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INSPIRATIONAL INNOVATOR INTERVIEW TRANSCRIPT – LOUIS SCHENA

This interview took place during summer 2020 as part of SIE's Festival of Innovation. The video of the interview can be watched in full on the Scottish Institute for Enterprise's Youtube Channel. (youtube.com/scottishinstituteforenterprise).

[Music]

Quentin Cooper (QC)- I'm Quentin Cooper, welcome to my virtual man cave into this celebration of innovation across the nation and beyond. Now this as I hope you know is the first of a short series of Imagining the Future interviews which are part of the Scottish Institute for Enterprises Festival of Innovation which is a showcase of imagination and inspirational innovation. Now the idea behind this is fiendishly simple I will nudge tease and occasionally query our interviewees and they will tell tales and share secrets not only about their own successes and setbacks but about what they've gleaned and gained along the way ideas and insights that can help students graduates and others hatch and hone the entrepreneurial skills and the mindsets needed to create a better future not only for themselves but hopefully for the rest of us. You'll be glad to know I hope there'll also be a few minutes at the end for your questions and comments and so on and you'll probably see on your screen at the bottom there's a little Q and A box so if you've soon as you've got a question or a comment click that put it in there and we'll make sure we'll try and get to that at the end. So we've got some excellent interviewees lined up over the weeks ahead and we're going to kick things off with someone who I know from past encounters is guaranteed to provide a big jolt of innovation stimulation Louis Shaina co-founder and CEO of cash back for the future app Swipii that's s w I p I I uh now Louis Schena is also a Scottish Institute for Enterprise alumnus and a winner of the SIEs new venture competition back in 2014 which was back when swipii was a new venture and he only just got it running so louis um thank you for joining us and first thing I should say cash back to the future I can't be the first person to come up with that can I?

Louis Schena (LS) - No I think I've heard it once only a while back but it's good I like it I'm going to claim copyright on that as well.

QC- So let's start with a question that I think must be lurking at the back of most people's minds did anyone try and persuade you to rethink calling s-w-i-p-i-l something else because they'd say well it's how do you pronounce it and how do you spell it?

LS- Yeah actually it's been talked about quite a bit internally back in the day more when you know. It's still kind of coming up now that a few people know swipii it becomes easier, but it did come up you know it's the forever question is it Primark premark I think it creates conversation.

QC- All right so you actually think it's a positive there is that ambiguity in there as well okay and for everyone watching who's not already swept up with swipi can you just give us the kind of basics of what you were when you started and what you've now evolved into?

LS- Yeah absolutely so the mission that Swipii as a company and as a team was always to connect or better connect consumers and local businesses, you know local businesses are decades behind their online counterparts they have very little data even if they had data on their consumers they have very little time to use it and therefore have a disadvantage compared to online e-commerce for example or larger corporations so that was always our intention and it's still our mission today to empower local businesses.

QC- So in very important terms you can I mean it's probably worth saying so in very simple terms it's kind of trying to do for the high street what the club card does for Tesco?

LS- Yeah absolutely you know it's helping the consumer earn and save money and on the business side it is trying to do what Tesco is doing for their consumers but for the local business so it's kind of a win-win. It has to be a win-win you know, if it's not a win-win either side of the network wouldn't use it and so back in the day we did that with the technology we had available so in store we put an iPad in the store and allowed the consumer to pick up a key fob and actually scan that key fob uh in the iPad and earn points and rewards. With today's technology and how the fintech is evolving we're able to give a much more seamless experience to consumers, now the way it works is you link your bank card, any bank card, visa MasterCard, debit or credit, it does not matter and then with that card that you link to the swipii app you go purchase as you would, you chip and pin, contactless whatever you prefer and you get a push notification on your swipii app saying hey you've just earned a percentage of cash back from your transaction. It's literally that simple that cashback is not points not rewards it's cold hard cash that you can spend anywhere you want that's also one of the big advantages of the technology.

QC- So in fact technology has conspired with you people have gone out there and invented things that make swipii easier faster simpler.

