



Capturing the Past, Inspiring the Future

John O'Connell

Interviewed by

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Welcome to the Archives of Information Technology. It's the 14th of February 2019, and we are in London, at the club, at the Ivy. I am Elisabetta Mori, an interviewer with Archives of IT.

[00:16]

Today I'll be talking to John O'Connell. He is a high-profile London-based technology entrepreneur, investor and philanthropist. He founded Staffware, one of the then leading software companies in the UK, which he sold in 2004. Since then he has personally invested in fourteen technology businesses, having chaired the vast majority of them. Exits include Portrait Software, InforSense, and Opta Sports Data. He also chaired and co-owned the professional rugby club then known as London Wasps. At present he is Chairman of Active Navigation, and he is the founder and Chairman of ScaleUp Group, focused on supporting entrepreneurs to create global champions in the technology sector. John was recognised as a master of information technology by the US-based trade association AIIM International, which he also chaired. He is a Fellow of the Chartered Association of Certified Accountants, and a Liveryman of the Worshipful Company of Information Technologists. Welcome John.

Thank you.

[01:35]

Can you tell us where and when you were born?

Yes. I was born in Cork in Ireland, a long time ago, in June 1945, just, good timing, just as the war, Second World War, finished.

Can you describe your parents?

Yes. They were, came from humble stock. My father was described as a labourer on my birth certificate; my mother subsequently when they came to London worked as a cleaner. They were difficult times for Irish people in England. I do recall there being notices on properties for rent which basically said, 'No Irish...' 'No dogs, no Irish', which, it's amazing to think of those times now, but they were hard times. So I guess you could call them economic migrants. I had no part in their decision, as they came to London in 1947 when I was only two.

[02:43]

Which school did you attend?

I went to Harvest Road Primary School in Kensal Rise in London, NW10, which was part of what was then an Irish ghetto, along with places like Kilburn et cetera. And, fortunately for me, my mother sent me to the wrong school. My parents were, like most of my Irish family, were fiercely republican, and Roman Catholic. My mother sent me to a school which turned out to be a Church of England Protestant school, which she didn't realise at the time. So that was a tremendously lucky break for me, because, I realised that these English Protestants actually were quite nice people. Contrary to what my then family thought. And that does echo with my subsequent involvement with the Irish charity. So, my biggest challenge at that early phase was to, at school, pretend I wasn't Irish, trying to suppress my Irish accent, and then coming home and pretending I didn't have any friends who were English. So it's a very useful lesson in life, and, one of the deep-seated problems of many societies is, children especially get educated in a very narrow world, and don't see the other side of the picture, you know. I was lucky through this accident for that.

[04:17]

Then I went on to Willesden County Grammar School, having passed my Eleven Plus. And, stayed there to first term lower sixth when regrettably because of my parents splitting up I had to go out to work as a breadwinner at sixteen, as well as bring up my younger brother, who was eight, who, for both of us, was a, not a great experience. I had no parenting skills, as he often pointed to me. But, we actually got on very well, all things considered. So... One of the great advantages for me at the time was, I had nothing to live up to, which I think is, I think's a real advantage. And also the only way was up: I couldn't go any further down. Again, which I think is a great advantage if you're an entrepreneur. So they were very important influences in my life.

[05:15]

So, having left school early, my teachers really were very reluctant to let me go, which was quite flattering, so they helped me get a, my first job, which was working for Sainsbury's, the large retail food outlet, where, I was a management trainee there. And, they encouraged me to study part-time at a correspondence course as they were

then called for my accountancy examinations, which I passed when I was 22, and qualified as a member of the Chartered Association of Certified Accountants, which again proved to be a great grounding for subsequent career. But it was quite tough to, to manage that and also, frankly, my greater priority, which was to play football. So, managing work, correspondence course, having a girlfriend, was almost impossible. So I decided, from a time management perspective, I needed to marry my girlfriend, so therefore I could both see her and do my correspondence course in the evening at the same time. That might sound a bit cynical, but, there's an element of truth in all that.

[06:37]

Did you have any children?

Yeah. So, we had... I was, you know, those were the days when you typically left home, looked after by your mother, and then went, got married straight away, unlike today. So, my wife was 20 and I was only 22. And then, we had our first child, my son, when I was 25, and second four years later.

[07:10]

And so, how did you become involved in the IT industry? You were working for Sainsbury's?

Yeah, I worked for Sainsbury's. Then went on to work for a very small firm of chartered accountants, because, seeing, you know, trying to see a complete lot of books when you're just analysing massive computer printouts in those days, wasn't a very good perspective on accounting. So, went to work for a small firm of accountants, and then when I qualified I worked as a factory accountant, which was a completely different role, and then joined a company called Bunzl, b-u-n-z-l, Pulp and Paper, who were headquartered in the City of London. And, that was as the group accountant, which meant you, I was phenomenally busy for two weeks every month, preparing group accounts of over 100 subsidiaries, but then the other two weeks, not much to do. And idle hands do make work. I was asked to go on the computer committee by Bunzl, who had some terrible experiences of buying a mainframe for one of their subsidiaries.

