Podcast Episode #12 - Feel the beat - creating the world's first wearable device for musicians, with Florian Simmendinger of Soundbrenner, Germany - Hong Kong

RAW TRANSCRIPT OF INTERVIEW

Balint: In today's episode I am pretty upbeat to be able to talk to Florian Simmendinger, CEO of Soundbrenner, a company which is about wearable devices for the helping musicians feel the beat. We will talk what this means in detail soon. Welcome Florian to this episode.

Florian: Thank you very much for having me. I am excited to be here Balint.

Balint: First things first, Florian. Your company product has created quite some buzz in the industry: as far as I could see it via your Indiegogo crowd-funding campaign and the associated YouTube videos by producing the first wearable device for musicians. Congrats, especially on the Indiegogo campaign's success.

Florian: Thank you.

Balint: Before we jump to the Indiegogo campaign, it would be great if we could hear from you your story, your angle about your company. So, can you tell us what you guys are doing and your motivation for founding it?

Florian: Yes sure of course, I'd love to. So, our founding story started in Berlin in Germany in 2014 in the summer where basically, my co-founder and me came together and we both play music. We are both musicians and we both knew the pain that exists right now with musicians all over the world when it comes to learning and practicing rhythms. Because rhythms right now is still practiced in a similar way as two hundred years ago which is with the metronome that makes the sounds and then musicians who try to play along. So, that is really a challenge at every single musician on the planet has to face from beginners to professionals. So both children and people in recording environments or on stage use headphones that make a click sound right. The problem is it's very, very annoying and it just takes the passion and the fun out of making music. And so often times only very dedicated players would use it. But teachers, for example, would try to push it on their students. But also, this was the kind of the picture that we've seen and we thought: there should be something better because we understand technology, we understand music and we have this vision for product that would allow you to simply feel the beat that you want to play as a musician instead of listening to the beats. And then it seems much more natural and it would open up a whole new world of possibilities. For example, it would make it much easier as a band to practise together because you can synchronize the vibrations across multiple players. And so that was our starting point in Berlin, and really it developed into something much bigger now today where we have the

ambition to create an entire platform to help with the challenge of rhythm. And it is kind of really been the topic where we are very excited about it. So from a start-up perspective, this is how things got kicked off. My co-founder and me were both fresh grads from university in Germany and my co-founder is Julian Vogels. He studied music technology at McGill in Canada and I have more of a business background; so we have the classical duo. And so for the first couple of months we spent on prototyping the product to actually test if you can actually feel the beat; if it works that way. It took us a few iterations but we made it work at the end, by optimizing other vibrations, how it feels, where you feel it and so on. And so for us, it was clear from the beginning if there is potential in this the first thing we are going to do is a crowd-funding campaign; to see if people actually want this or if we are the only two people on the planet that care about this and think that this is a very cool idea. And luckily for us around three thousand people felt the same and we launched our crowd-funding. And so we sold around 250 000 USD worth of pre-orders then on Indiegogo as you've mentioned. And that was pretty much one year ago. And now we've spent around nine months to actually execute that vision; to build up an entire team of mobile engineers to develop the app, to build a team of production and hardware engineers in Hong Kong where we are based now: to do the productions and the hardware engineering. And then well, actually manufacture and ship the product which we did at the beginning of the year. And then now where we are today is basically where we are rolling out the product all over the world, we are launching in brick-and-mortar shops in Japan, United States and we are trying to make this available to as many musician as possible.

Balint: Alright, thanks for this detailed summary. It's a great story and by the way what kind of a music do you play or listen to? Do you play on some musical instrument as well?

Florian: Sure, yes. Almost everyone at Soundbrenner is a musician; just because there are not that many jobs actually where you get to work on something that you're really passionate about and a lot of people are passionate about music and so we are seeing some great applications and yes so it the kind of culture we developed here. Basically for me personally, I play classical piano and my co-partner, he is more into contemporary music. He is playing the drums and he played in the band for many years. But today, basically, we are both too busy working around the clock so we are no longer really making active music except for a few exceptions when we treat ourselves may be now or in a studio here in Hong Kong to play.

Balint: Ok, so now instead of producing music you're helping other music players with this device, of course.

