Software Company

Advice on how to start, grow and exit a software company

The PleaseTech Story 2002-2017

Software Company – The PleaseTech Story Appendix

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In summary, you are responsible for your own decisions and actions and therefore results and your use of the information in this book is at your own risk.

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Thanks to my wife of 37 years who has always supported me in my career and provided a voice of reason during difficult times. Having a supportive spouse is one of the key ingredients of success.

Thanks to the individuals mentioned by name in this book. They have all taken the time to read the sections in which they are mentioned and have confirmed that they are happy with or, at least, do not violently object to my inclusion of them and what I've said about them. A special thanks to Clare Beazley who has been a constant source of rational thought and personifies calm efficiency. In a presentation to aspiring entrepreneurs we once described Clare as my 'pooper scooper' coming behind me cleaning up the mess I'd left behind as I impetuously forged ahead. Everyone needs a Clare!

Thanks to my niece, Jessica Trappe (www.jessicatrappe.com), for providing editorial services for this book. However, I'd stress that while she provided valuable input, I didn't accept all her proposed changes as I like to think that my writing style is unique. Therefore all mistakes, grammatical inconsistencies and peculiarities are mine and mine alone.

Thanks to the beta readers who read an initial copy of this book and provided feedback. Their feedback certainly enhanced the final prose!

Finally, I'd like to thank all the 'business friends' I've made and kept in touch with over the years. Many of them are ex CDC alumni and went out of their way to support me during my time running PleaseTech. Others have been helpful throughout the years I've known them and have been very generous in their entertainment and support.

Trademarks

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Introduction

The PleaseTech story is considerably less complicated than The CDC Story[1] but lasted twice as long. There were no external investors to consider and nor was the macro technology environment in the process of a step change, with the Internet firmly established. We did however have the after-effects of the dot-com boom and bust, and the 2008 financial crisis to weather. However, I was considerably more experienced, and whilst 'every day is a school day', thought I had the necessary knowledge and experience to lead and build another business.

Having the experience and knowledge doesn't necessarily mean that everything goes according to plan. The early 2000s was not an ideal time to start a software company. In November 2003, the Federal Reserve Bank of San Francisco noted that 'the San Francisco Bay Area has been battered by the information technology (IT) downturn'[2]. No technology vendor was having a good time and the downturn was global. IT budgets everywhere were severely restricted. Businesses were not spending without a very defined need and a very clear return on investment.

It was into this environment that Kcentrix Software (later to become PleaseTech) was born.

The PleaseTech story is a story of two separate phases. The pre-PleaseReview phase (2002 – 2004) and the post-PleaseReview phase (2005 onwards) and, given that these phases covered two completely separate products and markets, it was, in many ways, the equivalent of having two separate start-ups.

One of these start-ups was a failure and the other a success. One led to the other and, as they were bound by the same legal entity, there is no 'failed company' listed on my resumé. However, the pre-PleaseReview phase was most definitely not successful and we would not have survived had we not changed tack and started again.

The second start-up, the post-PleaseReview phase, itself consisted of three distinct phases: There was the initial start-up effort, the middle 'weathering the storm' phase and subsequently the growth spurt leading to exit.

I've tried to provide an overview of the whole fifteen years with enough detail to make it meaningful but not so much that it's boring.

Having mentioned detail, it's worth noting that whilst the events in the PleaseTech Story are considerably more recent than the CDC Story, there is less public information with respect to accounts[3] and I am bound by confidentiality agreements. However, the good news is that there is a considerable amount of public information available via my blog postings[4] and the company press releases which provide a pretty good audit trail of what happened.

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[1] The CDC Story is a free download from www.softwarecompanybook.com.
[2] The article was entitled 'The Bay Area Economy: Down but Not Out'. It is here: https://tinyurl.com/y9h2qzvg
[3] PleaseTech filed under the abbreviated accounts under section 477 of the Companies Act 2006 relating to small companies which does not provide the full set of accounts.
[4] I wrote a personal blog from mid-2006 documenting a lot of my business related thoughts as we grew the business. This include commentary on, for example, the 2008 financial crisis and its impact on us. Most of this blog is still available via the WayBackMachine.

The First Phase: Pre-PleaseReview

It was Q2 2002 and I had completely disengaged from CDC and was wondering what to do with my life when a letter dropped through the door.

KnowHow Systems Group Ltd was in receivership and the assets of the business, namely the Kcentrix software suite, were up for sale. The Kcentrix software suite was the interesting XML management and publishing technology we had looked at acquiring back in June 2001 when I was still the CEO of CDC Solutions (CDC). The VCs had prevented us from making a sensible offer for the business. At the time we had known the company was shaky and, in fact, this was one of the reasons the VCs gave for their position - they thought it more economical to let the company go bust and purchase the assets.

Having done the due diligence on the software and been keen on acquiring it the previous year, it grabbed my attention and I investigated.

The software was the basis of the BeProfessional.com website which was an innovative subscription service delivering UK Employment Law and HR Advice to small and medium sized enterprises and their professional advisors. It was a joint venture between Berwin Leighton Paisner (a large London law firm) and Deliotte & Touche (a major consultancy firm)[5].

The Kcentrix suite[6] was designed to enable ordinary business users (i.e. not programmers or techies) to create and deliver a browser-based 'question and answer' (Q&A) process and use the answers to assemble and deliver customised content, such as documents, letters, forms, etc. So, in effect, any decision tree could be modelled using a graphical client PC application and the results published to a web page and custom documents generated by the web page user without the need for a programmer or webmaster to be involved.

In the BeProfessional.com implementation, it was employment law and HR advice that had been codified into this Q&A process. Obviously, not all situations could be modelled and the model itself had a process to identify complex situations and recommend that person-to-person legal advice be sought. The process was designed to deal with straightforward cases saving everyone time and money.

The Kcentrix application was not restricted to the legal environment and any process which could be modelled as a decision tree could be created using the graphical PC application and delivered to the end user. The suite itself was built on XML and Java and some of the technology therein was subject to patent applications.

On the whole it seemed like a decent bet.

To cut a long story short, I bid for and acquired the intellectual property (i.e. the software assets and associated patent applications) in June 2002. I then set up Kcentrix Software LLP[7] to act as the

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[5] The BeProfessional.com website no longer responds and, the records at Companies House suggest beprofessional.com Ltd ceased trading on 27th February 2013. The Companies House historical records identify these organisations as being involved through shareholdings.
[6] Full details are here thanks to the WayBackMachine: https://tinyurl.com/y8n4599t
[7] The advice to set-up as a Limited Liability Partnership (LLP) came from my tax lawyers. LLPs were a relatively new concept having only been introduced in two years earlier in 2000. I suspect the lawyers thought of them as a new toy! However it worked well from a tax efficiency perspective.

company and set about turning the two archive boxes of patent applications, user manuals and CD-ROMs I'd acquired into a going concern.

Clare Beazley[8] was actively helping me on the financial side and in December 2002, Tim Robinson, who was also a Kinesis alumnus and found via my contacts, joined as chief techie.

It was clear that Kcentrix was a solution looking for a problem and my first approach was to spend time lunching all my contacts and picking their brains as to what applications the technology could be used for.

By November, we'd launched ActiveProcedures which was designed to turn a company's standard internal procedures into interactive web pages. The pitch was that, in the new interactive Internet era, delivering lengthy and complex procedures as plain textual documents was inefficient. With ActiveProcedures, the company could provide a dynamic environment in which their employees could be guided through the complexity. This would minimise non-compliance and save on training and re-training costs.

I initiated a full blown marketing campaign with standard PR, conference attendance, mailings and so on. In November 2002 we exhibited KM Europe (KM = Knowledge Management). In February 2003 we were at the Technology for Marketing conference and in April at the Helpdesk and IT Support show, the latter with a pitch about 'enhancing help desk service whilst reducing call volume' through self-help portals based, of course, on the interactive Kcentrix web pages.

In June at Internet World we announced the 'Kcentrix Corporate Navigator' which was in response to studies which found that, as the volume of information on websites and intranets grew, so did the time people spent trying to find the information they were looking for. In July we announced a partnership with a small e-learning company so they could deliver their online plain text library as an interactive learning experience.

Over the summer, the Kcentrix Corporate Navigator became Kcentrix ActiveSitemap and ActiveFAQs was launched aimed at the helpdesk market.

Unfortunately, sales progress could be measured in millimetres rather than miles.

There was a reasonable degree of interest in the products and I spent hours accepting sample FAQs and procedures from prospects and re-working them into interactive ActiveFAQs and ActiveProcedures to show what could be done.