Which, which mainframe was it?

It's an IBM mainframe, and, those are the naïve days when management thought you buy a computer and solved all of the management problems, which clearly was not the case. So there were many many computer disasters, and this was one of them. So, the computer committee's terms of reference included, you're not allowed to recommend we get any more computers, which was a bit perverse. So we spent a bit of time creatively redefining what a computer was. I think we called them automatic data processing machines to confuse our senior management. And so we recommended these automatic data processing machines, brackets, (not computers), which they went along with naively. Surprisingly, they asked me to set up the whole thing. I knew nothing, frankly, about computers at a technical level, but, it turned out that I was the only one they understood when I spoke to them about it.

But did you go to a, did you go through any training, or...?

No, it was all on-the-job training. I did send myself on a programming course for a week, which I found completely obscure and quite uninteresting. But at least I was able to converse with computer technologists. So, my main training actually was talking to all these computer salespeople who were trying to sell us a lot of computing equipment, and figuring out what was real and what was make-believe. And so that was, you know, not, not ideal training, but actually was quite pragmatic. In fact the more I think about it, I've only been on one formal management training course in my whole life, which might explain [laughs] some of my subsequent actions. But, it was great fun. And those were the days when, you know, there was a lot of naivety, so, you know, one of my favourite phrases, in the land of the blind, the one-eyed man is king, and certainly I was the one-eyed man, without question.

[10:34]

Which salesmen do you think were, like, the best at selling computers at the time, do remember any particular episode?

Well, the, personal credibility is so important. I mean, in sales terms, typically, if it's sort of, selling to corporates as opposed to consumers, now, then, what a corporate tends to buy first as the individual, then the company, and then the technology. In my case, I always checked out the companies first, because I didn't want to buy computers, I mean we bought a lot of them in the end, from any company which was in danger of going broke. And I still find it interesting today how relatively speaking few procurement people look at the company's finances first before they even invite anyone in to bid. But that was the first thing I did.

[11:38]

So, those were the days when big computer companies actually did a lot of sales training. So in terms of, there was an imbalance between the clever, well-paid, highly-motivated salespeople on the computer side, and the less well paid, less motivated buyers on the buying side. I think that's changed quite a lot, but, in those days, all the smart people wanted to be computer salesmen, as opposed to bankers, which maybe is now the case.

[12:13]

So I learnt a lot on the job. I hired technical people. And I tried to promote non-technical people into computer roles, which was a kind of interesting career switch for many people. I sent them on training courses of various types. So I'm a great believer in training courses for other people, but in terms, I don't do much of it myself, but I can, 360 degree reviews perhaps.

[12:40]

So that, that continued for some time. We ran an internal business selling our computer time, it's very early days of time-sharing, as it was then called, nothing to do with property, which we could now regard as the forerunner of cloud computing. And we sold by the hour to the subsidiaries within the Bunzl group. Then I persuaded my senior management to set up a more commercial business selling software time-sharing services, and hardware, to other organisations outside the group. Which was great fun. You know, we hit, amazingly quickly, high revenues, but not amazingly good profits, but it was an exciting time, and I learnt a lot, mainly what not to do for the future. So it was a good way of, if you are going to do any on-the-job training, make sure you get your mistakes in early, and make sure it's other people's money you're losing, ideally.

[13:53]

What role did colleagues and friends play in your career?

[pause] Well I had a bunch of very enthusiastic people around me who egged me on I will say, and we all kind of believed we were rather better than we were. And it was a time when everything was sort of possible. And so Digital Equipment Corporation, which was the maker of these computers, were a very hot company at the time, and they were number two to IBM. And it looked like at one stage they were going to really take over. So they were in a very exciting phase themselves. So, we were a hot value-added reseller for them, and, you know, we, we enjoyed it greatly. All things were possible.

[14:42]

Staffware came about because, I had bought some software from a couple of talented technical people, also quite good salespeople, and, this software at the time was called financial planning software, or financial modelling, the precursor to Excel spreadsheets really. But it was the first time that finance people could directly communicate with the computer online as opposed to going by the, you know, ponderous mainframe computer department.

What year are we talking about?

Well, we're now talking of the late Seventies and early Eighties. And these... When it was, quite rightly, decided by the management of Bunzl that really, they weren't in the computer business, well I believe, and they wanted to close that down, rather than go back to my previous role as group accountant and running the internal computer business, I went with these other people who had been the financial planning software. They decided they wanted to go off to the States, to sort of conquer the States. So I became head of rest of the world. Basically it was me, me and, me. And I do remember at the time asking them what the remuneration structure might be, and they said, 'Well you can get 50 per cent of all revenues you generate.' And I thought, well that's pretty damn good, but what about, you know, fixed salary and company car, and, pensions and, everything else? And they said... They didn't even understand the question. So I learnt [laughs] very quickly that if I didn't sell anything, I would starve, more relevant that my family might starve. So that actually

was a very key lesson at a time when I was in danger of becoming a corporate animal. So that was in 1980. I was 35 at the time. I didn't let on to my wife that that was the deal, financial deal. I thought, best not to cause her sleepless nights.

