PODCAST TRANSCRIPTION SESSION NO. 241–MIKE BALIMAN

Welcome to the Lend Academy Podcast, Episode No. 241, this is your host, Peter Renton, Founder of Lend Academy and Co-Founder of the LendIt Fintech Conference.

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Peter Renton: Today on the show, we are doing something very different. We are going to be talking about boards, in particular, small company boards. It's not a topic that gets much discussion, but it can make, or break and can be super important on the success of your fintech company. So, I'm delighted to welcome back Mike Baliman, he is the Founder of the London Fintech Podcast and he is the author of the new book which is called "The Realpolitik of the Unlisted Company Board: Making Your Board an Engine of Growth."

I wanted to get him on because the book just came out and it's a topic that I think is not discussed enough, as I said. So, we go through in detail how a CEO/Founder should think about their board, the different sort of transitions that a board needs to go through, how to position itself to go public. We talk about some of the essential elements for success in a board, how really to make a board be an engine of growth for your company. It was a fascinating interview, I hope you enjoy the show.

Welcome back to the podcast, Mike!

Mike Baliman: Thank you, Peter, it's been a while.

Peter: Yes, it has, good to have you back. So, as I said in the introduction, you have recently published a book and I know we've chatted over the last year, or two about this several times, but maybe you could just get started by giving the listeners the thinking behind the book, why did you write it?

Mike: Well, I like your politeness, first of all in terms of what we chatted once, or twice over the past two, or three years. I think, along the lines of the last two, or three years, I've been saying, oh, I've got this great book, it will be out in the autumn and I'm not going to speak at your conference (laughs), and every year, it wasn't out. Why did I decide to write the book? Well, partly because I'm sort of getting old and my buddies who were sort of wiser than I, just stayed in mainstream FS and they've gone plural.

They've joined boards of BigCos and that kind of stuff over the years and that sort was an attractive business model for .....you know, when you're preaching your 60's and that you can gradually wind it down. I mean, not that I and my partner would like to get to zero days work, but we're going to be doing five days work in ten years time. So, it was the a motivation to get plural and then actually, Peter, it's absolutely all well thought because about three years ago, at LendIt, I was drinking coffee and just chatting idly to some founders along the lines of going plural and leading on fintechs and what they thought and all these kind of stuff.

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It was at a LendIt and I expected quite a few founders because they were around and they all thought something different of me, which is not surprising, I don't write things over the years, but the penny suddenly dropped that they all had implicitly a very, very different concept of what the board is there for a small company. And I thought, wow, that's really curious and literally, it was then that.

Peter: Okay, okay. So, you provided a bit of history in your book which I found fascinating and maybe we could share with the listeners sort of.....so, two-part question. One is where did the idea for an incorporated entity come from and then out of that, when did people start having boards of these entities?

Mike: So, this is covered in two chapters of the book, I mean, the sub sub-title of the book is Content and Context and Content is the majority of the book which is at it were, you know, a car mechanics manual for a founder, you know, what to do when you get problems with the tires, with the engine, etc. etc. etc.

The Context is, as you say, the history and it is, actually, A, surprisingly unknown in one place which is one reason it took me a long time to piece it together and B, also very fascinating. The first written records we have was in 3000 BC, some 5,000 years ago, and they record payments to laborers in barley and that window, quite a lot more like 4,000 years ago, into Syria, which is now modern Iraq. By a complete miracle, 23,000 almost entirely business records have been preserved from out of Syria, so what we know, or actually what about five people in the world know who started this stuff, I think it's books I read, is that 4,000 years ago, we had all the main business elements we have today.

There were merchants, there were contracts, there were markets, there were marketplaces, there was monetary exchange, money lenders. The idea of internal capital was there, business law existed, regulation was there jointly on business practices and partnerships were there, to your point, about the company. So, in fact, everything that we do today in business, in terms of structures and approaches existed 4,000 years ago. The only two things that didn't exist 4,000 years ago, the company, which is the second part of your question, and what we called limited liability which I'll come on to later perhaps.

