Analysis June 25, 2020

This new European law could make-or-break startups

Startups will be directly affected by the Digital Services Act. They need to start talking to the Commission to help shape the policy.

Julia Neuman in Berlin 5 min read

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Later this year, the laws that govern Europe's digital economy will get shaken up. The EU will introduce the Digital Services Act (DSA), designed to address safety, regulation and liability challenges that have come with the rise of online platforms in the last two decades.

While it's mainly aimed at the likes of Google, Facebook and Twitter, experts say that it could also have a large and potentially negative impact on startups and their ability to operate and scale freely across Europe if not designed in the right way.

Startups are therefore being urged to join the conversation and help shape the policy. "In Brussels, policy decisions are being made for startups. As a startup, you're either at the table or on the menu," says Benedikt Blomeyer, director of EU policy at Allied For Startups, a worldwide network of startup advocacy organisations.

Travis Todd, founder of Berlin-based international startup community Silicon Allee, says: "A lot of times policymakers' lenses narrow to only focus on regulating the big guys — Facebook, Google, Amazon, Apple. This often leads to somewhat broken systems that can hinder small and innovative businesses."

So what can startups do?

Allied For Startups is one of those working to make sure the exchange of information continues to flow throughout the drafting of the DSA, and that all startups can get involved.

"We're ensuring that every MEP knows at least three startups in his or her constituency. We're also building what we call the Rocket Club, which is an informal group that will allow MEPs to have more conversations with founders," says Blomeyer.

Speaking on a panel earlier in the month discussing the issue, Alexandra Geese, a Member of the European Parliament (MEP), said that startups must help legislators understand the perspectives of companies that aren't necessarily dominating the market.

It's these voices that often don't get a seat at the table, and this needs to change.

"Our colleagues who may be sceptical about liability exemption need to hear your stories — that your companies need liability exemption to thrive, because this is what they might not be hearing," she says.

- *Want to share your views with legislators? Get in touch with your MEP or respond to the Commissioner's public consultation on the DSA.*

What are the issues?

The Digital Services Act is going to be a big deal particularly for startups that host any user-generated content (i.e. social media platforms, online marketplaces, media sharing apps, collaboration platforms, search tools, etc.).

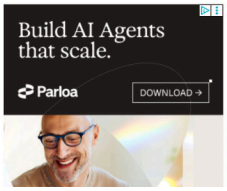
The risk is that small companies are going to have to take on so much responsibility for what is put on the platforms that they will no longer be able to operate as intended.

Blomeyer said that European policymakers can succeed in drafting startup-supportive legislation if they stick to improving on the existing frameworks laid out in 2000 by the E-Commerce Directive.

Essentially, this would mean giving startups straightforward and realistic liability rules for hosting third-party content in Europe. The legislation should also ensure that startups only need to worry about compliance in the country where they are founded, while also being able to operate and grow across borders.

To really benefit startups, the laws shouldn't force them to monitor or blanket-filter all the content that users upload. This is how things are now under the E-Commerce Directive.

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Noam Gerstein, founder and chief executive of adaptive international primary school bina, mentioned an example of how strict liability could easily get messy: "Let's say I have a child that says something offensive to another child. As an educator, I can address it, work around it and understand why that happened. But am I liable for what that child said?"

The idea that startups might be liable upfront for users' content through broad filtering, known as "general monitoring", is something that should be avoided, says another Member of the European Parliament Svenja Hahn.

"When we think about monitoring digital content, this should not be done by any companies or third parties, but solely by democratically accountable, competent, public authorities," says Hahn. "Companies should be liable for the content on their website, but only after they've been made aware of it and can take down what is illegal."

Proportional laws

Some also argue that to help startups, new laws should also take into account the size of the platforms they're regulating. Svenja Freisfeld, Soundcloud's director of product counsel for business and legal affairs, stressed the importance of proportionality in regulation.

"We see that legislative efforts would impose even shorter response times on our Trust and Safety team to tackle illegal content," says Freisfeld. "We would need to employ more monitoring headcount in order to have 24/7 coverage for content moderation."

This need for proportionality also applies to enforcement: smaller startups shouldn't be penalised just because they don't have the content monitoring resources of companies like Google or Facebook.

Small companies that take the right steps and act with good intent need to be incentivised by the laws, not be made more liable by them.

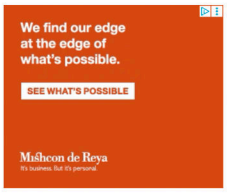
This very issue reared its head in the wake of GDPR, Todd said, when small startups who tried to be proactive in asking legislators for help with compliance ended up being fined for non-compliance. Better systems must be put in place with the DSA.

"As startups, we implement built-in mechanisms to measure how well a new feature is working. I'd like to see more of these 'KPIs' in policymaking and with the DSA. We can't penalise the companies acting with good intent who may not have the resources to comply."

Julia Neuman in Berlin

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Analysis March 31, 2020

Are coworking spaces doomed?

