financing.

- The discount on loan interest supports the growth of companies in the form of implementation of modern technologies, efficiency and innovations.
- Possibility of financing for licences, patents and intangible assets associated with the commercialisation of the results of research and development.
- Possibility of combining the aforementioned programmes with other aid programmes such as EU structural funds.

Inostart programme – Bank financing for start-ups

Another programme aimed at expanding activities in the area of innovation is Inostart, which

is intended for beginning entrepreneurs and start-up companies. In cooperation with the Ministry of Industry and Trade and the Czech-Moravian Guarantee and Development Bank (ČMZRB), Erste Corporate Banking provides support to start-up firms within the Swiss-Czech Cooperation Programme, which is advantageous particularly because it combines financing, guarantees and consulting in one. ECB provides financing, ČMZRB provides a 60% guarantee, and Erste Grantika Advisory, an ECB subsidiary, provides consulting services. Furthermore, clients do not pay any fees connected with arranging loans, as those are paid from the aforementioned Swiss-Czech cooperation programme. This is currently the only such comprehensively structured product for financing start-ups on the Czech market. But financing is not the only means by which we support the innovation environment. We also organize or are partners of the broadest range of events focusing on the development of the innovation environment in the Czech Republic, including various seminars, partnerships in competitions of interesting original inventions for start-up companies and students, arrangement of conferences and organisation of the Innovation Academy workshop, which is particularly

“Inostart is currently the only such comprehensively structured product for financing start-ups on the Czech market.”

popular among small and medium-sized firms. During these events, our clients discuss the findings and problems that they have encountered when introducing innovative processes with leading specialists from the Fraunhofer Institute as well as with companies that are at the top of the innovation field. Of no less importance is our partnership in Cooperation of the Year between Firms and Research Sphere, a prestigious competition aimed at recognising the best activities and projects carried out jointly by the academic and commercial spheres. ■

Petra Pařízková
Head of the TOP Program Department
Erste Corporate Banking

UP

START

Start-up agencies, an evolutionary step in business models

There has traditionally been a couple of options for a young IT professional. He or she could go to an established company such as Google or Microsoft, or go the start-up route. Each posed different challenges and attracted different types of character. But recently a new breed of company started showing up – the start-up agency. A good Czech example is Socialbakers, which started as an agency and ultimately rebranded to share the same name with its most successful venture. A start-up agency begins as a regular digital/online agency which lives mostly off of contract work such as website and app development. The successful ones slowly create and sell new products or utilise their specialised knowledge in a certain area (mostly defined by their contract-

work clients) and start entirely new ventures. The initial funding for these projects comprises profits gained from contract work. As the firms mature, institutional investors and regular start-up funding enter the picture.

The leaders of such a company need to have a strong relationship with innovations, which is a precursor to new ideas. The people working at the company have to be very driven and results-oriented. Not surprisingly, from our experience, these people are hard to come by, but once you find them, they become your best friends and people you rely on every day. Based on interviews we conducted, most of the employees in these establishments identify with the common goal and contribution not only to the company but also to society.

When approaching clients for new ventures, it is generally easier for companies with this business model to win over an undecided client based on the credentials gained from the agency work they had previously completed. This applies also for investors, as a previous non-start-up track record can positively impact an investor's decision-making process.

Overall, start-up agencies are a new wave of establishments that have some of the most unique traits that are not common in current market conditions. Czech agencies tend to be more and more productive with this model and we at Usertech are proud to be part of this movement. ■

*Jan Beránek
CEO, Usertech*

Automotive industry attracts young economists and IT experts

Carmaker ŠKODA AUTO is the Czech Republic's most attractive employer for young economists, engineers and IT specialists according to the prestigious Graduate Barometer 2014 survey, in which 11,500 students from twenty Czech universities participated during the period from November 2013 to March 2014. Google, the Czech National Bank, ČEZ and Apple are also attractive potential employers among economists, whereas among engineers and IT specialists ŠKODA AUTO is followed by Google, the Academy of Sciences of the Czech Republic, IBM and ČEZ. The Czech carmaker's popularity among graduates has been rising over the past three years. "We take the results of student polls and surveys very seriously and we are pleased that we have placed so highly. ŠKODA AUTO offers university students a well-developed system of cooperation during the course of their studies. Interested students have the possibility to take advantage of offers

