Sherry Coutu CBE

Interviewed by

Jonathan Sinfield

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Welcome to the Archives of Information Technology. It's Thursday 21st of June 2018, and we're in the Worshipful Company of Information Technologists Hall in London. I am Jonathan Sinfield, an interviewer for Archives of IT, and today I'll be talking to Sherry Coutu.

Sherry was educated at the University of British Columbia, the London School of Economics, and Harvard Business School., before founding Interactive Investor International in 1995. Post a highly successful 2000 float the company was sold to AMP in 2001. The company remains one of the largest retail financial services sites in the UK today. Post sale, Sherry became an angel investor, working with hundreds of entrepreneurs, investing in more than 50 companies. TechCrunch voted Sherry the best CEO mentor in Europe, and Wired magazine named her one of the top 25 most influential people in the wired world. In 2013 Sherry was awarded a CBE for her services to entrepreneurship. In 2014 the UK Government asked Sherry to lead a review into how to make the UK the best place for businesses to scale up, a subject that no doubt we will find Sherry is passionate about. In 2015 Sherry was voted one of the most inspiring women in Europe, and named one of the most philanthropic entrepreneurs in the UK. Sherry's work with the younger generation includes long associations with the Raspberry Pi Foundation, Founders4Schools, Workfinder, and the Prince's Trust, and Cambridge University.

Good morning Sherry.

Good morning. How are you?

[02:04]
Yes, good thanks. Sherry, I wonder if you could take us back and tell us a bit about your, your childhood, where you were born, and tell us about your early years please.

I was born on the west coast of Canada, in Vancouver, New Westminster, which is part of Vancouver. Was there until I was thirteen and then I moved to Quesnel, which is a small lumber town, and then, my parents after that moved to Prince George, which is another small lumber town. I was there until eighteen, when I went to UBC.

[02:38]
Mhm. Right, OK. So, so you moved across BC in those early years. And, and at high school, what subjects interested you at high school?

I think I liked all subjects. I, I… I've always been curious about, just about everything. So, I liked all the subjects at school.

Right, OK.

There wasn't any that I disliked or liked. I did my undergraduate as a BA, starting in psychology and then moved over to political science.

[03:09]
Right, OK. And what inspired you to, to go to university?

A fellow called Duane Ruberdo[sp?], who was a, I guess a sort of, family, family friend, and he loved his job, and he was really the first person that I sort of, knew that had, that loved their job, and that had gone to university. Neither of my parents went to university. And, he said, 'Well, you know, you should think about, you should think about going to university,' and was, you know, encouraged me to do that. So, I did, and I guess, almost like copying him, or doing what he thought, I sort of applied to, to start out in psychology. Did some volunteer work, and I didn't like… I found myself frightened, and, remembering everything, and it really, it didn't sit with me very well I think. So I moved from psychology, because I really felt it was not, not a great subject for me, to, to political science and economics where I was, you know, fascinated and found it, you know, really interesting and not, not emotionally disturbing.

[04:15]
Mhm. And you were at UBC between '82 and '86, so a four-year course.

Yup.

And, as you say, but the first year in a different subject. What are your memories of UBC and, or, highlights, or…?

Well I had a… UBC is an amazing campus university. You drive through two golf clubs to get there, and it's on a cliff overlooking the Pacific Ocean. So it's a, a magical place. Had, you know, had great friends. I was in, lived in residence there, as many students do. And, you know, some of my best friends today are still, you know, still, you know, having met at the university. Third and fourth year I was what was called a resident attendant. So I worked to put myself through university, because we didn't, I wasn't from a wealthy family. And, so, my, my work was a day residents' attendant, which is, kind of like a, you keep an eye out for younger, younger students, and, if they need, if need help any way, you make sure that they get, they get help. And if they're having too loud a party, you ask them to have a quieter party.

So you were mentoring at an early age, is that what you're saying?

Probably, yes. Oh, I think, I think that's right, yes.

[05:42]
Yeah. And you, you graduated with an MSc, with – sorry, no, a BA Honours in Political Science.

Yup.

And a First Class Honours at that. What did you think about doing at that stage in your life?

Well I wasn't really sure what I wanted to do. I, I was interested in law, because I think I liked justice. But, I, I knew that I wanted to go international, and study a little bit more. So, it was really just choosing which university to go to. And I was fascinated by Ralf Dahrendorf, who at the time was the Director-General of the London School of Economics. I liked his books. And I thought, well that seems a, you know, interesting university to go to. I wanted to be in London. I didn't want to be in Oxford or Cambridge, because, I wanted to be in the big city. So, came, you know, sort of applied, and, got in, and sort of, came to the LSE. And, it was a fantastic experience, which I benefited from enormously. There were, I think, 78 people in my programme, and they were drawn from 25 or 26 different countries. And, I had never been in quite such a cosmopolitan atmosphere, ever.

Mhm.

I… While I was there, I met somebody who later on became an angel investor in my company, and he was doing his PhD in mentoring at the time.

Oh right.

And, he was also the person that told me that I was an entrepreneur. And, I don't think I had ever heard, heard the word entrepreneur before I was told that I was one. So that was interesting. But one of our case studies was Steve Shirley, and, she's obviously, a past Master of the Worshipful Company of Information Technologists, and I loved, it really captured my imagination what she was doing and how she was doing it. I loved that she was using technology, I loved that women were having children, doing the school run, and coming back home and working from home, and, you know, using, using their skills there, and not going into the office. And I had never met or studied anybody who had, you know, crafted a firm that was perfectly suitable to them. And, that really influenced what I did afterwards. In fact I chose to be a computer programme at Accenture, or what's now called Accenture, .at the time was called Andersen Consulting, and it was entirely because I was curious about, you know, how you could use IT, and also thought that it was a, a great industry to be a part of.

[08:27]
Mhm. So, you identified one entrepreneurship, because somebody recommended that to you. Sorry, the person who recommended that to you at the LSE?

His name is Richard Caruso, and he was there doing a PhD in, his PhD in mentoring.

Right.

And, he just said, you know, 'Clearly you're an entrepreneur,' you know, as you do, you talk about what you might do afterwards. 'Well you're going to run companies.' It's like, I'm going to do what?

Mhm.

And nobody had suggested that to me before.

And, oh, I wondered, obviously you made the 8,000-mile trek from Vancouver over to, to London. Had you visited London before you…?

I had visited London, and my grandparents were, were from, were from the UK.

Right, OK. So you, you knew what…

So, my grandparents moved to Canada at around the turn of the century.

Right, OK.

And so, very, you know, we were always talking about England, and it was, it, it seemed at home. And then my cousin, between first year at UBC and second year at UBC, I, my cousin was here, taking out or doing something for the summer. So, I came, I came over. He was here for a year actually. And I, he was living in London, and I came and stayed, and, I just thought, what a fabulous place. I felt on fire, absolutely, you know, loved it. And, it really just felt great to be here. And, I knew that I wanted to, I knew that I wanted to come back.

[09:48]
Right, OK. And, as you say, then you joined Andersen Consulting, Accenture. Programming. So what type of programming were you involved with at…?

