



Photo: Tamás Lékó

János Kóka: You're either a politician or a businessman”



I don't think we will ever be able to clearly establish whether my business value increased following my ministership," says former Gyurcsány-era Minister of Economy and Transport **János Kóka**. Notwithstanding his brief venture into politics, he has always been a businessman. His recognition has certainly grown, that, however, isn't a clear advantage...

"The reason I cannot give you a straightforward answer is because there's no telling what would have become of me had I not been a minister: a highly successful entrepreneur or a bitter failure," explains former Minister of Economy and businessperson János Kóka. When he left public life in 2010, he wasn't offered any traditional job opportunities. He was, however, highly sought after as a consultant. "My value in the job market is somewhat ambiguous. Therefore, I didn't even consider taking a job at a multinational. I don't even know if I could do that kind of thing. I find entrepreneurship to be much better suited to me. I have seen numerous examples of entrepreneurs like me taking jobs at multinationals and then failing to perform. They are unfamiliar with that kind of environment and cannot adapt to the often rigid structures. I have also seen counterexamples of corporate people becoming entrepreneurs and not going anywhere, as they are not used to working on their own without resources and a support staff to rely on. I like building companies. That's how I ended up at Cellum and later at Festipay.

"I did poorly as a party politician"

In theory, a businessman's value is increased by holding public office, if only for a short while. After the micro-level, one becomes acquainted with the other side of the economy: the world of macro-level decisions and political drivers. This can broaden one's perspective, not to mention the networking opportunities that may prove invaluable once back in the business world. From this point of view, a ministerial position may very well increase one's business value. "There are countries where employers are reluctant to accept people coming from politics. The higher the former position held, the stronger the scepticism. Indeed, one can never know what skeletons might be hiding in the person's cupboard. Theoretically, their lives are transparent, but there might be scandals that only see the light of day years after their de-

parture from politics. Multinationals prefer to avoid such controversies, they often do not hire politically exposed persons at all," says Kóka explaining the difference between theory and practice. There are, however, countries where a political background is seen as an advantage. "In Asia, the interaction between politics and business is more extensive. Also, when your target customers are government-related, a network built as Minister can help. This, however, is rather volatile, as former fellow ministers are usually also out of their positions and are often trying to succeed in business, with mixed results. Not to mention the fact that in our case, ties to an earlier administration may prove detrimental under a new government.

János Kóka served as Minister of Economy and Transport from October 2004 to April 2008 in the two Gyurcsány administrations. He continued as caucus leader until 2010, when he left politics for good. "I can now confidently admit: I did poorly as a party politician. While previously I tried to justify my actions, perhaps partly out of self-defense, I can now see that I shouldn't have accepted the position of party leader. I was an unapologetic believer in a market economy based on fair competition, self-reliance and measurable excellence. However, I was unprepared for the job I had taken, I lacked the knowledge and experience necessary for successfully navigating the world of politics. It is now my firm conviction that you are either a politician or a businessman. The two worlds differ profoundly in terms of motives, ethos and culture. How you negotiate, how you go about with your partners and competitors is different. When you're Minister, it's a somewhat different case. Managerial and leadership skills come in handy, but politics is a defining factor." According to Kóka, the people who have been the most successful in business after leaving politics are the people who had come from there in the first place. He brings up Gordon Bajnai, Péter Oszkó and Csaba László as examples, who, like him, have only temporarily ventured into politics.

“I was 32 at the time, ambitious and a bit vain”

He still thinks accepting the position of Minister in 2004 was a good choice. The only better choice he made was getting out. He was offered the position just as a period in his business career had closed, and he was contemplating where to go from there. “Elender was acquired by Euroweb in 2004, they no longer needed me. That ended a 9-year chapter of my life with lots of success and interesting turns. We launched our internet service and the Sulinet program, we became the market leader, then we sold off the company to a US-based global ISP, which, however, went bankrupt. We repurchased the company, then we sold it off again in 2004. We received a nice sum, I was planning to take a year off after those 9 months of intense work and then start a new type of IT venture. It was during this transitional phase that I was offered the position of Minister. If they had approached me a year earlier, I would probably have said no... And later they would have found me building a new company... I was 32 at the time, I was ambitious and a bit vain, with considerable accomplishments. I was asked to lead the country’s largest ministry. Few people would say no in that situation. Even if, as I now know in hindsight, I had no idea what leading a ministry of that size meant. I thought it would be another managerial job, just like the ones I did before, only at bigger scale. I had no idea of the extent and precedence of political influence over other factors. I was excited to lead a ministry of 800-900 people, which, together with the State Railways and the Paks power plant, oversaw an additional 100 thousand people. I thought this immense scale would lend me authority that I could leverage in the decision-making process. I was wrong. While it was the largest ministry, some important decisions were made, and I also managed to strike a chord with managers and large investors, it turned out that almost everything depended on the Ministry of Finance. Not only did they control the tax policy, they were also the ones who decided about budget subsidies. What I also didn’t realize at the time was, Hungary has a Prime Minister-centric government. The Prime Minister has a government, and not the other way around. The PM bears far greater legal responsibility than do ministers. There is no voting at cabinet meetings, the PM has the final say. As a coalition minister, my room for maneuver was somewhat broader, still it was far from enough for me. I thought I could have a meaningful say in things if I moved to the demand side, i.e. I would become a politician. That was a bad decision. As Minister, I had the chance to make professional decisions, but the nature of politics was different. I had no interest in learning its ins and outs.”

