

Matthew Todd

Hi. My name is Matthew Todd, and welcome to Inside the ScaleUp. This is the podcast for founders, executives in tech, looking to make an impact and learn from their peers within the tech business, we lift the lid on tech businesses, interviewing 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. We learn from their journey so that you can understand how they really work, the failures, the successes, 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.

Hi, and welcome back to the podcast. Today I'm joined by Tom Dunlop CEO of Summize. Tom, great to have you here.

Tom Dunlop

And thanks for thanks for having me today.

Matthew Todd

No worries at all really looking forward to the conversation. So Summize is first of all, tell us what is Summize? What platform do you provide?

Tom Dunlop

So Summize is essentially a digital contracting solution. So it's aimed at the kind of in house legal teams of corporates. And it kind of works across the whole contract lifecycle. So it kind of helps you create contracts, review contracts, and then manage them once signed.

Matthew Todd

Perfect. What's your, your background before Summize? What led to the creation, the observation of those problems and challenges in the first place?

Tom Dunlop

Yeah, so I got to know contracts very well, when I was a lawyer. So I guess it depends how far back you go. But I kind of became a lawyer and moved in-house quite soon after I qualified. So I tend to be an in-house lawyer for tech businesses who are kind of scaling up going on their journey, and ultimately aiming for an exit. And the real use case, I guess, that was the the idea for Summize was we were being bought by another company. So we had to go through the kind of due diligence. And I manually reviewed about 500 contracts and that process. It was a fun job. As you can imagine. The one thing well, probably a lot of people don't realize is firstly, in contracts, if you're a business, the business relationship, you know, you can't really get out of it, I mean, consumers are more protected. So that means that you literally have to read every single line of a contracts just in case you miss anything in those scenarios. And the second thing is that once you go through things like DocuSign, for example, they actually lock the PDF, so you can't even search them anymore, because they're completely locked for security purposes.

So I just found myself kind of realizing that this hugely manual task when I knew what I was looking for, took me months really to do that as long as my day job. Whereas there was an obvious application of tech working in a tech, you know, tech company, maybe you kind of realized that as well, which is when I spoke to my co founder now and kind of worked through, you know, how we could devise a solution.

But I think the second part of what I realized when I was working in-house, obviously dealing with contracts was was a big thing. But the other thing is you soon realized as a lawyer that you're kind of the last department to be digitized. You know, every single department has their own solution. So sales had, you know, Salesforce HubSpot, marketing have their own tech, you know, the developers can have their own tech, HR, finance, legal, was expected to have Word, email, things like that. So it's an obvious area that needed digitization, which is, you know, ultimately where we play today.

Matthew Todd

Yeah, that makes a lot of sense. I certainly can see what you mean, by legal being later to digitize. I've not worked in legal departments, but I've worked with legal departments and have certainly been exposed to data sharing practices, and you know, Word documents being sent around that pretty data practices felt like there should be better tooling for. A couple of things jumped out to me there when you were talking about some of the challenges you faced when dealing with those contracts, it seems like they were really kind of two issues and one kind of before you sign that contract the issues around gaining logic, understanding what was in the contract, but then also, after the facts, you know, making use of that information further down the line. Is that right?

Tom Dunlop

Yeah, I mean, we very much treat the system as you know, anything pre signature, I think the aim of that is around is around efficiency. But it's actually more around, I guess, speeding of the business, either to revenue or to cash or just to a decision. So a lot of the tools that we deploy pre signature are actually more for the business users. They're more for sales teams for marketing teams, and to try and make them self help a little bit more. With the idea that you know, ultimately, then they can get to revenue quicker, you know, simple things, for example, NDAs, or even the first draft of a services agreement. For example, it can kind of get lumps on legal. And it can take days to turn around with a relatively straightforward contracts, which is where we actually kind of integrated into teams and Slack and Salesforce. And the idea behind that was that it's basically a chatbot that allows that has a chat with the salesperson asked them questions, depending on their answers, we can then draft the contract to supply the legal knowledge. But it's essentially allowing the kind of business use to self help, which became obviously a huge efficiency saving and the kind of research process.

