



The Insiders

Episode 1

“...prepare yourself for a huge amount of rejection. If you listen to the market and what it seems like it's like, it looks like it's sunshine and lollipops and you're constantly winning awards and your customers love you. But when you're on the inside, it feels like everything could implode at any moment.”

Welcome to the Insiders, a podcast on the latest advancements, challenges, and successes in innovation and technology. With industry leaders sharing their personal stories, we humanize the world of innovation and inspire listeners to push their boundaries and celebrate real humans shaping our collective future.

Marc

“Great. Well, welcome to a very special episode of KPMG Pod Bites, powered by KPMG Ignition. My name is Marc Low. I'm the head of KPMG Ignition here in Vancouver, and I've got two great guests with me today. So to my immediate left, Anna Sainsbury, CEO of GeoComply, and Tomica Divic, who is the VP of operations for Innovate BC, who we've had the great pleasure of doing some interesting research with. So very great conversation that we're going to have today and thank you both for joining us.

Tomica

Thanks for having me.

Anna

Thanks for having us.

Marc

Great. Okay. Let's maybe just rewind the clock a little bit and set the stage for the listeners. So a few weeks ago, we had a unicorn panel here at KPMG co-hosted with Innovate BC, and we got the opportunity to hear from Anna and some of her fellow unicorns about some of the challenges and opportunities around scaling a company in BC, so that's the conversation for today is we wanted to dive into some of the learnings from the research that Innovate BC has done. Now obviously, hear from Anna who's in the trenches grinding it

out. So maybe Tomica, let's start with you. Just let's start why and we can start to narrow in. So just based on the research that you've done at Innovate BC, maybe give the listeners a sense of some of the opportunities that you see and some of the challenges that you dived in with some of the founders that you were doing that research with, and just give us a sense of what the landscape's like for aspiring unicorns here in BC.

Tomica

Absolutely. It was actually a really exciting study for us to do. The way that it came about is we noticed, I'm sure as many others did, that in the past couple of years, there was a surge of unicorns popping up in BC, so we decided to do a little bit of digging to find out what was behind that. And I think to no one's surprise, we learned that it's not an overnight success story, that most unicorns are at least 10 years in the making. And there are some outliers on either side of that, some had a shorter timeframe, some much longer, but on average, we're looking at around 10 to 12 years to achieving that status.

Some interesting stats that seemed really unusual for us is that around 75% of the unicorns were founder led when they reached that status, and that's not something that we've typically seen as a trend so that was quite interesting and I think unique to the companies in BC. And close to 80% of them did access some type of government support, which as somebody who was in that role of government trying to help entrepreneurs start and grow their businesses, it was actually really great to see that they are accessing that support, but we still have a long way to go.

And some of the challenges that came up in those conversations were around finding the right balance between developing your product and your sales team, and then I'm sure you have some great experiences around that. Talent, hiring the right people, and cashflow, making sure that you have enough money in the bank to withstand the bumpy economic time. So those were some of the learnings that we took away as well.

Marc

Fantastic. Now you were doing that research in the tail end of COVID.

Tomica

Yes.

Marc

And how the world was turned upside down. Have you seen a shift now post pandemic as we're coming out of this and things are resetting? Obviously different challenges on the horizon now but do you see that trend continuing? Is it going to evolve and change?

Tomica

We certainly hope so because I think the seeds have been planted a while ago. So we're not, again, just looking at the last year or two, I think there's a lot of companies that have been added for at least the past decade that have been just slowly chipping away at it and growing their business, so we certainly hope that that trend will continue but also know that there's different challenges right now. So it's a difficult thing to be an entrepreneur in general, to be growing at a time where things seem to be really challenged economically as well is difficult, but some people are going to be in the right place at the right time and then have been putting the conditions in place to really grow and scale and be successful, so I do think we'll see more.

