



THE ASCENT: A TENZING PODCAST - CAROLINE PLUMB

Title:

Caroline Plumb talks networks, playing devil's advocate and Mongolian heritage.

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Episode Overview:

Guy's guest, [Caroline Plumb](#), is a serial entrepreneur and CEO who founded rapidly-scaling FinTech business, Fluidly, after experiencing first-hand the pain point of managing cash flow in a growing business. Fluidly was named one of [2018's 'Hot 10' European FinTechs](#) by the FinTech50, and featured in [WIRED's Top 100 Hottest European startups](#).

Caroline's first business, Freshminds, came into being just weeks after graduating from Oxford, and in the intervening twenty years she has - amongst an embarrassment of achievements - completed a stint as one of the Prime Minister's Business Ambassadors representing the Professional Services sector, been appointed as a non-executive director to AIM-listed Mercia Technologies and awarded an OBE in the Queen's 90th Birthday Honours List.

Guy's interview with Caroline is, as you would expect, full of invaluable advice and learnings, not to mention some quotes to live by - our favourite being "if two people always agree, one of them is unnecessary", courtesy of William Wrigley (he of the chewing gum fame).

Quick-fire Round:

- **Favourite books?** [Anne Boden's](#) book [Banking on It](#), about her story of Starling Bank.
- **Most inspiring or inspirational person?** [Dame Helen Alexander](#), who used to chair the [Saïd Business School](#) education advisory forum that I was on for a while.

- **Most important qualities for an entrepreneur?** Tenacity, resilience, asking questions, and that curiosity - looking for things that support your view, but also being really mindful of and listening a lot to people who have a very different opinion on why, because you've got to keep testing your ideas, and not be too precious about them, but be willing to throw them out and start again.

CAROLINE PLUMB TRANSCRIPT

GUY:

Caroline, tell me about your earliest entrepreneurial experiences growing up.

CAROLINE:

I'm not sure I was particularly entrepreneurial growing up. I wasn't one of those children who was constantly selling sweets to put the tuck shop out of business, or importing toys... I was more the child that liked taking things apart. So I was into exploring how things worked, how devices worked. Whenever things were broken, my dad would let me have it - the microwave, TV, Hoover, whatever it was it was basically mine and I could disassemble it. So I think there was always an interest in technology, computing, engineering, but mainly just destroying things, I think, and seeing what was inside.

GUY:

What do you think has driven you?

CAROLINE:

I just like things getting better. I think it's that sense of, I want things to be as good as they can be. I don't actually mind if they have a limitation in themselves about where they got to be, but if you're going to do something, then do it properly. So part of it is just wanting to fix things that are annoying in the world.

GUY:

Were you brought up like that, do you think?

CAROLINE:

My background is quite unusual in some ways, in that I'm half-British and half-Mongolian - I have a British passport, but I'm half-Mongolian, ethnically - and so my grandfather was born on the steppes of Mongolia in a yurt, and didn't go to school until he was 12 or 13, and I'm very mindful that I am here today as a twist of fate, really. He got captured by bandits and when he was returned to his family after three months, they decided that, of their nine children, they would put this one to school, because he'd been through so

much. And as a result, he was the first person to go to school - sent off miles away - and from school, went to university, and from university ended up going to America, and from America ended up going to the UK. That is completely happenstance, otherwise I'd probably be on a steppe in the yurt.

I'm mindful that when an opportunity comes, people have to take it, but that opportunity doesn't come to everybody. So not being judgemental about people is, I think, really important, and looking for what people can add to a conversation. Different perspectives are really valuable. We, as humans, are so much creatures of habit, and we get so much into routines.... the way we connect the dots is so much a function of our cultural experience and our own routine that some of the time you can't even break out of your own perspective because you're just so focused into it because of your own experience... so how do you use other people to see things differently and get different perspectives and then bring them together?

GUY:

And did that translate into university life? What did you study?

CAROLINE:

I started off reading engineering and computer science, sponsored by GCHQ, working as a software engineer for them in the summers. What it mainly taught me was I liked coding and I found it interesting, but I didn't want to do it all day and all night. Many of my contemporaries would code in the day and then go home and reprogramme the lights, and I wanted to do something else. So I ended up switching from the computer science aspect to engineering, economics and management, which seemed a bit broader, and was a bit more interesting from a business perspective but retained that "how things work" arc.

GUY:

You went straight from university to found a business?

