**Matthew Todd**

My name is Matthew Todd, and welcome to Inside the ScaleUp. This is the podcast for founders, executives and tech, looking to make an impact and learn from their peers within the tech business.

We lift the lid on tech businesses, interview leaders and following their journey from startup to scale up and beyond covering everything from developing product market fit, funding and fundraising models to value proposition structure and growth marketing.

**Matthew Todd**

We learned from that journey so that you can understand how they really work, the failures, the success the lessons along the way, so that you can take their learnings and apply them within your own startup or scale up and join the ever-growing list of high growth UK SaaS businesses. Hey, and welcome back to the podcast. pleased to be joined today by Ed Bartlett, CEO of high comply. Great to have you here.

**Ed Bartlett**

Good morning, Matt. Really, really good to meet you. How are you doing?

**Matthew Todd**

Yeah, doing? Doing good. Thank you. The chilly weather seems to set in, but it's all good.

**Ed Bartlett**

Yeah, I think so. Good time to have a chat.

**Matthew Todd**

I'm looking forward to the conversation as well. I think there's a lot of value that that you can bring to our audience. So yeah, just to kick things off, can you give us give us a little bit of a brief background about yourself, your business and where you've come from?

**Ed Bartlett**

Yeah, thanks, Matt. Probably take you take you back to 2011. So I've been in the tech space since early 2011. Firstly, with a business called Kykoud, which was in the property real estate space. That business grew from a couple of people, eventually to 30 plus staff and the business exited in late 17 with a sale. I then went on to run a healthcare tech startup within the business that acquired chi cloud for a couple of years. Then back end of 2019, I started a business called Hicomply with a couple of my previous team members and founders of previous businesses.

So, we've been busy building high comply since the back end of 2019. I'll probably deep dive a little bit into that experience a little bit, I'm sure. In terms of my background, I actually started off in the property world. I was a chartered surveyor, working in investment property, most recently, going through 2011 with the Balfour Beatty group managing major government infrastructure projects, so very much in the detail of financial modeling and getting involved in large scale sort of infrastructure finance deals. So sort of come with a blend of finance, property tech. But yeah, a bit a n unusual mix. But a mix that I find really useful.

**Matthew Todd**

So with Kykoud, what was the motivation for starting that business?

**Ed Bartlett**

Yeah, that was, that was an interesting one. So I was the concept for that really much, very much came out of work I was doing at Balfour Beatty. We had probably 30 or 40 major projects. These were hospitals, schools, bridges, roads. M25 was one of the projects. Big, well known government infrastructure projects.

They were all been managed and operated principally using spreadsheets, pen and paper, very antiquated document management, processes and tools. So, we came up with a concept. In fact, I built the original concept while working the organization, but there wasn't really an appetite to develop the technology. So I took that on to a good contact of mine, a guy called Nick Graham, who was working in a tech business at the time and with an idea. The concept was very much that really what we need is a mobile application that we can use to survey these big infrastructure assets and off the back of that generate forward investment profiles. So you know, what is the condition of those buildings and what are we going to spend on them for the next 5, 10, 15 years or whatever?

So yeah, Nick took the idea to the company is working with the time and they didn't necessarily see see it as something they were interested in. So Christmas 2011, we hatched a plan to leave our corporate jobs and go build a product and everybody thought we were crazy. I think both of us had our second children on the way at the time. Our wives were a little bit skeptical. But we were both you know, we did quite a lot of market testing with people in the industry over that over that period and we really saw that opportunity.

So, you know, it was a blend of my industry experience and knowledge of a problem that needed solving and Nick's experience of building technology. He built a number of quite large scale document information management platforms. So he had the guest we had, we had a good mix two founders, one with the technology and one with an industry knowledge. So, yeah, that that business got going, as I mentioned in 2011, but really, really scaled fast. You know, we were one of the first businesses to have an application on an iPad. This was back in 2011, it was pretty, iPads had only just come out. So yeah, we were early to market and got some really good traction and eventually the business was acquired by a US company called Accruent in December 2017.

**Matthew Todd**

As part of that, acquisition, then were you did you end up moving to the States?

**Ed Bartlett**

Yeah, it was an it was an interesting one, because, yeah, Accruent was a circa 200 million turnover business. I mean, we were into multi million pound turnover, but we were still relatively small, you know, 3030, staff, principally UK based. So the first part of the acquisition, and I've seen this happen, quite a lot, a lot of us tech, tech buying, particularly private equity backed technology, businesses that are that are very much all about building a portfolio or building a platform for private equity exit to corporate sale or flotation. What they come with, which was a little bit of surprise was they come armed with an acquisition playbook, they very much follow a fairly standard process, they acquire a business and they kick in a process around what happens next, you know, you set that 30 day 90 day plan, but you know, they look to make efficiencies, they look to make changes, they look to sort of integrate the technology into their sort of larger corporate.

