

FROM THE STARTING BLOCK TO “FUTURE READY”



A conversation with Marc Chang, CEO of Block Solutions

By Steve Morrison, Managing Director – SH Gillamor Stephens



Block is an award-winning technology and services company that prides itself on providing “Future Ready” technology solutions. Co-founded by CEO Marc Chang in 2005, the company has grown to be a major provider of end-to-end services to the UK’s National Health Service (NHS).

Many tech companies can struggle to grow once they become as vertically integrated as Block. Yet Marc has managed to continue to grow both organically and through acquisitions in ways that increase the range of services Block can offer and the markets within the NHS that he can access. At the same time, he has developed a separate cyber security company that has the potential for global expansion.

The entrepreneurial edge

When speaking to Marc, one of the first things that strikes you is his entrepreneurial spirit, which he puts down to growing up with parents who both ran their own businesses. Naturally, their example left a strong impression.

“It’s in my DNA,” Marc explains. “My father had a chain of greengrocers in Liverpool and my mother had a couple of hairdressing salons, so I grew up in that environment and it felt like second nature to me.”

After graduating from the London School of Economics with an MSc in Information Systems, Marc went to work as a technical architect at Colt. It wasn’t long before he spotted an opportunity to provide IT consulting to the NHS.

“ I had this skillset that I’d learned as a technical architect, and the commercial instincts I’d got from my parents. So, when I thought I could see an opportunity to provide consultancy to the NHS I thought, this could be a reasonable business.

That enterprising streak shows in Block’s growth. What started 17 years ago as a consultancy offering IT advice to NHS organisations morphed within three years into providing more of an end-to-end solution that included software, equipment, and managed services.

Today, the company provides IT infrastructure, cloud services, cyber security, automation, and strategy and workplace consulting. The NHS still represents "about 90% of what we do", according to Marc. Yet that vertical integration has proved no impediment to impressive growth.

From bootstrapped beginnings to making strategic investments

Again, those commercial instincts might be the key to this success. Marc is keen to point out that the business was self-funded from day one:

"When we started, the first contract my co-founder and I landed was worth about £1.5 million for consultancy. Off the back of that we were able to fund the next few years' worth of growth and hiring."

With the range of IT services needed by the NHS expanding over the years, Marc has made sure that Block's capabilities have kept pace. Five years ago, the company acquired Innovate Partnership who specialise in providing virtual desktop infrastructure (VDI) solutions into the primary care services market. Then, in 2019, Block bought a controlling stake in Connect IP, a company specialising in big networking infrastructure installation.

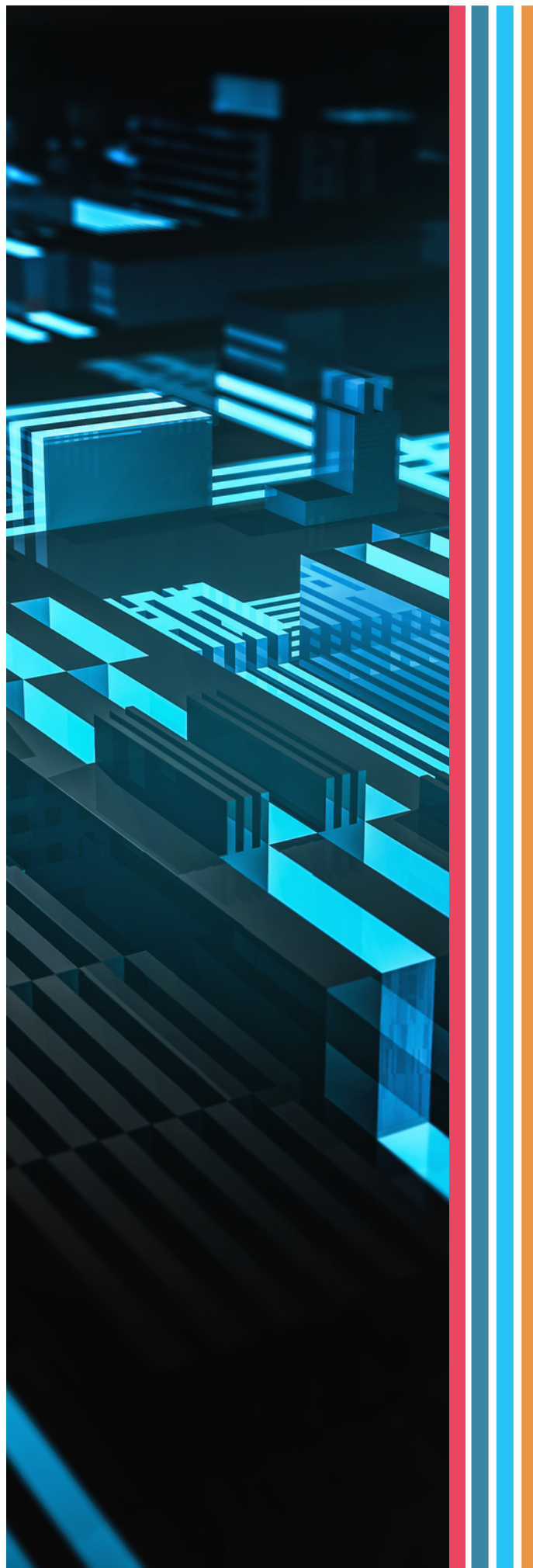
The next challenge Marc saw was the need to develop Block's cyber-security capabilities, since this was rapidly growing to become a significant challenge for his NHS clients. This is where that entrepreneurial spirit came to the fore once again. As Marc explains:

