Gary Turner

Interviewed by

Jane Bird

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Via Zoom

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Welcome to the Archives of Information Technology where we capture the past and inspire the future. It's Thursday 27th of May 2021 and we're talking on Zoom, as has become customary during the coronavirus pandemic. I'm Jane Bird and I've been reporting on the IT industry for newspapers such as 'The Sunday Times' and the 'Financial Times' since the early 1980s. Our contributor today is Gary Turner, co-founder of Xero, an award-winning online accounting company with more than 2.4 million subscribers in 180 countries. As Xero's UK managing director, Gary has grown the business from a three-person start-up in 2009 to turnover of £110 million or more in 2020, with more than 600,000 UK customers. A native of Glasgow, Scotland, Gary has previously held senior positions at Microsoft and Systems Union and has served as a mentor at Techstars London. He's also a seed investor in early stage start-ups across the UK and Europe. His ambition was formed growing up inside a small family business that failed, giving him a lifelong drive and passion for helping small businesses succeed. Gary, welcome. I'm very much looking forward to hearing more about your professional achievements and experiences.

So, if we could start at the beginning. You were born in Glasgow in 1968 and you describe your childhood as being sheltered and fortunate in a leafy suburb of Glasgow. That sounds quite idyllic. What was family life like for you?

Well, we were very fortunate in, I mean Glasgow has a reputation as quite a hard city, you know what I mean? A very industrial city and when you consider other places in Scotland and across the UK, Glasgow certainly would, in the seventies and the eighties, would still be in that older image. And growing up and coming from a very like classical Glaswegian, west of Scotland, working class background, family background, I was fortunate in that my father decided to set up his own business and became an entrepreneur, I think I must have been about eight or nine years old at the time, and that enabled us to move out to a leafier part of Glasgow, quieter, right on the edge of the city, quite a quiet suburban area. And I consider myself very lucky in having had that. And family life was great. I mean my father was very hard working, obviously I, my father's no longer with us, but he was a real hero figure to me. He was very, very hard working, somehow had this magical ability. He started off as a car mechanic and then progressed into management and business ownership, but I remember his ability to look at a car, look at a bus, look at a truck and like magically

diagnose what the problem was and quite literally like fix it with the twist of a screw, was something that he developed a real reputation for, a very, very talented engineer. And so my relationship with my father was one where I think he instilled in me a real sense of how important it is to work hard, do great work, look after people and not be shy of effort, not being shy of investment of effort. And so when I reflect back I think I had a very lucky and fortunate family background back then.

Right. And your mother was a book… the bookkeeping side comes from her side, I guess, doesn't it?

Yeah. And it's only in the last few years that I've recognised how important that, those formative experiences growing up in a family business. And so whilst my father was out day after day, including at weekends, working, and always seemed to have his hands dirty, his hands working in mechanics and engineering, he would always, his hands would be oily and grimy. And my mother would be looking after me and my sister and making sure we were getting ready and up for school. And she went to college and learned and got qualified in bookkeeping, so she then became the bookkeeper for the family business and would camp, there was a desk at the end of my sister's bed in her bedroom and it had a typewriter on it and a whole bunch of lever arch folders, because of course this is like the late 1970s, early 1980s, and so there was no technology involved. And so beginning to become aware of this world of business. Seeing my mother kind of working away at night, doing the books, getting the records in order. I remember my sister, my younger sister and I loving playing with the confetti that would come out of the hole punch. Because everything had to be hole-punched and filed and everything else in those days. And so growing up in my family home, but with kind of like accoutrements of business around you, both physically in the form of the admin work my mother had to do for the business, but then of course the conversations. And so hearing my mother and my father, we're sitting in the back of the car going to visit relatives or shopping, of course a lot of the time the discussion was about the business, it was about the challenges of the business or problems with staff or problems with suppliers or problems with the bank. And I don't think I recognised it at the time, but having both parents so closely involved with running the family business, I think by osmosis I was picking it up. I wasn't conscious of it, I wasn't sitting studiously taking lots of notes, but I think it must have

had- it imprinted on me as I was going through into my teenage years and beyond, that the conversation was often about cashflow or often about problems with suppliers or problems with customers or staff.

Yes.

[0:06:35]
And I think – and I've only recognised in the last maybe five or ten years how much that's really driven my career and my purpose - those formative years, really, really important.

Yeah. But the business went wrong, that must have been very hard?

It was pretty catastrophic actually, when I think back. And of course what's happening – and again, this was like another really impactful fork in the road, I think, or series of events – now meanwhile, whilst my parents are working very hard to keep the family business going, and of course this is in the 1980s when the UK was undergoing quite a lot of economic reconfiguration and disruption. I mean the economy, and there was like one or two recessions during the eighties, and so it was tough to run a small business. Meanwhile, my real passion was technology and of course around that same time in the early eighties the invention of the home computer became a reality for many more families and computing became a growing fixture on TV or on 'Tomorrow's World', or if you were fortunate enough to be able to have a Spectrum or a Commodore 64 or a BBC computer at home or in your school, then that's what really captured my imagination and… for technology. And so whilst I'm pursuing what I'm really passionate about and what I loved then and still love today, which is technology and computing and the magic of software and computing, I remember, I must have been about fourteen years old, having a conversation with my career guidance, my form tutor doing my kind of career guidance meeting that you have at that age when you have a one-on-one with your form tutor. And I went in and I sat down and then he says, 'And what do you want to do?' And I said, 'Well, I have no idea, but I know it has to have something to do with computing'. I mean that's my princ… I can't think of anything else but computing. And at that point I was very fortunate in that my grandparents had contributed and helped me get a BBC computer.

So I had a BBC computer at home and was really loving that. And so he got out his big book of jobs, and this was like 1982, and I wouldn't be surprised if it was like the 1977 year of big book of jobs, and went to computing, and there were three jobs in that section. There was data entry, there was programmer and there was systems analyst. That was it, that was the entirety of the kind of computing career prospectus. And I said, 'Well, which one pays the most money?' And he said, 'I think it's systems analyst'. And I says, 'Well, I guess I'll be one of them, then'. I know I love technology, I love computing, I'm good at it, and that's therefore what I'm going to do. And so I embarked on getting my Scottish O grades and my Highers lined up to then pursue getting a degree in computer science at university. And a combination of I got a conditional acceptance to go to Glasgow University to do a degree in computer science. But then what happened at the time is the family business began to really struggle, and I certainly would never attribute my own failure to kind of get the grades I needed to get to the kind of disruption in the background, but it was a huge, a huge, huge thing and of course businesses don't fail quickly, they fail slowly over a period of time and then it goes really quickly. And so there was a real period of disruption, stress and anxiety at home just as I was coming to the end of my high school career and beginning to think about to move into university and pursue technology.