Feedback was good; people loved them. However, we kept coming up against the fact that no one was spending without, as previously noted, a very defined business need and a very clear return on investment. It became clear that our products didn't solve real pain but were 'nice to have'. It was almost impossible to convince the business that it really needed the interactivity we provided and there was no hard, clearly definable return on investment!

Consequently, sales were almost non-existent and costs were high. All costs were coming from my own pocket and my funds were rapidly running out. I'd put almost £200,000 into the business and taken nothing out. That simply couldn't continue much longer. Who knows what would have happened if it hadn't been for two significant events at the end of 2003.

[8] CDC's CFO. See The CDC Story.

Significant event one: In November 2003, we were trying to sell ActiveProcedures and ActiveFAQs to a helpdesk manager in a major corporation and she was extremely interested. However, she was having difficulty persuading her boss. What he wanted was an easier way to collect comments on documents. So, as the software was able to create and deliver Word documents, we discussed whether we could add another module and package it up as a ‘request for comment’ (RFC) system to keep both parties happy.

The answer was that we couldn’t (and we didn’t get the business) but, the whole RFC idea gave us food for thought. Tim and I both had a background in document management and something like a document review system was much more in line with our experience than our current focus. I did some research. There did indeed appear to be a gap in the market.

Significant event two: CDC Solutions was sold and I therefore received a new injection of funds.

Going into 2004, the RFC system was the ‘skunk works’ project which looked increasingly interesting. In many ways it was unfortunate that in early 2004 I managed to sell an ActiveFAQs system to BACS[9] and that revived hope and kept the focus on ActiveProcedures and ActiveFAQs alive.

As a result of the contract we continued to develop the Kcentrix Suite and released version 3.0 in July. In retrospect this was clearly a mistake as it diverted Tim’s development effort from the new RFC system.

Throughout 2004, despite background work on the RFC system, I was trying to sell what we had. As it happened, I’d have been better off taking a sabbatical and not wasting my time or money as no other material sales were made during 2004. Towards the end of the year, as it became clear that the future lay elsewhere, I attempted to sell the underlying Kcentrix technology but could find no interested parties.

Whilst it would be early 2006 before the ActiveProcedures and ActiveFAQs vanished from our website, I’d not been able to build a business around the Kcentrix technology and its life was over. I’d squandered a large sum of money in the attempt.

The Birth of PleaseReview

Returning briefly to early 2004, my research into the request for comment market continued. The more I researched and spoke to my contacts the more excited I became. This was certainly something the pharmaceutical industry could use and I was itching to get back into selling to the Life Sciences market having experienced life outside it!

Most people in business have to comment on documents regularly, and we are all were familiar with the associated frustrations. The ‘tracked changes nightmare’ was one description I’ve heard! The basic problem was that, if authors stopped people messing up their documents by sending them PDFs for mark up, they had the laborious task of copying and pasting comments and changes into the original Word document. If not, and they emailed out the original Word document for tracked changes mark up, they risked getting back not only severely messed up documents, but also multiple changes (many duplicate) and somehow had to incorporate these into their master.

A system that allowed reviewers to mark-up but not mess up the Word document and incorporated accepted changes back into the original Word document would solve these problems. If, in addition,

[9] BACS is the company which runs Direct Debit in the UK. The press release on the Kcentrix website, courtesy of the WayBackMachine, is here: https://tinyurl.com/yc8f7v68

the system was collaborative and allowed people to see each other's comments and changes to minimise duplication and expose disagreements early in the process, it looked like a winner.

It wasn't that long ago that I'd been negotiating an OEM contract with Documentum on behalf of CDC and this involved multiple parties marking up and agreeing the re-wording of a long, complex contract. I had a very clear view of what needed to be done to make the process less painful. Clare and I had just emerged from the CDC sales experience which had involved a disparate group commenting in-depth upon several complex legal documents over many iterations. We were full of ideas of what was needed in the ultimate collaborative document review product!

A functional specification which covered how the RFC system would look to an end user and how it would work from their perspective was produced. Tim's technical research led him to conclude that rather than adapt the Kcentrix software, it would be easier to start again. His view was that, if you are going to mess with Word documents, it's best not to stray too far from the Microsoft platform. The .NET platform would be infinitely preferable to Java for the task in hand.

During my ongoing research, I identified a British-based subscription service (now it would be described as SaaS) called ForComment[10] which advertised 'hassle-free feedback on documents'. From our analysis of their website it was clearly trying to solve the same problem although their solution did appear to have several significant holes compared to the functionality we envisaged. As the website didn't appear to have been recently updated, I wondered if the company was dormant and, seeking a quick entry into the market, I contacted them with a view to sub-licensing their technology. After meeting with them and understanding more about the company (it was of a similar size to us), in February we made an offer to acquire their technology. We were unable to reach financial agreement and we continued with our own plans.

The functional specification was circulated to several of my contacts in the pharmaceutical market. Most of them were very generous with their time and their comments. Their suggestions contributed significantly to the overall functionality and the decisions we took.

At about the same time, by now it was March 2004, we were brainstorming ideas for the name of the new product. The two requirements were (i) that it 'does what it says on the tin' and (ii) the top level .com and .co.uk domains were available.

On this basis, in no particular order, we considered: ActiveComment, ActiveRFC, PleaseReview, GoComment, AgreeIt, Agree-It, DocumentZone, CommentCentral, Request4Comment, EZcomment, WebComment, DirectComment, ProComment.

The domains for 'requestforcomment' and 'requestforcomments' were available but were being offered by a domain market for several thousand dollars each[11]. They were ruled out.

After a lot of discussion, including chatting with a couple of marketing consultants with whom we were working (i.e. ex CDC staff and or people I'd worked with there), we, thankfully, settled on PleaseReview.

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[10] The ForComment service was run by a British Company called Knowledge Transfer Technology Ltd. The forcomment.com domain is currently for sale and, from the records at company's house, Knowledge Transfer Technology Ltd was dissolved on 18th October 2011. The original ForComment website can be found on the WayBackMachine.

[11] At the end of 2019, requestforcomment.com was available for registration and requestforcomments.com was for sale and being offered at US$94,888

Tim was building the product and by September had a prototype up and running.

Meanwhile the feedback from my Life Sciences contacts suggested that PleaseReview should be integrated with Documentum so, by mid-year, we were signing up as a Documentum Technology Partner. Our target was to get a beta at Momentum '04 [12] in Montreal, Canada. We are talking here about a beta of PleaseReview; the Documentum integration was simply an aspiration at this point! We formally announced PleaseReview to the world at Momentum '04 on 25th October 2004 and duly demonstrated the beta at our booth.

That same month, Jason Webb, another Kinesis alumnus, joined as integrations manager and started work on the Documentum integration – a not insignificant project. Given my experience at CDC, I'd insisted that PleaseReview was a standalone product that had the capability of integration. At CDC we'd built EZ*Subs* and PDF*Aqua* on top of Documentum which had given them significant leverage over us in negotiations. I was not prepared to be overly reliant on one partner again hence the determination to build standalone products.

In December we started a formal PleaseReview beta programme[13] and released version 1.0 in January 2005.

The Early Years

Going into 2005 we were completely focused on PleaseReview. We were effectively starting again.

In March, we launched a subscription version of the software at PleaseReview.com[14] (the main corporate website still being Kcentrix.com) where it was possible to sign up using a credit card for as little as US$275 per year for six users.

In February we were exhibiting at the DIA EDM[15] conference in Philadelphia and then at the annual DIA Conference in Washington, DC. Then there was the AMWA[16] conference in Pittsburgh, PA. It was good to be back in the familiar territory of the Life Sciences market.

Being back in familiar territory didn't necessarily mean life was any easier. The Life Sciences industry is not one to rush into new vendors. However, the fact that I had so many contacts in the industry, including several CDC alumni who were nothing but helpful, was a significant bonus.

By June we had our first sale. PleaseReview v2.0 was released on 27th June 2005 and the Documentum integration shortly thereafter. In October we announced that PleaseReview was fully compatible with FCG's FirstDoc[17] which was based on Documentum and used extensively by the regulatory departments in large pharmaceutical companies.

By the end of the year we'd made a total of four sales[18] including one to a top-ten biotech company. This was success indeed compared to the previous efforts with ActiveProcedures and ActiveFAQs.