I think for postage process, which is quite interesting, given the kind of macro environment, so you've got, you know, certainly in the last number of years from the financial crisis through to GDPR coming in, and that meant that, you know, there was more data provisions than ever. Then we had, obviously COVID. And then we had the war, like, these kind of huge macro, environmental things have actually influenced the board's, I guess, view on contracts. And then

all of a sudden, it became a really important thing to know is where are my contracts? What's in them? How do I get out of this contract? Or what are my obligations in terms of this particular supplier? So a lot of the postage stuff that we do is understanding what's in your contracts, bringing it to the forefront, allowing you to get grips on that kind of really, really important data, which is obviously a different standard, and that kind of pre signature side.

Matthew Todd

Sure, and what are the things that you would then typically be looking out for in those contracts? Is it you know, sort of clauses that would be missing? Is it things that perhaps don't work in your company's favor that you might not realize until further down the line? What are the some of those things?

Tom Dunlop

It's a real mixture. I mean, I think we work with a range of clients across sectors. So obviously, every company has a slightly different angle. But ultimately, it usually revolves around a question that someone wants to know. So a simple question might be, how do I get out of a contract? And that might be several different clauses that can answer that question, you know, what's the duration of the contract? What's the termination provision?

So we try and position the system to answer those kinds of questions. Similarly, might be payment, you know, things like the triggers for payment payment terms is one thing, but it might be well, is that payment on the date that you receive an invoice? Or is it payment on someone doing something in the future? So when you actually dig down to what the business actually wants to know, the answers to these questions, it's an amalgamation of, you know, number of different clauses. But then if you try and group them together to answer these questions, that's the real power that we can bring to a lot of different businesses.

Matthew Todd

So I guess in that legal department, having spotted some of those problems, noticing that legal was a later department to digitize, how did you then go about validating that it was a widely held problem, but also you had a solution that was viable as well?

Tom Dunlop

Yeah, it's a great thing to be the clients of your products, or it's also potentially dangerous, because you obviously mold it to your particular use case. So I think a lot of the early days was definitely, you know, my vision for what I had. or was useful to me and my, my particular use case. So one thing we realized quite soon was, you know, summarizing contracts, which is where we came from was, was obviously a very useful thing to do. But ultimately, that was because I just gone through that process when I spoke to colleagues, you know, I have a network of lawyers and general counsel's that I worked with, that I knew. And we floated the product. And well, yeah, that's great, you know, looks really good. But you know, I have a contract management session system over here, and I don't really have a need to do a project right now.

So you as soon as that's realized that you've got to broaden it from your own perspective about what whatever the problem is that you specifically had? And then that's where the functionality starts to come from, to really figure out where exactly in the market do you fit from a product perspective, product market fit so important when you're going through the early days. And that's something we tried to learn quite quickly, probably because I understood the use case very well. I could kind of bounce it off my network.

I had a vision of things like the teams in Slack chat bots, for example, that no lawyer that I bounced off whatever have come to suggest that this was a product functionality. So it really was a combination of leveraging my network, sense checking that the problem I was trying to solve existed, but then also combining that with a vision for how to solve that problem, which was myself, my co founder, CTO, and it was that balance between customer feedback, your own personal vision and making sure that you're balancing the two and not going really headstrong into one or the other.

Matthew Todd

Yeah, I think that's really good insight that you have to have a balance of both of those things you need both of those things. It's obviously extremely critical to validate the problem with customers, but the solution they might suggests is going to be limited is going to be framed by their current experience and perspective what they're used to using. And if there hasn't been as much digital innovation, then they're probably not in a position to recognize what is possible or recognize what might be able to help them.

Tom Dunlop

Exactly. I mean, and that's where we look to other tools of the departments, you know, we we knew, working in a business that contracts when exclusive to legal, you know, they're a document that that ultimately becomes a commercial transaction. So, really, all you want to do is understand, you know, what is it that the, you know, the sales teams would want from the contract? What was their perfect experience?

And so I would, you know, ask the sales teams I was working with, and just say, obviously, forget how we worked today. What important to you, what would you want to see, you know, how would the process look like to you if you could design it? And it was overwhelmingly that they just wanted an element of control? I think legal departments, what we heard was, it was almost like a black hole, you kind of send something in, and they might have a system, they might have a product to do that.