In the time of social distancing, what's happening to the spaces that exist to bring people together?

Julia Neuman in Berlin 8 min read

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Factory Berlin has, for years, been one of the hottest coworking spaces in the German capital, with hundreds of startups renting space in its 14,000-square-meter location in Görlitzer Park or its smaller site nearby.

But this week, both are pretty much empty amid government orders that people should work from home to help prevent the spread of the coronavirus pandemic that has swept through the world, infecting over 780,000 people and killing more than 37,000.

For Hannah Ashford, Factory Berlin's head of community, it's more than a short-term inconvenience. It's going to have a big financial impact on the business as people either cancel membership or shift to digital-only "hold" membership.

"We're going to have a big transition from people switching from their full membership to the hold membership, and of course that will have a big financial impact on us," she tells Sifted.

Factory Berlin, which calls itself an innovator community, is just one of the hundreds of spaces that are taking a big hit from the coronavirus lockdown, which puts pressure on short-term finances but also calls into question long-term business models.

As working from home and social distancing have become the new normal in a matter of weeks, the previously de rigueur idea of "shared office space" is, for many, looking increasingly unappetising.

People are already (again) calling the death of WeWork, the most notorious of coworking spaces. The US company's bonds are being priced at 55 cents on the dollar, meaning investors are expecting to get back just over half of the money lent to the company (i.e. a big default).

In the UK, Second Home, which has recently taken a financial blow due to cost overruns at its new office in Los Angeles, temporarily closed all its London sites this month. Spaces such as 42workspace in Rotterdam and Republikken in Denmark are some of the others that are largely empty and recommending people work from home.

A survey of over 14,000 coworking spaces in 172 countries worldwide by Coworker, a coworking marketplace website, found that 72% of spaces said they have witnessed a significant drop in the number of people working from their space since the outbreak.

At the same time, 41% of coworking spaces reported a negative impact on membership and contract renewals since the outbreak. And 67% of spaces have experienced a drop in the number of new membership enquiries.

In the UK, Plexal — one of the largest coworking spaces in Europe — 70 out of 123 member companies urgently need access to grant funding to cope with the disruption caused by coronavirus. Its managing director, Andrew Roughan, wrote a letter to the UK government last week calling for urgent support for the country's 5,320 coworking spaces.

New digital offerings

Coworking spaces without the in-person conversation, quality coffee, delectable food and flex desks may not seem like they have much to offer.

But many have long prided themselves on the strength of their communities — and communities, they say, can be online as well as offline.

So all these spaces have been in overdrive in recent weeks to keep members engaged at home and really offer them something.

One of the most common ways to keep members socially engaged is hosting day-long Zoom rooms. People may be working from home, but they're still connected in a way that mimics physical presence as best as possible.

At Wunderhaus — a space in Berlin for freelancers and creatives with families — founder

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Shirley Erskine is also focusing on providing virtual classes and workshops, sourced from the members themselves.

"Our Wunder Studio with classes for children and mothers is very popular and we are speaking with our freelancers to create virtual classes," Erskine says. "We try the best we can to support our freelancers during this difficult time."

Many coworking spaces whose offerings extend well beyond a physical space are ramping up those additional services.

Although Factory Berlin is still open, Ashford says that its "biggest priority" this week is to look at getting as many event formats as it can online. Not only does that mean hosting workshops and educational events, but it also means providing a platform for hanging out.

"Every Friday we have Check Out Drinks, where the community comes together to see out the week," she says. "We're going to do a live stream of Check Out Drinks from Riverside Studios. One of the guys on our team, James, will be doing a DJ set and we'll stream it."

Second Home in London, where Sifted worked until it shut last week, is making huge efforts to spice up the members' Slack community. There are daily emails filled with reading lists, online classes and guides to remote working.

The power of community

Jakob Assmann, chief executive of Impact Hub Munich, says that, far from being a disaster, the coronavirus pandemic will prove the importance of just the type of communities that the good coworking spaces are offering.

"I think people will realise in these times of crisis how much more resilient they are once they are not just out for themselves," Assmann says. "We've always told them, but maybe they never felt it that much. Now they feel what it means to be connected."

The show of community also extends beyond individual spaces and into the global network of coworkers.

Ashford and the Factory Berlin team took part in a meeting with all the Google for Startups hubs, where the exchange of insight and information proved helpful in guiding Factory's strategy.

"A lot of [Google for Startups hubs] got together and shared some financial strategies, saying, 'Okay, here's a high risk, medium risk, low risk scenario and here are things to consider'," Ashford says. "We're being guided by our network in terms of making those hypotheses about how things could change and develop."

Coworking giants like Impact Hub have the advantage of utilising their own global network of hubs — all of which are currently under location-specific government regulations.

The Milan hub — having been through unprecedented circumstances several weeks earlier — had plenty of insight to share with the other hubs in terms of shifting event formats online and continuing operations during a crisis.

