



# TALENTED MR. TIKKA

Serial entrepreneur Taneli Tikka knows how to make internet communities successful and profitable.

TEXT KATI ALA-ILOMÄKI • PHOTOS AKI ROUKALA • STYLING JANIC LEINO • MAKE-UP AND HAIR JOHANNA SIREN

The cuffs of the tailor-made shirt that hangs over his brown pin-stripe trousers are embroidered with T.Tikka.



► THE SCREEN OF A MACINTOSH LAPTOP is running BatMUD, a text-based computer role-playing game developed at the Helsinki University of Technology in 1990.

“That person there is the director of a certain IT-consultancy firm, and that one is a director at Nokia...” Taneli Tikka lists the people who are playing now, at 2:30 p.m. on a Friday afternoon.

Tikka has played BatMUD since 1993. Over the years, he has met the majority of his fellow players face-to-face, many of whom are in high positions in the business world.

“This is a bit of a members club, comparable to golf or sailing,” Tikka says. Those, however, are activities that Tikka seldom takes part in. He often decides to pass on other traditional business networking activities as well.

That doesn’t mean, however, that the thirty-year-old Tikka would be an unfamiliar face on the business scene. At the age of twenty-one, he established his first company, Taika Technologies. Since then he has been so busy that his CV already extends to ten pages. Tikka has commercialized IRC-Galleria, Finland’s largest social networking website (currently around 500,000 registered users). He has also worked as the Chief Operating Officer of Dopplr, an online service for business travelers, and as the CEO of Magenta Sites, the company responsible for the on-line distribution of Star Wreck, a film that has attracted a cult following around the world (it’s been downloaded from the internet around eight million times). Currently Tikka is an investor and developer of the Muslim internet community Muxlim.com (about 2.4 million unique visitors per month) and the CEO of Run to Shop, an on-line shopping service that promises to take on-line shopping to the next level.

And oh yeah, so that we would not forget, Tikka is also active in Aula Cooperative, a Finnish Web 2.0 think tank. He has coached the Finnish national kickboxing champion. He has been a member of the boy scouts’ board. He graduated from the Helsinki School of Economics’ MBA-program four years ago at the top of his class with more course credits under his belt than any other graduate. He has completed the problem solving test created by Paul Claudel, the French professor, philosopher, and former Director of Human Resources at Alcatel, with a record score. And naturally he has also been asked to star in the Finnish version of the tv-show The Bachelor (he declined).

But right now, he is typing on BatMUD-game.

“I WAS A BIT HYPERACTIVE when I was a kid. Nowadays they’d probably diagnose me with ADHD or something. I got excited about everything and had a hard time staying still. I was interested in business already back then: I would trade toys with other children and end up with the better deal,” Tikka says at his Muxlim.com office in the Technopolis business park in Espoo.

The look on his eyes is as sharp as a knife and the cuffs of the tailor-made shirt that hangs over his brown pin-stripe trousers are embroidered with T.Tikka.

An impressive row of empty energy drink cans is on the desk.

Tikka grew up in the quiet surroundings of Savitaipale, a village in Eastern Finland. He was a citizen of the Soviet Union until he was six years old; His father was from Georgia, and although he left when Tikka was a one-year-old, the boy remained a Soviet citizen.

When Taneli was a first grader, his mother put the energetic boy into martial arts classes.

“They taught me discipline and self-control,” Tikka says.

Combat sports have remained important hobbies throughout his life. His current favorite is Sanda, a free fight combat sport that is based on Chinese kick boxing.

When Tikka was still in school, his dream job changed frequently. He completed upper secondary school in a special vocational program in construction planning and architecture. He was the only boy to graduate, and the program was discontinued soon afterwards.

Next Tikka started software engineering studies at a polytechnic, but decided to end his studies after completing his military service.

“I came to the conclusion that programming is not for me.”

