

THE REAL SECRET TO ADVANCED'S SUCCESS



Gordon Wilson, CEO of Advanced, shares how he and his team have been able to transform and grow the business since 2015 – and why they're so confident of more than doubling revenues in the next five years.

Advanced is one of the largest software and IT services companies in the UK, with revenues of around £350 million, almost 2,800 employees, and over 25,000 customers in the UK, Ireland, Australia, and North America. Yet we weren't always so big. In fact, there were some significant challenges on the road to getting where we are today.

In 2015, Vista Equity Partners (Vista) bought the company which is when I joined. At that time it was a very disparate business operating more like a 'Federation of Small Businesses' made up of 14 very independent, siloed businesses. It lacked cohesion and didn't have a common set of values.

By 2019 Advanced was ready for its next investment and so Vista re-invested and we welcomed our new investor BC Partners (BC), based in London. Today, our business is equally owned by Vista and BC.

Upon becoming CEO in September 2015, we set about the biggest transformation of any UK business at the time. We relocated, reorganised, recruited, and rebranded. We consolidated our office footprint, introduced a regular Net Promoter Score survey to check on the experience our customers were having and began to track product quality fiercely.

We created a platform for growth, focusing on cloud-based services and supporting our clients' digital transformation. The investment we received in 2019 really allowed us to kick start our M&A strategy and we began to engage in a series of thoughtful strategic acquisitions to build out the breadth of our offering and our capabilities including bringing top technology and top talent to Advanced. To date we have done 20 acquisitions.

I am immensely proud of our achievement. But there was something underpinning it all, without which we might not have been so successful.

In transformation, culture is everything

Without the right culture, any business transformation will fail – and what was Advanced's development from 2015 until now but a period of rapid transformation and growth? Your culture is everything. It's the foundation you build on. It's your guide during tough times. It helps you to align new teams from multiple acquisitions. It's also what attracts the best people to want to work for you.

About 12 months ago for example, we announced the appointment of Simon Short, the former Global Head of Customer Success for Salesforce, as our Chief Operating Officer. And in May this year Lee Perkins joined us as Chief Commercial Officer from Sage. We're attracting some amazing talent, and they're excited about our future. Experienced people of this calibre don't choose where they work based on salary; they can command top dollar wherever they go. It's culture and opportunity that creates that excitement and ambition in your people.



It was one of the very first things I looked at when I started as CEO at Advanced. That, and appointing my senior team. Once I had that great team around me, we brainstormed and came up with a set of six values we believed in – and still believe in. Today, these are the values that the whole company emanates every day:

1. To act as One Advanced – one unified organisation without siloes.
2. To Do The Right Thing – by our customers and each other.
3. Deliver Excellence - no matter what your role.
4. Be Fearless - don't always do what has gone before, be fearless and push the boundaries.
5. Execute at Pace – our customers businesses are moving just as quickly as ours and we mustn't hold them back.
6. Be Different Together – embrace diversity in our workforce and diversity of thought.

It's important not just to have values, but to make sure they resonate throughout your organisation, that your people resonate with them and want to live them. It's also important once you have these values to communicate them regularly and signal to those exhibiting these behaviours. Lastly, it's vital to keep reviewing your values. Times change, but your values shouldn't – they need to stand the test of time and ours certainly have – in fact, they have helped and guided us through a really uncertain and unpredictable couple of years.

We have though added to them. For example, value number six – “Be different together” – is one we added just 18 months ago. It's our way of talking about being diverse, inclusive, and equitable. To reflect this value, we now have six employee network groups for LGBTQ+, Women, Disability, BLM, Mens' Health, and Product Inclusion. That last one is very important, because we must always remember that our customers and users are also diverse, and as such have diverse needs and expectations.

In 2021, we also published our first ESG report which tracks our progress on Environment, Social, and Governance, as well as highlighting where we still need to make improvements. ESG is important to multiple stakeholders, from our investors, management team and employees all the way down to our customers and individual users.

How a strong culture helps make acquisitions more effective

Having a culture that our people and customers find motivating and attractive also acts as a sort of “backbone” when acquiring companies. This has been very important to us, as we've carried out 20 M&A deals to acquire companies since 2018 – some during lockdown where the integration was done virtually. As many of you will know, acquiring the business is the easy part. The trick is to acquire the right business and then to be able to integrate it effectively taking all the people with you on a really positive journey.

As a result of this culture and focus on strong values, a high proportion of those in senior leadership positions today came to us via these acquisitions, which is a testament to quality of talent and the power of a strong culture to help that integration.

In fact, our culture is not just about our people; it's also about our entire approach to business, which I like to characterise as thoughtful and strategic. This has been another reason for the successful integration of the businesses we've acquired.

Any companies we acquire must fit well into one of our key sectors. They must have high recurring revenues, be complementary to our product set, and preferably be SaaS companies. We don't buy any businesses until we're sure about the value they bring and that we are 'better together'.

How a strong culture drives growth

Another great result of a strong, motivational culture is the impact it has on growth. For example, although around 88% of our revenues are currently from the UK and Ireland, our business is growing fast in North America, where we have around 100 staff generating about \$35 million, and in Australia – a new market for us, where we have 60 staff generating around AUS\$13 – AUS\$14 million.

Product-wise, our most exciting growth is in SaaS subscriptions. Five years ago, we only had one SaaS product, whereas now we have 30. While Covid has helped convince the stragglers that cloud-based services are now a necessity rather than a luxury, it was still nice to see our early strategic decision to focus on the SaaS model really start to pay off. We finished FY2022 with 51% y-o-y growth in our SaaS business, ending up on about £81 - £82 million in revenues for the year.



As with most businesses, we had our share of hard times during Covid lockdowns, but this was another way that our strong culture paid off. We were able to stay focused and stay motivated even when we didn't know what was around the corner.

It was this camaraderie and professionalism that got us through Covid as a business with such strong results, with a stellar management team, and with the confidence that we're now in the position to grow to £550 - 600 million in annual revenues over the next three to five years. I have no doubt we'll reach this target, and that's down to the calibre of the team, around me, which is turn is a testament to the power of our culture.

How to foster a successful culture

If you want to develop and nurture a successful culture in your business, you have to be vigilant about it. Be clear about the sort of organisation you want and be sure to have people around you in your senior team who agree with you and are able to deliver on that vision. You can't do any of this alone, so it's vital above all to have that great team.

My leadership style here is no different to when I was running any of my previous businesses. I trust everyone 100% unless they do something to forfeit that trust. I don't stand any politics. I'm massively into having fun and celebrating our successes.

It's important that I and the whole team are super-approachable for any member of staff. There's no difference between me and a junior sales rep whose only been with us for a year.

When we talk about the importance of diversity and inclusion, we really mean it. Believe it or not, we don't ask for CVs. We use blind applications to help remove unconscious bias that you can have using traditional CVs. We have unbelievable internal mobility too. 65% of all positions in Advanced are filled internally.

You can see the results of this approach. In our executive team, there are three women and three men. Our operations board contains several people of colour and of different sexual orientation.

This stuff matters. Not only is diversity important, but so is being committed and doing what you say you'll do. There's nothing worse than making promises you can't keep in business or saying things just because you think you should. If you want to be successful, you must really commit and believe in what you're doing, because everything we do has an impact – on our colleagues, on our customers, on our families, and on wider society. That's why it's so important to do it right.