CAROLINE:

Yes, left in the summer and about a month later we'd incorporated this company and were trading. We intended to have the summer off, actually, but we ended up helping another start up - my friend Charlie and I - and then we started our business and launched it in September. So I've never actually had a proper job, despite having spent the final year trekking up and down to London to interview with all these strategy consultants, and actually getting a whole bunch of jobs from places like McKinsey and

Boston Consulting Group. So it was quite a big decision, at the time, to turn those down and to decide instead that, rather than taking this pretty-high-paid-for-a-graduate-job, that it would be better to live off that student debt a bit longer and see if we could make it our own way.

GUY:

Do you remember the conversation of catalyst that went, *actually, shall we do our own thing and bin this off?*

CAROLINE:

My mum was probably one of the most supportive people around this period. I think if she had reacted with horror, in terms of, *you've just spent four years at university getting this degree and you're now turning down this job, what are you doing?*, I think I probably would never have done that. But she said why don't you give it a go if that's what you want to do.

It was dotcom time - 1999, 2000 - and everyone was talking about starting a business. People like Brent Hoberman and Martha Lane Fox were in the news. The crash hadn't happened at that time, so it was full of this promise that anyone could start a business, and we thought *maybe we'll have a go at that*. We came up with all these business ideas. In fact, we started this network to run events to help students start businesses, in our final year... at our first event, over 800 students turned up. So we started these events and then we thought we'd start thinking of business ideas, coming up with all sorts of things. *The Times* was running one of those "Eat for a Fiver" deals at the time, so we thought we'd take our student £5 and go and eat in some fancy restaurant that we'd not normally be able to go to, and sit and talk about business ideas. We came up with all sorts - a gifting business, an idea about launching young designers, and in the end we went with the launching designers idea and what became Freshminds in parallel for a few months, and that was the basis that we turned down these consulting jobs.

I probably wouldn't have done it at the time if I hadn't met Charlie. He was always thinking about starting a business. So it became something we started talking about much more, and he sort of sought me out, in that he had been looking for a business partner and was very persuasive and said, *why don't we, why don't we try something?* So that was part of it, certainly. And then the other part, was, this is a good time to start a business. You just left university, you're kind of in debt anyway, once you've got a few thousand pounds worth of debt, does more matter? We had no responsibilities, no income, so the downside position can't get a lot worse, which is, you know, just gonna

incur more student debt. So the upside is interesting and I think starting a business it's creative, it's lots of fun. I think the hardest part actually was the imposter syndrome or self doubt or that feeling that you're meant to do a certain track in life. You know - traditional schools, traditional university - there are certain kinds of jobs that you're meant to go into whether that's law or accounting or do your PhD or consulting or banking or the well-trodden paths that are sort of the expectation. And actually it was almost deviating from that norm expectation that was the hardest. And it wasn't probably until two, three, five years later, when actually it became okay to sort of say, *Oh yeah, I started a business...* because, of course, shortly after, by the time we'd made the decision that we were going to turn down these jobs and start a business, the crash had happened as well, so no-one was interested anymore in these dotcom businesses.

GUY

What were the two business models you started? And did you always have two, or did you drop one?

CAROLINE

No, we dropped one of them pretty quickly? So the first idea was this launching young designers, we were going to try and build an umbrella brand and find young designers who perhaps didn't have a brand, but wanted to launch their own designs under a broader umbrella brand, and then we would launch that. And we spent a lot of time going to interview designers, talking to fashion colleges, talking to designers at Central Saint Martins - like lots of different places to see whether we could build something. But then we quickly realised that was going to take a lot more time and more importantly, more money than we had access to. So that idea was quickly binned in favour of our second idea, which was harnessing the brainpower of the people we knew around us and connecting that resource to business in a more flexible way. And that's what became Freshminds.

GUY

So there was a business plan when you started Freshminds or, or was it more hustle?

CAROLINE

No, there was no business plan. I mean, we were still 20, 21, straight out of university. The main plan initially was to try and see if anyone would buy what we were trying to sell. And so we used to have this schtick, which was to write people asking for advice, you know, *hi there, we were just talking about starting a business. Have you got 10 minutes to give us some advice on our business idea?* And a few people would say yes, and

then we'd ask them, *what do you think you think about our idea? Do you like it?* And then eventually we said, *would you buy?* And so we would ask people under the guise of advice a little bit. We didn't really have much in the way of networks. So I think people always say what's the hardest part about starting a business when you're young and it's because you don't know anything, but actually the challenge is you don't know *anyone*. And so we, from the outset, spent quite a lot of time just trying to meet other people, whether that was through our interviews that we'd done, we went back to all those consulting firms and all those corporates, and actually they became some of our earliest clients. So from early on, we ended up with McKinsey as a client, with Boston Consulting Group, with Unilever. And so we would have small projects, but small pieces of work, just because those were the people we'd met through the process. But I did an internship at [Forrester Research](#). They'd become a client. Charlie had done an internship at Unilever and that's how we got them. And so we just sort of went from the beginnings of the networks that we had, and then once you've got kind of one foothold, then you can jump to a second.