Then, once that job was done, I was offered a chance to sort of move into a different part of the business, which was sort of a data and strategy team, which was looking at developing some products that would leverage the huge data that organization had. I mean, they were a significant technology business, in the real estate, side of things in the US. So they, for example, they had data flowing into their platforms from around 50% of all the US hospitals. So there was a concept that look, we can we can do some big data projects with this data, let's develop some software and data products off the back of that.

What was quite interesting about Kykoud is we were quite a small niche, we were very, very lean. So there wasn't a lot, there wasn't anything really to strip out of that business, we were already as lean as you probably could make it. So the business pretty much stayed intact, as it was, which was great. You do see a sort of slightly different approach to sales and marketing in the US, which is maybe somebody we'll come back to, but we were very much carried on business as usual. I got the opportunity to sort of just bed in the sort of the business into the larger the larger business, which was, which was great, just to make sure everybody was, I guess, make sure the staff and the team, everybody was being looked after. We got we got everybody sort of right sided in terms of, you know, you know, pay and conditions, because we probably were a little bit under market at the time.

Then I took on I took on a role to just do exactly that with within the healthcare side of the business. We built a team. across the US, we had people in different locations in the US, I was the only person in the UK. So very much work between the UK and the US, but spent quite a lot of time working with the US team. Interestingly, at that point, Accruent was also acquired by an organization called Fortive. So coming back to the private equity story, so a Caribbean private equity owned business, they sold on to Fortive, which is a listed us tech conglomerate, a significant multibillion dollar business.

We saw a really interesting opportunity open up in that fortive is probably one of the I'd say one of the leaders in the US in terms of applying innovation, corporate lead innovation, you know, insurance intrapreneurial type processes, and, you know, they're very much fan of lean, lean processes. So, we got to pitch our concept, which was his health care product into the Fortive growth accelerator. So think of it as a tech accelerator, but within a large corporate. So we pitched a concept product and we got supported by the team from Lean Startup, which was fascinating.

So, you know, I've read the book, the Lean Startup. A lot of people probably have read that book, but to actually put it into practice with working with people who live and breathe it, and to give us that support and mentoring to sort of push us a little bit further. Effectively, we built a product from scratch, in around four months. So yeah, so my second, product was effectively built within that corporate engine, but it was a fascinating experience. Most people think of large corporates as slow. They think of them as not particularly innovative and backing, you have good ideas, but my experience was, was quite the opposite. All the way through that I just kept thinking that, you know, I did my own version of a lean startup before that with Kykoud and then sort of done the US style, Lean Startup, but with a little bit more mentoring and support. In my brain, I guess, I started to come up with a concept of look, if I do this, again, I've merged the very best, you know, the best bits of what, of both those experiences?

Really, that's what we've tried to do with Hicomply, we've, we've, we've learned a lot about how to do to create a business with very little. You know, that's, that's certainly very on trend in the market right now. Because, you know, we're in a climate now where companies, tech businesses are being expected to do more with less and be innovative and how they develop their products.

**Matthew Todd**

Yeah, that's really interesting. And I think, really impressive that an organization of that size still has that agility and entrepreneurial kind of essence to it. Alongside obviously, the resources that brings us well and also, going back to that kind of lean startup, being able to work with the team be mentored as well as the some of the UK, US differences. I'd be interested to hear your take on perhaps not what's missing from the book, perhaps, but what people commonly don't appreciate or misunderstand from the book, because I see that all the time entrepreneurs not really getting the intent behind what they're actually trying to achieve and enable you to do.

**Ed Bartlett**

I've worked in corporates before where, my interpretation of corporates was there was very little innovation. I think I have I have seen the other side of this. In fact, frustration with that as what led me to, to break out and do something in the first place back in 2011. But certainly what I saw with an organization, certainly Accruent who acquired our business had grown from, from a start-up into that 200 million turnover through acquisition, but also organic growth.

So they've always, they've always been an element of probably with that organization innovating through acquisition. But certainly landing in understanding the way that 40 have operated was quite different. It's interesting because they thought of itself was a spin out of a US business called Danaher, which was a hugely successful conglomerate industrial.

**Matthew Todd**

A company I worked for was acquired by them as well.

**Ed Bartlett**

They've got a real track record of innovating, developing products, really from the ground up, and probably more in the industrial product and technology space, rather than software. I guess, Fortive was definitely looking at pushing that. Fortive was what, 7 billion revenue US, something like this. But what was different, I think about what I saw in that business is, you know, the investment that they put into innovation was significant and, the programs and operating systems they had in place, just blow any business out of the water, in my opinion. So it was very much led from right from the very top of the organization. We spend time with the CEO and other board members who are really driving these programs. I guess there is a slight difference in technology and software, SaaS product, lean versus industrial product lean, I think, you know, we often, I think we often think we've got it nailed in the software space. But actually, some of the best examples have come from sort of industrial product development and design and scale up. So I think they had that nice blend of, of product experience, and then through acquisition and brought in some very good software businesses, and that sort of blend was. So I think that's probably the first thing is they actually lived and breathed, that innovate in sort of culture. What they, what they also did was, was gave us space to space to fail.

