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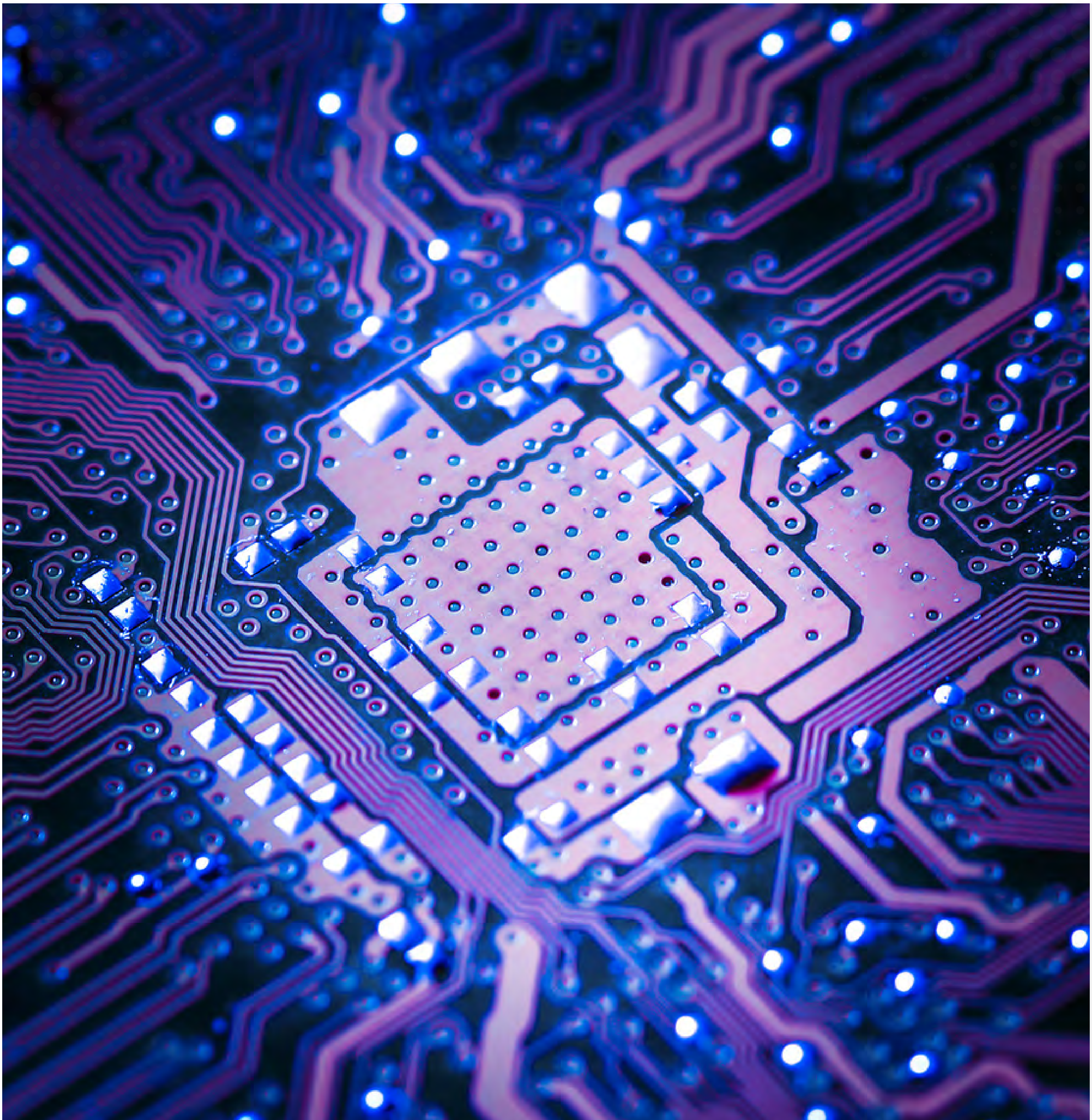

SHEFFIELDHAWORTH
TECHNOLOGY

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SHEFFIELDHAWORTH
TECHNOLOGY

OUR STORY

240+ EMPLOYEES GLOBALLY

12 GLOBAL OFFICES

ESTABLISHED IN **1993**

Sheffield Haworth is a global consultancy founded in 1993 with over 240 employees across 12 offices in Europe, North America, and APAC. We have a history of placing executives in high-impact roles year after year, giving clients a competitive advantage in a fast-changing world. Our vision is to be the leading global consultancy in people and transformational change. We specialise in executive search and interim, talent intelligence, leadership advisory and organisation change management.

Following the acquisition of Gillamor Stephens in 2018 and Symbiosis in 2022, we have consolidated our teams as part of Sheffield Haworth Technology.

We work with start-up, scale-up and mature technology companies, assisting with their senior international talent requirements and specialising in executive search for leadership roles across Europe, North America and APAC. With dedicated expert teams on the ground in our major global markets, we deliver the best senior leadership talent for clients and the highest quality experience for our senior candidate network.

We operate at Board, C-suite, Executive Management and Partner levels across all functional areas.

We have a proven track record and particular expertise in working with technology companies in the following areas:

- Enterprise Software/SaaS, vertical market applications, AI, data analytics, cyber.
- Cloud Services/Digital Transformation Services –hosting, infrastructure services, digital consulting, managed services.
- Deep Technology – space technology, battery technology, AI chip sets, IoT.

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INTRODUCTION FROM
Steve Morrison

Welcome to the 40th edition of insight Magazine from SHEFFIELD HAWORTH TECHNOLOGY

Welcome to the 40th edition of insight Magazine published under our new name Sheffield Haworth Technology.

The latter part of 2022 was positive and exciting for SH Gillamor Stephens. We acquired specialist executive search consultancy Symbiosis Search. Symbiosis' extensive experience in the enterprise SaaS sector increases our coverage and relationships with European and US-based SaaS businesses seeking to build or strengthen their presence in different regions.

In November, we opened a new San Francisco office led by Matthew C'de Baca, Managing Director. Matt has an impressive track record of building the boards and executive teams of US startup and scale-up technology companies. He has brought a team of four with him, giving us the immediate critical mass to support clients and complements our team already established in New York.

This brings our global practice to 33 colleagues specialising in enterprise software, technology services, deep tech, and gaming across the UK, Europe, the US and Asia, with a particularly strong presence in the Chinese markets. Against this backdrop, we decided now was the time to consolidate our brands and global teams under our parent company Sheffield Haworth to become Sheffield Haworth Technology.

The technology sector has enjoyed sustained growth despite the challenges of the pandemic, the Ukraine war, and persistent global supply chain issues. However, with increasing macroeconomic uncertainty in recent months, we have noted many clients resetting their growth expectations and a greater emphasis on profitability from investors.

Having recruited at board level across the technology sector for over 25 years and seen how companies and investors address different economic cycles, we expect that three key roles will be more in demand in the coming months:

- Chief Revenue Officers – to maintain growth against softening demand and a focus on clear ROI over 12-24 months versus long-term transformation projects.
- Chief Financial Officers – to deal with the cost management and funding issues of an environment where budgets are under increased pressure, and investment capital is harder to secure.
- Chief Technology Officers – to address the product-market fit challenges and mainstream opportunity for new technologies in areas such as AI and automation.

INTRODUCTION FROM
Steve Morrison - Continued

With all this in mind, we wanted to get the inside track on the challenges of 2022 and 2023 from influential figures in the technology sector, both here and abroad. It's with great pleasure that we bring you the latest insight Magazine, featuring:

- Unit4 CEO Mike Ettling on how to lead and drive growth through economic uncertainty and what a Good to Great growth journey looks like.
- Industry heavyweight Phill Robinson on his drive to leverage the lessons he learned working with Salesforce CEO Marc Benioff to replicate the Silicon Valley success mindset in Europe.
- Entrepreneur, investor, and CEO Adhrita Norwin on the inspiration and vision for her company Askria and the $3 trillion market gap the company was designed to fill.
- Martin Hess, former chair at Telefónica Tech UK & Ireland, on how to grow a technology services business and drive market growth.
- Giorgia Longobardi, CEO and founder of Cambridge GaN Devices, on the company's recent successful series B funding round and how to get more women into the deep tech sector.
- Sam Jacobs on how his company Pavilion is spreading a counterintuitive approach to business success and why sales remuneration needs to change.
- Serial tech founder Mark Simpson on the secrets of his multiple successful growth journeys and exits.
- Founder and CEO Hao Zhong on the challenges and increasing geopolitical tensions of trying to build a tech business in the US as a Chinese citizen.

I hope you enjoy this issue of insight Magazine and I welcome your feedback.

Steve Morrison
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Previous issues of insight Magazine can be viewed here.

LEADING FROM GOOD TO GREAT EVEN IN UNCERTAIN TIMES

A conversation with Mike Ettling, CEO, Unit4

BY STEVE MORRISON, MANAGING DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

Mike Ettling is the CEO of Unit4, a cloud-based enterprise software and services company. He is a non-executive director for several businesses, and has been a tech and software business leader for 30 years.

