

GATEWAY SCANDINAVIA

Where the best corporations meet the best talent

PROBLEM / THE MARKET

The population of Europe is declining at the same time as the world is going through rapid digitalization. The demand for individuals with backgrounds or skill sets in Engineering, Math, Science, and IT is increasing. It is expected that Sweden alone will lack 50 000 engineers in 2020, and Europe overall will need 500 000 such people in 2020. Leaders at the World Economic Forum discussed challenges for the recruitment sector inherent in the world's rapid industrialization. Founder and CEO of the Forum, Claes Schwab, commented, 'I am convinced of one thing – that in the future, talent, more than capital, will represent the critical factor of production (Schwabs)' As a consequence, competition for talented individuals worldwide is increasing, and multiple international companies are actively branding themselves as potential attractive employers at some of the world's best universities. Swedish companies do not yet brand themselves in this way at such venues. For example, only one Swedish company actively pursues students at MIT, and none actively engages with students at Stanford, Columbia, or Princeton Universities. However, companies such as Alibaba, McKinsey, Amazon, Facebook, and TATA recruit from these campuses. Furthermore, Swedish companies are increasing their presence in developing markets; in Asia, they indicate that their second biggest challenge when expanding is recruitment.

THE SOLUTION

GatewayScandinavia's ambition is to help Scandinavian companies brand themselves as attractive employers at some of the world's best engineering universities. Furthermore, the company aims to help Scandinavian companies recruit engineers to full-time and trainee positions in Scandinavia and to full time positions at these companies' local offices. GatewayScandinavia aims to assemble profiles and CVs of engineers on an easily accessible database for future sourcing.

Awareness

GatewayScandinavia will brand Scandinavian companies through

- Social media outreach,
- Close collaboration with universities,
- Career fair participation,
- Information sessions and
- Posters and flyers.

Recruitment

GatewayScandinavia will tailor the recruitment process to each company's needs and the level of candidates. Offerings will include screenings, first and second round interviews, personality tests (MBTI and FIRO), and reference checks.

REVENUE MODEL

GatewayScandinavia's revenue stream will be two-fold:

1. Fixed branding fees
To be paid in advance of branding activities.
Awareness fees at U.S. and Indian Universities at 500 000 SEK
2. Recruitment commission fees
The recruitment commission fee is 3 times the employer's monthly salary
Payment will be made in a 30:50:20 ratios
The client's head office should pay for the fixed awareness fee while client's local offices should pay the recruitment commission fee based on their needs.

CASH FLOW

- 20% will be paid when clients sign contacts with GatewayScandinavia, no later than June for the fall recruitment cycle
- 50% when GatewayScandinavia hands over candidates (three candidates / commission) to the client, in November for Indian university candidates and December for U.S. candidates
- 20% when a client signs a contract with the student, February for the fall recruitment cycle.

Please see financial projections for revenue streams, assumptions, and profits.

COSTS

GatewayScandinavia's major costs are wages, a safe and easily accessible application platform, application-tracking system, and travel to campuses worldwide. Please see financial projections for revenue streams, assumptions, and profits.

TARGET

Companies:

GatewayScandinavia will target Scandinavian companies with international presence.

Students:

GatewayScandinavia will target undergraduates, graduates, and alumni with engineering, science, IT, math, and technology degrees.

Universities:

GatewayScandinavia will target students at the top engineering universities in the U.S., India, China, and South Korea.

GROWTH STRATEGY

2016 and 2017

GatewayScandinavia will provide services to attract students from institutions in the U.S. and India.

2018 – 2020

GatewayScandinavia will provide services to attract students from institutions in the U.S., India, China, Brazil, and South Africa.

2020 – on

GatewayScandinavia will provide services to companies from other Scandinavian and European countries, using an online database.

CHALLENGES

Visa

It takes 6 – 7 months for visa approval. However, due to the expected shortage of engineers, the Swedish immigration office has facilitated the process for engineers, mathematicians, and scientists obtaining a work visa there. Furthermore, [GatewayScandinavia](#) is currently in discussions with the immigration office in order to facilitate the process further for high-talent immigrants in desirable occupations.

Housing

Housing searches in Stockholm and Gothenburg are challenging; thus, it is crucial that candidates have a minimum of three months to search for housing.

Competition

[GatewayScandinavia](#) faces competition from recruitment agencies as well as from Swedish (and later Scandinavian) companies' HR departments. At present, no recruitment company focuses solely on candidates with the backgrounds [GatewayScandinavia](#) will target, and no recruitment company focuses on international recruitment and university branding activities. Scandinavian companies have thus far not actively engaged and attracted students at some of the world's best universities. Conversations with multiple companies reveal a lack of resources, of knowledge, and of the need for engineers that is surfacing currently. It is of crucial importance for [GatewayScandinavia](#) to create barriers to entry for HR departments and recruitment companies. We aim to accomplish this through establishing relations with career centres at top international universities and through collecting CVs from and engaging with as many engineering students as possible. i.e., generating a large database of those with appropriate profiles.

Cyclicity

[GatewayScandinavia's](#) business is cyclical in two ways. First, the awareness and recruitment cycle lasts from September to January. Between January and June, time will be devoted to maintaining and updating databases, student group contacts, feedback meetings, and client contacts. Furthermore, [GatewayScandinavia's](#) business is cyclical in that recruitment commissions are scarce when the economy is weak. Through [GatewayScandinavia's](#) international presence, we are diversifying risks, as it is unlikely that an economic downturn will hit equally hard everywhere.

TEAM

Of our current EP team, three will continue developing [GatewayScandinavia](#): one with background in entrepreneurship, one with background in IT/consultancy, and one with background in finance. In addition, [GatewayScandinavia](#) will collaborate with an HR specialist certified in MBTI and FIRO. [GatewayScandinavia](#) is currently actively recruiting advisory board members with networks, expertise, and interests in the HR and engineering industry.

VALUES

[GatewayScandinavia](#) is a value-driven company, with four main values: professionalism, commitment, integrity, and respect for the individual. These values apply equally among team members and to client and candidates.

REFERENCE

<http://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-meansandhow-to-respond>