In terms of how did the company, as we know it begin, this really begun in England in the 16th century and business around Europe, including England, was by and large done in guilds. Guilds are very curious things, but they were used for everything. They were used for town management, they were used for crafts, they were used for merchants, they were used for knights and all sorts of stuff, and guilds were kind of a combination of a private members club, so there might be the guild of plumbers in Purley where I live, for example.

They were also regulated trade, they wanted to make sure that, you know, the plumbers did not get a bad reputation so you'd have to sort of live up to their rules, that kind of stuff, but they were also a social group. So, the Lord Mayor was on my podcast a couple of weeks ago in the

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City of London Corporation, they still have their annual Lords Met Procession so guilds have feast days and festivals and all that kind of jazz.

The problem in the 16th century was that England, which is of utter insignificance at that time, wanted to get out and go further, and to do that, guilds could not do that, guilds were a collection of sole traders. If you and I were in a guild, you'd have your P&L, I'd have my P&L. In terms of getting out, I really mean going to the Spice Islands, spices were a huge thing in Europe in medieval times, the profits were massive and so to go far afield, the guild gradually transformed itself into something where, and it's literally took a century.

I mean, the first companies...perhaps the Mustobee? company, about 1555, then ends up going to (inaudible) gradually transformed itself, especially in England, but also in Holland, to something that has permanent capital, at which point we can say is quite like the company we know today with the important exception that there have been really three types of company, as I indicate in the book.

The first is the chartered company which is terribly important to America. America tends to forget that they've had a history, but the history is very relevant. So, the first democracy in America came from the Virginia Company, or, actually, the Virginia Company's chartered companies in England which set up over there. In terms of company governance, the company governance was pretty democratic in those days and that actually transported to Virginia and after seceding from the British Empire, America with 13 colonies that America was into used the same pattern of the first version of that company which is the chartered company at a very different governance one had to take.

The second type of company which by this time was co-evolving in England and America was then the two largest players in the 19th century was the common law company. Now, that caused many differences between the two and, in particular, being differences of government which came back to haunt us, but, essentially, the common law company is the legal format we honor today. So, in England, you go to Company's House website, and I want to form a new company and I spend 10 Pounds and I've got a new company. The chartered company, you have to lobby the monarch, you have to lobby Parliament to get one.

The third type of company which is beyond the SmallCo remit, definitely applies to fintechs as they grow up these days, is what I call the corporate governance company which is a completely different type of company, I argue in the book. Now, that started with the collapse of Penn Central into the US, New York in the 1970s, and over here with Cadbury in 1992 who changed corporate governance federal law in the UK since 1992. We have not had an astonishing 25 corporate governance codes which are status dot to dot about what you should do on your listed board. One of the sub-sections in the book is called Emperor Palpatine Was Right in whatever it was Star Wars I....he said the bureaucrats have taken over, so very briefly, that's 500 years. (Peter laughs)

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Peter: Okay, so moving on. So then, I'd be curious about how you define corporate governance, I mean, did you sort of have a definition you work from?

Mike: Yes. Well, corporate governance as the phrase, is used by everybody. Really refers to this post 90s period, over here Cadbury, etc. etc. etc except for in the States, whereby the government and its various regulators give privately owned companies a massive bunch of things they have to do , whether they're in law, or whether they're in regulations, or whether in codes, and that is a very, very strange thing. I mean, it doesn't meet constitutional perspective. It's by no means, clear to me why the government has the right to tell you what you should do on your company board, anymore than it has a right to tell you, Peter, how you run your conferences, or tell me how I organize my Christmas party.

Nevertheless, it has been accepted and is a huge sort of corporate governance industry now which is sort of only slightly second behind the sort of military industrial complex, I feel sometimes. So, I reserve the phrase corporate governance for the status rules about what listed companies must do. More broadly, and this relates much more to the fintech and the SmallCo and the unlisteds, company governance has been going on forever.

In the 16th century, the East India Company, they had to govern themselves, they had to rule themselves from the top as it were and corporate governance, frankly, sends me to sleep and I might say I've been doing it for 20 years. You know, whenever I catch up with them for coffee, or beer, they just moan and moan more and more about how tedious it all is. Whereas, company governance is really very exciting and in terms of, you know, what happens in fintechs, it can be the key factor between failure and success.