GUY

And that's essentially what Freshminds was - this really powerful network system that you managed to monetise?

CAROLINE

Yes. Essentially. I mean, we created almost a database of raw talent, you know, smart people, leaving universities, young-at-the-time graduates, and found a way of connecting them to business in a way that made sense for the business to tap into that talent - on a permanent or interim basis - and to provide a route to that talent for, and different types of roles for the graduates and people leaving university.

GUY

As you get older, you realise it's all about networks, almost more about networks than actually what you know. When you're 21 you don't generally know many people, so you can accelerate your development just by trying to get the business off the ground that sort of forces you into networking at a much earlier stage. There must be huge benefits that have come from that.

CAROLINE

Yeah, absolutely. I was quite skeptical. I wasn't one of those people that really liked the concept of networking. It feels a bit sort of transactional or slightly dirty or shady about it. I don't think that's really the case at all, but I think the focus is on how do you pay it

forward into your network? What can you understand about people that might be helpful to them? And I think it's one of those things - if you keep paying into a network, eventually it returns to you, maybe not from the same point or the same node, but it certainly is of value. And we spent a lot more time, probably, early on in careers, than most people building networks, and that's been incredibly useful.

But one of my favourite quotes is by management theorist, [Peter F. Drucker](#), and he talks about: the leader of the past knows how to tell. The leader of the future knows how to ask. And I think the great thing about starting a business, we don't know anything. And when you're young you really don't have the answers to anything. So what you get good at is asking questions and asking other people's perspectives. And even now, I've recently tried to get a view of what's going to happen in the small business lending market over the next two years - because my business is very interested in that moment - and so my first thing that I will do is pick up the phone to five or six people that I know who've been in the industry longer than me, who've seen more cycles, who are well connected, are going to have different perspective and say, *look, have you got time for half hour, hour chat on how you see the markets*. And, you know, my view then can be sort of an amalgamation of what I hear in multiple conversations. So it's never an attempt to impose a view or get something in the first instance, but I will be interested in exchanging ideas often with people.

GUY

And they're getting something from you, clearly, because you're naturally open and sharing. So it's enjoyable, it's like a two-way conversation.

CAROLINE

Yes, I will always share the perspectives that I've found in that conversation, so we both get something of value from it. You know, nobody waves, but everybody waves back - someone has to initiate. And I think that by doing that and being that person that sets up conversations, ask questions, actually, everybody gains from that, but not everybody does it in the first place.

GUY

So back to Charlie, your co-founder. He sought you out. Talk me through the co-founder relationship, I'm really interested in that, and how you gelled well in your specific roles.

CAROLINE

Reading engineering, for both of us, was really helpful in many respects, because I do think that engineers tend to be quite logical and quite structured in an approach to a problem. So there's something that kind of worked in the dynamic, that we're just both interested in getting to a good solution... always happy to have very robust conversations around whether something we should do should be A or B... and I think we'd always take the opposing view just to play devil's advocate, even if we agreed in the first place, just so you can get to a better place.

Another quote is William Wrigley, he of the chewing gum fame, he says "if two people always agree, one of them is unnecessary", and I really think that's a good way of going about problems, you know, trying to see, well, what's the pros and cons, take the opposite position, debate it out, even if you actually fundamentally end up in the same place, which we largely did. So we had a very good relationship of bouncing ideas around, and not really caring where they started from or who owned them, but how do you evolve them. And that went really well. It was always very open conversations, and, yeah, very easy.

GUY

And how about balancing personal ambitions? Because when you're 21, you go, *Oh, we're going to take over the world* but as you grow up and you get partners, family, and other distractions, you develop as human. So how long were you and Charlie almost as one? And when did you ever start thinking differently, or did that never really happen?

CAROLINE

We were business partners for probably about 10 years or so and then he made the decision, in the first time, to leave the business and do something different. I, at the time, was on maternity leave, so it wasn't really great timing for me to do something different at the time. But, actually, I left the business in later years. But we've always both been exec in the business and non-exec in the businesses at the same time and at different times, and now, actually, we're both involved in completely different businesses, but, actually, when he started his new business, he gave me a small shareholding, and when I started my current business, Fluidly, I did the same for him. So it's sort of more of... kind of, you know, just recognising the thing that we'd built in the first place and friendship, but nothing more than that in terms of... no sort of obligation involved.

