

Meet Koos: the startup building the community-reward mechanism

As part of our quick fire questions series - or QFQs - we spoke to Taavi Kotka, cofounder of Koos about the creation of his equity-based stakes, and why it's important to be able to give back to the business communities that helped your success.

Temps de lecture : minute

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I believe that communities are very undervalued in modern capitalism, or rather they are not properly appreciated and engaged with. Every company has a group of loyal customers, fans and supporters, but only a handful are able to harness their energy and effort. Every day, we get emails from brands we signed up with asking for feedback and offering nothing in return apart from possibly an opportunity to be entered into a raffle and win something.

So, we thought - instead of bothering their customer base with meaningless emails, why don't founders build a new meaning of loyalty and offer micro equity stakes in their companies? However, it's not that simple to give out equity stakes, and this is what we at Koos.io decided to tackle and solve.

Tell me about the business - what it is, what it aims to achieve, who you work with, how

you reach customers and so on?

Koos.io is a stakeholder incentivisation SaaS platform that simplifies shared ownership to allow business communities to receive and benefit from equity-based stakes without affecting the cap-table (or the capitalisation table).

Essentially, we drive the stakeholder economy by rewarding those who contributed to the corporate success. As business goals are met, the stakes that communities own in the company make a return-on-investment too. We want to make sure that people that directly contribute to the growth of your business are rewarded for it - think of it as a goal shared is a success shared!

We have already seen success with 43 early adopters running 68 programmes. Our clients include start-ups, NGOs, SMEs and larger organisations - you might have heard about one of our clients, Estonian ride-sharing company Forus. Essentially, we approach founders of Series A and Marketplaces as they understand the need to incentivise their demand and supply to grow their business. Like every early-stage company, a warm introduction is a strong start; sharing our community-led ownership opinions and socialising our beliefs via content marketing and press is also important to create this new category.

How has the business evolved since its launch? When was this?

As product, Koos was launched in February 2022 in Estonia, and it's been a rollercoaster-ride so far! After going through a funding round, we've launched in the UK and across Europe with a legal framework, making sure Koos complies with the UK and EU laws on a mission to make success a truly shared goal.

It's been great to see our team expand from just 3 founders to 19 members by the end of 2022, and we are currently looking to expand further in the UK and hire across product, marketing and SaaS sales functions.

Tell us about the working culture at Koos

I always said that I wanted to build Koos based on the start-up playbook - I have a long-term vision, and we are a mission-driven company. Day-to-day we have to stay agile and nimble, be laser-focused on the next milestone and make sure we let smart people do their thing.

Estonians are notoriously practical - we are not natural salespeople, we are natural builders, engineers, get-things-done type of people. That probably explains how Koos has started and grown as well - we put the emphasis on making sure our product was great, took care of all the technical and legal details and had a fully functioning product before there was any real effort put into how to actually market it.

But we know that just building a great product is not enough. We have to be great at explaining it and the value it brings as well, which is why we are looking for marketing and sales superstars.

How are you funded?

We have recently raised \$4M in seed funding led by Plural Platform, LocalGlobe, Tiny.vc and Matt Clifford. We have some fantastic people backing us, such as Markus Villig, founder of Bolt; Kaarel Kotkas, founder and CEO of Veriff; Taavet Hinrikus, former CEO of Wise (TransferWise); and Sten Tamkivi, co-founder of Teleport.

What has been your biggest challenge so far and how have you overcome this?

It was always believed that giving out a stake in your company without messing up your cap-table was impossible, but we managed to solve that issue and open up new opportunities for sales and marketing. It truly is a new way of working and growing together with your communities. However, onboarding start-ups including marketplaces and getting companies to understand the opportunity is very time-consuming and requires a lot of effort.

We've managed to overcome this challenge by joining conversations about community building and ESG, partnering with influential founder-read publications such as TechCrunch, Sifted and Maddyness to raise awareness of the opportunities community ownership can provide.

We've been reaching out to our network of founders and investors, and are very proud to have signed up some great early adopters such as Forus, Fairmus and more. This allowed us to build fantastic case studies on setting up incentives programmes that can help businesses launch these campaigns to their contributors.

How does Koos answer an unmet need?

Usually, the only groups of people that benefit from the success of the company - investors, founders and employees, while the majority of the community that also contribute to the company's journey don't get the share of the pie. By giving out equity-based tokens, as we call them, founders can legally use equity to incentivise stakeholders and future contributors to help meet their business goals.

This will revolutionise community engagement at its core, opening new opportunities for business models and accelerating the growth of

companies.

What's in store for the future?

By 2025, we would like to give over €1B in value back to communities through the companies they are supporting. In the long term, our hope is to see all communities become solid owners of every new business and get rewarded for the support they provide.

Our goal is to get to the point where Koos contributes to a more equitable distribution of business wealth. There will be a turning point in the future where people will be supporting and engaging with brands they have a stake in and are aligned with ethically.

What one piece of advice would you give other founders or future founders?

Always trust your community as they have invaluable insight into the industry you are trying to disrupt. And when you reach a business goal, share the success with the people who have helped you get to that point of your journey.

I would also like to add that it's important to focus on execution, not ideas! It's very easy to lose yourself, as a founder, in every little detail of the business. Focusing on the end goal, however, is key.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

Looking after your mental health and ensuring you don't burn out is an absolute must, and for me, having four children is an excellent way to be

mentally resilient!

I always make sure I use my calendar for every aspect of my life, from booking in time to exercise to social events and relaxations – and I always stick to it. I also make an effort to socialise with people who have nothing to do with my work, as it helps to keep me grounded and appreciate that work is not everything to live by. Ensuring to take regular breaks and actually switch off is essential for me to prevent burnout!

And finally, I am quite active in advancing science and tech education for children. Working with the next generation energises me in my professional endeavours, and as a result of this, I founded the Unicorn Squad, a project to advance tech education for girls. I am also on a panel of judges for the science competition show Rakett 69 broadcasted by Estonian Public Broadcasting.

Taavi Kotka is the cofounder of Koos.

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