[16:58]

So, we founded a company called Financial and Corporate Modelling Consultants, FCMC, and, interestingly, in the early days we called ourselves CMC, Corporate Modelling Consultants, until, there was a computer company at the time which was also called CMC, and their lawyers, Linklaters, who I think, amongst other clients they've got is BP, wrote to us, and, I remember the letterhead, page one was entirely taken up with the names of all the partners. So... And they accused CMC of passing off as, Computer Management Company I think it was called, which was quite ludicrous of course. We're about four people and they were, 4,000. So anyway, we reluctantly agreed to put the F in front of CMC, become Financial and Corporate Modelling Consultants. And two weeks later CMC was bought by someone else and their name was changed, which was quite annoying. So, we had the great expense of having to change our letterheads, which was, you know, we could hardly afford.

[18:15]

But then, you know, then Financial and Corporate Modelling Consultants, our biggest investment in marketing was to be listed in what was then called *Yellow Pages*, which is like, a sort of, a, a register of businesses by sector. They made a mistake of sticking us into the modelling agencies category. So, we used to get regularly letters from, typically mothers of, wanting their daughters to be trained in modelling. And my colleagues and I were quite tempted to actually interview some, but we, we avoided...

Did you ever do that?

Never did. But it, it certainly, it kept us amused in what were quite difficult times.

And when did you change the name to Staffware?

The... My two colleagues, they decided that the Financial and Corporate Modelling Consultants business was going too well and was too stable, and it was a clearly well-defined market, which I knew because of my financial background, we were selling to large corporates in the UK. But technically it didn't interest them. So they came up

with the thought that, we should create email – sorry, an email-based system, at a time when email wasn't used by, pretty much anybody really. And they thought, well let's play a little bit of a word game. So not software but Staffware. So software for staff.

Uh-huh.

And, that we called procedure processing. But, one of the lessons in life is not to be too soon into a market. We all understand not being too late, but, we were definitely way too soon. So we burnt a phenomenal amount of cash in trying to create this new market called procedure processing, and it drained a very successful financial and corporate modelling business of cash. So a bit of a crazy strategy really. And on top of that, regrettably, the first version of Staffware didn't work. It looked, it looked wonderful. And, you know, the issue was, there wasn't a market, and when we found relatively few companies who wanted it, typically resellers, we couldn't get the thing to work. But, of course we didn't realise that, because no one at the time was using it. So we lived in this fool's paradise for a while.

Do you remember any specific episode about this?

I do remember my CTO getting his lapels seized by one of our clients, who pulled him across the table and threatened to punch him if he didn't get the software working. I do remember the programming, small programming team in the US at the time, thinking it was quite unreasonable for me to expect the software to work. And, walking out the door with the software, which I've got back. And I do remember getting personally sued, along with my two partners, for a million pounds each at the time, when a million pound was serious money. Which was the time really that tended to trigger their decision to actually move away from the business.

And what happened?

I persuaded the company, who was threatening to sue us, that, instead they should become a shareholder. Which you might regard as being slightly counterintuitive, but, they realised very quickly... Well my response at being sued for a million was, why don't we make it ten million? Frankly it makes no difference to me, I don't have a

million, and I don't have ten. And they realised that there's no point in pursuing that particular line. So, I did convince them that in due course the company might be worth a bit, a bit of money. so they became a shareholder. But, certainly quality, or lack of in those days, was a lesson to learn very fast.

[22:35]

What year are we talking about?

This is 1983, '84. Yeah. So, we became an overnight success in 1996, so, twelve years of juggling, including financial juggling. Our bank manager... Again, I've been lucky to have known quite a few nice, naïve people, and he certainly falls into that category. He gave us a bank overdraft based upon our so-called balance sheet, which consisted mainly of an intangible asset called software. And we managed to persuade him for a long time to keep the overdraft going, but then he got replaced, and that was the end of the overdraft, which caused us some other problems. My house was on the line of course, so, again, my wife I think I managed to protect from most of the exposure, although probably my drinking increased more than she felt was reasonable. But, having said all that, we then became hot, and we bought a reseller, and in 1996, we actually got some real customers, who actually were paying us, was quite a nice thing.

How big was the company at the time?

So we were 40 staff. Only four million of revenue. We capitalised our software, which is fool's gold, because it, it removes you even further away from the reality of cash, because you've got capitalised software. So, you might actually be making a cash loss, but, because you've capitalised your software development, it masks that. So, I wouldn't recommend that approach for anybody. And, we were persuaded... It was the first year of AIM. So, again, naivety seemed to be a theme here, we were naïve going on to AIM, and they were naïve in welcoming us. We had a very unpredictable business model. We sold one-time perpetual licences, so the recurring revenue was very tiny, which made predictability impossible. So surprise surprise, what we thought were just merely aspirational numbers, the Stock Exchange expected us to actually deliver on our forecast, which we thought at the time was quite

unreasonable of them. You know, we always thought, well, you know, we, it's a target, not a commitment. It became pretty clear early on that this was a commitment, not a target. So we missed our debut numbers, which is anathema, and, of course family, friends, drinking companions down the local pub, had all bought shares. So there was a period of time when the share price tanked, when we missed our numbers. I wasn't able to go to my local pub or anywhere else for a while. But we quickly learnt that we had to get our act together. We had to manage our future by delivering on our sales forecasts. So we very quickly grew up. And, we didn't miss any of our numbers again, except for one six-month period when the whole of the technology industry imploded almost after Y2K. But we became a very solid business after that. Just... So we grew from four million revenue in eight years to, nearly 50 million.