All of this experience meant that, even as Unit4 experienced Covid-related turbulence less than a year after he joined, he had a clear vision of how to manage through the disruption. Besides that, he also has a lot of insightful things to say about leadership in the context of PE-backed businesses, the concept of collaborative IQ, and what it takes to lead a growing company on its Good to Great journey.

The dangers of over-reaction in uncertain times

Having only recently come through the economic impact of Covid, we're now plunged into yet more global uncertainty as a result of the war in Ukraine, continuing supply chain issues, and the threat of global recession. For Mike, however, the key to managing in tough times is to avoid over-reacting.

"You've heard the CEOs of big software companies saying they regretted cutting too much in 2008, right?" he says, adding: "During Covid it was the same. Many companies looked to cut costs too deep and too fast."

Mike's leadership team took a different approach. "We didn't want to let people go because of Covid, but we still had to protect our business. The question was how to build dykes to protect the business from being flooded."

> “*It's pointless trying to guess the height of the wave. Just build the dykes and then you can deal with the wave when it comes.*”

His team came up with three 'holy grail' things they wanted to do during Covid:

1. **Not making people redundant**
2. **Not cutting bonuses**
3. **Not reducing marketing spend**

"By sticking to these promises, we were then able to focus on successful initiatives to get the business through Covid, and we ended up in a much stronger position than we would otherwise have been."

His team also ended up banning scenario planning. As Mike explains: "If you put out numbers, people will fixate on the lower number. It's pointless trying to guess the height of the wave. Just build the dykes and then you can deal with the wave when it comes."

The Race for Success – what it means and how it works

Although the company is well past Covid, it still faces operating in an uncertain economic climate, so is Unit4's approach the same? To an extent, it is. Mike emphasises that most recessions are shorter than people realise: "The data on recessions over the last 50 years shows they've lasted for an average of nine months."

At the same time, companies tend to react too late when recessions happen: "They're still taking out costs and being reactive by the time things are recovering, and then they're behind the curve."

> ***If you only take out cost, you're not going to succeed. You also need to focus and accelerate."***

With this in mind, Mike and his team developed an approach to managing through tough times, which they call the Race for Success and which boils down to doing three key things:

1. **Streamline. Emotionally difficult, but easier operationally. Take out 10% of your running costs to get fitter and nimbler. "This is important but if you only take out cost, you're not going to succeed – you also need to look at points two and three."**
2. **Focus. During good times companies often lose focus. When times get tough, it's time to ask what you should focus on and where to put your dollars. Bring focus back to the business and cut all superfluous initiatives. "Redefine and reconfirm your focus and put the money behind it to support it."**
3. **Accelerate. Identify and develop a handful of accelerators – five or six things which, if you put effort and energy into, will accelerate the business as you come out of a downturn.**

If the worst-case scenario comes to fruition, accelerators can instead become mitigators that stave off the worst, but they remain essential to put in place. And the key to getting all of this right?

"Your people have got to understand the full plan and why you're doing it. Then one is in a good position to be able to weather whatever happens next year, come out of it and take market share."

The leadership challenges of Good to Great

The importance of having the right people in place is a point that Mike often returns to. In March 2021, Unit4 announced a strategic growth buyout by private equity firm, TA Associates. This was quite an achievement for any company during Covid, let alone one that had begun to lose its way in the years before Mike came on board.

As Mike explains: "The journey from when I joined to when we sold to TA was very much taking a business which had a lot of really good things, but was not in good shape, on a sort of 'Bad to Good' journey. What got TA interested in the business was the opportunity to now take it on a 'Good to Great' journey."

Mike believes there is a significant difference between those two journeys – Bad to Good and Good to Great are not the same. They require different visions, skillsets, and mindsets – and that often means they require different people.

"My team now includes maybe 20% of the people who were with me on the Bad to Good journey. They did a phenomenal job as leaders getting us to that point, but they're not the right leaders for the next phase of the company's growth."

The difference for Mike is largely about experience:

"When you're on the Good to Great journey, you really want a team that knows what Great is, has been on that journey and has already lived in Great and comes with the right mental model of where things need to go. You're doing so much transformation in the Good to Great journey, which would be made a lot harder if you have leaders who are, at the same time, learning what that looks like. If I look at the type of leaders I've brought in, it's people who've been there, done it, and experienced it."

The importance of the right PE partner

"A lot of PE firms like companies which are on Good to Great journeys because they often offer very asymmetric returns," Mike says. But it's also important for those companies to have the right PE partners on the journey.

"We chose TA because we really felt they could bring a lot of pattern recognition, helping us with unknown unknowns, avoiding pitfalls, and accomplishing our journey faster. That also needs a management team which accepts there's going to be a lot of learning to be done. In the year since we've been with TA, I've learned a number of things which I never knew before, which I think are really great leadership practices."

In his career, Mike has alternated between working at big corporates and working at PE-backed companies. This combination has worked well for him, although he says "well-run PE companies are way less political. You're focused much more on building a great company and what the business will look like in three years' time, not so much on every quarter."

That longer-term view is very helpful when trying to focus on building a great business. When it comes to TA, Mike particularly praises the firm's focus on exit run rates rather than the quarterly P&L, as well as its focus on backwards sales plans, a model that determines week by week what pipeline you should have to deliver the projected outcome, based on historic win rates.

Leadership, mindset, and culture

In the end, a lot of leadership success boils down to mindset and culture. As Mike says, "For a while, we were on a treadmill to get to where the company was good. But you can't simply run faster on the treadmill to get better. I had to communicate to the company that this wouldn't work. Instead of just going faster on that treadmill, we would need to climb onto a different treadmill – or a cross trainer – to get to Great. Getting people to really understand this was a key component for us."

In other words: "Just because you've succeeded in becoming a good business, it doesn't logically follow that you'll succeed in becoming a great business."

> ***Do your leaders build and increase collaboration in your organisation?***

So, clarity of vision and transparent communication are important, as is the willingness to learn and develop. But Mike is also interested in a concept known as collaborative IQ – or We-Q:

"We've always talked about IQ and EQ, and how both are really important. We-Q is defined as a person's ability to collaborate and increase the circle of collaboration. Can a leader come in and foster broader collaboration in an organisation? I think it's an interesting concept. Do your leaders build and increase collaboration in your organisation? Because that's a really important success factor. I'm doing a lot of research on this topic, both around how you measure it and how you have it as a goal."

How is Mike planning to lead Unit4 through an uncertain 2023 and 2024?

With such a clear leadership vision and style, how does Mike see the next couple of years playing out? The first point he makes is that, thanks partly to the impact of Covid and the need to digitise, more than 50% of Unit4's revenues are now cloud-based. The main challenge now is for the company to move more of its maintenance book to the cloud.

Beyond that, Mike seems calm about the challenges that lie ahead:

> ***Don't fixate on the things you can't control.***

"We're not seeing pipeline disappear, as we did when Covid happened. But we are seeing deal cycles slow down. Year on year, average deals to close has increased by about 20% and the days to close is also 20% up. We are seeing organisations double checking the business case and adding extra people into the approval chain. But we're not seeing people saying they don't want to buy software or stop the process. People are still very focused on the need to digitise."

In short, Mike's mindset and his message come through loud and clear:

"Don't fixate on the things you can't control. Fixate on the things you can control. Build the best plan you can. Execute on it. Keep people focused on the mission and the purpose, and then deal with whatever comes."

"IN EUROPE, FOUNDERS AND CEOS DON'T COMPLETE THEIR MISSION"

A fireside chat with Phill Robinson, serial CEO and founder of Boardwave

BY ANDREW PARKER, MANAGING DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

Now a software industry heavyweight, Phill's career took off when he went to work with legendary Salesforce CEO Marc Benioff as his CMO. Today, he's looking to foster a Silicon Valley-style mindset and support network in Europe with his organisation Boardwave. Andrew chatted with Phill about what he's learned during his extraordinary career, the obstacles impeding growth in the European software industry, and what the future holds for Boardwave.

Q: You began your career in software engineering and moved through development into product management and into marketing. Why marketing?

I realised after doing a couple of years of software engineering at Oracle that it wasn't for me. I felt more entrepreneurial. I tried to move towards the more commercial functions of the business and moved towards pre-sales, then product management.

It seemed like a natural progression from being a product expert into marketing and I spent a long time as a Marketing Director, VP of Marketing and Chief Marketing Officer at Salesforce – all over about 15 years.

Q: You went up through the ranks in marketing, including at Salesforce. What kept you in marketing?

Once Salesforce got started in Europe, six or seven of us left Siebel and joined Salesforce on the same day because we had become disillusioned with the company's direction and leadership. Within a year, Marc, the CEO of Salesforce, asked me to move to California to be his CMO. I worked there for three years. Marc is the best marketeer I ever met, so it was an amazing experience to work with him through the early success of the company and their IPO.

When I returned to the UK, I decided I wanted to run my own business as CEO and not work for US-headquartered businesses – which I'd been doing since leaving university. I ended up working for a venture-backed business in Cambridge.