He started studying economics first at a polytechnic, but soon transferred to Helsinki School of Economics, where he majored in corporate management. At the School of Economics, Tikka met people who became important for his future. One of them was Reijo Luostarinen, an internationally known marketing professor.

“He is an important figure for me, a source of business ethics and methods,” Tikka says. “A young, enthusiastic guy is like a sponge that will absorb all information and knowledge if someone only offers it to him.”

While doing his MBA-degree, Tikka met the French professor Paul Claudel. Claudel helped Tikka to understand his easily excitable personality.

“I had a three day dialogue with Paul on what it means to live a life.” ►



“A young, enthusiastic guy is like a sponge that will absorb all information and knowledge if someone only offers it to him.”



► Claudel taught him that people have a different amount and intensity of zest for life. Some people have less of it, and others more, but it can never be suppressed.

“Human beings use this energy on something by nature: religion, relationships, work. And when you have lots of it, like me, you’re involved in a lot of things. That is what makes my life interesting. Losses and gains are all mixed up, but this chaos suits me. Still, I’m only thirty years old and on a journey, so I can’t claim to know myself entirely,” Tikka says.

**IN ADDITION TO HIS FORMAL EDUCATION**, BatMUD has been an important source of learning for Tikka. Through BatMUD and practice, he has learned what social norms function in internet communities and has realized that if the potential of internet communities can be harnessed to commercial projects, the results can be tremendous.

“In 1994 the makers of BatMUD needed money to further develop the game. They asked for small donations from the gaming community in exchange for points that could be used in the game. The overall amount of donations was so large, that the tax authorities got interested,” Tikka says.

The players of BatMUD were bound together by “social glue”, a sense of community and solidarity. They had invested time and money in the game. None of them wanted it to die out; instead everyone wanted to develop it further.

“The same principle still applies today, though there’s more going on,” Tikka says, referring to numerous on-line communal services and games.

An important chapter in Tikka’s life was IRC-Galleria, Finland’s largest internet community that was founded by Tomi Lintelä in 2000.

Tikka met up with Lintelä eighteen months after IRC-Galleria was founded and suggested to him that the service could be used to make money. IRC-Galleria was incorporated in 2003 and, thus, Dynamoid Oy was born. Tikka became CEO of the new company.

“At IRC, I learned how to make a large, systematic consumer service,” he says.

Last year, Dynamoid Oy was sold to Sulake Oy, which is owned by Taivas advertising agency and Elisa telecom operator, with Tikka behind the deal. Sulake is known for Habbo Hotel, a virtual hotel aimed at children and young people that has been a global success

(last March, the blog Silicon Alley Insider estimated Habbo Hotel’s value to be 1.25 billion dollars).

When IRC-Galleria was sold, it was the largest internet community in Scandinavia. The best part, however, is not that it’s big; it’s also profitable, which is more than can be said of most internet communities world-wide.

The reason for IRC-Galleria’s success was the insight that keeping a successful internet service going takes more than just trying to get money from advertisers. Second lesson was that strictly-defined visions with no breathing space aren’t worth the effort: internet is a chaotic place. It doesn’t follow the same rules as other business environments, since detailed plans do not work in this chaos. Instead, various different courses of action must be tried at the same time. Some will fail, some succeed and after that, you have to be able to observe and learn.

IRC-Galleria uses various ways of earning profits. They sell various virtual products, or “trinkets.” Income comes partly from mobile traffic such as SMS blogs, and partly from additional services that, for example, can hide advertisement banners if a user doesn’t want “in-your-face”-advertising. Customers can also buy more space for their pictures or get their photo on the front page of IRC-Galleria for a few minutes. T-shirt sales and VIP service packets also bring in cash.

According to Tikka, advertising in IRC-Galleria is easier than in Facebook, for example.