[26:31]

What do you think was the main big change in the company?

We knew how to articulate what we did, in both business and technical terms, and we knew how to manage our sales opportunity pipeline by creating a big portfolio of opportunities, so that, you know, let's say only one in three came good in the timeframe we were expecting, but it underpinned the resilience of our forecasts. So that, that was the main thing. And... So we grew up. It's, it's not good to grow up in the public eye, but we, we did, and that probably made us grow up faster.

[27:20]

So, by... And the market then changed from what had been called workflow automation, which was the, the replacement description for procedure processing, and then that became known as business process management. And certainly, we moved up to London, the Main Market, in 2000, and for a while we were regarded as a dotcom business. Our market cap went up to a billion dollars, which I, I never understood. All my colleagues thought, wow, they, they're all multimillionaires. So the hardest thing actually was when the dotcom crashed, because then I was trying to manage people who thought, they were super rich one day and then super poor the next.

Again, you couldn't go to the pub.

Couldn't go to the pub. Could hardly afford to go to the pub. And, staff, family, clients, shareholders, all thought the company was going broke, but in fact it wasn't, and actually, it was a solid business by then, and we were in sixteen, seventeen countries. And at our peak we had 500 staff.

What were these countries?

Well, what you would expect, you know, US, Western Europe at that time, all the Nordic regions, Australia, South Africa, Hong Kong. We had representation in the Mid East. So... So I spent, well, 50 per cent of my time travelling, and the other 50 per cent managing investor relations, and the board. So, not a particularly balanced lifestyle. Yeah, regrettably, to be successful, one has to be a little unbalanced I would say, for most people anyway. You know, at least 10,000 hours, maybe more these days, to achieve anything which is exceptional.

[29:31]

Can you remember any particularly moment or episode of those years?

Well I do remember saying to my CTO at one stage, 'I've slept more with you, John, than I have with my wife in the last twelve months.' Meaning, on planes, you know, on long-haul flights. I also developed a reputation for being quite a social animal, you know, it was all part of creating a family culture in the business. And that reputation, you know, was hard to sustain, because you would arrive from, say, England to South Africa, or, more difficult, Australia, and, my country manager would say to me, 'Oh John, great to see you here. We've all had early nights for the last three or four nights in anticipation of you coming out, you know, working hard and then socialising hard.' And, I didn't have the heart to say, 'I wouldn't mind having an early night myself really.' So, I was run ragged. I also remember, when we celebrated, when my Australian colleagues, their record deal in Australia, I was down there, and all my other colleagues around the world were telling me at the same time that they had missed their forecasts. This was the first half of 2001. So, having celebrated with them in time-honoured fashion, I then spent eight hours on the phone in a car from about midnight in Sydney to 8 a.m., agreeing with my investors, advisers, in London, we're putting out what was then called a profit warning, and trying to pacify major

shareholders and my board. So, that was a kind of Alice in Wonderland existence, which, you know, it either kills you or makes you stronger as they say. But you know, we, we then reduced our head count from 500 to 350 within a matter of a month or two. We didn't leave any country. I didn't think we could sustain the notion that we were committed to any country if we didn't stay there, even in tough times. And we were profitable the second half of that year. And we then focused more on making profits rather than growth. And we ended up, you know, having £25 million of cash in the bank, and no debt, and profitable. Which in due course caused TIBCO, the Nasdaq-quoted software business out of Palo Alto, to come looking for us. We had a mutual customer in the Dutch telecom company KPN, and, who suggested to TIBCO and us that, if we put our software together it would be much easier for them than if we got them to do it, you know. So I did a deal directly with Vivek Ranadivé, the founder of TIBCO. Two other companies came to look at us, but they couldn't move as quickly. And the offer was 60 per cent above the market price. [33:07]

The problem with all that is that I had felt that, having been doing this for, how long, from the early Eighties to, to 2000s, that someone else should take the role of CEO, I was both Chairman and CEO, and give it new kind of energy levels, and also, I thought at the time, because of the recommendations of corporate governance, you should split chairmanship from CEO. So naively, [laughs] there's that word again, I told my major shareholders that was my plan, and I was looking for a CEO, and I would become, you know, the chairman. Which they interpreted as, me losing interest in it.

Oh.