Marc

You touched on something really interesting there. You mentioned this idea of talent. It's always a challenge, I mean, in every market, finding great talent is difficult. But in BC specifically, are there different challenges here that the companies are experiencing or is it just the same thing of just trying to find good people locally? How are companies thinking about that, addressing that challenge?

Tomica

I certainly think things have changed with the way that working remotely has opened up I think more options, so I think even within BC, there's more opportunities for people to access jobs that maybe they wouldn't have normally by having to relocate to a bigger city. And we're certainly seeing more interest in diversifying the tech sector, so how can we tap into people that have typically been underrepresented in the tech sector and getting them more engaged? And a lot of that work is being done through different government programs and grants to help companies hire and train talent.

So I do think that the challenge of attracting talent still can be

a challenge. I think on the leadership side too, as you're growing in scaling companies, we have a pretty young ecosystem still so finding those leaders who actually know how to grow and scale large businesses is a challenge, but I think we have a great talent pool in BC to pull from and people are definitely being creative about how to access that.

Anna

One, I think it's very timely that you talk about balancing building products versus building sales and marketing teams, and I think what we're seeing in the tech sector at the moment is that a lot of technology is innovating one idea or trying to transform one concept, but the product is relatively simple or it might just solve one problem that operators have hundreds of problems. I mean, all businesses have hundreds of obstacles in their ways to success. And what I found at GeoComply, and for me, I've only had one unicorn so I can only refer to-

Only one, so far. I'm still young, you see. But our experience has been to be product led and customer focused, so building products for our customer's problems today, and just 18 months from where they are at the moment. And so the amount of requirement or the hardship that you put on the sales and marketing team becomes very little, which I think ultimately allowed us to become profitable much quicker, because we weren't spending so much money trying to convince people that this is a problem. That the problem already existed, everyone in the market knew about it, and we could come in and say, "Hey, here's a solution." So we're not actually marketing a problem to then market a solution, and I think that that has been very helpful for our success.

But on the talent side, the other thing that I'm seeing that's very interesting in the market at the moment, especially with this, I don't know if it's still a pending recession or we've all decided we're in it, but wherever we are-

Marc

Or maybe not, who knows?

Anna

... with this potential recession or companies essentially scaling down some of their teams and some of their spend, there is a lot of people in the tech sector that have experience but don't actually have experience building and selling products at profitability. And that is really hard because we essentially have 10 years of growth in tech without really sustainable growth in tech.

If investors are wanting to come in and buy in companies that have a strong EBITDA margin or at least a path to profitability

within a short time range, and I think that that makes it hard for startups these days where so much of the conversation has been, have an idea, find an investor. We have A through Z in terms of rounds and everyone's counting their letters, and it's just a different market that we're going into and there's not a lot of people that have experience in how to master that.

Marc

Yeah, and they haven't built their companies for that either, right?

Anna

Exactly.

Marc

Yeah. Can we jump into one topic? There are lots of great nuggets in there but one of the things that was really interesting was this idea of in companies that are innovating, the tension between product and sales, and you touched on it right there which I think is a really interesting thing to double click on. So the one point of view is you've got to listen to your sales team because they're the ones that are at the market coalface and they're giving you the intel in terms of what customers are doing and are wanting. And that is pulling the product forward in that way versus having a strong vision of what that product needs to do, and it strikes me that it would be challenging to have that market view of where you need to be in 18, 24 months, and the trust to build your product in order to see that there's going to be market for what you're building. How do you manage that balance?

Anna

So I look at it differently. I look at, as an entrepreneur, I am both product and I represent the customer, and so I don't look at it as sales, I look at it as customer or account management and knowing the market is my responsibility. And I think that that's sometimes where, as a founder, it can be hard to attract executive talent because they're like, "You are in the weeds. You're making every decision." And I look at it, these are all the things I need to be aware of to make good product decisions, to have good conversations with our customers. If I'm doing it via survey and some analyst looking at a market on a spreadsheet, I'm not going to build the right solutions knowing where their teams are at and what their headcount is and how disruptive this is going to be in their day to day.