[0:10:40] My parents remortgaged the family home to kind of get some capital to keep the business going, and even that wasn't enough. And so I would have been about seventeen by then and the business failed, ran out of money, the bank foreclosed on lines of credit and any loans that were available, lost the house, we went from being this beautifully idyllic little kind of family in a suburb of Glasgow to a real catastrophe, family catastrophe. I mean lots of people endure many worse hardships than that, but… My parents' marriage ended as a result of that, my father really struggled. We went to live with my grandparents for a few months because we had nowhere else to stay. And this all happened as I was just coming out of high school and into secondary education, and I think that whole experience as well, and long story short, I think it put some pressures on me. I remember I was doing my HND in computer science, because I failed my, I didn't get my maths, or I didn't get the grade I needed to get into Glasgow Uni, so I didn't go to Glasgow Uni that year. I then went to pursue an HND in computer science which would then have facilitated me getting in to do my degree the year after that, and it was during that year where two things happened. So I'm living with our grandparents and dealing with the challenges

there, dealing with the disruption and the kind of breaking up of the family, and I then sat out, I was sitting in a class one day, really disillusioned by what the prospect of actually pursuing a career in technology would look like in the backdrop of all of the disruption that was happening in the background. And so I decided to drop out and I thought I don't want to be a programmer, I don't want to be a systems analyst, that's not where my passion is. My passion for technology was still really, really burning very strongly, but I pretty much concluded that it wasn't going to be sitting in a dimly lit room for eight hours a day writing code. And that's, that was the impression I got. And actually, given that the family situation and the domestic situation was really, really tough, I needed to get a job. I didn't have the luxury of time to go and get an education, I needed to get a job. And so the family business and the outcome changed so many things at a personal level and I think it was during that time, what was instilled in me is a huge sense of purpose. And I mention it and you mentioned it in the preamble, is that my passion and my purpose and what I've pursued my entire career has to almost to right the wrong of family businesses failing and small businesses failing, and I have a real personal empathy with what it means to fail in business through the impact it had on our family and my conviction for that. And people can get excited about their profession, they can get excited about technology or a field or an idea, but I get really excited, I froth at the mouth sometimes because I get so passionate and so convicted about what we do, what I do. And I remember, I caught myself, thinking why do I get so- people were like, where does this passion, real palpable passion come from? And I think it's from there, I think I'm, I've kind of dedicated my career, I think, to how can, how can technology, my love, my passion, be used for good. How can it be used to help businesses, not just run more efficiently and grow, but avoid that outcome. And I think it's because I have such a personal connection to that in my kind of late teens.

[0:15:06]
There are no disasters, only opportunities. As they say.

Absolutely, absolutely.

Yeah, yeah. Okay, so we brushed over your schooling, but perhaps we ought to just kind of step back, you know, a step or two just to say you went to state schools.

I did.

And, you know, how was that? Was that a good experience?

It was, yeah. I was a pretty good, again, probably guided by the fact that we were living in a, quite a large residential development in a suburb of Glasgow and where… and the school was a good school, and still is a good school in fact. And of course every school has its own challenges and kids are always dealing with difficulties as they go through, but I think in the main it was a good, grounded school environment that really instilled in the pupils the sense of work. In fact our school motto was 'Floreat Labor… Labore', which is Latin for 'Let work flourish'. And that was definitely a big theme at that school and it was big enough to have a decent enough budget to buy kind of equipment, and so we weren't all fighting over one computer in the computer lab, it was reasonably well resourced and I had a great time, I stayed right through to the end of my sixth year at high school and really enjoyed it.

It was a comprehensive school, was it? So presumably you didn't have to take the eleven-plus?

No, no, went straight – and in Scotland there's no… in some countries, I know overseas there's sometimes a kind of intermediate school or a stage, but you go straight from what we'd call primary seven into first year. And no entrance qualifications, no entrance exams, straight in.

So did you have any inspirational teachers or other important influences on your early life, or is it really what you've talked about in terms of what happened to the family business that really overwhelmed everything else?

I think I had one teacher in particular who was my teacher in primary school who- and I was a pretty kind of happy primary school career as well. But again, I think teaching has come on a long way in the last forty or fifty years, and so when I was at primary school, which would have been from the kind of early seventies then, the teaching world would have been still populated by teachers who'd been teaching since the fifties and the sixties, and I remember not really enjoying that old, quite harsh, quite

strict teaching environment, I didn't really find it very nurturing and it actually instilled a sense of fear sometimes and fear of failure rather than trying things. But I had one teacher, and I must have been about seven years old or eight years old, and she was much younger, so she would have come with a different philosophy, I think, about what great teaching looked like. And if I was struggling with something, rather than literally rap you over the knuckles, she would take time out and really give me that one-to-one attention and I really flourished in that environment. And again, I reflect on that with great fondness and that time with that teacher, really went out of her way. And I won, my only- I wasn't the brightest kid in class, I would probably take my time to get things done, but would eventually get there, and she really enabled me to build a sense of confidence. And that year, at the prizegiving I won the prize for progress, so I was the kid that had demonstrated the most improvement through the year, and that was down to that one teacher. And I don't think I ever… I always have a fondness, whenever I look at my career, people I've worked with and managers I've had, I'm much more responsive to people that are an open door and want to help you rather than judge you or push you or rebuke you. And so that one teacher really definitely gave me a huge amount of confidence.

[0:19:53]
Yes. Because obviously you had to have a high level of self-belief and confidence really to get where you have, so it's interesting to note what that, you know, goes back to.

Definitely.

So your, so then your first job, you did go into the IT industry. So it turned out that that was really, you hadn't changed your mind in terms of what you would do with your life.