LS- Absolutely and that's I think the beauty of technology especially in the financial era, there's a lot of technology advancements that are allowing different companies like us to build on those stacks so you'll see many saving apps in the financial tech new challenger banks news shopping apps like us on the back of those bigger technology changes .

QC- Okay now today we're mostly about, as the title says, Imagining the Future so I want to come back to where you're at with swipii and where you're hoping to get to but I think it might be useful to actually say a little bit about the origins. Will you take us back when did you first show signs of being an entrepreneur?

LS- I think like many of us, probably at some point in school early on where you're starting to trade cards or trade you know marbles or whatever it was back in the day and you enter the day with or finish the day with more cards that you ended up and then you started with in the morning and so just tinkering around as a young teenager as well was always interesting. I love building things and if I could actually sell what I had built to start something new that was enormously satisfying for me so I think from a very early age there's something in us in all of us. If you're able to see that through to university and as you grow up as an adult then the game is no different just a bit older and maybe that's one of the keys to success is remembering to play at all times.

QC- Yeah that's a good way of seeing it, if you truly enjoy what you're doing why not make your day job out of it but I mean all kids build to a certain extent, all kids tinker and all kids trade. When did you kind of go from the kind of one-off schemes and the short-term games to kind of thinking a bit more strategically?

LS- Yeah well I think at university then suddenly more opportunities start popping up. If you go back when I was a student I had already started a website and tried to produce something of my own and just the fact that you pass 18 suddenly you have a bank account, you have a more understanding of money, suddenly all these things start to really kind of align. Suddenly the risk is slightly bigger than before and I think that's also where people maybe drop off that funnel of entrepreneurship is as the risk becomes higher there's more drop-off and people following through with their ideas that's the challenge?

QC- And do you think that's also partly a failure of imagination, not necessarily imagination about an idea a lot of people have good ideas, but then they don't follow through because they can't see themselves as being a CEO at best they might have a good idea and they might talk to their friends about it maybe they even go down the pub and their friends tell a friend and it's somebody else who goes that's a good idea and they're the ones who profit.

LS- Yeah no I think you're absolutely right there Quentin and it's actually one of my biggest beliefs of why we don't have more entrepreneurs, if you imagine the path to entrepreneurship and starting your company as a funnel the top of the funnel being the idea generation and the second step of the funnel being actually starting to execute on that idea and all the rest of the funnel being: you know raising funds, hiring your first employee and actually going on that journey. I think the biggest drop-

off is from idea conception to execution of your first step and there is a mental barrier there for people don't know how to get started, what's the official process and that's definitely the biggest challenge I think we have in creating more entrepreneurs in any country. Historically that is a failure of education that we're very good at giving people the subjects and skills so they can do what others do but we're not so good at getting them to be able to think of themselves as succeeding in doing something new and innovative.

QC- Yeah I think I think that might be true and if you look at you know if I think of my education that when I did a few courses at Stirling university there was one course called entrepreneurship but even if I think of that one there's a lot of theory in there and how to build a business model it's still you know quite far in the funnel it's not well: I how do I get started tomorrow, how do I begin this tomorrow and I think we need more of that. Definitely in our education system and make people realize that it's not as official as everyone thinks, sometimes it's as simple as you've got something what would you do without being a business to just get it off the ground, would you open an amazon account, an eBay account, would you just sell it to a friend, start there most of the time it's literally that simple. It's also maybe a fear of failing failure is such a negative word obviously it's the nature of the word failure but you've talked to a lot of successful entrepreneurs and there's at least one venture they've started that's collapsed before they've got to where they are now and it hasn't happened to you yet as far as I know but it's a common path

LS- Yeah no absolutely, I think most successful entrepreneurs are successful because of their failures and I think you know it's very cliché to say well you need to learn from your failures and you learn from your mistakes but it is so true. I am a different person from what I was five years ago professionally and personally and so I think if people like me or other successful person could pass that message more and more and I think a lot of us do, failure is the only way you're going to succeed in some ways so yeah I hope people don't see fear as that big of a barrier.