Q: What did you learn by becoming CEO of a much smaller business after Salesforce?

I joined a business with 40 people selling video distribution software over the internet. I thought a small company would move at pace, but they just didn't have enough people to do the things I wanted to get done. In the end, we commercialised the proposition in the first year and made £5 million of revenue, but we found the product didn't really work as expected once it was in the hands of our customers.

I went to the investors and said that unless they were willing to put another £25 million into rebuilding it, it wouldn't be viable. They wanted me to keep going and generate more revenue but that didn't sit right with me, as it meant delivering a sub-standard service to customers. I couldn't persuade them to either sell the business or invest in it. I resigned, which gave them the focus needed and they ended up selling the business. I learned about venture capital and how investors can behave in bad times versus good times.

Q: You then ended up at IRIS, right?

That was a good opportunity because it was a later-stage investment. It was a viable business and already at £35 million turnover. And it was a division of a bigger company.

In the end, we sold the whole thing to HG Capital in 2011 and they created two separate companies. We continued the IRIS Software business, where I stayed as CEO for six years. I'd learned a lot in California about how to run a business in startup and scaling mode. These days IRIS must be something like a £250 million revenue business with over 2,000 people and remains in Hg ownership.

Q: At that point of being CEO of IRIS, did you feel like you had made it in terms of your career goals?

I've got imposter syndrome and never thought I was good enough. Working class background, first person from my family ever to get a degree. Throughout my spell in California I never felt good enough to even be in the room and thought that someone would eventually find me out.

I had a couple of epiphanies at IRIS about leadership, though. As a leader you're trying to create the conditions where other people can make decisions. At a certain scale of business you can't make all the decisions yourself, so you have to trust your team. Making the conscious effort to do that taught me to change from being a manager to a leader and build the team that could deliver. That was my big epiphany at IRIS. It changed my life and made me more productive and happier.

Q: There are two parts to your career – first working for US businesses, then for European businesses like IRIS and Exact as a CEO. Talk me through what you've learned from each business culture? What does each do better?

After Exact I came back to the UK retired, thinking that I'd do some things with my family that I couldn't otherwise do later in life because of having been diagnosed with Parkinson's.

At the beginning of 2022, I was reflecting on why European software companies can't build global leaders in the way the Americans can. Typically, the first issue was access to capital. More money flowed into California than in Europe. That's not the case anymore and there's plenty of investors in European software.

Another difference has been that everybody knows everyone else in Silicon Valley. They go to the same schools. My youngest daughter went to prep school in Palo Alto with Steve Jobs' kids. There's a community feel to the place. They're also culturally prepared to pick up the phone and talk to people about their challenges and issues, and how they've built their businesses.

I used to ride to work with Marc Benioff and he would call up Larry Ellison and say, "I've got this problem, what should I do?" Or, "I'm thinking about this, what do you think?" They share their knowledge, their wisdom, and their experience.

We don't have this nurturing and supportive culture in Europe. We have knowledge, wisdom, and experience from the past 20 or 30 years but it is fragmented and isolated. Fragmented by distance and culture and language, but also by size and scale.

A young startup founder cannot easily get access to someone like a Marc Benioff or Leo Apotheker, who built SAP. Small companies can't get access to the people who've got the knowledge.

The other major difference is appetite for risk. Californians have a higher appetite for risk and the reason is this: if you are a startup founder in

Europe and you get to 20 or 30 million ARR, that's a success. Someone will come along with a cheque book and offer to buy the business. Chances are, you might take it and go and do something else.

Meanwhile, the Californian is driving through Silicon Valley, where there's Facebook and Salesforce and Oracle and Adobe. They don't see selling a business at 30 million ARR as successful, so they have a higher appetite for risk. In Europe, CEOs and founders don't complete their mission. They typically get to the halfway stage and stop.

That was why we came up with Boardwave, a community where all the best and brightest CEOs of software companies in Europe can get together, share their knowledge and experience and wisdom of what they know with other people to help them grow.

Q: Is there a difference in the cultural level of ambition?

I don't think that's necessarily true these days. People building software today don't have that cultural legacy around their necks. A lot of the founders we see are building great businesses and are very commercially-minded, just like the US. They just need a bit of nurturing and support.

Take the example of Felix who runs Collibra. He set it up in his university bedroom in 2012 and now has a $200 million ARR business and a $5billion+ valuation from his investors. His mission is to build a billion-dollar business. He's not stopping along the way. He's going to complete the mission.

He's a member of Boardwave because he wants help and support to get to a billion, with other people we can put around him at Boardwave. He can also help other people who are two steps behind him on the growth journey.

Q: What has the reception to Boardwave been like?

Within the first eight months we've got 650 CEOs and founders working together. When they join we ask if they would be prepared to be mentors and half of them accept.

It's free to join if you're a CEO or founder. I didn't want to create a barrier to someone creating a company in their bedroom, or someone who's trying to get product-market fit with their first million dollars of revenue.

We charge the people who supply the software industry: investors, lawyers, accountants, advisors. They pay us to be corporate members and sponsors of the community. We are an impact-driven business and work out what the community's going to cost to run, not how much profit we can make. We divide the proposed costs up and tell the sponsors what the fee is going to be based on that.

I started back in March 2022 thinking I might get five or six sponsors and I've now got 45. Almost every big PE firm is in. Many of the large venture firms are in. As well as some of the bankers, recruiters, and other service providers.

I want to enable the next generation of founders to build global businesses. I want to build a better, stronger European software industry. I fundamentally believe that in the next 20 years national and international economies will compete based on their investment in technology. It's fundamental to our success in the UK as it is in any other European market. But we're lagging behind the US and China.

If we're going to be a player on the global stage, we need a vibrant, successful, well-supported software and technology industry. If we don't invest in it and give it the support it needs, it's never going to get there.

Q: Looking at the macro-economic environment, how do you think this might play out in the next few years? What advice do you have for software founders and scale-ups in this environment?

My advice for those with external investors is to understand how they think about and manage their world. A lot of the issues you'll face, you need to face together. When things start to get more difficult, that's when you all need to be on the same page with the same plan going in the same direction.

Then consider whether you really need to raise any more money. Could you make the last investment round last longer by slowing growth and managing your cost base more carefully? Could you weather the storm and not take on more capital in the next nine, 12, 18 months (however long the recession takes)?

Q: Tell us about your hopes for 'Cure Parkinson's'?

I was drawn to Cure Parkinson's because they focus on urgent research to find a cure. They've put together a global panel of expert neurologists who meet every year and review a portfolio of research projects. They debate these projects and prioritise just five. Then Cure Parkinson's tries to get those five projects funded – either through their own funds or via partnership and influence, such as the UK or US government or the Michael J Fox Foundation.

They also take drugs already approved for a different human condition and try to repurpose them for Parkinson's, which means they can have new treatments come to market within five years rather than 10 or 20.

There are six stage-three trials for Parkinson's drugs today in the world. Two of those are from Cure Parkinson's. I'm involved in one of them myself, taking a diabetes drug that also appears to have neurological benefits. If this is approved, it will be the first major new Parkinson's drug in 50 years.

"MAKING CAPITAL MORE ACCESSIBLE WOULD CREATE A NEW ERA OF STARTUP INNOVATION"

Q&A with Adhrita Nowrin, CEO and Founder of Askria

BY CHRIS HORNBY, DIRECTOR, SHEFFIELD HAWORTH TECHNOLOGY

Adhrita Nowrin is an entrepreneur and investor with over 10 years' experience building, funding, and advising businesses in multiple sectors, including FinTech, fashion, real estate, deep tech, and investing. In March 2021 she co-founded the FinTech platform Askria.ai.

Adhrita recently took some time to speak with Chris Hornby on the inspiration and vision for Askria, and the $3 trillion market gap that it's designed to help fill. They also discussed the opportunity cost of the lack of diversity in the startup and VC world, and how Askria could actually help to tackle this problem while also helping to create a new era of startup innovation.

Q: It's been around 18 months since you started Askria. Tell us about the product and your journey so far.

A: I've been a founder and an investor in my career. I've personally experienced various challenges over the years, including biases in decision making, lack of data, information asymmetry, limited financing advisory and lack of resources.

I started Askria in 2021 with the aim of tackling some of these challenges by building a data-driven platform - a digital CFO for startups. Our financing approach aims to create a more inclusive and more financially sustainable startup ecosystem, to democratise fundraising by creating a smart decision engine for startups and investors. Investors can also use Askria as a due diligence and post-investment tracking tool.

Today, 98% of businesses don't meet the venture requirements for equity financing and 30% don't have the assets necessary for debt financing. This has led to a $3 trillion global funding deficit. Current fundraising processes are also manual and time-consuming for founders and investors.

When we started Askria, we spent six months researching existing solutions and market needs, conducting interviews with startup founders and investors. That's how we identified the market gap.

After the research, we started building the core team and spent time hiring product designers, developers, data scientists, and financial engineers to build the first version of the product. As part of that process, we also raised our pre-series capital from one VC and a couple of angels and we have now developed the MVP over the last few months.