I think I was programming in COBOL, and RPG III. So…

Oh. Oh right. The real stuff, then, not…

[laughs]

Not just single server.

No no no no. Proper, proper programming. Did some things in financial services. Did, worked at a distillery. Did some stuff in insurance. Did it for about two years. And then, was, I don't know if you say headhunted, but I guess I was headhunted, over to Coopers & Lybrand. And I was curious about that. And, what I did at Coopers & Lybrand was, worked in corporate finance, and had a shareholder value analysis unit. And they also had something called a 1992 unit. And that was working with finance directors across Europe, of large companies across Europe, to help them consolidate their operations in the light of, [laughs] the single market, which I think, Brexit is clearly undoing all of the good work that I did at the time

Oh dear. Yeah yes. Yeah.

But anyway, so, worked for them. And that was more corporate finance. For that I was working with loads of people who had MBAs, and that sort of gave me an understanding of what an MBA was and why one might, might wish to go back to, go back to university and study again.

Mhm.

So, so did that for a couple of years, and then thought, ooh, I really need an MBA, because I liked the way that they thought.

Mhm.

And I knew that I didn't think that way, and I liked the frameworks that they had for approaching, approaching business.

Mhm.

So, after working with a bunch of MBAs doing some corporate finance work, decided I was going to go, get one. So, thought, where is the best place to go? And, HBS seemed a, a perfectly sensible place to go. I actually thought it would be harder to get into Harvard Business School, because, they use case, cases, and, academically I, I can, I knew I could do academic work well, but the case studies, which were far more practical in nature, I hadn't yet tested myself on. So, I was curious to, to try out, you know, case studies in the Socratic method.

[12:03]
Right, OK. And so you were, you were with Coopers between '88 and '91, and then, and then you moved to, to Harvard basically.

Then I moved to Boston.

Yeah, to Boston.

Or, the other Cambridge as it were.

Yeah, exactly.

And, was there from '91 to '93. And enjoyed it enormously. I was Co-President of the European Club, and I was, I did some rowing, captained a rowing team. Which was not a… My husband reminds me all the time that it's not as good at rowing as is proper rowing, like what he did at… Like what he did at Cambridge.

OK. I see.

But, but anyway, it was fun to be on the river, and it was a, it was a nice distraction. And there I specialised in entrepreneurship.

Mhm.

And, was fascinated, and continue that fascinating today with starting up companies, and, solving problems that nobody has yet solved. I like the creativity and the jigsaw puzzle that comes along with entrepreneurship.

[13:03]
Right, OK. And so, a couple of years in Boston you say. And, and then, was it always your intention to return to the UK? Is that what you thought you would do?

Well I wasn't entirely sure what I was going to do. So I visited the UK, visited Canada, thought about staying in the States. When, I just remember distinctly when I was coming back to the UK, the plane was landing over London, and I just thought, oh this is it, this is home.

Right, OK.

So it felt like the place that I should, I should be afterwards. So, came here, and I worked at, I think it was called Videotron, which was part of Bell Cable Media, which is a Canadian telecoms company, for about a year as a, their Director of Strategy.

Mhm.

[13:46]
And then, a friend of mine from HBS was starting up a company called ISI Emerging Markets, well, was starting up a company. It was not yet named.

Mhm.

And I got excited about the company that he was starting. So, I stopped working at the telephone company and, you know, sort of, started working, started working at ISI Emerging Markets, which was, which was great fun. He… He had worked with Jeffrey Sachs in Poland and Russia prior, and, was interested in getting the company information and the information out of emerging markets into institutional investors in, in the UK primarily. And, I could help with the architecture and programming and, and sales. So, I was one of the, one of the first people that, that joined, joined his company, which had been his thesis at HBS.

Mhm.

[14:39]
So did that for about a year, year and a half, and then had the idea for Interactive Investor. And, I couldn't stop myself from doing Interactive Investor, because it just seemed like it really really really needed to be done.

Mhm.

And, you know, almost, you know, sort of… Well I just couldn't stop myself from doing it. So, didn't stop myself from doing it. And that was the, and that was the sort of, birth of the first company that I founded on my own.

Right, OK. And that was in, what, 2001 you, around that time was it?

[hesitates] I don't think it was 2001.

Oh right. I beg your pardon.

It would have been… I floated the thing in 2000.

Oh I beg your pardon.

So, that's the founding of it before the flotation.

Yes.

It would be nice if you could do that, but… [laughs]

[laughs] Yes. Yes.

I think it was ’95.

’95.

I think I… I graduated in ’93; did a year of, a year at the telephone company; and then a year, year and a half of Internet Securities, ISI Emerging Markets, which was sold to Euromoney. And then started up Interactive Investor. And, ran that for, well, until it floated, until after it floated.

Mhm.

And, which was fun. And that, that was really solving a problem that I was, you know… I was thinking about buying a house. It was hard to buy houses, and I used to information services, and, I just thought, this is crackers. Why is it so hard, why do I have to trot up and down the high street and look at obsolete, out of date pieces of paper to understand stuff about mortgages? And, it’s just, it just made me grumpy. So, I thought, well, the better way for this to do, to be, would be online. So, created a service at the start on mutual funds, and, and then moved into equities after that, and then also pensions and a few other financial services.

[16:33]
Right, OK. So as you say, as you quite rightly correct me, 1995, and, apologies for that. So what were the challenges you faced at that early stage? Presumably quite numerous.

Well, the… Too much demand for your services. That sounds a bit strange, but, they took off very quickly. And, you know, hiring people was always difficult. I think, expanding my own, you know, leadership capacity, and learning how to, how to be a chief executive, because I, you know, being a consultant is very different from being a chief executive, and being an MD, to, you know, you know, well somebody else is a chief executive, was also different. So, I think, learning how to be a decision-maker was, you know, was probably hard. You know, you sort of grow and you challenge yourselves in different ways.

Mhm.

Finance. I found it easy to run out of money if I didn't keep my eyes on it, because we were expanding so quickly.

Mhm.

And I probably over-delegated, you know, and came, well once very very close to running out of money, which I vowed I would never do again, and, to date have not.

Right.

Which is good. Getting customers was easy, because everybody loved our product. And the part that I absolutely loved about it was, I liked rolling up my sleeves and getting my hands dirty with the product. I loved hearing from the customers, what they wanted, what their aspirations were, and then designing something that the programmers who I had hired would then, you know, make happen.

[18:14]
Perhaps you can give us a sense of the size in terms of the numbers of employees of the organisation in those early years.

Oh, it was very small. When we started we were on St Helen's Place, which was just over by, by Liverpool Street. I don't know, five or ten. It was very, it was very…

Five or ten. Yeah.

It was five or ten then. And then it sort of grew to, the north of 100 by the time we floated it.

Mhm.

And had millions, literally millions of, of customers.

Yes. And how did you finance that at that early stage, just having…?

Do you remember that guy who told me I was an entrepreneur?

Yes.

Richard Caruso.

Indeed, yes.

I went back to Richard Caruso, and said, 'Do you remember you told me I was going to be an entrepreneur, and that, you know, I should let you know if I, you know, you know, if I wanted to keep in touch? Well, I've got my idea, and I think, it's… And, so would you invest in, you know, would you invest in my company?' And he said, 'Yes.' He didn't even read the business plan, although, I had taken a great amount of time to prepare a business plan for him. But, he invested because, he thought it would work. And indeed it, it did work. And he was a fabulous mentor to me.