We had a program, which was six months long, we came with an idea, from the very start the, it was agreed and accepted that, you know, there was maybe 10, or different 10 or so different teams that from different parts of that business. I was, it was agreed that, you know, any of those businesses might be successful or fail. There wasn't that pressure that probably you get. So I think there was a little bit of a safety net there, which was probably where you're trying to sort of put some of that real, innovative, lean startup, some of that experimentation and innovation techniques.

A lot of it is around, you know, building experiments and measuring the success of those experiments. If you're in a startup world, where you've got a limited amount of capital, and, you know, you're running experiments, and, you know, experiment one fails, experiment two fails, experiment three, you start to get a little bit nervous, and you start, you start, you perhaps start back to, hey, we need to get this done. We need to get a product built.

So you know, experiments over, you know, it's, it's business as usual now. I think a lot of organizations try it, and maybe take it so far. But yeah, it doesn't, it doesn't necessarily sort of they don't necessarily work the whole cycle. I think that's, that my experience of having that model where we were able to do that was probably the thing that makes a difference. So, to some extent, we had a little bit of room and space to do some of that in the way that, you know, maybe we wouldn't have had had the pandemic not been happening. So, you know, well, while I say this, a lot of a lot of our contacts are working corporate jobs, or while people were kicking back and making sourdough we were building products we were, you know, we were really testing the market.

With Hicomply, and the way we're building the business now, we have very much been very focused on the go to market, you know, testing and experimentation. Whether it's the luck or, we pretty much took the business into sort of building product phase, just as the COVID pandemic was hitting. We were speaking to people, we were out there fundraising. We did our initial pre seed round right at the start of the COVID outbreak. Which was a challenge in itself. So I think I think we've been able to put some of that or some of those Lean principles into practice.

**Matthew Todd**

So then when it came to that early initial validation of Hicomply, how did you, you go about doing it with that experience that you had beforehand? What was that proposition that you were trying to initially validate?

**Ed Bartlett**

We had a real understanding of the opportunity with the product. So, I guess, it's a similar similar thing to what I what I explained with, with Kykoud. So with high comply, the product concept that we launched with, and we're still very much in line with, we've built a platform, it's a b2b SaaS platform and it helps organizations manage information security, but importantly, it helps them gain the certification and trust badges that buyers of technology will expect an organization to have. So we made the investment and got ourselves organized and got ourselves certified to the ISO 27,001 standard. Now, when that major tender came to market, it was it was a tender for the UK Government Department for Education to serve every school in the country and develop a foreign investment plan here 25 billion investment program for the schools.

So it's things like ISO 27001, SOC 2, the GDPR and there's others. Now, we've been on a journey with previous businesses where and I'll give you one good example. So with with Kykoud, we back in around 2014, we saw an opportunity for a major government data collection project. We saw the tender come to market and we knew that probably most of our competition hadn't got their information security certifications in place. So we did a little bit of research and Nick had worked with organizations that that had done this and seen the benefits. We were probably one of the smallest, most innovative businesses that was pitching for that work. But we were one of the few that had the security certification in place that they as a government agency required. So we immediately got a competitive advantage that gave us an advantage that maybe a business that was of the size, we were at the time, that probably gave us an unfair advantage that we were able to utilize. Eventually, we were successful in winning that work. That work went on for for many years and generated significant amount of revenue for that business.

I think to me, that was when the penny dropped back in, say, 2014, that, this is this is a really significant competitive advantage if you do it well. But as the CEO of that business, I was always quite frustrated about how long it took. We had to bring in a consult, and we had to spend quite a lot of money on the process, it took quite a bit of my time. I will say this,it felt like a lot of work for a business. We got the benefit, but I was like this isn't sustainable to do it this way. So we started kicking around a few ideas back then, we actually almost built our own in house platform to do this. But then we got ourselves back into, we're building a product for the real estate space, let's focus on what we're doing right now. But we sort of parked it and just said, when this journey is over, I think we've got we've got something to come back on here. That's exactly what happened.

So when the concept for the product very much the hypothesis, and the market testing started probably, six, seven years ago, and we bumped into quite a lot of experts and people in the industry in the cyber and information security space all the way through that and worked quite closely with some government agencies. So when we got into the product and prototyping phase, we already had a pretty good idea of what, you know, what that, you know, prototype would be so. I'm a great fan of prototyping wireframing. So, the product was all wireframed and prototyped. Literally the product on a piece of paper, you know, we put that in front of 25 interested contacts in the industry.