We have about 200 startups signed up right now – pre-seed, seed and series A. We have secured 100+ funders on the platform covering different types of financing options.

Q: There remain very few female founders in Europe and the US – even less so from Asian backgrounds. How do we promote greater participation of people from broader backgrounds as founders of tech startups?

A: The current state of diversity in the space – where only one in six founders are Black, and only 3% of venture capital funding goes to women-led companies – is unacceptable. Especially since making capital more accessible to diverse founders would unleash a new era of innovation.

> ***The current gender bias in venture capital and the missed investment opportunities that result from it is one of the most pressing issues facing the industry.***

Research has shown that diversity in a portfolio can lead to better investment returns for funds and at the individual portfolio-company level. For example, venture firms with at least one female founder generate 9.7% more profitable exits.

What more proof do we need that the current gender bias in venture capital and the missed investment opportunities that result from it is one of the most pressing issues facing the industry?

I think we need to solve these challenges simultaneously. It's not just about encouraging more diverse founders, but also getting more diverse investors to the table.

We can see the industry incorporating machine learning, predictive analytics, and other quantitative approaches to evaluate startups in order to control biases.

Artificial intelligence (AI) is being implemented in VC processes across the board, from automating screening to augmenting investment decisions for higher returns. Researchers at the University of St. Gallen constructed an investment algorithm and then compared its performance to that of human investors. The algorithm outperformed the average returns of the human investors by 184%.

So the question is not whether we should replace human decision making with AI, but rather how to combine our strengths and augment our weaknesses.

> ***Startups don't necessarily need to be founded by women, but they do need to have female senior leaders to bring that diversity of thought and experience."***

This is one of the main inspirations behind what we are building at Askria. Building a data-driven system helps investors decide who to invest in based on KPIs, which should help minimise any unconscious (or conscious) framework biases around gender or ethnicity or anything else.

Beyond looking to use data and algorithmic decision-making to help eradicate biases in investment decisions, there is another approach which would be helpful. That's bringing in more female co-founders or leaders into existing startups.

Startups don't necessarily need to be founded by women, but they do need to have female senior leaders to bring that diversity of thought and experience that can be so beneficial to a company's chances of success.

Q: What advice would you give entrepreneurs looking to build a company for the first time?

A: There is no strict rule for how to approach fundraising, what the journey looks like, or at which point you want to fundraise.

The first question is when is the right time for fundraising? I'm not the only founder who will tell you this. This is still a network and relationship-based industry, where you should be building relationships and planning your fundraising a year before you need it.

> ***You can be making as little as $5,000 in monthly recurring revenue and qualify for certain kinds of alternative financing."***

Having more ecosystem partners, other founders, recruiters, accelerators, advisors – it's better for founders to build those relationships as early as possible, unless they come from a background where they already have those networks. For first-time founders, it's always a challenge. Personally, I would always focus on developing that network as early as possible.

I am a big fan of bootstrapping companies, where you would ideally find product-market fit before going for outside capital. One benefit of alternative funding is you can be making as little as $5,000 in monthly recurring revenue and qualify for certain kinds of alternative financing. For that you don't necessarily need a big network, just access to different types of investors, which Askria would give you. From our research, there's a huge $3 trillion gap in the startup market where founders could benefit from alternative financing in as little as 24 hours with the kind of traction that traditional finance would never even look at.

Q: There are a lot of financial analytics modelling platforms, we've seen some successful, some less so. What's particularly unique about the product you're building?

A: Quite a few companies have come along in the last couple of years that offer financial tools but what makes Askria stand out is that with our model a company doesn't need to have any knowledge of finance or modelling. Our product enables founders to focus on the product and customers while we take care of the financial model and fundraising journey.

Q: What can we expect to see in the future from Astria?

A: Over the next 12 months we plan to launch this product to 10,000 businesses via different channel partners. Some of our funding partners will launch Askria as part of their proposition. It's all about getting the product out there, getting it established in the market, and we'll be looking to service SaaS, ecommerce, and web3 marketplaces.

> ***Our vision is to develop a pure performance-based financial tool and financing engine to help revolutionise diversity in the startup and VC space.***

Longer term, our product vision is to have a smart engine platform where a company can get matched with capital and instantly funded based on their KPIs. No prejudices, no extraneous factors – a pure performance-based financial tool and financing engine to help revolutionise diversity in the startup and VC space. That's the next step for us.

HOW TO EVOLVE A TECH BUSINESS & DRIVE MARKET GROWTH

A conversation with Martin Hess, Portfolio Non-Exec and Former Chair at Telefónica Tech UK & Ireland

BY STEVE MORRISON, MANAGING DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

A true Technology Sector veteran, Martin Hess began his career in sales for IBM in 1985. He went on to achieve great success leading HP's sales across the UK and Ireland, with a team of over 600 people and annual sales targets of $5 billion. This was the UK's largest IT sales team at the time.

Yet, when speaking to Martin, it's the entrepreneurial side of the sector he seems to have valued most. After 10 years at IBM, he moved to Mantix Systems, a much smaller software company. He has alternated between corporates and smaller startup or scale-up businesses ever since. As he puts it: "I learned a lot from the big corporates, but I've always been attracted to the dynamism and agility of the smaller businesses."

This combination of skills and experiences came in particularly useful in recent years, when Martin led the transformation of IT reseller OCSL into an IT services business and then led a series of mergers and acquisitions that culminated in an exit to Telefonica Tech in 2021.

Experience at IBM and HP

IBM gave him a great grounding in the industry. "At IBM, we never really sold hardware per se. We were selling the transformational power of IT to a business. And I was surrounded by some really talented people," he says. "The IBM salesperson back in the 80s was taught that every resource in the company, from the CEO down, was there to help with business and help customers. It was a great culture."

> ***The wrong sort of leaders just keep weighing the pig, expecting it to change. But really, you have to work out what aspects you can influence and then focus on them.***

At HP, Martin developed his leadership style. "I never asked the team to do anything I wasn't prepared to do myself, and I always put the customer first," he says.

When asked how he dealt with annual sales targets of $5 billion, his response is pragmatic: "With such a huge target, as a leader you're only going to have an impact at the margin. The wrong sort of leaders just keep weighing the pig, expecting it to change," he adds, "But really, you have to work out what aspects you can influence and then focus on them."

It's clear that results are more important to Martin than working up the corporate ladder. Indeed, he never had much time for corporate politics.

> ***Be true to yourself. I could have played the game, but I spent more time looking downwards and outwards than upwards.***

"I turned down my first VP job offer at HP. It was too internally focused and wouldn't have played to my strengths. Not long after that, the right job came along: five years running the biggest UK sales operation in IT. It was perfect. Be true to yourself. I could have played the game, but I spent more time looking downwards and outwards than upwards."

Growing a small IT services business into a prime acquisition target

After 11 years at HP, Martin became Executive Chair at small IT reseller company OCSL, growing the business to the point where it was acquired by Cancom in 2018. Martin then became CEO Cancom UK&I, leading the mergers of Cancom, OCSL, and Novosco, and growing the new business culminating in a successful exit to Telefonica Tech for €400M in 2021. He then became CEO of Telefonica Tech UK&I before going on to acquire Glasgow-based Incremental Group in March 2022.

Running this business was a very different experience to running large sales teams at HP. It's important for managers to be aware of the significance of these differences if they want to be successful, Martin believes.

> ***If you come in with the wrong attitude you won't get people to come along with you.***

"You have to be adaptable," he says. "OCSL was a very entrepreneurial environment with little structure, but that worked because of their size. The worst thing I could have done was to be critical of what they were doing differently from how I'd been doing things at HP. You must seek to understand before being understood. If you come in with the wrong attitude you won't get people to come along with you."

Martin began by understanding what had made OCSL a good company before making the changes he thought necessary to evolve the business from a product reseller to a more services-based business.

"It's about not thinking you've got all the answers. And whatever you do, don't come in with a cookie cutter approach! You have to be very careful about making changes."

How Martin evolved a reseller into an IT services business

Put frankly, Martin says, "changing a reseller into a services-centric business is bloody hard!" Because of this, it was essential to be clear on his strategy and what he could offer the market before going ahead and productising OSCL's offerings.

"Generally speaking, the IT services industry hasn't been very good at doing this," Martin says. "There's a sense that services are more glamorous or high profile than product re-sales, but actually you can learn from the productising that takes place in the product world and try to apply that. Salespeople are most effective when they're clear about what they're selling, so it can be dangerous when you transition from a clearly defined product world to an undefined services world.

"You can't be overly ambitious about what you're selling in the services space and you have to get very good technical people in those services areas. Also, while you still need your great rainmakers on the sales team, in our cloud-based world with its subscription-based model you also need customer care execs and customer service execs, because you're not getting all your revenue upfront anymore. Your commission and reward structure must reflect that."

> ***Don't tell the world what you do;***
> ***tell the world what you want to do.***

This was a significant internal change at OCSL, but how did they go about changing clients' perceptions of the business?

