

# ENTERPRISE IRELAND CLIENTS IN BRITAIN POST UK REFERENDUM

## **Case Study**

## PROFITERO.....



Profitero monitors what shoppers see and buy online, providing real-time e-commerce analytics, insights and strategic recommendations to global consumer brand manufacturers and retailers including General Mills, L'Oréal, Beiersdorf, Ikea, Waitrose and Morrisons. **Daniel King, President and COO**, outlines why the UK is still a compelling market, and why it doesn't pay to think only in terms of London as a base.

*“The UK is a G8 country and it's a dominant force in anything to do with online, digital, media and technology and that's not going to fundamentally change.”*

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## Then

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**Profitero committed to the UK early on as a start-up. It was important to open a UK office because the company deals with global consumer packaged goods manufacturers, and the majority of them tend to have a European headquarters in the UK.**

“We started our office just outside London in Maidenhead which is a technology corridor, about a year ago. That was partly due to the complexity of our solution and also, as our deal size grows, customers wanted to see more of a physical presence in the UK,” says Profitero’s president and CEO Daniel King.

“One piece of advice I would have, is that people view the UK as quite London-centric. But you broaden your mind, there are great pockets of growing areas all dotted around the UK with vibrant ecosystems, and financial incentives from local enterprise partners and councils. Sometimes you can find a more cost effective-location outside of London, in Liverpool, Manchester, Brighton, Bath, Bristol, or Birmingham.

We got an office space for half the price that it would have cost us in London - and we’re closer to our clients. If you don’t have to be in London because your customers are there, it may work out better to locate in another part of the country.”

## Now

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The company is growing at 70-80 per cent per year, UK included. About 30-35 per cent of its revenue comes from the UK specifically, with 40 per cent from the US and the remainder from other European countries. With 140 staff globally, Profitero currently has eight in its UK office and is looking to double that by year end and then double that again over 2017. “We operate in quite a niche sector. The founders and I are all veterans of the industry and we relied on our personal network for the most part to find the right people. We hired people from the industry who came with good contacts and the transition has been pretty seamless,” says King.

“Because of the close links between Ireland and the US, a lot of Irish companies think their next step to get major growth is to go to the US. While I think that’s a correct long-term strategy, I think there’s a stepping stone in between and that’s the UK. Going from a country the size of Ireland to the size of the US is a huge step for a small startup. Our strategy is to leverage the UK, with so many global companies having their regional headquarters, where we’ve built a reputation and contracts. In our experience, it’s much easier to go to the US having already worked with their European counterpart in the UK. Also, culturally we are very similar, we have the same mentality and drive, for Irish companies coming to the UK,” he adds.

## Future

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King’s view is that Brexit will not have a big impact on Profitero’s business. “The uncoupling is going to take years. The problem at the moment is that there isn’t a clear path that people can buy into. The result was a surprise and markets are a little bit jittery, but I have complete faith that people will continue to do business as they have done.

“The bulk of our revenues come in euro and dollars. About a third comes in in sterling, so the recent weakness in sterling means we’ll have to adjust our UK revenues slightly because we report in dollars, but it’s not a monumental adjustment. I think you have to look factually at where things are. The UK is a G8 country and it’s a dominant force in anything to do with online, digital, media and technology and that’s not going to fundamentally change. It’s the number one European e-commerce market, with the highest spend per online shopper in Europe. The UK is still a great market opportunity and a launch pad and it’s still got a great multilingual workforce.”