The fundamentals of scaling up a business

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BRADLEY HOWARD, ENDAVA HOST (BH): Good morning or good evening, wherever or whenever you are. I'm Bradley Howard and I'm happy to welcome you to a new episode of Tech Reimagined. Today, I have the pleasure of welcoming Meri Williams to our podcast. Throughout her career, Meri has been influential in some of the biggest banking, e-commerce and manufacturing companies. Hi, Meri, and welcome to our podcast.

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MERI WILLIAMS, CTO, GEEK, MANAGER (MW): Thanks very much for having me.

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BH: Can you tell us a bit more about your background and your impressive career so far?

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MW: Some people describe my career as interesting in some ways just eclectic, which I think is a polite way of saying random. Yeah, I've worked in a bunch of different places. I spent the first 10 years of my career at Procter & Gamble, the world's biggest consumer goods company, which was obviously an extremely well-run company as well, and learned a great deal there. I then went on to work at the Government Digital Service, which here in the UK is the team that built GovUK, and that was my first big scaling experience. So I took a team from 30 to 300 in just under nine months, which was aggressive, shall we say.

Maybe not the ideal from an agile delivery point of view, but somebody had promised the Prime Minister a date and so it was going to get delivered on time one way or another. Since then, I've been at a number of different organisations, including Vodafone, Marks and Spencer, Moo, which is very much a darling of the UK startup scene and then have the great fortune to be CTO of Monzo through one of the biggest bits of rapid scaling for Monzo, both from a customer perspective and from a team perspective. So I was there during the period where we went from, we hit a million customers and then had reached four million customers, about a year later, maybe a little over a year later, but also the technology team at that time grew by 300 percent in the same period. So quite a lot of different scaling experiences, in a bunch of different settings, I suppose is the summary of my career from a work point of view.

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BH: Well, thanks. And we look forward to hearing more about that in the coming questions. So in today's episode, we're going to be talking about the fundamentals of scaling digital businesses, and I think that's one of your specialties clearly from that introduction. So let's jump in with the first question. What would you say are the fundamentals needed to successfully scale up a business?

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MW: I suppose it all boils down to sort of people, process and technology or tools, in a broader sense. I think many of our tools these days are technology tools, but that's obviously a - kind of can encompass a whole bunch of other things too. What I suppose the way I tend to frame this is a bit less like what are the essentials, and a bit more, what have I never regretted investing in? So what do I look back and always go, "Oh, I wish I had done more of that," or always go "So glad we did that when we, we would have been in real trouble without it". Those things are again, this was a mix of people related, process related and tech related things. So the first is just about communication and realizing that when you've got a huge number of new people in your team or a

huge number of new customers, new partners, depending on what you know your business model is, you have to be bored of saying things before anybody even knows.

I suppose the summary - when I talk with engineers, I talk about like, DRY is great for code, but not for human comms. So in the Python world in particular, there's a principle called 'DRY', which is Don't Repeat Yourself. So if you're going to write code, write it, write it once, make it multi-use and call it from everywhere. And that's very efficient and it's very elegant, but it really doesn't work for humans. Humans need to hear things, you know, at least five to seven times, I think is the psychology research, in order to retain things and you not only have to repeat, but you have to repeat in a really consistent way. So as a leader, as a manager, you need to not only be telling people things over and over again, but you need to make sure that you're using the same words, the same imagery, the same examples, because otherwise it feels to people like you're giving different direction when actually you're trying to reinforce the initial communication that you've been doing.