“People go to Facebook to check out their old classmates. The users have been taught to shun marketing, and in Facebook it’s hard to be a fan of something or someone. There, fan sites are dead. IRC-Galleria, on the other hand, plays more on people’s moods and attitudes. For example, I’m a fan of Torchwood (a science fiction television series),” he says.

The reality of internet services is that the producer of the service can’t plan the service too carefully in his head.

“The users have the final word,” Tikka says as he opens the IRC-Galleria’s voice blog site. On the site “Vattu” giggles a hysterical teen giggle and “Jaffa” grunts “Hello, world” in his low voice.

“We thought we could make some money with this. Then we did some consumer tests. They showed our idea was bullshit, and we clearly wouldn’t make millions with it. Now the service is really popular—and free of charge.”



► **YELLOW, ORANGE, AND RED POST**—it notes form neat rows and columns on the bulletin board that hangs on the wall of Tikka's office.

These notes reveal what has been done and what still needs to be done in the development of Muxlim.com.

Muxlim.com is the creation of Mohamed El-Fatary, an Egyptian-born, Dubai-raised, and Helsinki-educated 23-year-old. Muxlim.com is an internet community that has been dubbed by the media as "Facebook for Muslims" (see Welcome to Finland 2/08). The number of its users is growing at an enormous speed. While at the end of January there were 600,000 users, at the end of July the number was already 2.4 million. About 40% of the users of Muxlim.com come from the United States, 20% from the United Kingdom.

Tikka and El-Fatary met three years ago at a function where Tikka was a guest speaker. El-Fatary's project was familiar to Tikka: it was being monitored by IRC-Galleria as a competitor. El-Fatary himself attracted Tikka's attention by asking lots of intelligent questions.

"A few years after the corporate acquisition of IRC-Galleria, I got in touch with El-Fatary again. We met a couple of times at cafés and I was convinced by his energy and enthusiasm," Tikka says.

For some time, however, Tikka had to consider whether or not he could develop a service intended for Muslims. Was this to be the mouthpiece for a religious group?

"However, Mohamed's way of thinking was pragmatic and he meant to make money with the service," he says.

Muxlim.com gets income partly in the same way as IRC-Galleria. The users can buy VIP and premium accounts, and the site has over a hundred unique advertisers.

"Thousands and thousands different services are offered to Muslims, from clothes to monetary services, and even plumbers," Tikka explains potential advertisers.

Another project that Tikka is involved in is an online shopping service and communal market place Run to Shop, or more simply RUN, launched in September. The basic idea of RUN is that its users can recommend products and services based on their own experiences. At the moment, Apple Store, HotelZon, iTunes, Amazon, Diners Club, and Skype are just a few companies that have partnered with RUN.

"The intention is to make money with enthusiastic people with lots to say," as Tikka sums it up.

**BEFORE OUR INTERVIEW**, Tikka has talked about his visions to other entrepreneurs at a Power Booster breakfast, an event arranged for entrepreneurs. The title of his Power Point slide show was "Tales from a Serial Entrepreneur: anecdotes and thoughts on the life of a serial digital entrepreneur."

The message was clear: "A traditional and 'big business' approach doesn't work in start-up companies, and neither does paying too much attention to formal matters."

In the power-point it says:

"Forget about these: managing strategies, which are based on a strict following of plans. Seeking support from outsiders."

"Concentrate on these: Go make mistakes. Trust people. Agile.

At the end are acknowledgements and the name of Tikka's own firm, Wisdom Like Silence.

Tikka is a prime example of how an intelligent and brave young entrepreneur can succeed. Courage especially is a quality that isn't all too common these days. Most people want to play it safe in life, and chaos, which Tikka handles well, causes feelings of fear and insecurity in the majority of young adults.

"It seems that a student graduating from business school today only wants a Rolex on their wrist, a high income, and a secured position in a large corporation," Tikka says. "But the world has already changed in such a way that this isn't realistic anymore; there aren't enough jobs like that for everyone. Where on earth would all these people find a corporate job that's not too demanding but pays well?"