Right, OK.

And always, always knew what was… Always knew the problems that I was about to run into way before I knew I was going to run into them. He was, he was very helpful. He was a serial entrepreneur as well.

Mhm.

And, I think if you can ever find, if there is a lesson there, if you're a first-time entrepreneur, find somebody who's been a serial entrepreneur to be your angel investor, because, that's worth more than, more than its weight in gold. Very very helpful for me.

[19:44]
Yes. I've heard, listening to other interviews that you've given, I believe you've quoted you can identify an entrepreneur within a few seconds. Now clearly he

identified you as an entrepreneur. So, perhaps you could tell our listeners how you would identify, or what you see the qualities are of an entrepreneur.

I think somebody who's certainly got get up and go. But, I think restless with the status quo, and, not, not believing that it's necessary to accept the status quo.

Mhm.

And I think that agitation or irritation with, you know, well why isn't it like that? You know, if I meet somebody, it's like, well why isn't it like that? you know. And, well let's put together a team and make it not like that. I mean people build the future, and I think you can spot them.

Mhm.

And a couple of questions in with somebody you, it's whether or not they really have the zeal to bring about a change, or whether or not they are testing the idea, and thinking they might want to be an entrepreneur. You answer questions differently.

[20:46]
Yes. OK. So you… We'll come to the float and the sale, but with Interactive Investor, is there anything you would have done differently if you had your time again?

[pause] Don't know. [pause] I might not have taken a trade investor, if I were to do something differently. I think I would have done angel, VC, float, rather than angel, VC, trade investor, float. And I'm not going to name the trade investor. Somebody else can do their homework. But I found it quite difficult rectifying the objectives of the trade investor against the, the venture capitalist, and it took quite a lot of time managing the, the different agendas there. And it would have been simpler to, it probably would have been simpler to avoid taking corporate, corporate venture money.

Right, OK.

So, if I were to do something different, and advice that I certainly give to others, is, you know, think hard about whether or not you want corporate venture sort of funds in your company.

Yes.

They took a very large stake, went on the board. And, they were just harder to manage.

Yes. Yes.

And it, it… I was constantly frustrated at the time.

[22:17]
Right, OK. But no doubt they were pleased when you chose, you chose to float the, the company. How did that come about, and what was the rationale in that and…?

Well, this was in the age of irrational exuberance. It was late '99. We were growing at hundreds of per cent per annum. And, you know, you just look at the cost of capital, whether or not you're not going to do a trade sale, whether or not you're going to take more venture capital money, or whether or not you're going to do a float. And, a floatation seemed the best way of retaining independence and, and growing larger, so that you could think about taking acquisitions, you could fund other, other programmes, so you could hire, you know, other engineers, and these sorts of things.

Mhm. So, so at that stage, it was for, expansion and the growth of the organisation, rather than a straight exit plan as it were?

It was definitely for expansion, yes.

Yes. OK.

Yes.

[23:29]

And the offer itself. Highly oversubscribed.

It was 33 times oversubscribed, which at the time was the most oversubscribed, from what I understand. But we were gazumped a couple of weeks later by lastminute, which was 38 times oversubscribed. So, our fame of oversubscription, or the most oversubscribed, was short lived.

Mm. But, just looking back at that time, the shares started trading at about 150p, and by the end of the day, well, finished the day about 330, 335p. So, there were a lot of happy investors and some probably frustrated that they couldn't get shares in the first place.

Well there were many people who were complaining that they couldn't get shares, or couldn't get the allocation that they wanted. There were many people who came on at the beginning of the day and then traded out at the end of the day, and they made, quite a lot of, you know, they definitely did well. But you'll also know that, I'm sure you're getting to it, a couple of weeks later there was a market crash.

Mhm. Yes.

Which was, equally unpleasant, and I think, to me, what it, you know, the lesson there is, and I don't think I did it at the time, I really don't think the valuation of your company matters. What I think matters is, the customers and the revenue that you make from, from those customers.

Mhm.

And I think… Well, sorry, and profit. So I think focusing on that has been a, a, you know, very good business advice, and advice that I give to, to others. I get grumpy when I hear people talking about unicorns and measuring that by valuations, and you'll see, in the Scale-Up Report, which I know we're coming to, I talk about customers and profits, and, and I don't talk about valuations. Because I think valuations can be out of your control. I mean, why was, you know, why was our little, you know, why was our little company, you know, you know, 33 times oversubscribed? Why, you know, why was that? It's hard to get the pricing right. Anyway, so, I think that valuations aren't everything, and real fundamental value for the business and what it's delivering to its customers is what I, what I focus on.

[25:55]
And, a relatively short time afterwards the business was sold to AMP.

Yes. Yup.

Perhaps you can talk us through that, and the rationale of, of that particular deal.

So, our corporate investor wanted their money back.

Right, OK.

[laughs] So…

We're back to that yes, yes.

We're back to that.

Yes.

So, they, they had decided to exit all of the, I think, their investments, and they wanted to do that. So we didn't have, we didn't have a lot of choice.

[26:30]
Right, OK. If you had had a choice, would you, do you think you would have, I say, say hung in there further and stayed with the company, or, or do you think you had added your value at that stage, and, it was time for you to naturally move on, or…?

I was five months pregnant with my second child when we floated.

Right. Mhm.

I was pregnant with my third child when I decided that it would be fine to sell it to AMP.

Right, OK.

So… And that's really what started me being an angel investor.

Mhm.

So… And I think I'd been doing it seven years. And I think, you know, I didn't really feel like arguing over whether or not it should be sold, and, you know, the… I have a very strong independent streak, so would have preferred, always preferred a flotation over being a small part of something, something large.

Mhm.

I think you've got more freedom when you float, when you float a company. Assuming you're getting the, assuming you're doing the right thing.

Yes. Yeah, so… So the timing was right as far as you're, you were concerned?

The timing was right. So, it's just like, well, you know, I've had a good innings, you know, people have made their returns. These guys really wanted out, and they, they really made it very clear that they wanted out. And if you've got a major shareholder that absolutely wants an exit, it, you know, I think sometimes those decisions are taken out of the entrepreneur's hands.

[28:04]

Yes. Yeah. And to put it bluntly, the money that you made from your, your investment and your founding and your efforts in the company, enabled you to become an angel investor, enabled you to become an angel investor.

Yah, I didn't have a big sugar daddy giving me money, I didn't…

Exactly. Yeah, no. Yup.

I didn't inherit, as we went over earlier, I didn't inherit my money.

Yeah.

There was also the exit from the first company that, that was helpful in giving some funds.

So, the New Energy Finance side of things.

No. The first company.

Oh right, OK. Sorry.

But anyway. So, angel investor, I was persuaded to be an angel investor by Hermann Hauser.

Oh right. OK.

Who, still remains a great friend and mentor.

Mhm.