We did alot of customer work very early on, the back end of 2018 into 2019. We got consistent feedback around the product need. We didn't pretend we had product market fit, but we could see there was a need for a product in that space. We validated that quite quickly. So it was then around, how deep does the feature set need to be, in terms of getting a product to market in terms of a minimal viable product. We were able to launch the product quite quickly on an MVP that in essence, replicate or replace what people would typically do now in a sort of non digital environment. That was our early release.

Then we've we've been constantly evolving the product set and it's, it's evolved significantly from then. I was really proud that we're able to build and launch a product and then sell that product at that MVP stage. I think a lot of businesses, their MVP ends up being overly overly developed because they're looking for they're looking for perfection and you'll never get the first the first shipping of the product that the first customers use will will never be the ultimate perfect product.

We've evolved that product every four weeks for the last three years. Our cadence of release is without fail every month, and every month we released. I think that's what I think a lot of founders may be, maybe miss early on. That's probably the experience we're bringing, having been through the cycle a couple of times, we're more comfortable with that with that sort of environment. But I know, I know, for some people, that's quite a, quite a difficult world to live in.

**Matthew Todd**

It can be, and I think it can feel not easy, but I think it makes founders slightly more comfortable or slightly less uncomfortable, to focus on the products, once they've got a little bit of the starts of market engagement. Then that MVP ends up being a bit too biased towards the products and not enough towards the market. I would I would say, in my experience.

**Ed Bartlett**

I would agree. For example, with our products, you know, there's information security, cyber. I know, you've probably had a couple of businesses on your podcast in this space. It's a huge diverse marketplace. I tend to talk of this in sort of hard and soft cyber. So you've got your hard cyber, which is you your products that you install on networks that stop things coming at you, they filter or stop. They're tech solutions, but they're almost a physical barriers and, and tools and controls to stop things happening.

The soft side of cyber, information security, more biased, is much more around the business processes, it's much more around the culture of the way the organization happens. It's about what people do on a day to day basis, and the processes they follow and how they handle risks or how they handle incidents happening and how it links into what they're doing from an HR point of view.

So I think we've sort of focused more on the business process, softer side of the cyber. Which is very much more around information security. One of the things we've quickly learned is that the different certifications have have an impact on how you how you handle it. So the markets are quite different. So the UK is very much focused on the ISO 27001 and the sort of privacy side of things. That sort of fallout of what we had with GDPR, hasn't gone away, it's still there. But ISO 27001 is basically everybody sort of east of the UK, is is looking at ISO standards as their sort of go to gold standard. Whereas everything west of the UK, you're looking at the US standards. like SOC 2, for example, which are very much spun out of the financial markets, as opposed to the tech market. So it's slightly different. So, really, from a product point of view, our our focus was, you know, we've come from ISO, that UK approach and understanding how the ISO controls and processes work and building the software orientated to that. but we've also built the product in such a way that we can map and align with these other certifications and standards in a relatively straightforward way.

So our, our real IP is how an organization or an organization is building product And market for the UK suddenly decides okay - think of think of FinTech or, marketing tech business that says right, I want to break into this big, glorious US market. the first thing that they will get asked by a buyer in the US will be do you have SOC 2? It's almost like what's your price? Do you have SOC 2? where do you host your data? Is your product any good And are you trustworthy?

I would argue that security is almost out sort of outstripping pricing and commercials right now. So in order to be able to make that transition as a UK business that's built all your processes around the sort of international standard of information security, you don't want to rebuild all of that from scratch. You don't want to start again, you just want to adopt the the US SOC processes, but without having to re engineer what you've done And our product allows the customers to do that.

So that's that's the bit that's relatively unique about what we've done. I think a lot of the products in the market have have been very focused on a very specific approach but then organizations organically grow and change and evolve. So you know, and that's been probably where most of the effort and thinking went into the product, but it's, it's where it's where we're seeing the most benefit right now.

**Matthew Todd**

So when I'm when it comes to your market and finding customers, is that what you're looking for then specific industries that are trying to cross that gap from UK to US or you know that they definitely have a security requirement? They know they have all but they don't know quite how to meet it.

**Ed Bartlett**

it's very much in that it's very much in that sort of latter. There's definitely markets where there's certain trends. What we're seeing is industries where there is just inherently a lot of valuable data being transacted or processes, you know, so finance property, interestingly, sort of Ecommerce, wider retail, where organizations are storing huge amounts of personal data that they've traded for data subscriptions, or marketing subscriptions. Those are very much global markets, we're seeing organizations want to want to do multiple standards.

But then we've got examples in say, the automotive industry. We're working with a business called Power that does discharge cards for electric vehicles, really cool product, actually. They're, they're very much the, in the UK and looking to do things from a UK perspective, but they're working with suppliers, products that are global. The types of organizations that the corporates that are buying into their solution, want to have - they might be American back businesses who say, hey, I want SOC, I want ISO. So it depends where the headquarters are, or a lot of these buying organizations, might dictate that what's required.