So keeping people focused on what matters, giving them permission to let some things fall by the wayside. Because when you're scaling, you can't keep everything perfect. You can't double the number of people in your team or, you know, quadruple your number of customers and have everything continue as if everything is perfect and calm and quiet. It's just the reality of those types of situations. The second thing, I suppose I generally believe in, but it's especially important when you're scaling, is that your role as a leader and as a manager becomes less about directing people as to what exactly to do and more about creating the conditions for success. And so if you read Dan Pink, he talks about purpose, autonomy and mastery. If you look at the Strengths Finder, or you know, Gallup studies into what produces high performing teams, then you know, they definitely echo the purpose, autonomy and the mastery. But there's also an element of inclusion or community, and so focusing on creating the right conditions for success is often much more successful and much more likely to work than if you try to get hyper directive with everybody on, on every detail, not least because people don't find micromanagement very enjoyable or effective.

But I think it's very natural under pressure for people to try to grab control or try to get, you know, to get more directive because they're worried about things not going perfectly. The other thing I talked to a lot about when we talk about scaling is different inflection points, so you need different things at different sizes. When I see really small tech start-ups adopting practices that Google has now that they've got literally tens of thousands of engineers, I'm like, maybe looking at Google when they were your size would be the more sensible thing here. You know, don't just adopt things because other people are doing them. Critically look at what your challenges are and figure out what the right things to do are. There are just some things that come for free when you're smaller.

There are also some things - there are benefits to getting bigger, some of the things you have to invest in, you have to figure out actually make things generally a bit better, a bit more organised, a bit more transparent for some people. So it's not - not every element of scaling is bad. There just are a bunch of challenges that come with a team or a business getting much bigger. So the two other things I'd say, with people related things, testing is really hard, but observability is easier. So figure out how to measure the outcome or the impact of changes that you're making rather than trying to test up front. It's really hard to test up front. You can pilot things, but it's not really the same as when you've changed a way of working for the whole organization. And then the final thing is, it's really easy when you're under pressure, when you're scaling a team very rapidly, to forget about the fact that a wide range of perspectives produces produce the best outcome, and we've got loads of data on that. We've got loads of evidence that diverse teams are more

innovative, more likely to deliver, more likely to create profitable businesses, which creates successful organisations.

But under pressure, people don't always remember to invest in those kinds of things. And so remembering that culture add matters a lot more than culture fit, like don't look for people who are exactly like your current team. Look for, what unique difference is this new person going to add? How are they going to add to the team? What perspective are they bringing that we don't have right now? And then how do we make sure that we incorporate that successfully? I think one of the real myths or misunderstandings people have about diversity generally is they think, Oh yeah, you just add difference. It's like there's an episode of something isn't there, is it South Park, I think? There's like, "underpants, question mark, profit, and we'll figure the question mark out later". And I think people are a bit like that with diversity. They're like, "different people, question mark, better profits, innovation," whatever. Actually, I suppose my thesis is diverse teams are more successful because it's difficult. Because the work you have to do to incorporate different perspectives to get people with really different points of view, different life experiences to come to alignment about what the right thing to do is, you're more likely to look at data. You're more likely to have a robust conversation. You're more likely to really consider what you're doing and you're going to consider the impact you're going to have on a much broader range of, whether it's customers or partners or whatever else by having that representation. And so it's the fact it's more difficult that actually ends up delivering the value, which explains why teams that just add diversity, but don't do anything on inclusion, don't tend to reap the benefits, right? They just have a bunch of people who are like, Well, yeah, I'm different – a bug, rather than a feature where, you know, difference needs to be seen as a feature, not a bug.

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BH: So, you talked about culture in some of your answer, and I'm interested to know, how do you retain the core culture about why you might have joined a company or why it was doing well in the first place? How do you retain that culture and then build out the - how'd you scale the business but retain that great culture that you have?