And, you know, as you do, it's like, should I sell, what should I do? It's like, well you should sell, and then you can be an angel investor, and, it's a natural next step for you. So, become an angel investor. So, I sold that. Joined, was one of the cofounders of something called the Cambridge Angels, and started investing in helping other people build companies, rather than building my own company.

[29:20]

Yes. Very, very briefly for our listeners, how would you explain what an angel investor is?

An angel investor is somebody who invests their funds in early stage companies.

Mhm.

Often pre-revenue, often at the point where they've got a prototype, but they don't have, they don't have customers.

Mhm.

And you mentor them, and help them learn how to make their product work, if it doesn't yet work, and once their product starts working, you help them understand what they need to do to get it into the channels in the market, how to do international expansion, how to hire people, how to fire people, that sort of thing.

Mhm.

So it's hands-on; it's not, it's not like investing in a, you know, in a, you know, in an ISA or, or a venture capital trust. It's, you put in a, relatively, you know, a sizeable sum of cash, and, and you help the company grow, after you've put in your, your cash.

Mhm. And you've already mentioned that, you know, for entrepreneurs to consider, you know, angel investment rather than, say, venture capitalists, venture capital moneys coming in.

Well you would never go venture capital first. You would always start with angel first as a…

Yeah.

You've got your idea; you then do angel finance, C finance, and then, after it's been made to work, you then go to venture capital. Venture capital, it's pretty hard to skip the angel route and go straight to VC.

Yeah. And with VC, when investors… Venture capital. You say there's more involvement on decision-making from a VC perspective, with an organisation, or not?

I'm not sure I understand your question.

Right. Sorry. When you were talking about interactive investors, you were talking about large… I thought you were talking about venture capital in there.

Yah.

And how, in your mind, you'd have preferred it more angel investment, or have I got that wrong? Sorry.

You've got it wrong.

I apologise.

[laughs] That's OK.

We'll move on then.

No no. No, I, I can explain. Usually you have angels, and, it's often a syndicate of angels. After you get the company up to a certain amount of product market fit, you can then often raise venture capital, which would be, you know, three to ten million pounds. So, a more sizeable amount of money. And they need the company to be at a greater stage of formation before they invest.

Mhm.

What I was saying was that, sometimes venture… And venture capital are usually independent firms of financial professionals, often who have run their own companies. And I said, corporate venturing was what I wouldn't do again, and that is when a company invests into a start-up, and they act differently than a venture capitalist.

Right, OK. I appreciate that. Thank you very much.

[32:31]
And, sticking with your angel investments. You've invested in what, approximately 50 companies, some of them household names to many of our listeners. Would you like to take us through some of the organisations that you were, were involved with?

Well you mentioned earlier New Energy Finance.

Mhm.

And, that is a company we sold to Bloomberg. It was an idea of a friend of mine who had also been a non-exec director on my company.

Mhm.

And he had an idea to start up a company to provide an information service for people who are interested in clean energy, new energy. And I thought it was a great idea, and, you know, happily invested in it. He grew it to, I think 110 people across ten countries, and then faced the, do I feel like floating, do I feel like selling? And chose to sell to Bloomberg. And it was a very natural fit for Bloomberg.

Mhm.

Lovefilm, which was sold to Amazon, was again another investment that I made that, I very much enjoyed it and admired the entrepreneur, who I had known from before.

And, yeah, the idea, it was like… Actually, strangely, there were three very similar companies that were formed within a week. One was Screen Digest, the other was Video Island, and the third was Lovefilm. And they were all started by friends of mine. [laughs]

Right, OK.

Who I knew in the industry. And, and I had invested in one of them. And actually luckily they all merged together and they lived happily ever after. But that was quite fun. And then, one of the next, next ones after that, which again, if you want to call household names, is Zoopla, and Zoopla was founded by one of the gentlemen who had co-founded Lovefilm.

Yes, yeah.

And, you know, he had chosen to leave it, start up his next thing. And I thought he was an amazing, this is Alex Chesterman, I thought he was an amazing entrepreneur and operator, and didn't, really didn't even think twice about investing, investing in it. When they floated, I joined their board, and they have recently announced that they're selling to Silver Lake, which is a private equity.

Right, OK. OK.

[pause] I'm trying to think. There's something I was really quite excite about, which is Ieso, which is in health sciences, and, used to be called, it originally was called Psychology Online.

Mhm.

And it allows psychologists to consult with their patients online, rather than going and having a physical interview. And that actually produces better outcomes than when you physically, in the same room, sit down with somebody and have therapy.

That's interesting, yes.

It is interesting.

Mm.

It uses technology very aggressively. So, everything is recorded, and while it is recorded, the patterns of answers from the person who's being helped is flashed up on the screen of the therapist, say, ooh, they just said that; that gives us a worry about that. So you have an augmented dashboard that really, you know, helps the, the, you know, the very experienced therapist. The other thing that… And, and it cures people in six sessions rather than ten. So, if you're a therapist and you really care about your patients, and you're curing them in half the time, you feel a lot happier. In addition to that, because they're, because they use technology and they don't have to get in their car and travel any longer, they can actually do four or five patients in a day, rather than just two. So… And they're paid by patient. And so, their income, of the therapist, mainly who are women, goes up significantly. All of which is good. So the patients get cured faster; the therapists make more money, and they're happier because their patients are getting better. And it's a lovely investment that I was very pleased… .

Yes. Sorry, I hadn't heard of that company, no. Could you name that company again? So it was…

Ieso, i-e-s-o.

Ieso. I mean, in times…

Used to be called Psychology Online.

Right. Oh… I mean, in times where we've got, in the UK, significant strains on dealing with mental health issues et cetera…

It's a whopper of an investment, it's a great investment.

Yes

Yes.

[37:33]
And, yes, that's, that sounds fascinating. With your investment, is there, the areas that you've invested in, would you say there's a common theme to the areas that you've invested in?

Yes. I like investing in double-sided marketplaces.

Double-sided marketplaces. Right.

Double-sided marketplaces.

Right. OK.

So, if you think about Zoopla, it's people who have houses who want to sell them to people who want houses.

Right, OK.

So you've got buyers and sellers.

Yeah yeah, OK, fine. Yup.

So I like bringing buyers and sellers together, whatever, whatever their call. So Lovefilm, people who had films and people who wanted films, and using technology for that. Ieso, people who need therapy, and people who have therapy to give. So all of these are double-sided marketplaces. And New Energy Finance, people who have information about energy projects, selling it, making it available to people who want information on those projects. So, so definitely in e-commerce, a very strong e-commerce theme, theme on that. If you look at Founders4Schools, which is what I spend a great deal of time doing at the moment, that is a double-sided marketplace giving, getting students access to business owners who found their own firms. So that they can think about the companies that they will create or join, rather than progressing down a route of, you know, going to a professional firm or a government or a doctor or something else.

Yes.

So it opens up opportunities to them. And we've created a platform to make it, about 100 times easier than it is using the analogue world. The reason I like double-sided marketplaces is, it drives the costs down significantly of enabling transactions between people that want to make, what to, you know, want to do, want to do that transaction.

[39:34]
Right, thank you. So, and if we think about your, your work in the area, I say, entrepreneurs, and with the younger generation, interested in your work with, obviously it's… You found Silicon Valley Comes to the UK for example. Perhaps you can tell us a little bit about that organisation.