QC- Okay let's go back to the swipii story, so you've got these ideas you've shown these entrepreneurial skills you send yourself off to Strathclyde business school and I wonder why did you pick that because you're from France originally aren't you? So what made you choose there because France has some pretty good business schools as well

LS- Yeah well you know I love France don't get me wrong I do miss the food there, I miss the weather as well but when I came out of high school in France age of 18 the schooling system it's pretty old school you know it's you clock in at nine o'clock you leave at 5 30 and everything's pretty theory. It's cool not much you know social activities included in the education system this is changing and this is you know criticism of France their education system is free and extremely successful in many ways but I really wanted what you know the united states or Scotland in fact had to offer which included more activities than simply going to class, sports is a really big aspect of social aspect and I think that really opens your mind to a lot of different things there's. Stirling had different clubs, you know business clubs and a whole bunch of other clubs are just different from pure mandatory courses I

think that is critical for people to come up with an idea, discuss it with other people and actually make it a reality. I really enjoyed that aspect and Scotland fortunately at a time was free for members of the European union so I was fortunate enough to join the great university that is Stirling and then Strathclyde university in my master's degree which you know turned out to be right because I ended up building a business out of it.

QC- I think what you're saying in a very delicate and professional way is that as a 17-18 year old you just thought you'd have a wilder time.

LS- oh man you uncovered that well

[Laughter]

QC- And part of part of that having a good time feeds into your idea, because I think this this started off as a as a nightclub app didn't it?

LS- Yes, yes absolutely. I mean it's a good example of how to get an idea to execution we had a master's class of Strathclyde's, 90 people from across the world, so many different nationalities and no one knew the city but as you know young students we wanted to go drinking and have fun but we didn't know where to go so problem needed to be solved which we solved. With a website and a guide and it was easy to make it a reality because we had friends helping up and it was you know something that was that would really solve our problem first it wasn't a business plan there was no excel sheet or anything it was just it was our problem that we wanted to sell and so making that first step was easy for us say well why don't we just call go speak to nightclub owners and club owners and make it a reality. Next thing you knew we were on this journey without even realizing it and it became what it became

QC- And at what point did you and your co-founder Chitra Sharma begin to realize hang on there's potential here that's almost unlimited?

LS- Well once you start getting a little bit of traction what tends to happen is you need a bit more money and when you need a bit more money you start speaking to wealthier individuals to hopefully get that money and start accelerating and as soon as you have those conversations. I think it really opens your mind to the potential because those people have the experience and they start talking words like: well you can do this across two cities, you can do this across the nation, you can do this across the world and this is how you do it and this is how you hire your first person so I think once we started meeting at the time was Ronnie Somerville who's the founder and CEO at 5 pm Dakota UK they became really serious and it no longer was this student project and we,

QC- I mentioned about Chitra Sharma there's a quote from him that I saw from way back when you started that I'm always been in trouble he says; "I always had an interest in tech start-ups and there was one guy who was always missing from the class and that was Louis so I knew he's after something". Now what does he mean by that I mean he makes it almost sound like he wanted to work with you because you seem to have something better to do than turn up at lectures?

LS- Well if in all honesty it was pretty borderline my master's degree, I was pretty efficient my last year and I pushed it a bit, I had a full-time job next to it was full-time but it was over the night period I was a I was a video game translator for English to French but the company was based in California. So for the time difference if we worked at night then it worked out but sleeping patterns and body energy was quite different so that's why but when I did come to class I hope I was very good and efficient so I think maybe he picked that up the small time I was in class.

QC- Now like a lot of really good ideas once you explain Swipii it seems really obvious, were you surprised to find that there weren't other people who'd already done this or something very similar?

LS- At the beginning yes. So the beginning sometimes it's too good to be true and actually you know that's a very good point because that's a lot of, what's the word...is the observations I get from entrepreneurs that have ideas that never put it into place they go well surely someone's done this, surely someone's thought about this I'm like no doubt another millions of people are talking about this right now but probably only one will do something about it or maybe 10 and out of the 100 will make it so just by putting your foot forward and trying to make it happen you already enter a winning conversion rate and a winning step forward. I think that's super important if I had you know one message to share with young entrepreneurs' students are coming out of university or even before regardless of what university or not it's take that step forward you're already winning.

