

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

The firm matching dogs with people who want to borrow them

A DOG is for life, not just for Christmas." Not any more, thanks to Rikke Roselund, founder of BorrowMyDoggy. As we discovered at a recent Leap 100 breakfast, now a dog can just be for Christmas. Or even a weekend. Roselund came up with the idea for BorrowMyDoggy on a summer's day in 2012, when she borrowed a brown labrador called Aston. She thought "why do people pay so much money for dog walkers and kennels, when people would happily look after a dog for free?"

Fast forward to 2017 and BorrowMyDoggy has over half a million people signed up. It provides a platform for dog owners and dog borrowers to meet. Once on the platform, you type in your availability, information about your dog, or yourself, if you're the borrower. You then browse your canine or human matches and take it from there.

The matching process is now carried out by an algorithm, but this hasn't always been the case. In the early days, Roselund matched people herself, introducing owners and borrowers personally. Obviously this wasn't sustainable, but through this manual approach she learnt how to build the platform around the needs of the customer, quickly finding out what worked. "Go ahead and test ideas before you actually invest your whole life in a new enterprise", she advises.

Roselund emphasises the importance of passion in every aspect of running a business, whether dealing with customers, employees or investors. She believes that the key reason owners want to lend their dogs isn't the financial saving of dog walkers and kennels - it's that they care about the dog's happiness and would like for it to spend time with other dog lovers.

Community is vital for Roselund, and she's still close to the early members. The BorrowMyDoggy network grew organically at the start, created between dog owners and borrowers.



Now, a lot of effort is being invested to keep the community alive through social media.

Roselund is touched by the lives that she is able to change through her business: when she started the business she was reduced to tears when a young girl was finally longing to spend time with a dog - Roselund's mother was allergic to dogs and they could not have one so she empathised with her the girl. And Roselund was beaming at the more recent news that a Great Dane was the ring bearer at a borrower's wedding.

Although emotion is at the heart of BorrowMyDoggy, pragmatism is key for the Insead MBA graduate. "Entrepreneurs don't fail because their idea is bad - they run out of money." Roselund is cautious not to expand too quickly. She doesn't have any intention

BorrowMyDoggy now has over half a million people signed up

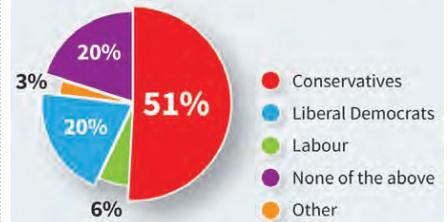
of moving into different animals just yet - although the firm did tweet on April Fool's Day that they were launching BorrowMyMicroPig. Some people took it seriously and it saw a spike of interest but, she jokes, there might be an issue on the supply-side.

In fact, matching the supply of dogs and the demand of borrowers is one of Roselund's biggest challenges. But through her Kanine Councils - in which employees report members' feedback - she is able to react more closely to demand.

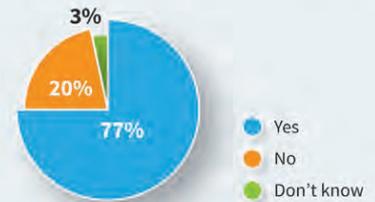
"Neither a borrower nor a lender be; for loan oft loses both itself and friend," said Polonius in Shakespeare's Hamlet. Perhaps BorrowMyDoggy would have given the king's counsellor paws for thought.

LEAPPOLLING

Which party do you think has the best policies for supporting fast-growth businesses?*



Are you concerned that Brexit will distract from the domestic policy changes necessary to support British startups?*



TOP RESPONSES

Government doesn't understand the changing shape of the high street from a retail environment to services and experiences. We need less red tape

Robert Roland co-founder BOOM Cycle

GThe government must be clearer on Brexit. The information my European customers have is that nobody in the UK has a clue what is going to happen - and this is leading to extra caution in dealing with us

Philip Ellis co-founder Blaze.cc

Why passion can only get you so far in business

PASSION is the driving force for starting and planning a business. But it's not the only thing that keeps it going: it needs to be aligned with the rules of engagement. Rules of engagement will ensure that, when the going gets tough, the business has a clear protocol of actions and priorities. Alongside passion, it is this that will determine success.

In the heady days of starting a business, passion can blind you to the difficulties that may lie ahead, including those which may need to be confronted from the outset, especially if you are entering into a venture with a co-founder or joint shareholder.

There can be a temptation to be led by a spirit of optimism at the beginning of a new business journey,



MISHCON COMMENT

Larry Nathan

but this might not last forever. Founders are often reluctant to confront some of the more difficult issues which, if not resolved before the launch of the business, can lead to conflict at a later stage. In reality, there is never a better time to face the problems head-on than at the beginning.