[12] Momentum was the annual Documentum User Conference. It was always well attended and a great party!
[13] This was simply a news item to generate the illusion of momentum. I can't recall anyone using the beta.
[14] The website can be reached here courtesy of the WayBackMachine: https://tinyurl.com/y9xf7aqk
[15] DIA is the Drugs Information Association, the major trade association in Life Sciences. EDM stands for Electronic Document Management.
[16] American Medical Writers Association
[17] FirstDoc was a business rules customisation of Documentum's WebTop client. It is currently owned by DXC Technology - the merger of Computer Sciences Corporation (CSC) and HP Enterprise Services.
[18] This didn't include subscription sales of which we'd had a steady trickle from the middle of the year.

The 2005 revenue was nothing to write home about and the year delivered another moderately heavy loss, but at least we had a product which addressed a known issue and we had sold it – four times! It wasn't bad for a first year with a new product, so the feeling was that we had broken through and things were looking up.

PleaseReview 3.0 was released on 31st January 2006. This supported additional formats including PDF and PowerPoint, and had an offline client application. The offline client application was particularly important because, it transpired, the place many busy people review documents is on aeroplanes and in hotel rooms! PleaseReview was maturing and eWeek.com published a favourable overview summarising: 'PleaseReview does a good job of simplifying what would ordinarily be a complex task of compiling and resolving revisions in multiple versions of a document'[19].

In March we announced PleaseErase which was a server-based Microsoft Word metadata scrubber. Technically this was a small subset of the PleaseReview code which, although the market was well supplied with client-based metadata scrubbers, I believed would be of interest to corporates due to our server based approach. It wasn't. We never sold a PleaseErase license.

Due to the feeling we were finally going to get somewhere with the company, we wanted to start providing shares and share options to staff and this entailed converting from an LLP into a limited company. We took the opportunity to rebrand and PleaseTech Ltd was born on 1st April 2006[20].

In the second half of 2006 we started talking to an Irish company called Qumas at which a couple of CDC alumni had ended up and with which I had dealings in the CDC days. Qumas were competitors to FirstDoc and also had a significant presence in other areas in pharma companies. They saw the PleaseReview functionality as giving them an edge on the competition. Jason started work on an integration. We sold our first PleaseReview license via Qumas in November 2006 despite not announcing the formal partnership until January 2007.

Regardless of the hope and all the effort, 2006 was actually a disappointing year. Nine new clients and several renewals led to an increase of 50% in sales year-on-year but it was from a low base and the losses continued. Morale in the team was fairly low[21]. After all Clare, Tim and I had had four years of working hard and achieving very little despite our new hope, PleaseReview, having been released for two years. Yes, there was potential. The feedback was positive and we had a decent prospect list but prospects don't pay the bills.

If it hadn't been for that overwhelming sense of 'what do I do if this fails?', even I may have been prepared to call it a day. As the team reviewed the results just before Christmas we agreed we'd give it one more year.

That was the correct decision. 2007 was the breakthrough year. It seemed that we couldn't stop selling. By the end of Q1 we'd already sold more than the whole of 2006 and had an impressive prospect list.

Whilst our main proactive marketing focus was the Life Sciences industry, we had enquiries from other markets as well. In July we announced that Citrix Online, a division of Citrix Systems, Inc. had selected PleaseReview for Engineering document review. The press release[22] quoted Citrix Online's

[19] The summary of the original article is still on the eWeek.com website here: https://tinyurl.com/u6u4yad
[20] The new company, PleaseTech Ltd, officially acquired Kcentrix Software LLP.
[21] At that stage there were five of us. Tim, Jason, Sue O'Connell (who had joined in testing/support in January 2004), Clare and myself.
[22] The original press release, archived in the WayBackMachine, is here: https://tinyurl.com/y8gmtl6h

Director of IT, as saying: ‘The addition of PleaseReview is a good fit, enabling us to have a truly collaborative, formal document review process with comprehensive reporting.’. Exactly the marketing message we were promoting[23]!

It was clear that we had to expand our development team but the cost of doing so in the UK was punishing. Therefore we looked overseas. Tim had had a bad experience in a previous company outsourcing to South Africa whilst I’d had a similarly bad experience in CDC when we tried to outsource to Eastern Europe. We both felt we needed control over the development process and priorities, and that offshoring (where we employed the team directly) was a better option than outsourcing to a subcontractor.

We quickly narrowed down the options to India and Malaysia. The latter is not, perhaps, at the forefront of most people’s minds when considering offshoring/outsourcing. However, my wife is Malaysian, I knew the country well and had friends, family and other contacts there whose brains we could pick. Whereas, if I flew into Mumbai I’d be starting from scratch and the only loyalty would be to the dollar. Malaysia it was!

It helped that the legal system is broadly similar to the UK, English is very widely spoken and is the de facto business language. The disadvantage was the fact that it is seven or eight time zones away (depending on the time of year) but, the maths was unescapable. For the cost of one developer in the UK you’d get three people and a serviced office in Kuala Lumpur. The Malaysian office opened on 2nd July 2007 with two employees. We had four there by the end of the year.

Our sales were driven by the corporate market. At the end of the year, an analysis of the subscription site sales showed it was barely paying its way. It had provided a contribution[24] of around US$1,000 for the year and there was a substantial indirect support overhead. We spent more time supporting the clients paying a couple of hundred dollars than we did supporting the clients paying thousands. So we terminated the subscription service. There is a very simple lesson in this. If you are going to run a public subscription service you’d better make sure that there is high demand. You need a lot of $275 sign-ups to make a viable business.

The Press Release on the 2007 results[25] made happy reading. Year-on-year revenue jumped by over 400% with over 20 new corporate clients from the Life Sciences, Legal, Defense, IT and Financial Services industries. It also noted that a substantial number of existing clients purchased additional licenses to roll out PleaseReview.

During the year we’d also established relationships with leading document management system vendors MasterControl and OpenText Corporation as well as leading system integrators. Additionally, we’d signed an OEM agreement with Peerview which operated in the specialist publications sector of the Life Sciences market.

From a financial perspective, North America accounted for approximately 85% of sales and we’d turned the corner into profit. Happy days!

The UK team had not grown but we had the Malaysian office with four employees. A total of nine in the company. The plan for 2008 was more of the same.

[23] If you read the Marketing bit of the book you’ll know why!
[24] Income less direct costs.
[25] It is archived on the WayBackMachine here: https://tinyurl.com/ya8ynbt5

The Storm Hits

2008 started positively for us but not for the world's stock markets. It seemed that the banking sector was in trouble and the markets reacted accordingly. Little did we know that the worst was yet to come!

One of the first things we did in 2008 was to rebrand and relaunch the recently terminated public subscription service as a cost-effective SaaS business solution for smaller organisations. This would make a great business school case study of comparative market positioning and value. Functionally the new service was identical to the subscription service without the ability to self-register and pay by credit card. However, instead of US$275 per year for 6 users (= $45 per user per year), we offered it at around US$250 per user per year with a one-off setup fee of circa US$1,000. It was suddenly a more viable business!

The great lesson from this is that making something cheaper doesn't necessarily increase sales. Perceived value is based on the price. At US$45 per user those in companies didn't think the solution would meet their needs. As soon as we increased the price and packaged it up differently, the entire perception was different.

From the company growth perspective, whilst we had an office in Malaysia, we were still operating around a virtual office in the UK. This couldn't continue and we opened a physical office in the UK in February 2008. Interestingly, one of the key drivers to invest in a physical office was the need to keep our staff happy. They wanted more of an office environment going forward. There is no doubt that actually having a physical office brought the team together and made life a lot easier.

In terms of business, we continued to grow with my April 2008 blog reporting that Q1 revenue 'was well ahead of the same period last year'. However, the blog also injected a note of caution that we were seeing belt-tightening in the USA and that we'd had three expected orders cancelled due to budget cuts.

The year was not without its challenges. Our v3.5 release was consistently delayed and, in order to release a stable, reliable product, we had to cut out some key functionality that had been months in the coding. When you are at the bleeding edge of development this sometimes happens. I'd learnt my lesson from CDC and product quality was sacrosanct. We were not going to be releasing buggy software.

In late June, shortly after the disappointing v3.5 release, our spirits were cheered by attending the DIA Annual Conference in Boston, MA. It was at this conference that it became apparent how the client base and especially the number of users had expanded considerably. It was the first time I'd had users turning up at our booth eulogising PleaseReview and telling us how it had transformed the way they work. It certainly made me smile!

As a company we were maturing and there is no greater sign of maturity than embarking on an analyst briefing campaign. So, as part of our marketing effort, we raised our 'heads over the parapet' and started talking with and presenting to the analysts. Such a programme is never short term but, as you will learn, in our case had long term benefits.