The other the other clever thing about what we've picked up is that it's not just about the sort of technology space, I mean, we have customers, in higher education, in government in museums in the sort of the sector type space. What we're finding is this move to adopt these sorts of standards was very much a technology, a tech led initiative. Very much driven by, you know, buyers of technology, but it's, it's now becoming something that any type of organization that has a job to do in terms of governance, their shareholders or benefactors or investors, you know, a university, for example, that is looking to secure investment for research, or, you know, government investment to grow, you know, they they've been asked, you know, what, what, if, you know, what have you got from an information security point of view.

Another good example would be the health care sector in the UK. We've built into our product, one of the certifications that the NHS mandates for their supply chain across the UK. So, the NHS has its own own version of ISO 27001. It's called the DSPT, The Data Security Protection Toolkit.

So we've built that into our solution in the same way we built an ISO and SOC. So an organization, say a pharmacy or a doctor surgery or, a medical research unit in the university, all these organizations have to have to demonstrate to the NHS as as a provider or supplier that they meet these standards. So the information security sort of web or spider's web is growing all the time. It's sort of it's basically absorbing whole industries and expanding all the time. So it's, yeah, it's a fascinating industry from that point of view and hard to keep up with to be fair.

**Matthew Todd**

Yeah, absolutely. I'm familiar with many of those that you mentioned and have been involved with some businesses that have been through the NHS one couple of businesses and it's not an easy process to navigate. You know, from a prospective supplier side, but even from the buyer perspective of the people that you engage with at all the different levels they have greater and lesser experience and knowledge about different areas of it as well because they do encompass so many different elements of security and a lot of them can be based on, you know, legacy kind of ways of technology working as well, and maybe aren't. You know, there'll be some elements kind of added on and that are about kind of cloud infrastructure security and data centers. But you can tell, there's still a lot of things that, you know, are hangovers from older, older technologies that I'm assuming that they still do end up working with, but it's a very complex process.

**Ed Bartlett**

Absolutely. One of the sort of key elements of customer requirement. and again, this wasn't necessarily MVP, this has evolved into our product with customer demand, is that, customers want to make sure their businesses are compliant, while they do their job. I guess it's similar if you think back to the world of finance, I remember working in businesses wher when if you're going to buy an accounting software package, the only option that UK was probably something like Sage.

I think what's happening in our space is similar to that. Up until now, what's been available has been relatively limited. The processes have been very much around spreadsheets, and documents and time consuming ways. But you know, if you now move on 10, 12 years with Xero world, what's really clever about that product now is it's the integration opportunities, you know, you're linking it into, you know, platforms that can read receipts, platforms that can link into your expenses, management, platforms, etc. What we're doing with our products with Hicomply is exactly the same. So the product already integrates with 80 different platforms. Everything from your HR platform, to your ticketing events, project management tools. People are using, Trello, or, Slack, or whatever it is, and they want all of these tools to work together, they don't want them to work in isolation. So, that's where I think the markets evolving really quickly and really interestingly.

I think that's something that we see, we see the future of this, but then interesting, when you work with an organization who doesn't use any cloud infrastructure, or doesn't really use a lot of cloud products, and they still have that still have that demand or need. So there is a huge variation from, as you say, organizations that are on legacy based technology platforms, right the way through to organizations that the whole business is running on 20, SaaS platforms, including a cloud infrastructure model.

So you have to be able to, to cope with all those different scenarios. Specifically, in the UK, I know, there's, some of our competitors have made the decision to do just to support cloud infrastructure businesses, because that's all they want to do. Whereas we've taken the view that actually we want to support, you know, if a doctor surgery wants to buy our product, it works for them. But if a very high end tech business that's got everything on the cloud wants to buy the product that it works for them as well. But that's something that requires a little bit of time and effort to get right. But yeah, that's that's our strategy.

**Matthew Todd**

How do you maintain focus then in terms of the market, but also product features? In some ways, if you do it, right, they can be easier early on. But as you start to get more momentum, you will be exposed to more opportunities. So I can imagine it is quite difficult to decide, you know, what direction you do and don't go in?

**Ed Bartlett**

Yeah, I think that's always going to be the biggest challenge for a scaling organization. I think it's it's maintaining that focus as you, as you mentioned, but obviously, making sure that you there's enough, there's enough volume in it from the customer growth side of things, you know, are we are we serving the meeting the meaty parts of the marketplace? Because ultimately, we're on route to b2b, we won't be happy until we've got 1000 customers using this product. It's the first step and we're on route to that. Some of our competitors in the US maybe I've got, we've been at this for a little bit longer.

We've maybe got 2000 or 3000 customers on board already. So we've seen, I guess we've seen the profile of the types of organisations that are moving. I think the US market, it's happened quicker because the US tech businesses have been a little bit more switched on around this historically. Our focus is very much driven by an ongoing customer customer engagement profile. We do every touchpoint with a customer. We're doing voice of customer feedback, we're understanding what they're saying.