"We completely rebranded the business nine months after I joined, changing everything from mission, vision, and values to the brand look and feel. We completely revamped the brand, because up until that point, OCSL had been essentially an arm of HP. This had enabled OCSL to grow to £60m – £70m turnover, but as HP's position in the market changed, it was a risky place to be."

From revamping the brand, Martin and his team went on to remove the products they had sold from the website and refused to talk about them. Instead, they emphasised what they wanted to become – a managed services company.

As Martin says: "Don't tell the world what you do; tell the world what you want to do."

Tips on acquiring and integrating businesses

Part of OCSL's evolution into a managed services business was acquiring other businesses in areas where OCSL wanted to add expertise they didn't yet have. As Martin puts it, he pivoted the OCSL business three times since 2016:

1. **From product reseller to traditional managed services**
2. **From traditional managed services to cloud-based managed services as CEO of Cancom UK&I**
3. **From cloud-based services to data and business apps as CEO of Telefonica Tech**

"You've got to constantly look at where your market is shifting to and anticipate that shift. But it's hard to do that organically, which is where I feel you almost have to acquire."

> ***Don't be afraid to let the founders of an acquired company go if they are not going to help you on your transformation journey.***

WHAT OTHER TIPS ON ACQUISITIONS DOES MARTIN HAVE TO OFFER?

- Don't be afraid to let the founders of an acquired company go if they are not going to help on your transformation journey. Often, founders are happy to leave and do other things, so let them go.
- **The team you want running the integrated business needs to be looking forward to the future, not where they came from.**
- You'll often spot the key talent you need in the tier below the founder level. Make sure those people are motivated to stay.
- **To be successful you've got to have a cultural foundation on which to assimilate and integrate the new companies.**
- Be clear on the type of company you are because that's what you're trying to attract these people into. That requires strong leadership around your vision and journey.
- **The really hard bit of integration is having systems. Be clear about what the target platforms are. Know it, but don't rush it.**
- Be very clear about where you're taking the business and why you bought those companies. "In our case, we bought them to drive growth, not to consolidate and take cost out."
- **Make sure your integration strategy is consistent with why you bought each business – and remember that you often have different reasons why you acquire different businesses. "We bought some to scale up, one to move into adjacent markets and optimize our cross-selling potential, and it was vital to keep those goals clear and consistent all the way through."**

You must take your people with you

Ultimately, for Martin, where you're acquiring and integrating businesses or focusing on organic growth, it's vital to take your people with you. "That requires strong and clear leadership," he says, adding that one of the key reasons he has been able to stay ahead of where the market's going was due to having a great CTO.

"Yes, I'm always talking to customers and spending time with people like Megabuyte and Gartner," Martin says, "but I also talked to the CTO. This is another example of why you need to bring on good people and keep them motivated, because they're the ones who will take you where you need to go."

"OWN YOUR OWN DIVERSITY IF YOU WANT TO BECOME A LEADER"

Q&A with Giorgia Longobardi, CEO and Founder of Cambridge GaN Devices Ltd

BY DAN MACNEILL, DIRECTOR, SHEFFIELD HAWORTH TECHNOLOGY

When you speak to Giorgia Longobardi, the first thing you realise is that she enjoys taking on a challenge. Indeed, she ascribes her entire business career to this. As with so many deep tech startup founders in the Cambridge area, Longobardi entered the business world after an impressive academic career during which she began working with gallium nitride power transistors as part of her PhD thesis.

"I had the option to choose between a project that was very well known or a new topic that nobody had worked on before, but which had the potential to increase energy efficiency and cut losses massively," Longobardi explains. "As per my character, I jumped into the area that nobody knew."

Fast forward six years to today, and Cambridge GaN Devices (CGD) has launched its first commercial product, raised series B funding of $19 million, and employs 40 people.

Dan MacNeill recently visited Ms Longobardi at CGD's new offices in Cambridge to discuss the growth of the business, its recent successful series B funding round, and how to solve the challenge of getting more women into the deep tech sector.

Q: In recent years with the rise of the Tech for Good movement, we've seen a lot more job candidates wanting to work for companies committed to giving something back rather than just focusing on profits. How important is that for you?

Having a positive wider impact on society motivates me and many of the people working for Cambridge GaN Devices. After all, when I decided to build a business in GaN, it was due to a combination of my deep knowledge of the technology, an awareness of its potential applications in the market, and the opportunity to bring to market a technology that can reduce energy losses and have a wider impact on society.

Sustainability is one of our key values – not just in terms of the product, but with everything we do. If you asked many of our recent joiners why they were attracted to work for us, they will answer that working on a technology with the potential to help the environment is a key reason.

Q: You've grown as a business and been hiring over the last 12 months. Your series A funding came in last year, which is great news too. What's the business going to look like in 12-24 months from now?

As we speak – we haven't publicised this yet, so you're getting this first – we recently closed our series B. We had a significant investment of $19 million backed by our current investors, who believe very much in the technology, the market, and the company overall, plus Cambridge Innovation Capital.

Now we're looking at the scale-up phase, where we move from proof of concept to first product to high-volume production; and expanding into other countries from China to the US and Europe.

Q: The markets seem trickier this year than last. How have you found the whole process with the new round?

It's always challenging to fundraise and it was challenging for us, but we were – and are – lucky to have the support of our current investors. This is essential during the scale-up phase for any business.

One thing we had on our side was the huge growth of the gallium nitride market. They used to forecast a market value of $1bn – $1.2bn by 2026. Now the forecasts for 2027 are $2bn, so it has almost doubled.

As well as a growing market, investors want to see a strong team. We needed to show that we had the knowledge, that our technology works, and that there was product-market fit with customers looking to use our technology.

Q: You launched your first commercial product in March this year. How was that received?

There are always barriers to entry for new companies launching a product to market for the first time. No one really knew who we were at that point. Customers want to trust their suppliers' technology and their ability to deliver high volumes. As a new player that's difficult to prove, but we demonstrated it thanks to the commitment and hard work of the people in the business.

We also have a strong value proposition. Customers could see that we were bringing a GaN product that was easier to use and would allow them to be much more energy efficient. So, the response from the market was overwhelmingly positive.

Q: One thing I've noticed working in technology for 12 years now is the relative lack of female candidates in the talent market, particularly in deep tech and at senior levels. Only 15% of deep tech startups are founded or co-founded by women. Do you have a view on why that is?

There's been lots of talk about this issue and how to improve the situation. There is a lack of role models for women in the industry to show what's possible. Plus, it can be challenging in a male-dominated environment to feel at ease.

Things have been changing, but we do still need more women in senior roles, partly to act as role models but also to help talk about important issues. One of these is the career-family situation. It is challenging to be an entrepreneur and start a family. What's the best approach? The more we talk about these things, the more women will see they are not alone – and the more likely it is that the industry might find solutions.

Q: The lack of young women studying engineering is often pointed to as an underlying reason for the lack of female founders or senior leaders in tech. Is there a reason why more young women aren't choosing to study engineering?

It's the stereotype. When you're young and you hear about engineering you think about the stereotypical person in a lab coat doing uninteresting work. One of the things to do is to show the impact that doing something in engineering can have.

When young women relate a career in science with helping the environment, or helping to solve the next societal challenge, I'm sure more of them will become interested. It's about making the whole industry more relatable.

Q: What was it that attracted you to technology at a young age?

I always loved the challenge of science. I didn't know what electronics engineering was when I started but I wanted to do something that was applied physics and mathematics and which could one day have an impact.

The Royal Academy of Engineering is doing a great job trying to promote engineering. Their 'This is Engineering' campaign shows what the potential real-world impact of engineering can be. And, by the way, the CEO of the Royal Academy is a woman, so maybe those two things are linked?

Q: Statistically, female-founded or mixed teams outperform male-only teams, yet across Europe only 2% of VC funding goes to female or mixed-founder teams. Why is this?

There is a lot of research out there saying that women tend to undersell themselves. That goes back to the issue of confidence and the way they approach pitching their company or idea.

This same idea goes for senior leadership teams more broadly. One reason we need more women in senior roles is to increase diversity of thought. But I see so many profiles and CVs, and I can see that women aren't applying for jobs unless they feel they fit a job description perfectly, whereas men are much more likely to do so.

I recently had to convince a friend of mine to apply for jobs where she would be a perfect fit, but it was very hard to convince her because she thought she didn't fit the job descriptions well enough. Yet, as I know well, companies are looking for diversity, different experiences, and different ways of doing things.

Q: What can companies do to communicate this more effectively?

Well, it's partly about action. The UK is one of the worst countries in Europe regarding mandated maternity policies. But one of the things you need to support a gender-diverse team is a strong maternity policy.

To have women in senior roles, they need experience. For that, you need to hire them in more junior positions. But they need to have the possibility of having a family if they want as they become more experienced. If you don't support that, you lose that diversity.

So, we've worked a lot on changing our maternity policy. We see it as an investment in the company as a means of maintaining the diversity we have created. By the way, it's also important to support fathers with good paternity leave policies too. If you assume it's always the mother who needs to look after the child, then there will always be that imbalance, so having a supportive paternity leave policy is important too.