"There was good communication before, but now it's really focused," Assmann says. "We've established channels for all the problems we have, from design of posters to wash your hands, to basic scenario planning and the innovation formats."

Short-term financing

Regardless of whether or not the coronavirus pandemic will really highlight the power of coworking communities, the drop in membership and use of event spaces short term is still likely to cause a cash crunch.

With most physical spaces entirely closed, event bookings being cancelled and members jumping ship, companies find themselves scrambling to figure out how they'll pay rent and team salaries.

The majority in Germany are applying for a specific type of government aid — or *Kurzarbeit* — that helps employees make up lost income and reduces their hours without severing their work contracts. Others are doing the same across Europe.

Pauline Roussel, chief executive of Coworkies, joins a call with community managers and founders of coworking spaces every Friday.

Roussel cofounded Coworkies in order to bring the world's coworking spaces and coworkers together in one digital community, and she's become especially active in learning how its members are faring.

According to Roussel, the vast majority of spaces are in talks with their landlords with the hopes of scoring a pause on rent, or at the very least, a reduction.

"It's about coming up with an agreement or middle ground for both so it doesn't put the space in danger or put the landlord in a complicated situation," Roussel says. "It's not in the interest of the landlord to lose the coworking space."

Although many are still unclear as to whether or not landlords will be flexible, some spaces have already received positive answers.

John Neilan, manager and cofounder of tuesday coworking, says his landlord has been flexible given the circumstances. He also notes that it is the deliberate decision of members to stay onboard in a show of solidarity that is keeping his homey, boutique space afloat.

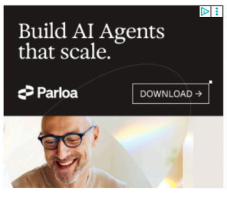
"Unsurprisingly, the newer members who haven't been around long enough to make friends are the ones jumping ship," Neilan says.

"I've had a few of the older heads message me to say they won't be coming to the space anymore but will continue paying their membership because they don't want to see us go under. As long as our team offices [private offices for one to six people] don't quit, we should be fine."

A lasting impact

The lingering fear is that the pandemic will go on for many months (or even years), and even on the other side, our working patterns may fundamentally change in a way that is bad for the business model of coworking spaces.

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business model of coworking spaces.

But with the future so uncertain, for now at least, many of them are seeing it as an opportunity to build new communities and find out how to help people who want flexible working spaces in a different way.

"It's a difficult time, but I also believe there's a lot to learn from it," says Roussel from Coworkies. "It's a way for us to get creative and understand how we can reinforce our communities."

This article was produced by Julia Neuman in collaboration with Silicon Allee, which supports a community of international startups based in Berlin.

Julia Neuman in Berlin

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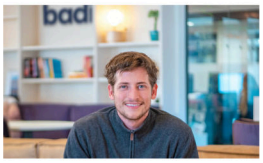
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Tim Smith

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August 14, 2025

Are you LP-ready?

Nicola Nicholson, Programme Founder, Emergent / Head of Marketing, Gen II · 1 minute read

Series: What LPs are looking for in 2025

In a market with $1.2 trillion in buyout dry powder, LPs aren't deploying blindly. They're asking tougher operational questions, and many emerging managers are unprepared. Fundraising used to hinge on performance and storytelling. In 2025, it also depends on process, infrastructure and discipline.

What "operational readiness" means in 2025

PEI's LPGP Dynamic report outlines the top non-performance due diligence concerns LPs are raising in 2025:

Cybersecurity – 47%

- ISO 27001 certification or equivalent frameworks
- Ongoing penetration testing and response plans
- Documented vendor security evaluations

Cash management oversight – 46%

- Use of a reputable fund administrator with independent cash control
- Segregated accounts and treasury oversight processes
- Clear reconciliation, approval workflows, and signatory controls

ESG credibility – 40%

- Adoption of SFDR Article 8 or 9 standards (where applicable)
- Third-party ESG assurance or audits
- Alignment between ESG claims and actual financial risk management

Outsourcing quality – 35%

- Clear documentation of roles, responsibilities, and KPIs for vendors
- Evidence of vendor diligence, SLAs, and contingency plans

These represent core areas of risk and compliance that LPs now expect GPs to manage proactively. For emerging managers, they present both a challenge and an opportunity. Are you ready to tackle them?

What GPs should do now

- **Invest in the right partners early.** Your operations should be institutional-grade from the beginning – not after your first close.
- **Treat documentation like marketing.** LPs want to see process, oversight and scalability clearly laid out.

- **Conduct internal due diligence.** Test your own systems before LPs do. Have answers to questions about cybersecurity, cash and compliance.

What today's LP expectations really mean

LPs simply want to see that your infrastructure can support scale, respond to risk and operate with transparency.

This shift doesn't just impact large firms. If anything, emerging managers are under even more scrutiny. Your ability to demonstrate operational readiness from Day One can make the difference. Think of it all as part of your pitch.

