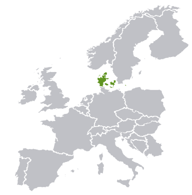
Featured interview

RASMUS WOLFF, FORMER VP OF JUST EAT, TURNED ANGEL INVESTOR



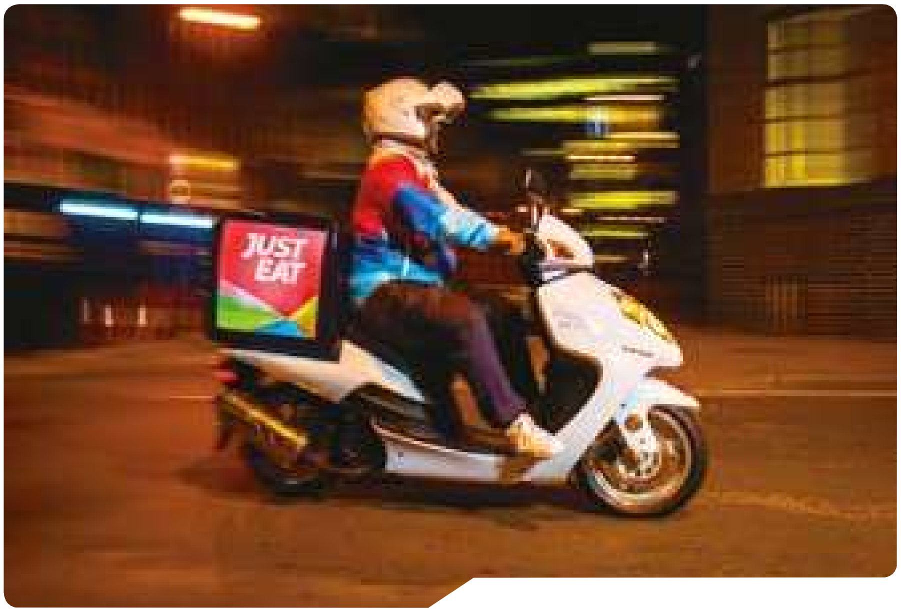
Former Just Eat VP turned angel investor discusses his entrepreneurial career

Rasmus Wolff, 44, is the former VP and Chief Development Officer at Just Eat, the food delivery service that turned the industry on its head when launching in the UK in 2006.

The £4.5bn market cap business, originally founded in 2001 and 'tested' in the Danish market, now operates in 13 countries across Europe and South America. It floated on the London Stock Exchange in 2014, employs over 2,000 people worldwide, and is set to join the FTSE 100 this year. Back in 2008, however, when Rasmus joined the management team, it was still figuring out how to grow. He tells his story to Nigel Wright.

A computer science and international business graduate from Copenhagen Business School, Rasmus completed the management training scheme at global healthcare provider Novo Nordisk before in 1999 achieving his early aim of working in big media. Hired by Denmark's biggest commercial broadcaster, TV 2, during three years at the company as a product manager he helped lay the foundation for the country's most popular internet service before taking a leading role in driving TV 2's overall digital strategy.

After fulfilling another leadership role, developing the digital content portfolio of Hutchison Whampoa as it launched its Three mobile network in Denmark and Sweden, Rasmus decided to turn to the world of consulting, working independently for two years in Europe and Latin America, designing and leading digital innovation projects for various clients including TV 2 as well as Ericsson, Telefonica and JP/Politiken, owner of the three biggest Danish newspapers. The latter then hired Rasmus on a permanent basis to launch and grow a variety of new online businesses across the group. His return to 'big media' was, however, short-



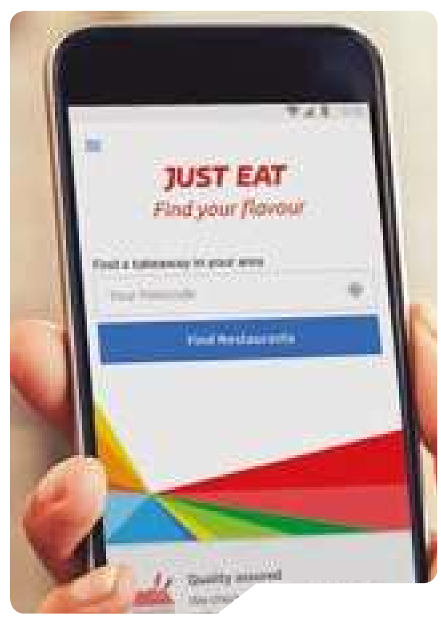
lived. Within eighteen months Rasmus found himself relocating to London in 2008 after receiving a fortuitous offer from a former boss, Klaus Nyengaard, to join Just Eat of which Klaus was now CEO.

Naïve at first, Rasmus highlighted how he soon grasped the potential of the opportunity: "At that time Just Eat was a small company of around fifty employees, with poor brand recognition. I was surprised to learn that the business was turning over a profit in Denmark. It demonstrated that the model worked and the chance to help roll it out globally, disrupting an industry worth $100 billion, was a dream challenge where I could use all my skills in technology, sales and marketing."