And so for me, I like to see myself as head of all of our key customers and any new markets that I want to go into, and then making sure that the product roadmap matches that perfectly. But I'm a pretty hands-on person myself. I only have three people in sales in my company so I wouldn't depend on

them. Of course, I want to hear their ideas or if they've discovered something that could be an interesting feature, but ultimately, I'm only building products for the customers that I have or for the ones that I've targeted, and so that the solutions really resonate with what they need today.

Marc

Well, this is actually a good question for both of you. As you think about the changing economic dynamics, you referenced a little bit earlier, the idea of it sounds like you've built your company in a very intentional kind of a way, which is solving that problem first, and therefore maybe less at play with some of the economic dynamics. But things are shifting so how are companies reacting in this new environment? You referenced funding a little bit earlier. Everything's changing very, very quickly, almost shifting underneath our feet.

Tomica

Luckily, I would say entrepreneurs are probably best equipped to deal with this because that's the world that you're in. Things are changing all the time, markets are changing all the time. I think it'll build resilience, and that's something that I think is important for businesses. And when you go through a couple of these challenges, you really learn to see what are the things you need to focus on and as your business to make sure it's sustainable and it can grow. So definitely seeing a lot of discussion around that, but funding, again, is something that is also top of mind with companies.

You need to have good finances in place to have the proper runway to build your product and grow your team. But we also can't lose sight of the customer because that's I think going back to what you were talking about, it being customer-centric. At the end of the day, you're looking at selling two customers, that's why you have this business, so how can you continue those conversations to make sure that you are creating solutions for their pain points?

Anna

Exactly. Just to elaborate on what's happening from our point of view with whatever we're calling this potential recession, it's that we're trying to make sure that a lot of our customers that are mature, they're publicly traded, and they are now being pushed on the public markets to ensure a path to profitability. And so our biggest focus has to be, with each of our integrations, how much more can we automate? How much more can we reduce as they grow their need to double headcount? And I think that as we integrate further and penetrate more of their different teams, from fraud to compliance to product and operations to marketing, we need to be assessing that. What is our impact on our customers?

Not just solving their problems, but there's always a cost to even solving your problem, right? How many people does it take to operationalize it?

And now I feel like what's so great as an entrepreneur, and someone that my math skills are one plus one equals two, where two years ago in high growth, it was like one plus one could equal a thousand, depending on what your TAM was. And that is a little bit confusing because just because there is a potential TAM there, it doesn't mean you're going to acquire that.

So I think that it's easier to actually have better conversations. There's less distraction. The market is honest, and we're building systems and solutions that matter right now. And so for us and for my team, I think it's a perfect time to really resonate with our customers and refine those integrations to get to a better spot, and I think it's going to be great for the tech industry overall.

Tomica

There's a quote from, I think it was Warren Buffett. It says, "Be fearful when others are greedy and be bold when others are fearful," and this is a great time to actually be bold and to look at what are the opportunities for your business?

Anna

Exactly. Agreed.

Marc

You touched on a topic there around this idea of automation and that's core to your business I know, but just broadly speaking, we are referencing just in the preparation for the chat today, ChatGPT is on the tip of everyone's tongue and AI and automation. Tomica, is that something that's especially topical locally in BC for the founders?

Tomica

Absolutely. It's like every day, we're hearing of a new application for it that we didn't think it could do, so I think it's definitely topical and it's something that everybody should be thinking about and looking at, is artificial intelligence and automation. I've certainly never seen people be less busy, even with increases in productivity, so I think just expectations will change and the importance of digital skills is going to increase across all functions of a business. As we were chatting earlier, there isn't a single aspect of a business, whether it's finance or strategy and planning, sales and marketing, product development, all of these important functions, increasingly, they continue to change and evolve and the increased need to have digital skills be embedded

into all these functions is really important. So I think it's important to develop those skills and create opportunities for everybody, and especially those that have typically not engaged in the tech sector to get access to opportunities to develop those skills and upskill and be included in these growing industries.