of internships and, in cooperation with specialists, select the topics of their graduate theses and receive counselling pertaining to their thesis work. Moreover, ŠKODA AUTO is the biggest private investor in research and development in the Czech Republic. In recent years the company has developed cooperation with the main Czech technical universities in the form of sponsoring, grants and outsourcing of research projects," explains Bohdan Wojnar, member of ŠKODA AUTO's board of directors for HR management. According to Mr. Wojnar, roughly one thousand Czech and foreign students use the opportunity to gain professional experience every year. An important aspect of the carmaker's personnel strategy is its Trainee Programme. "This is a one-year adaptation and development programme for master-level graduates, which has been in place at ŠKODA AUTO since 1993. The programme is commenced twice a year and is completed by roughly 30 trainees annually," Mr. Wojnar adds. According to

the Graduate Barometer 2014 survey, more than one-fourth of Czech graduates would like to work in the banking and finance sector. With respect to their salary requirements, Czech students remain modest, as their expectations in this area have not changed in comparison with last year and they expect to get paid only half the annual salary common in neighbouring countries. In terms of what they expect from employers, young people from the Czech Republic place emphasis on the possibility of personal development, appreciation and a good management style. "We strive to give our employees such benefits that not only sufficiently motivate them to do outstanding work, but that also give them a sense of belonging within the company. We create for them a working environment that supports motivation, performance and a high degree of creativity," Mr. Wojnar concludes. ■

*Iva Fialová
Editor of Czech Focus*

ŠKODA Octavia Scout
Start of Production



Can **counterfeiting and forgery** be successfully **eliminated**?



Counterfeiting is essentially a worldwide phenomenon, and the Czech Republic is no exception. It should come as no surprise to anyone that this type of criminal activity involves mostly well-known and popular products, so much so that it is financially advantageous for counterfeiters to copy them. Statistics indicate that roughly 15% of global trade comprises counterfeits.

Retailers of original products very often forget that sufficient protection of industrial property rights is equally important as sales and promotion. Without such protection, it is very difficult to combat counterfeiting. We consider it the responsibility of every manufacturer to ensure at least basic protection of industrial property rights pertaining to its products (e.g. as registered trademarks, industrial designs, patents, etc.), since it is very difficult, and in many cases impossible, to overcome counterfeiters.

As soon as such rights are recorded in a register and a manufacturer (owner of the rights) becomes aware that unlicensed copies of products have been imported into the Czech Republic, the manufacturer should immediately report this to the customs authority, one of the main bodies charged with protecting intellectual property. This is a very effective

means of combating counterfeiting and limiting imports of fake goods. It is always easier to detect thousands of counterfeit goods during the import process than to remove them afterwards, when they are already in the country. Most of them are destroyed, unless they are used for humanitarian purposes.

It is appropriate to inform the relevant inspectorate, i.e. the customs administration or the Czech Trade Inspection Authority, when counterfeits are detected. The inspections are usually preceded by careful planning by the inspectorate, especially when inspections are carried out at more than one facility where counterfeit goods are offered, sold and stored. Multiple inspections, especially if they are carried out in various locations nationwide, must be coordinated so that they begin at the same time on the same day, so that counterfeiters cannot warn each other in advance. Conversely, there is a very high probability that counterfeits will be discovered only in the facility inspected first but such goods disappear from the others. We have participated in such inspections numerous times, always with a very encouraging result.

Many businesspeople have given up in their fight against counterfeits because they feel

that it is a battle that cannot be won. A common reason for this is that they have addressed the issue internally through their employees, who have little knowledge or experience in this area and thus make a number of errors. The consequence of this is a failure to effectively combat the sale of counterfeit goods and reduce the number sold, even though there are legal instruments intended for this purpose that are proving to be very effective in the Czech Republic, unlike in many other European countries.

