

Talent and timing: Scaling tech companies



The journey from an idea sketched on a napkin to a successful business often takes a detour through something Trevor MacAusland refers to as the pit of despair.

MacAusland has witnessed this phenomenon first hand.

As the interim CEO of Propel ICT, MacAusland, and the team at Propel, have helped more than 200 Atlantic Canadian technology companies work through their various accelerator's programs.

Many successful startups find themselves in a tough position when their organizational needs begin to change, MacAusland notes.

"As companies look to scale, their team structure will need to evolve. They have to find and inject new people onto the team, which means they have to account for things such as culture fit and experience. The next step is to operationalize and scale up their sales efforts. That can be difficult."

Propel ICT's Build program is designed to help them through it all. The 12-week intensive program is designed for technology companies ready to scale.

The origins of Propel ICT

Founded in 2002 by regional telecommunications leaders Gerry Pond, Curtis Howe, Cathy Simpson and others, the accelerator's goal is to serve as a catalyst in the creation of locally owned, growth-oriented technology companies across Atlantic Canada as a way to attract and retain talent in the region. Its aspiration is that this effort results in the creation of our region's first billion-dollar tech company. It draws on a network of mentors and coaches who meet with entrepreneurs around Atlantic Canada to offer advice through its three programs: Launch, Build and Growth.

While Launch is designed to help entrepreneurs in the early stages, Build is intended for companies that want to reach the \$10-million mark in annual recurring revenue. Its newly launched Growth program assists companies trying to grow to \$10-\$20 million annual recurring revenue.

So far, these three programs have aided companies across the region raise nearly \$1 billion in capital. A recent survey found those who went through Launch and Build have a 74 per cent survival rate in their first year.

Helping companies to scale

The Build program has a rigorous selection process. Entrepreneurs are screened for their coachability, motivation and openness to feedback.

"The program is only going to be as effective as you buying into the process and letting people have a hard look at your business," MacAusland says. "If you are not open at that point, the program is not for you."

The first step is a diagnostic. The Propel ICT team helps entrepreneurs find blind spots in their business plan and model. Next, they identify their capital needs, establish a set of deliverables and solidify a business case and a clear path toward achieving it.

"People are very Pollyanna about their forecasts. So we take a real world view and really drill down and challenge their assumptions."

Talent and timing – continued

The program then challenges entrepreneurs to think long term on ways to improve their performance. It focuses on three key areas: core processes, people and leadership.

“For most companies, if you take the capital side out of the equation, the biggest issue they have is finding the right talent,” MacAusland says. “That’s where I see companies struggling.”

It also uses growth hacking – or 21st century sales and marketing tactics – to help companies learn how to attract and activate more leads, build a growth team and retain and nurture more customers.

“At the end of the day,” MacAusland says, “our real goal is building a sustainable, thriving economy in Atlantic Canada through the development of a tech sector to help attract and retain talent.”

Trevor MacAusland’s advice for companies considering scaling

- Be cautious of premature scaling. “That can stunt your growth or put you in a nose-dive pretty quick.” If your company can’t meet demand, you are ready.
- Get better at product development. “You need a product that is going to hook and track in your customers and have a bit of virality to it. We don’t have enough companies obsessed with building up their product.”
- Read Peter Thiel’s *Zero to One: Notes on Startups, or How to Build the Future*.
- Media promotion and exposure don’t equate to market traction. “We want to see real meaningful traction, whether that’s actual sales numbers or if the market is shifting in such a way that we see real potential for your product. To quote Simon Cowell: ‘Build the hype; Don’t buy it.’”