But ultimately, once it's in legal, no one knows what's happening, no one knows what they're doing. No one knows when they're gonna get it back. And I think that all that came out from speaking to the business users, whereas the legal team didn't really think about that they were just kind of were focused on their own internal efficiency. So you really have got to kind of look at the various different angles and keep coming back to the problem you're trying to solve, validating that, but the solution of how you solve it has really got to be a bit of a wider, you know, discussion, combined with your own your own vision as well.

Matthew Todd

I can see how the legal team is obviously the primary department impacted by your platform and other platforms, but it's definitely the wider business that get value from that as well. So you certainly need to bring those parties into the conversation.

Tom Dunlop

Yeah, definitely.

Matthew Todd

When it came to the kind of early customer adoption, then or even further down the line selling it to new businesses, because the legal, as you say, has been later digitalised, was that a difficult process to navigate? Or did you find them pretty, you know, open and receptive to new tooling, improving ways of working?

Tom Dunlop

It was definitely a difficult sell. And I think we were selling to start with to both law firms and two legal teams. And one thing we realize with law firms is, you know, most people will be aware, they bill by the hour, you know, their billing their time, so they're monetizing their time, not their knowledge, in my view. And so there's, there's a huge conflict, you're trying to sell them something, which actually makes them a lot more efficient, and actually requires them a lot of time to actually get it to be configured and setup to get those gains in the future.

And so when we realized that law firms, they had no incentive, there were no there were they weren't incentivized to be more efficient, because that would essentially mean that they're not billing as much time. And also, they weren't prepared to give the time up to actually implement the products, which is a, you know, it's a known issue across the legal industry.

Whereas in house legal teams, you know, they're stretched, they have their cost base, they're a cost center in a business, they have to be more efficient, that's the only thing they have, is to try and get more efficient and scale because they're not going to get given headcount. So we learned that pretty quick in terms of how to sell between the two and which one resonated more with the two different sides. But I guess then, since we've been to the US more recently, you then start to understand the difference between, you know, a very evangelical sales to someone where you've got to educate them.

And that's what we found in the UK, in particular, where the first few calls demonstrations were an education process, it was kind of the why CLM? Why do I need more efficient? What what's even possible? And then you've got to try and tackle budget timelines process. Whereas when we've gone to the US, what we found is that that might be their second generation purchase, or they may have already be on their third generation. In some instances, we're finding now in the US. And over there, they know what CLM is, they know the benefits, they probably don't a business case before. But it's huge actually to understand that when you're kind of selling to these markets, probably something we didn't appreciate when we first started out that your entire sales pitch and sales process, and how long will it take to close, has got to really take those things into consideration to understand who is your customer? And where are they on

their buying journey? Because we're very different sell that we have now between UK and US, for example.

Matthew Todd

Yeah, that's really interesting. I can certainly see that how you need to be much more education based in a market that let you say the UK there's not got such wide exposure to the that way of working, I guess, before compared to the US. So yeah. Are you able to kind of shed any light on some of the tangible differences then in terms of that, that sales process?

Tom Dunlop

Yeah, with our typical sales process is very outbound driven. So I mean, we have content marketing side of it, but realistically, we have no no global brand. or something that people weren't searching for CLM. In the UK, for example, coming back to the point, they weren't aware of the benefits. So we have this kind of model where we have SDRs, as we call them, but basically ringing up trying to find leads. And on those calls, the first few questions are very sort of, I guess, soft education around the use case more around, you know, for example, do you think your current contract process could be more efficient? Or, you know, in a perfect world, do you think that if the business uses self, you know, being able to self help would make you more efficient as a legal team? Or are you drowning in volume, that kind of thing?

And their answers to those questions. They're trying to get them to talk about the use case, the problem and really honing in on that. So then we can start to talk about solution from a high level about how it'll help them not functionality. Whereas actually, in the US, we're finding that we can drink up a, you know, a general counsel head of legal and say, you know, look, you may already have a CLM, you'll certainly be aware of CLM, why we're different is x, and we kind of immediately jump into the very functional difference between us and the competitors. So it's a different angle, in terms of getting their attention, because, you know, same with content. For the UK, it's very educational, it's very high level, very about the kind of use cases and the problems, whereas the US is very much functionality based, and more around why we're different to competitors, compared to just overarching kind of use case.

Matthew Todd

Yeah, that's, that's fascinating. I think, obviously, the positioning that you have is, is going to be clearly very, very different between those two markets. And something I think a lot of people might not appreciate. They might think, oh, we need to work on our positioning, we've got it right, and then that's suitable for all markets, which is often not the case at all.