Yup. So, Silicon Valley Comes to the UK, I co-founded as opposed to founded on my own, with Ellen Levy and Reid Hoffman. Ellen is an angel investor and was running the Stanford Media Lab, and Reid is a founder of, well co-founder of PayPal and co-founder of LinkedIn. And, I was working with him as an adviser, helping him do, LinkedIn do their international expansion. And, because I was spending time both in Silicon Valley and here, really saw that there were parts of the ecosystem in the UK that would benefit from having a Silicon Valley mindset. And, so, we set up a scheme of inviting iconic serial entrepreneurs over from the UK to here, to – sorry, the US to here, to mentor first-time CEOs, so that they could see their trajectory from first-time CEO to serial entrepreneur to angel investor to venture capitalist and then to philanthropist.

Yup.

So in the Valley there's a very clear progression, you're not going to just start up something, sell it, and then put your feet up, which is, again the myth would have you believe that, in the UK that's what the myth is.

Mhm.

And it was really helping people understand the pathway that entrepreneurship allowed them to go down, and the philanthropy is also the giving back part.

Mhm.

So, we invited people out, we ran programmes in universities to highlight that this was the most fantastic career that you could ever imagine, was, was in, in a tech start-up.

Mhm.

We ran programmes for all first-time, with venture capitalists, we invited their portfolios to mentoring workshops with, with these serial entrepreneurs, to help them deal with their own leadership capacity building. Again, I mention that it was, I found it hard running a company for the first time, because he didn't really, you know, the problems that I was trying to solve that I was experiencing were written in books. And this is a very common theme with people who are running companies for the first time, they don't, they don't… Who do they look to for, for a mentor?

Mhm.

So this was providing mentorship and peers, and role models, all at the same time, to these, these folks. A spin-out of that was Founders4Schools, because, after they, after we did the CEO mentoring, and then had the [inaud] entrepreneurs in university classrooms, it occurred to us that we should probably not be neglecting the classrooms.

Mhm.

But that's when it changed to a model of, well we really need to tap our own business leader community if we're going to, if we're going to bring about the change that we want to. We now with Silicon Valley Comes to the UK also do trade missions over to the US, which is actually really fun. So, we bring groups of people who are growing their business at at last 300 per cent per year, which is, you know, it's quite hard when you're running a company that fast. And they take a few days out, and, they come over to the Valley and we introduce them to our network, so that they can feel clearer about some of the things that they need to do to continue to grow their business, not only to, five million in turnover, 50 million in turnover, 100 million in turnover; it's really to, to 10x. And I think our, what we try to help people do is understand the levers that they need to do in order to grow their company ten times in, you know, in a one- or two-year period, not five or ten per cent.

[43:45]
And here what you're talking about is scaling up of business primarily.

That's exactly right.

Yes. And…

So the person who wins isn't the person who starts something up.

Right, OK.

The real impact comes from scaling it up.

Yes.

And scaling is significantly harder than starting things up. But I think people didn't necessarily realise how hard scaling up was here, in this, in, in this community, before. Whereas in the Valley, everybody starts up stuff and they don't really pay attention; they only pay attention once it starts scaling, and then it's like, OK, OK, how are we going to help them go faster, how are we going to help them go faster?

So it's, again, it's a different mindset. And we really wanted the mindset here, because the economic growth that comes with scaling things, and scaling a higher proportion of things, is, is incredible.

[44:36]

Yes. And in fact the Government, what was it, in 2014, asked you to commission a report into this area, and, and you, an independent report, and, that you finalised in 2014. So perhaps, perhaps you can talk to us a little bit about the report and the recommendations.

Yup. So, the report was on how to stimulate UK economic growth. And, I had been in a committee meeting with some people from the Government, and they were talking about the impact, the economic impact of their entrepreneurship programmes. But, I was aware that, there had been quite a lot of research that showed that there was a negative correlation between starting something up and economic growth, but there was a very high correlation between scaling something up and growth.

Mhm.

And I had made this comment, which was, well if you want your entrepreneurship policies to have any economic impact, you really must change them so that they can focus on the right, the right market sector.

Yes.

And that… So we looked into whether or not… I mean people have complained in the UK for a long time about, that you, that we can start things, but that we couldn't grow them.

Mhm.

So ask the question, you know, what is it about the ecosystem here that means that we can start things and not grow them?

Mhm.

We had passed the US in 2011 at being better able to start things per 100,000 of population than in the US. But there were some barriers that we found in the UK that didn't exist in other countries, that if we were to focus on removing those barriers, our entrepreneurs were just as ambitious, but they were running into more barriers here.

Mhm.

So, one of the barriers is access to talent. People are coming out of the schools and universities without the right skillsets to be able to work for these, these tech companies. That's a solvable problem. There was a real lack of short-term executive ed. courses that would help scale up business leaders at the time when they were scaling up to, to learn how to be better, more effective leaders. There were some courses at universities, but you know, you had to, they were sort of, you know, they were for large companies. So all the exec. ed., what we found is that most of the exec. ed. that was offered in universities was solely servicing the large corporate market, where they would send someone away on a residential for, you know, a month or two or three, and that's wholly inappropriate for somebody running their own fast-growth company.
[47:30]
There was use issues of understanding about how to do business development and international business development, and with that, we call that access to markets. So we have recommendations that large corporates should have fast-track programmes for start-ups and scale-ups, so that they were easier to deal with, because they made it very very very very hard for little companies to sell to them. Whereas in the US, if you are the Government or you're a large corp company, you're wanting to do business with and to buy goods from these innovators. We found that there was a cultural barrier here in the UK against dealing with start-ups and scale-ups. And if you remove that barrier, then the start-ups and scale-ups grow quicker, and the large companies also grow, grow faster, because they're more, they're more innovative.
[48:20]
So we recommended a number of things that would make it easier to, to sell, to, to under… well a) to understand procurement, but b) to encourage the procurers to fast-

track and to make it easier, to change their own processes to make it easier for, to deal with start-ups. We found that there was a very large finance gap, because it was very easy to raise C capital, but it was impossible to raise Series B or Series C. And we identified something like a, a £10 billion gap in the later stage. I think that has largely been solved, but just identifying that per capita in the US, this amount is available for this stage, and in the UK there are no funds that service this particular stage. So there's now, that's, that's sort of been fixed.

[49:12]

The fifth was infrastructure, and, in the US it's really easy to grow in science parks and stuff, so you can grow from one to 50 to 250 to 500 employees, relatively easily, and the estate agents there will let you out of the lease so that you can grow and you're not stuck there. Whereas we found the behaviour of estate agents here in the UK meant that, you would have to sign up to a five- or ten-year lease without a break, and when you outgrew it, you couldn't leave and they wouldn't let you sublet. So the behaviour of the estate agents we sought to change so that it was easier to grow, to grow quickly. What happened, what we were finding was that companies were growing but they were getting a location here and another location a couple of miles away, and another location a couple of miles away from there, which significantly increases your communication costs and decreases your productivity.

Mhm.