Florian: Exactly.

Balint: I play sometimes also the guitar, very basic and the harmonica, so also the mouth organ very freestyle. So it could be also applicable for me especially, because you said it, that it's applicable for people who are learning how to play and also for the adults. So it could put me on a steeper learning curve.

Florian: Exactly, yeah.

Balint: I have an iPhone and you listener might have an Android or a Windows phone. So Florian, I was wondering if you cover those cases as well? So Android, Windows?

Florian: Yes. So we actually support three software platforms: one is iOS, the other is Android, and by the way we also have like our companion app for the Soundbrenner Pulse, of course. For the hardware it's also a stand-alone metronome app so everybody listening that is interested in this can go right now, download the app and just use it with the speakers of the phone or of the app phone jack to have a traditional metronome and check out our app. Actually, it is quite popular already. We have over one hundred thousand downloads of this app for standalone users. The third platform we support is a completely different app. It is called Soundbrenner for mac at the moment. It essentially allows more advanced musicians who works with digital audio work stations such as Ableton Live or Logic Pro or Pro Tools for, say, recording or composing or music production to generate the metronome signals, the click signals in those professional software tools and send them via our own app to the Soundbrenner Pulse to then also feel the beat when you use it with the professional software. So these are three platforms we support.

Balint: Pretty cool! How did you by the way come up with this idea, that is this need for it? You mentioned it in the introduction, but was there a moment when you were like: okay this is it, there is a pain point and you need to develop it?

Florian: Yes, I think the initial idea actually came from a third person who is called Vinh-Ngi Tiet, also from Berlin. We basically met him and his starting point was: wouldn't it be cool if you could synchronize multiple players with vibrations? That was the beginning and he played in an orchestra, a classical orchestra in Berlin; and so basically we joined efforts together and from there we realized this can be a pretty amazing product for practise for a single musician and we could add all these other features such as tapping the rhythm right onto it, wearing it on your ankle, arm, so we kind of took that initial idea and worked really hard on the concept over months and the Soundbrenner Pulse was the outcome we got.

Balint: Okay. During the introduction in this interview, you mentioned that when you started out from Berlin, Germany and now you are in Hong Kong. Could you elaborate on the idea behind this set up?

Florian: Sure. So in Berlin, we were just by coincidence, not because we thought it would be a particular good place to start a company. So we happened to be in Berlin when we started the company. Now Berlin is considered to be an excellent city to create a company right? It has a fantastic start-up culture and I really love Berlin. But when it comes to hardware we realized after a couple of weeks that it is very, very difficult to actually develop and manufacture electronics in Europe. There are many reasons for that. The first one that everybody thinks of immediately of course is

the cost; right, but there is actually also a know-how problem because there are simply no companies in Germany who make consumer electronics. All the consumer electronics companies are based in Asia; perhaps Taiwan, in China, in South Korea. This is where the developers are where the know-how is for the entire ecosystem, where the supply-chain is. So we just realised, if you want to do this right: I don't want to be one of those crowd-funding campaigns that raise a bunch of money and then crash and burn in manufacturing but we actually want to ship a product that works and that is great, that people can use and like. Then we have to do it right and that means doing it somewhere in Asia and so we decided to make the move to Hong Kong with that reasoning in mind. It turned out to be a great decision in our case.

Balint: And at which phase did you move to Hong Kong, so how much time did you spend there in Berlin before developing this idea?

Florian: The first four months we spent in Berlin and basically if you start a company, the first thing you have to figure out at the beginning before you worry about absolutely anything else is to get to a product-market fit, right? To have a concept that is actually appealing to your customers. So that's what we spent our entire days for four months working on, which basically meant to build a lot of prototypes and do a lot of testing with musicians, process that feedback, make another iteration and so on. Then after four months when we kind of knew: okay, this is the thing we want to build; now let's go and do it: that's when we went to Asia.

Balint: I see and were there other people involved like external funding?