With thirty-five percent of all takeaway sales in Europe attributed to the UK, it was the obvious place for Just Eat to launch. Rasmus's first role in the executive team as VP New Markets was to build the sales and marketing playbook, testing existing strategies and creating new ones to facilitate growth. Rasmus would lead the charge on opening new offices, building and leading teams in Ireland, Norway, Spain, Belgium and Canada. Getting smart about metrics was a quality he immediately brought to the table: "We researched and segmented our customers and discovered a critical piece of information – that quality is subjective – and factors like price and location are often more important to people than taste or brand. Only our users could dictate the trends." Just Eat was happy, therefore, to partner with any restaurant and by allowing customers to rate their experiences of the different venues, they guaranteed the market would regulate itself.

This catch-all strategy meant sales took precedence over the other functions in the company early on. As Rasmus explained, developing relationships with independent restaurants and smaller chains was the thing that consistently worked. "All they wanted was increased revenues; but they lacked the skills, capital and desire to unlock the online opportunity." With no existing online presence, though, these businesses were difficult to find, so Just Eat's solution was to build an informed, aggressive and incentivised field sales force to grow its patch. The approach worked, and in 2009 the company became the first ever to raise substantial venture capital funding for the otherwise "un-sexy" take away business model.

With the new management having secured the investment for the expansion strategy, Just Eat's founders, who had historically grown the business with very little funding, shortly after agreed to leave the business. This marked a turning point for Just Eat as the new management team could now turn their full attention to scaling internationally. All subsequent markets after the UK, Rasmus explained, were selected based on three factors: levels of takeaway consumption, the proliferation of small businesses i.e. market not tied up in big franchises, and e-commerce adoption. While the latter was important from an 'are consumers comfortable using the system?' perspective, Rasmus admits that technology was never Just Eat's core strength: "The competitive environment at the time didn't require super-fast innovation the way it does today. There was no benchmark for how professional

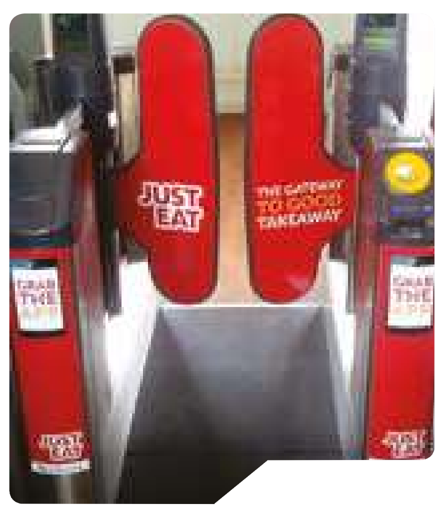


> "Just Eat's platform was rudimentary but because no one else was using it, and the fact that it was low cost to install and maintain at restaurants, technology was never a barrier to our growth."

services should look online, mobile didn't even exist and expectations around usability were few. Just Eat users were spending, on average, twenty percent more than customers who called in their order by phone. The functionality of the site, which enabled consumers to see the full menu of a restaurant, easily add items and then complete a secure payment, was enough." Even in markets with low e-commerce penetration by still allowing cash payments to drivers it meant that incremental growth was maintained.

One piece of technology that proved critical to Just Eat's early success, however, was the 'magic box.' This was a small printer connected to the internet via a SIM card, installed at each restaurant, and which received and printed out customer orders. Clever in 2006 but not exactly cutting edge by today's standards as Rasmus explained: "Just Eat's platform was rudimentary but because no one else was using it, and the fact that it was low cost to install and maintain at restaurants, technology was never a barrier to our growth."

By 2011 Just Eat began complementing organic growth with M&A. Rasmus took on the role of Chief Development Officer responsible for all aspects of planning, funding and integration as well as recruitment and customer and commercial strategy for acquisitions in India, Brazil, France and Switzerland. The business increased its worldwide employees to over 2,000 and as part of the global leadership team Rasmus helped embed values and align people with Just Eat's Danish culture and ways of working. He alludes to some great initiatives which have stayed with him: "We made a point of recruiting only people who shared our hunger for success and who enjoyed our Danish frank and direct way of approaching difficult topics. But moreover, it was our belief that while individual efforts are important, the true



"With the increased size of the company and with the preparations for an IPO in place, however, came a natural shift away from the historically risk-willing approach to business."

superheroes are the ones whose work benefits the whole of the company. For example, we had managers in Spain helping those in Canada, and all cross-country initiatives were given a lot of visibility to encourage more of them. Just Eat's company share scheme was extended to all employees, and we made a point of celebrating our victories, creating a fun environment for everyone."

With the increased size of the company and with the preparations for an IPO in place, however, came a natural shift away from the historically risk-willing approach to business. While undoubtedly still an exciting time for Just Eat, the overall strategy changed from expansion to one of consolidation and ensuring predictability of existing markets.

