



# WEB SLINGER

Morten Lund is an entrepreneur turned media mogul, now revitalising the newspaper business. **Barry Mansfield** reports



**JACK OF ALL TRADES**  
Morten Lund is a serial internet entrepreneur turned media mogul

In May 2001, when then prime minister Poul Nyrup Rasmussen announced his ambition to transform Denmark into “the world’s number one IT nation”, he was running out of time.

By December of that year the rival Venstre party had booted him from office, and his call-to-technology speech was already forgotten by most people. Most, but not all. A daring young tech investor called Morten Lund, who was at the top of Rasmussen’s invitation list for FutureCamp, the industry taskforce, was hatching his own “viral and non-political movement”. Lund, who first came to the nation’s attention in 2000, when he sold his web design agency NeoIdeo to media giant Leo Burnett, has since propelled Scandinavia to the vanguard of tech start-ups with VoIP pioneer Skype, which eBay bought for €1.7bn in 2005, antivirus firm Bullguard and the zero-commission stockbroker Zecco.

The Dane risked €33,230 for a 1% stake in Skype, two years before it hit paydirt, and has since teamed up with advertising veteran Soren Kenner to launch

Lund’s decision to enter Denmark’s “newspaper wars” has come at a critical time in the industry. Since 2006, the dominant players have vied to take on *Nyhedsavisen*, shifting papers in the street for free. One by one, however, they are leaving the race. Free weekly *SøndagsAvisen* lost 33% of its market capitalisation last October by adjusting profit down from €14m to €2.5m.

He’ll be looking to cash in on *Nyhedsavisen*’s credibility as a distribution service – the paper is delivered straight to the doorstep, meaning that additional advertising literature, including brochures or leaflets, can bring in extra income. And who better to facilitate this than Lund’s own advertising firm?

Today the entrepreneur has turned up at the Lundxy office with his six-year-old son Linus. Unshaven and casually dressed, Lund explains that he has just returned from a conference in San Francisco. He doesn’t like to stay still for too long. Piling everyone into his wife’s car he decides to drive over to HelloGroup for a site inspection instead.


## “JUST AS FOOTBALLERS TRAIN REGULARLY, ENTREPRENEURS NEED TO HONE THEIR SKILLS”

advisory firm LundKenner. He has also kick-started three funds – one for Chinese property, another centred on Indian technology ventures and a Middle Eastern clean tech equity fund – before setting up his own investment vehicle, called Lundxy. There is also HelloGroup, the full-service advertising agency in Copenhagen, with 65 staff. Now he is set to turn media baron after swooping for a majority stake in the national free newspaper *Nyhedsavisen*.

For somebody so well-schooled in the advantages of the web versus printed media, Lund’s move in January to purchase the loss-making paper from Icelandic group Baugur has raised more than a few eyebrows. Although the free daily enjoys a higher circulation (over 600,000 copies) than its national rivals *Jyllands-Posten* and *Politiken*, that penetration has come at a price – the firm is haemorrhaging around €66,000 per day.

Lund puts his success down to practice. Just as footballers train regularly, he says, entrepreneurs need to hone their skills, and the Dane was just 19 when he set up his first company. Growing up in the countryside outside Roskilde “with farmers all over”, he began a Masters degree in economics at Odense University, but dropped out when he realised that he preferred the real thing to theory. Since then, he admits, good fortune has helped him – as the title of his blog proclaims, “It’s all about luck.”

But he is notoriously fast-moving and well known for what he has described as his “psycho-aggressive investment style”. Lund acts just after thinking, “without caring about spelling”, and believes in action more than words.

“It’s all very easy to fall in love with the idea of being an entrepreneur,” he cautions. “What’s most important is doing. Talking and 



“HE BELIEVES IN BUSINESS WITH A CONSCIENCE – AS HIS BUSINESS CARD SAYS: ‘NO WEAPONS, NO PORN, NO ASSHOLES’”



“conferences make up a maximum of 5% of doing business,” he adds.

Lund often works to the popular Web 2.0 business model – the simple logic is that providing value services on the web for free, or cheaply, attracts page views, and page views or “eye balls” bring serious advertising cash.

Zecco is based on this principle. Launched in September 2006, the free trading platform has grown at breakneck speed, attracting over 80,000 clients in its first 12 months. But, as critics point out, its long-term success is far from certain.

“If cheap was all that mattered, Schwab should have killed Merrill years ago,” says Neil Kjeldsen of Techcrunch. “When it comes to money, relationships seem to matter.”

