THE WAY FORWARD

How SAAS Companies Harness IT
To Manage Their Own Growth

A conversation with
Andy Yeoman, Chief Executive
Concirrus

Extract from a report commissioned by:

iplicit

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.

Taking a different approach to targets

“First an admission. “We don’t consistently hit our targets,” says Andy Yeoman, founding chief executive of Concirrus.

Followed by an explanation. “When you want to grow a tech business you can’t be too cautious,” he continues. “As the old phrase goes, if you aim for the stars.....

“At the outset your potential customer doesn’t often know they want what you are providing, or realise they need it. They aren’t going to wake up next morning and suddenly realise that what they really need is your product. So in my view you have to set targets which initially are really ambitious and be prepared not to hit them all within the timeline you set because if you are not prepared to stretch yourself, it’s less likely you’ll meet your goals at whatever level you set them.”

Concirrus is Yeoman’s latest tech venture and is the creator of Quest, a cloud-native analytics platform for marine supply chain insurance, enabling insurers worldwide to revolutionise the way that they think and act, leveraging artificial intelligence and the internet of things.

Andy Yeoman

But don't think for a moment that his modus operandi for growth leaves anything to chance. "We deploy OKRs (Objectives and Key Results), a collaborative goal-setting methodology to set challenging, ambitious goals with measurable results and to make sure progress is being made," he explains.

"That's in addition to doing all the usual KPIs and customer satisfaction surveys. Fifty per cent of the meetings I take are market facing because if you are with customers understanding their challenges it directly influences your ability to develop products that they will buy.

“What I have found is in their desire to be inclusive, companies can over communicate their goals and confuse their employees. What we try to do is focus on those elements which are important to particular people. With top-down planning, the goals are often delivered like a drive-by shooting – here are your goals, and before the recipient has time to say a word, their manager has disappeared into the distance.

“Our approach is to invest more time to ensure that people understand the ‘what’ and the ‘why’, and then leave the ‘how’ to them. We don’t leave the goal setting until they’ve convinced us that they fully understand their objectives and why this is critical.

“The metaphor I use is that if our building had a garden, a goal could be to make sure it looks tidy. In itself, ‘tidy’ is open to interpretation and the people concerned could plant some colourful flowers and prune the roses, but then a manager says why haven’t you trimmed the hedges?

“In handing over goals a company has to go into detail and outline how it is going to measure progress and success. It’s not that you don’t trust someone’s initiative to get on with it, but initially they need to know what is required of them and why it is important.”

From the very start, Concirrus has been what Yeoman calls tech first. "We are entirely digital, a paperless business, but we don't deploy technology for the sake of it," he says. "One of our mantras is to ask 'does our internal technology help us demonstrate what is possible when we are in front of our potential customers'?

"Every year we do a full re-justification review of our IT. Is something we are reviewing really needed or can we switch it off? That appraisal has reduced our spend every year by twenty-five per cent. We do it because a company can get to a position of doing something at particular way because that's the way it has always been done. The danger is that doing a task a certain way can become part of someone's identity, and that makes change more difficult to implement.

"Business is all about people, but there is no growth without a bit of pain. When a company develops, not everyone makes it, and it's tough if someone is maxed out. You can skill people for sure, but it's about their desire to develop. Some people want a nine to five routine and a challenge in managing growth is that as individuals we each have our limitations.

"And sometimes that desire to keep people on the journey means a growing company might accept mediocrity because a key person is content to stay at their current level. It's hard to accept if a company is driving growth and that key employee doesn't want it; then it can be a tough conversation to initiate, but it's more cruel if you aren't honest with people."

Yeoman believes the CEO of a growing company has to be clear about the things they are uniquely good at, and which are the tasks that someone else can do. "I'm constantly looking at my schedule to make sure I haven't drifted into administrivia," he says. "Otherwise you find yourself jumping into tasks which others should be doing.

"I met someone with 45,000 people working for them. He came up with a Zen like phrase – 'I only do what only I can do'. I try to wash that across the organisation as a discipline.

"As CEO, we have regular 360 reviews and my key question is what does the team they think I am doing well, what they would like me to do more of, as well as less of, and what am I doing poorly. The other week someone said I have relentless energy, and while I considered that a strength, they told me it that can become exhausting to be around. It's something I took on board because sometimes there is such a thing as going slower to go faster. A company needs to ask itself the question why is there never enough time to do something properly in the first place, but there is always time to do it again?"

Every week Yeoman blocks out ten hours for thinking time. "I carve out two-hour blocks to cover five different subjects and I use a whiteboard, usually in my home office," he explains. "Devoting time to thinking things through has enabled us, for example, to take a different approach when we break into a new sector, by talking to those in that market place about their business and the actual challenges they face, and being prepared to voice an opinion rather than simply selling our services.

"It's easy to be consumed by the day-to-day. If you aren't able to put in the 'where are we?' thinking time, the danger then is that you can be so busy you can't see competitors creeping up with new ideas."

"You might say I'm a cynical pragmatist," Yeoman continues, "but companies like Google and Amazon, massive high-growth companies, emerged as leaders for many reasons, but one of them undoubtedly was timing. When they went into the market they were immediately met by a wave of demand. The opportunity was there ready for them. But that's not what usually happens. By and large, a business with such a disruptive concept must generate that wave.

"Technology moves so quickly that to develop our product we had to create our own tools, which is a painful additional process. The artificial intelligence revolution is in the thick of the hype cycle stage, but AI is changing the way we think about what we are doing and as time goes on, it's very easy for society to become more fearful of change.

"We live in a strange world, and while everyone else seems to be worried about the negative impact of AI on jobs, I am more optimistic.

"For example, one per cent of the working population in the United States, one and a half million people, is said to make their primary income directly or indirectly from the Apple App Store, something which didn't exist fifteen years ago.

"Look at Malta, a country now domicile to a huge number of online gaming companies. When they first encouraged this, it was hardly a market, but today it represents ten per cent of its GDP, and this from a sector which didn't exist a decade ago."

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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 Andy Yeoman 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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