A lot of people take their take their guidance from sort of online review platforms like G2, and I'm not criticizing what they do, but sometimes, businesses put too much too much reliance on a third party collecting their feedback for them. I think it's really important that you do that yourself, so we have significantly more sort of internal feedback within the business than perhaps we put out into the marketplace, because, part of that is competitive advantage, but part of that is for us to understand and get right. We have a good customer community that we work with, and we were getting ongoing feedback.

The other key part of that is we effectively have three types of customer engaging with our products. So we have customers that are absolutely new to information security, never looked at this never done it before. Just want help, guidance on what to do, how to do it and how to get certified. We've then got organizations that have got expertise, or people in the organization who have done it before know what they're looking for, maybe already been certified, but just but one sort of a better way of doing it. So the product requirements for those two are slightly different.

But we have a third customer group, which we call our partner channel, but our partner channel aren't necessarily, they're a partner channel in and a traditional sense and that they're not just referring as business. Our partner channel, consultants, experts in the information security space, who are using the product to serve their customers, so they're sort of almost experts in the field, but also experts in in how they deploy the product.

So we get we get really good feedback loops from those three different areas. But we have seen interestingly, and this is something that I've see crop up in many products I've worked with is around language, you know, supporting multi languages. We're a UK product, do you go to market with a product that can support every language on the planet, or do you just focus on just getting it right for your own market, and then adding that later. So we've gone multi language with this product earlier than probably we expected. That was very much feedback driven. It came from a number of customers who were sort of multi multi site or multi sort of HQ, multiple locations spanning out of a UK HQ. So a UK based business, but with with locations and different geographies around the globe. What we what we quickly found was that they do require certain components of the security processes to be in the native languages, particularly around the policies and procedures.

So we enabled that quite early on and I think that was something that sort of maybe, accelerated into the roadmap a lot quicker than we expected. But I think a good example where sometimes you build your roadmap with your customer base, and you think everything's covered, but there's always something that comes in. You've just got to have that very organized way of managing that and I think that the team are good at that.

There's other examples. We've had a number of customers who use our products in a capacity as a consultant advising other businesses and, in that partner, consultant way, and they wanted to white label the product. They wanted to put their own logo, they wanted to make sure that the product could be branded, and incorporate it into their broader product offering. Again, a lot of a lot of SaaS businesses get quite precious about that and maybe they're nervous about that or don't want to go down that route. That's something we see as a route to market. That's something that probably pushed it pushed up the to do list a little bit quicker than we expected, but it's, it's something we've delivered. We don't really care if a customer wants to put their own logo on it and package it in as part of what they do and what they their expertise, because ultimately, that's going to embed the product into their offering and make it particularly sticky in the long run. There's really interesting angles there. I think you know, and I could probably give you a list of 10 other things that in that sort of category.

My experiences, we've got to be flexible, but you've got to, you've got to you've got to be disciplined with that, with that focus in growth around features. But you've, you've also got to listen to the customers. If, you know, the consultancy market, you know, these are people that have been doing this for 20, 30, 40 years, they want to digitize what they do and then embody our product into their offering, then, why wouldn't you make that easy for them, rather than to compete?

**Matthew Todd**

Indeed. They've already got the trust, haven't they? And the customer base, so.

**Ed Bartlett**

That's a key route to market for us. You know, like I said, there's direct, but there's also that partner consulting space and that's something that we see it as critical. Being a UK based business, we've managed to gain good trust with the UK marketplace around that. Different markets have different different sort of communities around that so that's something that obviously, we'll need to look at as we grow overseas.

**Matthew Todd**

I think it certainly shines through that the customer driven approach that you talked about in the beginning, is something now that is very much a core part of what you do and forming the features, the priorities and growth channels, as well. It's not something as you say, you just use for testimonial or case study purposes, it's actually what you use to make sure you're building the right thing for the right audience, isn't it?

**Ed Bartlett**

Sometimes you get it wrong. You develop features that you think everybody's going to use, and then you find that maybe those features don't get adopted. But you know, were quite a data driven organization. So we'll be looking at feature adoption and looking at usage and looking at how people are involved. How they're handling the product, and what are they doing with it?

I'm a great fan of the Google toothbrush test, I don't know, if you've met have you? Have you come across this? So Google, their acquisition strategy back in the early days was basically the toothbrush test. So they would only build or acquire businesses that pass this test. So basically, it's as simple as is it a product they use twice a day? It's really fundamental stuff. You know, people talk about product market fit, and how do you define it and what measures it and I like the simple approach, like, if someone's going to pick this up once or twice a day, it typically means it's adding value, they gain value from the product. The time to value for them and using that product relatively quick. They've bought a product, which they now use a couple of times a day.