So, oddly enough, when the offer came along from TIBCO, they were ready to accept it, because they thought John had called it a day. Whereas I was trying to be a good corporate citizen and split the job. And I had negotiated at the time to buy a US business, mainly to get the person who was running it to become the new CEO. And he still remembers to this day when I phoned him up and told him, instead of buying his business, we were being bought. It would have been a great transaction, because he subsequently did great things somewhere else. But you know, that's an interesting unintended consequence of trying to play the rules and find it's not really what

investors want, even though they have to go along with it for corporate governance reasons sometimes.

[34:46]

Would you do something different, if you could go back in time?

Well I, I think I've always been at risk of getting into ventures too soon, and leaving them too soon, and I think with Staffware, I probably went into business process management way too soon. And I therefore was, I must confess, slightly bored with it, and left it too soon. And there are now some very large BPM companies out there, billion pound plus. So if we had kept going, we would have probably been in the same category as them. But, you know, that's one of the reasons why I'm drawn now to working with, you know, relatively young software technology businesses, trying to help them become maybe another Staffware, or even better. So, I then went back to my roots, away from the public markets, for a while, and became an investor in, to date, about fourteen businesses. But a few of them are AIM listed, and, and exits have been quite successful with people like Portrait Software, InforSense, which was the first spinout from Imperial College, Opta Sports Data, which, you know, accumulated a vast amount of information about sports, mainly football, and is seen, used by Sky and others. And, one of the interesting things here is, is the motivation for the founder. You know, with one of those companies, I won't say which one, the belief was that, it should have kept going much longer, but, the founder, entrepreneur, felt he had been overly diluted, and he didn't own enough of the business any more, and, so he was ready to, to sell it, in order to buy a house. And, it was quite an expensive house, in Shepherd's Bush, but nevertheless was a house. And I think, I regret that, that had, that would be the only, it was the only way at the time of getting liquidity. Nowadays financial backers are far more sophisticated and mature about these things, and aren't suspicious about an entrepreneur wanting some liquidity. You know, one of my favourite phrases is to make sure entrepreneurs are hungry but not starving.

Yes.

Starving people tend to do desperate things. Maybe take the wrong deals. And, for instance... And, you don't want that, you know. So, most financial institutions will recognise that and make sure that the key value creators in the business are not under undue pressure elsewhere, privately, which will cause them to be a bit irrational and short-termist.

[38:04]

And in 2006 you also co-authored a book by Cambridge University Press.

Yeah.

Mastering...

Your Organization's Processes.

Yes.

Yeah. I mean, I like to pretend it's a wonderful whodunit. But...

How did you become involved in it?

I got, I got approached to, to do it. I, I conceded all the royalties, in fact, I don't know how much there were, to, to charity. And... I've got no idea how many were sold. I got quickly bored with the book frankly. But, it's, it's nice to feel that you've, you know, been involved with some... and maybe made a difference to someone when they're thinking about how to improve their processes in their organisation.

[39:02]

After Staffware, you were also chairman and co-owner of London Wasps Rugby Club. Any special memory you want to share with us, or why you got involved in this?

Yeah. It... It was just at the end of my time with TIBCO. I recommended to them, in 2004, and, you know, Vivek was a very gracious chap, the Chairman and CEO, founder of TIBCO, he kept Staffware as a separate business within the TIBCO group,

but it became pretty clear to me that that wasn't going to achieve the efficiencies that it should do. Made no sense to have a country manager for Staffware, a country manager for TIBCO. So I advised, recommended him, perhaps somewhat self-servingly, that they didn't need a separately run business, and therefore they didn't need me any more. I was then an officer of the company, which in Nasdaq terms is quite important. I never did actually use my Palo Alto office. But I attended a few board meetings. So, I was exiting from TIBCO in 2004, and I moved from being an avid software player and supporter to being more keen on, on rugby, although I had never played it, and I followed Wasps, who were my local team. And so, I seized the opportunity, these boyhood things, to get involved with Wasps, in what I thought was a, going to be just an expensive season ticket, I could get the reflected glory sitting on the board, and just, watch play without, without any real responsibilities.

[41:01]

Regrettably, that was a time when professional rugby clubs were under great stress, early days, and their very existence was in question, and the challenges of working with the Rugby Football Union at the time were severe, added to which Wasps was a payroll away from bankruptcy itself. Because the financial structures of rugby, at that time, club rugby, were so precarious. So, I ended up constantly having to work out how to keep the Wasps club going. We continued to make significant losses, which, a chap called Chris Wright, who basically founded London Wasps, and myself, were funding. But, the only mitigating factor was that in that period, from 2004 to 2009, London Wasps, it could well be argued, was the best club side in the world. They won several Premiership titles, they won two, was then called Heineken Cup, European Cups; they supplied about a third at one state of the England team. And, so, it was a great period to be associated with them, but I wish I didn't have all the off-the-field pressures which I was not expecting when I [laughs] got involved with them. So, I was eminently unqualified to be steering a professional rugby club, although, I'm quite a fast learner, and my accounting background helped, helped a lot. So I still enjoy the company of many of the Wasps players of that time. So yeah, so, that was an interesting period.

[42:56]

And what happened after 2009?