And, we have a huge, we have a very large productivity issue here. So, if you can change the behaviour of the estate agents, and create spaces where you can grow easily, you can do that. And, since then you've seen WeWorks and Second Home and a number of large spaces making themselves available for start-ups and scale-ups.

Mhm.

And you've also seen a change in behaviour from the science parks. And I think the science parks have a huge ability to play a role in, in helping companies scale up here. And they've changed from wanting to play like real estate, saying, 'Well, if you move into our science park you have to be here for ten to fifteen years,' which is a big company policy, to, ‘You’re absolutely fine, we’d love to help you grow, and if you outgrow this, this space, we’ll help you grow into another space.’

Mhm.

[51:01]
So, I think, many of those issues have been solved. The one and the biggest, and the first thing that we asked for in our recommendations, was that the Government released data so that you can more easily find and detect scale-ups in your community. And they still haven’t done that. And I am hopeful that they will, because that will overnight increase the ability to fast-track these companies, and to detect them and to offer, you know, barrier removal services that much, that much easier. So I, I live in hope that that will happen.
[51:42]
What I said is, there is your VAT. We all file, all companies file, or, 90 per cent of companies now file their VAT and their PAYE, so you can tell the second that they start, you know, they’ve been growing for two or three years that quickly, which is when you know that they’re going to be having talent acquisition issues and talent growth issues, is when it’s ideal to put them on the map as it were.

Mhm.

And, at the moment the best information that we have, put someone on the map about a year and a half after they’ve been growing that fast. And, if you’ve been growing really really fast for four years, and, you know, you’re having a hard time holding, you know, the wheels on your bus, or you know, dealing with all of the growth, it’s probably better to get a helping hand offered to you, you know, two years in rathr than three and a half years in.

[52:39]
Right, OK. And, actually, taking you back to one of the other barriers that you mentioned, and that was with… I’m just wondering about Government procurement. A lot in the news recently about purchasing from very large organisations, in some instances has been high risk. Do you sense there’s been any change in Government

procurement in terms of dealing with the, the smaller suppliers, in terms of start-ups or scale-ups?

Well, it would be a lot easier if they could spot them. [laughs]

Right, OK. Yeah. Good point.

So they prevent themselves from being able to deal with them, because they can't spot them.

Right.

Picture trying to have a trade mission for fast-growing companies when you have no information source on those fast-growing companies, and you're not an expert in finding them. But there has been some. I think if you look at GDS, and there is also the… So there are some programmes from the Government that favour that.

Mhm.

What I would really like to see is the Government putting some muscle behind it, and with their prime contractors, insisting that their prime contractors are dealing with scale-ups. That's, that was again on of the first recommendations in, in the Scale-Up Report. But again it's hard to insist on that if you can't detect a fast-growing company.

Mhm.

So again, they're not releasing the information on whether or not a company, or, can… What we want to do is, a company say, yes, I'm a scale-up. Check the scale-up register. I'm there.

Yes.

So… Which means that, you can go, be put in a fast-track. That means you qualify for trade missions, you would qualify for, you know, financing from some of the, you know, if you needed finance, you would qualify for an exec. ed. programme, or your CTO would qualify for an exec. ed. programme that was suited for them. But all of that is made a lot harder if you can't identify them.

[54:37]
Right, OK. And just, again for our listeners, I'm not sure we've touched on this, the benefit for the economy in investing, promoting scale-ups. Perhaps you could say a little bit about that.

Yes. So we had RBS and Deloitte and McKinsey run the numbers for us. The question was, if we… So what we find is that, per 100,000 of population, there's a certain number of scale-ups in this country. It is lower than in most other countries, which is how you detect that there's a problem in your ecosystem.

Yup.

If we were to get one additional scale-up per 100,000 of population, then the benefit over ten years would be, on a net basis, is 225 billion with no additional spend whatsoever. And, on a gross basis it was one trillion four hundred billion. But, again, it's, on a conservative net basis, it's 225 billion. So, imagine not spending any extra money, and just changing your focus so that some of your policies were oriented towards helping a company continue to grow, rather than just getting an idea off the ground.

Mhm.

The benefit in GDP is just enormous, it gives an enormous boost. But if you don't know the difference between a start-u and a scale-up, and you don't have policies that favour scale-ups, that could help them even if they did exist, then you'll, you'll fail to have an ecosystem where those types of companies will flourish.

Mm.

Or, when that company starts growing quickly, they will move somewhere else, which is also what we have seen. You've seen a plethora of companies moving to Switzerland and to Germany and to the US, because it's easier to grow there. We don't want that to continue. That would be highly detrimental to us.

[56:26]
Was this part of the reason why… Was… You founded the ScaleUp Institute.

Yes. So, after the report was, was finished, I was approached by a number of private organisations who wanted some, something to exist to ensure that the recommendations that had been made were tracked and were enforced. And, they gave us a five-year commitment of a certain amount of funding to allow us to, well, allow me to hire a chief executive and, and a small team to, to continue the work, to, monitoring how we were, how we were doing on that.

[57:11]
Right, OK. And, the successes of that organisation?

We're making progress on the recommendations. You see the Industrial Strategy was, really did speak a great deal about that. You see the British Business Bank now has scale-up programmes. I think it's really been embedded. We've also now run courses for most people who work in local enterprise partnerships which are, they're the arm of the Government that delivers economic growth in local communities. And we've now, most of them have now gone on our course and have put in place scale-up programmes.

Mhm.

So, it's, I think by, by many people's eyes, they were considered to be successful. They have appointed a scale-up minister in most of the local areas; they've also appointed somebody to liaise and be accountable to that minister. So, at all areas of Government I think we've made some good progress. And certainly within companies, and professional services firms, they are more oriented to scale-ups than they ever were before.

Mhm.

In the last year we saw a twelve per cent jump in the number of scale-ups, which is, after a long period of sort of flatlining in the number of scale-ups. However, we're still thirteenth in being able to scale up across Europe. We're number three in terms of start-ups per 100,000, but we're number thirteen in terms of scale-ups per 100,000. So there's a long way to go still.

[58:51]
Long way to go. How are we… Perhaps, going back to Founders4Schools, how are we doing on the talent pool?

Well, the talent pool is not great news. So, the number… When we first measured in 2014 the fears and worries on the minds of scale-up CEOs in the UK, it was about 82… Their number one issues and the number one thing they said they worried about that prevented them from scaling up further and accepting additional customer orders was talent. That was 82 per cent. It's now 93 per cent. And, the number of open jobs that we could detect in 2014 was, I think it was 990,000. That went down a little bit two years ago, but it's back up to one million two hundred thousand vacancies. So, these are listed vacancies in scale-up firms that they cannot fill, because they cannot get the talent. So, what we have seen is, the temperature going up on how hard it is to get talent. Brexit has not been helpful at all. The ability of these tech companies to retain talent has, has been compromised by, people are not feeling welcome, so they're, they're leaving. And, in the schools, people at the moment aren't coming out with STEM skills, and STEM skills are the most important. Being able to do maths and engineering and, and tech, really helps you get a job in a tech company. It also helps you get a job in a large company. But, students are still really coming out without he right skillset, according to the businesses, they're really complaining.

Mhm.