GUY

A lot of co-founders can split apart because they have very different ambitions, but it sounds like what you've described was quite amicable. For people listening, it can often be quite a hard thing to navigate.

CAROLINE

Well, I think you always have two relationships with people, business and personal, and so your personal ambitions may become diverse, and your business ones too, and I think they come in at different times, but you know, we've always had a very good relationship. Charlie's in the US now, so I see a lot less of him, sadly, but it was never a problematic break-up or something like that. But I also think that long-term relationships are really important. That comes back to networking as well. I think sometimes people are too transient in them, but some of the relationships in the networks that you built in your twenties, I think are coming into fruition in my forties. You have conversations where perhaps you haven't spoken to someone in five years, and it still has relevance. And I think that having that and maintaining those over a very long period, people are often too short-termist about.

GUY

When did you start Freshminds? What year was that?

CAROLINE

2000, so it's 20 years old now.

GUY

Oh my word. And you stepped away in 2016?

CAROLINE

After 16 years, although I've been part-time in the business from when my eldest was born, in about 2009, so I've come in and out of the business over periods of maternity leave and part-time work.

GUY

And you also founded something else. What happened with Decidedly?

CAROLINE

Decidedly was actually part of Freshminds and it split into two businesses, because we had a model where, on one hand, we would do research projects for companies directly and take ownership of those, and, on the second, we would supply resource and supply talent. So it became a recruitment business and a research business, and ultimately we split the two.

GUY

Talk me through succession. Charlie left to pursue something else. You were on maternity leave, so you had little choice. How did you go about doing the succession? That's obviously another kind of challenge that a lot of founders wrestle with. How was that for you?

CAROLINE

I'm incredibly fortunate to have a team, in particular Adam and James who took over the business. They joined us early on and I now act as MD of the business and they've just done a brilliant job. In most of the last decade, success is attributed to them, not us.

GUY

And was it clear, when you were still running it, that they were the next generation coming through?

CAROLINE

Yeah, I think so. Very much so.

GUY

So it was actually quite an organic evolution.

CAROLINE

I say that, though now looking back, they were not the first MDs we'd appointed, actually. So we had others in the business before that hadn't worked, but appointing Adam and JC really did. Looking back now, I think, *Oh yeah, it was seamless*, but actually, no, it wasn't completely seamless. I think it's also really hard as a founder to put in, uh, you know managing an MD, it's not straightforward because, you know, if they're the right MD, they have their own opinion, absolutely, as to the direction and the strategy of the business and how that should be executed. At the same time, if that is divergent from your view, how much of a gap do you allow and do you want to have? I think it's also

very hard to get the balance right, as to how much direction and management do you provide initially, and then later.

I think people also underestimate the step that it is from being an MD with shareholders who are remote versus when there's cover in the business as well. It can be a very lonely role being CEO or MD because ultimately your responsibility is to take the business in a direction, but actually everybody has slightly different competing priorities to you, whether that's your shareholders or your team, especially if you're a major shareholder yourself - things are slightly divergent of interest. So it can be quite a different set of responsibilities and I think people making this step up for the first time, often underestimate it, and it's not 'til they're in role that they kind of go, *Oh, I see what you meant*. People forget, I think, the pressure of the revenue line and that real focus on "got to make another sale, got to keep the revenue coming in, I've got to manage the cost against that revenue". When that is your sole responsibility, suddenly it's a bit of a change, I think.

GUY

If you look back, do you think, to some extent, the first iterations of your success as CEOs were too close to them? Do you think you and Charlie learning about that relationship and how much air time to give them and where that threshold was?

CAROLINE

I'm sure it was some of each. It may have been partly the wrong person, but also partly wrong management on our behalf as well. So it's hard to know until it gets settled in the right place. It's also quite tempting, I think, to pick people who come from a more operational or finance background. We underestimated at the time, the natural connection to customer and market that we had, having built it and having sold to customers but actually, I think, MDs and CEOs have to have a real sense of where the market is and what customers want and why they want it. And you have to have a kind of sense of where you think that's going to go in the future. You might not be right, but you have to have an opinion. And I think actually that's quite hard to teach and the success that came through with the later MDs, with Adam and James, was because they had that very close customer connection.

GUY

Were there any dark places in the journey along with Freshminds?