Florian: Yes. So basically, the first investment you typically get as a start-up in general is probably an accelerator program. If you want to take investment from them. So essentially, how accelerators work is that you give up a small percentage of equity, you get a small amount of money (in our case it was 25 000 USD) and you get a lot more value in services and mentorship and support because many start-up founders have not started companies before and so that very hands-on support is necessary and in our case we worked with an accelerator called Brinc and they took us on after four months here in Hong Kong. When we came here from day one, they helped us to set up manufacturing and all these things. I mean to continue, to sort of wrap up on funding, fund-raising, financing of the company then after those 25 000, we were basically able to go to crowd-funding and launch the product and whatever money we made there, which we got roughly 250 000 is still not actually enough to go into production and ship the product. You still need more money; and so we raised half a million dollars afterwards from investors on the back of that success because essentially if you sell three thousand units of anything as a pre-order on crowd-funding, where most likely people will not get a final product anyhow: that basically means there's really a big demand. So that is relatively easy to convince investors that this has potential. That allowed us to raise half a million dollars and now; that was enough to go into manufacturing.

Balint: It's interesting. I mean, this is like the classical way of raising money in case of a hardware company that you do a crowd funding campaign for pre-sale; for doing

a pre-sale for your product and then raising money. I heard that there are also nowadays some companies which don't even go the crowd-funding way but they raise money beforehand and so that's also possible. Well I guess you really wanted to test as you said it, the product-market fit; if there is some strong demand for it. Right?

Florian: Right yes. I mean there are some companies where crowd-funding doesn't make sense because of certain things that come attached to it. For example, let's say you make a wearable that detects heart attacks before it really happens, that's your idea, your goal. A crowd-funding campaign wouldn't be very appropriate because it would label your company as a gadget. Like anything in health, you don't want to be associated with a crowd-funding that doesn't work so you don't go that direction. You make a traditional market launch. But to be honest, for ninety-five percent of the cases I would highly recommend to do crowd-funding campaign for many many reasons. It is simply a huge marketing event that creates so much awareness for you and gives you the ability to test and validate a lot of things which is crucial for an early stage company and of course you can also partially finance some of the orders and you will know if whatever you're doing is a waste of time or not because it's real, it's not hypothetical. Like would you give me money if I had this product? But it's like, now actually, show me the money, give it to me and if people are willing to do that, it means you are working on something that has potential. So for all these reasons I would recommend crowd-funding to almost any hardware entrepreneur.

Balint: Yes. Still staying with this topic as the last question: what are the essential elements of a successful crowd-funding campaign and why did you choose Indigogo versus Kickstarter?

Florian: Yes those are two good questions that I could talk about for two hours or probably even two weeks. But very compressed I would say the fundamentals or the essentials for a crowd-funding campaign are: first of all you need to have an audience before it is actually launched. Now, there are very few cases where no one has ever heard of a company, they launch and they're an overnight success. That is how it looks like for every campaign from the outside but what really happens is that these campaigns are already building hype leading up to the launch on crowd funding for many months and so Indiegogo and Kickstarters recommend to have tens of thousands of subscribers on your email list before you even launch. So you can start your campaign with a lot of momentum so that is kind of one of the secret ingredients you should have. Maybe it is not really secret but I was quite surprised when I learnt about it because for me, it always looked like there is a bunch of people and they try something and some day they get five thousand dollars but that's not how it works at all. The second one of course as I said is to have a product market fit to really understand what you're making, which product and why people would be interested in it and get the marketing right to correctly address what people care about and have a good price point. The last but not the least, you should have done your homework in terms of actually being able to deliver because that is one of the sad realities of tech crowd-funding. A lot of companies make false promises intentionally or just out of not knowing realistically what can be done. And so I think

it's also important out of integrity reasons, before you launch, with the understanding if you can ship it at the price you offered. Yes, for the first question my answer: for Indiegogo and Kickstarter, these are both great platforms that have their advantages and disadvantages. In short, I would say that Kickstarter has a lot larger organic audience. Kickstarter also offers you the less tools on the backend. If you work in e-commerce you may use tools like: tracking of ads, performance of digital marketing and just various tools are just not as updated in Kickstarter, but it may as well have been changed. You know the industry is changing so quickly. It was almost one and a half years ago; so I can definitely recommend both platforms, they're great. It's a case by case decision. For us, it was very hard but in the end we decided maybe the Indiegogo would be the better partner.