No. I knew it was technology and I don't think I could ever do anything but technology and I'm as excited about technology today as I was forty, thirty, forty years ago. So I knew it wasn't going to be cutting code and writing software, but I knew it was my passion and my, even then, my fluency for technology was something that I really recognised. So I said well if I'm not going to pursue a professional career

in software development or programming and I want to work in technology, what other jobs could I do. And I managed – I think I was about twenty by this point, nineteen or twenty – and I managed to convince… I'll tell you the story, it's a really interesting story, again about how like singular events fundamentally change the course of your life and your career. And so I thought well, I will, I've heard of recruitment agencies, I'm sure they give jobs out to people, and I picked up the phone and went to see, I made appointments to go and see two recruitment agencies in Glasgow. And I showed up and I was, I'm nineteen, I didn't own a suit, I hadn't been kind of cultured in how do I apply for jobs, or I didn't have a CV, really naïve. And I went in to see this chap and he was really very hostile and offended that somebody as unmarketable as I had, was wasting his time, and literally kind of threw me out of the building. And a horrible, horrible experience where I'm like nineteen, entering the world of work and this guy, well, clearly nobody's going to hire you so why are you even wasting my time. And I thought, well that's interesting. I then went to see the other recruitment agent, and he was completely different and he could see that I wanted to work in technology, I didn't have any formal higher education degrees in technology that would enable me to get a job in programming or technically, I had no work experience, but I just wanted to work in technology. And he did something which was incredibly kind. Rather than kicking me out the door and telling me to never bother him again, he told me to go to Burton, the menswear store, and buy a suit and a shirt and a tie and then come back and see him next week at 8 o'clock before his day began and he would assess me, and think about what it is you want to do and come up with a CV. And so I did that and I went off and I spent my 79.99 on a Burton suit and I looked very official, and I even got a briefcase. And I showed up back at his office at 8 o'clock one morning and he said, great, you look fantastic, you look presentable, you look marketable. And what I suggest you do is you get the Yellow Pages out and you go to the computer section and phone every single one of them and say the following, here's your little kind of like resumé pitch. And so I did that, and so I went home and I sat down and I started at 'A' and phoned up every company in the Yellow Pages that was in the computing section in Glasgow. Finally got to a business that began with 'S'…

Yes. You got to Select, I was going to say, that took you a while, then?

It took me a long time, but the good thing about that was I had many, many calls to like get it wrong and then perfect my pitch, if you like.

Right.

So I finally got to a company called Select Computing and I spoke to the sales and marketing director in that business, it was a small IT services business in Glasgow, and said my name's Gary Turner, I'm passionate about technology, I'm kind of like fluent in the following areas, I want to build a career… And I came up with this beautiful little kind of twenty-second long kind of elevator pitch. And it was enough to get an interview. And I was only twenty, and he said, could you send me your CV. And I said, well of course, I could, but I didn't want to disclose the fact I was only twenty, because… And so I said, I'll tell you what, I'll get one printed and I'll either mail it over or I'll bring it with me. I didn't want to jeopardise the interview.

Yeah.

[0:25:03]
So I showed up in my Burton suit and did a huge amount of research before the interview and really kind of genned up on everything that business did and what I needed to succeed. And he saw something in me that the kind of like, an opportunity, I would be pretty cheap to hire, really passionate, and that's how I got my first proper job in technology. Really in a kind of customer facing, consulting, advisory sales side of the business where I could bring my technical fluency and passion and marry that up with businesses and organisations that needed technologies to help them solve a problem. And so that was, that was a big break for me and it was all down to, again, this pivotal thing, that the one recruitment agent that told me to go away and the other one that went out of his way – he didn't need to – he went out of his way to demonstrate a bit of kindness…

Yeah.

… and give me some guidance.

Terrific. And so, but you didn't stay there awfully long, did you? Just a year or so, is that right, because you went on…

Oh no, no. There maybe a typo then, if that's the case. No, I was there…

Oh no, I see five years. Yeah, five years. Yeah.

And that, I think that five-year period where I would spend my time randomly, a selection of businesses from small family double glazing business in Glasgow to a stonemason's company, to a painter's and decorator's, to a bakery. You name it, any kind of business, and my job was to drive off to see them and understand what- most of them didn't have technology at that time or if they did it was quite old and clunky, and this is like 1989/1990, so Windows hasn't really kind of come popular, the peak of sophistication in those days would have been maybe a Novell PC network or Unix or Xenix, dumb terminal set-ups with accounting software and business software. There's not really productivity software widespread in those days. And my job would be to assess what their needs were, understand their problems, and then either specify that we would write some bespoke software that would solve that problem, or there would be some packaged software and some hardware and networking and services and expertise and everything else. And no two meetings were the same and no two sets of problems were the same. And I did that for five years and I learnt an immense amount and developed a huge sense of empathy for what it is to be a business, what it is to run a business, whether you're the accountant or the managing director or the office manager or the factory supervisor. And I loved it, I was like walking around with hard hats on, and hi-vis jackets, depending on the kind of environment it was in. And the scale of the projects I was involved in, sometimes it was a small estate agent that was looking to kind of get their first PC set up and design, right through to national… one of the biggest deals I was involved in was a kind of large transportation company, a big bus company, employed over 1,000 people, at the age of twenty-one – and frankly, I wouldn't have bought a coffee machine off a twenty-one year old – but at the age of twenty-one I was, I had the entire future of their business strategy, all of their operations, all of their payroll, everything down to what I was advising and specifying and helping deliver to them. And learned so much about business and about- I'm not an accountant, I've been in accounting software for

twenty-five, thirty years, I can give an accountant a run for their money but I'm not an accountant, but it's that, this five years of my career where, when I think about a small business predominantly, when I think about the people we serve today, I know what it's like, I've been there, I've been to this quiet, rainy industrial park in some nowhere part of Glasgow or Scotland at 10 o'clock on a Monday morning and it's Nescafe instant coffee in a chipped mug and the sugar has got damp and is hard, and the sandwich van comes round at 10 o'clock in the morning. And life is hard, you know, there's fan heaters on the floor, there's a dog sleeping under the desk. I still, that picture of what it's like across the country and the problems in the context that small businesses operate in is something that's still so real for me and I think it's helped me when I've had to make a judgement call on what we're doing, what we're building, I still can relate to what it is to be a small business, and that five-year period was such an important induction to that.