PleaseTech's sales pattern was emerging as the traditional shape of a B2B enterprise software company, namely; primarily Q1 and Q4 business with Q2 and Q3 being relatively quiet. Q1 spending was either fall-over from the previous year or spending from the new budgets which had just been allocated. Q4 was all about people emptying their budgets prior to the end of the financial year. Anyone who has sold software into large corporates will recognise this pattern.

2008 was seemingly following this trend despite the moderately adverse economic winds caused by the ongoing subprime mortgage crisis in the USA. Q1 had been very good, Q2 and Q3 had shown a modest year-on-year growth and we were gearing up for a manic Q4 when, in mid-September, the financial markets went into meltdown. Technically this was caused by the bank bailout bill in the USA being rejected by Congress but most people became aware of its severity when the global financial services firm, Lehman Brothers, filed for Chapter 11 bankruptcy protection. The date was Monday 15th September 2008. The effects were global and, seemingly overnight, we appeared to be watching the western world's financial system implode.

In November, John Chambers, CEO of Cisco was quoted in the Financial Times as remarking it was "difficult to provide a forecast given the dramatic variability"[26]. When a company like Cisco says that as an official statement to its shareholders you know you are in for 'fun' times!

We'd been having a very good year and had started planning a recruitment campaign going into 2009 when it became blindingly obvious that caution was advisable and cash would be king. We felt fairly positive that we were in a good place, we'd doubled revenues, kept costs low and maintained a decent cash balance. Furthermore, a significant percentage of these overheads were covered by recurring revenue. Therefore, as were entered the uncertainty of 2009, we had our hatches well and truly battened down, but confidently expected to survive and even thrive in the storm.

Our formal press release covering the 2008 results announced to the world:

PleaseTech ... saw its year-on-year revenue double in 2008. This represents approximately 20 new corporate clients primarily from the Life Sciences industry but also from the Defense, IT and Financial Services sectors. Sales in 2008 included a 10,000 seat license for a single corporate client. PleaseTech also revealed that a substantial number of its existing clients purchased additional licenses to roll out PleaseReview with one client increasing its license from 600 users to 2,000 users.

Weathering the Storm

So we sailed into 2009 with the analysts predicting that the market for global IT spending would drop by at least 10% year-on-year. The direness of this prediction can be put into perspective by the fact that, during the dot-com bust in the early 2000s, IT spending only fell by six percent year-on-year (for two years in a row, 2001 and 2002). It seemed that we were in for a truly rocky ride.

However, we'd had a very profitable 2008, had a respectable cash balance and we had a great prospect list. Another key bonus was a complete lack of debt. This seemed extremely important in the 'credit crunch' as another prediction was that a lot of perfectly viable companies would go to the wall simply because they could not get credit to ease cash flow.

As it happened we had a good Q1 helped only in part by the weaker pound. As most revenue was in USD we got more pounds for the same amount of dollars. We accounted in pounds hence a weak pound was good for us! But the quarter's growth was by no means all currency related. We were selling more systems and existing clients were buying more licenses.

Part of our success was from our clients' 'employee turnover'. My mid-2009 blog noted:

[26] The article dated 5th November 2008, 'Cisco warns of falling revenues', is here: https://tinyurl.com/r5qrd6e

We have started getting opportunities from existing users moving companies and introducing PleaseReview to their new companies. This is wonderful as they come with their own in-built references.

This was, of course, great news and a complete vindication of our commitment to creating high quality software. No-one introduces a new product into their new workplace unless they are confident that it's absolutely solid.

From a product perspective PleaseReview v4.0 was released in July. This version introduced true co-authoring via the 'EditZones' functionality and was the cumulation of almost a year's development. We promoted it as the most technically sophisticated document collaboration solution in the world and, do you know, I believe that it was. The collaborative authoring (aka co-authoring) functionality was light years ahead of the market and was, as we British - being the masters of understatement would say, 'decidedly non-trivial' technically. Tim and the clever Malaysians had delivered big time!

Our main marketing activity remained conference attendance. The problem was that the conferences were quite a bit smaller than previous years. Companies were cutting their budgets and conference attendance was certainly taking its share of the pain. I estimated that they were on average around 30% down on attendees. On the upside it did seem as if the quality of the delegates was higher. I guess they had to be more senior to swing the budget!

The second half of 2009 saw two exciting developments.

The first was our cartoon project. We took a page of the website which had a lot of verbiage (relating to the current way people reviewed documents) and converted it into cartoon strips. The idea was that people are much more likely to read the cartoons (which got the message across in a humorous way) than a long page of tedious text. Little did we know that these cartoons would prove such a success that we expanded their use right up until the business was sold!

The second exciting development was that we had our first unsolicited approach to buy the business. The company approaching us was nowhere near the ballpark in financial terms and therefore the deal went away, but it certainly provided encouragement that we were beginning to appear on the radar!

By the end of the year we had more than weathered the storm. We increased revenue by about 17%, gained twenty six new corporate clients and closed out the year with a good operating cash balance! My 2009 summary blog gave a good summary of where we were as a business:

We now have around 60 corporate clients, 75% of which are from the Life Sciences market. Approximately 80% of our revenue is derived from the USA. Globally, our revenue is split more-or-less 50/50 between the Life Sciences market and all other markets.

Examining the 2009 revenue profile and comparing it with the revenue over the past couple of years is an interesting exercise. As the business grows and matures the relative percentage of new business (on the total revenue) is falling. This is because the cumulative support revenues and existing clients undertaking further purchases increase as a percentage of the overall revenue. This is to be expected. Our new business percentage of overall revenue was 45% in 2009 compared with 70% in 2008 – a much healthier balance.

The 'Lifestyle' Years

I've categorised 2010 to 2013 as the lifestyle years as it was a period of steady growth with little outward excitement. Some accused us of running a lifestyle business. There is an element of truth in that but, with no external pressures and an uncertain economic environment still recovering from the financial crisis, we simply got on with the job of delivering steady organic growth at a pace with which we felt comfortable.

Early in 2010 we secured a contract with NATS, the UK air traffic control service[27]. There is nothing quite like a good solid name such as NATS on the client list to inspire confidence in prospects. We continued to expand in the Life Sciences sector with a steady stream of wins, only one or two of which we were able to publicise[28] as the press releases from those days record.

The key challenge in 2010 was the announcement of Microsoft's SharePoint 2010. As I said in a blog post early in the year: *There is no doubt in my mind that 2010 will be the year of SharePoint and SharePoint will be a disruptive influence on the market in which we operate.*

We already had a SharePoint 2007 integration and were very familiar with its demands. SharePoint 2010 was supposed to be a major new release with significantly enhanced functionality. As with all such product messaging there was a high degree of FUD[29] in the market. Microsoft had heavily hyped the document collaboration and co-authoring features to be released and the danger to us was that people would stop buying PleaseReview because 'SharePoint will have the functionality'.

Microsoft's own marketing material was not very specific and simply stated: *"SharePoint 2010 facilitates business collaboration in its broadest sense and helps colleagues, partners, and customers to work together in new and effective ways."* As in much of life, the devil is always in the detail. After undertaking extensive tests on the beta, we concluded that the basic document co-authoring and collaborative review capabilities on offer were simply not going to meet the requirements of our target market. The challenge was how to get that message across!

It didn't help that Microsoft employees didn't necessarily understand the capabilities of the new SharePoint. I recall a conversation on a booth at a conference when a Microsoft SharePoint 'guru' who had just delivered a presentation on the 'all singing and dancing new SharePoint which did just about everything anyone could possibly want' came by the booth, looked at the literature and said "SharePoint will do all this". It did so only in his dreams, but the exchange certainly highlighted the marketing challenge we faced!

We decided that there was little point in standing in the way of the SharePoint juggernaut and therefore we met the challenge by embracing it and promoted PleaseReview to the SharePoint enthusiasts (typically the IT department who, I believe, saw SharePoint as a job for life) as a SharePoint enhancement which increased user adoption – user acceptance being one of those perennial problems SharePoint faced.

There is little doubt that the introduction of SharePoint 2010 made the sale of PleaseReview harder. Its prime effect was to delay purchases as it introduced another element of objection. The new hurdle we had to overcome was the IT departments who couldn't understand why the end users preferred PleaseReview to their 'new toy'. After all, as far as they understood from the nice people

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[27] The press release is here in the WayBackMachine: https://tinyurl.com/yajjr9x3

[28] As most readers will know, in general companies don't like vendors making contract announcements and the publicity clause is the first one they strike out in the contract.

[29] Fear, Uncertainty and Doubt

at Microsoft, SharePoint did all this review and co-authoring stuff out-of-the-box! It became very obvious to us which organisations had a healthy relationship between the end users and the IT departments (i.e. IT departments actually listened to their users) and in which organisations they were, to all intents and purposes, at war.