Our experience shows that protection of intellectual property rights and the fight against counterfeiting and forgery is such a complex issue that it should be dealt with by those who specialise in this particular field, i.e. specialist lawyers and patent agents, who are suitably experienced, and can achieve extraordinarily positive results. ■

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Robert Nešpůrek

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How long is the **period from deciding** on the location of a building until **its construction** in the Czech Republic?

In the conditions of globalisation and rapid technological advancement, the well-known phrase "time is money" is gaining a degree of categorical urgency for every investor without exception. The question therefore relates primarily to the necessity of not wasting time after deciding the location of a structure in the Czech Republic and for the expended capital to bring forth the desired effect as soon as possible. This is true for both foreign and Czech investors, and there is only one way to go about it: do the maximum to ensure the fluidity of individual phases of the building process when preparing and carrying out construction.

In practice, this involves a full range of component phases behind which there are various entities with different requirements. These are determined by the relevant legal regulations and by the need to have good preparation of individual actions, as well as the quality of ongoing inspections in order to ensure that any deficiencies are found

before the given project is completed.

Experience confirms that in all phases there are time reserves than can be minimised or even eliminated. There are models available for optimising the organisation and management of construction, many of which are in use today and are bringing results in terms of keeping construction projects on schedule. This concerns the optimum setup of individual phases, thus ensuring the fluidity of construction, minimisation of risks, comprehensive execution of all component processes, etc., while also ensuring effective communication so that discussion of any problems that may arise is kept as brief as possible. I believe that the broader application of construction management models is a legitimate approach and will bring the desired effect.

On the other hand, it is necessary to bear in mind that actual people are behind the more sophisticated models. Every construction project can be likened to a living organism.

Dozens, and often hundreds, of people are involved in the preparation and execution. Therefore, in the Czech Republic it is impossible to say how much time will pass between agreeing on the location of a building and its actual construction.

This is influenced by not only the relevant statutory requirements, but also by the ability of the team, which is a partner of the foreign investor and should thus have experience in dealing with government bodies, be aware of the risks associated with the construction process, be able to prepare a supplier system, set up a verifiable construction-work regime, and so on. In all aspects, there are areas for both time and cost savings. ■

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What is the current trend in the Czech Republic – **do IT people need only English** or other languages?

Mastery of a foreign language – in our case, English – is and will most likely always be an obvious matter of course when applying for a job. Based on experience, we can assert that we cooperate with clients in the IT field predominantly in roles where English is required. This is also apparent in the growing number of multinational firms that are relocating or building their IT centres in the Czech Republic. In the IT world, we can divide the use of English into three areas, the first of which is passive (technical) English needed for understanding various work materials. The second is active English in the environment of a Czech firm in the context of collaborating on an international project. And the third consists in active English as the corporate language in the environment of an international firm, often in combination with another European language. In the case of the third area of English usage, knowledge of another language is usually dictated by the company's place of origin, the location of the end customer or the product's target market. A special variant consists in shared-services centres, where specialists pro-

vide IT services to clients in various countries and knowledge of the given language is thus an absolute necessity. Thanks to the size of the domestic market and virtual nonexistence of borders in the world of IT, the location of a company's operations can be disregarded. Start-ups comprise a significant current trend in this respect. Just as large IT centres are being moved to the Czech Republic, new local firms are striving to penetrate foreign markets. If a candidate is truly proficient in a given foreign language, his or her chances of getting an interesting offer and, for example, travelling abroad for work will increase. In the case of international firms, employees automatically have the possibility of daily interaction with native speakers and that itself is a tremendous benefit. IT specialists also easily gain knowledge of the given foreign language when they participate in professionally focused IT conferences and trainings, which are often held in English. Certificates are often seen as proof of foreign-language knowledge. Of course, a certificate cannot always be taken at face value.

Candidates can either unnecessarily underestimate or overestimate their abilities. Therefore, during process of recruitment, we recommend verifying their English communication skills in interviews.

IT specialists in the Czech Republic do not necessarily need to know a third language (besides Czech and English). English is enough for most multinational corporations. On the other hand, employees' language skills are an advantage also for you and it is worthwhile to support them in this regard, as doing so can have a positive impact not only on the course of their careers and their satisfaction, but primarily on your company's results. ■

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How can firms in the Czech Republic use **social networks** and work with them in the B2B area?