CAROLINE

Always. I think anybody who says they've built a business without any dark days has to be lying, because there are always black days. I think over the course of that period, all kinds of things happened to the business. We were robbed - people broke in on a number of occasions, and computers stolen, which at the time pre-cloud was just much worse. We had a flood that took out the server room. There was a fire so there was no access to the buildings. We've been sued, by an errant client contract we wish we'd never got into. Just all kinds of things happen along the way, not to mention the kind of typical ups and downs that individuals or teams staff, and once you get to a certain scale of every employee, every team member has one personal difficult personal issue once a year, at some point as an employer you're dealing with those on a kind of weekly or bi-weekly basis. So, yeah, there's plenty going on.

GUY

Plenty of dark spots. If you take your engineering, what were your biggest lessons or development points, do you think, out of your Freshminds experiences that you've then taken forward?

CAROLINE

I think one of them, one of the critical abilities I think is to have a radar that can spin across multiple dimensions and that kind of sense of where the risk at any one point lies. I think you become quite good at spotting problems from different angles and kind of connecting the dots.

One of your capabilities has to be able to know where you need to dig deeper on something and where you can feel comfort around that, whether that is in risk or in compliance, in brand, in marketing, in people, you know, on a legal contract - you've got to develop a sense of *this feels right, this doesn't feel right*, and I need to drill and put more resource in here or I can let it burn. And a lot of the scale is about, you know, there's always fires everywhere. So choosing what you're not going to work on is the hardest piece, really.

One of my advisors, American advisors, sent me an article a while ago: *things don't have to just be a yeah, they have to be a hell yeah*. So it was a bit American, but the point is, on the scale of nought to 10, the eight out of 10 ideas are the hardest ones to kill because they're good ideas. In fact, they're really good ideas. You just don't have the resolve to execute them because especially in a startup or you're resource-constrained, you can only afford to act on the nines and tens, and so everything else just has to be put to zero.

And I think, especially if you're a person like me, that likes ideas, likes new things, it's really hard to kill things off - especially those eights.

GUY

So onto the next big chapter of your entrepreneurial career with Fluidly. What was the concept and why did you start it, and tell me about the business model today.

CAROLINE

Yeah. So Fluidly was really born of my frustration, that I had an awful lot of information about the financial past and running a business, but never any information about what I really cared about, which was, can I make payroll this month? How much is my VAT bill going to be in, and do any money for it? Do I need to borrow money? Where's my cash going to be? Why aren't my customers paying me on time? All those really hassly real world problems that small businesses face day in day out. And of course, it's fine if you're a bit corporate, you can build yourself a fancy model in Excel, with your treasury team or something. But if you're a normal, small business, you don't necessarily have that visibility into the future, despite having all the data that you really need to make it up. So what Fluidly does is it plugs into accounting systems and takes the data and automatically builds a view of the financial future and then helps businesses manage their cash flow, whether that is getting more money in the bank by managing debtors or taking out a loan, or giving you more control over costs by being able to see what is due and when.

GUY

Well that's complicated, though - having been a failed accountant myself, my heart used to flutter when cash flow questions came up on the exam - so it's a quite pioneering tech.

CAROLINE

Yeah. And we've got a couple of patents filed on the sort of methods that take the data and ingest the data from accountants, and then use that to automatically build a view of the future. I definitely underestimated the complexity of the domain. I think the combination of accounting data, on top of trying to get prediction software that gives you a view of that future, and to do that in an automated way, which basically involves machine learning on that, was a lot harder than... I do think you need a certain amount of naivety to do something that hasn't been done before, because otherwise you would probably be put off. I think just huge amounts of learnings along the way in doing that, we probably could have started with a simpler product.

But, you know, our focus is on trying to help small businesses with their money. And it was really having so many sleepless nights about that with Freshminds, and particularly in recruitment businesses, you know, we had an interim business and a permanent business, so obviously you pay out your interim contractors on seven days or 30 days and your big client might pay you on day 30 or 60, so you just constantly have this kind of cash flow problem. Over the years we had explored lots of different types of financing, whether that's invoice financing, overdraft, just trying to make sure our margins were sufficient, and our debtor management was sufficient that we could trade off the cash that we had. It was always something that was under close control and we had a lot of experience over. And so it was sort of a natural problem that I wanted to solve, but it also kept me up a lot at night, and I wanted to stop that.

GUY

Did you raise money from friends and family to start with, and then how did you get to revenue and what were the early years like?