Peter: So then, does that sort of point to a major difference between a corporate board, say a public company board and a small fintech board? What are the major differences between those two?

Mike: To summarize it in sort of one sentence, as it were, the first chapter of the book is 8 Essential Aspects of a Small Company Board, so there are many ways that it's different, but really there are two ways. First is that small companies have always been very different from big companies in the same way that some of the babies under 14 is different from a grown up. The big thing that's changed these days is that on any board, or indeed in the state as a whole, you know, in the Congress and in the Senate, and the President, or Parliament over here, there's about two things.

First, it’s about corporate control, or state control making sure the thing doesn't blow up and that has become almost predominant on large company-listed boards in America, or in the UK, or elsewhere, it's become about corporate control, it's become about conformance. However, in a small company you will kill it dead if you major on that. Sure, when you've raised money from other people, you need somebody to check that, you know, spending on sweeties, wasting it, or anything like that so that sort of the accounts add up and all that can stop, of course. However,

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a small company, a new idea....if you and I, Peter, have an idea of the podcast and we set up a new company tomorrow, firstly, that'll be an idea in our mind.

Secondly, by the time you spark with kindling, and it's really very hard.....as we've seen in fintech, the numbers have disappeared over the years, to get that spot to grow. So, the point I'm evangelical about is that a small company is a small fire. Anybody who's been a founder, who's been an entrepreneur, or knows one, understands that getting that fire going is a really tough job. There's plenty of factors which will make it blow up, so the small company board, the fintech board is there, as far as I am concerned, to help it grow.

The sub-title of the book is "Making Your Board an Engine of Growth" and as I found while speaking to about some 80...by now over 80 people, founders, chairmen, etc. in London, very few boards, surprisingly, really are shall we say the Eight Engine of Growth.

Peter: Okay. So, that's why....I imagine there are lots of small companies out there, when they get started they don't have a board at all, so why should you have a board right at the get go, when should you actually start thinking about this?

Mike: The problem at the get go is that you're not coming up with an idea. We have a million and one things to do tomorrow and it's really not a priority to sort of create this legal structure called a board, and any founder has to be a jack of all trades on day one and probably day two and day three and day four and until he has raised some monies, quite a long time until he's got a CTO, CMO, COO doing all that kind of stuff, so he really is running around doing everything. Practice differs between the UK and US on this one, I haven't researched the US, but everybody tells me that boards per se are far less important in the early stages in the US, although, there's advisory boards, without getting into the distinction which can be very important.

The simple thing that makes people in London have it board is when they raise significant money, I mean, it's one thing if you raised a bit of money from your friends and family and they trust you, yeah, go on, Peter, you carry on, we trust you, you're not going to go buy expensive cars and blow our money like that and you get on with it. However, by the time you're doing crowdfunding from strangers, or certainly by the time you're raising it from VCs, or something like that, these kinds of people are going to want some representation in your company, so you keep your eye on their investment.

So, it becomes, not just a legal necessity, but a de facto necessity to have one and this is the stage at which you can start going badly wrong because if you've got the wrong kind of shareholder on your board, they can be just very interested in making sure you aren't quote wasting money, or doing the wrong thing as opposed to helping you grow. And here, almost the most important takeaway for listeners to the show that I found, years that I speak about this, is that serial founders approach the board, the main board, or the advisory board in the UK, or the US that's not why, they approach it very differently from the first timer.

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The first timer, of course, doesn't know what he's doing, the first timer who's got an experience maybe on a listed board, in summary, automating, it's all about control, but what the zero founder knows is that there are people in the world who can really help you grow your business, he can make a great success of your business, he would never work for you. Yeah, they may have done the same as you and made a thousand times more money ten years ago. These people, if you get the right ones, will come into your company four times a year, six, 12, whatever the frequency is for a short period of time and lend you their skill sets, their expertise, their contacts, their wisdom, their mentoring, all of that kind of stuff to help you succeed. So, that's the engine of growth thing and that's what serial entrepreneurs know. There are some jolly brilliant people out there in business, they're not going to work for you, but they will turn up in your office of your board.