In a crowded fundraising landscape, GPs that show discipline and clarity in how they run their fund platforms will earn LP trust.

Takeaway

Your infrastructure is now part of your key story. LPs don't just want strong returns – they want confidence that you can run a professional, risk-aware operation.

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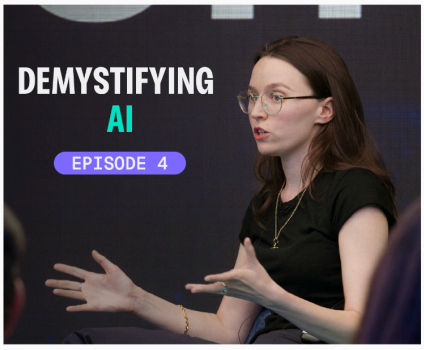
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Meet the moment

Emergent Team · 1 minute read

Series: What LPs are looking for in 2025

Fundraising in 2025 is a fundamentally different game. Amid geopolitical instability, trade disruptions and increased scrutiny on fund structures, LPs are actively reallocating. The days of defaulting to large-cap US buyouts are over.

A changing focus

Moonfare's 2025 survey shows LP preferences shifting clearly:

- Mid-market buyouts top the list at 51.2%
- Secondaries are increasingly favored at 45.8%
- Large-cap buyouts are at just 15.5%

The mid-market offers flexibility and faster exit timelines – qualities LPs now actively seek. Secondaries offer liquidity and vintage diversification, solving some of the bottlenecks discussed in our first post in this series.

Sector preferences are also evolving

Tech still leads (65.7%), but defense has jumped to 56.2% – driven by geopolitical instability and increased national security investment. In Q1 2025 alone, defense saw $4.3B in global private equity inflows.

Healthcare/biotech (47.3%) and infrastructure (24.4%) are also strong contenders. LPs are leaning into sectors with perceived resilience and policy tailwinds.

As a GP, if you're investing in high-interest sectors, you need to articulate why your strategy fits the moment.

Fund structure matters more than ever

LPs are demanding structural flexibility. 56.6% would allocate more if better liquidity were available. They prefer:

- Shorter lock-up periods (23.2%)
- Secondaries (22%)
- Evergreen/semi-liquid funds (22%)

This doesn't mean you need to reinvent your fund model, but it does mean being prepared to answer questions about liquidity. Can your structure support interim distributions, secondary sales, or early exits? Can you build more optionality into your strategy without compromising return potential?

How GPs should respond

- **Double down on mid-market.** LPs see it as more nimble, less leveraged and with better exit optionality.
- **Show thematic conviction.** If you're focused on defense, tech or healthcare, lead with

your unique insight.

- **Rethink liquidity.** Can your strategy incorporate optionality or participate in the secondaries ecosystem?
- **Clarify structure.** Walk LPs through the mechanics of your fund, including lock-up terms, exit windows and what flexibility you can offer.

Takeaway

Fundraising in 2025 is about showing LPs that your fund is purpose-built for the realities of today's market. GPs who align with this new landscape – rather than try to work around it – will be the ones who close.

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Show me the exit

Nicola Nicholson, Programme Founder, Emergent / Head of Marketing, Gen II · 2 minute read

Series: What LPs are looking for in 2025

In 2025, liquidity is the undeniably loud conversation. With distributions lagging and traditional exit routes tightening, LPs are more focused than ever on when they'll see capital returned. The broader economic backdrop – including tariff surprises, geopolitical uncertainty and a cautious IPO market – has only added more urgency to this question.

The liquidity crunch is real

Recent Bain data shows 2018 vintage funds are underperforming historical DPI benchmarks (0.6x vs. 0.8x). That might sound like a small gap, but in this environment, it's massive. When capital takes longer to recycle, it delays LPs' ability to redeploy, impacts internal planning and strains relationships across portfolio and fund cycles. For LPs under pressure themselves to meet liquidity targets, this lag becomes a material risk.

Why DPI now leads the conversation

According to Moonfare, 42% of LPs say slower distributions are one of the main reasons they're holding back from making new commitments. That's backed up by another striking stat: 22.4% now say DPI (Distributed to Paid-In Capital) is the #1 success metric they track – not MOIC or IRR. In a climate where exit markets are slow and valuations are compressed, realized returns matter more than ever.

LPs want to see capital returned. Bain research shows 63% now prefer full exits, even at lower valuations, over partial sales or GP-led continuation vehicles. The preference shift is not just about liquidity – it's a clear signal that LPs are prioritizing clarity and accountability over financial creativity.

The new exit narrative GPs need

Fund managers must reframe how they talk about exits. Vague references to IPO potential or general exit talk won't cut it anymore. LPs want specific, credible plans:

- What is your typical exit timeline?
- Who are the actual buyer groups for your portfolio companies?
- What are you doing differently to speed up the path to liquidity?
- Can secondaries, NAV-based financing or fund restructurings play a role?