CAROLINE

So initially I was actually trying with a few different ideas at the time, and I had three that I was again pursuing in parallel. So one was Fluidly, one a business around elder care, and one was in kind of a rota software for workforces, which I think was a good idea, actually - maybe we might do that next time...

So, I pursued quite a few. Eventually I dropped an email to a VC who I had met many years before and said, *Hey, if you've got half an hour for a coffee, I'd like to run an idea past you*, and he said, *yeah, sure, come and have a chat, and have you got any slides for your idea?*

So I didn't have anything yet, but said I'd make him some slides for when we meet. So I kind of rocked up with my very informal chat and my really, frankly, terrible PowerPoint sketch of an idea, and we sat chatting for 45 minutes and he said he'll fund it, and offered me £250k seed funding kind of on the spot. So I figured, if he's just going to offer me the money, I must be able to raise this from other people. So I actually ended up doing a kind of angel round, and raised the money from private investors at a better evaluation and used that to get going.

GUY

And how much runway did that give you?

CAROLINE

About twelve months, but we subsequently raised a seed round from Octopus Ventures, probably about eight months, nine months later, and then a series A from Nika partners in the US a year after that.

GUY

Wow. Okay. So a good thing that a cash flow business sounds like it was in charge of its cash flow. So when did you first start driving revenue? How long did that take?

CAROLINE

So we launched at the back end of 2017. I guess the first year was a bit in beta and I was actually still working at Freshminds winding down my involvement over that, in the first time. So I didn't really go full-time in the business actually, probably 'til, actually 'til after the Octopus round, so in 2017, that's when I sort of put my full-time attention on it.

We made some small revenues from the start, but very modest, as we were testing that, and our go-to market is predominantly accounting firms.

So we work with around 550/600 accounting firms in the UK today, including most of the top 10, and we work with them to put our software with their clients. And through that, we reach a network of about 30,000 small businesses today.

GUY

Wow. So the accountancy firms are like channel partners, and the SMEs are the client, or is the accounting firm the client to you in terms of payment?

CAROLINE

It's actually quite complicated, but we're mainly B2B in terms of the accounting firm. And then there's a sort of upgrade path B2B2B, so they get a base version as part of the accounting partners membership, and then they can upgrade to more powerful features.

GUY

Oh, great. Wow. And so, compared to Freshminds, this one had a clearer vision of what it wanted to be?

CAROLINE

Yeah, I mean, I think the vision for it in terms of the product set, the feature set, and how are we going to make money has all been pretty much there from the start. This time it

wasn't sort of always a PowerPoint, but more a series of diagrams that I drew in my kitchen in 2017. I think the harder part for us has been in the go-to market.

So, reaching small businesses at scale is notoriously difficult. The cost of acquisition is very high and that's why SME as a market is a very challenging market to deal in. And it's not like the consumer market where you can advertise or reach them at scale easily. But it's also not a very homogenous group. So although people like to think of small businesses all kind of lumped in together, they're just not, they're very different, and so trying to get that has been challenging.

GUY

Slower decision making, different decision points within the SME, maybe one's running different business models, different systems - pretty complicated.

CAROLINE

Yeah. And I think we also saw the go-to market has been, you know, we have to find the right way to do that, and then also we have a kind of combined SaaS revenue from the software, but we also make money as an intermediary of introducing small businesses to financial services, in particular lending. So our focus at the moment is really how do we help small businesses access the funding they need from our marketplace panel of lenders. So we work with around about 40 different lenders. Everyone from the large balance sheet institutional banks, through to the old finance players like Funding Circle, or I Walker. And we match businesses based upon the financial profile that we can see today and upon their future financial profile that we can predict, with the lending that they need.

GUY

Interesting. That's amazing. So huge network effects and when you consider that even mortgages, which would be like more of a homogenous product, is still a sector that hasn't really got anywhere near that, that's a hell of an achievement.

CAROLINE

Well, I think we're still working on it, I would say. I mean, I think the challenge for mortgages is, a lot of the providers of lending and the SME market to underwrite is still quite a manual process in many areas. And so, you know, automating that - it still got some way to go.

GUY

You've built quite a big team already in just three or four years. What are the big thoughts around company culture when building Fluidly?

CAROLINE

I think we were quite clear from the start about what our values were, and I think we were early to articulate those as terms of what's important to us from a cultural perspective. We're just sort of, no drama, no egos, you know, we're in a complex domain, we don't need to make it even more complicated so let's just be straightforward. We care for each other, for customers, for the team. We focus on finding the right solution, which is getting this balance point between gold-plating something too much and being too easy, and just being together.