Peter: That's really interesting. So then, maybe....you mentioned these eight essential aspects, I know you detail them in the book, not that you need to get through every single one, but I feel like these are.....I mean, it's sort of a blueprint for, you know, a new entrepreneur who said that haven't done this before, so maybe just hit on some of....what you think are the most important things they need to consider to really make their board an engine of growth, as you say.

Mike: We'll discuss this as one which is the top priority in a SmallCo, in a NewCo is growth and a good board will help you to grow. We've touched on the fact that the SmallCo board is a not small....BigCo board, it never was back in the day because you've got a company of three people, it's not the same as a company of 100,000. These days, it isn't just the question that a teenager is a grown up version of a baby, but, actually, it's the same thing. It's a bit like, as I put in the book: listing is a traumatic event for many a fintech and it's probably a rare example in the world where something starts off as a butterfly and ends up having to turn into a caterpillar. (Peter laughs) and so is a board culture changes massively at that point.

I do have a section called "Two Tribes Go to War" for any Frankie Goes to Hollywood fans will get the reference, but your pre-IPO board can run into all sorts of chances around that. The other point is that the governance of small companies is actually far more typical of actually the majority of the companies around the world today and everything in the last 4,000 years. Small companies are, generally, examples of what I would call concentrated control companies. They've got people on the board who really care. If I put a whole bunch of money into your company, Peter, and I'm on your board, I really care because it's my money. This is very, very different and this is proven to be far more successful for thousands of years.

People have really skin in the game, they really care about business compared to what we have these days which is the status model of the so-called independent non-executive directors which, basically, being somebody who actually isn't really allowed to have any connections to a company and allowed to have any investment in the company, doesn't know very much because he isn't there very often. You know, it is a kind of colonial governorship compared to the democracy of the early chartered companies, so that's, actually, quite an important point.

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It's a point to remember that, actually, in no sense are small companies and their governance inferior. Oh sure, they make mistakes like all human beings make mistakes, like all human organizations make mistakes, but one needs to pushback against the status governance. That's particularly important over here because last year, for the first time, there was a code introduced in 2019, called with Weights Code, which now applies to big, small companies and finally, not being bureaucratic it defines big in three different ways, depending on the section. So, beware of small company governance, I mean, the last chapter is called "Fixing Broken Boards" and one of the problems with boards and trying to fix them....and I think this may happen less in the States than it does in the UK, but I've seen it in the UK...is that somebody starts off with the mentality, I'm going to get my board right, I'm going to do it like a proper board by which they mean they're growing up listed company board because one day, I'll be listed. You'll kill it if you do that.

The other point is that....this is a very important point, your board is what you make it, for better, or for worse, yeah, it's like your marriage, or anything like that. You make it, you create it. If you let it happen to you, you've created it by default. Now, what I see is too many innocent founders, because they haven't been around the loop already, because they're so busy doing a million things, their board is something that happens to them and funnily enough, once you've got VCs on the board and as I put it, VCs are professional board-goers, they know a hell of a lot about the board game. So, it's unsurprising that some close amateur board-goer, like a founder who may, you know, even just go four times a year, ends up being jujitsued by some guy who probably goes to three a week. So, your board is what you make it, if it's not creative, it's your fault, you need to be making it more creative.

Small company boards are CEO-centric, not chairman-centric. By the time, you've got listed company boards as the chairman, generally, sacks the CEO...in early SmallCos, in early fintechs, by and large, the CEO sacks the chairman and, of course, you get to a stage where he is empowered, where the chairman sacks the CEO, the penultimate one is the essence of a SmallCo and this is something which many, many people have misunderstood, they have no experience. They say to me, Mike, what's the logical way to go about this, and I point them to this essence and this is called "cauldrons of emotion," power, betrayal, plotting and deceit. We're talking about people in the room with different motivations, different desires, we're talking about conflict, we're talking about human emotions and it's really important to remember that.

One chap I met has been on SmallCo boards and BigCo boards for 40 years, amazing, he said, a very gentle person, he said to me that the nearest he has come to punching someone in the face because of the company board. (laughs) I told the story to someone else, and he said, I know how it feel. So, we must never forget the emotions, you generally don't see that kind of stuff mentioned online. And then, finally, the Eighth Essence is the vital importance of small companies to all economies.