That, to me is how, you know is if founders are trying to look for a simple way to to get to gear, their strategy to product market fit, that's the one that works for me. Some products, it might be every couple of days, that's still is actually for that product, that may still be Yeah, it's not a product expect to use every day. Or it's like if this is a product that you'd expect to use every day. Are you using it every day? If it's a product you don't expect to touch once a week then does that happen? Does you know, is the usage metrics telling you that and I think that's where a lot of businesses get very focused on the marketing channels and throwing money into paid advertising and then you step back and you say, well, are we are we using the product? The marketing channels side of things is a different conversation altogether. But I think that's that's an area where I think you might want to take this I don't know.

**Matthew Todd**

You're right about those metrics and indicators, and I think it it can be a bit too easy for people to focus on lagging indicators of churn or whatever it may be, and you try and make a change to address that and you don't find out for two or three months, whether you have read, if you look at the leading indicators of usage, they're going to tell you, as you say, in expected, kind of ranges of what you would anticipate that that usage should be. But they will tell you whether you've got that fit right or not whether people really are engaging as they should be if you've got the product, right.

**Ed Bartlett**

Yeah, absolutely. I've learned the hard lessons with this one. I remember Nick and I, when we were fundraising, for Kykoud back in 2016. We built that business into a few million in revenue, which actually, at the time there weren't many businesses in that Prop tech space with more than a million revenue under their belt, and we got past that. We were getting a lot of inbound interest from VCs, and we did a market exercise where we went to the sort of seed stage preseed stage VC market community, and, every conversation was exactly the same, and it probably hasn't evolved much since then.

Whether it's, you know, Axel or whoever's office, and they want to see the 12, SaaS KPIs that every VC wants to see and coming back to what you just said, a lot of them are lagging indicators, or their vanity metrics, in my view. VCs very rarely ask the challenging questions about the real thrill metrics that matter. That's not saying that customer lifetime value metrics are not important, but, for businesses at the earliest stages and scaling stages, probably, there are metrics that are more important.

I think that those innovation metrics are far more important to an early stage business. Because a lot of the financial metrics are just, you know, the number is going to be zero, or it's going to be so - churn is a classic one, I mean, true annual churn, you know, the calculation looks back at the churn on the revenue you had 12 months ago, and for a business that's in its early stages, the churn numbers going to be something that is going to be horrific in that first couple of years.

This comes back to the Lean Startup principles, when, these, are what you call the innovation metrics. Have you built an innovative product that people want to use? It's that sort of stickiness? The likeliness of of going viral type type indicators. Because it's not at that stage of valid, but what is what is going to be relevant is the customers that you've onboarded in terms of the usage and the customer feedback and the customer satisfaction of those customers. I guess you're looking at, are they likely to churn, these customers that are having a good experience and are using the product.

In my sort of in between stage of before we got going with, with Hicomply, I spent a bit of time with the VC business, doing some deal finding and just deal reviews of some of some of the pipeline investments they were looking at. I kept seeing these early stage businesses with an overly overly built focus on some of these metrics, that it was almost too early for them to be measuring in a proper way. I think that's where in the US market, investors are a little bit more refined or a little bit more open and willing to back early stage businesses before they're ready to maybe present the SaaS metrics on a on a dashboard that tells tells you the answer that you want to see.

**Matthew Todd**

Those metrics have their place. Once you've got that point of, you know, early, product market fit, then growth, churn, all of those things can become more relevant. But I think in the early days, as you say, there's innovation metrics are going to be so critical. You always need to balance, even when you're on that scaling stage, the metrics that tell you what has happened, versus what you believe is going to happen and the direction that you're you're trying to move things in.

**Ed Bartlett**

We just did a session with our team, the wider team and we very much have those headline corporate metrics that we're working to, but we're encouraging all of this sort of the customer success, the sales team marketing, the different functions in the business. We're asking them to come up with metrics that are relevant to them at the stage, we're at now rather than. Ultimate, they're going to feed into those sort of top line. We've, we've been quite innovative and creative around those metrics. That's something I always encourage other businesses to do.

Actually, when you talk to the team you'll find that there's always there's always things that they're aware of, that they feel we should be measuring, that maybe aren't on the dashboard, or aren't in the KPIs or the sort of corporate level. How you handle that is critical, and how that's communicated across the businesses, is fundamental. But at the same time, you want one unifying metric that everybody can buy into, and we have that. Our unifying metric is the number of customers. Because ultimately most customers are on a pretty consistent average contract value.

So for us, ARR as a target is something that's easy for everybody to get get their head around, necessarily. So we have this one unifying objective that everybody in the business is working to, which is a number of customers by a given day, and it's evolving. We start to get close to it, and we move up a peg, but that works really well and get good buy in from the team on that.

**Matthew Todd**

Yeah, seems like that's very tangible. People can grasp what that means or what that looks like. But I also like the fact that, yes, you've got those other kind of standard metrics, but give the team some ownership of the data that they think is going to contribute towards that leading metric as well. So it's not just we are measuring you by this metric, but it's also we are in this as a business and here's how those different areas think they can contribute towards those goals, as well.