[0:30:25]
Yeah. And they of course faced a lot of, well, technology was changing so quickly that it was very, very difficult for them to know what to do. So your guidance and your expertise would have become pretty valuable pretty fast, I should think. So it's the next company that you only stayed with one year, that was CB Systems, I think.

Yeah. So unfortunately Select Computing – and this is about '94, I think, and there was a recession and the economy at that time – and Select Computing, we got to maybe about thirty staff, thirty-five staff, it was tough, wasn't much profit. The profits, I mean there used to be huge profits in selling hardware and software in the seventies and the eighties and by the nineties that was really beginning to come down. And like many businesses, fell upon difficult times and ultimately ran out of money and I was suddenly made redundant. Literally in a situation where like one day you're driving to the office on a Friday at 9 o'clock in the morning on the commute, and at 5 o'clock that day you no longer have a job and you're getting the bus home. Nobody saw it coming and it was a real shock to the system. I'm very fortunate in that the people that ran Select Computing did their best to find, to rehome everybody and find jobs for people, and I went to work for, effectively a competitor business to Select Computing in Glasgow called CB Systems. And I was there for a year before the opportunity to join the next thing came along.

Right. And then, so you were then with Pegasus for, well, quite a… what, six years or so. So that obviously gave you a lot of further opportunity to develop and to build your skills. Because you finished up quite senior, didn't you, management?

Yeah, I was there in total for twelve years actually, from start to finish, and so I joined in early 1995 and I left in 2007. And I went in, in my first five years at Pegasus I then became an account manager. And so Pegasus is still going today and back then it was much bigger, but Pegasus was focussed on producing accounting software, so debits and credits and sales ledgers and reporting. They've been around since the early eighties and was predominantly MS-DOS based and PC based software and rather than buying it directly you would buy it from an IT services business, which was just like the one that I had spent six years in, Pegasus would be a supplier to that kind of business. And so when the opportunity to kind of get out of the channel, the front end of it, came along to then join a much larger national software company, that was a huge, a huge like leg-up for me, getting out of twenty, thirty, forty employee businesses in Glasgow and really only serving the immediate area around Scotland, working in a national company, Pegasus probably would have employed about 150 people in those days, was a big upgrade. And I then became the account manager, like look after all of the IT companies that Pegasus had relationships with. And so I was kind of like poacher turned gamekeeper. You know, so I'd got on the other side of the fence and I was then dealing with the people that used to do my job. And two things happened in that time. Again, one, it exposed me to a much wider and different kinds of businesses. The internet and the worldwide web had just begun to be a feature in software and in our lives around 1995. Most people, if you started on the internet, it would have been '94/95 when it became, people started getting their own ISP accounts. And so, having been in the world of software pre- the worldwide web being a factor, about '95 all of a sudden this idea that, well wait a minute, it's no longer about software that runs on a PC, on a network that doesn't talk to anything, it's now about connecting e-commerce and worldwide web capabilities together. And so that was a really interesting period of working out what does the internet, what does the web mean for software. And of course Y2K was the other big thing that was happening at that point and as we're trundling towards the year 2000, then that was a great time to also be in software, because we had a great argument – this is what everybody, if you're on something you bought ten years ago, you probably need to

spend some money to upgrade it. And so it was a real boomtime economically in
software. And that period from '95 through to 2000, 2001 was another area where I
kind of developed a deeper understanding of software development, of marketing.
Because Pegasus was a much larger company, I had much more defined functional
capabilities there, and I picked up a lot during that time. Although I wasn't based in
the office, I was still living in Scotland at the time, I would go to the office once a
month and would be swimming in a much bigger pool and learned a lot in that time
also.

[0:35:50]
*Yeah, well they must have been very impressed with you to appoint you managing
director in 2003.*

Yes, well, that was a really interesting time, because… So Y2K came and went and
everything was amazing, but of course what happened after Y2K came and went is
that all that's left is, well, what's the core business now, that big impetus to buy your
product has gone away. And by 2000/2001 of course, we're now moving into what
does the internet really mean. The dot.com bubble was like at its peak, pre-implosion
at that point. And it was clear to me that the world of software was going to change
profoundly. And I read a book in 2000 – my wife and I got married in 2000 – and the
book I took away, we went on honeymoon to Asia, and I took a book for reading on
the plane and by the pool and it was a book called 'The Cluetrain Manifesto', which is
a rather strange name. It was written by four chaps in the US who had attempted to
capture what the promise of the connected nature of the internet was going to do to
the world of business. And it was called 'The Cluetrain Manifesto: The End of
Business as Usual'. And I, at that point in time I hadn't really a sense of what the
internet was going to mean for business. I read this book and it was a real epiphany, it
was a huge revelation for me. And I came back from my honeymoon having read this
book and couldn't stop talking about it and couldn't stop… it was like a book from
the future had been transported back in time and it was kind of like the guide to what
the world of business was going to look like. And it touched on everything, it touched
on, it was a kind of, predicted the rise of social media and the impact of that, it
predicted rebalancing of consumer rights and supplier rights and people power and
crowd sourcing. And back in 2000 none of that was really happening, and so this

book I would say was another huge pivot point for me and it changed my thinking, and it changed the way, although I'd been at Pegasus by that point for about five years, it really helped me have a vision for what the next generation was going to look like. And I'm in my early thirties by this point, there was quite a lot of ownership change post-dot.com, Pegasus was a public company, it was acquired by another company, taken back to private, really struggling with some product quality and delivery issues. And I'm kind of, like I rock up, ever enthusiastic, ever passionate about the purpose of what software can do, and I think I went from being an account, still in my last years as an account manager in 2000/2001, and by 2003, I'm managing director and it was, how did that happen? It went really quickly. I remember getting an office and I had a PA and I've no idea what a managing director should do, but I'm sure I can work it out. And my last four years at Pegasus I had great fun, really letting my own kind of enthusiasm and ideas for how the business could be developed and we came up with some ideas for some brand new products that harnessed the internet. We launched a product that was kind of like instant messaging in a business context, way before anyone was thinking about stuff like that. And in the background, whilst I was managing director of Pegasus, my enthusiasm was so great that I'd started my own blog. And so by day I'm kind of like peddling rather mundane accounting software and business management software, and then by night all of the ideas and thoughts that I had that didn't apply to Pegasus were going out on my blog. And really inspired by this book, 'The Cluetrain Manifesto', and that kind of led me into a whole other sphere of networks and people internationally, some of the leading architects of Web 2.0 and web standards, I then got connected with and became friendly with and we'd organise meet-ups. And so I was really living two different realities. My traditional software very much rooted in the eighties and the nineties business, Pegasus, that I was trying to transform, and then really mapping out what the world of technology and software would look like with the web and Web 2.0 and what did that mean, and what about social media, and what if Google released an operating system, what would that mean for Microsoft. What if Apple does mount a comeback, what does that mean for the world of technology and innovation. And so it was an incredible time of new ideas and technologies coming forth and I, my enthusiasm found its outlet through my own blog and, which got quite popular and was cited a few times, with some of the ideas and some of the discussions that took root there. And it really helped me. So that period was like learning what does it

