



Inspiring Female Founders

Anne Boden, Starling Bank

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Anne Boden's Keynote Address



Introduction by Oxford Said MBA Student:

Good morning, everyone. It's an absolute privilege to introduce our first keynote speaker of this morning, Anne Boden. So many of you will know her by reputation, but I'll just give you a quick rundown of some key highlights of her career to set the scene of how wonderful she is and what a lucky treat it is for her to be addressing us this morning. Anne had started her career in banking and had a very established career in retail banking across both Western Europe and in the UK. During her time in banking, as she rose to become one of the most well-respected executives across the UK, she became intimately aware of the

structural challenges that face the financial services industry and of course its customers. This formed the basis of what is now Starling Bank, the first digital only bank in the UK, which paved the way for a real future of banking. And I've recently been reading her fantastic book *Banking On It*, which I would highly recommend everyone to grab a copy. What really shone through from the book was her customer obsession, her openness to challenge the status quo and of course her approach to failure is simply inspiring. Please welcome Anne Boden to the stage.

Anne Boden

Well, thank you, everyone. Ten years ago, if you'd met me, if you'd met me in a corridor or at this sort of event, would you have thought that ten years later I'd be a tech entrepreneur, a founder of a business that's worth three billion plus serving four million customers having changed an industry and written a best-selling book? Probably not. You're probably would have thought I was just a middle-aged woman at the end of her career.

People said you can't start a bank. People said you shouldn't write a book. If it goes wrong, people will laugh at you. Writing a book and it flopping would be a disaster. It would be humiliating.

But you don't achieve anything by doing safe things. You don't fulfil your potential unless you do things that are really, really hard. So a decade ago, I was as far away from being a tech entrepreneur as it is possible to get. It wasn't just because I had a 40 year career, a very corporate career in banking. No. When my pitches fell flat, or when I received yet another no, it took time for the real issue to sink in.

'Hello. I'm Anne Boden. I'm gonna start a bank.' There was already a barrier between me and my message. No one came out and said it, but it was there. The barrier was she's not one of us. I didn't look like the archetypal vision of a tech entrepreneur. I wasn't Elon Musk or Jeff Bezos or Mark Zuckerberg. You can see the theme here.

Being resilient

Those of you familiar with my story, remember I had to make more than 300 pitches before I finally secured the first round of funding for Starling Bank. It was really, really tough. In order to be an entrepreneur, you have to have a brilliant idea and you have to be brave enough to make it happen. You need to be hard working, resilient and determined. I couldn't let myself be put off by the repeated no's. On several occasions I would spend months and months working with an investor to find that they'd wimp out in the end and invest in a male entrepreneur.

I became inspired and invigorated by the fact that I had to beat my rivals to the goal of becoming one of these first new banks that would change the landscape. Also, that I'm goal driven. That's what drives me. Nothing spurred me on more than having a grand plan, and building Starling was a grand plan.

Now I look back at the qualities again. Resilience, competitive nature, determined, goal driven, unable to take no for an answer. These are all the key qualities



of an entrepreneur. I was an entrepreneur all along. A lot of people didn't see it though because they couldn't get past what they believe an entrepreneur is supposed to look and sound like.

And this experience was something that greatly contributed to me accepting the invitation to lead a government backed task force to support female startups specifically with the goal of becoming high growth businesses like Starling. This is not a task force about creating more businesses that are home based businesses or craft based businesses. What we're talking about is high growth. Those companies that will change the economic landscape, drive innovation and create wealth.

Valuing female entrepreneurs

The economics of this endeavour showed there's a huge necessity for action. Women entrepreneurs routinely receive less than 2% share of UK's multi billion pound venture capital funding each year. That's 2%. If we could level the playing field and women entrepreneurs were able to start companies at the same rate as men, we could generate 250 billion onto the UK's GDP.

It is very clear that something needs to change and from my first-hand experience I had a few good ideas my own. I'm not going to pre-empt the findings of the task force or the recommendations will be published in March this year. But I will say that there are a number of easy wins that can really move the dial.

I get lots of invitations every week. And normally it goes like this, we need to do a panel, we need a speaker. Oh dear, we've got ten men. Somebody call Anne Boden. But it's not only me. There is huge number of women out there that are doing a fantastic job doing the job and we need to recognise them. We need to recognise them because they need to be role models.

Over the past decade and a half, 87 female cofounders have led businesses to a successful exit, including 15 female led IPOs. The UK accounted for 31 of those exits with four of the top ten by exit value also from the UK.