When we proposed it, the board of directors was extremely supportive, and that is incredibly helpful. Strengthening parental leave policies is one thing we're doing, alongside changing the wording of job ads so they do not exclude women. And we're also looking at how to promote diversity, not just in terms of gender but also in many other ways. We have a team of 40 people with 21 different nationalities, so that's quite a lot of diversity!

Q: What advice would you give to women who want to be successful in the deep tech industry?

Look for like-minded people. There are lots of events in which these topics are discussed. There are lots of communities willing to help and support – helping you to network with experienced people and role models.

I have my role models, for example, including Jodi Shelton, the CEO of Global Semiconductor Alliance and the CEO of the Royal Academy of Engineering. Not to mention my mother. She was always doing stuff and fixing things around the house.

It's also important to believe in yourself and work on your confidence. I have seen plenty of confident women in my career, so I don't want to generalise. But sometimes I see a lack of confidence, so it's important to believe in oneself and dream big.

We're going in the right direction to change things. One of the key things, perhaps, is to recognise that diversity means having different leaders. Own your own diversity. That's the most important thing that will lead a person to become a different leader.

WHY 'NICE' GUYS CAN FINISH FIRST

Talking revenue leadership with Sam Jacobs, CEO of Pavilion

BY ANDREW PARKER, MANAGING DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

Pavilion is the leading membership community for revenue leaders in fast-growth SaaS companies. In the last two years, CEO Sam Jacobs has grown the company from $4 million to $20 million revenue. And yet, he started the company as a support mechanism for his own career journey as a revenue leader in New York.

Here, Sam talks with Andrew Parker about Pavilion's growth on the back of a counterintuitive approach to business success. He also discusses how revenue leader roles are continuing to evolve, his advice for revenue leaders in the current economic climate, and why VPs of Sales can no longer justify being the highest paid people in the room.

Q: What inspired you to start Pavilion?

Between 2010 and 2018, I was at B2B software companies running revenue, business development, sales, sometimes marketing. As my career progressed, my tenure in roles got shorter. Relatedly, there was no consistent definition of roles such as Chief Revenue Officer in terms of the skills or knowledge base expected.

So, I formed a dinner club in New York in 2014 – Revenue Collective – for revenue leaders to share best practices. I started it as a function of my need for assistance and support. After being fired from several roles, I decided I needed a side hustle or secondary revenue stream. That's when I started charging for Revenue Collective and sold sponsorships.

I still never thought it would be a big thing, but I kept doing it. Then people reached out to me from London and Amsterdam. They wanted to partner with me to do something similar. Pretty soon we were in seven cities, and then 20, and then all over the world.

Q: How has your value proposition evolved, and how do you see it evolving in the future?

The fundamental premise hasn't changed, and that's to help our members get to where they want to go in their careers through community-powered learning. The evolution has been from an amorphous set of half-baked features to a much clearer, condensed set of three core products we deliver to our executive community. From there, we think we can power growth sustainably into the future.

Originally, we were a small word-of-mouth community where the ROI wasn't clear. As we grew, we realised that we needed to build actual clearly-defined products with a clear ROI.

The first core product is education. Everyone understands taking a course online and getting a certificate or credential as a means of professional recognition. So, we built an online university which had 11,000 enrolments and 6,000 active students in 2022. Students now start by taking a course and getting a certificate of completion. They also get a small community of 12 peers that they take the course with, which functions as their support group.

The second product is in-person events because executives need to develop meaningful relationships in person. We do four flagship summits and about 100 salon-style thought leadership dinners all over the world every year.

The third and final piece of what we do is defining community as a product. The biggest challenge of growing or scaling a community is that it ceases to be intimate and exclusive. So, we've broken the community into 35 sub-groups that we call Core Groups each made up of about 100 – 125 people. These retain that sense of intimacy within the larger world of Pavilion.

Q: How's growth been for Pavilion – particularly considering the pandemic and the current global uncertainty?

2020 was the inflection point of our growth. We became a digital-first community during the pandemic and went from 800 members at the beginning of the year to around 3,700 members. We grew our ARR from around $1 million to about $4 million.

In spring 2021 I got outreach from Elephant Ventures in New York, raised $25 million, and had another strong growth year. In 2022 it got difficult. We hit the point where things stopped working and weren't scaling anymore. That led to the distillation of our product set, clearer operational metrics, more of a focus on discipline and execution.

Even though everyone's predicting recession, I think we're better positioned for it now than we were last year.

Q: What's the ultimate goal for you with Pavilion?

We're working on a couple core ideas which could extend to potentially millions of people, if not tens of millions. The first is that professionals within every industry category are going to need training and development across a wide range of subject matters, disciplines, and technologies. The current educational and training environment is not equipped to deliver that.

The second idea is that Pavilion as a community is built on a set of fundamental concepts that show there is a different way to be successful in business. That you can give before you get, build relationships not transactions, take a long-term view.

Really my goal is to take what was originally a technology-enabled networking and services business and build software that enables us to scale and deliver this idea of vocational training led by practitioners underpinned by a core set of values around reciprocity and mutual support.

What made you decide to take time out to write your book Kind Folks Finish First?

My life changed when I began to embrace a set of ideas that I thought were antithetical to how business should operate. The only reason that my life changed was because I changed my beliefs and my perspective. I felt maybe this was an interesting story to share with other people and a story that people needed to hear.

In the story I describe in the book, I go from being pretty transactional and not standing for anything more than making money to realising that you get money by helping people or by building something that you care about and value.

There were a lot of other moments in my life – particularly over the last five years – that led to a lot of the success we've had. The book is an attempt to codify and articulate that. But the point of the book and of the title Kind Folks Finish First is to repudiate the common American saying "nice guys finish last".

This book is not about saying money or professional ambition don't matter. If those things matter to you, the book shows you a different way to achieve them. This is a competition framework that goes against the grain, and which will help you get exactly what you want.

Q: What was the hardest part of Pavilion's journey to date?

2022 has been the hardest year by a factor. We went from me thinking that everything I touched turned to gold and how great am I to a lot of things no longer working. I realised I didn't have the right team at the beginning of the year. And we didn't have a clear category or clear product definition, or a three-year plan. A lot of my executives didn't know what they should be working towards in the next 36 months. We've been working on a lot of that stuff this year, and it's been painful. I've made more mistakes than I care to admit.

But I wouldn't trade it for the world. Don't you want to be on the pitch playing for the premier league? That doesn't mean you're going to win every match, but that's where you want to be playing and that's how I feel right now.

At the beginning of 2022, I didn't have an engineering team, but now I've got one and we've got a digital platform that will roll out to members in a couple months. We're a close to $20 million business but we are a hodgepodge of Slack, Zoom, HubSpot and a bunch of other third-party services. Now that we'll have our own platform I feel like we're on the cusp of something really big.

Q: Tell me about your thoughts on revenue leadership and how it's changed.

There was a period when top-line growth was all that mattered and any deal that you needed to hit your targets was a good deal. Now, if you sell in recurring revenue businesses, deals that don't renew are no good. More and more people realise we're investing in customer success. That requires alignment with others because revenue is more of a team sport.

Revenue generation is a cross-functional alignment between Sales, Marketing, Customer Success and Operations. It's become more sophisticated, much more data-driven, more customer-oriented, and more complicated.

Q: What makes a great revenue leader today?

The truly great revenue leaders have some kind of finance affinity. Yes, you need to be able to rally the troops but, if you are constantly the antagonist to the CFO, you are short for this world. The first-time VP thinks that their job is to advocate for their team. The seasoned executive knows that that won't get you credibility and your inputs become facile and one-sided.

The true executive can stand outside of their department and has a holistic view of the business informed by some kind of financial acumen. The more sophisticated revenue leader understands how to read a P&L. They understand customer acquisition cost. And they understand how to move money around in different, unexpected ways as they search for efficient outcomes and ROI.

Q: Why do you think companies make so many mistakes hiring into this kind of role?

People make mistakes hiring every role, but it's also not as simple as that. Most people have a specific skillset and a specific place where they're comfortable. You do get people who are able to deal with the challenges of a business at $1 million revenue, $5 million revenue, $20 million revenue, $100 million revenue or more. But those people are rare.

Is there a benefit to helping your leadership team develop and grow? One hundred per cent, and I want Pavilion to be a place where people grow and develop. But you also have to admit there are people that have done this before, and it would be a shorter, less painful process if they were here instead. That's one of the reasons why it becomes difficult for many leaders to stay at a company for six or seven years.

Q: What's your advice for revenue leaders, especially those in a cooling SaaS market, as we go into 2023?

It's going to be choppy. If you can, find founders and CEOs that understand that revenue is a team sport, that you are not the saviour and also not the villain. You are one part of a team that is generating revenue as a function of product-market fit.

If you can find somebody that supports you in that way and gives you reasonable growth expectations, then you can be in a good situation. But I think it's about fit because there are companies out there that will still set unreachable revenue goals as a function of ambition – when in reality, it's not about ambition, it's about market forces.

