

# Case Study: Akkadu

*The EU SME Centre Interviews Alvaro Montoya, Founder and CEO of Akkadu*

## ABOUT AKKADU

**Akkadu** (<https://www.akkadu.com/>) was founded in China. It started as a cloud-based platform providing live translation solutions such as remote simultaneous interpretation, live captioning, and AI subtitles, for meetings and events. With the impact of COVID-19 Akkadu entered the video streaming market helping organisations to live video stream in multiple languages, from their own website.

The interview covers aspects such as Alvaro's professional background, how the idea of his start-up grew, the challenges encountered during the product development process, the evolution of its product offering and business models, the peculiarities of being a foreign entrepreneur in China, as well as recommendations for other European entrepreneurs interested in coming to China.

### *Hi Alvaro, please tell us about yourself*

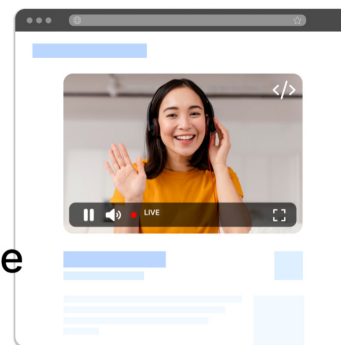
I am Alvaro, from Barcelona, Spain, founder & CEO of Akkadu. I have been in Beijing for 11 years. Before coming to Beijing, while studying my telecommunications engineering major, I used to be a part-time driver. One day, I got the chance to drive for Huawei's founder, Ren Zhengfei, who was attending a conference in Barcelona. I asked him for some career



Ren Zhengfei (left) and Alvaro Montoya



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advice. He suggested I learn Chinese and go to China, and that's exactly what I did: one week later I started learning Chinese.

### *From words to deeds: first experience in China*

I arrived in China as an exchange student. I studied at the Beijing Institute of Technology (Beijing Ligong Daxue) and finished my thesis on engineering of telecommunications. Immediately after graduation, I started to work in a purely Chinese media company, and my role was to help foreign automotive and new energy companies (such as General Motors, Engie, and Samsung) to plan and organise marketing and branding activities all over China.

In this company, nobody spoke English: everything, including meetings, was held in Chinese and I had to work extremely hard. Every day I had to read articles in Chinese about my industry to learn the professional vocabulary and be able to communicate properly – it was very hard and frustrating. But within two years I had learned a lot about Chinese culture, my Chinese had improved exponentially and that turned out to be a key asset for my future career.

### *Next career moves in China*

Following my first work experience, I started to work for Nokia's mobile devices department (which later became part of Microsoft as the Lumia Division). I worked there for 1,5 years as a business analyst in the Sales Operations Department, leading a small team to analyse data generated from the first-ever activation of mobile phones – which was a different approach compared to sales of mobile phones. In practice, the daily tasks involved working on many reports. It was a completely different environment: my managers were foreigners and we had regular meetings with teams all over the world, but my team was fully Chinese and fortunately they didn't speak English, which helped me to keep improving my Chinese.

The work was really intense, even more than in my previous job. Later I moved to a German cloud-service company in the Beijing German Centre, providing cloud hosting systems to the resident German companies – it was a very niche market. After two years, I joined an MBA at Tsinghua University.

### **How Akkadu was born**

The concept of Akkadu originated during my MBA time at Tsinghua – around 4-5 years ago. At that time, some of my classes were held in Chinese: although I could understand most of the lectures, there would still be some details of the presentations that I missed. Therefore, I decided to build a multilingual AI subtitle prototype to help me overcome this issue. This is how Akkadu was born, to respond to a real problem that I had.

Simultaneously with my MBA classes, I started to participate in start-up competitions organised at Tsinghua University, presenting the first prototype of Akkadu. It was very fun as I would usually begin my pitches speaking in Spanish and providing real-time subtitles in Chinese. I managed to get the 2<sup>nd</sup> prize in one of such competitions sponsored by Facebook: it got me a USD 5 000 prize that enabled me to register Akkadu as a company. Most importantly, during this time I got a lot of exposure to investors and start-up accelerators which turned out to be very precious in the months following the creation of Akkadu.



Alvaro Montoya presenting Akkadu at Tsinghua

### **What does Akkadu mean?**

Around 3 000 to 4 000 years ago, in ancient Mesopotamia, there was a city called Babylon which was the capital of the ancient Babylon empire. According to the Bible, the citizens were building

the Tower of Babel with the purpose of reaching heaven, hence God decided to halt its construction and punish mankind by making them talk different languages so they would be unable to communicate and understand each other. This relates to the problem that Akkadu solves: enabling different audiences to understand each other through remote simultaneous interpretation, live captioning, and AI subtitles.

