

# LEAP 100

City A.M. has teamed up with Mishcon de Reya and other expert partners to identify 100 of the most exciting, fast-growing firms in the UK. They operate at a range of scales and across many sectors, but all are in the process of making the leap to the next level in terms of revenue. We will track the challenges and hopes of this brave and economically vital group, sharing the collective portrait that emerges on this monthly page and at [cityam.com/leap-100](http://cityam.com/leap-100)

## Chieu Cao wants to revolutionise workplaces, starting with his own

Sophie Jarvis



**C**HIEU Cao, co-founder of Perkbox, is on a mission to transform the workplace. First stop? His own business. Perkbox is an employee benefits platform currently used by over 500,000 workers across the UK.

Launched in 2014 by Chieu and Saurav Chopra, it is the fastest growing employee benefits platform. At a recent Leap 100 breakfast, Chieu set out how employee incentives are both his business model and his business strategy.

Perks are a key component of Perkbox's culture, but it's not just about being nice. He believes they "give you a competitive advantage, by selling happiness in the workplace. If you want to be successful, you have to understand the drivers of productivity."

Chieu has observed how employees use their perks with co-workers, increasing social cohesion in the workplace: "we encourage teams to go for a coffee together and watch a movie as a team".

Chieu's mission is to create a world where a better relationship between employees and employers is more commonplace. "It all boils down to culture, our mission is our North Star". When it comes to hiring and firing, "the culture is more important than the individual".

He wants workplaces to be seen in a positive light, rather than a ball and chain pervading employees' home-lives. "If you get a discount, you can give it to your wife or husband. When you go out shopping, they may ask where it's from, and a conversation



happens about how great your work is," he explains.

The majority of Perkbox's employees are millennials. Chieu thinks culture and the learning process are more important for them. "Corporate values matter to them a lot more than previous generations. It's really important. They want to know why we exist as a business."

As such, like many Leap 100 companies, Perkbox takes its stated mission and values very seriously.

On giving equity to employees, Chieu found that "it can mean a lot to a lot of people, but it can also mean nothing to people who don't know about that space, so you have to educate them on the long-term value of equity."

The next step for Chieu's vision in improving the employee-employer

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relationship is to build a real-time survey app that allows employees to communicate how they feel about their job on a daily basis.

Chieu wants to create more transparent offices and move away from the traditional surveys carried out by HR.

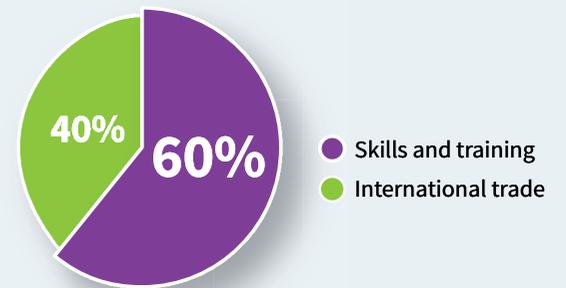
He wants to "democratise communication" so that employees can voice their concerns, and their needs. It also means that managers are held accountable for whatever's wrong.

Chieu's vision for Perkbox goes beyond perks. "We're not just here to sell products, we're here to improve your culture and how you operate with your employees." He is a boss who practises what he preaches.

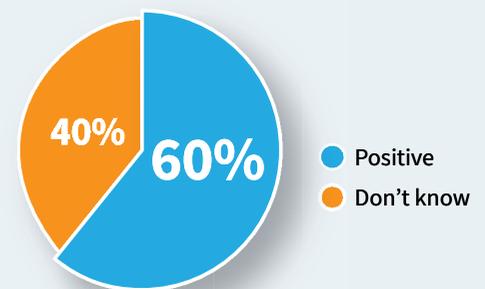
*• Sophie Jarvis is research associate at The Entrepreneurs Network.*

### LEAPPOLLING

What would you like the government's priority to be in 2018?



In general, do you think 2018 will be politically positive or negative for your business?



### TOP RESPONSES

"We need to continue to build a high-skilled economy where quality candidates exist for quality jobs."

**AVIN RABHERU FOUNDER AND CHIEF EXECUTIVE** HOUSEKEEP

"A boost in international trade is the best way to mitigate Brexit uncertainties and pave the way for a successful deal."

**DANNY LOPEZ CHIEF OPERATING OFFICER** BLIPPAR

## Equity-able treatment for a millennial workforce

**T**HE MILLENNIAL workforce gets a bad rap. But while millennials may have different expectations to previous generations, their ambitions can be harnessed so that both employers and employees benefit.

The normal scenario – where you work your way up the career ladder by ticking certain boxes – is being overturned. Management is increasingly expected to be flatter, and employees want to be treated as equals with more influence over the business.

There are many ways founders can meet new employee demands for more respect and inclusiveness, but one of the most effective is offering equity. After all, it doesn't get more respectful and inclusive than giving away a little of your company.

MISHCON COMMENT

Stephen Diosi



For millennials to be inspired by equity, it's essential that its value is communicated properly.

Equity can't act as an incentive unless employees understand how the value can be realised.

Over the past few years, expectations have risen for benefits of this nature, particularly when the entrepreneur of a growing business is bringing in someone senior from a listed

company. This has percolated down to questions about incentives for all staff.

Equity can act as the cement for businesses looking to build an ownership culture. Enterprise Management Incentives (EMI) Options are popular, but the moment for Employee Ownership Trusts (EOT) – exemplified by John Lewis – has arrived.