Too many people want to be the martyr and need to be the highest paid person in the room. But revenue is more about teamwork than ever, so maybe we need to revisit the idea that the VP of Sales is the highest paid person at the company. Maybe we need to pay revenue leaders the same way we pay product leaders, engineers and marketing leaders. Maybe all the senior execs should be paid the same and all get paid a bonus when you hit your company goals.

CONFESSIONS OF A SERIAL TECH FOUNDER

Serial founder and CEO Mark Simpson discusses growth journeys and exits

BY ANDREW PARKER, MANAGING DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

In 2006, Mark Simpson founded Maxymiser, creating an entirely new software category while growing a company that he sold to Oracle nine years on. Later, after a spell at IBM, he led a management buy out of the business he was managing to form award-winning MarTech startup Acoustic.

Now, he's back at it again with Pillar, an interview intelligence platform that "coaches and guides teams to hire faster, better, and more equitably."

Here, Mark speaks to Andrew Parker about what made his companies successful, the challenges of building tech businesses and taking them to successful exits, and how his latest venture Pillar is shaping up.

Q: You founded your first company reasonably early in your career and you've been something of a serial founder ever since. Why is that? What drives you?

While there are unique reasons for each of the businesses, I love solving big problems. When I founded Maxymiser there was really nothing like it in the space. Everyone was looking to drive traffic to websites. No one really cared about converting that traffic. IBM for me was a fantastic experience, but the opportunity to carve out something and do something truly fantastic with the assets that IBM had was just too good to pass up.

With Pillar, I genuinely think that getting the right people into the right roles efficiently and effectively is the biggest problem that companies have right now. I'm excited to be on the journey to solving that.

Ultimately, I've always chased doing something differently and thinking a bit differently. I love the experience of building something from scratch.

Q: As a founder, what's the biggest challenge?

I have a real yearning to learn, which is why it's been important to do something different each time. In founding and running any business, it's all about resilience and being open and hearing and seeing the insights and inputs you get as you go out to market. The hardest period for any startup is the first 12 – 18 months because you may have a strong conviction it's going to work, but you don't know it's going to work.

Once you get past the first part and start scaling the business, then you know it's going to work. Then it's all about how to execute an idea that you know is resonating in the market.

Q: When Oracle acquired Maxymiser, it was a big deal in the Martech world. What was the process of the exit like?

With Maxymiser, we just built a very solid business to the point where we were break-even. We only raised £20m and we got the business to a very healthy place where we were still growing rapidly in all the right metrics.

We were about 400 people when we got approached by another large company prior to Oracle. At that point, we modelled what it would look like to continue our growth through to an IPO versus exiting at this point versus other options. We didn't go for that offer and eventually, of course, Oracle acquired us.

It's never completely smooth sailing when you go for an exit. We had three bidders at one point. They all went away. We performed really well over the next couple of quarters and they all came back again. The deal closed about a year later. The process took a while but we were always very focused on continuing to build the business.

Q: Was it always the plan to have that kind of exit rather than an IPO?

We were always putting the fundamentals in place so that at some point we could IPO the business. However, customers (and Forrester and Gartner) were telling us we were the very best company in a very hot space. There was a feeling we would be approached and we did get approached a few times during our life span. We said no to a few and agreed to partner with a few others.

We felt that probably an offer would come in that we couldn't refuse but that was never the plan, either from the outset or as we built the business.

Q: Having gone through that exit journey, what was the most important thing that got the deal over the line?

The most important thing we did was keep an eye on running the business and not getting distracted. I have to tip my hat to my team in continuing the progress that we'd always planned. Ultimately that really stood us in good stead because, when the bidders went away and came back, we'd overperformed on all our numbers.

We also had a competitive bidding situation, which is a nice place to be. We didn't put ourselves out for sale.

Q: Do you have any regrets about that exit?

I wouldn't change much of what we did. I would probably encourage myself to do more diligence on other companies that had been acquired by the various companies that were interested in us in similar situations. We were in a very fortunate position that we had several companies interested in acquiring us and it's very easy to get wrapped up in that. We could have done more diligence in what the reality of life was like within each of those companies.

Q: How was the IBM experience different for you?

I loved my time in IBM. It's a fantastic company to do some really big things within. Despite the business I was in doing $1bn a year or more, it was never a core part of IBM. It was always on the periphery. So I saw an opportunity to carve out the business.

We sold the majority of the business I was in charge of at the time to another company and I carved out what became Acoustic – a much smaller part of that overall business. But I saw a huge opportunity to become the leading independent marketing cloud. I was very excited about bringing that to the fore.

It was probably one of the most complex carve-outs that our consultants had ever seen. Landing that business in the right place so that it could grow was an amazing and challenging experience, despite the hard decisions we had to make. Very different from building a company from scratch, but a wonderful period of my life none-the-less.

It was more stressful than Maxymiser in a few ways. Building a company from scratch, you're responsible initially for yourself and then a few people. You grow in stages. In carving out a business and trying to land it in the right way, I was responsible for 3,500 customers and 1,000 staff from the outset. That made it more stressful because I felt the weight of that, but I don't think it was harder work or more hours than any of the other work that I've done.

Q: What was the difference between dealing with private equity investors in this case versus dealing with venture capital investors previously?

With PE, the numbers are a lot bigger, and you're wholly owned by an investment firm rather than them having a shareholding of it. This creates a very different dynamic in terms of having a say in the running of the company.

Q: Why do it all again with Pillar?

Through my experience of building some great companies, I came to truly believe that people are the most important part of a business. So many CEOs say that and then underinvest in getting the right people in – and they have done for decades.

I think with everything that's happened over the last three years with Covid driving working from home and BLM driving diversity, equity, and inclusion, and all the other things that have happened, people are actually getting much more attention within a business now. There's no better time to solve what I think is the biggest challenge in any company: getting the right people into the right roles efficiently, effectively, and equitably.

I'm excited at the opportunity to solve some of the massive challenges I've seen with recruiting teams and taking what has been the 'black box' – the interview – and providing transparency around it and anything else we can do on top to increase that quality of hire.

Q: How has Pillar been going?

We're a totally different company now at the beginning of 2023 than we were this time last year. We're still young – only two years old – but now very solidly behind the idea, the product, the roadmap moving forward. We've got a fantastic customer base and a fantastic team to build the business around. I'm looking forward to really scaling this business.

Q: What kind of growth are you targeting for 2023 and beyond?

We should at least treble the business this year. Some of the most exciting stuff at a startup is what's on your product roadmap. There are some really exciting problems we feel we're going to solve through next year, and a lot of that is based on the customer feedback that drives our roadmap.

So far, we've provided transparency and clarity in the interview intelligence space. That has spurred the ability to share interview clips and operationally make the process of interviewing much more efficient. We're cutting time-to-hire by one or two weeks for our clients and taking out about 10-12 hours of interviewing per role. We've greatly increased the quality of hire as well, cutting first six-month staff turnover by about 32% for our clients.

Layering on top of that, the insights we can now start providing companies on how to better train interviewers, how to devise better interviewing processes and how to make them more equitable and inclusive, are probably one of the most exciting developments for us in the year ahead.

LEARNING IS THE KEY TO SUCCESS

Hao Zhong speaks talks about what drives his passion for innovation and the challenges of being a Chinese tech entrepreneur in the US

BY JING-JING LUI, DIRECTOR – SHEFFIELD HAWORTH TECHNOLOGY

In 2014, Chinese-born tech entrepreneur Hao Zhong founded ScaleFlux, a California-based company that is pioneering a new way to optimise digital data storage. Having worked and studied in the United States for over 20 years, Hao has experienced several benefits and drawbacks as a Chinese entrepreneur in the Silicon Valley ecosystem.

Here, Hao speaks to Sheffield Haworth Director Jing-Jing Lui about what drives his passion for innovation, the challenges of being a Chinese tech entrepreneur in the US, and the implications of tense US-Sino relations and the 'Micro-Chip War' for the future of tech investments and innovation in the US and Asia.

Q: Can you tell us more about your company ScaleFlux and what it does?

In all major areas of data centres, data generation and use are increasing rapidly. How to store and process this data has become a major problem.

In a traditional server, when a computing task occurs, the data enters the memory from storage and then returns to storage through the CPU calculation. When a large amount of data enters the memory, it needs to wait for the CPU to read and calculate one by one. Using this process, you can only increase the computing power of the CPU by continuously stacking servers.

ScaleFlux offloads fast storage (flash memory) and heavy-duty computing that CPUs are not good at offloading to storage hardware. This reduces the consumption of CPU computing resources and improves overall application performance.

It has three major advantages. First, the data no longer needs to pass through the memory, which can reduce the movement of data. Second, the high computing efficiency of the dedicated circuit is used to reduce the load of the CPU. Third, it maximises the computational parallelism of the server.

Our company has the potential to become the leader in computing storage or computable storage, as we are the first to introduce this concept to the market.