Additionally, GPs should articulate their role in managing around exit uncertainty. Are you holding assets longer due to market conditions? How are you preserving value and positioning for eventual monetization? This is about showing control.

How GPs should proceed

- **Make DPI a central part of your pitch.** Don't just focus on projected returns, but show how you've distributed in the past and when LPs can expect to see cash back.
- **Detail your exit strategy.** Include timing, target buyers, and whether secondaries or NAV facilities are in play.
- **Be transparent about past liquidity events.** Have a real conversation about timing

delays and market dynamics.

- **Address the macro context.** Talk about how your strategy is evolving in light of slow IPO markets or geopolitical headwinds.

Takeaway

Liquidity is no longer a backend concern, it's a core decision driver. Fundraising in 2025 means proving – not just projecting – how and when LPs will get paid. DPI has become the new north star, and GPs who embed it into their strategy and storytelling will be the ones who stand out.

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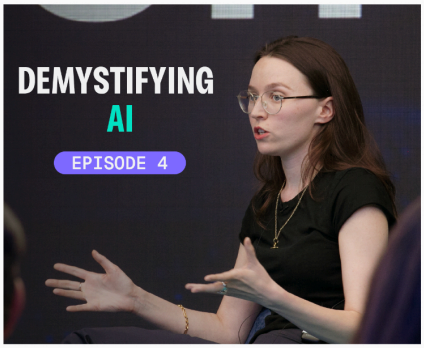
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November 3, 2025

Why Europe is having its mid-market moment

Nicola Nicholson, Programme Founder, Emergent / Head of Marketing, Gen II · 2 minute read

For years, large-cap US buyouts have dominated the attention of institutional investors. But in 2025, Europe's mid-market is taking centre stage.

Recent data from Moonfare's 2025 investor survey shows a clear shift: 43.7% of LPs now prefer Europe as an investment destination, compared to just 29.9% for the US.

Meanwhile, mid-market buyouts top the list of most attractive private equity strategies, preferred by over 51% of investors. This type of number shows a clear reshuffling of LP strategies.

What's driving the shift?

1. Liquidity pressure favours faster exits
With liquidity under strain and DPI (Distributed to Paid-In Capital) rising as a key LP metric, the mid-market's typically quicker deal cycles and broader exit options are more appealing than ever. Bain reports that 2018 vintage funds are lagging on distributions (0.6x DPI vs. 0.8x historical averages), prompting LPs to seek GPs who can return capital faster.

2. Less leverage, more control
Mid-market deals often rely on operational improvement rather than excessive leverage, making them especially attractive in a high-interest-rate environment. This controlled risk profile is resonating with LPs eager to avoid overexposure to large, debt-heavy structures.

3. Strong sector access
Moonfare's data shows LPs favor sectors like technology (65.7%), defense (56.2%), and healthcare/biotech (47.3%) – all of which are well-represented in the European mid-market. Smaller funds with domain-specific focus are better positioned to access these verticals at reasonable valuations.

4. Geopolitical diversification
Europe offers a relatively stable geopolitical environment compared to the US and certain emerging markets. For LPs recalibrating exposure due to trade tensions or regional uncertainty,
Europe presents a less volatile landscape – especially when it comes to domestic-facing mid-market strategies.

The rise of the spinout
Another factor fuelling this shift: the rise of emerging and spinout managers across Europe. These new teams, often comprised of seasoned professionals leaving larger platforms, are introducing institutional-quality operations, local sourcing advantages and agile strategies that directly address LP concerns. It's a compelling formula in a fundraising market where LPs have become highly selective.

As an emerging manager, what should you do now?

- Emphasize local access. LPs want boots-on-the-ground sourcing and insight. This is part of the European appeal.
- Sharpen your DPI story. Explain how your mid-market focus translates to faster, cleaner exits.
- Lean into thematic strength. If you're in sectors like defence, healthcare or industrial tech, now is the time to highlight it.
- Show operational credibility. Emerging managers win by being clear and prepared.

Final thoughts

In 2025, Europe's mid-market is where adaptability meets opportunity. With faster deal cycles and a new generation of sector-focused managers, Europe is helping define where the next wave of private equity performance will come from.

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Last Friday, members of Berlin's startup community gathered at Silicon Allee for a copyright policy roundtable discussion hosted by Allied for Startups. The event sparked debate and elicited feedback surrounding the European Commission's complex drafted legislation that would have significant impact on startups in the EU. Our Editor-in-Chief, Julia Neuman, gives you the rundown here — along with all the details you should know about the proposed reform.

'Disruption' in the startup world isn't always a good thing — especially when it involves challenging legislation. Over the past five years, as big data and user-generated content began to play an increasing role in our society, startups have worked tirelessly to navigate laws regarding privacy and security in order to go about business as usual. Now, they may soon be adding copyright concerns to their list of potential roadblocks.

