

THE WAY FORWARD

**How growing technology companies
maintain momentum**



**A conversation with
Steve Jones, Chief Executive
Comparison Creator**

Extract from a report commissioned by:



Powerful Accounting Software

Introduction

Leading Edge – Bleeding Edge – Unicorn

– whatever the description of a fast-track growth company, its focus tends to be four-square on the envelope bursting, disruptive ‘product’.

But what are the particular management issues which have to be addressed with rapid expansion in order for a business to realise potential and meet expectations?

Is there a risk, for example, that for a technology company, its own IT infrastructure can become the equivalent of cobbler’s shoes?

Especially when, as one CEO put it, managing the growth trajectory is like constantly pressing on the fast-forward button on the television remote and trying to make sense of what you’re watching on the screen.

In a report commissioned by iplicit, the cloud accounting software company, to be prepared and published by DECISION magazine later this year, the chief executives and chief financial officers of SAAS companies will be revealing what they consider to be the key metrics and why, how best to address the challenges that such rapid growth can present, both in terms of operational execution and controlling costs, and whether IT can facilitate stability. What is a necessity to maintain momentum?

This is one of the interviews to be included.



What next for your expertise?

“Yesterday’s home run won’t win you today’s game.”

Babe Ruth, the baseball star of the early twentieth century was remarkably prescient if his words are applied to how a twenty-first century tech company should be thinking.

Steve Jones, founder and chief executive of Comparison Creator gets it. “A tech company needs to continually look at where else it can apply its expertise,” he maintains.

Before starting the business, his background was in sales, joining Admiral insurance in 1994s as one of the first fifty employees. Today, the company has 11,500 staff.

He was sufficiently well thought of for the board to listen to and then act on his proposal to add commercial vehicle insurance to the repertoire.

When the internet arrived, with the subsequent appearance of price comparison sites, Jones realised there was a gap in the market, so he left to set up his own business to fill it.





Steve Jones

“The price comparison sites were really good when it came to core products such as car or house insurance, but beyond that, the add-ons, car breakdown cover and legal expenses cover for instance, weren’t being done very well,” he observed.

So he set up in business to step in and today, for example, ten of the add-on product sectors on a particular price comparison site are powered by Comparison Creator.

Someone buying insurance on a price comparison site can search for products such as vehicle breakdown cover once they have selected an insurance provider. Comparison Creator receive a



commission on sales, which they share with the price comparison side concerned, and the add-ons part of the customer experience looks and feels like the price comparison site.

Yet when Jones first spoke to conventional investors, their reaction was lukewarm, and that's putting it mildly. "Nobody could really understand the business model," he muses.

So he tried a local Dragons' Den type event where he was given five minutes on stage, and which resulted in a number of business angels forming a consortium and taking a financial stake.

"There are competitors out there now, but we are both IT and product led; we understand what it is that is being provided for the customer," Jones explains. "It's not just whether a competitor is able to create new technology. The success of this kind of application can depend on your understanding of the product being sold and the environment of its marketplace.

"We have found other sectors for our concept such as wedding insurance, which could be provided through a retailer's website rather than being an add-on to a price comparison platform."

In fact, Comparison Creator have their own website, Protect Your Family, which hosts all their add-on price comparison products, should someone want them outside of car and home insurance, including boiler installations, car warranty plans, gadget insurance.



“The cost of going much further with our own niche products would be prohibitive,” suggests Jones. “If we are embedded in price comparison sites on a white label basis, our pockets don’t need to be anywhere near as deep. The marketing is done by the price comparison site.”

That said, he wants Comparison Create to step up from add-ons to core product which big ticket price comparison sites don’t touch and where the company can make a difference to how that sector actually operates.

“Let me give you an example,” says Jones. “The UK pet insurance is based on what is called lifetime value, which means if your dog has a hip problem and you are considering a different insurer, that pre-existing condition might never be covered. The reality is that you can’t switch insurer and just have to accept an increased premium year-on-year. We want to work with the providers to create a better working model.”

With the business where it is today, KPIs enable Jones to follow that mantra. “Our main KPIs? Visitors to website through to completed quotes and the sale, which keeps the focus on the user experience.” he says. “That should result in more customers through the digital door, and more revenue per sale.

“We are constantly looking at each page, at where people dropped off, and at which question. Then we talk with the insurance providers to look at why someone went to their site and didn’t buy.”



The logo for Comparison Creator features a stylized white 'X' on a dark purple background. The word 'omparison' is written in a white, lowercase, sans-serif font to the right of the 'X', and the word 'reator' is written below it, also in a white, lowercase, sans-serif font. The background of the logo is a blurred image of a modern office hallway with a purple tint.

Comparison Creator

They have a vested interest in such collaboration. There is a ‘floor conversion rate’ in place which means they have to pay Comparison Creator for the value of thirty out of every hundred click through leads, regardless of whether they make a purchase.”

Vested interest is also why Comparison Creator felt obliged to set up their own graduate training scheme. “We have a particular problem when it comes to IT skills because we are working with software which others aren’t using,” explains Jones. “Trying to find people with the programming knowledge we need is a big hurdle. The risk with the scheme is that later they go elsewhere, but we’ve both got some value out of it during their time with us.

“The advantage with hybrid and remote working is that we now have people with particular skills who are not local to our office. For that to work, technology needs to be in place so we can securely share data, including customer information, and be able to collaborate internally.



“Our working model is to aim to be in the office ten days a month. Personally I would like that to be more but certainly in the tech sector people are now used to working remotely. Their work and home lives has become intertwined.

“Motivating people online is a challenge, and that means it’s important that when we are together in the office we use that time well.”

“It is hard to de-risk scaling a tech business,” Jones observes. “At some point key members of the team will want a fresh challenge. Our IT director left after thirteen years because they wanted to experience something different. I understand that. If for the next decade, for example, I could only focus on what the business had been offering when it started, that wouldn’t excite me.

“A business needs to continually evolve, and there is so much potential for us to do that. But in this situation, you either lose an important member of the team or you have someone in the key position who is no longer motivated.”

Another risk, which Jones realised in unfortunate circumstances, is how a company is more dependent on the founder than either might have realised. “I managed to blow myself up on a barbecue which put me in intensive care for two weeks,” explains Jones.

“It meant I was away from the office for two months. My business partner at the time brought a number of people in to cover, but the expenses were going through the roof and costs were out of



control. That resulted in a split and it took nine months for me to get the business into an investable position.”

That funding actually came from a customer. “They loved our concept,” says Jones, “and the investment enabled me to buy out the angels and my former partner.”

www.comparisoncreator.com

www.protectyourfamily.co.uk



About iplicit

Providing a cloud-based finance and management software solution that allows fast-track growth technology companies to focus on what really matters. Tailored for those frustrated by on-premise legacy software, iplicit provides greater flexibility and enhanced levels of reporting, integrating with other cloud applications for a seamless migration path from a user's existing system, enabling organisations to 'step up' to next generation finance software without losing the functionality they currently enjoy. iplicit received the Accounting Excellence award for mid-market and enterprise software of the year in 2020, and the top product for enterprise accounting/ERP in the Accounting Web software awards, 2021.

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The interview with Steve Jones was undertaken with Tim Coles, a specialist at iplicit in working with technology companies.



About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of directors and managing partners responsible for businesses with a turnover of £5million and above.

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