QC- Is there any reason why Swipii can't work in any city in any country

LS- Well before we had quite a high barrier due to the hardware: we had so shipping an iPad was expensive, was painful and annoying but now and that's why we've been focusing on this so much the answer is no there is no limits to where Swipii you can go you know to onboard a retailer all we need is their postcodes and then we can find the rest and for a consumer anyone can earn cashback at any retailer so you know the plans moving forward is to expand to new cities the UK and then further countries.

QC- But I mean if that is the case why haven't you taken over the world already what's holding you back ?

LS- Well the first one was technology you know back in the day the only technology that was available was the iPad and we grew tremendously quickly. When it came to the question well okay which country next, because we have a lot of consumers in our businesses in the UK it was unfeasible to spend that money on hardware that was the big trick and then you know 2017-18 came along and then suddenly technology evolved and this card linking tech came through I knew it was the right choice because it would take the whole hardware piece out of the picture and now technology is allowing us to expand in our industry, so technology is a big piece of a lot of tech start-ups

QC- Just a reminder by the way I'm going to be opening it up for questions in just a couple of minutes but I've got a couple more for you before I do, now this is part of the Festival of Innovation so I generally want to keep things festive and upbeat but it's also under the title of Imagining the Future and I would say particularly as we deal with Covid a lot of people would imagine the future for the high street is pretty bleak how is that playing into your expansions?

LS- Yeah so it's an interesting one right our mission has always been about supporting the high street and the local businesses so if anything in this time as a team we need to really double down on making sure we deliver that mission. Right now there's a high level of churn in businesses opening, closing, opening that's always been kind of the case you know businesses that small businesses will become medium chains and grow, the other ones will shut down and a new one will pop up. But I think there's a few points that are important that the high street will always remain, the local businesses will always remain, even though online will keep growing they need to work hand in hand the first reason: is local is always the greener alternative and the world is starting to realize that we need to reduce our carbon footprint so if you shop locally you do things locally it means you import less you travel less your carbon footprint remains much lower so anything around local I believe will continue because of that carbon footprint reduction. The second one is brick and mortar and local and offline is about the experience you know the interaction with the staff the experience in the store so I think the local high street is important and will always remain in that regards whereas online is about cheaper prices not so much about your experience sure you have your browsing experience but that's nothing compared to in-store . Lastly you know we're very social creatures that's why as human beings and I think the social aspect of interaction with people whether that's in a restaurant, a pub, a shop even is extremely important. It's part of the Maslow's years of needs, it's the love and belonging, you belong to your community, a sense of purpose sometimes and so I have full belief that the high street will continue but we need to help it in the right direction and we can do that.

QC- Yeah so not only will that help you, you will help hopefully the sense of community that maybe we were all clinging to after all this period of isolation as well. Now just a couple of things I've been told you shouldn't have role models if you really truly want to be an entrepreneur because it's up to you to be innovative not imitative but are there people out there who you look at and think yeah you're doing it right you're doing it right?

LS- I think you know, it's very cliché but I think right now someone that's in the media a lot is Elon Musk, who's the CEO and founder of many companies including Tesla, SpaceX, Solar city and a whole bunch of others. What I admire the most of that individual obviously his leadership must be extremely good to be able to lead three different or four different companies worldwide but, his ability to break down a very complex problem into a simple one and by that I mean you can literally buy a car in four steps on a mobile app now. There's a big philosophy at Swipii that our product needs to be ten times easier to use than any other competitor and so yeah we I look up to that person and if I could deliver similar easy products to use then I would I would aspire to that.

QC- Final question for me before I open it up I might try and sneak in another later if I get a chance but, what do you wish somebody had told the 19 year old you apart from the address of certain nightclubs that would have helped you become an entrepreneur?

LS- Yeah absolutely I think it comes back to that top of the funnel I talked about is you're much more likely to succeed at starting something that is yours and your idea if you realize that you just need to go and do it regardless of any official process. I'll describe our very early days at Swipii, we didn't go through any organizations or help or advice we went from the classroom problem to a nightclub owner, that we do and ask questions and so I can only you know push all entrepreneurs out there to just go and try it as soon as possible in the simplest manner as possible and then from there it actually becomes easier. It's the first step is usually the fear of failure like you said or not knowing where to start but there is no official path so if you just go out there take one step regardless of what that step is. I can almost promise that the second step will be much closer than you think and if you do take a few steps and discover that somebody has tried that path before you can always go back and do it again but if you don't take those steps you never learn.