There is little doubt that in a number of companies IT was perceived as the 'work prevention department'. The need to work around this enemy meant that our SaaS hosted system suddenly became very attractive and we saw a steady growth in its uptake.

Having weathered the storm in 2009 we had been expecting a 'loosening of corporate purse strings' in 2010. If anything, we saw a tightening of budgets further intensified by market consolidation resulting in significant churn of client staff. In practice, this meant that a number of the larger deals, some of which had been a couple of years in the pipeline, just disappeared. This market turmoil combined with the SharePoint effect meant that there were no easy wins.

Our 2010 results press release[30] announced 24% revenue growth in 2010 with 20 new corporate clients. Life Sciences accounted for 59% of new sales and Defence 25%. Existing client expenditure accounted for 35% of total revenue for 2010. Not only was it our 5th consecutive year of growth, we were extremely profitable and the travails of the early start-up years were a distant memory.

Our challenge was quite simple; How much should we invest in expansion? The economic outlook was far from certain and mid-2011 saw the US 'debt-ceiling' crisis. My August 2011 blog[31] noted:

So, conventional wisdom suggests that we invest in expansion. However, the economic outlook is unstable and the so called recovery appears to be stalling. At the time of writing the US has just secured the 'debt deal' and avoided default. No-one seems to know what effect this whole saga will have on the economy and companies' investment plans. So, rather than invest heavily in growth, we are remaining cautious and seeing what the rest of the year brings.

The January 2012 blog noted:

In 2011 we exhibited 37% revenue growth over 2010. ... Revenue in 2011 was split approximately one third annual renewable (such as support and hosting, etc.), one third new business from existing clients and one third new business from new clients – a total of 21 new corporate clients during 2011. I believe that this is a healthy balance and am always particularly pleased with the new business from existing clients as it shows that PleaseReview delivers the benefits it promised!

The trend of Life Sciences being our largest sector continues with 66% of 2011 sales in that sector. Defense comes in a strong second position accounting for 24% of sales. Once again North America is our largest market accounting for 79% of all 2011 sales.

Product development was, of course, a continual trend with new functionality and releases always being planned. Whilst this history concentrates primarily on the business aspects of the company, to me the product management aspects are equally fascinating and, as the product manager, I was continually involved in discussing new functionality with the prospects, clients and the team.

PleaseReview continued to gain recognition and won the prestigious Document Manager Magazine Editors' Choice award in 2011. We were increasingly being recognised as thought leaders in the whole document review and co-authoring space. This had many benefits.

[30] It is available from the WayBackMachine here: https://tinyurl.com/yb5bjhvp
[31] It is available from the WayBackMachine here: https://tinyurl.com/yb5ytgcd

Firstly, it ensured a constant stream of leads. More importantly, it meant that anyone with a tricky document review problem contacted us. This meant that we got to discuss and understand a wide range of the document review challenges inherent in major blue chip companies. A virtuous circle emerged. The more we understood of these tricky review processes, the more authoritative we sounded and the more discussions over such tricky problems came our way! In our analyst briefings, we were explaining to them the document review challenges in the real world. This only enhanced our reputation and cemented the perception of us as thought leaders.

This new authoritative view on life didn't mean that I wasn't prone to the occasional error of judgement!

One of the key challenges in the Life Sciences industry is content re-use. This is a recurrent problem as several documents can contain the same information and, for as long as I've been involved in the industry, the structured authoring debate[32] has bubbled under the surface. Every several years, when, I suspect, a new generation of techies discovers it, it pops up onto the radar. There is a brief flurry of activity, everyone works out it's far too difficult and would mean replacing Microsoft Word and re-training all the Medical Writers, so it disappears, waiting for its next resurrection.

2011 was, unfortunately, one of those years when interest in structured authoring was firmly on the radar. We had several clients asking us what we were doing in the space. This was not unreasonable as our key technical capability was the manipulation of Word documents. After all, we were building Word documents out of fragments the whole time. Why not apply the technology to structured authoring? Why not, indeed!

In January 2012 we announced PleaseAuthor which was designed to "vastly improve the creation of documents by delivering component-based structured authoring for content re-use" to be released mid-year[33].

Unfortunately, we learnt a lesson in brand confusion. We understood exactly where PleaseAuthor was positioned. Structured authoring aficionados understood it. The vast majority of our prospects and clients didn't understand it.

They got confused. Do I need PleaseAuthor for PleaseReview's co-authoring? So, I need PleaseAuthor if I want to have my reviewers edit rather than just comment, right? Not exactly.

In retrospect, it's easy to understand the confusion. PleaseReview included 'co-authoring' but not 'structured authoring'. For your average regulatory professional who had little interest in the semantics of the document management industry, there was no difference and they just understood 'authoring'. We soon renamed PleaseAuthor as PleaseCompose to try and remove the confusion.

I'll let you into a little secret. I came really, really close to selling a couple of PleaseCompose licenses! Only, I didn't and PleaseCompose lingered on the website and in my product plans long after it was obvious to everyone but me that there wasn't going to be a future for it.

My January 2013 blog, which was becoming somewhat repetitive, recorded our 2012 performance:

[32] This book is not the place to go into the detail of structured authoring. It's been on my radar ever since the early 1990s when Advent Publishing Systems, a company on an adjacent business park to Kinesis, offered a product called 3B2. This is now Arbortext's Advanced Print Publisher (APP). You can read the history of APP on Wikipedia here: https://tinyurl.com/hztl2g6
[33] You can read the press release on the WayBackMachine here: https://tinyurl.com/ybjfpvqo

2012 revenue growth over 2011 was 32%.

Revenue in 2012 brought us a total of 25 new corporate clients and the revenue split remains approximately one third annual renewable (such as support and hosting, etc.), one third new business from existing clients and one third new business from new clients. We are particularly pleased with the new business from existing clients as it shows that PleaseReview delivers the benefits it promises!

The trend of Life Sciences being our largest sector continues with 77% of 2012 sales and, once again, North America is our largest market accounting for 74% of all sales.

2013 - The First Exit Attempt

Earlier I mentioned that 2009 saw our first unsolicited approach from an interested acquirer. Such unsolicited approaches had become a fairly regular occurrence, we'd get one every six months or so. Some of these approaches were, in my opinion, fairly cynical and were hoping that Clare and I were naïve and didn't understand the value of what we had. Some were more serious but none would match the value we (or, more specifically, I) placed on the business[34].

In the latter half of 2012, after yet another approach, Clare and I undertook a strategic review to decide what we wanted to do with the business. Where was it all leading? We certainly weren't interested in an IPO, we couldn't go on forever as we were and therefore, ultimately, a trade sale was going to be the final destination. But when? Well, we concluded, there's no time like the present and decided that we'd have a crack at selling the business to see what would happen. I had a very ambitious valuation in mind.

We commissioned ICON Corporate Finance to sell the business and went to market in early January 2013 off the back of the 2012 results. This process was ultimately unsuccessful but it was very instructive. We learnt a number of key things:

1. The business was too reliant on me and Clare. We need more depth in our management team. The acquirer needed to know the business could continue to function after our departure;
2. The business was still too small in revenue terms for many buyers. To get top dollar you need a large acquirer and, as the expenses associated with a small transaction and a large transaction are similar, they concentrate on the larger transactions;
3. Annual Recurring Revenue (ARR) was valued much more highly than 'pure' turnover and, if we wanted a higher valuation, we needed to concentrate on ARR;
4. Technology, itself, wasn't really valued at all and the value of the business was based primarily on the financial performance.

Perhaps, one of the most important lessons was that we lacked a 'story'. Why sell now? We needed a narrative around the reasons we were selling. Apparently saying 'it seemed like a good idea at the time' didn't wash it.

This was reinforced by a conversation I had with the CEO of a potential acquiring company. Given that we had a healthy cash balance, he was questioning why we weren't investing that cash in growth. Did we not have confidence in the future? Why were we selling if everything was going so

[34] CFOs see it as their job to try and be realistic about what the company is worth. CEOs have no such inhibitions!

well? His position was, broadly, ‘if you are not prepared to invest your cash in your growth, why should I invest mine’?

The failure to sell the business provided a moment of strategic clarity and we realised that, if we wished to have a successful exit in the future, we had to invest our cash to grow the business more rapidly, focus on ARR and increase the depth in the management team. This is precisely what we set about doing.