So, there is something that we can do. Founders4Schools, what I like about it is, after meeting people who are in business who are, let's say practitioners of academic skills, it triples the percentage of students that will choose a STEM subject, and the role model impact is, really really important. If we can get people to speak in schools, and to host work experience placements, and they seem to be more than willing to do this, if asked, then, we will be able to change the culture to be far more entrepreneurial, you know, within the next three to five years, which we should, should and must do.

And I think I was reading on the, on the website, near 400,000 student-employer encounters which is a, a lot.

We're doing… Well, it's a lot. There's still a lot more that I'd like to have. But I'm really excited. I mean there's still quite high regional variations, so, in some areas of the country, so in Stirling, Scotland, we're at 1400 student-employer encounters per 1,000 children, of the entire population.

Right.

But, in some schools, that means every child in that school has met ten business leaders in the last six months, which is pretty cool. And this is like, in rural Scotland.

Mm.

Camden, they're just under one for one. But there are some local authorities where the educators aren't calling these business leaders into their, into their classrooms at all. And I would hope that we can, we can change that. And there are some areas where actually we really need, you know, our, my brothers and sisters in technology to make sure that they encourage their employees to, to volunteer their time.

Mhm.

It's only an hour. They sign up, it takes about fifteen seconds to sign up on our, on our site. But in some places, teachers are asking and we don't have enough business leaders to, to pull into the classrooms.

Mhm.

[1:02:42]
So, we depend on the generosity of people who are in technology and business to, literally take fifteen seconds. We do an OR-thon LinkedIn. So you give us your name, tell us, you know, if you have a LinkedIn profile, tell us and we'll link to it. And then, we keep your profile up to date for you, because we've got an arrangement with LinkedIn for good, that allows us to, you know, again, always be, always be up to date. But yes, if I had a, a big ask of those, those of us in technology, it's, encourage your staff to speak in schools. It will make a huge difference. Your enthusiasm will brim over and will allow these kids to see that this is a pathway for them that would allow them to have great impact, and would be fun, and where the future is bright. I mean we've got, you know, rapidly growing companies rather than big shrinking companies. The other thing that I love about our, our industry, is that, the job satisfaction of people working in professional services firms is often quite low. Just mid-fifties. Whereas the job satisfaction of people working in tech companies is, is mid-nineties.

Mhm.

So, you know, we really should be pointing out that, you know, your, you know, your job satisfaction and your happiness is related to what path you forge for yourself. And, the best way of doing that is by having them talk, you know, face to face with somebody in the classroom.

Mhm. Yes…

Or hosting work experience, which is even more important.

Yes.

For, for girls and boys of disadvantaged backgrounds, the single highest thing, the most important thing for their attainment is that they've even visited a workplace.

Mhm.

And if they come from a disadvantaged background, they won't have visited it. So they don't know what work is, and they form their views on work from *The Apprentice* or *Dragon's Den*, and, the other shows that there are, which aren't representative of what, you know, the vibrancy that there is in these, in our companies.

[1:04:43]
Mm. And, how does Workfinder fit into this?

Well Workfinder is a part of Founders4Schools. So, the next generation, we focus on age six to 24. So, six to sixteen is when we want people to be going into classrooms. Because they're not yet really going out and visiting the workplace. But sixteen to 24 is Workfinder, and, they don't want to go to a website, which what we started out with; they want to us apps. So we've created an app which allows young people to access volunteers from businesses who have said, 'Hey, if somebody, you know, I'd be very happy to host someone for work experience.' So we plot them on a map. Children can find them on that map, and apply. We help them make the application process, because some of them don't know how to, don't know how to do that.

Mhm.

So we sort of, we've created a learning platform, a learning coaching platform, for young people, using AIM machine learning, as of course you would expect us to do, so the kids are coached into finding the vibrant companies around them. If they apply to a company that has 1,000 applications per spot, we will give them a gentle helping hand to say, 'Well here's another company that's growing really rapidly. You might not have heard of them, but they are more likely to respond positively to you applying to them because they've not had 1,000 applications for every spot. So your chances are higher of getting a work experience placement here than here.' And again, we've got the data and we've just, you know, worked over the last, it's been three years

since we've been working on this, to, really put a coach and mentor into the hands of every child that uses our app, and I'm quite excited about, about being able to do that.
[1:06:26]
It's the same thing that you would do for your child, or I do for my children, but some people don't have parents who are that engaged, and you can definitely help them find interesting companies to, to work for. And our goal is to get every child between sixteen and eighteen 140 hours of work experience over that three-year period, because there is a lot of research to show that their ambitions and attainment, and confidence, is all significantly boosted and transformed if they have, you know, 140 hours. It doesn't have to be all in a week, or a month. It absolutely shouldn't be at the same company, it should be at five, six, seven different companies. You… An emerging theme seems to be Wednesday afternoons in term time, and, it's a lot easier for companies to have someone drop by four hours a week than to host them for 30, 40 hours in a week in June. So I think we're going to see a really encouraging change in the model of work experience where teachers used to say, 'Oh this is your work experience week you have to do in June.' And that meant that you're trying to corral 1.1 million children through, not that many companies, in a, you know, in a, in a week. Whereas the companies themselves are happy to do it all year long, and they'd rather do it, you know, a few hours a week. And, children, it's just like studying. Do you do binge studying, or do you, you know, sort of, learn over, over a period of time? I think they learn better in, you know, four-hour chunks over a ten-week period. There's some, again, initial research that certainly suggests that. So, we'll watch it really closely, but…

[1:08:07]
And, is this, are the work experience offers in all sectors, or is it just…? All sectors, so, in…

All sectors, yeah.

Including the public sector, or…?

Well, we do, we do have some people from DCMS who have signed up to host work experience placements over, over our site. So yes. Including, but certainly not the majority. The majority is the tech sector, who have said, 'Hey, I could really use some students doing some projects for me. Yes, bring it on, I'd love it.'

[1:08:39]
And for all… And, sticking with the theme, I say, of youth. You were the Chairman of East of England region for the Prince's Trust for, what, nine years, and so, so closely linked probably, or the aims closely linked, to your work elsewhere.

Well, yes. And I might not have seen how necessary Founders4Schools and Workfinder was if I hadn't had that, you know, the nine years with the Prince's Trust. And I think that, the only thing that I learnt from the Prince's Trust, which I absolutely love as an organisation, is their use of volunteers.

Mhm.

Their use in their training of volunteers. So, we… Well, if you sign up to host work experience placements, or you sign up with Founders4Schools, we give you very professional speaker briefings, so that you know exactly what you need to say before, before you arrive. And if you're a work experience host, or a prospective work experience host, we will guide you through that and give you briefings and case studies, so that you know how to create a positive experience for that, for that young person. And I think I learnt that through watching Prince's Trust manage its, its mentors and its volunteers.

Mm.

Because one of their issues in order to make sure that they get the quality that they need is, they need to train and make sure that they, they manage them, and I definitely learnt that from the… I was inspired. Our solution here is absolutely inspired through, through watching a, another very, very fine organisation who I have a huge, huge amount of fondness for. And we're, in some cases, the Prince's Trust, we've got 2,000 partners that use our platform at Founders4 Schools, so, Young Enterprise runs their Tenner programme and their Fiver programme over it, so when they need a business leader to explain what you can do with a ten pound note, turn it into more, they use our platform. Which means for other charities we lower their cost of operating, because they don't really know how to reach out into the, the tech community.