mean to run a business, what does it mean to be a senior executive, what does leadership mean, and no idea about any of that stuff. And so I was learning that during the day and then around the edges really developing my understanding of what potential for software could be and where it might lead, and what the world of software in the world of business would look like five, ten years hence.

[0:41:35]

And then in 2007 you got hired by Microsoft, which had always been your ambition.

Yeah, I remember, I'm a huge fan, I think some people call it manifestation, it's a method where you picture yourself doing something and if you can envisage yourself doing that then you kind of inherently build the confidence to think, well, I can do that, and if you want to, I don't know, go snowboarding or water ski-ing, and if you picture yourself doing it, then you're one step closer to doing it. And I remember, before I'd heard of that as a technique, I remember back in '95 being at an event in Stirling in Scotland and there was an exec from Microsoft came along, and of course this is when Windows 95 was being launched, and that was a big thing. It's strange to think of it now, but Windows 95 was a huge kind of industry event at the time. And I think I remember this guy talking about Microsoft, Microsoft was like a six billion dollar turnover business at that point and it's tiny compared with what it is now. But Microsoft in the mid-nineties was *the*, probably one of the most admirable and admired and successful technology companies and who wouldn't want a career at a business like Microsoft. And so I decided, I thought it would be great one day to work for a business like Microsoft, I'm going to really make that happen. And then weirdly, to show you how convicted I was about that, I relocated from Glasgow down to Northamptonshire, where I live now, in 2001, so twenty years ago almost exactly, June 2001, and my wife and I had to choose where we were going to live. And Pegasus was based in Kettering, which was in Northamptonshire, and we chose to live on the Reading side of Northamptonshire because it was going to be closer to Reading for when I got my job at Microsoft, because that was going to happen. I kid you not. And my wife and I even did the commute one day to see how long it was going to be, it was still a good old run. But even in 2001 I thought no, I'm going to work for Microsoft so I'd better get somewhere that is as equidistant as possible. And anyway, so Pegasus, our parent company, Systems Union, was acquired by American private

equity, I'd been there for twelve years and I'd considered my best years at Pegasus were behind me, I'd done everything, I'd done every job and it was time for something new and I wanted to kind of pursue this sense that something bigger was happening in the world of technology and software, a lot of the reading I was doing and a lot of the conversations I was having. So this is 2007, I think one of the most prominent examples of the new world of software at the time was an application called Flickr, a web service called Flickr – F-L-I-C-K-R. And Flickr was actually founded by the guy that founded Slack, Stewart Butterfield, and Flickr was a photo app where you could upload photographs to it and you'd see it like a library, much like Apple, the photos app or the Google photos app, and this is 2005. But what was amazing about Flickr was uploading your photograph to a website wasn't new, but what you could do in Flickr was you could reorganise the photos on the page, just like it was real software, but doing that in a web browser had never been possible really up until 2005. And so this idea that you could now build rich responsive sophisticated software applications in a browser began to become a reality in 2005. I mean people had been using Hotmail since 2006, but email's pretty simple and it's text boxes and everything else, you wouldn't be dragging and dropping things on email. But you could do that in 2005. This idea of rethinking business software in a browser context, connected to the internet, running in the cloud, could be revolutionary and I had a real sense that that was the next frontier that was going to emerge for me in my career. And so I left Pegasus after the takeover and I was kind of kicking around, not quite sure what to do or where to go, but anxious to pursue this idea. And I was incredibly fortunate and very flattered when Microsoft heard that I was not doing very much and said would you want to come and work for us, and I said, of course, because I was going to do that my entire kind of like career, I'd like decided. Well, I have to, it's on my bucket list.

Yeah.

[0:46:22]

And so I joined Microsoft in 2007. I learned, I loved my time at Microsoft, it wasn't the most productive or fruitful part of my career and I think there was a couple of reasons for that. One is, Microsoft was still kind of finding its way after its anti-trust shenanigans in the early 2000s. Steve Ballmer was CEO, Windows Vista was the

operating system at the time, which was not their best work ever. And Microsoft was still very much rooted in the old world of technology. And then we hit the global financial crisis and unfortunately what that meant was anything that was interesting and new got put on the back burner. And so there was no new stuff coming out of Microsoft that I could get my teeth into. And I think in retrospect my desire to work for Microsoft, strong as it was, and ultimately led me to work for Microsoft, that was the only reason I went there. And once I'd ticked the box, okay I've done that now, I've fulfilled that ambition, but what am I actually going to be doing here. And so it wasn't the most productive time and it was great fun and I've huge respect for Microsoft and even more respect for Microsoft now and the regeneration that they've undertaken, and loved my time there, but it wasn't, it wasn't going to give me the future that I was looking for. But, I consider myself very fortunate to have been there for the two years that I was.

No. So the future then was to set up your own business.