QC- Okay I'm going to hand over now to Fiona Godsman who is the Chief Executive of the Scottish institute for Enterprise who was hopefully also been helping out by collating some questions here.

Fiona Godsman (FG) - Yes hi Louis yes I was and then my computer crashed and I lost the questions but fortunately because we've had several I know that one of the main ones was about culture so there was a couple of questions relating to how many people you employ and are you looking to employ people in the future because there's some graduates keen to look for jobs and the second is for employees how do you get them to understand the culture of your business?

LS- Yeah very good questions, we will be opening new positions so keep an eye out on the career page, hopefully next year we'll be also opening more careers and more jobs for graduates. The second question regarding culture: it's been quite transformative over my career at Swipii, I think one thing I've learned a lot is even though it sounds cliché the team you know is everything in the

business at the beginning you are the only team so you don't really need to worry about that but as you grow the people that are going to be on the front line executing and solving the problem. The challenges are going to be paramount to your business and at Swipii we put everything forward to make sure they have the best environment to thrive they have all the autonomy to an agency to make the decisions, to solve problems and we support as much as we can. During the lockdown has been extremely difficult, we had to move from our office to working from home and that culture of camaraderie and also more social interaction kind of leaves because we're all stuck at home and only on video so we double down on making sure that we ran events, we continue to support our staff and if you grew a company to 5 - 10 - 15 I can only recommend you hire an expert in-house to look after your team and involve that culture .

FG- Thank you we've actually got a few questions which is fantastic. I think this is a really interesting one from Louise Graham: what role do you think business needs to play in the new world, quite a challenge do we know if it's businesses in terms of like retailers or like an or a company like Swipii?

LS- Well I would answer from your own perspective really yeah I think compared to you know maybe a few years ago there's much more sustainable aspect, especially eco-friendly aspect I need to give back to the world and the generation that are going to follow us compared to 10 or 15 years ago so you know that's why we were very cautious of that but you see it a lot with other businesses are trying to do their part giving percentages of profits to associations. We have a donation feature in the app so you can give your cash back to supporting associations of your choice, the charities of your choice, so I think as a company at the beginning you need to do whatever it's going to take to be successful and I would urge entrepreneurs you know to be very mindful to not compare themselves with big large companies. I think have a duty of care for their environment, the industry they're in, giving back to help more entrepreneurs whatever that is giving back in some ways but at an early stage company you need to do whatever you can to become a bigger company so you can give back later. I see a lot of businesses trying to copy a larger companies but they're too early and it means that they fail to grow because they want to do it all so you know if I leave you with the messages that's for later when you can give back for sure.

FG- Thank you do we have time for any more questions Quentin?

QC- I think one really quick one, we've got about a minute left.

FG- okay right so the challenging one I guess: what core skills do you think you have that's helped the business to become a success what was it about you in 10 seconds ?

LS- It comes in different stages at the beginning it's the go do attitude, don't wait for a process to follow just go do it and the later stages, I think I listen a lot, I digest things a lot and I consult a lot

now that I lead 20 to 25 folks and soon probably 30 to 35 and as extremely important because I would never be able to do it without my team so I now support my team rather than decide what we need to do.

QC- Okay we are going to have to leave it there so you can go and digest some other stuff as well. I should also thank the team behind this as well which includes Fiona and Scott and others as well so we must first big thanks to all Swippii no trippy louis Sharna. Next interview I should say is going to take place a week today, next Thursday but at a slightly different time uh it's going to be 5 p.m. and the reason it's going to be 5 p.m. is our guest is joining us from the United States and that is another SIE alumnus Susanne Mitschke from Citrus Labs. So don't forget 5 pm if you'd like to join us next time the registration is now open and you can sign up to attend via our website until then, thank you go and be imaginative innovative and if at all possible festive!