“It was one real rollercoaster ride”

All in all, János Kóka believes entering politics was the right decision. He got to know the other side of the economy, which made it clear to him that his place was in the world of entrepreneurs. He likes rational, clear and purely business-based decisions, and can manage the related risks. He abhors the zigzag of politics. He is now back in business. He is CEO and President of Cellum Global, a mobile payments company of which he, along with VC firm PortfolioLion, investor Gyula Lepp and a few members of management and private persons, is an owner. Earlier this year, Indonesia’s Telkom became the largest investor in the company, acquiring a 30.4% stake in a two-phase capital raise. This helps promote the company’s fintech solutions on the Indonesian market. Operative decision-making remains in the hands of the current management. “It was one real rollercoaster ride. We had an investment project that fell apart right at the finish line. I was told by many to just give up, that I was chasing dreams if I thought one of Asia’s largest ICT investors would be interested in a small Hungarian company. But with every failure, Cellum became more resilient and cohesive. In the end, we made it, and now we’re in a league where as a Central Eastern European company we couldn’t have gotten into by ourselves. We now have opportunities that previously we wouldn’t even dare dream of,” says Kóka, continuing with an analysis of the Indonesian market. “Indonesia is a highly underrated market, with around 270 million people it is the world’s 4th largest country by population. It’s as large as Europe. Over half of the population is under 30, highly motivated, a positive Mediterranean-type attitude and a million challenges to solve, yet with great prospects. A large part of the population has no computer but uses mobile phones. Traditional wire internet access is mostly absent, instead, everyone uses mobile data. The banking system is underdeveloped, only a fragment of the population has a bank account. The development of mobile payments is a necessity. In Kenya, about 80 to 90 out of a 100 Kenyans use their phones to pay, which makes them a world leader in the industry. The reason for this spectacular development is that using cash is unsafe due to poor public safety, which almost spontaneously spawned a mobile ecosystem that allows people to manage their finances using SMS. Indonesia is far more developed, smartphones make the use of state-of-the-art technologies possible. And since Indonesians are sceptical of using either Chinese or US technologies, yet a small country like ours is not seen as a national security threat, our solutions are highly welcome over there. Parallel to the recent investment, I was also asked by Telkom Group to act as Fintech Advisor; this puts me in

a completely different position to negotiate with local state banks, the national railway company or large retailers. After 7 exciting years, we are facing another few exciting years in Indonesia and, in time, on other markets as well.”

“This really is a new horizon”

Indonesia’s Telkom has invested USD 6 million in Cellum, which has opened up new horizons for the Hungarian company. They had been looking for a while for large markets open to modern financial technologies, this process is now accelerating. “Jakarta itself is a market of 30 million people. But it’s not only about size. In Europe, you can pay with cash and plastic mostly anywhere, there are bank branches on every corner, mobile payments are only a convenience. In Southeast Asia, the banking system is underdeveloped and bank branches are few, people lack bank accounts and cards. There, mobile payments are a need. In Europe, it’s a “nice to have”, in Asia it’s a “must have”. It’s the same case in Africa and Latin America. Cellum’s mobile payment technology is among the best in the world – I believe it’s the best – and we now have the capital and a respectable partner to allow us to expand. This really is a new horizon for us. With an exciting product, a great team and a lot of endurance, we can not

only become a significant player, we can also enrich people’s lives with something new and great.”

János Kóka has been at the helm of Cellum for 7 years. Last year, he handed the company’s operative management over to Ábel Garamhelyi, his former state secretary, and these days focuses more on strategy. He makes plans and he dreams. He is no longer bound by the lack of capital.

Ilona Kocsi

Dr. János Kóka (46)

President & CEO of Cellum Global and President of Festipay, former Minister of Economy under the two Gyurcsány administrations. He has a medical degree. He was Managing Director of Elender Computer from 1996, then CEO of the company’s successor. He was Minister of Economy and Transport between 2004 and 2008 with the support of the Alliance of Free Democrats (SZDSZ), becoming President and later Caucus Leader of the party. He left politics in 2010 and returned to the business world. He took part in the reorganization of Cellum as an advisor and then became Chairman & CEO of Cellum Global in 2011, a new group member founded with the goal of international expansion. He was elected President of the Association of IT Companies in 2003. He won the IT Manager of the Year award in 2000. He is married with two daughters and a son.



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