Well, yes. And that's also really interesting and what's remarkable about the story of Xero is as successful as we've been here in the UK, Xero actually started in New Zealand. And I was at Microsoft and I think I'd heard of Xero getting going in New Zealand in 2008, maybe, and, because it would have popped on my radar because it was an accounting software business and I thought, well that's interesting, but it's in New Zealand. And even as forward thinking as I was, I immediately dismissed it as interesting because, well, it's in New Zealand and it's really far away. And New Zealand's not exactly, in those days, was not a superpower in technology, with all due respect to any Kiwis that might be listening to this. I don't think I'd ever knowingly used software from New Zealand, I mean software came from Europe or it came from the US. And I got a LinkedIn message from a gentleman called Hamish Edwards, who was a Kiwi, and was one of the original kind of founding team behind getting Xero going as a business. And Xero started in 2006/2007 in New Zealand, remarkably did an IPO in 2007, about a week before the global financial crisis happened, and so incredibly fortunate timing. On the strength of about a hundred kind of test pilot customers that had been using half of the product and remarkably did an IPO on the stock exchange in New Zealand and raised about seven million pounds to go and hire a bunch of people to build a product and build a proof of concept to see

if they could then take it to market. And so once that original product was then built, the ambition was that New Zealand's really small, we're in a global marketplace, we need to take it globally. And so when the idea to get the business going globally came on board for Xero, and Rod Drury, who was the principal founder and CEO of Xero right up until 2018, I think, said right, we need to now take this little Kiwi idea and take it globally. And I got a LinkedIn message from Rod's partner, Hamish, saying we're Xero – now I remember those guys in New Zealand, I wonder whatever happened to them – and we want to launch in the UK and globally and we're looking for somebody to get on board to help us with that. And I remember not reading the rest of the email on LinkedIn, going, that's what I've been waiting for, that's what I've been writing about, what I've been talking about, what I've been musing about for the last five or more years. It was accounting software, it was business software, it was serving small businesses, it was web services. I'd never done a start-up at that point, I'd never really been in a start-up business. I was forty and I thought well, if I'm not going to do it now, I'm never going to do it. And it was like I'd won first prize in a job competition. This is, my entire career – I still believe this – my entire career up to that point in early 2009 was merely the preparation for this opportunity. It was the culmination of everything that I had done in leadership and management and leading teams and doing strategy and marketing and everything else, this was my opportunity, my job, and only me, only I could do that. [0:51:45] And so I quit Microsoft, it must have looked like I was crazy, I was leaving a great job at one of the most successful largest technology companies in the world to work for a business that had maybe a few hundred customers. We had two people on the payroll in the UK, we had a support person and a kind of like salesperson, all working from home, no real kind of infrastructure up and running, a brand that nobody had heard of, from New Zealand, in a market that's risk-averse, nobody changes their accounting software very often, and which was dominated by brands like Sage and Oracle and SAP and Intuit and QuickBooks and those people. And it must have looked crazy, it must have looked like I was having a moment, to walk away from Microsoft to do that. But it was, I was never more convicted or confident that it was absolutely what I needed to do, wanted to do and was equipped to do. And it was hard in the first two or three years of just getting off the ground, and nobody had heard of us, nobody had ever heard of our brand, but the idea of using software in a web browser was still quite novel. Many conversations around people, well, why would I want to put my

financial information on to the internet, isn't that dangerous, isn't that not very secure. And those early years were really quite tough, but I'm incredibly grateful for the opportunity I had to bump into – or not physically bump into because he was in New Zealand – but to be connected with Rod Drury and the team. And I think I was the first international hire that they had made, it was a big thing for the team to be branching out. And it's been amazing having a front row seat on that, I've been at Xero now twelve years and Xero, even although it had been going in New Zealand for a year or so before I got on board, even then was still only like thirty or forty people in the whole company. We probably, when you add up the New Zealand customers we had, we probably had a couple of thousand businesses using Xero in 2009 and the fact that we're now, we have 2.4 million businesses using Xero, we employ about 4,000 people, we're coming up on 500 people just in the UK, and I've been, I've had front row, ringside seats on that journey, has been incredible and incredibly insightful for me over that time.

[0:54:24]
Yeah. And that's given you, now you've learnt I mean pretty well everything there is to learn, I should think, by now, in this area, you're very keen to sort of start to share that knowledge and you're, partly through NEDs, non-exec directorships, and through your involvement with various industry bodies and things, you're really sort of starting to share your knowledge. That must be quite important activity for you now.

I think, and I actually think it's not really that different to what I've always done in my career. I've always been incredibly motivated to share my knowledge and help, if anyone ever asks me for help, I always, yeah, absolutely. I massively over-commit and end up doing, helping everybody and helping anyone that comes to me for advice, I'm always falling over myself to help. And it comes, I think, from this purpose and this passion that defines… I love technology, I love solving problems and I love helping business solve and overcome challenges. And I don't think I'm any different today at the age of fifty-two than I was at twenty-two. My, the way I see the world, the way I see technology, the way I see the job that technology can do to solve problems and how I can help with that, I still feel incredibly passionate and motivated to do that. The stage I'm at in my career now and with the success that I've enjoyed,

there are just more things that I can help people on. I've got more experiences that I can relate to helping people solve problems. And so I don't feel any less compelled or convicted to help and guide and share my passions and enthusiasms than I did when I was twenty-two and I kind of feel it's like a real sense of duty to do that, to help others. And that may be avoiding some of the mistakes I made or learning from some of the things that I've succeeded at, and so I look forward to continuing to do what I've been doing for my entire career, which is to help people, help businesses solve problems and work with great technology and invent and create and come up with fantastic solutions to problems. And I think my purpose in my fifties will be to help the next generation of technology companies coming through, the next generation of leaders, the next generation of CEOs to continue that, continue that mission, and I look forward to helping as many people as I can do that.

What do you see as being the kind of the biggest challenges and opportunities for young people in the IT industry, sort of looking ahead over the next ten years or so?

That's a big question. I think I can only relate what I have done in my career and the disciplines that I have followed and what I've been lucky to do is you've always got to be thinking ahead, you've always got to be thinking, not what does it look like today and what are the opportunities and what does technology look like today, it's what does it look like five years from now or ten years from now, which is hard to do. And so much of what makes it into the kind of public attention and media is kind of this, we've done a great job of creating a new generation of fintechs in the UK and there's some really pioneering ideas coming through there. But there's also a bit of a cult around, well, being a disrupter or being a disruptive business and this idea that the only successful technology venture is one that's disruptive and kind of creative destruction philosophy. And I had a conversation with somebody and he was saying well, if you're thinking about creating a disruptive business, how would you go about doing that. And my answer was, that's not the point, the point isn't to be disruptive, the point is to solve problems. The point is to understand and have great empathy for the problems you're trying to solve, the people you're trying to serve, the customers that you want to win over. And the better you're able to do that, then the higher the chances that your business will be successful, and therefore maybe disruptive to incumbent ways of working or incumbent suppliers in that marketplace. And so I