"We looked at acquiring a security firm, but just couldn't find a company at the right price – so we decided to build our own."

The result was Socura, which provides security, monitoring, detection, and response services. "We've taken a cloud native approach and spent the last couple of years selecting the architecture and building the platform, so now we're ready to grow it."

I was curious as to why Marc had made the choice to develop Socura as a separate company. The answer was clear: Socura is designed to be a horizontal play that can grow outside of the NHS and Block's core UK market. As Marc explains:

We got through the initial build and a couple of pivots and we're now at the point where we've got a proven model that we can scale out for that business. I think in the next year or two we'll naturally get to the point where we want to take that wider – probably global."



Always “Future Ready”

This constant eye to future growth is a hallmark of any successful tech CEO. Interestingly, while Marc speaks with confidence of his plans for Block's future growth, “Future Ready” is also one of the key themes of Block's marketing. I asked him what that meant.

“It's all about outcome-focused delivery of IT for clients,” Marc explains. “We do that by leveraging the power of cloud, taking advantage of its scalability and also the automation that it allows you to do.”

Cloud services are very much at the heart of Block's range of solutions, and Marc is clearly excited at the technology's transformational potential.

“Traditionally where we would install things in a bespoke way for our clients on premise, over the last couple of years we've started to re-platform our solutions into the cloud. That allows us to have one standard offering where we're able to guarantee certain outcomes,” he says.

What does that mean in practice?

“We used to provide VDI on-premise. That would take us 6 – 9 months to install. It also cost a great deal with the fixed costs of licensing and hardware and so on. Now we can deliver from the cloud and we can automate a lot of the delivery. If you want to take one of our primary care VDI solutions, it's set up in an hour with all your parameters entered in across the health and social care network.”

I asked Marc what the future holds for Block.

“We've got aspirations to continue to grow the company,” he says, “but really it's having that capability to really help the NHS to transform over these coming years. I think we'll naturally pick up a couple of verticals alongside it over the next few years, and we've got the horizontal play of Socura, but the NHS is the key.”

How to flourish providing tech services to the public sector

To some, it may seem challenging, even counterintuitive, to pursue dynamic growth within a public sector organisation like the NHS, which is often a byword for bureaucracy, slow technology adoption, and chronic underfunding. Yet, for Marc, these challenges are why the NHS needs the support of great service providers, and with every challenge comes opportunity.

“Generally, the NHS has had several years of under-investment, which means there's a significant amount of technical debt across hospitals,” Marc says. “They've had to make difficult decisions on whether to spend a million pounds on a new network or on an MRI scanner or something similar, so the infrastructure and digital side is often the second choice.”