So when it came to the US, how did you find that process? Or what do you see your key differentiators be? What is that different position that you you try and hold there?

Tom Dunlop

So I guess our differentiators kind of come back to that Teams and Slack, Salesforce positioning. So pretty much all the other tech vendors in our space created this kind of all in one platform, think like Salesforce, but for contracts. So you kind of have to everyone has to go and work in their platform, they've developed their own version of Microsoft Word, for example. And

they might send out notifications. So they call them integrations. But you know, like, someone's made a comment, click this link, it'll take you back into the product? Well, we decided to do, partly because we were founded in COVID and we realized that its mass adoption of you know, obviously, Teams, Slack, is we just plugged our intelligence into those tools.

So the big differentiator for us is definitely around, you know, the UI that someone would actually be working in is something they're familiar with. And when we go to the US, for example, the challenge they probably had in rolling out an existing tool, because they're on that second generation purchase is implementation. How do I get my sales team to use this product? And they've experienced the pain of that at that point, whereas the UK haven't? So what we found is, obviously, over generalizations, there's exceptions. But so when we went with the kind of teams and slack angle, and we said, look, you've probably had issues with trying to get your sales team adopting this solution, because it's something entirely different. Why we're different is we can get them to create a contract in Slack. And that's how they probably communicate with you today. And you kind of get them to really bite at that sort of angle compared to, I guess, something they haven't experienced yet, which is hard to educate them over a problem they don't have.

Matthew Todd

Yeah, that's very, very different. That virtues of contract management in the first place, versus here's how you actually get engagement for the salespeople, the other departments in your business actually get the promised advantages or return on investment?

Tom Dunlop

Yeah. And we found that as well. It's difficult. It's more difficult in the UK market, because when they see the all in one solutions, in our view, their demonstration is really good. It's all thier real estate. It looks very, very good and very cool. Until you've experienced the pain of how you actually go about implementing that, like most systems, HR systems are probably quite similar, where we had one a while ago, where the only interaction I had was approving holidays by email. So it really didn't matter what the UI was like, in the product. I never even saw it. I just hit an email approve. And that was my interaction. So I think it's kind of really thinking about that as a experience. So I understand that now. So we've moved system since because I've understood that what's important in that kind of solution. And we've actually, ironically gone with a solution that has the Teams and Slack chat bot, which is what we've done in the legal sector.

Matthew Todd

Yeah, that's really interesting. And I can see that, you know, for a lot of founders when they set out to create something and they've got a vision of what the platform could look like. Imagine that they envisage people logging into their system, using it day in day out, get to experience this thing that you've created and put in front of them. But actually, the most seamless thing, the least unobtrusive thing could well be just better quality integration with their existing toolset that actually genuinely enables them to do the work they tried to do in the system there already in.

Tom Dunlop

Yeah, it's a very big difference. And I think that again, a lot of people spent a lot of time on the

UI. And we have as well, we've got, you know, a huge amount of time we spent on how the user experience like hangs together and the interface looks. But ultimately, you do soon realize that all that's irrelevant if you can't actually get the users to go to the platform on and what's the compelling reason to do that? Why would they do that in their day to day life? So I think there's a lot more considerations than just what will you think it looks and feels like? The implementation rollout is equally as important, particularly in SaaS, because you have to get recurring revenue. So you have to keep selling it basically every year, every year, every year and proving that value.

Matthew Todd

Absolutely. And if you look at metrics that a lot of people track around your daily active users, etc, it could well be that an active user hasn't actually used the web based part of your platform, but is just using a Slack or a Team's portion of the integration, because you've got to measure that stuff a bit differently.

Tom Dunlop

You do. The metrics we measure are different per use case. So, particularly if we're looking at one client, for example, just uses the slug chatbot for NDAs for kind of their commercial team. Now, for us, it's quite narrow use case, but they've saved probably, I think they're up to about 500, NDAs, created in the last, I don't know, six, seven months, completely on their own by us by sales teams.

And then when you think, well, even if an NDA takes, I don't know, 20 minutes to put together when you times it by 500. And you know, then, so how long a lawyer would take to do that. For them? That's huge ROI and a very narrow use case. So, you know, for us, that's great. Obviously, if they're using the full end to end CLM, that's even better, but that we're able to, I guess, measure success in different ways, depending on the use case that people have.