Of course, just because you’re trying to sell the business doesn’t mean the day job disappears. We were as busy as ever getting a major PleaseReview release (v5.0) out and, in order to emphasise our thought leadership, had started a marketing narrative around ‘Beyond Review’, trying to position PleaseReview not only as a document review tool but also as a value add business process enhancement tool. To this end, V5.0 included feedback functionality and metrics which allowed an analysis to determine authoring quality. For example, if there are a lot of accepted comments/changes on a section does this mean it was poorly authored? Conversely, if there were a lot of rejected changes on a section did this mean that the reviewers didn’t understand the ‘accepted language’ for the topic?

The feedback functionality (designed for proposal review) and the metrics capture and delivery were all developed in response to specific client requirements. The key thing was how they were packaged from a product management and marketing perspective. It’s one thing to say that PleaseReview now has feedback and metrics, it’s another to talk about this being the start of the Beyond Review strategy. As always, it’s the way you tell ‘em which matters!

This Beyond Review strategy tied in nicely with a significant return on the investment in analyst relations. In May, Gartner, Inc. had named PleaseTech a ‘cool vendor’ in their ‘Cool Vendors in Social Software and Collaboration, 2013’ report. Gartner classify Cool Vendors as ‘innovative players in the collaboration and social software space, emerging to address specific gaps in the offerings from the more established vendors or breaking new ground in creative ways in the social media space’.

It was a major accolade that came slightly too late to affect the attempted sale of the business but tied in nicely with our marketing emphasis on thought leadership in the collaborative document review and co-authoring space. Part of thought leadership is inventing new terms and descriptors for what you are trying to address. We coined the term ‘The Document Workload’ and started talking about ‘the increasing document workload experienced across businesses’.

The objective was not only to speak the analysts’ language and keep on their radar. It was also to establish ‘clear blue water’ between PleaseReview and other mark-up and annotation technology. The market was not standing still. Documentum had a new interface ‘D2’ (announced in late 2011) which included a basic review process and, whilst we didn’t believe that it met user requirements, it was, a bit like SharePoint, another FUD factor in the sales process to the Documentum customer base. SharePoint was a perennial thorn in our flesh and we were increasingly coming up against Brava from IGC[35] which provided a sophisticated annotation technology. The IGC cost per seat was somewhat lower than ours therefore we had to justify the price premium of PleaseReview.

The distractions of the year and the switch to ARR certainly showed on our top line growth in 2013. The 2013 results press release[36] noted a fairly poor 10% growth in ‘top line’ revenue but a 25% increase in ARR. We’d secured 21 new corporate clients. The Life Science sector continued to be the

[35] Informative Graphics Corporation was acquired by Open Text in 2015.
[36] It’s on the WayBackMachine here: https://tinyurl.com/y9gcwx8a

largest business area accounting for 80% of sales whilst North America remained the largest geographical sector representing 66% of all sales. This relative reduction in North American sales was due to a couple of large European wins[37] although, from a communications perspective, we packaged it up as 'expanding our presence in European countries'.

2014 - 2016 Going for Growth

It's hard to explain how busy life is running a growing software company. Bear in mind I was doing most of the sales, the product management and anything else that needed doing. Travel was a key factor. My blog in July 2014 recorded that I'd personally attended eight conferences in the previous six months. These would have all been in different parts of the USA and, by this stage, it was not uncommon for me to visit America up to fifteen times a year, our Malaysian team at least twice a year and let's not forget the odd European trip.

Clare was also at capacity. Officially working part-time, she was dealing with all the finance, legal contract negotiation, HR and admin with, initially, no help. Add to that the fact we were starting to outgrow our offices and desperately needed larger premises (her department), we were both working flat out.

Now we had a recruitment drive on. In many ways it was about time as the business was being constrained by our capacity. The idea was that, short term, the recruitment drive would add to the pressure but longer term it would allow us to delegate. If it had ever been a lifestyle business, that phase was over.

The recruiting challenge for a small, growth company like PleaseTech is to consider both the immediate need but also the need in the longer term, where the longer term may be only 12 or 18 months away. Do you try and get an experienced 'senior' manager and then rely on them to get their hands dirty doing the job for the immediate requirement or do you go for someone who is proven at the job but without management experience in the belief that they can grow with the company and into the management role.

For example, let's take the Sales VP role for which we were recruiting. We needed someone with sales team management experience but also someone who was able to do the hard yards and start by closing business themselves whilst building a team. It is very important to get the right person as the overhead (both emotional and financial) in letting people go is very high.

I didn't have a great track record in recruiting sales staff, especially senior sales staff. I knew I couldn't afford to mess up the recruitment of the new Sales VP so I contracted an external Sales Consultant (an ex colleague from CDC days) to sort out the wheat from the chaff and help in the interviewing. I'm pleased to say that, between us, we called it correctly and Barry Lyne joined on 1st July.

Barry is a senior guy of a similar age to me and had run his own business, so he knew the ropes and clearly had experience of running a sales team. He also was able to get his hands dirty and wasn't in any way fazed with our cramped offices and his lack of a phone line let alone an office. My major concern during the interview process had been that he'd find it hard to work for someone else

[37] Most of the companies we were selling to were global. Therefore we had a simple rule on to which geography we attributed the revenue. It was the geography from where the purchase order originated. Thus we may have met the client in the USA, done a majority of the selling in the USA, etc. but if the PO came out of Europe it was a European sale.

having run his own company. He had managed to allay my fears in this respect and we established an excellent working relationship.

We'd had a good first half of 2014 gaining fourteen new corporate clients from a range of industries. Part of our strategy was to expand into other market sectors without losing focus on Life Sciences. Barry enthusiastically endorsed this strategy and rapidly identified the legal market as being full of promise. I advised caution explaining that I'd dipped my toes in the water there and it was a difficult nut to crack. Such was his confidence that he was adamant. So we agreed a small wager; £1 each went to a neutral third party and, if he managed to sell to a legal client by the end of the year he'd get the £2, if not, I would. I'm sure everyone understands that the one pound coin was a manifestation of invaluable personal pride. Who was right? I was. At the end of the year I retrieved both pound coins with a big smile on my face and rarely let him forget it[38]!

Our focus on raising ARR was influencing sales. My July blog posting recorded that, in the first six months of the year, we had moved from historically around 25% of new clients going for our cloud services to around 50%. This, of course, did absolutely no harm to our ARR!

The recruitment drive was causing us all manner of office issues. Sometimes we gave the impression of cornered rats fighting for space! We were desperate to move and had been trying to secure new office space since the middle of 2013. The problem was that, in the small market town in which we were based, there wasn't much available. We wasted quite a lot of time on one option which in the end was converted to housing. We eventually found a suitable three story office which required major refurbishment (yet more pressure on Clare), and moved into our new premises in October.

In discussing business growth it's very easy to forget the practicalities of expansion: Office space, infrastructure, PCs, telephones, etc. These have relatively long lead times, suck up a huge amount of effort and it's important to have someone competent dealing with them as they can be expensive to get wrong.

The 2014 results press release[39] reported a 25% sales growth with 36 new corporate clients with ARR having increased by 35%. The Life Sciences sector accounted for 65% of orders and the release noted that this was a lower total as we had a greater sales volume in other sectors, notably Defense, Engineering and Government. North America remained the largest market representing around 75% of all orders. The press release also focused on the new partner relationships we'd established in the year, noting that several partnerships had been forged.

Partnerships with bigger companies are vitally important to a software company such as PleaseTech. The partners provide an established client base which are, by definition, prospects, have user groups meetings which these prospects attend and an ecosystem off which you can leverage.

Our position on integration was very straight forward, if we thought it would be in our interests to undertake an integration we would develop one. However, our development capacity was strictly limited and the developments were complex so we had to pick and choose our integrations carefully. When approached by smaller competitors of the bigger companies (i.e. those aspiring to have a similar client base), we'd sign them up as our partners and assist them undertake the integration themselves by providing documentation, advice and guidance.

[38] And I'm not letting up now!
[39] It's on the WayBackMachine here: https://tinyurl.com/ya4lmsnb

It is tempting to sign up everyone who approaches you. However you soon learn that even providing advice and guidance sucks resource and it's important to you that the integration is done well. You don't want them out in the market showcasing your software with a poor integration. First impressions tend to linger in the client's mind!

Our relationship with Microsoft was always interesting. We were a Silver Partner and had a SharePoint integration (which, as previously noted, we positioned as an enhancement) but were competitive in so far as Microsoft couldn't understand why anyone would need PleaseReview if they already had SharePoint. The Microsoft staff we met on the conference circuit were dismissive as if, by ignoring us, we'd go away and SharePoint would suddenly see a massive rise in user acceptance[40]. None appeared to be interested in why we were so successful!