We do not know if the story of the Tower of Babel is true or not, but what is historically proven is that at that time there was one language spoken by the Babylon citizens, now extinct, called Akkadian. Akkadu is actually one word from the Akkadian language, meaning “something referring to Akkadian culture”. I chose to call my company in honour of that forgotten language, after the word Akkadu. The logo of Akkadu is, in fact, similar to the letter “a” taken directly from Akkadian which used a cuneiform script.

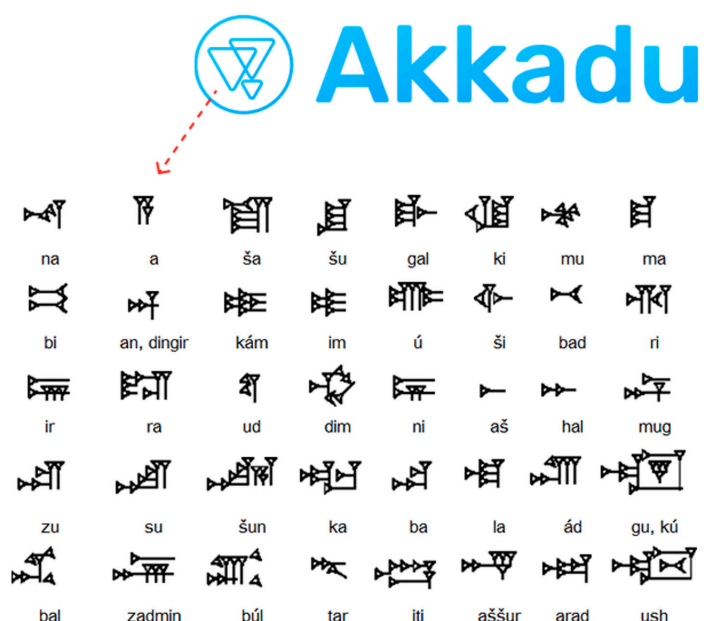
I have to say that people in practice are not very interested in this story, although I find it very interesting and exciting!



The Tower of Babel

### **The journey and evolution of Akkadu**

At first, Akkadu started as a remote simultaneous interpretation, live captioning, and AI subtitles solution for on-site meetings and events. People attending an event would just need to use a QR code, an URL, or a WeChat mini-program to access the solution from their smartphones using their own headsets. This was the way before the COVID-19 pandemic hit, and it is still a core business segment for us.



### The Akkadian alphabet

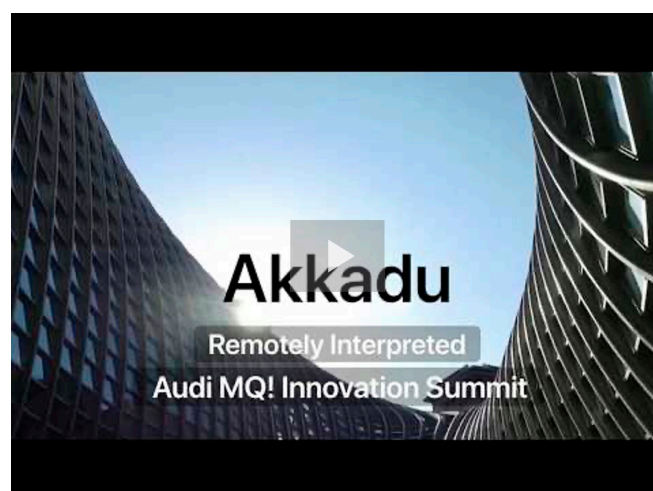
After a few years and with the arrival of COVID-19, we adapted and developed solutions for virtual events and meetings. First, we developed a browser extension (<https://extension.akkadu.com>), which brings the live captioning, AI subtitles and simultaneous interpretation on top of any virtual platform such as Zoom, Teams, WebEx, etc. Then based on the feedback from some organisations, we developed a video player allowing organisations to live stream webinars from their own websites with multiple-language live captioning, AI subtitles or simultaneous interpretation. This allows organisations to redirect traffic to their own websites and businesses, rather than to external video streaming platforms as it would happen with Zoom, Teams, YouTube, etc. This effectively fills in a void in the market, and we are the first to do so.

