

executive insight

DON'T BE LUKEWARM

Elona Mortimer-Zhika is CEO of IRIS Software Group, one of the UK's largest privately held software companies. Its mission is to be the most trusted provider of mission-critical software and services, ensuring customers get it right first time, every time. IRIS works with accountancy firms, finance, HR and payroll teams, and educational organisations, helping them be more productive and better engaged with stakeholders while remaining compliant with regulations. Elona spoke with Steve Morrison of SH Gillamor Stephens about her career, thoughts on leadership and current software market dynamics.

**IRIS and Current Market Dynamics**

We have over 120,000 customers, of which about 80% have been with IRIS for more than five years and many have been with us for 20 years. As a 42-year-old business, we have transformed both organically and inorganically by developing new products, making acquisitions and growing partnerships. Over the last 18 years, we have grown at c.18% CAGR and now have an annual revenue of over £225 million and EBITDA of over £100 million. We employ about 2,000 staff, primarily UK based, but also have teams in the US, India and Australia.

The COVID pandemic has propelled our digital transformation to a mere matter of months rather than years. It has created much disruption in the market and although there have been many sad stories, it has also impacted businesses in a good way, diversifying business strategies to not only survive but thrive through these challenging times. Much of this has been led by technology. As a technology provider, you have to stay ahead of the game. You must keep investing to ensure customers have what they need. Our response has been to double down on our technology investment and increase it. This was a brave move as at the time COVID hit, most businesses looked at their costs to say, "Okay, what can I cut to remain viable?". We accelerated our digital transformation and doubled our investment in our dynamic SaaS platform, IRIS Elements, an initiative we started a couple of years ago to

move our desktop products to the cloud, starting with our portfolio for accountancy firms. When COVID hit, our customers needed this more than ever so time to market has become a leading part of our strategy. We accelerated its build, hiring 120 developers into IRIS Elements alone and partnered with a third party called Endava for additional development support.

The technology solutions we provide are mission-critical to our customers. Wherever they are, working from home or in the office, we must deliver solutions that are 100% right first time, every time. This enables our customers to be compliant, engage with their employees, customers, parents or pupils, and gain efficiencies in every area of managing their organisation.

Acquisitions and Integration

Acquisitions are a part of life at IRIS, we have always been acquisitive but more so in the current environment. We spend much time and effort making the right acquisitions for our customer base as now more than ever, they are adopting new solutions and tools to stay ahead in their markets. The ability to deeply integrate and manage cloud applications can make a substantial difference as organisations across the globe see simplifying mission-critical business tasks as vital to driving growth, innovation, and cost savings.

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For us, it is important we maintain our cloud investment strategy as it's not a matter of when will the adoption happen. It is happening now. If you look at our last three acquisitions; iSAMS, Staffology and Senta, they are scalable cloud solutions. They fit strategically with the needs of our customers.

So, talking about integration, do we have an integration playbook? Yes, absolutely. We have an integration team. Long before we acquire a company, we discuss how our teams, processes and technology will work together. There are must-haves but it is also hugely important to tailor our approach to every acquisition. No two businesses are the same. Given the sensitive nature of our customers' data, the first must-have is security. We make sure every business we acquire is wrapped in security technology. Employee experience is also top of our agenda to ensure there is a smooth journey as they join the IRIS culture. It's important they know what makes them great and at the same time make sure they feel part of a bigger family. They are provided with the tools for more learning and development, plus a different array of benefits and collaboration tools.

The biggest asset we are buying outside of technology is the people. They are passionate about their technology and customers so if we cannot keep them happy and engaged, then we are never going to maximise the value of the investment.

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Personal Career

I was a maths geek; I did accountancy and economics at university. My dad was an accountant and this is where my passion started.

I spent nine years within the TMT divisions of Andersen then Deloitte, which was a great training ground and where I was first introduced to IRIS as an audit client. Following this experience, I moved in house to PE backed, Acision, at the time the world leader in text messaging.

I joined the business as Group Financial Controller and it was a whirlwind of a journey as the business provided a product that became commoditised. The market quickly moved from paying 10p a text message to not paying at all, as voice and data bundles became the norm. WhatsApp appearing completely disrupted the sector.

The lesson from Acision was that technology moves so fast, you cannot sit on your laurels. You cannot have the attitude, "I'm the market leader, so it's fine. I'm going to win." You must stay one step ahead. With a constant flow of new entrants to every market, it's vital to continue innovating to provide products and solutions for customers of today and tomorrow.

I joined IRIS because it excited me. It had grown significantly; when I first audited the business 20 years ago, IRIS made £5 million of EBITDA and when I joined in 2016, it had grown to over £50 million. I wanted to be part of a technology leader that can stay ahead of the game.