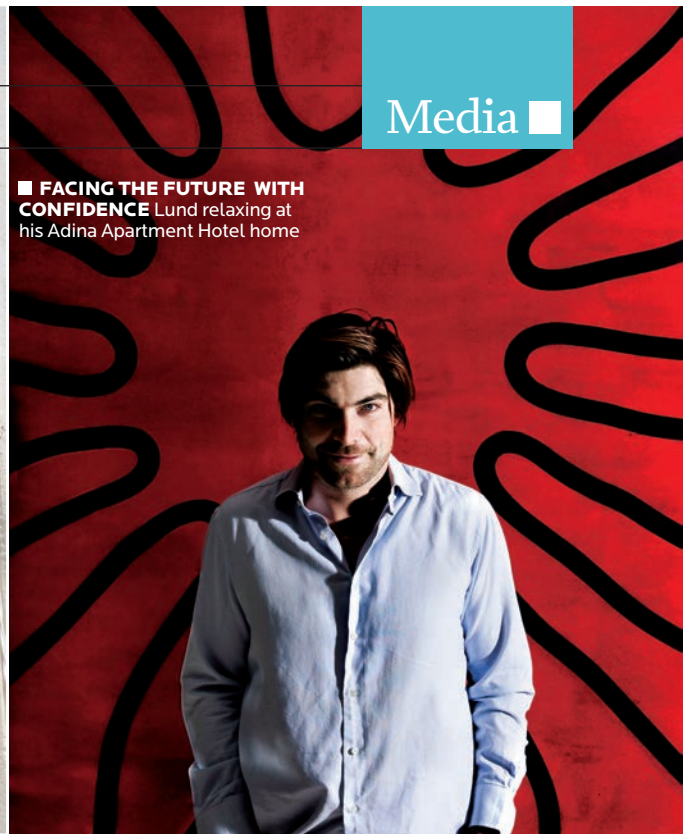
It’s true that some Zecco users have complained of a cumbersome layout and intrusive adverts. Critics also point out that Bank of America and Wells Fargo have since introduced their own commission-free trading programmes. However, both require minimum account values of €16,600, while Zecco requires only €1,660 to get started. The company is bringing the barriers to entry

■ **ACCESSIBLE APPROACH**

Zecco requires minimum account values of around only a tenth of its main rivals



■ **WELL CONNECTED** Lund owns Orolix, Brazil's fastest growing online company



■ **FACING THE FUTURE WITH CONFIDENCE** Lund relaxing at his Adina Apartment Hotel home

down for occasional and amateur investors. Kjeldsen himself admits that established brokers are “moving into advisory services, managed accounts, proprietary mutual funds, and banking/lending, because they know they can’t depend on trading commissions as a revenue stream forever”. These firms already make more money from mutual fund and cash balances than they do from trading, so Zecco may not dent the fortunes of its big rivals, but it should win over a sizeable – and loyal – fan base.

Zecco makes its money from interest on client accounts and lending fees, with the company also clawing back some cash by charging a small fee to users who make more than 10 trades a month.

Another Lund company supported by advertising is Orolix, the Brazilian free internet service provider (ISP) and the country’s fastest growing online company. It is a typical Lund venture, distinguished by the absence of a multi-million dollar marketing budget, relying instead on word of mouth.

Bullguard, too, doesn’t command column inches in the UK, but it regularly tops customer reviews, ahead of rivals like Norton, McAfee and F-Secure, and is a best seller on Amazon. A similar example is Jeff Chen’s Chinese web browser Maxthon – the far east’s answer to Mozilla Firefox – which has claimed 100 million downloads so far. Maxthon makes most of its money from search-related ads.

HelloGroup designed Nyhedsavisen’s original website, [avisen.dk](http://avisen.dk), with an emphasis on blogging and reader comments, insisting that “citizens take control”. The fact that Lund has joined forces with Morten Wagner of Freeway – the owner of hugely popular social networking sites [arto.dk](http://arto.dk) and [dating.dk](http://dating.dk) – hints that the online edition may receive further attention as a source of advertising revenue. The pair are rumoured to have picked up their 51% stake for just one krone.

This battle requires deep pockets, even by their standards, so they’ll have to turn things around



**MORTEN LUND**

**Job:** Angel investor with LundXy and a close partner with top-tier venture funds, including DFJ, Accel, Nordic and Hasso Platner Ventures.

**Family:** Married with two children.

**Worth:** €40m

**Mentor:** His father Niels, an electrician who founded components distributor Conelec AS – sold for €10m to UK firm Deltron in 1997

**Charitable work:** Wild – Worldwide Involvement in Life Development, Aresa, which detects landmines via genome modified plants. Other projects include solar chargers for mobile phones, water purification and tackling hunger and obesity.

**Indulgences:** Dining.

**Most likely to wear:** A T-Shirt with the Linus Torvalds quote: “Software is like sex. It’s better when it’s free.”

quickly. However, Lund has stretched himself to the limit before: “A week before Skype was sold, I was out of money,” he admits. “I had over-invested. But even now I’m very heavily geared. I do it out of passion, addiction. I don’t care about my own money, I just care about my companies.” Lund, an ex-paper boy himself, prefers to use a bicycle for day-to-day travel and still doesn’t have a car of his own.

Lund is hard to pin down in that he contradicts himself often. He wants to see more of an entrepreneurial culture in his home country, and gladly reports that he has noticed “a whole new kind of optimism” in Denmark in recent times. “Before he came to see me Niklas [Zennstrom] was turned down by 40 venture capitalists (VCs),” he says. “But I thought he was the best person to execute it. When I look back on Skype, I feel like the luckiest guy in the world.” As he explains, “I was very happy to see a couple of stories in the press stating that the *Janteloven*, an idea Danes have that you are not allowed to think you are something special, is dead.”

At the same time, though, Lund is very proud and protective of the Danish social model where people get the same chance, with free schools, universities, roads and hospitals for all. He believes in business with a conscience, or as his business card puts it, “No weapons, no porn, no assholes.”

Although he counts Danish company Aresa, a landmine detection firm, among his investments, the language of “treehugging” can be a bit too much to bear for Lund. “I don’t think I’m Bono,” he smiles. “I don’t feel quite ready, just yet, to embark on a really big philanthropic project.”

“It’s true that financial independence is obviously a big deal, because you’re no longer held back by the usual day-to-day hassles. You can work on your favourite ideas. Get some coders together, pay them well, experiment and have some fun. My attitude is that I’m not a VC. I’m a naïve entrepreneur. I just like to do things my way.” ● **EB**