But business done for status and security is just a shadow of real creativity, innovation, and entrepreneurship. In business like that, not just the individual, but the entire society loses, and neither Finland, nor any other Western country for that matter, can afford to lose another energetic and innovative young person. Innovation and creativity have been the themes in numerous speeches and conferences, but they alone are not enough. What needs to be changed is

how success is regarded. Tikka and many others believe, that the heavy progressive tax system in Finland is one factor that eats away the strength that young adults have for working long hours in order to fulfill their dreams.

Tikka has had the chance to express his opinions when he has consulted politicians.

"Politicians don't like it at all when I say that not all work is equal. It's a different thing to paint a wall than to develop medicine."

The praised Finnish education system also gets its share of critique:

"In exams, there should be just one question based on extensive material. This question should be 'What is the problem?' Nowadays, people are trained to solve problems, but they don't even know whether these are the real problems. Instead of this, people should be taught to find the problems themselves and to understand systems as a whole."

Questioning current methods and the ability to challenge oneself and others time and time again, are qualities that the society should encourage and support more.

"I'm still not even close to being a perfect person. I still want to learn more," Tikka says, seemingly in motion, although he's standing still. +

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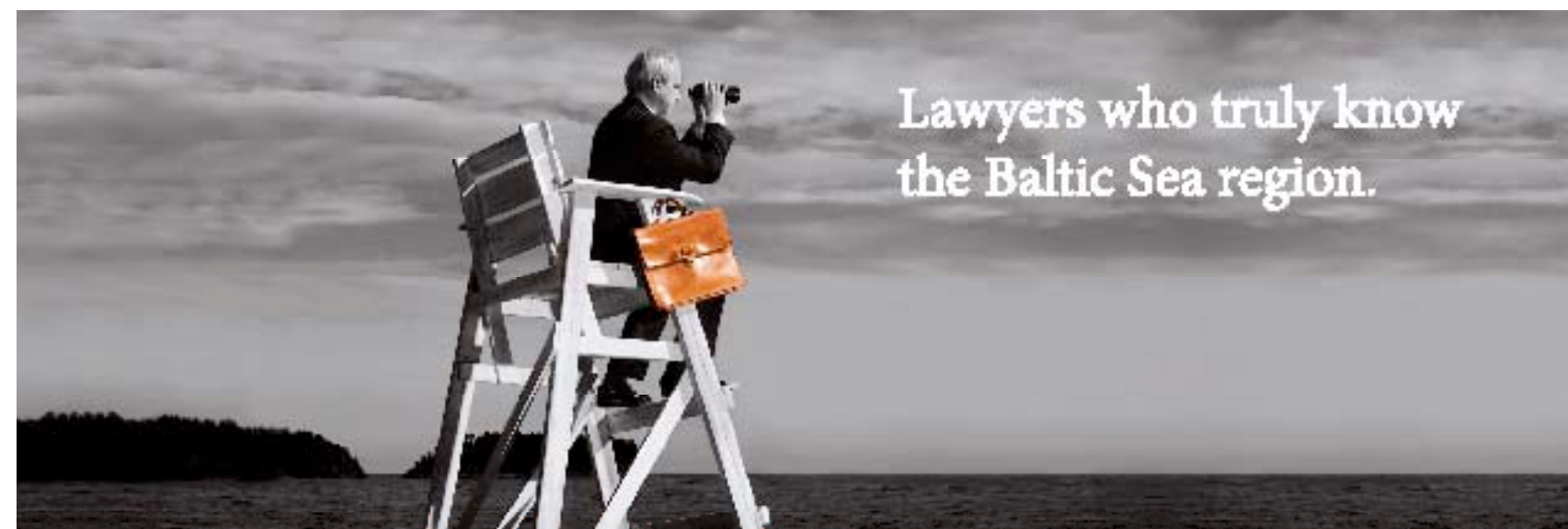
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