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MW: Actually, culture is one of the things I think comes free when you've got a really small team all sat together, you know, often in person in many organisations, certainly in the pre-pandemic times. I think we're going to need a term for before COVID and after COVID, aren't we? One of the things get for free is like, culture is just implicit. So I think the thing that changes when you start to scale is you need to be much more explicit about it. So the times I've seen this go best are when people sit down and take a genuine look at their culture. Kate Houston has a great quote where she says engineers think that they hate the process. They don't, they just call good process culture. So I think some of it's about like, what do people even mean when they say cultures? It's some of the way that things work. Is it the way people interact with each other and broadly, you know, sometimes Kate's right and what we all mean by cultures is actually, some stuff that probably is process at this point, it just isn't enshrined in that way. So how do you capture that, write it down, make sure that way of working that people really value gets continued. And most of the rest of it ends up being about values. So I think you hit an inflection point somewhere around like 50 to 100 people, and in rapid scaling. So even if you're smaller, but you're in a situation where half the team are less than three months in the organisation, then you suddenly lack critical mass. So in a more organic growth phase, people get added slowly. They get sort of brought in. They pick up some of the cultural aspects through sort of just osmosis or exposure.

But when you suddenly double or you suddenly triple the team, you have to be much more deliberate about that. And so the things I've seen work best are where people stop and look at what their existing culture was, what they value. Be real about the fact that some of those things won't scale well, they won't be possible when you have a hundred people or a thousand people. One of the things I really admired when I was at Monzo, Tom Blom said, you know, our culture is not a museum piece, it's not in a glass box that we're never going to touch or evolve again. We need to know what we value most to make sure those core aspects that we really care about are carried through. But we need to be willing to change and to evolve and to let go of some of these things as well. I've probably seen this go best at Monzo, and then at GDS, actually. So GDS, we ended up working on a couple of things that really helped, the design team did an amazing set of design principles and that in many ways enshrined what mattered in doing, you know, user-centred government service development.

But there was also a service design manual, and so helping people know what the ways of working were that really mattered, and then the people team at Monzo did a really brilliant piece of work understanding what people valued about the existing culture and translating that into values, but making sure that those values were articulated as verbs rather than nouns, essentially. So if your value is just 'Diversity', I mean, that's a great thing to value, but it's better to say, 'act as if every difference is a potential superpower', right, like telling, framing the behaviour you want to see tends to be much more successful than just focusing on the abstract concept. I think that the Monzo team in particular did a fantastic job of articulating values and then building them into how they how they hired folks, how they promoted them, how they retained them, and just making those values come to enshrine the best parts of the culture, but also make sure that we were able to keep growing and to feel like we had the same mission without trying to hang on too much to things that would only work when you were 20 people together or 50 people together and would have been very difficult to maintain with 1500, which was the size we ended up.

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BH: Our CTO Owen Woods describes culture as what people do when the boss isn't looking, which ties in nicely to your comment about good process and developers. So what's your experience of common themes about why some scale ups just don't work? Is it the immaturity of the companies of the management team, the technology? What do you think are the common elements?

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MW: I think there's a few different kind of patterns that we see. I think there are businesses that try to scale before they've really got their economics right. If you're scaling but actually every bit of scaling hurts you, it costs you more and more, it causes more and more work for a team that's already under loads of pressure. Then customer service starts to suffer. Customers start to get unhappy, like it snowballs in a negative way. So I think people in the - certainly in the UK start up scene talk about the flywheel a lot. So like, where do you get that positive circle rather than vicious circle of like every additional customer we get has a great experience, tells their friends, we get some more customers out of them. They have a great experience. That's a very virtuous circle, provided you can afford to have those new customers. There's many startups that every new customer costs them more, rather than making them more. And so choosing your moment well. Knowing, either knowing you're going to scale when it is going to cause you more cost or pain or effort, because you're not yet in that virtuous circle place, and you staff that reality quite differently, you approach it differently than if you're trying to scale when every extra customer's extra revenue and it makes everything more sustainable rather than less.

So one is like hitting the accelerator at the point where the car's not going to fall apart by doing it, I think that's the one side and then remembering to look after the people because I think the two things I've seen is people who scale themselves into financial trouble, so that they end up in a situation where they've either, quality or service has fallen away because of scaling too fast or the cost of scaling actually has ended up tanking the company, which has definitely happened to some folks that we've seen or they go hell for lever scaling, but then start to lose really key people. And that can happen because you haven't enshrined your values because you're losing parts of the culture that are really important to people that you know, you're losing the core of your company and your team. Once you got more people leaving than you have joining, you're in a losing situation, essentially. You can keep pouring more water in. But if the leaks are really severe. you end up with a wet floor, right?