Anna

I can see what we're seeing from our side, and I think it's applicable to anyone that works in a highly regulated market or cybersecurity, is that anytime you have a technology and there is a manual requirement for someone to do hands-on analysis or pull reports and analyze them, you have a potential security risk or a violation. And at this point in time, we have to work together to streamline any manual process that is integrated and that just requires technology to be smarter, and it's where we need to get to so that people's personally identifiable information is less likely to be leaked and it's important to focus on.

But sometimes, a lot of the AI technology that I hear about is also on making experiences frictionless. There's nothing worse than buying a flight online and then you have a hiccup and you've got to call some call center and they don't know your problem. You're like, "Can't I just chat with a bot that's going to fix this problem? I bought the ticket online. I want to have a technical experience in solving my challenges as well." And so I think it's also driven by what consumers want, and if we can focus on usability, which I think is something that tech hasn't focused on because we've all been in high growth, just take every opportunity and first mover advantage as what everybody wanted, but now we can actually focus on making things better for the end consumer as well.

Marc

Radical concept.

Anna

Yeah, consumers matter too.

Marc

What's the thing that people misunderstand about scaling a company to that size? Is there anything that jumps out at you?

Anna

I think that the general assumption being an outsider looking in at a company once it's sort of more successful is that a lot of the people that join it when things look like they're smooth, they don't really get the founder's paranoid mentality of you've just got to do whatever it takes, and you've got to catch as

many balls as possible and score a home run. And sometimes, I think what I see through people that especially have been working for larger organizations is that there's lots of specialists, but ultimately, I think when you're scaling, the best thing to do is to have as many people in your organization that understand what all the other teams are doing. And that those people from a GeoComply point of view have been ones that have worked customer service, they have been account managers, they've talked to regulators, they've had product ideas or had some input into innovating technology, and that becomes the most beneficial part to really building a sustainable business.

Marc

Is that something that you look for when you're hiring somebody? What are some of those characteristics that you're looking for, beyond the hard skills that Tomica has referenced around developer talent or whatever? What are the things, those characteristics?

Anna

So sometimes, you have to watch who you personally like to work with because it's easy to have conversations, and I have to watch that because that can be easy. My preference is people that are very organized, I love a strong communicator. I also enjoy someone that has a lot of market knowledge, it's easy for me to communicate with those people, but sometimes that's not always what you need. You need some different types. But I think ultimately, people that are scrappy and resourceful and have a lot of grit, that is always going to resonate quite well within our organization.

I like someone with hustle, that follows that 80:20 principle, and make sure that they can accept getting some place that is good enough, still a high quality of excellence and delivering value, but not spending too much time on the things that don't matter. And then someone, now, we're looking for people that have been there, done that. People that have worked in organizations that have constantly delivered better and better results and innovated product after product after product to become a category leader. And so it's easy to do it once. Well, we have done it once. Now we need to do it 10, 20 more times to have ongoing success, and so that's our main goal at this point.

Tomica

I actually love how you just described those skills because when we look at also just trying to diversify the tech sector and the way that certain jobs were described before and who they're attracting, I think that's such a great way to actually attract a diverse set of applicants, is when you talk about

things like grit and problem solving and all the things that you just mentioned. It's really great to hear that. Yeah, great.

Anna

Yeah. The talent could come from anywhere. I studied interior design. I'm not a qualified engineer.

Tomica

That's really great to hear. Yeah.

Marc

You're running this big organization, offices all over the place. What's the thing that you personally are not very good at?

Anna

How long do you have? I am a terrible writer, unfortunately for me. It's a shame. I have so much admiration for people that are excellent writers. I have dyslexia and I know that now, so that is working against me. But that is challenging because there is a requirement to communicate both on video or through conversation, but also, now we're a larger company, I need to communicate in writing and so I have to have someone with me that helps me with that, and I would say that that's one of my biggest blockers.