There are a number of great companies that have floated, that are founded by brilliant entrepreneurial women. One of the top ten female founders in the UK is Sarah Gilbert, the founder of Vaccitech, based here in Oxford, which is valued at 464 million after IPO.

Through the task force, I've got to know some incredible women, including Zandra Moore, the co-founder and CEO of Panintelligence and Angela Scott, the CEO and founder of TC Biopharm.

I'm now going to make a bit of a controversial statement. Female entrepreneurs can make the very best entrepreneurs. The same goes for those from diverse backgrounds who find it equally, if not more, difficult to secure backing. Why? Because we fight so hard to be heard. But here's the interesting fact, because we have to put so much effort into raising the money, because it is so difficult for those female entrepreneurs or from diverse backgrounds, when they get the money, they have some of the best businesses possible and they produce better returns for their investors.

Striving for gender balance

But I'm not stuck on female-only teams. And what I'm arguing for is gender-balanced teams. The world is about gender balance. Having female only teams and male only teams is not what life is all about. In gender balanced environments, we can have a broad spectrum of experiences and perspectives and we get better decision making.

What I'm advocating is that in all start-ups we should have one of the top three important positions held by a woman. That's the CEO or the CTO or the CFO.

It's just not good enough to say 'yes, we do have a woman on the team. I think she works in operations or she does something in corporate support.' Companies need to have one of the top three roles filled by a woman. Surely that's not asking an awful lot.



I'm also asking that equity is fairly divided, that we don't have the situation where despite the fact that we have a woman in the top team, she doesn't get her fair share of the equity. What I'm calling for is that VC's to look out for these things and make the sensible decisions.

One of the reasons that we are often given for why women are underrepresented in the ranks of high growth entrepreneurs is that they gravitate towards people orientated sectors such as health, social care and environment and that these businesses are more difficult to scale. Interestingly, though, the next iteration of technology will be around AI to solve some of these pressing issues of today. Those pressing issues tend to fall into the areas of health, social care and environment. Those are areas where female entrepreneurs have always shone.

AI technology will be at the forefront of everything from tackling climate change to dealing with the aging population. It makes more sense than ever to create properly balanced teams and put female entrepreneurs at the forefront of the next wave of entrepreneurship.

As everyone is aware, the government is announcing the intention for the UK to be the technology superpower of 2030, putting us firmly at the centre of the world stage for science and tech. There is already a lot of weight being put behind this goal, and the convening of the task force suggests there's recognition that there is an opportunity for women here.

Getting the timing right

This brings me to another important aspect of entrepreneurship: timing. In this business, timing is everything. I am often approached by individuals to mentor them, to help them start a bank. Despite the fact that I try to help, I have to explain the timing is everything. Back in 2014 to 2016, there were a number of banks, fintech organisations, some of them working in stealth, on these propositions. Then we all popped out together and all competed against each other and there were winners and losers. Starling got its funding 2016, banking licence in 2016, launched in 2017. I think it's very, very difficult to start a new bank today. I think there are other opportunities that are far more interesting.

For certain, in the fintech industry, the last ten years were the interesting times. Now I think we'll move to new industries, new ways of using technology.

This works the other way around, too. If a business idea is too ahead of its time and too early, founders will find it a really uphill struggle to raise money. Investors won't understand what they're looking at and it is rather like the situation where you have to explain why your joke is funny. By the time you've done it, the moment has passed. The real juggling act is to be close to the beginning of the wave, but not too far out in front, but definitely not lagging behind.

As entrepreneurs, we can tolerate a couple of failures, but we can't tolerate three failures in a row, each costing you ten years. So you have to be really, really brutal with yourself as far as the businesses you're attempting.

Embracing curiosity

When it comes to AI, we're at the right at the beginning of that wave, which for any entrepreneur represents exciting times. The disruptors of the future will be focused on the budding advanced technology of our age, including AI, Quantum, Immersive Technology, Engineering, Biology and more.

The future of medicine, navigating personalised healthcare and machine learning and AI, the power to transform industries. We're on the cusp of something

here. What then, would I say to anyone coming for me for advice today? These emerging technologies can feel a bit complex and daunting, even to those fully immersed in tech. For those of us who have little knowledge, my first piece of advice is not to be intimidated. I would remind anyone feeling this way that this new wave represents a real opportunity for entrepreneurs.

An intimate understanding of tech and the ability to code will not be the number one route to success in the next wave. The machines could do that. Indeed, machines already have the ability to outperform humans in some areas, and this will increase exponentially in the future in ways that cannot be imagined.

