

Time to accelerate at UKFast

Leading cloud hosting provider UKFast took on minority funding from Inflexion in December 2018 to accelerate growth as the market shifts from on-premise to hosted services. The firm serves 5,500 SME clients and 200 mid-sized businesses from its offices in Manchester and London.

Inflexion were delighted to partner with the London Stock Exchange to host an evening for ELITE, a programme aimed at helping ambitious businesses to scale, during which Lawrence Jones, CEO and Co-Founder of UKFast, shared his journey.

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How did you come to set up UKFast?

A professional piano player, I initially started a business around music and entertainment as that was an area that I knew well. Its recurring revenue model was one I realised worked well and I would try to replicate in any future endeavours. Eventually I sold that business and I took some time out in the US. If that business taught me one thing, it's that I knew my next business needed this recurring revenue model.

You couldn't ignore the internet in New York in 1999, but when I came back to the UK it wasn't really talked about. It was clear that this was the opportunity. I met Gail, who was finishing her chemistry degree, and I roped her into helping me. We founded the business together, and Gail is now Managing Director and my wife.

What was the moment when you knew the idea would stick?

Like many startups, the early days were tough and we started the business with just £5k. Everyone can benefit from extra money but it's what you do with what you have that matters. We were working from the crack of dawn until midnight at the beginning. We worked very hard for our first customer and learned some extraordinarily valuable lessons along that journey. It took us about a year to get to 100 customers.

There has never been a magic spike in our growth. It's been slow and steady and I believe that's because we have a total focus on customer service, which means we keep our clients over time. It's led to steady, double-digit growth over 20 years.



Lawrence Jones MBE

Lawrence founded UKFast in 1999 with his wife Gail. He has since overseen its development into a 400-strong, £47m turnover business. His unique approach to growing the business was recognised in 2015 with an MBE from the Queen for services to the digital economy in 2015. Never one to sit on the sidelines, when

Lawrence recognised the threat of a growing technical skills gap, he committed to transforming technical education and redressing the gender gap in tech. UKFast now works with more than 60,000 pupils across 50 schools and universities in Greater Manchester and beyond.

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Do you have a specific approach to recruitment?

We brought in psychometric testing when we reached around 25 people. At the same time, we created our company core values with the help of an external expert. Consulting with the entire firm, we chose Passionate, Professional, Dynamic, Innovative and Supportive and they're still the same today. Initially I didn't understand the importance of these values, but when the consultant told me my company was the first one he'd seen where all focus groups chose the same five values, I knew we had something special and that the exercise was a good investment. We now recruit along those values; when we've strayed, it's been a mistake.

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How do you ensure innovation in the business?

It's a very simple formula. The sales team find we're falling behind on a certain area and they beat me up over it! So it's the customers who drive the message: when 20 or more demand the same thing, you need to react. It's not our ideas, it's theirs.

What gave you the confidence to seek external capital at this stage?

We'd taken on some debt to fund the acquisition of a small business, and that helped us realise we could do something more. We'd been looking to float the business when Inflexion threw their hat into the ring – not with a lot of money, but enough to make us sit up and listen. I believe you have to be very careful about who you take on board, whether you're recruiting or seeking a backer, and they were genuinely different to the others we'd met. We wanted to scrutinise them as much as they'd scrutinise us, and they're top of the list for performance. It's quite clear after doing the deal that everything we'd learned about them from those early meetings and scrutiny was all genuine. We now have a very big job to do, but having a good partner behind us like Inflexion helps.