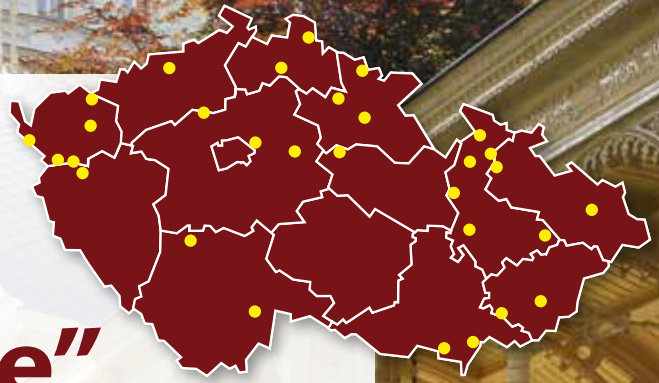
Though the phenomenon of social networks has brought an absolutely new dimension to communication, the basic postulates have not changed – it still pays to be open and maintain good relations with the public. However, openness in today's world does not mean only providing information to selected journalists and responding to media reports. Instead of, at most, a few dozen editors with whom you, as a representative of your company, could speak "on the level", today the reputation of your products and services can be ripped to shreds by internet commentators whom you have never seen and who have possibly never even encountered your products. This is a something that cannot be stopped. Within a few hours, internet discussion groups spring up and give voice to malcontents who are convinced that they are right. But all of this can be completely turned around: social networks can launch a product or service

into the stratosphere thanks to positive online discussions. Companies in the B2C segment are familiar with both sides of the coin. However, the impression that firms in the B2B segment are unaffected by social networks is mistaken. It is only a matter of time until an absolute majority of companies have accounts on certain social networks. If you have decided (for now) to ignore social networks, refusing even to monitor them, then the only result is that you do not know who is talking about you or what they are saying. It can be stated with nearly 100% certainty that the name of your company or products has appeared at one time or another on a social network through no effort of your own. It would be good to know that, to be on guard and respond immediately if necessary. Professional forums focused on discussions about the products and services of a given firm are of primary importance in B2B communica-

tion. These are places where, with the right approach, you can find the real opinion leaders and perhaps even turn your adversaries into ambassadors. Here you can take a long-term approach to improving your position in a community that is truly interested in your products. Yes, social networks force firms to take on new responsibilities, but those responsibilities can be shared. There are agencies that offer social-networking management in addition to standard communication tools. They keep an eye on comments, conduct monitoring and issue responses in cooperation with the client. Those who have mastered social networks, either through their own efforts or by means of an external agency, can assert that they can be a useful servant. ■

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Czech spas: the celebrated “salons of Europe”



Johann Wolfgang von Goethe, Frédéric François Chopin, Ludwig van Beethoven, Franz Kafka, King Edward VII of Great Britain, Tsar Peter the Great and former Czech President Václav Havel are only a few of the luminaries who have enjoyed visiting Czech spas, known in an earlier era as the “salons of Europe”. The centuries-old tradition of Czech spas is an integral part of the European cultural heritage and still today the Czech Republic ranks among the spa industry’s global powers. This is due to the hundreds of natural mineral springs, rich deposits of curative mud, bogs and peat, as well as the outstanding care provided to spa clients. The Czech Republic’s spa towns are situated in picturesque landscapes with a pleasant, mild climate and are attractive also because of their urban-planning concepts and specific architecture. The country’s most famous spa towns are the West Bohemian trio of Karlovy Vary, Mariánské Lázně and Františkovy Lázně, though others such as Luhačovice, Karlova Studánka, Hodonín and Jáchymov are also worthy of attention. The Czech Republic’s unique mineral springs have been used for curative purposes since the beginning of the fifteenth century. Over the course of centuries spa towns grew up around these springs and acquired their unmistakable character in the eighteenth century, when large spa buildings and colonnades were constructed, the roofs were installed over the natural springs and a select clientele arrived. However, these “salons of Europe” gained true fame in the following century, when in 1929 Silesia native Vincenc Priessnitz established what is now known as Lázně Jeseník, the world’s first hydrotherapeutic institute. Together with balneology, hydrotherapy was first taught at a university in the Czech Republic. Today, spa facilities can be found in all regions of the Czech Republic. Visitors can choose from thirty-six places registered in the Association of Spa Towns of the Czech Republic, where specialists take care of not only clients’ physical wellbeing through a diverse range of treatment procedures, but also offer rest and relaxation. The spas use natural resources that, depending

