

THE WAY FORWARD

How SAAS Companies Harness IT To Manage Their Own Growth



A conversation with
Chieu Cao, Chief Executive
Mintago

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.



Tech companies are really people businesses

“I had experience of starting a business which experienced high growth, and second time around, it is still challenging,” says serial technology entrepreneur Chieu Cao candidly.

“What I can tell you is that the next time you can’t just cut and paste your knowledge and experience. Presuming you’re not simply replicating the other venture, you will still be learning on-the-job, which can be quite humbling.

“An entrepreneur has to know their limits. For a technologist, their weakness could be finance or selling, but if they try to continue to cover the task as the business grows, usually there’s nobody who feels they can tell the founder of business not to take a particular course of action in that area. So invariably the company’s ability to grow will diminish.

“When it’s just you and it’s your first business, you don’t have the luxury of being able to delegate but the process of scaling amplifies everything, both your strengths and weaknesses.





Chieu Cao

“Because essentially a technology business is really a people business, the first major consideration is the need to manage people effectively, and that process needs to improve ahead of the growth of the business.

“First it’s about hiring the right people at the right time. A business needs multi-taskers at the start, and then as it grows, to hire specialists.



“Once a company has done that it can grow further from a platform of operational excellence. What does that mean? Paradoxically it’s back to the founder understanding their limitations!

“Of course one of the difficulties a fast-track growth company can have is being equally meticulous about letting people go. It has to be done rationally – ‘this is not about me or you, but the situation which isn’t right for either of us’. I remember holding on to someone for six months, a director as it happens, and it was quite damaging because everyone knew the company had changed but that the individual hadn’t grown with it and wasn’t able to.”

An important point, says Cao. “In today’s increasingly fast-paced business environment, being versatile and adaptable is a prerequisite, regardless of whether it’s your first, second or third business start-up.

“But even so, when a business gets to a certain size and age, its structures become more rigid, and some inertia can become apparent. That means there could be a need to rehire at a senior level as a consequence if all of the existing team isn’t sufficiently open-minded.

“So a really valuable skill which an organisation needs today is change management. It needs a leader who can enable the business to pivot. I would say a leader needs both vision and the ability to communicate change, and as the business grows, so there is an increasing need to repeat the message.





“With PerkBox, my first company, which provides a global employee benefits and rewards platform, we pivoted three times. The lesson learned is that you really have to understand your proposition and that if it isn’t solving a problem or doesn’t resonate with the potential customer, is there really a requirement for it? Is this a space you really care about, because you need to be 100% behind it, not just the product. Your motivation has to come from being passionate about what you are creating and having a real belief that it will be of help to people.

“After eight years I decided to change my role at PerkBox from being the rare combination of co-founder and chief marketing officer because I wanted to do more personally. I’m still on the board but I was then able to start a new company, Mintago, to provide financial wellbeing solutions for businesses to support their employees.

“The first time around, the temptation for an entrepreneur is to devote time and resources to explore any opportunity which comes their way. Second time, I’m very methodical. I’ve also learnt to delegate because an entrepreneur never has enough time, so you have to focus on what it is in the business that only you can deal with, not to do something simply because you can.”



“As a company scales at pace it needs to have IT in place which it can believe in.” Cao maintains. “A good CRM system for example can be more valuable than having a rock star salesperson because the system enables more people to achieve effectively. It’s worth spending time researching what good looks like operationally.

“It’s all about having IT which is ahead of the game in terms of your company’s timeline because systems which become quite laborious can create friction within a young company. I always say in scaling a business that sometimes you’ve got to slow down to speed up or you won’t get over the next bumps in the road. Systems are more painful to implement when you’re forced to.

“Shortcomings with an existing system often come to light when new hires turn round and say ‘why is it so difficult to access this information I need’?

“Knowledge management is an essential for a knowledge-based business. We’re talking about investment to gain a competitive advantage, not a nice-to-have, because efficiencies enable you to scale quicker.

“People can’t make higher quality decisions more quickly if it’s hard for them to find the necessary information.”

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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 Chieu Cao was undertaken with Tim Coles, 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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