

Innovators strike advertising gold in the data mine

Over the past 17 years, Tech Track 100 has highlighted many of the most important trends in the UK tech scene, from the emergence of smartphones and cyber-security to online betting, peer-to-peer lending and cloud computing.

This year, we are seeing a new generation of advertising technology companies come of age, with 12 in the league table sharing total sales of £300m.

This is not the first time this sector has come to the fore; 2014 was also a big year for adtech, with 13 firms in the league table.

However, this current wave of ad innovators has evolved from the high volume “spray and pray” approach of many of their predecessors to a focus on

Adtech firms are using the wave of new technologies to solve the industry’s age-old challenges

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targeting, ensuring messages reach the right audience.

The change has been driven by advances in technology, including real-time bidding for ads, and systems smart enough to find and analyse connections in vast amounts of data –

otherwise known as artificial intelligence.

An impressive example is Media iQ (No 44), which processes a trillion data points a day to provide campaigns for blue-chip companies such as Mastercard and Heineken.

Gurman Hundal and Lee Puri founded the business in 2010 with the aim of helping clients understand their data better. Hundal says: “At our heart, we are a technology and analytics company and our investment in these areas has ultimately set us apart.”

Their approach has worked well, with sales more than doubling to £91.9m in 2016. In July, the London firm raised an undisclosed sum from private equity firm ECI Partners to fund



Dan Gilbert’s Brainlabs, No 12, has created ad campaigns for Deliveroo and Expedia

further growth overseas.

Another, Captify (No 38), analyses more than 33bn searches a month to build campaigns for clients including Amazon and Nike. Having more than doubled sales to £25.1m this year, co-founders Dominic Joseph and Adam Ludwin understand the challenges faced by fast-growing firms in a niche industry.

“Working with the globe’s biggest advertisers means that our technology must be able to power insights and campaigns all over the world,” says Ludwin. “This requires high-calibre people. We are continually challenged to find those superstar individuals who not only possess highly specialist skills but also have a challenger mindset.”

Dan Gilbert left Google to start Brainlabs (No 12) in 2011. Ad campaigns for the likes of Deliveroo and Expedia have helped it to raise sales to £14.8m this year.

Gilbert has also experienced the difficulty of recruiting in such a rapidly developing sector. “Our industry is changing so fast that it doesn’t matter what

you know about digital because it will be outdated within a year,” he says.

Ludwin and Gilbert are not alone in facing this skills gap. The tech and media businesses I speak to tell me that finding people with the right skills is their primary challenge – one that requires an early focus during Brexit negotiations.

Much has been done already to improve the training and expertise of the UK workforce, but the government could go much further to bridge the gap in tech skills.

One step in the right direction would be the reinstatement of the two-year post-study work visa for postgraduates in STEM subjects (science, technology, engineering and maths).

We do not want to lose talented people – educated in our world-leading universities – to competitor economies when we can encourage them to stay and contribute to UK businesses and growth.

As well as looking beyond the UK for talent, companies are also searching overseas for new markets, with 80% of this year’s Tech Track 100

cohort generating revenue outside the UK.

A crucial factor to consider when operating globally is the complexity of regulation and taxation in different countries.

Entrepreneurs well versed in navigating domestic rules can become frustrated by the regulatory complications that arise from operating in multiple countries.

Global boundaries are shifting because of Brexit and, with potential new trade deals in the offing, it is vital to have a strong understanding of each overseas market’s nuances.

As Gilbert says: “The UK is the greatest market on the planet for starting a tech business. We have phenomenal talent, advisory firms and capital. However, once a tech business has traction in the UK, it is imperative to take it global to access a larger market.”

Firms such as Brainlabs, Captify and Media iQ are setting the pace for our new economy and BDO is proud to be taking this international journey alongside many of this year’s Tech Track 100.

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