think one of the big challenges people have, and particularly in technology, is everybody wants to be the next Mark Zuckerberg, everybody wants to, this cult of the unicorn. And it's ridiculous, we should do a word count on how many times the word unicorn appears in the media, because it's become this kind of cult ambition. And there's nothing wrong with that, by the way, and there's nothing wrong with leading and building a successful company, but that's not the point, the point is solving problems. And so to young people it isn't about being a unicorn, it's about having enough understanding and technical appreciation and capability and depth of understanding for what technology can do and the ability to take technology and software and web services and the magic of that and the world is your oyster, you can build anything you can think of building. And having enough of an understanding of what technology can achieve and therefore having enough of a grounding in the disciplines and the technical nature of technology, but then an equally deep sense of empathy for the problem you're trying to solve. And it's when you bring them together that you then spark an idea or you spark an opportunity. And that's the point, whether you're disruptive or a unicorn isn't the point, it's solving problems and you can't skip the steps, you can't cut anything out, and there's no point coming up with AN Other fintech business idea, or a revolutionary new kind of like banking solution if it's almost exactly the same as the twenty-four that came before you and not really changing problems or addressing problems for people. And so for me it's the basics: it's empathy and understanding on both sides of the equation. And what does that look like, not today, but what does it look like in five years' time, and having such a strong sense of confidence in your own ability to judge that, to envision that, that you're going to shoot for that and you'll make mistakes along the way, but driven by solving problems, not driven by being a unicorn.

[1:01:49]
Yeah, yeah, interesting advice. So, sounds like, I mean would you do anything differently if you were to sort of, you know, have your time again? Or do you feel it kind of all rather led to exactly where you wanted it to go?

I wish I had more confidence in my younger years, that's the other thing, the kind of cruel trick of growing up and growing old is that the older you get, the more you learn about yourself and the more you learn about how the world works, and of course you

don't know that when you're younger. And lots of people, lots of people can just have a basic level of self-confidence that's there, but even, even business people that are successful still struggle with that. One of the cruellest kind of dimensions to that is imposter syndrome. I have always struggled with imposter syndrome. And the unfortunate thing about imposter syndrome club, the first rule of imposter syndrome club is you can't talk about the fact you have imposter syndrome. And if only people spoke about imposter syndrome more, they'd realise that 99% of the population have imposter syndrome.

Yes.

And it's an entirely normal and kind of self-effacing way to be and actually the 1% that don't have it are the ones you should worry about. It's imposter syndrome, and I don't know if that's a British thing, I don't know if that's a British cultural thing or not, but I wish I had more, more self-confidence earlier in my life and in my career than perhaps I had done.

Do you think it was about, it was partly caused by missing out on university?

Possibly. D'you know, it has, that has been a permanent bugbear of mine. You look at, you look at like… job adverts and typically the more senior the job, and certainly into the senior management, usually the kind of like, the qualities we're looking for in the ideal candidate and degree qualified is very often the kind of boilerplate kind of flag in there. And I've been in situations before in business contexts and people start – out to dinner with a team – and they all start talking about university life. And that awkward moment when, 'And where did you go to university, Gary?' Because the assumption is, the kind of job I'm doing I therefore must have an MBA. And, I didn't go to university. And there's that awkward, okay, didn't expect that, and that's kind of awkward. And so I have to say, that has been, that has been something, maybe that's been at the back of my mind through my entire career is that actually am I entitled to be achieving the success or the status that I'm achieving, because I've somehow cheated the system in that way, I didn't go down that conventional route. But I have to say that I think that's what you make of it yourself, I think if I decide that that's a blocker then it's me that's deciding that, I don't think it's necessarily

there. But I think maybe in, certainly in my twenties when I was like on the shopfloor, not enjoying the trappings of executive leadership and success that I have lately, then maybe that was a real limiter for me. But I firmly believe, I mean I absolutely believe in people getting a university education, it's absolutely, why would you never not, why would you elect not to do that if you had the choice?

[1:05:50]

Well, maybe because you'd end up with £50,000 worth of debt. I mean arguably…

Well, there is that. There is that. And I think for some people it's not right, some people are wired up differently in that maybe for some people they should get £50,000 worth of debt and start their own business, you know what I mean?

In the IT, in tech? Do you think tech is still, you know, a possible, an option for people who want to take an alternative route, or is that becoming more difficult?

It's difficult. I don't know if people, I don't know how many people- I was incredibly fortunate in that I was able to take, I had a baseline fluency in technology. I mean I could write, I was programming and writing quite sophisticated applications. I mean when I was at high school doing my O level in computing my teacher would come to me for advice. So I was capable, but my ambition didn't lie in writing software and I, and although I didn't pursue that as a degree, my fluency, my technical competency and understanding has been good enough to help me. I mean I've run development teams and I've helped kind of design and build software, I've done all of that, despite the fact I didn't get a degree in computer science. Would it have been easier? Arguably it would have been. But I think the world of technology today is infinitely more interesting than it was when I was a kid. You know, back in those days there was three jobs in the job book.

Yes.

Now there must be 200 jobs. There are so many disciplines now. Like user interface design, backend design, web development, security. There are multiple disciplines just in building software now, never mind are you a programmer or not. And then

around that there's all of the commercial wraparound, there's the marketing, there's the product marketing, strategy, product strategy, so many dimensions that I see in our business today that the world of technology and software has never been bigger, never been, never had more opportunity in it. And arguably – certainly in my view – never, has never been more exciting than it is today. So I think there's huge opportunity. The problem that we have in the UK though is that for so long high school education has been around using office productivity applications, it's not been around coding. Which is why I love, huge fans of the Raspberry Pi Foundation, who I love the fact are a Xero customer account. When I discovered that Raspberry Pi were using Xero, that was like a huge like fanboy moment for me. Because I love what Eben Upton and the team at Raspberry Pi have done in the last like nine years. Democratising technology and really bringing technology back to the world that I remember it being when I had my BBC and was teaching myself coding. The periods through the nineties and maybe the noughties when it was actually about how to use Microsoft Excel and macros and there was a, and I worry that there's been a bit of a lost generation there. I think that's coming back though, I think kids today can get their hands dirty, learning to code, and I think could you do what I did today? I don't think so. I think I was fortunate and the world of technology was still very nascent back in the late eighties, early nineties. And if you want to be in a technology company building code, understanding it, it's a professional industry now in so many ways beyond just coding that I don't think Gary Turner kind of coming out with a bunch of kind of O grades and Higher grades and not going to uni, could I be successful in the next thirty years? I'm not so sure, because I think the barriers may be higher.