The forthcoming copyright reform proposed by the European Commission severely threatens the success and momentum that startups have gained in the EU, and it's being introduced under the guise of "a more modern, more European copyright framework."

On September 14, 2016, the European Commission tabled its Proposal for a Directive on Copyright in the Digital Single Market (commonly referred to as the "Copyright Directive") — a piece of draft legislation that would have significant impact on a wide variety of modern copyrighted content.

Consequently, it poses a direct threat to startups.

Members of the startup community are now coming together, unwilling to accept these measures without a fight. On Friday, members of Allied for Startups and Silicon Allee — alongside copyright experts and Berlin-based entrepreneurs and investors — met at Silicon Allee's new campus in Mitte for a policy roundtable discussion. Additional workshop discussions are taking place this week in Warsaw, Madrid and Paris. The ultimate goal? To get startups' voices heard in front of policymakers and counter this legislation.

Sparking conversation at Silicon Allee

Bird & Bird Copyright Lawyer and IP Professor Martin Senftleben led the roundtable discussions in Berlin, outlining key clauses and offering clarifying commentary. He then invited conversation from guests — which included representatives from content-rich startups such as Fanmiles, Videopath, and Ubermetrics. The result was a well-balanced input of perspectives and testimonials that sparked an increased desire to fight back. The roundtable covered the three main areas affected by the proposed reforms: user-generated content, text and data mining, and the neighboring right for press publishers.

User-generated content

The internet has allowed us all to become content creators with an equal opportunity to make our voices heard around the world. With this transition comes evolving personal responsibilities. Whereas in the past, copyright law only concerned a small percentage of society — today it concerns anyone posting to social media, uploading unique content, or founding a company that relies on user-generated content as part of its business model.

Top highlight

The proposed EU copyright reform shifts copyright burden to content providers, making them liable for user content and forcing them to apply content filtering technology to their platforms. As it stands now, management of copyright infringement is a passive process. Companies are not required to monitor or police user-generated content, instead waiting for infringement notices to initiate relevant takedowns.

New laws imply that companies would have to constantly police their platforms. As you can imagine, this would quickly rack up operating costs — not to mention deter investors from committing if there's such a inherently persistent and high legal risk for copyright infringement. Furthermore, filtering technology would not exactly promote public interest or media plurality, as an efficiency-based filtering system would be more likely to result in overblocking and censoring (even if unintentional). This result is counter to the expressed aims of the reform.

> "Having this necessity to add filtering technology from the start would kill any innovation for new startups, which is the reason why we're all here and this economy is booming and creating jobs," said Fabian Schmidt, Founder of Fanmiles. "The small companies suddenly cannot innovate and compete anymore."

Text and data mining

The proposed reform also blocks startups from using text and data mining technology, consequently preventing the rich kind of data analysis that has added value and yielded deeper insights for growing startups. Copyright law today accounts for lawful access and consultation, however not for the automated process of reading and drawing conclusions. The scraping and mining of freely available texts could give rise to complex, costly legal problems from the get-go — problems that not even the most prudent founder teams could navigate (unless they work to the benefit of research institutions, which are exempt from the measure).

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What kind of message does this send out to new startups? As with laws dealing with user-generated content, these measures don't entice entrepreneurs to turn their seeds of ideas into profitable companies. Nor do they get VCs jumping to invest. Data input from mining and scraping suddenly gives rise to a huge legal issue that certainly does not benefit the public interest.

Senftleben reminded the group in Berlin that these types of legislation normally take several years to implement, and that the proposed policy could have amplified effects down the road as the role of data mining increases. "If this legislation is already limiting now, who knows what kind of text and data mining will be used in ten years and how it will play in," he said.

Neighboring right for press publishers

The third and final point discussed at the roundtable has gathered the most media attention thus far. It's the "elephant in the room," unjustly pitting established publishers against startups. Proposed legislation creates an exclusive right for publishers that protects their content for digital use in order to "to ensure quality journalism and citizens' access to information."

> Sure, this reasoning sounds like a positive contribution to a free and democratic society. But closer examination reveals that these publishers' outdated and financially unviable business models are being grandfathered in for protection at the expense of more innovative content models.

It's not hard to see why this is happening. Publishers have lobbying power, and they are bleeding money in today's digital climate. "I work a lot with publishers. Their position here in Europe is a little more old school," said one of the founders present at the discussion. "Their business model and revenues are going down, so they're going to fight hard."

Axel Springer, for example, is lobbying for greater protection; they want a piece of Google's success. But the most interesting aspect of this measure is

that it's unclear how much value it would add for publishers, who already have rights to digital reproduction from the individual content creators employed under contract with their firms. A freelance journalist contributing to Die Zeit, for example, is already transferring digital reproduction rights to the newspaper just by agreeing to publish.

