

DEFINING QUALITIES

Interview with
ALISTAIR HANCOCK
CHIEF EXECUTIVE
RUBICON SOFTWARE

PMW | Partridge Muir & Warren

CHARTERED FINANCIAL PLANNERS

In a series of interviews with Simon Lewis, chief executive of Partridge Muir & Warren, owner-managers consider their approach to business and the specific qualities which deliver sustainable success.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.

"MY STAFF - ARE THEY HAPPY? Then my customers - are they happy too? "It's always about doing the right thing by people, asserts Alistair Hancock, chief executive of Rubicon Software, " because then the money will look after itself."

If it's not such an unusual attitude to business today, it would have been thirty years ago when he started the company, which provides bespoke software, as a nineteen-year-old computer science undergraduate.

He's taken a step back now to "recharge the batteries." Hancock explains: "For the first time I'm not trying to control all the outcomes as well as drive the business. I have the luxury of being able to spend time looking at the potential offered by new technology - particularly artificial intelligence - without putting myself under the pressure of delivery."

As he points out, new technology can turn out to be "like magnesium; it burns bright and then goes out quickly." There are times, he says, that an entrepreneur has to "put a cold towel on their head" and try and work out what's next for their business. "You start by picking something coming down the tracks which you think is going to be huge, but then you have to roll the clock forward and imagine what that is going to be in two or three years' time. And then what's next? It's

like leapfrog - identifying what's going to be big after this next thing turns out to be big!"

And that, he believes, will enable an already successful business to continue to grow revenue and profit. "I'm absolutely sure that over-delivering to customers and staff will enable us to survive long-term," he smiles. "For Rubicon it's about having an environment where really smart people can do really clever things to give a few, carefully selected clients an enormous competitive advantage in their sectors."

Which is why Hancock has kept on more people than the company probably needs, with a view to being "refreshed and ready to go" for that next opportunity, rather than "tired and burnt out." He adds: "It also means I have a runway to freewheel, but it will feel more evolutionary than revolutionary."

Rubicon's original focus in the late eighties was customer relationship management systems before moving into writing software for banking, with Hancock reasoning - perhaps not entirely correctly as it turned out - that it was a sector that would "never go bust."

Things went so well that he floated the company on the alternative investment market in 2006. "Floating felt like quite

an achievement; not many people start a business at university and then take it to the AIM. I saw it as a way to differentiate ourselves from other software houses. But we probably shouldn't have done it," he says with hindsight. "We were too small and there was little appetite for businesses of that size. And I didn't have that much business experience. I'd never had a 'proper' job; all I had known for sixteen years was my own business. On AIM we became just a vehicle for other organisations to take a fee income."

AIM was an "arduous process" and things didn't get much easier, given the economic conditions at the time. When, in 2008, their biggest customer, Merrill Lynch, got into trouble, Rubicon lost three-quarters of their income in four weeks. "I had to let a lot of people go, which was truly painful," says Hancock. "And we had to report to the City saying we already knew the figures would be bad but they would actually be much worse than that. When you're in the public domain that's not very pleasant; there's nothing worse than an incessant need to report things you have no control over; it just makes everyone react badly."

By the end of 2010, liquidity and trading issues meant Hancock nearly had to suspend trading in the shares. He even had to pay for staff's salaries on his personal credit card. Eventually

he did a buyout to take the company back into private ownership. "I never set out to do things the easy way," he sighs, comforting himself with the American saying that until you have failed you don't know how to succeed.

With that hindsight, would Hancock ever float a company again? "The only way I would do that would be by taking a whole series of stepping stones towards that outcome, and that seems enormously unlikely," he replies.

"And how would putting my staff and customers first and my thinking fit with the number one responsibility of a public company CEO being to the shareholders? I can't see how that would play out, or why I would want to flip from having a nice business with a great team of people that love what they're doing, to making it all about someone else's money."

He makes the point that most people's definition of success is aligned to finance and scale. "But if success is being able to wake up when you want to, come to work when you want to and do what you want to, I don't suppose there's anyone more successful than me."

Rubicon's strapline from the early days has been: "We get computers to do what they are best at so people have

more time to do what they are best at." "It's a philosophy that was very aligned to that of Microsoft: empowering people to be the best they can be," says Hancock. "I completely buy into that. In about 2010, we decided to align with Microsoft from a technology perspective. They were all in for the cloud and I could see that small businesses like mine could use cloud solutions at scale."

Hancock has been involved with other businesses along the way. Notably, Rubicon built the technology for solar energy business Segen, in return for a share of revenue. Hancock says Segen owner Andy Pegg is "a genius with a phenomenal work ethic and a brain the size of a planet" and the collaboration was a "fabulous new opportunity" at a time the solar sector was growing fast because of government support.

"Until the government cut the feed-in tariff in 2011, we did really well out of it," says Hancock. "The solar world has been a rollercoaster ride but as there is a direct correlation between Segen's success and our future income, we have an incentive to make the right long-term decisions."

Another collaboration has been with online loan start-up Auden. Hancock joined as chief software architect in April 2014, with the Rubicon team developing

the technology platform. Hancock did a hand-over to Auden's own people following the launch in 2017, but he still has a large stake and is hopeful of its long-term success.

"We are actually a people business," Hancock says. "I strongly believe you can only be as successful as the cleverest person in the room when it comes to software creating a competitive advantage. There is a glass ceiling when it comes to innovation: being able to imagine a 'new way' and also understanding what it takes to breathe life into it is where competitive advantage is won and lost."

Hancock says he's in a good place. "I have a much better work-life balance than I used to. So when do I get to the point where I will say I'm done? I'm only forty-nine and I stay very relevant and current with IT and I still love writing software.

"I don't believe that computing is a young man's game. There is a belief that if you don't make it in your twenties it's too late, whether in business or academia, but actually there can be a snowball effect to success. It gets easier to pick good IT with experience.

"There are times when I have been accused of being arrogant but I would say

no, it's actually confidence. Arrogance is unproven self-confidence. Having started my own business at nineteen, I have accumulated enough experience in thirty years to know the difference.

"But what really matters is whether your customers and staff are happy, that you're doing the right thing, making a difference and enjoying the journey."



With a heritage of nearly fifty years, the chartered financial planning and wealth management company Partridge Muir & Warren Ltd (PMW) see themselves as both guides and guardians to their clients. Their default position is one of conservatism, with the majority of their clients seeking a consistent, competitive return on their capital, which is why the average current client relationship lasts nineteen years.

PMW provide four specific services:

Wealth management is their core service, to which the majority of our clients subscribe, incorporating an in-depth assessment of circumstances and goals, the creation and implementation of a bespoke financial strategy and a formal process of ongoing review of investments and reassessment of overall strategy.

The financial planning service delivers a rigorous singular process that identifies individual client needs, confirms client priorities and sets out a specific bespoke financial solution.

The investment management service is designed for those that feel comfortable to assess, without receiving advice, the suitability of a service which their needs and choose to benefit from PMW's approach to investment.

For clients who wish to ensure their wealth is protected and that their family are financially supported should anything happen to them, the trust and estate management service covers all aspects of essential estate planning, such as the establishment of wills and powers of attorney, making the most of exemptions, giving away excess income, and creating trusts.

www.pmw.co.uk
mail@pmw.co.uk
Tel: 01372 471550

Report researched and published for
Partridge Muir & Warren
by DECISION magazine
www.decisionmagazine.co.uk