Well, so, 2009, we, Chris Wright and I, we sold our shares to another person, who had bigger ideas about how we could run the club, which turned out not to be delivered in practice. So the club went through a difficult period, tottering on the edge of extinction for a while. But then, subsequently another entrepreneur called Derek Richardson came in, took a desperate action, which was to relocate from London to Coventry, and, but also he bought into a business up there, which was a hospitality and casino, hotel business at the Ricoh Stadium, and Derek's done a wonderful job, and top marks to him. This indicates that sometimes, if you're desperate and cornered, you actually have to come up with quite ground-breaking solutions. So, so I, I left Wasps. I am officially a Legend, a Wasps Legend [laughs], which is nice of them.

[44:22]

But then I, in parallel I was actually then investing in early stage start-ups. I've now got those out of my system. I've decided, start-ups, exciting though they are, have too many variables, too many things can go wrong, and they often do. So whilst it's exciting, and keeps you off the streets, I wouldn't regard it as being the most sensible investment decisions. Some of course come good, and we all remember the one or two which do in the world, but most tend to flounder. So, in the last few years I've been more associated with, slightly more mature businesses, not, not big ones, but, you know, a head, head count of, between, let's say, 30 and, 100, who are typically looking for Series A type funding. And there is a, you know, the other essential components of a sensible business in terms of, there is definitely a market, number one criteria; they've got a management team, they've got reference-able customers, they've got a defensible product, competition is not too fierce, they've got big opportunities, and the management team, especially the leader, appears to be able to scale, you know. Of course the challenge is, no one really knows whether you can scale until you've done it at least once. But you know, I always think of it as a way of, you wouldn't try and climb a mountain if you didn't have guides. And what ScaleUp Group does now, which is a company I founded a couple of years ago...

Which year did you form...?

That was.. Where are we now? 2019. So 2017.

OK.

I mean, there's about 20 of us. And, pretty much all of them have been very successful as entrepreneurs or senior execs in organisations. Between us we've been associated with about £4 billion worth of exits. We've, between us, done at least 100 investments. And, we can say we're the, the grey-hairs who have got the scars and the experience to help tech entrepreneurs on the journey. So we're the guys helping them up the mountain. And also we personally invest in the business. And so we're there for a long haul. But we help them find the appropriate sources of funding, help them find talent, help them with trading relationships, particularly overseas. My colleagues cover from China to, to South America. In their previous lives, you know, some have led MBOs and now float on Nasdaq et cetera. So, none of these things are guarantees, but I think we cutting down the risk of it not happening.

[47:35]

One of the challenges of the UK sector is that we've been phenomenally good, often helped by the whole EIS incentives, tax breaks, at starting up businesses. So I think we're about, third in the world. But we've slipped down to about twelve or fifteen from memory when it comes to scaling those businesses up. We seem to be too ready to sell too soon. So one of the things we want to do is to, in ScaleUp Group, is to elevate ambition of entrepreneurs a bit more, and maybe a few will not sell at all, or sell way later than they would otherwise do. And again, it helps along the way if these entrepreneurs can get some cash out, so that it's not a, all or nothing approach, which is uncomfortable for most people.

[48:44]

Is there any specific company you are proud of?

I'm proud of all of them really, but, at the moment we're, we're helping six companies raise cash, and if that achieves we'll be responsible for about ten per cent of the Series A funding of tech companies in the UK, which will be very pleasing. The Enterprise Awards, which I founded about eight years ago, is an offshoot from the Worshipful Company of Information Technologists, and it's really the Oscars for technology entrepreneurs. It's rewarding the individual as opposed to the company. And we've multiple categories, from start-up onwards, and, we have 300 to 400

people attend a black tie dinner at the Dorchester every year now. And we've had some top people such as Alastair Bathgate, founder of Blue Prism, Steve Garnett, well-known in, in Salesforce.com, Vin Murria, Mike Tobin, et cetera et cetera, come and speak. Sir Ken Olisa, who is Queen's representative of Greater London, who proudly says he's the first black man to be in that role. I think he's probably more Irish than he lets on. He's O'Lisa as opposed to Olisa, but maybe he won't agree with that. So, yeah, it's a great event, and it, the idea is to recognise what's required of individuals as opposed to just corporates.

[50:27]

When is it going to be the 2019 event?

Yeah, it's on June the 25th at the Dorchester. And, Blue Prism this year are the Platinum sponsor, and they've got people like Stephen Kelly, ex-Sage Group CEO, on the judging panel, amongst others. Sheila Flavell, who's, with her husband is co-founder of FDM Group. So, yes, it's got... And it's, it's very tightly run, you know, the judges visit the shortlisted companies. So, it's not just simply what they tell us, but we go and sense how the company's run, and the individuals around them. And so, you know, I'm proud of that. It's a not-for-profit business. We, we give between £10,000 and £20,000 every year to the livery company's charitable foundation. So that's quite good.

[51:32]

So as a philanthropist, you also have a role in the Prince Trust, the Prince's Trust, as a co-founder of the Technology Leadership Group.