One trait that I think is important to have is a bit of naivety. Naivety is not a word usually associated with entrepreneurialism. This is a sector that celebrates deep industry knowledge and single-minded approach. I don't profess to be a world expert on AI, far from it, but I think it can be an advantage when weighing up business opportunities. When you're not bound by preconceived notions, it gives a fresh perspective. You become more open to asking what if? Curiosity, willingness to explore uncharted territories...

Another one of the entrepreneurial traits, which I referred to earlier, is a willingness to learn new things. When I encounter anything new, I buy a book about it. If you want to know what's going through my life at the moment, look at my kitchen table. Lots of books on interior design and AI. I read and reread four or five books a week and it's so, so exciting. I think never have I been so enthusiastic about the changes that we could grasp and really exploit.

Era of problem solving

This new era, heralds a shift in focus from products and services that have an economic value to one where they have a societal value.

As an entrepreneur weighing up a start-up, my focus will be on the significant global and local challenges such as climate change, long NHS waiting lists, the impact of people remaining in employment longer and the cost of living crisis. This should be the starting point, rather than the burning desire to be the next Amazon, SpaceX or Starling.

The entrepreneurs who succeed in this next wave will seek out problems and imagine how they might solve them. I always say the best ideas come from looking around you and working through what you'd like someone to develop to make your life better, or the lives around you.

As a CEO and founder of a bank, you may think I spend a lot of my time making high level financial decisions. But I spent most of last year worrying about our customers' cost of living crisis. When you listen into some of the calls coming in from customers, they desperately need help. When you listen to our customer service staff respond to that in a very, very human way, it really brings the fact that we have huge divides between the haves and have nots. We have the potential as people who are very, very privileged to do our best to solve these big, big issues.

But I think the most important thing as an entrepreneur is you must feel passionate about the mission. It doesn't matter how resilient or determined you are as a person, getting a high growth business off the ground requires a seemingly infinite reserve of time and energy. Anyone who is not fully committed, will struggle and quite easily fall by the wayside.

Lots of journalists ask me the question, what are your hobbies? What do you spend your time doing? If you're a founder, you're working on your business all the time. I mean all the time. You get up at 6-6:30 in the morning and you start writing emails and that goes on each and every day. It's a huge privilege to be involved in something that's so consuming. But being an entrepreneur is not a lifestyle choice, it is something you have to do because you believe you can solve a big problem.

As we go into the next era of AI solutions, lots of things are going to change. When I was going through the entrepreneurship journey, I had to learn very fast. I'd never been an entrepreneur. I didn't know how things worked. So what I did was to enrol in every single video or podcast or buy every book I could about product development. I spent hours listening to videos trying to understand how this world worked.

I learnt that it was all about the minimum viable product, getting that product out and trying it for consumers. I think some of the lessons I learned from that era will be valid in the next era. Some won't, because the AI world is all about data.

I think you still need to follow some of the ground rules of the previous era, but this is where gifted visionaries ignore customer input, instead focus on an innovative new product. So in the last world, you could look at all the various things, you didn't really have to do a lot of customer workshops, you knew where you were going. You had the vision and you went for it. Some of us failed and some of us succeeded.

But the next situation is all about data. It's all about people's data. There's a new set of skills that come in here, a new set of governance processes.



Earlier this month we saw Rishi Sunak hosting the world's first AI Safety Summit, culminated with a one to one interview with Elon Musk. While I expected Musk to highlight the potential benefits of AI, which he said were a force of good, he also issued a stark warning about humanoid robots. The Prime Minister largely agreed, adding that while safety issues are paramount, he wants to avoid stifling innovation.

Hailing from the world of banking, one of the most highly regulated sectors in the world, I have some thoughts on regulation that I would like to share here. There are arguments for and equally strong arguments against.

Balancing regulation

Let's start talking about the need for regulation. This almost brings us back to the start of this keynote. Regulation helps keep things fair and equal. When those in the top of the tech and finance sector push back hard against regulation, bear in mind that it's easy to do when you've never been at a disadvantage or discriminated against, or you've had your point of view ignored. Whilst those in power don't like targets, don't like regulation, don't like transparency, if you're not being considered or you're not getting the job, that's the only way things are going to change. There will be need for rules or fair compensation for people whose data has been used to train algorithms, which is a vast financial reward to a handful of entrepreneurs.

As I said before, the gulf between the haves and have nots is wide at the moment, but it could very well get much wider. This is especially so with the job displacement we'll inevitably see. Elon Musk said somewhat bluntly at the summit, there will be no jobs left because AI will have taken them all. According to one survey, AI could displace 800 million jobs, or 30% of the global workforce by 2030.