There are significant tax benefits with EOTs. A founder can sell their shares tax free into the trust, and employees can be paid tax-free bonuses of up to £3,600 per year.

A lack of external financing may have held back this structure since its introduction in 2014, but over the past year we have started to see this change.

The support for EOTs is strong. While not right for every firm, it really puts ownership into employees' hands.

Motivating employees of different seniority requires different approaches. The senior leadership team are often best motivated by the bottom line, but further down the company, incentives could be more effectively linked to sales targets.

Bonuses aren't necessarily considered to be the effective motivator of performance that they once were.

Employees come to expect them, and anything less than what is believed to be deserved is demotivating. Some businesses are going as far as scrapping staff bonuses and instead adjusting salaries.

Another area ripe for change is the gig economy. The government has done a lot to help traditional firms incentivise employee ownership, but there is a disconnect for workers in

the gig economy and the need for incentives, including tax breaks. EMI, for example, can only be given to employees. There's a strong case that this, together with other tax efficient incentives, should be extended to the gig economy to reflect a newer, more modern way of working. This also ensures that the UK retains the best talent, whichever workforce model they are part of.

Millennials want a stake in their future. If business owners want to attract and retain the best and brightest to ensure their company has a bright future, they may need to give away a little of their stake in the present.

*• Stephen Diosi is a partner in the employment department at Mishcon de Reya.*

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## LEAP COMPANY SPOTLIGHT

### NOTONTHEHIGHSTREET

Notonthehighstreet was founded in 2006 by Holly Tucker and Sophie Cornish around a kitchen table in South West London.

In the early days, the company worked in partnership with 99 local businesses. But after 12 years of exceptional growth, the company now connects 3m customers to more than 5,500 creative small businesses from across the country, all of which sell through the online marketplace.

Over the years, the brand has gained the trust and loyalty of its customers through offering an alternative to the high street: a curated product selection with unique designs, high-quality craftsmanship, and inspiring stories about the people who make these bespoke products.

Having a partnership with these small companies is at the heart of Notonthehighstreet, and its 200-strong team aims to connect creative businesses to the world.

Plans for 2018 include focusing on the technology behind the platform to ensure that Notonthehighstreet is the go-to destination for customers to find gifts for any occasion.

From personalised prints to jewellery, each product has a personal touch, which is made possible by the creativity of these British businesses.

# Let's make the most of British talent

**B**RITAIN'S got talent. This country's success is built upon a mix of unconventional innovators, plucky entrepreneurs and hard-working employees. But to make the most of this wealth of natural resources, we must ensure that our country has the skills to thrive.

The government already does a lot. Innovate UK, via The Enterprise Europe Network, offers free training workshops for innovative entrepreneurs in small and medium sized businesses.

These workshops have been developed for firms that have won awards in Innovate UK funding competitions, but there are a limited number of places open to similarly technology-led, high growth potential SMEs.

For startups, the first port of call should be their Local Enterprise Partnership or Growth Hub, and founders may want to draw on the lessons of their peers for best practice – something that the Leap 100 breakfasts aim to facilitate.

When it comes to talent and skills, we cannot rest on our laurels. According to the latest ScaleUp Institute Report, scaleups cite access

Gillian Keegan



to talent as the number one factor that will allow them to continue to grow, with 90 per cent saying that, without it, scaling will be harder.

And it's not all about coding. When scaleup firms were asked to force rank skills for school leavers and graduates, social skills topped business, management, tech, and finance skills.

I started working life at 16 on an apprenticeship scheme with Delco Electronics, a subsidiary of General Motors Group, in Kirby near Liverpool, moving around the company while studying for a Business Studies degree at Liverpool John Moores University.

This comprehensive and wide-ranging apprenticeship provided me with a foundation of skills and knowledge for my 27 year business career before entering parliament.

The ScaleUp Institute Report finds that eight out of 10 scaleups which offer apprenticeships said that they brought benefits to the firm, with those that didn't citing a lack of ability to find suitable candidates.

I have also invested in a venture capital fund focused on early-stage tech companies, so I know that finding the right talent to grow a startup business is mission critical.

This is why the All-Party Parliamentary Group on Apprenticeships, of which I am vice-chair, called last year for schools and colleges to provide better information as part of a reformed careers advice service that proactively encourages young people to take up an apprenticeship.

I'm also an officer of the All-Party Parliamentary Group for Entrepreneurship, which is currently seeking responses on how to improve enterprise education at universities.

A lot of great work is being done in higher education across the country, but we aim to ensure that best practice is better disseminated across all universities and colleges, so more students have the skills and

mindset necessary to be adaptable for the modern world of work – whether as an employee or starting their own business.

Teaching skills for a more enterprising workforce cannot wait until higher or further education, though. These should be imbued throughout every stage of education.

The Entrepreneurs Network, in its report A Boost For British Businesses, suggests moving forward with Lord Young's proposal to introduce an Enterprise Passport.

The Passport would accompany an individual throughout their education, encouraging pupils to engage in extracurricular activities, and acting as another way for UCAS and employers to assess candidates.

The Leap 100 is a remarkable group of high-growth companies. Their success is proof that Britain is doing something right – but as the demands of high-growth companies for talent and skills shows, more can be done. Our country's future success demands it.

*Gillian Keegan is MP for Chichester and vice-chair of the All-Party Parliamentary Group on Apprenticeships.*

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the status quo, challenge  
the rules and change the game.

*We should know.*

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