on the means of usage, are divided into thermal, peat, radon, mud, climatic and mineral spas. It is possible to select a spa according to specialisation and to consult that selection with a physician as well as with the spa facility itself. Of course, it is possible to select a spa based on one’s own taste and individual preferences. Besides curative stays, spa companies also offer a range of preventive, relaxation and wellness stays, anti-stress programmes for managers, beauty programmes for women and weight-loss programmes. “The philosophy of our hotels is to provide guests with facilities featuring first-class service that contributes to perfect physical and mental relaxation. We are a modern hotel and we are striving to eliminate the common perception that spas are only resorts for senior citizens. On the contrary, thanks to the offer of first-class services and sporting and wellness stays, spas are suitable for everyone who wants to relieve the stress of today’s hectic world,” explains Soňa Forstová, director of Spa & Kur Hotel Harvey and Spa & Kur Hotel Praha in Františkovy Lázně. Guests of these hotels can choose from a diverse range of services such as massage, curative baths, wraps and physiotherapy, and visit a wellness and fitness centre with a large pool, whirlpool, sauna and steam room. Czech spas are renowned for their high-quality care. Several years ago spas in the Czech Republic were the first in Europe to receive the prestigious EUROPESPA med© certificate, which is awarded to selected spas following strict inspection of quality and an audit of their operations. Within the EU, the Czech Republic has the largest number of spas that have successfully undergone certification. Spas needn’t involve only medical treatment. Guests can take part in numerous cultural and sporting activities. For example, Spa & Kur Hotel Harvey offers special packages for

golf lovers in cooperation with the nearby Golf Resort Františkovy Lázně. Visitors can improve their handicap in the enchanting environment of the protected landscape area in the Ohře River basin, which features an international-standard 18-hole course harmoniously incorporated into the landscape. The hotel’s surroundings are also suitable for in-line skating and the popular Nordic Walking.

Karlovy Vary

Karlovy Vary is a phenomenon among spa towns in the Czech Republic as well as on the international scale. It is the biggest and most famous Czech spa town whose renown is due to its high-quality thermal curative springs. According to legend, it was founded by Holy Roman Emperor Charles IV in the fourteenth century. Every year it is the site of the prestigious Karlovy Vary International Film Festival, which is regularly attended by numerous global celebrities. Cancer and digestive and musculoskeletal disorders are treated at Karlovy Vary’s spas.

Františkovy Lázně

Františkovy Lázně is the Czech Republic’s most original spa town, as it was built for that very purpose from its establishment. Františkovy Lázně is well known as one of the first peat spas in the world. Its location near the German border and the historic Czech city of Cheb make it a very





attractive tourist destination. Gynaecological, cardiovascular, circulatory and musculoskeletal disorders are treated here.

Mariánské Lázně

Mariánské Lázně is located on the edge of a protected landscape area in a romantic valley with 140 curative springs. The town was a favourite of Johann Wolfgang von Goethe, who met the love of his life, Ulrika von Levetzow, here. Mariánské Lázně is the home of the Czech Republic's oldest golf course, which was opened by King Edward VII of England in 1905. The local springs are the coldest in the Czech Republic. The spa facilities in Mariánské Lázně specialise in treating kidney and urinary-tract, respiratory, skin and joint disorders.

Teplice

Teplice is the oldest spa town in the Czech Republic. Use of the town's thermal spring dates back to the year 762. Teplice is known for treatment of vascular, nervous-system and musculoskeletal disorders.

Jáchymov

Jáchymov features the oldest radon spa in the world and, at an altitude of 673 metres above sea level, it is also the highest spa town in the Czech Republic. Chronic musculoskeletal disorders are treated here.