He also highlights a major potential opportunity for Block with upcoming administrative reform within the NHS:

“As of 1st July, probably the biggest change in the NHS for a decade or more will happen. They're looking to establish regional integrated care systems that will bring together trusts, clinical care commission groups, and mental health and social care into 42 regional boards. Budgets are likely to flow through these new integrated regional organisations, changing the way they spend. I think they'll start to standardise across each region, and we'll look to see where we can support by providing shared services.”

At the same time, he says that the UK government has provided “a lot of investment to help NHS organisations to digitise” in the last 12 months or so. The goal of this investment is for every NHS trust and clinic to have access to an electronic patient record system.

In practice, the potential business for a service provider like Block is much broader than that narrow goal might suggest. “People will want mobile access and integrated communications to go with that,” Marc explains, “and that needs a solid underlying infrastructure, which is an area we specialise in.”

I asked Marc if there was now more competition when it comes to providing services to the NHS. After all, while the slow-moving nature of the organisation traditionally put off a lot of companies for competing for the business, Covid had changed all that.

Marc agrees: “During two years of Covid and lockdown, the NHS kept spending money when certain sections of the private sector were under stress, so several companies pivoted towards selling their services to them. I've certainly noticed a lot of vendors starting to pay more attention to the NHS.”

Despite this increased competition, Marc is unfazed, because Block has spent 17 years building up the expertise, capability, experience, and relationships within the sector.



"When you're involved in transformational projects and providing consultancy as we are, you need to understand how they operate, their culture, the appetite for change, the rate of change, and how to engage with them. That people and culture knowledge is absolutely critical to success."

Choosing the right people is the key to long-term success

Another reason why Marc has no fear of increasing competition in the NHS IT services market is the quality of his people. Earlier in our conversation, he was keen to stress that Block was very much about the people, and this was a theme we returned to. Just as two years of Covid lockdowns had changed the NHS IT services market, it has also changed the workforce – something Marc is very aware of, and which he also sees as a potential advantage when hiring and retaining top talent in his business.

"We've always operated in a semi-hybrid way, with sales and delivery people out on site much of the time anyway," he says, "and this is one of the key workforce and IT infrastructure challenges going forward in almost every industry – that rise in hybrid working and people working from home. It's going to put a huge potential burden on networks and security. I think we're prepared for that, but a lot of organisations are not, so it will be interesting to see how this develops."

Marc admits that, whatever work culture advantages Block might have when attracting talent, the company is feeling the intensity of the current fight for talent just as much as any other firm.

"It's a very hot market," he says. "We can find people, but existing employers will often counter-offer."

Even so, that doesn't mean Block will compromise on what they look for in the talent they hire. I asked him what criteria he looks for in senior leaders for the business.

"Ideally you want someone with the skills and direct experience of what you want them to do for you, but beyond that I mainly look for people with specific behaviours and attitudes," Marc says, listing the three key attributes he looks for as:

1. They have a humble nature and are more of a team player
2. They're hard working
3. They're hungry and ambitious and want to come on the journey with us

Solving the biggest challenges of being a tech CEO

Finding the right people is just one of the challenges of being a tech CEO. Chief amongst these is the simple fact that the buck stops with you – you're the one who takes the final decisions, and often these can be difficult.

"There's no manual or training that tells you what to do as a CEO," Marc says. "You've got to kind of figure it out yourself. Everyone's got their own style, has their own challenges, and builds their own type of business."

Although this can get tough, and often lonely, Marc adds that he does have a network of official and unofficial advisors he can draw on, thanks to the camaraderie between tech CEOs. Notably, as well as having a group of non-executive advisors, "I could pick up the phone to 10 or 15 other tech CEOs to bounce ideas off them."

As Block has grown, so the company's challenges have evolved. Marc explained how his leadership style has evolved to match. In the early days, he wore many hats and was more hands on, in the typical style of a growing startup business.

"Over time, as you scale, you've got to evolve your leadership style," he says. "It becomes less hands on and more around communication, setting the vision, giving clarity around objectives, and just ensuring that we're on the right path, getting the right levels of information coming back to you. You've got to establish a senior leadership team as well. It's been an interesting journey to develop myself personally!"