The drafted legislation makes it pretty clear that content aggregating search engines would take a big hit when they would inevitably have to pay content reproduction fees to publishers. But the interdependent relationship between publishers and online search aggregation services makes this legislation unlikely to generate a meaningful revenue stream for publishers anyway: Publishers want compensation for snippets of articles that show up on search engines, and search engines want compensation for bringing attention to them in the first place. In the end, content aggregators would likely just stop their use of content fragments instead of resorting to pay license fees to publishers.

It's unclear how the proposed legislation could promote media plurality and freedom; instead, it seems to promote market concentration and monopolization of content publishing, potentially stifling free and open access to information.

> "I know two small aggregators here in Germany that have given up because of this," said Tobias Schwarz, Coworking Manager at Sankt Oberholz in Berlin.

What comes next? Turning discussion into action

What is clear now is that copyright law has potential to affect anyone. Startups in Europe, especially, are at risk with these new reforms. As players in the European economy, they have not been present in the policy debate so far. Allied for Startups and Silicon Allee are inviting founders, entrepreneurs, and interested members in the tech community to come forward and make their voices heard. They invite contributions to an open letter to the European Parliament which dives into this topic in more detail, explaining how toxic the Copyright Directive is for companies who are trying to stay alive without incurring €60 million in development costs.

"A lot of startup leaders have their heads down working on their next feature, without realizing policymakers are also creating something that can instantly kill it," said Silicon Allee co-founder Travis Todd. "But if more startups come to the table and tell others what they learned, they will become more aware of these potential roadblocks and ultimately help change them."

To find out more information, participate at the next discussion, or share your ideas and testimonials on this policy discussion, please get in touch! Drop a line to ***hello@alliedforstartups.org****, tweet to* ***@allied4startups****, or join the online conversation using* ***#copyright4startups****.*

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Introducing: The Join Capital Ambassador Program

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Some of the world's greatest challenges remain unsolved due to inefficient industry and legacy operations. At Join Capital, we believe the necessary solutions are being built by today's entrepreneurs.

That's why we're making strides to connect Europe's most prolific industrial players with the innovative technologies they need most. We call this new ecosystem **The Neue Industry,** and we're now introducing a brand new part of it: **the Join Ambassador Program.**

Through this program, we work to establish key tech evangelists within European corporates and throughout the German Mittelstand to better connect our founders to new opportunities, including pilot programs, customer acquisition and building the foundations for potential "techquisition".

Although the official program is new, the concept itself is not new for us at Join: We've been working since our inception on developing an extensive innovation network within Europe, and we're thrilled to now roll it out in a way that benefits all stakeholders.

Our primary goal is to help technical and mission-driven founders to re-write the very essence of industry and enterprise.

Want to know more? Keep reading!

Why the Join Ambassador Program?

We've nominated digital transformation and innovation managers within

European companies as Join Ambassadors. We thus have **the ability to test and pilot the solutions** of our current and future portfolio companies.

For our team at Join, the program allows us to make better and faster decisions in due diligence, and our portfolio companies to validate their tech and product. It also brings us continuous, valuable insight into product-market fit and market dynamics.

How does the program work?

Through the Ambassador Program, we aim to cover the whole industrial value chain.

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Here's how it works:

1. We establish key relationships with digital transformation officers and innovation managers within European industrial companies.
2. We offer our Ambassadors curated technology proposals from within our portfolio.
3. Depending on relevant fit, we establish connection between startup and corporation to facilitate a pilot program
4. We maintain ongoing check-ins throughout the pilot process and gain further insight into product validation

Three of the less obvious, but still important, benefits of our program are:

- The more our network grows, the more insight and knowledge we gain about markets, product fit and value propositions.
- Our Ambassadors form their own community, through which they can exchange further knowledge and forge new partnerships.
- Ambassadors stay ahead of the latest tech trends, including but not limited to what is happening within our portfolio.

We're already seeing this format creating a win-win-win for all stakeholders.

What are the results looking like so far?

Currently, we have a network of more than 72 Join Ambassadors, and over 11 commercial agreements with portfolio companies. These numbers are growing by the week.

At our most recent Portfolio Day, we featured a panel with three of our Ambassadors — Malvine Komorek, Innovation Manager at Schauenburg International, Marco Svara, CTO at Gefran, and Karsten Keil, VP Group IT and Digitization at Schnellecke Logistics— who discussed how the program is allowing them to continue innovating and gain exposure to transformative technologies.

“Being part of the Ambassador Program has helped us in our process to identify new technologies that could transform our operations and processes. This is truly a win-win-win,” said Karsten Keil.



Join Ambassadors discuss the program’s early impact on their organizations

How can I get involved as an Ambassador?

Simply get in touch with us, and we’ll send you a preliminary questionnaire and organize an introductory call. If the fit is right, we’ll connect you to one of our portfolio companies with relevant technologies. Ultimately, the goal is to quickly set up a pilot program that benefits all sides.