In the coming months, thanks to further feedback that Akkadu received from other actors including the EU SME Centre, we will push this concept even further and cover already recorded videos in addition to live streaming ones. Users will be able to view videos – through an extension or through Akkadu's player – and change the language of AI subtitles or interpretation by just clicking one button, and this can be done for up to 110 languages; at the same time, video owners will also be able to edit the subtitles if they wish to do so. This is a highly integrated solution which will benefit enormously those companies and organisations that already have a wide range of existing content but that would like to make it easily accessible in multiple languages.

### What were the challenges of developing your new player-based solution?

There were numerous challenges. The player is objectively more complex to build, plus throughout the development process, we could not use anything we had used before for developing our on-site meetings solutions such as the QR Code, URL and WeChat mini-program. The back-end is completely newly designed and developed, but for the client, only small changes appeared. So it felt like building a completely new start-up. For instance, we needed a media server but this solution involved video streaming and not only audio streaming for simultaneous interpretation. One of the biggest challenges was to achieve perfect synchronisation of the audio with the video, to make sure that the translation/interpretation in multiple languages is effectively aligned with what is happening during the live-streaming event.

Another challenge relates to testing the solution: testing is a vital part of a product development process, but for this kind of solution it is hard to get opportunities to do so, as customers do not want to risk encountering technical issues for the events they organise.



Audi using Akkadu's remote simultaneous interpretation solution for their Innovation Summit

### Who are your customers? Why should they use your solutions?

During the first two years of Akkadu, our focus lay exclusively on the Chinese market. In the first year alone, we earned RMB 1 million in revenue from Chinese customers. We then decided to shift the focus to international clients – simply because the



overseas market seemed to offer new potential, with more opportunities to scale up. So we started a careful analysis of our business model, and we are now gradually shifting towards the SaaS (software as a service) model: this is especially the case for our video player solution; for the traditional business segment, Akkadu's platform is provided as a service. Currently, we already have many customers, mostly international companies and organisations outside of China, as communication and outreach to them is easier through LinkedIn and email campaigns. At the same time, we see that the Chinese market in this segment is still small.

Our main types of customers are:

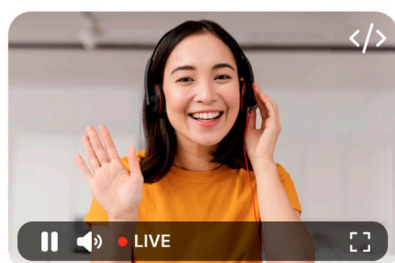
- Companies hosting on-site or online meetings and events in need of translation solutions. For the on-site audience, we can provide a QR Code, URL or WeChat mini-program and participants can access the simultaneous interpretation, live captioning or AI subtitles by using their mobile phones. For the online audience, we provide a browser extension, which they can use on top of any virtual platform to access the simultaneous interpretation, live captioning or AI subtitles.

- Companies that want to live stream webinars and meetings from their own website. This will bring more traffic to their site and raise the awareness of the participants about the business' services. It will also increase the conversion rate as there are more probabilities the audience will engage with their website. On top of that, we can make the live stream multilingual with simultaneous interpretation, live captioning or AI subtitles increasing the traffic that will come to the website.

So, in short, we want to help businesses to grow by helping with their communications. Why should they choose us? Global organizations such as LinkedIn, Harvard, McKinsey, Novartis, Bayer, etc. already use Akkadu. We also want Small and Medium-sized Enterprises to join the journey of Going Global, Going Multilingual.

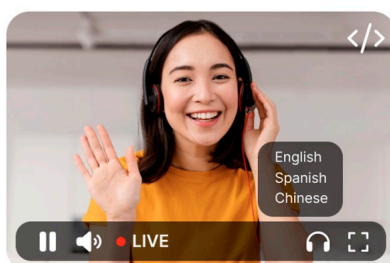
### Who are your competitors?

It depends. For providing simultaneous interpretation, live captioning and AI subtitles – either for on-site or virtual meetings and events – there are competitors, both in China and abroad.