Alignment of interests is the single most important consideration when

entering into business with someone else. Statistically, one in three joint ventures fail within the first five years. The reason most business relationships end in dispute is that people have different expectations as to what the future will look like. One may want to run a lifestyle business for as long as they can, while the other might want to exit within three years. It's easy to get caught up in the passion for the product or service, and ignore the bigger picture.

If the co-founders' relationship was built on their mutual passion for the business, it can be uncomfortable to discuss hypothetical situations which may appear doom-laden, such as what happens if the money runs out? Are the founders expected to contribute more? If so, how much? Or what happens if

salaries need to be cut temporarily? And what is the minimum period that each partner must commit to stay involved, and what are their respective responsibilities? Questions like these must be discussed in advance to avoid later resentment and eventual dispute. Most people are uncomfortable talking about money, but it's better to have these conversations upfront than in the heat of a crisis.

It is also vital that shareholders regularly review their business plan. The needs of the business can change, and so can the needs of the shareholders. This is how the lifestyle founder and the business founder can agree with how to move the company forward without causing resentment.

Focus is vital for any business, and asking the tough questions helps with

this. Only once you all have clearly in mind what it is you want to achieve can you set your course in an aligned direction. A newly-established business can often find that, once its model has been proven, the opportunities come thick and fast, which can be a counterproductive distraction. Clarity and alignment of focus will help keep it on track.

Rules of engagement may be the flipside of passion, but they can also complement it. They focus efforts and act as a roadmap for negotiating bumps in the road. It will never be the most exciting part of starting and growing a business, but it allows entrepreneurs to pursue their passions to completion.

Larry Nathan is a corporate partner at Mishcon de Reya.

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BLOOM & WILD

Online florist Bloom & Wild is known for its bespoke through-the-letterbox packaging – no dead flowers at the Royal Mail depot, and beautiful, unusual bouquets. Its app and website make it possible to order flowers in seconds. Between 2014 and 2016, the firm grew by 20x, and expects to double this year, with thousands of bouquets delivered every day. “I believe it should be a joy to send and receive flowers, but found that it was often a frustration. I thought we could harness technology and design to create a flower company that customers love,” says co-founder and chief executive Aron Gelbard. As a brand-led business, Gelbard says



Bloom & Wild can't simply rely on its marketing budget to grow faster. “You need to build people's trust. We're now starting to see people all over the UK really embrace the letterbox flower concept, and expect that to really help us scale.”

Brexit clarity is paramount for The Leap 100 – and not voting for Corbyn

AS WE approach its year anniversary, there's one thing front of mind for the bulk of The Leap 100 firms: Brexit.

“Get on with the negotiations” is the overriding message from the fast-growth businesses this quarter, with continued irresolution plaguing future decisions. “Potential customers are a bit wary to strike up new business with us because there is too much uncertainty in whether a deal reached will become logistically or economically unviable in two years,” says one respondent.

Further, concerns over maintaining good relationships following our EU divorce are worrying many of The Leap 100 firms. As one person says: “ensuring it remains as easy as possible for UK businesses of all sizes to trade with Europe and the rest of the world” is salient. “The domestic market is too small for many firms to reach the scale

that they need to compete internationally, and so ease of cross-border transactions and trade will be critical,” he adds.

The need to retain talent is also vital – and for many businesses that means unadulterated access to the bloc.

“All of our clients have a high percentage of European staff and it will make it challenging for them to grow at scale if they can't maintain their hiring at the same pace,” says one, when asked what government should do to ensure firms can scale up.

“Cut a deal in the EU negotiations to ensure the UK retains access to the top tech talent,” says another. “We have 57 nationalities represented and 46 languages spoken within our team – and that will suffer without access to EU talent.”

It's not all Brexit, however. Domestic concerns over the chancellor's proposed business rates hike are worrying some.

A few call for “reform,” with one respondent suggesting that “the government should look into making companies with a turnover of less than £250,000 exempt from business rates.” He says that “office space is very expensive, especially in London, and the added expense and administration of business rates during the start-up phase is a burden that new businesses would benefit from not having.”

But what about the General Election? A change in government could be a cataclysmic impediment for growing businesses. Out of the three main parties, The Leap firms are in line with national polling: 51 per cent believe the Conservatives have “the best policies for supporting fast-growth businesses.” And Jeremy Corbyn's well known anti-business stance shines through: more chief executives chose “none of the above” than the Labour Party.

Companies with a turnover of less than £250,000 should be exempt from business rates

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ELLIOTT HAWORTH

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