I don't quite share that entirely bleak outlook. There will be jobs, just different jobs. Whilst AI takes the role of automating some jobs, we humans can focus on the creative and value-added tasks. There is a role for AI, a role for regulation in slowing down the bad guys and girls. These are firms fixated on growth at all costs, those who play fast and lose the privacy of users and their data or do nothing to stop bias and discrimination being injected into their algorithms... of course, at the more extreme end of the scale, those who spread misinformation or create deepfakes.

Our future elections depend on regulations being put in place. While a lot of it is made of terminator style event ending humanity, in reality it is much more likely to be death by 1000 cuts as constant drip, drip, drip of misinformation undermining society.

On the other side of the argument, as an entrepreneur I always want to innovate and produce the best possible product and service I can make. Too much regulation, or anything that is too hastily or badly thought through could slow down advances in AI.

Regulators often find it difficult to adapt to the pace of technology, and the danger is that new laws can easily prevent entrepreneurs from being agile and reacting to emerging technology. No one wants to be tied up with bureaucracy and red tape at a time like this.

I like writing. I like reading books, absorbing stuff and writing. I've been writing for 20 years. It was only when I had a story to tell they were worth publishing. One of my first books was Red Tape Unravelling, which was about the fact that bureaucracy was strangling British businesses and global businesses.

We all are going to face the fact that there is going to be this great global tussle on who's going to regulate what and how we get the best from the next age of technology. We have to consider the global nature of commerce.

If we in the UK or Europe clamped down at some aspect that China or America gives a free pass, what happens then? How will it be possible to remain competitive? It's a real conundrum and one that will inevitably give world leaders some real headaches in the months to come.

Since AI operates across borders, it is inevitable that there will be a need for international cooperation and coordination. However, not surprisingly, few are calling for one single worldwide regulation. That would be impossible to realise.

We are entering an entirely new territory. In an ideal world, we'll find a balance between the two very different worlds of regulation and no regulation.

We create an environment where innovation can flourish and we can realise the extraordinary potential of artificial intelligence to resolve many of the problems that threaten the globe today. However, at the same time, we'd have broad frameworks, so future developments are not to our detriment or patently unfair.

I do not envy the regulators' job in walking this tightrope. It is highly possible that many mistakes and missteps will be made along the way, and that we won't actually know what good looks like until we view it in the rear view mirror.



Like I said, we're at the beginning of another extraordinary step forward in tech innovation. From a UK PLC point of view, I'm very much aligned with the message that we have the opportunity to be at the forefront of the global AI market, estimated to be worth 200 billion within just three years. We need to move forward quickly. AI is developing at an accelerated pace and generative AI models have the potential to change every industry.

Harnessing AI and equality

On the way here today, my driver asked what I was going to talk about. I said I'm going to talk about all these different things. And he said to me, you know, I've been writing my business plan, using generative AI to solve rainforest reforestation.

Wow, hasn't the world changed? And that's because we've all got access to much more information. We can do whatever we want. We can have bold ideas, we

can have all the information in the world structured to help us with those ideas. Wouldn't that be fantastic? Wouldn't it be absolutely wonderful if the opportunities were available to everybody that had the potential or the determination to have a go, and not just to the privileged few?

But these tools are also available to the bad girls and guys. So we need to be careful. AI is developing an accelerating rate and generative AI models have potential to change every industry. To navigate the world in the most effective way possible, we need to put our best resources on it to return to where I started. We need to not just think about diversity in our entrepreneurial teams, we need to actively encourage it. Diverse teams deliver better results and make better decisions. The teams that make up the next generation of entrepreneurial giants can and should be balanced and fair, making best use of all the remarkable talent that is out there.

I applaud the fact that 51% of your intake in the MBA is female this year. And an AI don't forget plays to the skill of female entrepreneurs. In an ideal future that we know invisible barrier from when a female team starts their business, hopefully their ideas will be taken seriously, their promises will be believed and they'll be able to raise funding.

It is already happening. But like all entrepreneurs, I want this next grand plan to happen much more quickly. Founding then scaling a high growth business is a fulfilling, exhilarating career choice. It'll be great to see everyone get an equal chance to use their skills and disrupt many more markets.

As a person who in her mid 50s, had no entrepreneurial skills, had never had launched a business, had spent all her career working for big corporates, when I decided to take the plunge, I was laughed at. People said no. People patronised me.

So when you go out there, be thick skinned, work ever so hard. Get up at 6:00 and send those emails because we have to try to solve these big problems. I am terribly excited about the world to come, what the potential is.