As we moved into 2015, the new functionality of Microsoft Office 2016 and SharePoint 2016 was awaited with anticipation. We knew that enhancements to the co-authoring were to be released and we were somewhat relieved when Microsoft went down the 'real-time co-authoring' route. In simple terms, it meant that, when two or more users open the same Word document from SharePoint (or from OneDrive), they were able to co-author with others in real-time. This meant that each user was able to see the cursor location and text edits made by the other users automatically appear as they happen.

Microsoft clearly had Google's Google Docs in their sights as this functionality had been available in Google Docs for a while. This enhanced functionality[41] split the pack when it came to press reporting. Some thought it brilliant others were less impressed.

We were quite happy. None of our clients wanted this simultaneous editing which we already positioned, due to the Google functionality, as 'uncontrolled co-authoring'. As my blog addressing this new release put it: '*This means anyone can materially edit anywhere in the document. I can delete your stuff, you can delete my stuff and we can all gang up on poor Fred and delete his stuff. No traceability, no accountability, no responsibility.*'

Our clients wanted control, traceability, accountability and responsibility, which is precisely what PleaseReview provided in a simultaneous mark-up environment. So no technical threat but, as ever, the marketing FUD needed to be addressed.

We positioned SharePoint as fine for casual, light usage if you have a small team of trained, rational and courteous users. We all have those, right? Conversely, we suggested that for 'industrial strength' document review and co-authoring you needed PleaseReview.

In other areas 2015 was a massive year. We announced a relationship with OpenText under which they would resell PleaseReview as an optional module for Content Server. We finally retired PleaseCompose[42] (i.e. removed it from the website and any promotional material) and disrupted the development team with the introduction of the Agile development methodology.

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[40] Early 2015 saw a number of analyst reports on SharePoint adoption or the lack of it. AiiM's report (available behind a paywall here: https://tinyurl.com/y6w6kxtq) reported that only 11% of organisations had been successful in their use/deployment of SharePoint but the majority (63%) hadn't.

[41] In Office 2013/SharePoint 2013 if you edited a paragraph, that paragraph was locked out for other users until you'd saved. Your edits to the paragraph were then visible to the other users upon a refresh.

[42] I had always tried to prevent us being a 'single product' company however I came to realise that each integration with ECM/eDMS platforms was a separate product with its own life cycle and which needs to be

The introduction of Agile was fraught. We'd recruited a specialist Agile development manager and he set about trying to implement this process which I had been assured was the new holy grail of development. Rather than increase productivity it seemed to kill it. The 'constant velocity' talked about in Agile seemed to be a sedate stroll rather than a more acceptable sprint, which is what they called work packets. I came extremely close to cancelling the whole project and I think we all learnt a considerable amount. I do address my thoughts on the Agile methodology and how to introduce it in the main book.

We'd also invented a marketing stroke of genius, The Microsoft Word Masterclass. The background was that we were keen to get speaking engagements at the conferences we attended for the added kudos. You'd have thought that, as a recognised thought leader in the area of collaborative document review and co-authoring, this would be easy! However, the problem was that, if we spoke about document collaboration tools, we'd have to mention our own product and that was against the rules as presentations were strictly non-promotional and mentioning your own product was considered promotion! What to present?

As luck would have it, one of the technical challenges we kept facing was that clients were able to really mess up Word documents when authoring them[43] and these documents were a challenge to represent correctly in PleaseReview. Therefore we needed to educate our clients on how to use Word correctly. Combine this with the amount of Word expertise we had as a company and, bingo, the Word Masterclasses were born. These Masterclasses enabled us to present at conferences and had the added benefit of educating our client base, they also made for great webinars. They were extremely well received and further established us as an authoritative source.

The 2015 results[44] reflected the sales team Barry was building[45] with a 40% revenue growth and 50 new corporate clients. ARR grew a healthy 27% with significant growth in cloud services. The Life Sciences market accounted for 80% of sales and North America 75% of all sales. Headcount grew by 40%. We were extremely profitable and had a healthy cash balance – especially as we were running out of office space (again) and therefore building a cash surplus in anticipation of being forced into purchasing a building to convert to offices - given the lack of available rented space in the locality. We didn't want a repetition of the cornered rat experience.

We went into 2016 with our profile higher than ever. Almost every week I was getting calls and emails from Private Equity Firms and VCs or Corporate Finance Advisors wanting to introduce us to the aforementioned organisations. These firms were mainly American and it was somewhat confusing as to what they offered. I certainly understood where the Corporate Finance people fitted but how was I to know how an 'AUM investment firm' was different to a 'buy and build' organisation and how were they different to a 'buy-and-hold acquirer'. I found responding politely to such approaches meant, as far as they were concerned, the start of a sales process and therefore ended up deleting a majority of the emails received.

As we hit the summer the motor was purring nicely. Our sales growth was, if anything, accelerating. The development team had bedded in the Agile process and our v6, a massive new development, was looking good. We had the development plan for the next couple of years nicely mapped out,

maintained and enhanced. We also supported various SAML2 providers and therefore had more than enough plates to keep spinning. PleaseCompose simply occupied cycles that were best used elsewhere.

[43] I won't bore anyone with the detail but there was a lot of direct formatting, hand typed references and tables of contents, layout using spacing not tables, poorly formatted tables, etc.

[44] The press release is available via the WayBackMachine here: https://tinyurl.com/yap5xpmw

[45] I address the way Barry created the team in the main book under the Sales chapter. It was very effective.

marketing was very busy with a whole range of projects including the v6 launch, our QA system was being improved and passing audits, the cloud systems were stable, the product was stable and so life was, on the surface, good.

However, Clare was under severe pressure as she couldn't recruit and train staff in her team fast enough to manage her department's ever increasing workload. I was beginning to feel that the company had grown to such an extent that I was too busy being a manager and not doing the frontline stuff I enjoyed. Over summer we took stock and decided we'd need to exit in the next three years. So the exit narrative was now quite simple; I wanted to be out by the time I was 60. That was in three years' time, 2019.

A further approach in the early Autumn was the catalyst which got us talking to various Corporate Finance houses whose collective wisdom was, if you want to be out by the time you are sixty, start selling now as it can take up to three years to sell a business and you have to consider earnouts and lock-ins, etc.

The Exit

Having made the decision to go to the market, we conducted a brief beauty parade of the corporate finance houses and decided to run with Alan Bristow and ICON Corporate Finance again. Why change the habits of a lifetime? The decision was not straightforward as we met with some strong competitors but, ultimately, the fact that ICON was local and extremely well connected swung the decision. We also spoke with three law firms before settling on one we felt comfortable with.

I address the choice of professional advisors and describe the exit process in the main chapters so there is little point in repeating the detail here.

As we prepared for the sale, Clare and I undertook a dummy due diligence process which we sold internally as a quality system audit/enhancement. Keeping the whole process secret was very hard in our open culture. Our offices weren't really that soundproof and the only place we could actually get some privacy was the conference room. It certainly helped that everyone worked from home on a Monday and Friday. Normally Skype, our main internal communication mechanism on said days, would give the game away via the online presence indicator but thankfully Skype was having one of its unreliable phases and we were able to explain away any noticed absences.

There was a decent amount of interest in the company, mainly from the USA, and we signed several NDAs[46] with interested parties. Just before Christmas we signed a Heads of Terms Ideagen plc. For confidentiality reasons I can't go into any of the detail here other than cover what is publicly available. The deal was announced via the London Stock Exchange ("LSE") on 23rd March 2017

Handling the announcement internally was a significant challenge that we messed up.

There was no guarantee that the deal would go ahead[47] until it was signed. It wasn't signed until after the markets closed on 22nd March. The problem we had was that the news was to hit the LSE the next morning at 7:00am.

[46] Non-Disclosure Agreements
[47] Corporate Finance people will tell you that deals can and do fall apart at the last minute.

Most of our staff were in by 9:00am but we had several who had a 9:30am start. We discussed this and decided that none of our staff would read the LSE news and that we'd take the risk and delay the announcement until 9:30am when everyone was in. Big mistake. We'd forgotten social media!

It soon became apparent that the word was spreading so we had to bring the meeting forward. We couldn't get everyone in the conference room and so had everyone who was in on the 'techie floor'[48] and were in the middle of the Q&A when the 9:30am staff started turning up. We had to ask them to wait in the conference room whilst we finished with the majority and then address those, by then somewhat nervous individuals, in the conference room. Then, of course, we had the Malaysians to consider.