Mhm.

And, so their programmes are more successful, and we're very happy to, to help, to help with that. And the Prince's Trust runs their Achieve programme, which is an after school club for children from disadvantaged backgrounds, and their volunteers use our platform to be able to source business leaders to come in and talk to their, to their clubs.

Right. OK.

So it doesn't, you don't have to be a teacher; you can, you can also be a charity that's doing it for the, you know, for the next generation.

[1:11:05]
And sticking on the theme of education, 2012 I think to the present date, you're a non-exec director at Raspberry Pi as well, yes?

Yes, I love Raspberry Pi. Sorry, so we haven't got to that yet. So, Raspberry Pi was born out of the computer department at the University of Cambridge, because they had seen a, a sharp decline in the number and the quality of applications that they had received over time. And they felt that it was because people were using, you know, things like iPhones, rather than playing, you know, making, rather than making things. And so, the four founders, and I wasn't a founder, but the four founders got together and said, well, people should be able to make things and play for them, like you know the Commodore 64, like it was previously. So, so they put it together. And what got me most excited about it was to see… It was partly… Silicon Valley Comes to the UK, I saw Jack Lang, who is a friend of mine, and he was at Silicon Valley Comes to the UK doing a demo. This, the new Pi's.

Yup.

And, I sort of looked at it , and I thought, that looks really amazing. But it was Joi Ito and Megan Smith and Hans Peter Brøndmo, who all had studied at MIT and understood hardware way better than me, and had been involved in the One Laptop Per Child, who went, 'That is going to change everything.' And then I got really interested in it. So it was really the unbridled enthusiasm and people who I respected who reacted to it when it was an idea. Shortly after that, Rory Cellan-Jones did a, you know, sort of, shared it, and then, and then they had a real problem in that they 'd have 100,000 orders [laughs] and they'd only made a few of them. But yah, it's a joy to, to be with them. It's a very interesting model. It's a trading company owned by a charity. You've got two CEOs. You've got a CEO, Philip Colligan, who we poached from Nesta, and Eben Upton, who is the chief exec of the hardware bit. Basically, Philip gives it away, and Eben, makes a lot of money very quickly. So it's a really, it's a really nice model. We've continued to ship amazing programs, and, the foundation has purchased CoderDojo and Code Club. So that we're now running every day. Every day? No, every week there are 70,000, at least 70,000 kids who are playing with Raspberry Pi's in classrooms around the UK. Because the after school clubs that we've purchased are merged with, things. Yeah, they merge they might [inaud] purchase[?] [inaud].

Yes.

But it's a wonderful organisation. It's full of energy. And they're changing lives very quickly.

Mhm.

And, they also have some really good, insights that I've learnt from them is, the programs that they have for teachers, to help them understand the curriculum and how to teach the curriculum. So, at a fundamental basis, they now have created some MOOCs so that teachers who are a little bit, well, who haven't, you know, invested in their own, or rather, their schools haven't invested in them upgrading themselves so that they can understand computing, they feel pretty uncomfortable having to teach computing. So, we put together some massive open online courses to increase the confidence that teachers have in teaching the computing curriculum.

Mhm.

And at Foudners4Schools we also run workshops and courses for teachers to help them adopt digital technologies like Foudners4Schools so that they feel comfortable using them.

Right, OK.

[1:15:00]
There's a bit of… The training that there has been on technology in schools has been mainly focused on using tech for bad, bad things.

Mhm.

So, they, you know, they say, 'Your children are using these things, which means they're going to be stalked,' or they're going to be bullied. So teachers are often quite frightened of technology. Whereas, being trained in the same way that we in large companies and small companies are continually training our staff so that they can use these productivity tools, a lot of that hasn't, hasn't happened. And I think, the insights on, that I've, you know, admired from seeing what Raspberry Pi has been doing, is, they focus on teachers and the classroom and getting them to understand how, you know, Raspberry Pi's can help them bring the best, the best out for their, the people that they're responsible for.

Mhm. Because it's become the third largest platform I think IT-wise that, what with the…

We're behind Microsoft and Apple. [laughs]

Yeah, just. Just.

But we're not…

There other, two other organisations.

[laughs] Those and the other two.

Yeah yeah.

I must say, there's, there's quite a bit of water between the other two organisations and ours. But, we've put everybody else behind us, which is, not so bad in four years is it, for a tiny little British company.

I remember reading in March, a couple of months ago, was it, your sales had reached nineteen million units, which is a staggering, staggering achievement.

Lots of people want them. And not just schools. They're really used as a mainstay by small manufacturers and small industrialists. So, it helps them lower their cost of manufacturing implements. So there's also a scale-up story in there.

Absolutely, yes.

They're helping other, you know, other small manufacturers improve their products, you know, significantly. Because they're very, they're very flexible, you can do just about anything with them, and…

Yes.

Eben keeps on coming up with ever more fantastic things, you know, things that you can attach to them, and, you know, greater power, and less battery, and all sorts of things.

Mhm.

So, he's a bit of a magician. It's a good team.

And used in the space centre as well.

Yes, which is, which is great. Yes.

[1:17:05]

Exactly, yes. Well Sherry, conscious that we're coming, unfortunately coming to the end of our time. Haven't covered all aspects of your career, but I don't think I can do in this, in the time, unfortunately, we have available. But, perhaps I'd like to finish off with a couple of questions. The first is, what do you see as the main opportunities, or indeed challenges, for the IT industry in the next ten years say?

Well the biggest challenge is going to be the talent, getting the people to work for us is going to be a huge challenge. So I would encourage everybody in the IT industry to, to speak in schools, and to host work experience, or internships, if you possibly can. Because they will be much better prepared and able to work for you when you, once they've finished their formal education. And, it's really, I mean that, that's the most important thing. The other thing is globalisation. So, I think the best growth hat for all of us is to expand overseas, so, focus on getting your product market fit right here, and then do a rapid geographic rollout. I think it's just, to me there's nothing more enjoyable than getting your product into millions of people's hands in dozens of countries if not hundreds of countries. And so that, you know, we probably need to make sure that we made it easy for people to understand, you know, in your teams, on how, how to go to grow and how to go global. So I guess a challenge to universities and others is, can you please make sure that you make flexible courses available so that we can all understand how, how we do international expansion. Because, we possibly will… Well, we're a small island, and, if we want to get big, and we want to be global, and that is what I would wish for everybody, then, then we need to learn how easy it actually really is to expand overseas. And it's not hard.

[1:19:03]

Right. Well thank you. And what advice would you give to anyone just starting out or thinking about a career in information technology?

To pursue it with great enthusiasm, because it’s the best thing ever.

Right. Thank you. Well, your enthusiasm for, for the IT industry and helping others has come out in this interview. So I very much appreciate your, your time today, and thank you very much Sherry for speaking to Archives of IT. Thank you.

It’s been my great pleasure, and thank you very much for having me.

Thank you.

[End of Interview]