Matthew Todd

Yeah. And are legal teams in those companies accepting of that, I could imagine there could be some cases where they're a bit fearful of that, they think, well, they can't do it as well as I can? Or how much more are they going to try and take away from from my workload? How have you found that kind of pushback?

Tom Dunlop

To be honest, I think you get a few but probably more on the junior end, I think the reality is, when you're a lawyer, you go through law school, you go through a law degree, then law school, I think the biggest surprise actually, when you become a lawyer is how manual and admin heavy your job becomes. Not one lawyer wants to be sat there created NDAs does. Or if you do, then, you know, you probably wasted a lot of time in law school to be able to just do that for your day job. So it's very rare that people look at this and think it's going to take my job, because they want to be doing more exciting stuff, but they can't because they're bogged down.

Now, that was the difference, though, between in-house legal and private practice law firms is, law firms are actually thinking, well, all's I care about is monetizing my time. I really don't care

whether it's doing some admin tasks, whether it's printing whether it's, you know, due to complex litigation, like, as long as we're getting our billable's, we don't care. And I think that is changing slightly. But we certainly found that that that's obviously not a particularly great way for us to sell into that, if that is the mentality that has been adopted in a firm.

Matthew Todd

Yeah, absolutely. Sounds like they're definitely not optimized to delivering value, and certainly not delivering value as efficiently as possible, as I can see where with in-house teams, it is taking that more mundane stuff off their plate, so they can actually use more of their expert knowledge and experience.

Tom Dunlop

Definitely.

Matthew Todd

Yeah, that's really interesting. So in terms of Summize, and the journey into deploying that in the UK and then go into the US, as well. How has that journey been going from, you know, working in a legal team to founding and running a company in that space?

Tom Dunlop

I guess, different aspects of that. So I guess for me personally, I mean, I've loved every minute of it. I think the things I struggled with being a lawyer was you always had to be the voice of risk in every conversation. And you were you were very rarely allowed to be the kind of creative one or the ones that come up with solutions basically.

So for me, this is like a huge kind of creative release almost to be able to actually create solutions to problems and not just think about what could go wrong all the time. But then in terms of the journey itself, I mean, one thing that I found is that the stage on the journey that you're at is massively important. I think when you go through this journey, you obviously look for people who give you advice and try and give you pointers. And there's so much conflicting advice. But I think that part of that is because it's only relevant for a particular part of your stage when you're trying to get to the first 10 customers, I like the old adage of you do things that don't scale. Like I would be ringing people, I'd be doing the demonstration. They signed up, I do the contracts, and then I would onboard them. And I was probably acting as their customer success as well. And obviously, that's not going to scale.

So every person who would give you advice would essentially say that, you know, you're bonkers to do that you need to do this, you need to do this. And then I think well, no, actually, right now, this is what we have to do. And then, you know, getting your first few customers to 100 grand of revenue, for example, is a slightly different problem than 100 to a million and a million to 10 million, you kind of, you're always in a different stage. And there's always slightly different things that you should be doing. And that's one of the things that I've learned that probably isn't as clear actually, when you start this journey, that you really need to treat your priorities and how the business functions and what is scalable, what isn't. And depending on where you are on that on that journey.

Matthew Todd

Yeah, absolutely. I know at conferences you see people kind of lapping up talks by these big companies that are how we got to a billion dollar valuation from zero to \$200 million in revenue with a product-led growth strategy. And then you see all these really super early stage people kind of feverishly taking kind of notes, and, you know, trying to work out how they can apply that same strategy.

But you know, they are looking at a strategy that's like four or five steps, if not more ahead of where they are. So it's not going to be appropriate. They're not going to see the results they're looking for.

But how do you then take all of that information and different advice out there? How do you find any kind of useful resources or tools or ways of thinking that allows you to actually distill that a bit and find out what was the right thing for that particular stage?

Tom Dunlop

It's very hard. I think this is why it's very dangerous to give kind of like specific advice to other companies almost in different positions. But there was a great book that I read, called *Impossible to Inevitable* by Jason Lemkin, who is kind of just a hustler, and he was at Salesforce early on, but that is all about the first 10 customers the focus on getting to your first 10 customers that are arm's length, and it's a really good book to get going. And then it talks about how you get from 10 to maybe 50. So in the initial early, early stages, that book was great. And I kind of read that, like the Bible really about how we actually started.