Balint: Sometimes I see that companies start with Kickstarter because there is a deadline there associated with the campaign and after that time of course you cannot get more money or orders but with Indiegogo you can because there is no real deadline. Do you still get orders?

Florian: We did for many months actually, we did. They called this program "in demand" and you can leave it open indefinitely. So we left it from I think June to January (seven months in demand) and we got continuously orders but then eventually we decided to turn it off and just redirect traffic from Indiegogo to our own website.

Balint: I see. Where do you manufacture? I saw in one video, the electronic market of Shenzhen.

Florian: Right exactly. It's called Huaqiangbei.

Balint: You do it there; at least electronics right?

Florian: The electronics and the assembly and basically the whole products on the hardware side is developed in Hong Kong and then assembled and manufactured in Shenzhen.

Balint: Okay. So in Hong Kong you do the manufacturing and the design and you do the assembling in Shenzhen right?

Florian: The manufacturing and the assembly, I used that interchangeably. Sorry yes. In Hong Kong, we have our engineers for hardware basically they would create the electronics, further development and everything else that makes a hardware product and then once the concept is finished, we take it to China and manufacture it there.

Balint: Ok and also the assembly takes place?

Florian: Exactly.

Balint: Okay, very good, interesting. Regarding the strengths that you have, what do you consider as your biggest strength for yourself and for your team?

Florian: Sure, I think there are a couple; there are few opportunities to think about that for a longer time. So just off the top of my head, I would say that the strength of Soundbrenner would be first of all, that we really actually care about making our product as good as possible. So I would say every single one of our employees including the founders as their number one priority is to create a great product to not just build a gadget that may sell very well in its first generation but then: you know, people use it for a week and throw it in a corner. We really actually have the aspiration to make a lasting impact; to change habits and to add long lasting value. So, that's what drives us and I think that's really rare in the world of business especially when you look at larger companies that just have a different mentality. And so for us, that means every single day we give a 150% and that means even if it's a small team you can accomplish and achieve a lot. So to me that's one of the biggest points. The second one generally speaking is in the context of the music industry: our affinity towards good designs, towards using the latest tech. Often, what you find in the music industry is that companies are not prepared to innovate because just as an example, say, you're making guitars. You're a guitar company and so maybe the senior management who joined in the 1960's when they were in their 20's when they were selling guitars, today they may still be selling the same guitar fifty years later. The exact same model or maybe they introduce a new guitar that is slightly different. So, in that kind of company environment, culture, it is very hard to make actually innovations and introduce technology and stay up-to-date with the developments and so we feel like that gives us an advantage over the big guys in our industries because we don't have that base-line level of innovation.

Balint: Yes. And this again re-enforces your statement that it was a good idea for you to do the crowd-funding campaign so that you show the product-market fit in an industry or for industrial players who are relatively conservative.

Florian: Yeah, exactly.

Balint: Very good. I would like to now move on to the ultrafast round of questions so I will ask you four questions and it would be great if you could answer these relatively short.

Okay, yes I will try.

Balint: The first question is: if you could time travel like in Back to the Future movie to the time when you were in your twenties. Hopeful you're not in your twenties.

Florian: I am in my twenties. I am in my late twenties.

Balint: Let's assume you're in your earlier twenties. What notes would you take back from now so that you can give these to yourself?

Florian: Wow! That's an interesting question so, I will answer it fast. I think the first thing that comes to my mind is: the key realization in the last years was that I was very busy, I was always ambitious and tried to understand how to be successful and the key realization in the last ten years was that what really matters are not certain habits you built up or all these productivity tips you read about. I read so many books; but what really matters is more something like a passion, a flame for something or like finding the right things to work on makes all the difference: in terms of how much output you can create that's what I would tell my early twenties self. To don't worry so much about; but worry more about what to do with them, all these productivity tips.

Balint: Somebody, a famous person said it once, now I am just paraphrasing it. 'If you know the why, the how will come." So you will find a way with all the productivity tips later on but first you have to know why you're doing consulting.