Karlova Studánka

Even though Karlova Studánka is the smallest spa town in the Czech Republic, it was the focus of tremendous attention last year. Thanks to its location in the Jeseníky Mountains, fresh mountain air and inimitable architecture, it was included in the New York Times list of 46 places of the world that are worth visiting. The local facilities specialise in treating respiratory, circulatory and cardiovascular disorders.

Jeseník

The world's oldest hydrotherapy spa also possesses the most famous "water garden" – an outdoor

balneopark through which flows a stream with a built-up system of stops serving for hydrotherapy and relaxation. The clean and invigorating mountain air in combination with 80 springs create an ideal climate for treating, for example, circulatory, metabolic, glandular, respiratory and mental disorders.

Luhačovice

With its unique architecture and peaceful atmosphere, Luhačovice ranks among the most beautiful spa towns in the Czech Republic. Treatment of cancer and, for example, respiratory, digestive-tract, metabolic, glandular and circulatory disorders is available here.

Hodonín

Hodonín, the lowest-lying spa town in the Czech Republic, is the birthplace of the first president of Czechoslovakia, T.G. Masaryk. Also known for its viticulture, Hodonín is a great starting point for trips to surrounding attractions such as the Lednice-Valtice complex and the Pálava protected landscape area. The local spa facilities specialise in treating musculoskeletal and cardiovascular disorders. ■

Iva Fialová, Editor of Czech Focus

Try modern Czech cuisine!

62°C Poached Egg with Green Pea Purée and Duck Breast

4 servings

Ingredients:

4 organic eggs
150 g green peas
20 g leaf spinach
10 g garlic
10 ml olive oil
30 g chanterelle mushrooms
1 duck breast
20 g butter
Salt and pepper to taste
Mix of seasonal herbs

Directions:

Pea purée

1. Bring water to a boil, then add 100 g of peas. Right before the peas get soft, add the spinach, blanch for a few seconds and then cool in ice-cold water.



You can try this and other dishes at Zátisí Group's luxurious restaurants in Prague, www.zatisigroup.cz

2. Heat up the olive oil in a separate pan and when hot add the peeled cloves of garlic and roast until golden-brown.
3. Drain the pea-spinach mix, add the garlic with the olive oil and fine blend.

Duck breast

1. Season the meat with salt and pepper and, using about half of the butter, stir fry it in a pan – the skin side down first – until golden-brown, then turn it over and finish frying).
2. Leave the meat in an oven preheated to 62°C for an hour, then thin slice.

Poached egg

Place the egg, still in its shell, in a bowl of water preheated to 62°C and poach for one hour.

Serving Tips:

Stir fry the chanterelle mushrooms (sliced if needed) in the remaining butter and add the remaining peas. Serve this mix with the pea purée, sliced duck breast and poached egg. Season with salt and pepper and decorate with finely chopped seasonal herbs. ■

Anna Dickstein
Associate Specialist,
Business & Supplier Mgmt
MSD IT Global Innovation
Center



"I feel very lucky to live in a city where almost every building, street and pebble has thousands of years of stories to tell."

What do you like most about living in the Czech Republic?

I enjoy experiencing the Czech Republic's rich history in everyday life. One of my most memorable moments was sitting in Café Slavia last November, working on some documents, only to look up and

see a parade commemorating the Velvet Revolution. I feel very lucky to live in a city where almost every building, street and pebble has thousands of years of stories to tell.

What was the most surprising for you?

While the cultural difference in greeting strangers in elevators was surprising at first, I now truly welcome the tactful nature of greeting others with a *dobry den* and parting with a *na shledanou*.

What is your favourite Czech food?

A favourite Czech food is *tatarák* (ed. note: the local version of steak tartare) – it is great to share and also fun to prepare. I knew it would be a favourite the first time my friends showed me how to properly rub the garlic clove over the crispy bread.

What would you recommend to visit in the Czech Republic?

I would strongly recommend visiting many countryside locations outside of the city, by train or even bike. Outings such as a bicycle trip to Karlštejn Castle are nice to look forward to.