Looking back at the process this was the bit I'm still wondering whether we could have handled better. However, I'm struggling to see what we could have done differently. We couldn't ask people to come in early as they had family commitments (i.e. dropping kids off at school). Besides, we'd have had to call all these people the previous night and demand they came in early without telling them why. This may have led to a sleepless night rather than twenty nervous minutes in the conference room.

The deal completed a week later on 28th March 2017. And, in case you are wondering, yes, 'completed' means we got the main part of the cash in our bank accounts! Clare and I then started a six month earn out working part-time. By the end of September we were no longer involved in any part of the business.

I'll finish with an extract from my post acquisition public blog post[49]:

You may have learnt by now that on 23rd March 2017, Ideagen Plc announced its acquisition of PleaseTech Ltd.

Ideagen are not just acquiring an outstanding product in PleaseReview, they are also acquiring a superb team which has created PleaseReview and marketed, sold and supported it across the globe - underpinned by a highly organized and professional administrative function. No company can be successful without a dedicated team behind it. At PleaseTech we have such a team.

PleaseReview is a globally unique leading edge software product for which our clients regularly express 'love'. Coupled by our commitment to customer service it was a rare month when we didn't receive a client email thanking the support team for their exceptional dedication to duty.

My personal philosophy has always been that 'if anyone who works for us couldn't walk out the door and get another job tomorrow, why were we employing them?'. Needless to say, I believe that everyone who worked at PleaseTech would be a massive asset to another company. The lucky company which inherits them and their exceptional talents and standards is Ideagen.

You may be thinking why now? Why Ideagen? What does it mean for me? I'll try and answer those questions below.

When the founders (Clare and myself, and then rapidly joined by Tim and Jason) embarked upon PleaseTech, we hardly dared believe that we'd create a product and company which would be as successful as PleaseReview and PleaseTech. PleaseReview is in use by over 70% of the largest global

[48] The floor on which the technical staff were located and which was had the largest floor space
[49] At the time of writing this is still available at blog.pleasetech.com even though the main pleasetech.com url is redirected.

Pharmaceutical and Biotech companies, as well as a number of major Defense companies, the US Navy, the United Nations and many other very large and not so large companies and organizations. Many of these clients consider PleaseReview as 'mission critical' and PleaseTech as a strategic supplier. PleaseTech has remained profitable with a positive cash flow. All this from a small British software company. Trust me, as entrepreneurs, it doesn't get much better!

During the company's growth, we have recruited an outstanding team (both in the UK and Malaysia) and had a lot of fun on the way. The UK Christmas parties (held in January) are legendary.

However, as the company grows, it moves out of the start-up phase and into a growth phase. This means it needs different management skills and approaches and that's not necessarily something a start-up team has. We needed to recognize and accept that the founders are not necessarily the best people to move the business forward to its next phase of growth.

So, as we move into a global growth phase, now seems like a good time to pass the baton.

We therefore pass the baton proudly onto David Hornsby and his team at Ideagen. We have worked with them over the last few months and been impressed with their ambition, organization and potential. Ideagen is a complementary business (we have many similar and even common clients in different areas), is British (this helps with the cultural fit and therefore helps our staff assimilate) and Ideagen's size and growth trajectory provides our team with career opportunities that PleaseTech as a standalone, organic growth business couldn't possibly hope to offer.

Ideagen is growing rapidly and putting together a great product portfolio. The company has great plans for PleaseReview and, I've no doubt, they will continue to provide the investment and support necessary to maintain PleaseReview's market leading position as it sets new standards in usability and functionality.

So, for employees, we see increased career opportunities and the benefits that a rapidly growing UK quoted company can provide. For clients, we see extended reach, further investment and a great home for their mission critical solution. We look forward to our partners continuing to work with the team to provide integrated solutions for mutual clients.

Postscript

I'm not certain I'd recommend starting a company on the basis of the assets of a bankrupt software company - although it seemed like a good idea at the time. In retrospect, one can argue that the reason it seemed a good idea was that it gave me a tangible focus and something to do. There is little more depressing than sitting in one's home office wondering what to do next with your life when you are only in your early 40s. I guess, that there was also a naïve belief that my marketing and sales knowledge/focus could make the Kcentrix Suite a success where others had failed.

We certainly could have done the initial Kcentrix years considerably cheaper. If I'd replicated the early lean and mean CDC years the personal cash outlay would have been significantly reduced. In wondering why I didn't, I can only assume it was because I'd come from a high spending venture capital environment and had grown used to large budgets.

On the positive side, no-one can say I didn't throw everything at trying to make it work and, who knows, in a different economic environment there may have been a different outcome. I strongly suspect that the outcome would not have been as good as the one we got with PleaseReview, but, again, that is pure speculation.

The key lesson I took from the early years was that 'if it isn't causing pain no one is going to spend money on it'. No one is going to spend money on 'niceties', especially not when the targeted areas don't contribute to the company's revenue and are therefore generally considered necessary evils.

If every journey starts with a single step then leaping into Kcentrix with 'both wellies' was the step and the journey led to PleaseReview which was, I'm sure you will agree, a great destination. Could I have got there without the Kcentrix step? I don't know. It was the Kcentrix focus that pulled in Tim Robinson and set in motion the process which would lead to the development of PleaseReview.

Why was PleaseTech such a success? You'll no doubt have formed your own opinions. However, I think it comes down to four key areas:

1. PleaseReview addressed a critical business need which caused users a considerable amount of pain and which was extremely technically challenging to get right. This meant that while there were other (less efficient) ways to review documents, we had no direct head-on competitors.

2. We built a product suitable for both on-premise installation and available as a cloud service and only targeted business organisations. This meant that we had an offering for every organisation and we didn't waste cycles on low margin business.

3. We had an extensive API and developed integrations with key industry players. This meant that we could latch onto their ecosystems without being beholden to any one of them. It also meant second tier players could integrate with us and were not left out of the party. All roads led to PleaseReview.

4. We provided a very high quality product and backed it up with ultra-high quality customer service. This meant that, in the fairly incestuous Life Sciences market, we had a very good reputation[50] which we worked hard to maintain.

There are, of course, many ancillary reasons we succeeded: We built a great team[51], we managed the business well with a high degree of administrative efficiency, we had relatively low development costs thanks to Malaysia, we had some unique cost effective marketing ideas, we were friendly and open and 'played with a straight bat' meaning clients and partners found us easy to do business with. I could go on.

A number of other vendors in the Life Sciences industry expressed surprise and not a little admiration about how PleaseReview appeared to be ubiquitous. All roads led to PleaseReview. How did we achieve this?

Well, we worked very hard and spent our lives on transatlantic flights in the recognition that no one was going to beat a path to our door. The partnerships helped tremendously, especially the Qumas partnership, as they acted as an additional sales force extending our reach well beyond our own

[50] Around 2012 I took a call from a new prospective client in a large pharmaceutical company. It transpired that the lady in question had spoken to five of her industry contacts (all of whom had said nice things about us) prior to making the call. If our reputation had not been pristine the call would never have been made. I regularly reminded the whole company of this true story as an example of how critical our quality and support efforts were to the overall marketing and sales effort!

[51] When interviewing prospective members of staff, I used to describe PleaseTech as a company where bright, intelligent people who liked a bit of banter enjoyed working with other bright intelligent people who liked a bit of banter.

capabilities[52]. We had a network of CDC alumni who helped us in many ways and to whom I remain forever grateful. We had an offering for all levels of the market from the smallest to the largest organisation[53].

However, the key point is that a business can have all these ancillary aspects and still not succeed. In the end, it's probably as simple as the fact that we had the right product in the right place at the right time with the right team.

Reference Links

I've given references throughout this book and the links mostly use TinyURL.com. I've used TinyURL.com for many years without an issue. For those who want the full URLs, they are available on the website. Simply go to the reference links page and use your browser's find function to locate the TinyURL (or part thereof – just the seven digit code will be fine) and you'll find the full link. If a reference link is broken or completely removed (as one or two have been over the last two years) please let me know and I'll update the site to note this and provide a replacement if possible.

Discussion and Feedback

If you'd like to argue with me/agree with me/ask a question, please feel free to come on over and join the LinkedIn Software Company Book Group where I will happily enter into dialogue, respond to points of order and encourage others to weigh in with their tuppence ha'penny worth.

[52] There were a number of occasions when PleaseReview was introduced to a company by Qumas and, whilst Qumas didn't get the deal, we ended up making a sale. Thanks chaps!

[53] The entry level SaaS system was always marginal in terms of return. However it meant that when people who had used PleaseReview in big pharma and then moved to a small biotech start-up asked us if they could afford PleaseReview in their new company, the answer was always: yes.