The next thing is being very disciplined at what the focus is, and I think sometimes, there's that balance between knowing what your vision is and where you're going, but recognizing that life hits you sideways and frequently, a lot of great opportunities are going to come from the side, and you have to know which ones are a distraction and which ones are worth grabbing. And I definitely see it as like, of course you need the right talent, you do need to have the expertise, but there's some luck in there. And I think that making sure that I can stay open-minded and not too focused on the vision but also on my surroundings is something that I need to be consistently aware of.

Marc

Interesting. You've had amazing news recently, some new investors coming I believe.

Anna

Correct

Marc

So what's next for GeoComply? What's the next amazing thing we're going to read about in the news?

Anna

Our goal is to have a large impact on the cost of fraud on

society within a short amount of time, and what I see by that is that regulators, especially in the US last year, increased fines on fin crime by 50%. And I think that that indicates to us, one, is that we know financial services organizations don't want to be getting in trouble. They don't want 50 million fines, which several came out at 50 million. They don't want that press. Consumers, they want to be able to trust who they're doing business with, and financial regulators would prefer for people to follow a process and to have a reduction of fin crime.

So I look at this as a market that needs something. I know there's a lot of players in the space and it's an expensive space to enter, the FinTech market, but there aren't a lot that are focused on solving the problem end to end. That are looking at what is the consumer problem? What is the cost of fraud on society? What do regulators want? And then how can we actually integrate with the FinTechs to deliver better solutions?

And I think what we've learned from the gaming space is taking accountability end to end is what we're good at. We don't want to just be one piece of a puzzle. We want to really understand what the problem is and own that for our customers because that gives us the most amount of customer insight, and so that's the market that we believe is our next big target market and a market we can make a pretty positive impact in.

Marc

Well, we're all going to be cheering you from the sidelines.

Anna

Thank you.

Marc

We're at time so just to wrap up, what's the one question you both wish I would've asked?

Anna

When's your next vacation? No, I think that the question that is important to ask, because I think your audiences are very much entrepreneurs and people that want to have a unicorn, and one of the things that is most important is to prepare yourself for a huge amount of rejection. If you listen to the market and what it seems like it's like, it looks like it's sunshine and lollipops and you're constantly winning awards and your customers love you. But when you're on the inside, it feels like everything could implode at any moment, and that your heightened senses for everything. And even when you're seemingly on top of your game, your aspirations are always

going to be much further ahead of where you are. And so I think there has to be, to maintain some type of mental health and sanity, there has to be an acceptance of what you can control, get used to and start loving rejection, and the feeling that you're never going to feel like you're in the place that you want to be.

Because if you're growing a business and you're in hypergrowth, you're always forward-thinking and so it's hard to take the time to celebrate. It's very important to have the rigorous religion of celebrating your wins, but being able to make sure that you can sit in that discomfort and that awkward feeling of missed expectations, because it never feels like success.

Marc

Like enough?

Anna

Yeah. I don't mean the financial wins, but you always want more. You want your customers to like you more, you want more of your products. They're your babies, you want them integrated everywhere, and you want everyone to hear your message, and that's just never going to happen so you've got to get used to it.

Marc

Love it. Tomica?

Tomica

That's awesome, and I think no matter what kind of stats or insights I can provide, hearing what it's like on the actual ground, building a company and dealing with the mental health aspect of it, of growing a business and being an entrepreneur can be so challenging so your advice I think is spot on. And from my perspective, I would also say always just listen to the market. I think we have such amazing talent here, no shortage I think of innovation and innovative ideas. Looking to solve real world problems and problems that the market has and wants to pay for so that you have a business is really important. Because you can fall in love with your idea and your baby, but I think what you just shared about taking in that rejection and actually listening to the market will help you grow your business.

Marc

Well, this has been such a great half hour with both of you so thank you very much for spending the time. And this has been Marc Low for KPMG Ignition Pod Bites. We'll see you next time.

