



Banking on Success

Alastair Lukies, CEO of Monitise, talks to Barry Mansfield about his transition from rugby player to business player.

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BM: Can you sum up the main goal of Monitise and give us some idea of where the company is heading?

AL: Monitise enables banks and mobile phone networks around the world to connect to our infrastructure to provide consumers with 24/7, 365 days a year always-on access to their key financial information. It can be as basic as a balance enquiry, perhaps on your way to work in the morning, right through to somebody sending money from the UK back to India - in a very cost-effective way.

Monitise has established itself in its own market, and now it really needs to grow as fast as it can to exploit the opportunity offered by convergence between mobile telecommunications and financial services.

BM: You are the co-founder of the company?

AL: Yes, I'm probably the least qualified person in the business. I have four GCSEs to my name. When I went back to talk at my old school, the headmaster was keen for me not to mention that I left at age 16. I think modesty is valuable, because it helps you to learn so much. I never really planned to be doing what I'm doing now.

I started out as a rugby professional with London Irish before moving on to play in Australia and make some appearances for the England Under 21 side. Unfortunately, at the age of 23, I was forced to retire early, due to injury.

BM: That's when you decided to go into business?

AL: Sure, my father, a farmer, had made some unlucky investments, which left the family in a difficult position. So I clubbed together with my older brother, and we said we'd do everything necessary to buy back the farm we lost. I'm pleased to say we achieved it. Along the way I co-founded the political news portal Epolitix.com. That's the story of how my career track changed and I ended up in business.

BM: What was the real breakthrough for Monitise?

AL: First Direct are the most innovative of all banks, so to get them onside was a real validation of our technology. The real breakthrough, though, was reaching a partnership deal with Link, now VocaLink, which operates all the cash machines in the UK - 60,000 of them. Link hadn't signed a partnership deal before in its entire 17-year history, so what made me - a guy who looked about 12 - think I could pull it off?

"The expansion plans for Monitise really have to be a combination of organic growth and partner growth."

in the early days, when I was pitching my idea to potential investors, I had people laughing at me for even contemplating a partnership of that kind with Link - literally belly laughing. So you can say that many people in the industry did not rate our chances at that stage.

BM: What has uptake of the service been like since it was made available in the UK for the first time?

AL: Steady. By last spring we had up to 1,000 new customers signing up for the service every day. But you have to remember that this is a mobile banking service; it's not like the business of selling Crazy Frog ringtones. We're in this for the long haul, which means 15 to 20 years and beyond. It's not going to be an overnight phenomenon.

BM: Do you think the mobile telecoms business is guilty of over-innovating at times?

AL: It's definitely possible for business to become too obsessed with technology for its own sake. The market dictates that demand should drive technology, not the other way around. A good example to demonstrate that, as far as mobile technology goes, is the Bluetooth vending machine we saw appearing a few years ago.

By the time it had worked, you could have dropped in a few coins and walked off with your drink. So it didn't really resolve any problems from the end user's point of view. It's better to identify a problem as the starting point and work backwards.

BM: What was it like to be recognised by the World Economic Forum (WEF)?

AL: We're hugely flattered to be recognised by the WEF as a new champion - a company that could be a real game changer over the next ten to 15 years. The fact that we've already been recognised by the WEF as a service that may well become a de facto standard in the industry is really exciting for the business, and it gives us a real responsibility to ensure that we see it through and deliver on our vision.

BM: How are you planning to expand globally?

AL: The expansion plans for Monitise really have to be a combination of organic growth and partner growth. We can't scale quickly enough for the size of the opportunity, which is a quality problem to have.

So we've been looking at certain territories where we can deploy platforms similar to our UK platform - in the Americas and certain parts of Europe.

We are also looking at franchise partnerships, where we can work with local partners in India, China and Africa - places where our technology can do an enormous amount of good, but where we need to be able to scale more quickly than we are able to organically.

BM: What are the biggest challenges for companies with market leading ideas?

AL: One of our huge benefits from our work with the WEF has been that we have struck up relationships with other companies that also have a desire to enable technology to do good on a global scale.

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For me, we have a couple of critical ingredients for effective growth, not just in a business or consumer sense, but also in terms of the technology environment in which we work now. That's a very healthy dose of belief. You have to believe that you can be a global company, you can make a difference and your idea really is good enough to change the way the world works and thinks.

But then there has to be a healthy dose of pragmatism. We have to accept that if we've got a good idea then somebody else has already got it. That's the kind of 'proud to be paranoid' DNA that companies need to have. You need to ask yourself, how do I scale through partnerships while retaining my DNA and my intellectual property, but fast enough to fulfil my ambitions?

BM So do you think the challenges are getting harder? And how is Monitise facing them?

AL Many people say the challenges are decreasing because we're living in a shrinking world, and it's easy to analyse and compare what's going on elsewhere. But of course, that is true for everyone. The big challenge for companies that have market-leading ideas or ideas ahead of the curve is deciding when to start evangelising them and sharing the news? Monitise addresses that challenge by using a classic incubator technology. We work with our partners to make sure it's ready to go to mass market before we start shouting from the rooftops about it.