I believe we can grasp those opportunities, grasp those opportunities, create additional GDP and drive the economies around the world. But from the task force perspective, I really hope that women get their fair chance.

Thank you very much.

Q&A

Q1. Thank you, that was a really great speech. You talked about women starting out but what about through the journey of scale up when some women get managed out as you said by VC's and PE. What advice would you give them to stay there in the journey and as you say with equity, have their future?

A1. There are some female focused venture capitalists and what we're finding from US research is that if a female founded company raises money, when they go to the next stage, having raised money from a female founded fund actually acts against them. At that next round they'll probably raise money at a lower valuation and have to give more dilution. That is why when these businesses grow, the women find it very often not really worth continuing because they've been diluted out.

Now, the only way that we can solve this problem is by calling it out. There's a huge issue going on where women who argue for equity, women who argue to be fairly paid, are seen as being greedy or too money focused. It's great for men, but if you're a woman and argue for your equity, it's different.

And this is not just in founder-led companies. It's also in the fund industry where you find that there are lots of women who may have the title of partner but they aren't actually members of the operating fund and they don't necessarily have carry.

There are a couple of us that have managed to build big companies that still have got to requalify but for the vast majority of women, they are not being given sufficient equity. When raising money it's at a lower valuation than to men-founded teams and they are diluted disproportionately.

So the question is how do you navigate that, manage it so you stay in position? Well, you know my story. If you read *Banking On It*, you know they attempted to push me out of my own company and I won't go into the detail, but you can read the whole story.

It's going to be tough. Start-up life is tough. It's tough for everyone. Men, women, whatever you are. When you're put into that really difficult time, you just have to fight and you have to remember there is nothing wrong with you, it's the system. Stop trying to fix the women, fix the system. There's nothing wrong with us. We don't need mentoring. What we need is a fair system.

Q2. Thanks for a great talk, you mentioned somewhere in your talk that in 2016 you started Starling and that was a good time for doing a banking startup and now it's not. So I wonder what caused the change. Also, you mentioned that AI is a great opportunity. What do you think of AI's role for banking?

A2. I think we went through five to six years where there was a bunch of us working in the industry. You know, there was Becky Norris, there were a couple of others and we were changing an industry. We were putting pressure on the incumbents to change their, well, to get their act together. So we were pushing at the status quo and trying to make things better and a lot of that's been done. I think AI will change banking, but I think it'll change banking in the incumbents, including the new incumbents.

We can't keep reinventing an industry all the time. What's happening at the moment is that there are new players in the book. I think that those new players would become the incumbents. There's going to be more people looking at new sectors to be disrupted and the question is, what are those new sectors?

At Starling, we make sure all our various algorithms are independently audited and we are very, very careful. We use AI and we use machine learning and I think it's going to be incremental progress in the fintech banking industry. I think there will be huge breakthroughs in other industries.



Q3. Thank you again. It's such a privilege to have you here and what a fantastic talk. I wanted to just follow up on your idea of how AI technology is changing the industry. One of the things that seems to also be happening is that the barriers between banking and other industries are coming down and finance is becoming something that we consume in other areas of our lives. What do you think about this?

A3. If I've been given this talk three or four years ago, I would have been talking about banking transactions being invisible and really going behind the scenes. I used to spend a lot of my time talking about banking as a service, whereby you'd have all these various services and you'd have rails behind those products provided by lots of different providers, and that banking as a service was going to be the big innovator.

I think there have been lots of businesses in that space that have started up. It's very, very difficult to make money in those businesses and the regulatory problems in dealing with the customer base is really difficult. So I thought the world would have lots of different transactions being provided by lots of different providers behind an interface around the customer.

Those businesses have tried and failed in some respect, not failed in providing the service, but in making money. Therefore, you have a situation where the VC money is drying up for those and I think they'll go off to do something else.

From Starling's perspective, we built our technology from the ground up and we are selling it around the world. It's a big asset. Banks around the world with high interest rates have an awful lot of catching up to do and an awful lot of money to catch up with. We are basically bringing that technology to them. I think that's the entrepreneurial journey. You try things and it doesn't work out. You say 'that doesn't work', you try something else.

I'm extremely lucky that I'm seeing lots and lots of different opportunities in the world. We have got to think of the world being somewhat different to grasp those new opportunities and I think it's not necessarily going to be all fin tech.

I think our time is up. Thank you very much for your time. It's a privilege to be here and I'd like to be here for the rest of the day. Bye, bye.



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