About my company

MSD is an innovative, global healthcare leader committed to improving health and wellbeing in 140 countries around the world. Our product categories include heart and respiratory health, diabetes, infectious diseases, oncology and women's health. The Prague-based MSD IT Global Innovation Centre is focused on bridging the gap between healthcare and technology. The centre works on applying advanced capabilities in information sciences, information security, mobility, social media and big data. Note: MSD is known as Merck in the United States and Canada. ■

Gary Thomas
Director
Salmon Software
International



"The speed of the change in the country still amazes me."

What do you like most about living in the Czech Republic?

I first visited the old Czechoslovakia back in 1988 while at a rugby tournament in Olomouc with my team, Munich Rugby Club. I never thought I would ever come back to the area. Then I met my wife in London in 2000. Low and behold she was from the Olomouc region! I remembered the friendliness and sincerity of the people from my first time there. However, when I first visited my wife's parents in 2001, I also realised how conscientious they were, both academically and workwise. That's when it first hit me that this may be a good place to open a business.

What was the most surprising for you?

I am amazed about how much the country had changed for the better since my first visit in 1988. Having lived here now for ten years, the speed of change still amazes me. The country has everything and the people want to succeed and make it better. With the attitude of the young Czech people of today under the guidance of parents who understand hardship and hard work, it will only keep improving.

What is your favourite Czech food?

I am a food person, so I love everything. From Olomouc cheese to carp at Christmas. It depends on my mood. Having spent time in both Germany and the Mediterranean, before moving to the Czech Republic, I find the food here a version of Germanic cuisine with spice in its life, so I love it. However, my wife's "Spanish Bird" has to be the best in the country!

What would you recommend to visit in the Czech Republic?

There is so much to see and after ten years I still haven't done it all! Prague is an obvious place. But I like places off the beaten track. The Moravian wine areas, the mountains, the castles spread

throughout the country, etc. However, when it comes to cities I would go with Lonely Planet's the recent 'number-one European recommendation and recommend our very own Olomouc, followed only by the wonderful Archbishop's Town of Kroměříž, where I married my beautiful wife.

About my company

Salmon Software is focused on delivering world-class treasury management system software. Since the 2008 financial crisis, it is even more imperative that corporate businesses manage their cash and cash flows properly to make the most of what they have and understand the limitations of what they need. We opened our customer-service office in Olomouc with the aim of hiring graduates from schools such as technical universities in Brno. Much of our recent achievement has been due to the hard work and dedication of our highly skilled, multi-disciplined, multi-lingual support and development team. These guys are helping us to produce and support a world-class product. They are extremely conscientious and hardworking. They are a credit to Salmon Software and a wonderful reflection of the quality and excellence of the Czech Republic. ■



Renaud Chevalier
Country manager
LEGRAND

"I like tasty homemade goulash shared with our Czech friends on a cold winter Sunday."

What do you like most about living in the Czech Republic?

Living in Prague. It is a really nice city to relocate to with a family, as I did. Its medium size makes it very good for easy living, and its numerous green areas, wonderful public transport and safety make the quality of life in Prague quite enjoyable.

What was the most surprising for you?

How welcoming and friendly Czech people can be, despite the inevitable generalisations and stereotyping. Yes, the Czechs can seem rather reserved when introduced to a new person, but beyond that they are cheerful and helpful characters and a very hospitable people.

What is your favourite Czech food?

Tasty homemade goulash shared with our Czech friends on a cold winter Sunday is definitely among our best food memories here.

What would you recommend to visit in the Czech Republic?

After visiting Prague, one quickly realises that the Czech Republic has much more to offer. Within just a few hours of Prague there are so many interesting and lovely locations suitable for either day trips or weekend getaways:

the enchanting Bohemian castles or some hidden jewels like Telč and Český Krumlov, just to mention a couple.

About my company

LEGRAND is the world leader in electrical and digital infrastructure for the building industry. We are present in more than 70 countries with a total workforce of over 35,000, and reported 2013 sales of €4.5 billion. With a catalogue featuring nearly 200,000 products, we can offer a wide choice of solutions tailored to the commercial, industrial and residential markets, designed to manage lighting, heating, energy, networks and building access. We have been present in the Czech Republic since 1992 and have our office and showroom in Prague-Křizkova, from where we offer to our clients and partners ongoing professional assistance and support, from design to completion, and help them get their projects done. ■

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