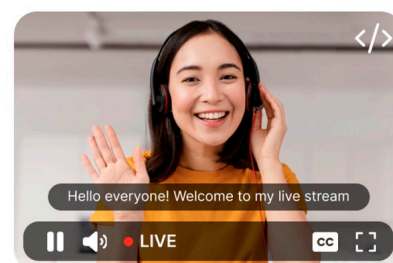
#### Standard

Live stream to your own website



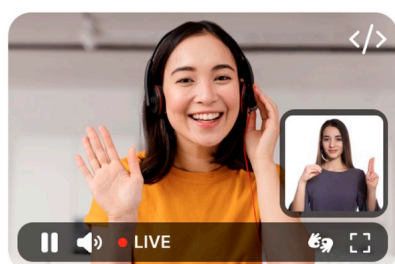
#### Simultaneous Interpretation

Let your audience listen to audio in different languages provided by professional interpreters



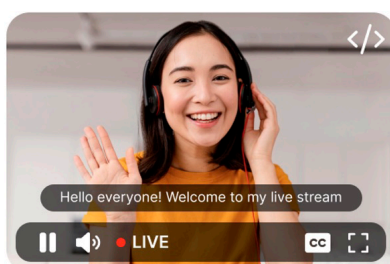
#### AI Multilingual Subtitles

Let your audience read subtitles in multiple languages provided by AI



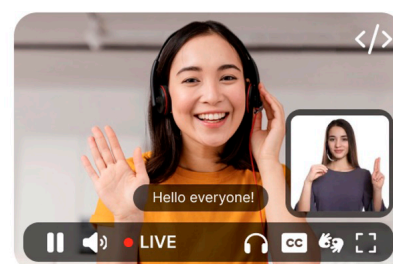
#### Sign interpretation

Let your audience enjoy sign interpretation provided by professional sign interpreters



#### Human Live Captioning

Let your audience read subtitles in multiple languages provided by professional transcribers



#### All in one

Live stream with simultaneous interpretation, AI/Human subtitles and sign interpretation at the same time!

### Akkadu's multilingual solutions

For providing a video player solution, some video streaming companies are going in that direction.

### ***How is it to do business in China as a foreign entrepreneur?***

Sometimes, it is hard for Chinese investors to understand exactly what you are doing and how their money is being spent.

In my personal experience, dealing with Chinese investors is a psychological game. But I guess this applies to any investor, no matter the nationality. When I did fundraising, I was often challenged for being a foreigner, and heard many things such as “you do not understand China”, “you are wrong”, etc. This could be hard for some, and you have to be mentally prepared for this. But this does not mean that only foreign entrepreneurs go through this psychological stress: Chinese entrepreneurs experience the same, I have seen Chinese peers being challenged as hard during pitching sessions or investor dinners as us – of course, the investors didn’t use the ground of nationality or culture to challenge them, they used other reasons but still it was very tough.

This is just the fundraising game. I was lucky with my Chinese seed-round investor [www.aistar.vc](http://www.aistar.vc); our investor manager doesn’t speak English but she has always provided strong support to me, no matter what.

### ***Would you recommend starting a business in China to other European entrepreneurs?***

If they are willing to work hard and learn the Chinese language and culture, then I would recommend them to come – otherwise, I would prioritise other countries. If you surround yourself with Chinese partners who can speak English, you will miss many opportunities and feedback from your real users. And perhaps you even may take decisions which are not the most ideal ones. In my case, my partner actually cannot speak a single word of English. Similarly, my Chinese investor manager cannot speak English either, and the companies he invested in are purely Chinese companies.

Another aspect which I consider to be a strength is that China’s start-up ecosystem is very active, there are so many start-ups that you can learn from: this pushes you a lot, and it makes you super motivated to be here and work harder.

### ***What is your outlook for the future?***

I do not think that there are Chinese companies that want to stay only in the Chinese market. I see a growing trend or at least ambition for the internationalisation of Chinese companies.

For our business, I think that the direction to go is to provide AI-powered subtitles and interpretation for existing, pre-recorded videos: there are more and more businesses with a lot of content, such as courses, training, etc; they do not want to create new content but to make existing content more accessible. The drivers of this market will probably not come from China, but rather from the EU or the United States (which has a lot of translation demand, particularly in bilingual States or in the healthcare industry). For us, I will not be looking for Chinese investors anymore, but rather investors based in other international hubs such as Singapore, or the EU.

Do you want to know more? Visit the company’s website <https://www.akkadu.com/> and contact Akkadu’s team at [contact@akkadu-team.com](mailto:contact@akkadu-team.com).

## About the EU SME Centre

The EU SME Centre helps European SMEs get ready for China by providing them with a range of information, advice, training and support services.

To find out more, visit: [www.eusmecentre.org.cn](http://www.eusmecentre.org.cn)

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