Yeah. So, so I've always, you know, had great interest in how to give, let's say disadvantaged people, you could argue I was one of those...

What is it about the Prince's Trust?

Well, first... Well, it's a very well-run, very effective, low-cost charity which focuses on helping young people on the path to achieving something. You know, they don't have to all be high-flyers, but they, they, you know, the encouragement is to move

away from, you know, some of the worst aspects of, you know, drug taking, alcoholism, benefit culture, to actually do something with their lives. A prime example of that would be someone like Duane Jackson, who's written a book on his time when he was inside prison at Her Majesty's pleasure, and the Prince's Trust contacted him, encouraged him to take a look at computing. When he was in there, Duane learnt how to program, with some loan, a very small loan from the Prince's Trust. The then Chairman of the Prince's Trust, Lord Young, Lord David Young, became the Chairman of Duane's business, which was called KashFlow, which he then subsequently sold for £20 million, and gave quite a significant sum of that to the Prince's Trust. Now, I can't pretend that every one of the Prince's Trust's young people have achieved the same, but I think, that's a shining example of what can be done for someone who clearly could have gone completely the other way. So, it's also got, of course, the glamorous aspect of it, but, that glamour costs the Prince's Trust nothing. You know, I was one of the chief fundraisers for them for a while, and it was no hardship to speak with high net worth celebrities, to persuade them to part with cash for what was a very well run charity.

[54:10]

So I, I founded the Technology Leadership Group, I was approached to do that, and we came up with a plan which had no basis of any research, but we, we still achieved it. But that's since moved on, I'm now not involved any more. But there are some very talented people who now run it, and, yeah, I'm pleased with that.

[54:34]

And you are also the Chairman of the Ambassador Group of Co-operation Ireland.

Yeah, this goes back to my Irish roots. I was approached to see what I could do, I guess given my Prince's Trust track record. So, it's a more tricky charity, because it's, again it's a hearts and minds charity, it's not building schools or hospitals or housing, but it's trying to persuade young people, that's a similar theme to the Prince's Trust, to not go down the path of bigotry by, you know, reinforcing their prejudice, you know, against the, the republicans or vice versa, the unionists, in, primarily in Northern Ireland but also they're working in the Republic of Ireland. And it's a, you know, it does a lot of quiet work behind the scenes, has multiple projects, and, of course now, if Brexit doesn't work out well, then there's an

opportunity for extremists to revive all the old problems of the Troubles. We've already seen some examples of that recently in Derry, Londonderry, which might be a tinderbox if we're not careful. So, it is quite perverse how the Irish problem has become a sort of destabilising factor in the current negotiations for Brexit. And so, the charity's requirements are still, or a need for the charity, is still significant. It uniquely has joint presidents, being the President of Ireland, I recently met the current President, Michael D Higgins, a charming man, and also the Queen of England is Joint President, and I've had pleasure in meeting Her Majesty too on several occasions. So, it's a great charity, but, it's got some tough challenges ahead I think moving forward. It is quite shocking for those who have not been to some parts of Northern Ireland to see the so-called peace walls; there are more so-called peace walls, which are really barriers, now than they have ever been. And over 90 per cent of children in Northern Ireland go to religiously segregated schools still. Which is back to my, my beginnings. I was lucky, very lucky, to not have done that. So that's a tough one.

[57:37]

What do you think of the delicate political situation created by Brexit as an entrepreneur? We talk about your point of view as a philanthropist, and, like, but, as an entrepreneur.

Well, you know, entrepreneurs tend to be arrogant, and they think they can create opportunity from challenges. And I think that's where, it's going to be really important for entrepreneurs to make a positive out of most people will regard as a very negative thing. So, there is a chance for the UK to become the, the Singapore of Europe. You know, it's interesting to see now much money, I've just come back from Singapore, is spent there on education, and how their, their GDP per head is now way ahead of UK's. Whereas 30 years ago, complete reversal of that. At that time Singapore was under threat from Malaysia having declared independence, and was a tiny offshoot of no consequence. And through massive investment in education amongst other things, they've created a very dynamic one-off society. Now clearly, similarities between Singapore and the UK can't be overstretched here, there are differences, but, it does show what can be achieved. I came from Ireland when it was one of the poorest countries in the world, in, immediately after the Second World

War. The major export of course was people. And, look at Ireland now. So, change creates opportunities, but I think this regrettably is an unnecessary change, which, we're going to have to figure out how best to make something of it. What I hope doesn't happen is that, as everyone gets more mobile, especially entrepreneurs, they decide to relocate either themselves or much of the operations to, say, Europe or elsewhere. And I think that's a big danger we've got. So, all the incentive schemes which the UK has, including EIS, will become even more important than, than previously.

[1:00:17]

So thinking about your career and your life, what would you do differently if you have your time again, and why?

It's a real tough question, because I, I've got this annoying ability to airbrush from my memory all the difficult things, and only remember some of the positives. So, to have to really, go into the confessional to see, as a, you know, lapsed Catholic, would be difficult. But, I think, naivety of thinking you could create a business quickly, which, you know, more seriously took, 20 years, you know, and the toll that does take on people around you, family included. So I think I would have been more careful when we started to change from a predictable financial planning software business to a, a, well, floated one, that's probably the biggest single change I would make, is not be so naïve about that.

