What now...
the challenge of change

HSBC UK | Opening up a world of opportunity

What now… the challenge of change

As businesses grow and scale, the challenges they and their leaders face change too. So, what lessons can today's business owners learn from those who have scaled up first? The founders of two successful tech businesses set out their experiences, the lessons they've learned, the mistakes they've made and their strategies for success.

In a world of mass information, where everyone is deluged with statistics, insights and analysis, it can be a challenge for business leaders to cut through the noise and access the information genuinely useful to their future growth. After first offering insights into growing tech trends, we next wanted to hear from how the leaders that have gone before have evolved and grown.

While our founders both come from tech firms and our own expert, Cora McLaren, is a business leader, their strongest topics were not tech-based, but firmly rooted in the human touch.

Tania Boler, CEO and founder of Elvie, says that she has often started her corporate decision-making with a 'gut instinct', but only goes ahead if it's supported by the data.

"We use data-based decision-making across the business, for sure, but we often start with a sense of what we want to achieve and of the direction we want to go," she says.

"A good example is setting a target in our core market before moving on to another one. It's easy for start-ups to get excited about diversifying into new markets quickly and we thought about moving into Asia. That was a feeling. But the data was telling us there was a huge opportunity in the US and so we decided we needed to win there before we could win elsewhere.

"I think the lesson for start-ups is that you can go slow to go fast – and you should base your decisions on what the data is telling you," she adds.

Speakers

Tania Boler, CEO & Founder, Elvie
An internationally recognized women's health expert, who founded Elvie in 2013 to create a global hub of connected health and lifestyle products for women.

Neal Gandhi, Co-founder of TPXimpact
A serial entrepreneur who co- founded four technology service companies, most recently bringing together a number of companies to form TPXimpact.

Cora McLaren, Head of International Subsidiary Banking, HSBC UK
A business leader with experience of markets around the world, including India, Bermuda and Hong Kong

Sourcing insights and looking at the right things

In terms of which trends and indicators to look for to inform decision-making and strategy, Boler says there are clear areas to turn to.

"The first thing we need to do is look back before we can look forward – such as the impact recent events such Brexit and Covid are still having on us," she says. "And like any other fast-growing, loss-making consumer tech business there are three things we look at in terms of trends: demand, supply and investor climate.

"We've really been hit on all sides over recent years. Last year, we were really hampered by supply constraint issues, and this year, the key indicator we are looking at is consumer confidence and the impact that is having on the investor environment.

"If I look further, then we look at bigger trends for the longer-term impact – so the innovations we are seeing in health and the move to personalised health, and then what we are seeing in terms of the feminist movement and inclusiveness. So I always have my eyes very much on the short-term as well as the long-term."

HSBC's Cora McLaren, says for her, a crucial trend for tech firms to monitor is what's taking place among the young demographic.

"I continually look at what young people are doing," she explains. "As we know, the demographic issue is huge and, as young people get older, they drag their preferences and habits along with them. Obviously some will drop away, but it's a great way to identify emerging trends."

McLaren says it's also crucial for tech businesses to monitor what their peers and competitors are doing – "What tech are they using and how is it helping them improve and grow?"

What I know now…

Three leaders share one thing they know now, that they wish they'd known at the beginning of their journey:

> **"[Launching a business] is always harder and more expensive than you think it's going to be. Naivety is helpful in a sense, but it means the business must be something you are hugely passionate about."**
>
> Tania Boler, CEO & Founder, Elvie

> **"Know when to bring in the right people as you grow. Identify them, seek them out, bring them in."**
>
> Cora McLaren, Managing Director of International Subsidiary Banking at HSBC UK

> **"It's very hard to do a full, smooth and complete transformation as a public company."**
>
> Neal Gandhi, Founder and Non-Exec Director, of TPXimpact

Skills for scaling

Another major challenge for many tech-business leaders is the change of direction and responsibilities that comes with growth. They themselves need to grow and change just as their firms do as they become larger and more complex.