So we were quite clear about what are the things that are important to us as a business and the culture we want to create. And then I think when it comes to recruiting, and you're always looking for knowledge and skills and behaviours, you know, your assessment processes are normally on those three things, and so you're saying, does this person have the skills, knowledge that I need them to deliver the role, that they're going to behave in that way and they're going to be additive to our culture, which is largely about values alignment, I think.

GUY

Do you find recruiting is quite a talent war at the moment in London? Are vision and company culture key drivers in helping on recruitment? How have you navigated that?

CAROLINE

I think there's different parts, aren't there, when you think about recruitment. You've got attraction, you know, how do you make the business a magnet for talent that people actually come to you? And I think that is really important. But then there's also screening and how good are you at actually understanding the candidates you've got in front of you? Are they the right suitability for the business as well? And you've got to get both parts of that. So a lot of that comes down to, on the attraction part, it's about being a good place to work, good team, the right culture, values, and the mix of people in the first place; and then on recruiting itself, not everybody is good at it, I don't think. You've gotta be able to identify within your organisation, who are you going to trust on the recruitment and what kind of questions are they going to ask, and are they going to run that process fairly and clearly, and it's not going to happen in a haphazard way.

GUY

So what's the next few chapters at Fluidly? What do they look like? Are there any big challenges ahead, or is it the high quality grind phase and repeat, repeat, repeat?

CAROLINE

I think for us, it is working on more and more scale in our lending business, so we're not lenders ourselves we're a broker, but how do we do more and more volume and how do we keep identifying businesses that are suitable for finance and to kind of replicate that on an ongoing basis.

GUY

So the work there is really with the lenders and understanding their underwriting strategies - that's the biggest piece to unpick, there.

CAROLINE

Yeah. It's both to understand there's an eligibility criteria - what is the scorecard that each lender is using in decisioning, but also to identify which business is likely to need finance and when, so which business is going to need financing, because we can see in their financial future from the forecast that they're going to cover working capital crisis, or perhaps they should be refinancing that loan they took out two years ago, or perhaps they have assets on their balance sheet that would be better financed through equipment finance or whatever that might be. But to use the data that we have and the kind of financial fingerprint, almost that we hold in the business, to match them to the right product.

GUY

Wow. It sounds super impressive.

GUY

I remember about two or three years ago, every time I saw you in action, you were always jumping on a plane to somewhere like China with 20 of the most powerful women in FinTech. I've heard you talk about biases, which is really interesting, so I'd love to hear how you've navigated that whole thing.

CAROLINE

I've been in a very fortunate position, really, always. I've had the advantage of privilege that I'm very mindful of and although I may be a different gender that I noticed much more in FinTech, than I have prior to that, I don't think it's been a huge disadvantage to

me at all, in fact if anything, sometimes the opposite. I think I was always picked out sometimes more than Charlie because the female entrepreneurs were rarer. I think there's often been advantage and disadvantage, but it makes me mindful that talent is very evenly distributed, but opportunity is not. And how do you make sure that we seek out the right, most talented people for the business who may not have had the prior opportunities when we're recruiting or finding people for the team, and being really mindful of that?

I do think it's quite a weird experience when you're pitching for finance in particular. I've definitely been in rooms where you feel like an imbalance at times, and I hope that's changing, but I think part of it, I am not sure that *The Apprentice* ever did anybody any favours, or *Dragons' Den*, setting up a kind of view of entrepreneurship or leadership that was brash and aggressive, and I think leadership is about having charisma and this great storytelling ability or spellbinding a room. I don't know. I think often you get this version of an entrepreneur that is actually very different to many people that I see running businesses successfully that are very different to that. And so I think it's more a question of what does leadership look like? What are people's expectations of leadership? I think that's evolved hugely as well. Look at [Giuliani](#) and that was real focus on *this is what leadership looks like*, quite, you know, male, but actually I think that there's been an increasing focus on things that are perceived as being more female around empathy or relationship building - things that actually are attributes I think all leaders need. I don't think they're particularly ever associated with one gender or the other people perceive them that way.

GUY

I'm very conscious that you've juggled being a mum, and founding two very successful businesses. The phrase "work-life balance" - is that something you think about, or does it all meld into one?

CAROLINE

I think it's always been a bit of a blend and I've always seen it that way, even before 2020, when that sort of blend was forced into the same space. But I worked part-time for many years between the birth of my first until my youngest was one. And so then I had periods of maternity leave and I perhaps only worked three or four days a week in those periods, and returned to full-time work now my youngest is a bit older. So there's always been a bit of a blend.

