

Outfund, providing fast, flexible and fixed revenue-based financing for eCommerce

As part of our quick founder questions series – or QFQs – we spoke to Alan Lin, COO and co-founder of Outfund about making it easy for businesses to tap into sustainable capital, using data to drive good customer experience and impacting the economy.

Outfund is the UK, Spain & Australia's largest eCommerce investor and one of the largest companies providing fast, flexible and fixed revenue-based financing to both online and offline businesses. We don't take equity dilution as repayment – just a percentage of revenue.

What was the catalyst for launching the product?

Back in the day, securing funds for a business was a mix of complicated equity finance and restrictive debt. We envisioned Outfund as the answer – a simpler, friendlier way for businesses to tap into sustainable capital and get the tools and support they needed to thrive.

Tell me about the product – what it is, what it aims to achieve, who you work with, how you reach customers, USP and so on?

In a nutshell, we provide capital that's quick, flexible, and friendly, with no equity dilution, to both small and large online and offline businesses. By using live data feeds from customers, we're able to make automated decisions based on huge data sets, and tailor repayment so that it integrates tightly with the company's business model. We lend companies from £25,000 to £10M with funds that they can access via a virtual wallet and an invoice payment tool.

Businesses can apply online in five minutes, with no paperwork, and typically receive a customised offer within 24 hours. They can then connect their accounts, and we'll build loan offers based on their monthly revenues, which they can repay as a percentage of the company's future earnings.

One of our USPs is our bespoke categorisation engine. It arranges Open Banking data in a way that empowers our system to extend the same revenue-based products to offline businesses, which were previously exclusive to e-commerce entities.

How has the business evolved since its launch?

Outfund started as a digital brokerage business which was using digital data sources to help customers access traditional funding options.

We realised that traditional lenders didn't have the infrastructure or organisational agility to use this data to deliver a good customer experience. So after two years, we decided to develop the ability to become a business lender in-house. Three years later, we're actively providing revenue based finance to a multitude of businesses across seven countries.

What is your favourite thing about being a founder?

I value exposure to all parts of the business – and I like managing people. I enjoy working with a bunch of talented individuals who are all focused on a

collaborative goal that is larger than the sum of its parts. I also like focusing on creating tangible value for our employees, customers – and watching the impact we can have on the economy.

Which founders or businesses do you see as being the most inspirational?

The founders and leadership teams of Stripe, Microsoft, Starling Bank.

Stripe – The timing positioning and level of innovation of the initial product offering was perfectly executed. Their ability to combine entrepreneurial intuition with the fostering of a strong investor and collaborative network and ability to execute is rare and admirable.

Microsoft – Gates played an instrumental role in the popularisation of personal computing and the technology sector in general. His journey embodies the essence of innovation, vision and perseverance, and, more importantly, the importance of having courage to pursue a dream. I am inspired by his continued ability to have an impact by shifting his focus and influence to his new, philanthropic goals.

Starling – Again, as with the founders above, Boden's deep understanding of the finance industry's intricacies empowered her to envision a more agile, customer-centric alternative to conventional banks. Her decision to step away from a comfortable position in legacy banking to launch a start-up is inspirational and I admire her courage and belief in backing herself and committing to her belief in the transformative power of technology. In an industry often dominated by male leadership, Boden's success story also serves as an inspiration for female entrepreneurs.

Which other figures in your life inspire you?

Barack Obama – politics aside, his charisma and humanity make him an incredibly relatable leader internationally.

Michael Jordan, Elon Musk and Steve Jobs: pure tenacity is such an important component of success. While there are some aspects of their personas which are not so admirable, there is something to be learnt from the correlation between their approach and being successful.

I also admire John Lennon for his dedication to the art and his commitment to

staying true to the vision and legacy of his chosen path.

What has been your biggest business fail?

It took us a while to pick up, react and adjust to deteriorating economic conditions. We suffered from sunk cost fallacy for a few months and were slow to move on changing our team composition and strategy in response, which put the business in a risky position whilst we took time to evaluate options. But we learnt our lesson – we'll be more realistic and fast in our decision making in the future.

What are the things you're really good at as a leader?

I'm open to feedback and I'm responsive to the opinions and needs of our team – I make a point to communicate our company's goals regularly and transparently with them, which encourages a really good dialogue. I think I've built a strong team culture, where we've managed to strike a sustainable balance between productive work and personal life.

I've also learnt to become more agile in guiding our business direction, improving our operations and iterating on our product – while developing processes that encourage productive collaboration.

Which areas do you need to improve on?

I need to delegate more, take a step back to focus on the bigger picture, improve communication with the team to give them more transparency and certainty, and make decisions more pragmatically when required.

What's in store for the future of the business?

The Fintech space continues to be exciting. There are other trends such as decentralisation and AI that are informing our strategic positioning and product roadmap.

I think that we're well positioned to leverage those new technologies to offer a

superior finance product offering. Our focus on getting more from the financial data shared by our customers allows us to understand them more deeply – and we'll continue to work on creating a faster, more contextualised and responsive offering.

What advice would you give to other founders or future founders?

Deal in certainty when communicating and collaborating with employees

Understand the economics of the business intimately and always know where you stand in terms of key KPI's

Strike a balance between understanding what is at the coal face whilst always having a view of the bigger picture, and where your company sits in that context

Never stop building relationships with peers and investors in your space

And finally, a more personal question! We like to ask everyone we interview about their daily routine and the rules they live by. Is it up at 4am for yoga, or something a little more traditional?

At the risk of sounding very cliché, I believe in consistency in terms of all the “good” inputs: reading, yoga, exercise, diet – the latter is my foundation for a positive trajectory. As with every other human I have met, I find it really hard to keep up the consistency, but recognise the importance of continuing to persist and keep circling back. I also find it challenging to keep regular contact with family and friends especially in busy patches, but again, consistency here is also really important to me.

A typical work day looks like the following:

8am – wakeup and have a quick breakfast before leaving the house

9am-6pm – in the mornings I typically have a range of standups and catch ups with internal teams. After lunch, I try to schedule some focus time to tackle personal tasks and any interactions and work for external partnerships and

providers.

6pm onwards – at Outfund, we try to maintain a strict work life balance, so typically everyone will finish around 6pm. I try to either run or hit the gym at least twice a week. On weeknights, I usually cook at home and occasionally catch up with friends or colleagues for a drink on non-gym days. Between these activities and bedtime, I try to read but sometimes end up watching a netflix series or chat with family back home in NZ. My usual bedtime is midnight, but I've been trying to improve on that and get to bed by 11pm, which is super difficult. I've been tracking my sleep and the average 6.5-7 hours – trying to upgrade that to 8, a work in progress!!!

Alan Lin is the COO and co-founder of Outfund.

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