Peter: Right, right. So, if you're a fintech entrepreneur listening to this, you've got your board in place and you're fairly new, I mean, it was interesting, you described how the board should evolve. I mean, obviously, everyone knows there's a big step between being a private company

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and a publicly listed company and the board needs to reflect that, but there's a lot of steps in between those two, particularly these days this company is going public later and later, how should a CEO think about the evolution of his board between sort of the time he first got it going and well before he listed the company?

Mike: A VC said a very interesting thing to me, which is that they find that those founders who plan to have a good board from the beginning and who plan to raise capital from the beginning, unsurprisingly, do a much better job if it than those who...the three years in go, we need to raise 10 Million Pounds, how do we do it?

Now, let's take a very simple example, if you've got a NewCo, you don't bother to have a board yet. You and I form a NewCo tomorrow, it's the last of our thought, we don't know what we're doing really. When you're a startup and you got money from friends and family, or just beyond friends and family, a simple tip somebody gave me was just get your accountant along, you know, all have a professional secretariat. I was told by one, or two people, you've got a professional secretariat from your accountancy company, they come along, you've got sets of board papers many years, that really impresses the VCs.

In fintech, one of the huge problems is it's massively regulated, I would argue, over regulated, that's another argument, but it also impresses the regulators. When you come for regulation, you say, well, here's my folder with two years of board papers in and they're all done in a professional way. So, there are small things like that which do not cost very much money, don't get in the way because your secretariat, or your accountant sits in the corner and doesn't say anything other than sort of check the bank accounts kind of thing, so that kind of thing can make a difference.

We didn't start to get into the scale-up board, so these are all arbitrary definitions, of course, but what's a scale-up? A startup is still trying to prove that it's got something the world wants. Once you've proven and once you've got good proof, it obviously depends whether you're B2B, or B2C, how much proof you need that you've got something, the world will buy it, you've got proof, if you really got it, more of that, and scale-up starts a bit of a phase change. I don't tend to get too distracted by A, B, C, D rounds, it just means different things in different companies to me. So, in the scale-up board, you need to be getting people who can help you grow and who can help you scale, you know, that's then leads to the growth company board.

The growth company board is just going really very well, you've raised quite a bit of money and now, the way I put it, you need to turn yourself from being a craft into something that's a bit more like a bigger BMW factory, something which turns up high quality all the time, and again, there's a different skill set there. So, one of the main ideas about the board, whether it's advisory board, or the main board, it doesn't really matter, as seen you've formed above the operational level is to complement at a strategic level your weaknesses. So, if your weaknesses are in tech, for example, you obviously get a good CTO, you get somebody on the board who's got experience in that, or in fund raising, or in operationalizing, or one example that was given to me was about, you know, outsourcing.

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This company ended up doing a lot of that, they've got something on the board, a non-executive director with plenty of experience, can save them astronomical sums of money in terms of avoiding the stakes, as well as enabling them to do well. At some point in your growth company board, you decide that you need to start looking like you could do an IPO one day, generally, people leave this far too late, it's a part of hassle, or what, that kind of stuff, then you get into this cultural challenge because you've got these two tribes who are potentially going to go to war.

Peter: Right, right. So, I want to talk about some practical kind of examples of board challenges and we had, obviously, famously over here. Several years ago, we had the Lending Club debacle where basically the board came in and demanded the resignation of the CEO. The CEO was the founder, Renaud Laplanche, who put the board together, handpicked all the people on that board and yet, the board turned against him and decided he had to go.

Now, I know, you've mainly focused on UK things, but I'm interested in sort of what can CEOs do differently, like he's picked the board and then the board goes and turns against him, have you sort of got any advice for CEOs to prevent that kind of thing happening?

Mike: Absolutely, and I told a couple of tales over here which are slightly similar which is that when you're forming your IPO-ready board to have market credibility, you need a market-recognized chairman which means an experienced, listed chairman. These people, by definition of having survived especially something like Wall Street, we're talking about FS, you know, they're not goal guides, they're not brownies, they're not sort of church pastors.