I think people have a tendency, especially when they're young, to think of things in a rush, like a race you have, to make partner by 30, or things have to be done in a certain timeframe or by a certain stage. I don't think that's really very true in life. And I think people that take time out of the workplace to care, whether that's for children or other caring responsibilities, I think you get a better sense of perspective that, you know, life is long, and careers are long and you don't have to be in a rush to get somewhere by 25. It's perfectly sensible to kind of have a blend over a longer period.

GUY

What is your key advice to a founder exploring bringing institutional investors on for the first time?

CAROLINE

I think especially at early stage, your investors are going to be with you a long time, (hopefully, if you're successful) so the most important thing is that you find an investor that you feel aligned with, culturally and in terms of the strategy for the business, and I think that that has to be at not just individual investor level, but at firm level too, because over the timeframe that you could be talking, their investment team may also change. So I think finding the right investor is just really important and you've got to be aware about where they are in their investment cycle, what their expectations are and what they're looking for in terms of return.

GUY

Any advice for the first year, which is often the make or break 12 months?

CAROLINE

I think you've really got to understand and spend time with both your customers and your rejectors. So the people that like the product, why did they buy? Because of course, the first product has all kinds of flaws in it. There's always bits that you hate and don't work as well as you'd like, that you really think, if I had more resource I'd fix, but what is it that your product solving, a pain point that is sufficiently painful to them that they were willing to take on your product and use it, even though it's not optimum there yet. And I really understand that, I think, and particularly also for the rejectors - why are they going to somebody else? Why are they not taking it up? What you're fighting against - most of all - is apathy, I think. That's your biggest. So why is there not enough return in it for them? And that constant sense of *let's just make it better and every day*, and that real sense that I think things accumulate over time. Like the compounding effects are really

important, whether that is in relationships or in networks, but even more so, just as much so in businesses and the kind of processes, whether that's your process or your brand, you get these compounding effects over time. So if you can make things better on an ongoing basis, they don't look much better day in, day out, but over a year they get an awful lot better.

GUY

What's the thing you struggle with most?

CAROLINE

Oh, I hate things I find boring that I have to do! I think the hardest things were always product roadmap and where do you make the trade-offs, you know? And do you feel comfortable that this is a bit better than that one as it's often not clear.

GUY

And obviously a big year in the economy for all businesses, not just SMEs and particularly around cash flows, so has COVID been - I don't want to say beneficial - but is it the perfect storm in a good way or in a bad way? Has it meant too much change for you too early on, or has it accelerated product adoption?

CAROLINE

I think yes and no. So, the good thing for us is that it's brought a real focus on cash, and I think people have recognised that it's not just about profitability, but actually cash is king and never more so in a year when you've really got to be mindful of your cash flow. So as a tool, in terms of adoption, and in terms of usage, we've seen a big increase in that for 2020. The downside for us is that, inevitably, with the kind of turbulent market, you also get a lot more churn in the smaller segments. And so, we've seen a much larger churn than we would've liked, particularly in the months between March and June of this year, in our smallest customer group.

GUY

A few quickfire questions. A favourite book?

CAROLINE

I'm not sure I do... but I could see what I'm reading at the moment, which is Anne Boden's book *Banking on It*, about her story of Starling Bank.

GUY

Yeah, that's an incredible story.

Who's been the most inspirational person to you on your journey or a mentor that you've particularly turned to?

CAROLINE

I think I probably haven't had any one person that I've always turned to, but there's definitely people that I have had the fortune to come across in my career that I just found they were brilliant... in particular Dame Helen Alexander, who used to chair the Said Business School education advisory forum that I was on for a while. Just seeing the deftness of touch that she had when chairing a meeting... that ability to bring everyone's opinions in and also shut down extraneous conversations, sometimes among people with high ego. I've never seen anybody do it quite like that. You see something like that, you take that and think, *Oh my goodness, I could learn so much from just observing that behaviour.* Equally, I learn from my team every day, I learn from customers and I learn, I hope, from those bad experiences and decisions that I've made that I'll try not to make again.

GUY

What would you think are the most important qualities for a founder or entrepreneur?

CAROLINE

Tenacity, resilience, asking questions, and that curiosity - looking for things that support your view, but also being really mindful of and listening a lot to people who have a very different opinion on why, because you've got to keep testing your ideas, and not be too precious about them, but be willing to throw them out and start again.

GUY

Caroline, thank you, you've been a superstar.