Q: What's the reason for your willingness to stand out among your peers and become the first commercial computing storage product company?

We Chinese like to talk about the right timing, right place, and right people, and in the spirit of this saying I think there are several reasons.

It has a lot to do with timing, I think. In the first place, chips and especially storage-related technologies have done well in recent years. At this point it its development, the industry needs a change to cope with the extreme velocity and volume of data. Solid state drives are now going to hard drive acceleration and hard drive storage.

But alongside good timing, long-term persistence has also been important. There are no shortcuts in the chip industry. It has to be honed step by step through repeated trial and error. There are not many people in this industry who can persist and endure. Having that commitment and drive has resulted in us standing out, simply by surviving where others may have given up.

Lastly, we've also had a lot of support from good people from supply chain partners in my business ecosystem to the strategic investors who have supported our growth over the years. Companies such as SK, AMD, and MediaTek have repeatedly invested in us through multiple rounds, which in turn has given some financial investors the confidence to invest in us too.

So having the support of far-sighted partners and investors has been invaluable, and we have had some luck in the way that a lot of these factors have fallen into place.

Q: Your company has branches in Silicon Valley, India, Shanghai, Beijing, and Hangzhou. You are also the chairman of the Kunpeng Club Silicon Valley Summit. How has being Chinese impacted your experience of founding and growing a global tech company?

Because we started in 2014, before Sino-US relations became tense, Chinese private equity and venture capital firms gradually invested more and more overseas, and some early Chinese financing at that time was quite helpful to us.

It's not easy for Chinese people to start a business overseas. Traditional investment banks in the US invest in very few Chinese companies. Successful Silicon Valley startups end up listing in the US, and the main talent in terms of nationality that gets invested in is US, Indian, and Israeli.

On top of that, we Chinese are more conservative when we are overseas, and less willing on average to take on the risk of starting and growing a tech company. As a result of these factors, Chinese people in Silicon Valley are generally seen as very good engineers and a safe pair of hands, but not as the risk-taking entrepreneurs. That Chinese funding was really very important for us to get started in business.

The second thing that is helpful to Chinese companies is that, due to the current Sino-US economic war, China's domestic chip industry is growing faster and faster. Everyone thinks that everything is inseparable from chips, and so the demand for chips is increasing This has led to what we call a 'Renaissance of Silicon' in recent years.

This means that the investment community in Asia is very keen on the chip industry. And investments are becoming more strategic now that all the main players are becoming more political when it comes to semiconductors, whether in Europe, the US, South Korea, Taiwan, or mainland China.

Investments are now tens or even hundreds of billions of dollars, and that means rapid growth and development for our industry in China as a matter of domestic strategic policy.

Q: Has the China-US chip war affected you?

Every challenge also offers opportunity. The relationship between countries is not something we can control. We can only focus on our advantages.

For my generation of Chinese who started businesses in the United States, we have a good understanding of Chinese and US business models. We have access to the world's best research and development. And we can also access the best tech talent in the world. Some of that talent may be in China or the US. And now we have also established a site in India, we have access to some of the talent that is difficult to source in the US or China.

We still have access to a lot of what we did before in terms of technology, research, and talent, and those are some great advantages to have when building a business.

Q: Your company employs talent in the US, China, and India, and you attract many employees from big firms in Silicon Valley. Is there a difference in the working methods of top talent from these different places and how you use them?

Each has its own advantages. When we need senior engineers and architects who are very experienced in the industry, Silicon Valley is the best. On the other hand, manufacturing and supply chain management also requires software engineers and quality control.

Roles like this account for perhaps 70% – 80% of the entire productization process. The US is fairly inefficient and expensive in this area. Chinese engineers are very diligent and smart, with the ability to learn fast, so that's where Chinese talent might be more appealing to us.

Q: In your career you've gone from PhD student to architect to CEO. What kept you inspired through all these career changes?

When I studied for my PhD I wanted to find a job after graduation. I didn't think any further than finding a reliable job with a decent income, so I joined a big company. The lucky thing for me was that the company gave me the opportunity to convert my doctoral dissertation into a large-scale commercial product.

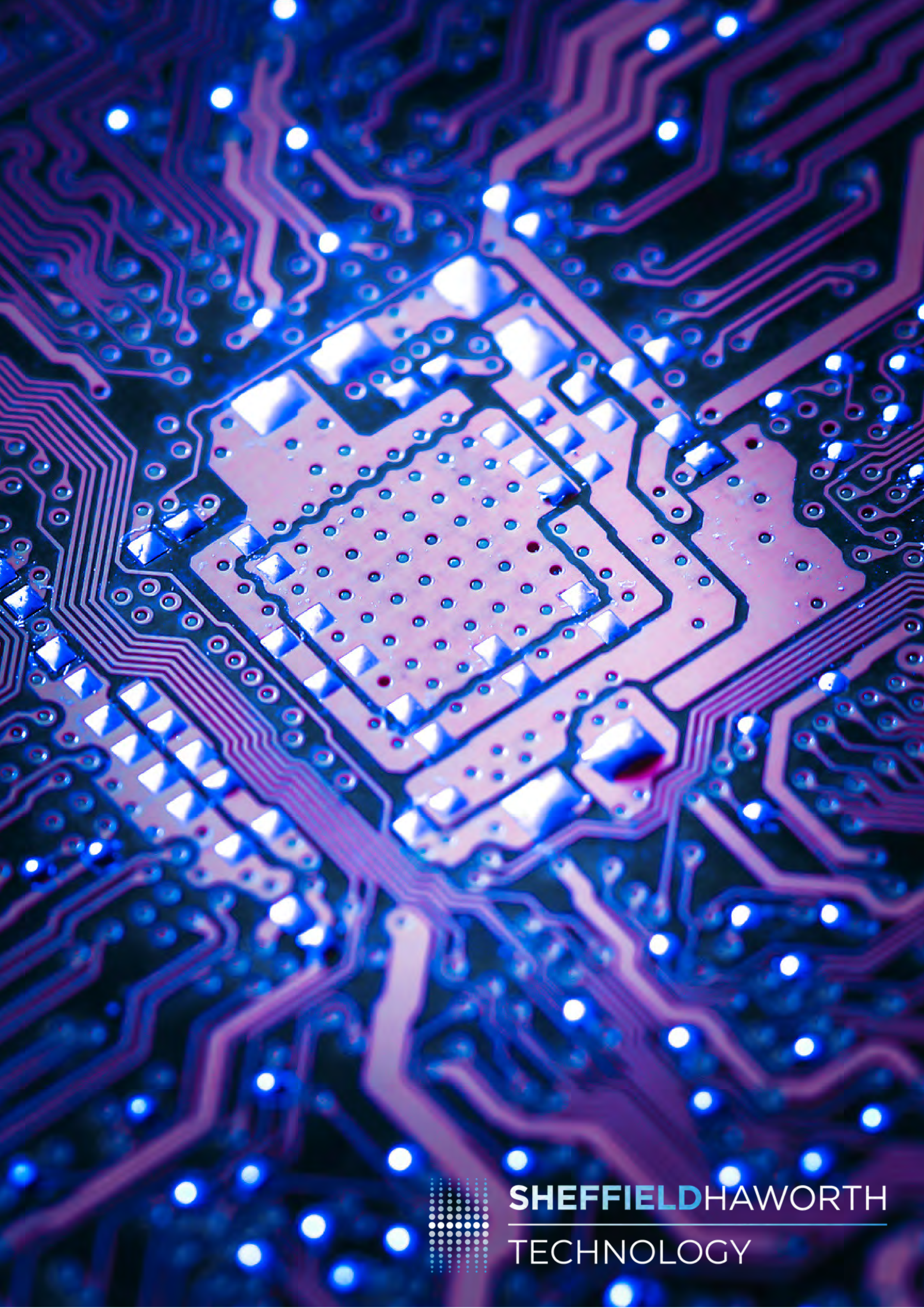
The theoretical productization of my doctoral dissertation gave me a lot of confidence early in my career. I felt that I could make some of the world's top products with large-scale commercial value.

Later, I joined a startup company by chance. I thought it was a bit crazy but worth trying. I didn't realise until afterwards that dozens of smaller US companies are able to make products that are technically better than those made by established industry players like Intel or Samsung. For a while, Intel were using chips made by the startup in their solid-state drives.

It's interesting that a company with more than 100,000 employees can't be as good as a small company with 180 people. Later, I realised the importance of specialisation. If we really drill deep into a given field, there's a high probability of doing better than a larger organisation without that same deep focus. In this way, startups can do things that impact the entire industry.

So I kept learning throughout my career, and this was one the things that motivated me. There are always new things to learn, no matter how chaotic things can get. I have worked in recruiting, team building, legal affairs, finance, even the front desk at my own company. It is important to learn as much as you can about how a business works – not just on the technology level, but everything else too.

When you reach a certain level, you have more and more responsibility. Employees rely on you. Investors rely on you. You have to be worthy of that trust and that responsibility. You do that by developing yourself and then one day you realise there's no way back.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