I think then going forward, we were fortunate that I managed to get really good angel investor, who was actually the founder of the business that I used to be the general counsel at. So when I was doing that due diligence, where we had review all those contracts for the sale, that was for his company, essentially. So he exited from that business. And that's been hugely important as well. Because if you've got not only an angel investor, who can obviously provide funding, but also someone who has been through those stages themselves, and even though they might not particularly resonate with where you're at right now, it might have been, they can't quite remember the challenges that they had. There's always things in there about, well, maybe the next stage, he needs to get to this. So then you work back from that, and start to think about what you should do from now to get to that next phase.

So it's definitely about getting those good, you know, advisors who've been there and done it, you know, I think it's easy to get a big name advisor who's worked in a big corporate, but the reality is their advice is probably completely irrelevant when you're at the other stage, because they just don't know. I mean, if you worked for I don't know, Visa. You're not gonna know how visa started. You weren't there at the beginning. So you have no idea what we should be doing right now, which sounds bad, but it is, that's how you cut the noise out is you've got to really focus on someone who's actually been at the phase you're at before.

Matthew Todd

Absolutely. In terms of the metrics and measures of success at those different stages, how have those changed as Summize has been able to grow and expand?

Tom Dunlop

I'd say in the early days, again, getting to your first 100 grand of revenue, for example. I mean, there is no metrics, you've got to do everything you can just to get people to resonate with a problem and then pay you money for the solution. I mean, we had a list price for the cost, which we just thought based on market research is right. We heavily discounted and you just do anything you can just to get people to use your products and get their feedback. And then I think from you know, talking about stages from 100k to about a million was where we found which is common for product market fit, that was when we really started to think well, how can the product be scalable? And how can the product repeatedly answer this very particular use case? And also, are we targeting the right section of the market? You know, are we targeting companies with 50,000 employees, are we targeting companies with 200 employees, or somewhere in between? And I think that it's really important at that stage to really work out not necessarily your go to market funnel metrics at that point, I still think that's a little bit early, but at that point, it was all about, can we repeat everybody sell this product and solve a solution for this section of customers?

And then post the million, what we started to turn our attention to was more around the go-to-market, funnel metrics, essentially, about how can we make the sales process the marketing process more repeatable, and that's where now we're in a, you know, a fortunate position where we believe where we can kind of work out how many literally dials or calls it will take to get a deal or, you know, particular marketing activity, how much the cost will come in, and then how many sales accepted leads, for example, it will create. And it really starts to get quite scientific. So then you can, you know, hence why we're like the lowest of the scale up rather than the startup is you really can then get into a scale up position, and very repeatable.

And so our metrics now very funnel focused, very top of the funnel in terms of both, you know, dials to attend meetings, through the marketing side to, you know, form fills, and sales accepted leads, and then three down to revenue. And we monitor that practically daily, really, as well as obviously, probably uses metrics and kind of understand on the CS. But that's been a huge kind of switch for us over the past, probably six to nine months.

Matthew Todd

Yeah, I think that's really interesting. So thank you for sharing that. Because I think a lot of people perhaps think that those different stages or metrics or processes come in earlier than they actually do. Like, I agree, outbound can be absolutely fantastic. You can own that process, you can control that process, you can get to the stage that you're at where it does become that scientific approach. But it can take a while to get that right. And there's a lot of factors in there. Right. It's the messaging, it's the market, there's so many different elements that I think for some people, they can try and get that into early, but they're not really mature enough, not really got the right market understanding or product maturity to make that work.

Tom Dunlop

I totally agree, I think it's, for me, it's all about what milestone are you aiming towards, and we close Series A, you know, back end of last year. Something for us now, we have this mission, which is the we're on the sort of 1 to 10 ARR, is what I call as our kind of typical scale up phase. And within that phase, you know, there's certain things you want to get to, but one of them is actually then the kind of cash to profitability, which is obviously very topical at minute with tech businesses.

And that's where certain metrics around, you know, revenue per employee, or obviously gross margin, the cost of acquisition or all these kinds of stats, which may be absolutely core to a big business and almost like why would you not be tracking them early? And we are tracking them. But in terms of how we're doing, or are we achieving what we set out to, they weren't the important metrics in terms of a milestone earlier.