I joined as a CFO in November 2016 and in May 2018, we were acquired in a private equity-led buyout by Hg Saturn Fund and Intermediate Capital Group. The CFO role is a fantastic seat at the table, as people look to the CFO not only for financial stewardship but also for commercial acumen. Great leadership also requires wider knowledge beyond the financial strategy so when I became COO in November 2018, it gave me the opportunity to get involved in broader areas such as the customer journey, products and services, and most importantly people. I was privileged to

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become CEO of IRIS Software Group in September 2019.

I did not join IRIS expecting to become the CEO. I focus on doing the best I can and am driven by the job at the time. As with every role, if you do a fantastic job and get involved, opportunities come your way.

Being the best version of you, putting your hand up and doing the very best job you can, earns your stripes. As a woman in leadership, I am conscious we need to create environments where everyone can be successful, where they are judged by output rather than input. Flexibility in working practices has been the problem, but the pandemic has shown us we can all be flexible because we are all at home, and being more productive than ever. We are encouraging our people to say, "find a way to be able to look after your wellbeing, look after your family and do this job without one being more important than the other."

Creating an environment where flexibility is the norm rather than something people ask for as a favour and judging people on output creates more opportunity. Fostering a culture where you are encouraging high potential employees to put themselves forward is critical.

Mentoring

A great mentor can show you the positives and how to overcome your challenges. Initially, my mentors were my direct bosses. I have been very fortunate to work for people I could look up to and learn from. This drove my success. In recent years I have made a conscious decision to identify mentors through my own network. Without curiosity and a continued willingness to learn, we don't progress.

Finding the right mentor is critical and my advice would be to find a confidante you look up to, someone you want to become. Where do you want

to be two to three years from now? Working with a mentor that has been in your shoes and gone through the same challenges helps no end. My personal objective was to work with a female leader who had a family. That was important because I have children and wanted help in balancing both precious worlds.

Leadership

My approach to leadership is to be authentic. Everybody says that about themselves, but I do genuinely think you cannot do this job and put on a 'face' - the version people want to see. We spend many hours a day working. If you cannot be yourself, it is very difficult to give the commitment and passion the role requires.

Connecting with employees is of course harder now due to the pandemic. Working from home means you no longer bump into people at the coffee station or in the lift. Those ad-hoc conversations - making sure individuals are okay or asking a quick work question have disappeared for the time-being so leadership requires more conscious effort.

One of the tactics I use is a weekly internal blog. This was initially sent as a COVID update but as we are now heading towards the 50th week of lockdown, it has evolved to talk the emotional side of the pandemic, a topic which every person has in common.

Every individual is balancing their work and personal lives, whether it's home-schooling, looking after somebody or maintaining wellbeing. We have much in common. Being able to speak openly about these issues connects us as a business.

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It's important to make a conscious effort to replace the physical contact with other forms of communication to stay relevant and close to employees. The focus must be on motivation, positivity and wellbeing.

Hiring

Most people come with technical relevance and expertise but in addition, I look for enthusiasm and passion. I have this phrase, 'Lukewarm is no good'. You have got to give something 100% to be successful. Understanding what drives someone, what gets them out of bed and how they are going to be passionate about their role is very important for me. We have a focus on output rather than input. We are here to win and be successful so we need to be judged by how much we achieve - the outcome.

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Curiosity is key for me. I like curious people. It is a question I ask at every interview as we are all work in progress. We want to hire those with a thirst for learning. Commercial acumen is imperative; you need to do the right thing by employees and customers, and run a successful business.

I firmly believe that hiring people from different backgrounds makes for better decision-making. The power of diversity produces the best results. If you hire to your own cut, your team will be the same as you, and the decisions you make will not be as informed as they could be. Don't work with 'yes' people.

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Bringing together multifaceted teams not only gives you learnings along the way but makes your world bigger, raises the bar and enables you to make the best decisions. I am a great promoter of diversity at IRIS because diversity, in its truest form – and I'm not only talking about gender – creates an incredible working environment. Each of us is unique, regardless of race, religion, colour, gender identity or expression, sexual orientation, disability or age. It is these differences that make us great. In diversity there is beauty, there is strength and better outcomes.

The final piece is hiring resilient people with relentless energy. COVID has highlighted how important resilience and adaptability are. I have been amazed with how we have coped and thrived in the past few months. The only thing we can guarantee today is that change is constant.

Leadership requires innovative thinking, a passion to make it happen, complete customer focus, unswerving accountability, and fantastic teamwork. Bringing these together with the best version of you creates a great recipe for success.