[1:10:15]
Well, what about the role of money and the creation of wealth? I mean you mentioned that these days you've got the sort of trappings of success which you didn't have in your twenties, have your activities, you know, led to the creation of a lot of wealth and the fact that you're now into seed funding and becoming almost like a venture capitalist yourself, is a lot of that because you want to become, you know, make multi-millions, or you think that's exciting and a possible, or what's really driving that?

I have, I'm not so sure. I mean I think, I think it comes back to, I'm really simple. I love technology, I love solving problems. If I have the financial capacity to pursue

that and help others, then I would love to do that. That's the same single one-track kind of line of code that I've been running my entire career on and I've been incredibly fortunate in my career to have worked with some great people and great mentors and had some great opportunities to grow and enjoyed real success, and particularly in the last half of my career at Xero now. Success and commercial success and recognition that I'm incredibly fortunate and grateful for, and the amazing work that our team has managed to do. And if I can use the benefit I have drawn from that to continue to bang on about technology, to continue to bang on about why the small business economy is the most important thing the government has to focus on right now. Two-thirds of private sector employment is with SMBs. There are six million businesses in the UK, they're almost all SMBs. The number of businesses in the UK that employ more than 250 people, there's only 8,000 of those. Out of the six million, there are 8,000 large businesses and the rest are SMBs. And SMBs contribute just over 50% of the UK's GDP and GVA and so I am still frothing at the mouth about how passionate I am for the country and for the economy overall, but the role that SMBs play there as I was thirty years ago. Technology has even greater capacity to invent and solve problems than it's ever had and if I can take what I've learned and what I've benefited from and what I've profited from personally from my career and my success, I am, I feel obligated to help others do that and, but remain grounded and sober and grateful for having the opportunity. It feels like a duty, it feels like an obligation and something I love doing, which is fortunate.

[1:13:39]

Yeah. So what would you say is your proudest achievement?

My goodness. I think what I'm most proud of is, if I've played any part in developing the people that I've worked with, the people that I've hired, the people that I've managed, and I have some great examples of people that I've worked with in my career, if I've helped them along the way, I've helped them unlock their capacity or their potential, I've helped nudge them in the right direction or given them enthusiasm or the confidence to go and do something, I think that's what I get most satisfaction from, is seeing people go from A to B, and if I've had any influence on that, I think that's what I'm most proud of. I have a bit of a superstitious aversion to feeling proud about my achievements. I think – and people often say to me, I must feel incredibly

proud about what I've achieved in my career and latterly achieved building our business here in the UK, and my superstitious little kind of safety valve says, when I retire, when I finally hang up my boots and I'm done, and I do a retrospective on how well I have done, then I'll reserve the right to feel a little bit proud if it's appropriate. But until then, for me pride is only one step away from complacency, and complacency's only one step away from disaster, and so I'm preserving pride for what I see in others. And if I've helped people progress, develop, learn, achieve their life goals, then that's what I'm right now absolutely most proud of.

[1:15:48]
And when you look into your crystal ball, how do you see society being different in terms of how it's been affected by IT in, say, ten years' time?

I'm always optimistic, right? I'm maybe naively optimistic. I think, and I think about this a lot, and my career in technology started with the PC and what the PC did for individuals and the productivity that it enabled in individuals was incredible. You know, take somebody in a business context who's got paper and lever arch folders and hole punches and everything else, and give them a computer to work out the payroll or to send out the statements, it immediately transforms the productivity of that person's job. And then technology and its application went from empowering the personal computer and individuals, it was then about, well, everybody can afford a PC, so it wasn't just the accounts department that had a PC, everybody in the company could have a PC, or everybody in the team could have a PC, and they would be networked together. And so it went from productivity transformation of individuals to then teams, then of course ERP and CRM and companywide technology platforms came to the fore. And so that technology has gone from individuals to teams or departments, to whole companies and organisations using technology and the next step is society and we're living through the ups and downs of that at the moment. So this logical kind of linear technology invading so many more parts of life and we see online on social media and some of the kind of political challenges that we've endured in the last decade, a lot of that's to do with technology misuse. You know, we haven't quite worked out how we deal with societal impact and technology and it's problematic and it probably means regulation and it needs much more careful thought. But I am optimistic and I would even suggest that it

might actually go back to full circle about being individuals again. And we've gone all the way round the clockface; people, teams, society's going back to individuals and it's about what we in our new, more aware, enlightened state about the good and the bad of technology, what we can do about that as individuals, how can we become empowered. I think we're, I think there are two competing transformations happening at the moment, and one of the things I've learned in my career, particularly that relates to people and teams and culture, is that technology on its own doesn't succeed, it needs people, it needs- people succeed with technology, not on its own. And for every conversation about the emergence of artificial intelligence and digital transformation that's happening, I see an equal and opposite argument, that the world of work is also humanising, so there's a people transformation happening as well as there's a digital transformation happening. And you see that in much broader awareness and appreciation for the importance of equality in the workplace, inclusivity in the workplace, gender pay gap reporting, the importance of creating an inclusive environment for all walks of life and all backgrounds. And what people need from work, the importance of culture, the importance of treating people like humans, not like numbers on a spreadsheet, I think the world of work in the next ten years is going to humanise as much as it's going to digitise. And my bet's actually on the human side of it being the biggest change driver there. And so I think, I'd like to think we're coming out the back end of the first phase, we've learned a lot, there's a lot about technology in society that is problematic right now, but I think we're going to learn and be better for it in the next ten or twenty years. And my passion for technology is still as strong as it was, but we need to be much more cautious about how and where we deploy it and don't lose sight of the fact that people are ultimately what it's about.

Gary Turner, thank you very much, that's been absolutely fascinating. Very grateful to you for sharing your work experiences and your life story and I'm sure a lot of people will enjoy hearing more about it when they watch the video, so thank you very much indeed.

Thank you for the opportunity to chat, Jane. Lovely to meet you.

You're welcome.   [1:20:52 recording ends]