Whereas now we're looking at it, I think there's things like, we used to look at like the CAC payback, which in SaaS is, you know, the cost of acquisition, and then how quick can you pay it back with the customer? And I do think we got carried away with some of these metrics and the really early days, and you start to measure that, and you're like, it's completely pointless. That's not the metric you should be focusing on. It should be whatever milestone it might be, which might be a number of customers, it might be an adoption rate, it might be at a particular ARR target, for example, but it certainly shouldn't be the real efficiency metrics that you need to get when you're at, you know, 50 million ARR business.

Matthew Todd

It sounds like then to get that level of focus, which, you know, certainly sounds like it's been really, really important to your success. How do you get alignment on those objectives, especially when you've got investors coming on board as well? How do you make sure that, that milestone that vision, that goal that you've got internally is a widely widely held belief and you are genuinely all aligned to that?

Tom Dunlop

Well, I think there's there's two different sides. There's probably the board dynamic, and then there's probably the the actual incident employee dynamic. I think, again, coming back to the angel investor side, what I think we've always been quite lucky with is having really strong non execs or angels or chairmans, that get it. You know, they get the that's not important right now. Some of the challenges with some of the investment firms, is that they will be looking at the metrics that, you know, maybe they need to report on. And that might include efficiency metrics or profitability, or, you know, whatever it might be. But I think that's where you as a business have really got to set out well, actually, right now, this isn't the core metric we should be measuring ourselves on, is actually these three things. And the milestone we're aiming to get to is, you know, at this point in time, we want to be here. And when you've got a strong angel investor, or non exec, who's backing that up, that really helps with the board dynamic.

I think internally, I mean, it's, again, it's just been, it's been transparent. We run a few different things internally, but how we get people bought in, I think we have an overarching mission and

our vision about what we're trying to do, and I think people buy into that. But I think we have a mission which is usually not necessarily for that particular financial year, that's like, for right now, our mission is the 10 million ARR. That's our mission that we're currently on.

And then we went back from that and have, you know, financial year objectives, which are broken down, and then everyone, obviously, typical OKRs, where every individual person understands what they're doing is contributing to those objectives. So we have quite catchy ways of remembering them, like our values are growth. So that kind of growth mindset respect, so there's one team will to win. So we have this kind of GROW acronym for our values.

And then for our objectives, we split them into kind of an ABCD. So again, people can really understand what each of them are, they understand them, they get them, they can recite them. And they also know how they personally can contribute to them. So I think it's making those two different things from board dynamics through to actually getting the company to not only but into them, but actually remember them, I think is quite important.

Matthew Todd

Yeah, absolutely. It's really demonstrates that you do live by them, you're measuring against them versus, you know, something a bit more aspirational, or just a bit more shallow, to be perfectly honest, that some companies have in terms of what the objective of the day is almost.

Tom Dunlop

I mean, I worked in a previous company where they approached it from, some people have a very, very big goal in the future. And it's a very, it's quite daunting goal, but maybe there's a huge reward if we get there. So it's, you know, if we reach x, we will give everyone a huge bonus, or a trip somewhere, or whatever it might be. But a lot, a lot of times, I found that they can be massively de motivational, because it's so far in the future. And then the slight deviation from the plan, you think you're never gonna get there. So a big part of the growth mindset, one of our values, so all about 1% improvements, we have the vision, and we have the FY objectives and the mission, so people can kind of see where we're going in the near term. But they also don't necessarily even focus on that they're looking at every 1% improvement at a time. And I think it's overused now, instead of marginal gains, 1% improvements, but we do a few different things to try and make it live, we have a kind of 1% board that people put 1% suggestions on. And then we award every month for 1% award, 1% of someone's salary is basically paid to the best 1% suggestion. So it's a bit of a monetary gain there. But actually, what we're really doing is getting everyone in the mindset of just thinking about what they're doing, and can it be improved. And that's been a real game changer for the culture internally as well about how we, everyone's bought in.

Matthew Todd

Yeah, I can see that I can see how that's certainly a lot more tangible. It must feel a lot more achievable, and therefore motivating and engaging to achieve that, versus oh, we're going to be a billion dollar company. Well, that'd be nice. But how are we going to get there?