Neal Gandhi, founder of TPXimpact, says: "The big lesson from me is that when you go from zero to 1,000 people, that bigger business requires entirely different processes and entirely different people.

"Even systems and processes such as expense management are things that you never realise you will have to deal with. I had no idea how to manage or implement the management of that and it can completely alter the culture of the business.

"I wish I had realised that earlier on the journey," he adds. "Putting in those processes and systems were not in my skillset. Put simply, the people who are right for the business at the beginning are brilliant. But they aren't necessarily the right people once you grow."

Elvie's Boler agrees – adding that finding and attracting the right new people is crucial.

"It's true that the people who join in the beginning are not necessarily the people you need later on," she says. "Finding the right people can be tough. And the drivers are different for those joining you when you are a bigger firm.

> **"When people join a start-up, it is often because they are passionate about it. They are willing to take a risk and they are invested. When you are a bigger firm, the driver will often be more commercial – so that makes it harder to retain the culture as you grow."**
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Making – and accepting – mistakes

Boler also feels it's important as a tech leader to give yourself the freedom to make mistakes.

"One of the things we did was to try to scale too quickly – and we had to learn from that. But we did learn from that and it was from there that we developed that laser-focus objective of becoming number one in the US before scaling elsewhere."

Culture challenge and staying humble

That issue of retaining culture is one that many tech businesses will face.

Gandhi says: "One of our core values is 'ego-free'. I think as a leader, you need a level of humility and authenticity – to be truly humble. That has helped us shape our culture.

"But the pace of change is happening faster than ever, so it's hard to create the culture you really want and to retain it as you grow. For me, a crucial step when scaling was to bring in an internal comms leader. That is really important for me.

"Also, it's important to be an enabling leader," he adds. "Use your intelligence and knowledge to set the path and then get out of the way to let others deliver it."

Boler agrees: "I, too, realised that I was becoming a blocker when it came to product development," she says. "So I pushed myself to get involved with other projects instead – to stop myself being a hindrance and blocking progress."

"As you scale, you certainly need to break down barriers for staff," she adds. "Remove the things that stop them doing what they need to. When you grow quickly you can become very top-heavy and that will have an impact on the culture, too. Find a way to keep that sense of community, interaction and togetherness, which is harder with remote working."

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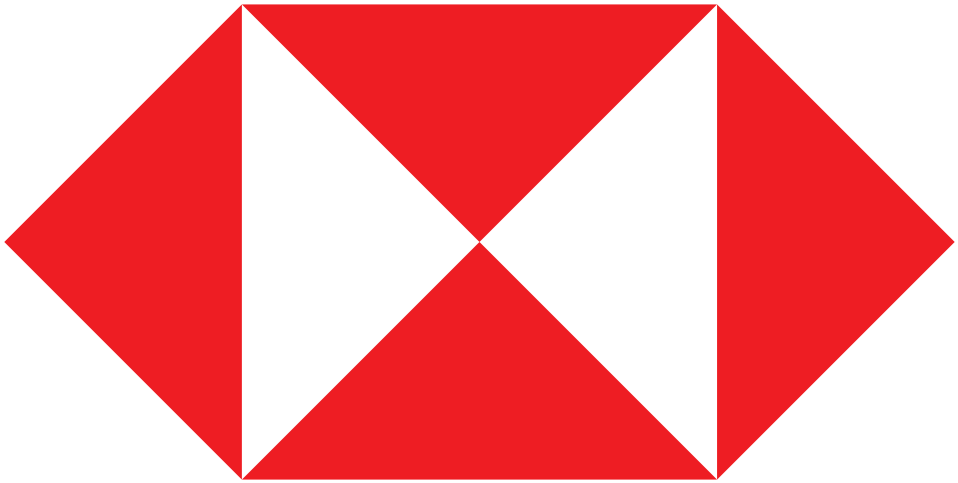

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