Ready to get started? Don’t hesitate to reach out to Vanessa, our Head of Ambassador and Investor Relations: vanessa@join.capital

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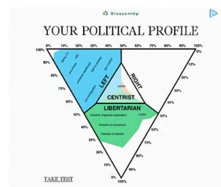
The Nostalgic Allure of 'Synthwave'

What is it about the '80s we find so appealing?

By Julia Neuman • 07/30/15 1:03pm


"These Google Doodles have gotten really literal lately." (Photo: Perturbator, *Dangerous Days*)

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Despite its retro fetishism and insular network of artists, the so-called *synthwave* genre, a future-focused sound undeniably indebted to the pop culture of the Reagan era, is pulsing forward with a Daft Punk-meets-John Carpenter swagger.

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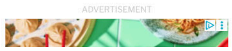
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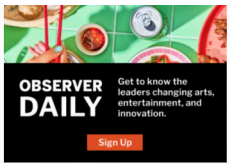
Synthwave's blending of modern electronic composition with nostalgia makes for an irresistible combination.

In the past couple of years alone, the sub-genre of electronic music also known by names like *outrun*, *retrowave* and *futuresynth*, has transformed from a whisper on a few select Internet hubs into a self-sustaining musical ecosystem hoisting itself up and expanding rapidly.

It all began in the mid-2000s, when gamers and horror nerds took a liking to French house artists like Justice, Kavinsky, and College, who were creating sounds inspired by '80s film score legends (Carpenter, Goblin, Brad Fiedel). Since then—and especially after the release of the 2011 arthouse film triumph *Drive*—the genre has exploded in a plume of modern electronic fury, with artists emerging around the globe, from Stockholm to Dallas, Texas.

That satisfied-but-anxious feeling you had watching *Terminator* for the first time, that inexplicable sense of comfort you got every time the *Beverly Hills Cop* intro came on, these sensations might just bubble up again when you hear the dark aggression of artists like Perturbator and Mega Drive or the pure '80s worship of Mitch Murder and Miami Nights 1984.

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Synthwave artists draw heavily from the Dooms Day nostalgia of classic '80s sci-fi and horror films, like John Carpenter's *They Live*. (Photo: Carpenter Brut)

Mega Drive, arguably one of synthwave's biggest names, remembers the '80s with a simple fondness that pervades his music. "That whole time in my life was pretty magical, as everything was still new and big," he says.

Perhaps the answer is that simple: '80s pop culture was plainly, well, *badass*—vibrant, over-saturated, chest-thumping—and synthwave's blending of modern electronic composition with nostalgia makes for an irresistible combination.

'Many movies from [the '80s] feel like love letters to a vanishing present.'

That's supported by science: we tend to favor music we've heard before, and memories tied to music often relate back to a particular time in our lives.

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But maybe it goes deeper than that, too. For other synthwave artists, like Mitch Murder, the '80s represent a clash of optimism and pessimism, a fascination with flying cars and robotic dog walkers, tinged with a dark apprehension about what's to come.

"On the one hand, we had all these cool predictions about how the near future would play out and how awesome it would be, like *Back To The Future II*'s depiction of 2015," he says. "On the other hand, there was this general concern that we could be wiped out at any moment from a surprise nuclear war. So I feel like people wanted to make the most of the time they had."

That palpable impermanence is captured in synthwave; there's a comforting minimalism among the flickering neon signs, high-speed car chases, post-future haircuts and cyborg assassins.

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Modern synthwave might be best explained as a set of two bookends, one firmly anchored '80s-styled warmth and familiarity, and the other still ever expanding into a potentially unsettling—but nonetheless astonishing—future. Now that we're in the thick of a data-driven takeover with no signs of turning back, where are we supposed to seek comfort? The '80s were the final years before technology snatched us in its inescapable grip. Temporarily dialing back to a time when technology was a controllable beast, and robots were just a wild prediction, seems like a pretty good answer.

"Many movies from that time feel like love letters to a vanishing present, with impermanence embedded in every scene," says Denver-based synthwave enthusiast Jesse Wroe. "*Ferris Bueller's Day Off* made me miss my teenage years while I was still a teenager."

[bandcamp width=100% height=120 album=1475121602 size=large bgcol=ffffff linkcol=0687f5 tracklist=false artwork=small]

As for the future of synthwave, there seems to be an irreconcilable split among fans who fetishize its niche status. Wroe mentions the "black hole" of recommended YouTube videos for synthwave artists—a modern equivalent to crate digging—that maintains the genre's "underground" cred despite its growing popularity. "Discovering synthwave online is part of the fun of listening to it," he says.

Regardless of synthwave's emergence to the level of zeitgeist, its artists remain devoted to the sound's aesthetics, motivated by more than traditional definitions of success.

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"I find it hard to believe I'd stop making this kind of music just because it's not in style anymore," says Johan Bengtsson, a.k.a. Mitch Murder. "It wasn't when I started, after all."

[youtube https://www.youtube.com/watch?v=hugowO0sSrM&w=560&h=315]

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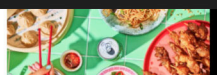
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