Florian: Yes, exactly. There's a whole industry that gets lost in the how but what really matters is the why. You kind of become unstoppable. It feels like a chief code that I've unlocked since I am working on something so exciting in terms of demand or learning things I can get done, etcetera.

Balint: I agree. The second question. If you had to name a book, which one had the biggest impact on your career?

Florian: That's hard. Maybe The Fountainheads.

Balint: Fountainheads?

Florian: Yes, it's an older book from an author that called Ayn Rand which describes how to pursue happiness, I would say. It's very much about keeping integrity and it is very hard for me to summarise now in one sentence but it is worth checking out.

Balint: Yes. I'll check it out and I encourage you, you also seriously check it out. I'll put it into the notes, the complete name and also the author.

Balint: The third question. I am amazed by habits, it's a kind of productivity thing, and how these can have an effect on us positively influencing us. Do you have some routine in your life, morning, evening and so on routine?

Florian: I feel like five years ago, I was really worried about building up the right habit and I thought, wow, I can't start a company now; I don't have the right habits. I have so many bad habits and it turns out I still have lot of bad habits today but they all get over-shadowed by actually wanting to get work done. So I feel like probably the end game is to have both; but it is only a small optimization that should not consume anyone who would like to build up the right habits. At least that is for me, I also strongly believe each person has different character and has different things that work for them in terms of productivity. And so for some people it really maybe the

ultimate thing to pursue to increase your productivity and success. I would really say I don't have any habit that I would think that could be mentioned in terms of productivity now.

Balint: Okay. If you don't have a habit like a strong habit, it also helps you to always innovate yourself in doing new things.

Florian: Yeah. For example I tried to create various routines around sleep, around food, energy levels and eventually I gave up on all of that and now if I'm tired, I go take a nap, if I feel like working I stay up longer and I work and I just stopped worrying about it and it has worked really well for me as a person.

Balint: Fourth question. In your work if you have to pick one or two critical culture different which ones would you choose? And which ones do you think you wish you knew about and how did you resolve those issues?

Florian: Yeah, I mean of course you can, especially Hong Kong, it's such an international city and you are constantly confronted with so many different cultures and you always have to filter it, right. So in Germany, the culture is very much, when you try to sell things, people are very sceptical because you would rather try to show the objective facts in a neutral way. That is how I feel when I compare it to America for example where everything is always amazing and awesome, super positive, optimistic and everything is always great and I think both ways have their up sides, their good side and their bad side. But to me, when we applied for our accelerator program that was one of the things that made us as Germans; we didn't really understand; like that about the US: that everything is always so optimistic and positive. So when we listened to our accelerator, we were so sceptical and worried because everything sounded too good to be true and we felt that; and so once we realized is that cultural thing. They communicated differently than we do and we started to filter what we heard, filter it and translate it into our German minds and everything started to make sense and all our concerns were quickly flying away with that. So that's one story I can think of. I mean generally speaking in China, there are million things. It's often times like, it feels like you are on a different planet. But I lived in China for many years before doing this company, so I can navigate myself reasonably well through the Chinese culture so I don't have any major embarrassing or catastrophic things happening that I can talk to you about now.

Balint: Regarding the first point that you mentioned that in Germany people look at you differently when you want to sell something and also read about it. They are more sceptical and in the US they look at you from the first moment like you would like to sell something and they are open for that, for these propositions. In Germany they are more sceptical when you want to sell something.

Florian: Yes definitely, they are very sceptical.

Balint: And then you have to bring up objectives, as you said it, reasons why your product is worthwhile for purchase. Now that we got to the end of the interview before

we close off what are the best ways to reach you for the listeners by email or by social media.

Florian: Oh sure. So I have a twitter account:@simmenfl so that is something you can easily reach me via twitter and I guess another way would be to reach out by email to the soundbrenner support; if you have any business proposal related to the Soundbrenner you can just write support@soundbrenner and my team will then forward me the request.

Balint: Great. I will put all these information into the shownotes. Florian, I appreciate it. Thanks very much. I am really looking forward to seeing your product on the shelves; the great design as you also mentioned it, it's one of your points, your key strengths and also of course the continuation of your innovation in terms of giving impact to the music world with further innovations.

Florian: Yeah. Thank you very much it was great to be here.