[1:01:40]

OK, let's try to reverse the question. What would you do again? What is the proudest achievement of your career?

Proud achievements. Well I think, Staffware, going from zero to, you know, being sold for \$230 million, and, giving a great return to all those who had invested in it, has to be I guess number one. I'm actually proud now that Scale-Up Group is getting going, and we're making a big difference to entrepreneurs. Yeah, most of the things I've done, you know, on the charity side. London Wasps, I don't regard as a career move, that was a, you know, just a, an indulgence I guess. So I think, yeah, I guess,

still has to be Staffware, but, you know, that's a long time ago. So, I don't really want to rest on my laurels on that one.

[1:02:51]

What do you think are the biggest challenges and opportunities for the IT industry in the next ten years?

Well that's a big question. And, if you sort of narrow that down to, if you said for the UK IT industry, for instance, to be relevant, you know. I grew up at a time when there were still global champions in the UK, you know, people, organisations like ICL, you know. And, now, you know, most of them have disappeared. And, you know, the danger is, we just get bought up by, you know, Japanese, Chinese, American business really, and we remove the, some of the key skills from the UK. So I think that's from a UK perspective. IT, the IT industry, you can start wondering whether there's going to be a separate industry in due course, but, because at one time, everyone had their own electricity generating plants in their factory, but now, you know, it would be ridiculous to think you'd do that. Because, IT is everywhere. So, it is becoming so prevalent, you know, ubiquitous, that, what is an IT industry? You know. So I think that's going to be... The other one is, you know, potential backlash in society if, you know, robotic technologies do take over, as many people are forecasting, not just from the most menial, repetitive tasks but also from more and more higher skilled tasks. I can see advantages, you know, in the medical area of, there would be less mistakes made by surgeons, and, and diagnosis can be made much more consistent. But, you know, what will, if the forecasters are proved to be correct, what will these people be doing, you know? Are they all going to end up being, you know, looking after high net worth people, you know, are they, are we all going to be a nation of serfs for, for a few rich people? Now I don't know the answer to this. So I think that's going to be one of the biggest challenges. And I know every generation has had the fear of IT, you know, dumbing down jobs, but, it does seem to me that there's a greater risk now of it. So they've got figure out how to modify it.

[1:05:40]

The Internet needs to grow up. You know, the, problems of cyber bullying, not to mention online fraud, you know, have to addressed, and I think some of the major technology businesses have to play a part now, they have to be, either will accept self-

regulation, or willing, do it themselves, or, they're going to have to be, in inverted commas, 'controlled' by someone to... Because the amount of, you know, bullying and pornography, with children et cetera, is a serious problem, and it appears to be getting worse. So, you know, it needs to grow up.

[1:06:29]

And what about cyber security?

Well it's a big, big issue isn't it, you know. The hackers seem to be by and large as clever or cleverer than some of the people they are hacking, and of course there's state-sponsored cyber security. One's a bit sceptical of whether or not, you know, some governments are playing this as a fear factor, and the threats aren't as great as we're being told. But I think, seems to be, state-sponsored hacking seems to be prevalent. And, if we don't attract the right people to protect us, because they can get paid more, be rewarded better, by the hackers, or by the states, then we've got a serious problem on our hands. So, the more we can do to make it secure, the better for us all. Otherwise, the fundamentals of life, including electricity and water supply et cetera, could be completely destabilised. I don't want to end on a negative note here, but, we seem to be [laughs] going down this path.

Certainly, you have to be careful.

And it's way beyond what most people can do anything about now. I mean, you know, you can put locks on doors, but how do you put a lock on your own data? You know?

[1:08:04]

What advice would you give to someone entering the IT industry today?

Well, it's such a big industry, that, it depends on which sector they're going for, and what roles they would like to play in it. So, you know, in a business-to-business environment, you know, you still need to articulate the business benefits as well as technology features. So, you know whatever path you choose, make sure you're working for the right organisation, and you're properly rewarded, and properly

trained. And, avoid getting exploited, because, you know, the most successful IT companies in the world are the most demanding of their individuals. I know there's something of a pushback now going on, but, you know, one has to be a bit watchful of that. The upside is, you know, the notion of a nine-to-five job and the regime of commuting is becoming less and less important, given all the modern communications. So, either work for the right organisation, or, start up on your own, with appropriate research and funding, which is back to Scale-Up Group of course.
[laughs]

[1:09:33]

Thank you John, it's been a real pleasure talking to you today.

Thanks Elisabetta. And thank you for listening. [laughs] It turned out less interactive than we were both expecting. [laughs]

You did all. [laughs] You were very good.

Thank you. Well, you, you... You guided me well, actually, at the beginning. Hopefully that makes some sense, I mean, it may come across as quite garbled, but...

Thank you.

I hope it makes some sense. And thanks for all the time you're spending on this.

[End of Interview]