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BH: Often you get different generations of people within a scaling company, don't you? Yeah.

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MW: Some people will leave, and that also needs to be OK. Like, you can't lock everybody in, it's not a hostage situation. It shouldn't be a hostage situation. But there's a difference between somebody leaving because it's the right moment, and they've realized that they prefer organisations at a slightly different moment or that they want to focus in. There are some people who really love the jack of all trades, minister without portfolio type roles, which are much more likely to exist in smaller orgs that are still in that hectic, everything's happening all at once, do whatever's in front of you because that's the right thing for the team. The bigger you get, the more likely it is that you're specializing or you've got specialist roles.

I think somebody going for good reasons is very different from somebody feeling pushed out by scaling done badly. So I don't think it's that nobody should ever leave. It's that you don't want to be losing people faster than you can staff those new generations. Yeah. Like, what's your inflow and outflow and is the balance appropriate rather than nobody shall ever leave and let's keep everyone forever. Ben Territ, who I worked with at Gov.uk used to say he never loved it if the designer left his team, but he judged whether it was healthy or not, by where they were going. So if people were going somewhere really interesting and they were super excited and it was, you know, it was hard to talk them out of leaving because it was obviously such a good opportunity for them. He was always at peace with those. But when somebody leaves and you're like, Well, hang on, that's objectively not as interesting or good or well compensated a job as this. Why? What? When people start to leave for other things that don't make a lot of sense, then you worry that maybe you're driving people away, rather than just being a part of their journey and their growth. That's what my thinking's about.

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BH: So looking at your moves between industries and you've worked for lots of different types of industries, would you say that scaling businesses is a transferable skill that you've managed to take from one industry and then apply it to another?

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MW: I think so. But I also try not to be very dogmatic about it, right? So I think like a lot of tech people, I'm a systems thinker and I'm a first principles thinker, so I start with what's the situation and how do we solve from here? I do like to look at other businesses. I think, you know, one thing that frustrates me about tech as an industry is we act a bit, particularly around people management like we have to start with, you know, 1920s factory management, and we'll iterate our way from there. We ignore the 100 years of management, science and research and investigation that's gone into how to build high-performing teams and how to deliver really well. So I like to look at prior art, but I also like to think things through critically. So I try really hard not to just turn up with a playbook and assume everything's the same. But I'm also, I think it's talked about whether you're like a T-shaped developer, you know, how broad are you and then how deep are you? I think Kent Beck once said, you know, he's more of a paint drip person. So like lots of lots of depth on a weird assortment of things, and I think I'm that. I'm lots of depth on a weird assortment of things. So I've worked in consumer goods and in finance systems and for a bank and medtech these days. I also worked for a printing company. That's what Moo does. I've worked for retailers, but I don't go into any of those not expecting to become really detailed in whatever that business is. So I probably still know more about Intrastat rules in the EU from when I was responsible for a bunch of finance systems when I was at P&G than any I.T. professional should have to. I ended up with a lot of detail on how million dollar printers are just as challenging to operate just the one that sits on your desk at home and annoys you. So I think the willingness to go into depth and to build up the depth of understanding and the expertise is essential. I think if I made those moves trying to stay abstract. I wouldn't have succeeded at it. That's how my brain works. Maybe somebody else can make that work, but I kind of need to know the detail in order to be effective.

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BH: Well, Mary, thank you so much for so many of those anecdotes and quotes. Still love the paint analogy. Thank you so much for spending time with us today. I had a great time and learned so much from today's conversation. To all of our viewers. Thanks for listening to Tech Reimagined. If you haven't already, please hit the Subscribe button and tune in next week for the latest episode.