Tom Dunlop

Yeah, and a lot of people, the biggest thing I've found with employees, and this is true of most generations, but I think, particularly now, where they do want to know that you have a vision or a purpose, or somewhere where you're aiming to go, probably the biggest thing that people want is just, you know, they want to feel like they're contributing, they want actually genuine, like not ownership as in necessarily the company but ownership in terms of tasks and knowing that they are contributing to it.

And so again, the one thing we found with 1% was actually enables people to suggest something that they see that their suggestion has actually been implemented, and it's improving the business. So there's real ownership of oh, I can contribute actually, to where we're going. Not just that the company is going to reach a billion dollars, you've actually got to care about how the individual fits into that picture. And can they contribute to help get there, which is much more rewarding. So we've seen a huge kind of engagement with certainly that particular value, since we introduced it.

Matthew Todd

Yeah, that's a lot more empowering, as you say, isn't it? It's yeah, something employees can really take on and, you know, adopt it and see the difference that they make and therefore you know, feel it part of something I can imagine.

Tom Dunlop

Yeah, definitely do. We try and do a lot on personal development, on training on learning on, you know, alongside and really make it about the employees journey as well as the company's journey. I think a lot of companies and CEOs, and I'm probably guilty of this as well start with where you talk so much about this kind of entity, this thing, which is the company and what it is going to do. And I think unless you can make it personal to someone and how that impacts them, and where do they fit, they're probably not going to get that engagement.

So one thing we did quite early on, actually was we did the Summize of the future. It was a massive org chart of a company with, you know, let's say, 150-200 people in we put a lot of roles in there that would typically exist. And then we got everyone to really go on that org chart and say, you know, this is the position I want to be in, you know, and it's not in so far in the future, you got 50,000 employees, we're talking about, you know, say 200 person business. And we were trying to get everyone's visual how are you going to get there, then? What do you need to do to be that position in some eyes in, you know, two years, or whatever it might be. And that's quite powerful to really kind of get the individuals bought into the journey, as well as what we're talking about the journey was going to be like for the company.

Matthew Todd

Yeah, kind of breaks the company vision down into the people vision.

Tom Dunlop

Yeah, exactly. It's really empowering.

Matthew Todd

Yeah, that's really, really interesting. So thank you for sharing that. I think that's gonna be really, really interesting to anyone listening to this. Just before we do, wrap things up, is there any advice you would give other founders potentially first time founders as they navigate that journey from startup to scale?

Tom Dunlop

I think it's recapping some of the things we've covered. So popular bits of advice that I think it worth not ignoring, or placing less emphasis on. One is that raising money from friends and family first is a great idea. I think, for me, having a strong angel investor who'd been through the journey before was, you know, so much more valuable for the onward journey than trying to go to friends family, and also it can, it can really affect personal relationships, if you don't quite scale or don't quite make it. And particularly those early days, it might just place added pressure, which you don't need at that time. So I'm not sure that's a particularly good one. I think in terms of the product side of it as well is coming back to what we said before, like, listen to customers in terms of the problem they're facing, but don't necessarily listen to customers in terms of the solution they come up with.

So there's a couple of things that I think a lot of people get told this when they were in the early stage, but I wouldn't place as much emphasis. And then I think in terms of things to be aware of. One is that kind of be aware of the stage you're in, do things that don't scale. Like, there's no harm in, you know, the founder, being the salesperson, the CS person, the, you know, even prospects and doing phone calls, like I get that it doesn't scale, but actually, particularly in the early days, it doesn't matter about metrics, you've just got to prove out that concepts as quick as you can do anything you can to together. So just reiterating those, I think I wouldn't want complicated with any of my own bits of wisdom that would get lost in the rest of the noise.

Matthew Todd

No, absolutely. I think that's great advice. And I think, yeah, the way you've shared the Summize journey definitely illustrates the value of those as well. So thank you, Tom, for for sharing that. And, obviously wish you the best of luck with Summize. We'll leave links to Summize in the description if anyone wants to check it out, whether you're at a startup stage or scale up, if this has resonated at all, if you want to find out more about the platform about contract management as well then I encourage you to check the site out. But Tom, thank you very much for for sharing that. And thank you for the time today.

Tom Dunlop

No problem. Thank you for having me.

Matthew Todd

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.