With the expansion challenge over and after more than five years based in London, Rasmus decided to move to Berlin with his wife and teenage kids to join Get Your Guide, the tourist excursion booking site as CMO. Over two years he helped accelerate its growth dramatically to more than €100m in annual transaction value, raise significant capital and pave the way for its international success; playing a key role in disrupting another $100+ billion market. Being the "experienced hand" as an executive with four young founders offered great learnings for Rasmus, but after Just Eat completed its IPO, the biggest in Europe for eight years, he explained it was time to try being the founder himself: "Suddenly there was a lot of investors looking at food. Me and a former colleague had discussed ideas of how to bring the Just Eat experience into the age of mobile. Now that I had the flexibility to sacrifice the steady paycheck, I left my job and started HUNGR."

HUNGR's critical difference, Rasmus explained, was allowing users to choose their dish first (Sushi – Salmon Roll, etc.) before offering them a comparison of relevant restaurants in their postcode area 'tagged' with that dish. The premise was that pizza, Indian food and sushi,etc. are generic experiences for delivery, and if a restaurant had great ratings, consumers would mainly be concerned with the total price and how quickly they could get the food delivered, rather than with which specific restaurant had made it. By only working with the top ten percent best restaurants in each area based on customer ratings, HUNGR's ease of use and mobile-only experience enabled customers to order delivery food in a matter of seconds, rather than taking several minutes to scroll through and manually compare multiple pages of restaurant listings.

Despite acquiring 200 restaurants in Berlin and hiring eight employees, the venture didn't grow as planned and after 12 months Rasmus decided to halt the business: "We launched in what was now a very competitive market and without a big war-chest of capital it was difficult to grow quickly and stand out from the crowd. We started to realise that despite the good feedback from the customers who tried us our product maybe wasn't disruptive enough to really stand out." After spending a year working day and night, seven days per week, and even answering customer service queries on evenings when someone's delivery was late it was a tough decision to close it down: "To win big you have to also be

willing to accept failure when the data proves you wrong. Despite the loss of time and money, I will never regret founding my own business. However, it helped me to realise that as an entrepreneur, I can be more effective at the later stages when a business has gone through its initial revolutions and is ready to scale."

Since HUNGR, Rasmus has focused his time and money on exactly these later stage businesses. He currently has investments in nine digital companies in a range of sectors including food as well as education, automated vehicles, retail and consumer marketplaces. Splitting his time between London, Berlin and Amsterdam, where he now lives with his family, he stays close to the start-up "eco-systems" in those markets looking for ideas where he can add value beyond capital investment: "I'm interested in investing in digital solutions that have passed the proof of concept phase, found a way to acquire customers and are ready to expand internationally. I prefer active engagement with the management team, coaching them on how to build a strong organisation, setting effective goals and having a direct influence. The start-up scene can benefit from the involvement of experienced people with specific industry knowledge and strong networks."

In his view, there is no shortage of ideas, but what often happens is that too little effort early on is put into verifying that there is a market for the new product or service. Rasmus argues: "The first 12-18 months of a start-up are critical to establish a curious and data-driven culture and to find ways to test and learn and re-work your hypothesis to find a market fit." He added how another major barrier to successful digital start-ups was talent attraction. Start-ups in the major European hubs must compete with big established companies who can pay top dollar when attracting the best people. Early stage businesses need to get the message out that even if they can't offer the same salaries, they offer opportunities for people to learn and to make a direct impact. A strong culture is also needed to drive successful attraction and retention he added: "If you can't win peoples' hearts with the vision of the company, then they'll leave when the going gets tough. I enjoy leading the alignment of culture, vision and values when the business is scaling and when failing to unite everyone around one agenda can otherwise become an issue."

When asked about which industries are ripe for disruption, education is one Rasmus sees as standing out: "Education technology is an emerging sector which offers tremendous opportunity. Over the next ten years, there are going to be lots of new types of jobs that require new skills,

so more learning and education tools will emerge." His latest investment, StuDocu, operates in this space. StuDocu is a tool which allows students to share and download past exams, lecture notes and study guides across universities. The vision, Rasmus explained, is to build a digital system that will optimise learning in addition to reading books and going to lectures: "There's an increasing need for education and the best kind used to only be available to those who could afford a fancy university; StuDocu changes that by democratising knowledge and making it accessible to everybody."

While Rasmus admits travelling the world, making smart investments, and enjoying a flexible lifestyle is "privileged," he reveals that the professional satisfaction he gains from being an investor: "is not the same as being in the trenches with a team on a mission." He explained: "Fighting for a plan with global impact brings a lot of personal fulfilment and learning. I don't imagine staying as an investor forever, but the bar is high to find the right project. What matters to me is not whether it is a young or a more established company – what matters is the opportunity to build and lead a highly passionate team executing on a BIG vision".