These are people who have been on the sharp end of some pretty sharp politics for many decades and these are people who understand the whole board game, a bit like I was saying about VC, far more than a founder, it's a very different skill set. You know, to create something out of nothing, let's go from one to zero, zero to one, as Peter Thiel puts it, is a very special art, very, very few people can do that, but you're moving into a different world, you're leveling up into a completely different level of the game which is very, very different.

The advice I give, which is very simple, which is to realize that when you get your IPO-ready chairman, when you get your listed chairman on board that he's a very different animal. Your early chairman should help you immensely, should defend you from the capital providers that are attacking you, to let you go on building a business. But, when this chairman comes in, you should regard this chairman as coming in wheeling a gallows into the corner of the board and he (Peter laughs), leaves the gallows in the corner of the boardroom, that is the reality. And an example that you gave, that is what actually happened and came to pass. We've seen examples over here as well.

Now, what do you do about that? Well, many people go for a trade sale and avoid the IPO and then you've got your chance, you know, to be negotiating a separate deal and allowed to meet many founders over the years and it's always fantastic. It's been taken over by so and so, that's such a nice company and, yes, I've never really understood that, but, actually, I'll be there, I like

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it. Anyway, two/three years later (laughs), they all leave and start again. But, the recommendation I have to founders in that situation is to have a frank conversation, you know, these things are like relationships. If you've got a problem in your marriage, the best thing you can do is talk about it.

So, you know, when you're hiring your chairman, you ask a more polite version of so, how many CEOs have you stabbed then (laughs), how many have you hung? Or…a bit more politely you would say, obviously, I've been here since the beginning and it's a very rare CEO that goes all the way from day one to being there 50 years, and how do you see transitions like that, how have you managed it to your new chairman. Ask them those questions and interview, and then you get some idea and at least you get to understand the real politik which is, as I said before, in listed companies, the chairman sacks the CEO, that's almost the way, one of his main really important jobs as opposed to just chairing the meetings handling shareholders.

Peter: Right, although we have seen....I mean, obviously, with the Lending Club issue there were some real issues that happened under the CEO's watch, but there's also those....we've seen some rogue CEOs......I think about WeWork, for example, where it seems like the board there didn't really rein in the CEO at all, so what about when it's sort of the roles, or the situation is reversed where the CEO is suddenly making bad choices and the board is....I mean, you see it sometimes the board just letting them get away with anything. How can we sort of craft that balance where the board is, you know, really holding the CEO to account?

Mike: Very complex question and this is basically the thing that corporate governance is struggling with and the corporate governance has the highly listed status rules has been to flood the boards with independent, non-executive directors so you get many super majority boards in the states where the only executive is the chief executive and there's a whole bunch of independent directors is the evidence that I see. There's no evidence that it's actually improving things at all, unsurprisingly, I mean, just on the first point.

I mean, I can't comment specifically on Lending Club because actually, Peter, my main source of information on that was your blogs (laughs) because it was the most accurate and nearer to it, but the thing that strikes me was that BBC has this program called Top Gear which was the most successful car program in the world and an absolute fortune and it now is the Grand Tour of Amazon and there was some difficulty where the CEO was involved, Jeremy Clarkson, and they got rid of him. The comment that James May, one of the co-presenters, made about that was this could have been handled in a different fashion.

So, in the case, the BBC, I'm not commenting on the Lending Club one, but people always sort of have their own views and opinion who were the ones on the board with them, in the case of that the BBC wanted to get rid of Jeremy Clarkson and this has happened to be a convenient reason and the cultural point is it does relate to the second part of the question.

The cultural point in these two tribes going to war is that the startup tribe, the creative tribe, mistakes always happen. In a startup, things always go wrong. Their approach, and I've had two

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stories about this and very important people here would know, their approach is look, things have always gone wrong, they go wrong less frequently than they have, we're going to work it out, no one's going to get fired, we will fix it, we will be stronger for this. The listed NEDs who have got big regulatory risk personally, in terms of being onboard so if things go wrongly, the FCA over here will look in, or probably the SEC in the States....the listed reaction to any problem arising is get a lawyer, cover our asses, fire somebody, a very, very different approach is from corporate control to corporate creativity, so that's the clutch.