**Ed Bartlett**

Some of those detail metrics are easy to measure. Some of the marketing channel metrics, because the tools out there are just great for aggregating data on clicks or traffic or whatever, and others maybe not so. So of the more softer metrics but yeah, I think it's getting a good blend of those. That's one of the skills that I think founders in particular have to focus more on now than maybe they did in the past. It's just everybody's job to be good at data science now, and I like that, because I'm a data driven person, but I think that does require a business to think about how it works. It's always going to be a challenge for any business at that stage.

No matter how successful you are, there's a guarantee you'll have more data than you can cope with, in terms of understanding and making sense of that screw. If I compare what we're doing now, versus what we're doing at Hicomply in 2022, almost 23 and where we were with previous business in sort of 15, 16, what's available now, in terms of reporting tools, metrics, data aggregation, it's just, it's just mind blowingly different and it's actually in some ways easier to get the data, but actually, it's becoming more difficult making sense of it. You can have too much information, and, the skill, I think in the team is around how your team can get their head around that information and make sense of it, for our strategy to reflect what we're learning from that.

**Matthew Todd**

It's about choosing the metrics that are going to help drive things forward. I think that's kind of the the theme really, of everything we've talked about is a customer driven approach, but then using the right insights, the right data and information to make decisions consciously and proactively for the business.

**Ed Bartlett**

The market dynamic you talked about terms of geography, you know, the products, evolution, all of that is is coming from that. What we see is interesting going forward, I guess, in terms of what does the marketplace look like for technology businesses, generally. We're seeing a little bit of a slow down in investment and capital coming into the marketplace, and I think that in itself is encouraging investors to look hard at organizations, look hard at their portfolio companies and work with them.

We certainly have a lot of engagement with our investor around this. So we did a pre-seed and a seed stage with BGF, who are UK based. Ultimately, backed by the UK banking sector, but they're independent investment, growth capital provider. We have a lot of engagement with their wider team. So they have, you know, their portfolio team who working across maybe two or 300 different businesses and sharing ideas around what was working with paid advertising what's what's working in, you know, analytics, CRM and analytics and that sort of thing.

So I think that's one of the things that I think we're seeing, we're getting real value from and I think that's one thing I didn't certainly encourage, if I was if I was raising investment going forward, one of my one of my criteria in the past would not have been considering this, but I certainly now I'd be thinking about, can my can my investor, support our business in some of these more challenging data, process skills? Can they bring experience to the table, that's proven experience and things that they can share that can help?

I feel like the UK Investment Committee is very good at that. But I think what I'm seeing coming from the US is I'm definitely seeing US investment companies, particularly the larger VCs, really capitalizing on that portfolio knowledge base. You're seeing businesses launch where they're launching from scratch with 100 customers, because their investor has basically corralled every organization in the portfolio to buy the product.

So a little bit of an unfair thing to do. But actually, in the current climate, I think you've got to take what you can in terms of if you've got an investor who's is willing to give you a bit of a leg up, then that's, that's great. But ultimately, the customer base is going to be the proof. Certainly in the market going forward.

**Matthew Todd**

That's really interesting that the, yeah, there is a change in investments. There's a difference between UK and US as well. But as you say, more and more investors are starting to look at the data side of things and how that compares across their portfolio. That's just yet another reason to make sure that you are monitoring, aware of and monitoring the right metrics within your business. The most important thing is that is going to help you make intelligent market driven decisions.

I think investors who say are just becoming more and more conscious, especially as there is this proliferation of tooling as well, of the importance of that kind of market engagement and the metrics that that can sit behind that as well. I think that's a really good conclusion to a theme that we've had really on the kind of the need for customer driven and it's important to you, it's important to your customers, but also it benefits your investors as well.

That completes that picture quite nicely in terms of the impacts that can have but just before we do wrap things up, I'd love to hear whether there's anything else you'd kind of like to offer to other founders, whether they're at the startup or scale up stage.

**Ed Bartlett**

I think probably the last sort of leading point I go with is my experience around the sort of founder journey is that sometimes you can get quite self absorbed and you can be so focused on what you're trying to deliver. Sometimes you've got to take a step back and actually, you know, talk and engage, whether it's with investors or the other founders. Some of the some of the most useful learnings I've had are from founder get togethers or conversations I've had. There's things that get put on podcasts, and there's things that don't. This conversation is good and the more the UK community does the better.

**Matthew Todd**

That's great advice. Thank you, again, for taking the time today. I look forward to finding out how a Hicomply journey goes and maybe we'll catch up with you a little bit further down the line and see how that growth has been, UK, US and other geographies as well.

Thank you for joining me on this episode of Inside the ScaleUp. Remember for the show notes and in depth resources from today's guest. You can find these on the website insidethescaleup.com. You can also leave feedback on today's episode, as well as suggest guests and companies you'd like to hear from. Thank you for listening.