Now, to your point about the WeWork, it has been the case that a number of super fast growing techs was, by and large, tend to be American, that would mean Uber, another one is WeWork, is that you've got some sort of charismatic swashbuckling-type CEO in (inaudible), something out of nothing astronomically fast, but he's the sort of super creative type, a little bid mad, a little bit crazy doing some things wrong, but achieving sort of tremendous momentum. However, when you're getting into this grown up listed world, that's the thing.

I can't think of an example, but it's like you run around in the playground and you play in the woods and like can't stop and one day, you got to school and it's a strict school, you're supposed to wear your uniform and sit down and shut up. They're very different things, so people kind of fail to make the transition, and I think in the WeWork's case.....obviously, it's puffed up by most and a lot kind of jazz, but I think it became quite clear when they dressed that up for an IPO. I mean, there were certainly masses of criticism in the press saying, hang on, this is a bit strange and hang on, this is a little bit weird. It wasn't really dressed up properly, in the first place and what the board had failed to do was to stop telling the founder, look, you better calm down a bit, yes, if you want to get out now, that's fine, you can have your shares, we'll list and get some boring CEOs to take it forward, but you've got to calm down.

As it were, metaphorically speaking, get your haircut, put a suit and tie on, that sort of stuff. That should have been happening two years ago, they should have tied up all of the fine legal ringkidinks and all that kind of stuff, you need to start converging from many flowers blooming. There are many ways to create businesses into you're going to go through the eye of a needle when you list.

Peter: Sure Anyway, we're almost out of time, so one last question. You've put a lot of research into this book, I know you sort of kept on delaying it because you found there was so much more interesting stuff to write about. So, what was the most interesting thing, would you say, that you learned in doing the research for the book?

Mike: Two things. The first, I've touched on before, but, I mean, it really strikes me in my bones which is that I've heard more and more about corporate governance, corporate governance sent me to sleep. There was actually an anecdote in the chapter of the book for two years, but it didn't make the final sort of cut and I just sort of cut words out which told the tale, Peter, of you asking me a few years ago to chair something at a LendIt on corporate governance, at least I sexed it up a bit.

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Peter: I remember.

Mike: Suddenly, I had to cut that bit out, it was actually quite a good anecdote, but corporate governance per se is for certain sort of persons, people who are very used to process all their life and just go through bureaucracy, other people, it would drive them insane, so I've been uninterested because of that. However, I found that there is this thing called company governance. Where did democracy come from in the States, how was the US managed, what did the Federalist Papers say, how are charter companies managed in the 16th century in the UK, how did the governance change in the 19th century for better, I should say for worse, actually, how is it changing there?

This is a fascinating world, and in terms of creating something, I've become a complete evangelist to the idea that a good board, and you can create a good board if you knew what to do and serial entrepreneurs find out the hard way, is a book I can salute. (laughs) You can put it out much faster so entrepreneurs know that they can create something that really empowers their growth. I'm absolutely passionate about delivering that message because far too many people put up with sort of a dull board, or one that's not really taking them somewhere.

In those circumstances, the board becomes a ball and chain around one's ankle and then, finally, the last thing I found which is, I hated history at school, it's my least favorite subject and my least successful subject, but I found actually that if you do look at 500 years of governance, it gives you a hell of a lot of perspective on governance today and why governance today on big companies is going well and how to fix it.

Peter: Okay, we'll have to leave it there, Mike, it's fascinating. I think you've done the world, particularly the fintech world, a real service here in going in depth into a topic that really isn't talked about that much. So, I appreciate your time and thanks for coming on the show.

Mike: Thank you, Peter.

Peter: Okay, see you.

I hope you learned something there, I know I certainly did, and I also learned quite a lot by reading Mike's book. It takes a fairly dry topic and I think makes it very engaging. He's got a really...I think, a very readable style, it uses lots of colorful examples and I found the book was just a gold mine of information. Putting together a board right now, if you're an entrepreneur and you're running a fintech company, you really need to read this book, I think, to make sure that you are getting the most out of your board.

Anyway on that note, I will sign off. I very much appreciate your listening and I'll catch you next time. Bye.

(closing music)

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