



"Even at 10, I was standing on the box with a mic outside mass on Sundays," says Reynolds. Picture by Mark Goodren

INTERVIEW

REYNOLDS SOARING ON SUCCESS OF SWOOP

● Swoop Funding's Andrea Reynolds grew up in a house full of politics and business savvy. It shows, writes Fearghal Ó'Connor

When Andrea Reynolds arrived at 10 Downing Street to make a presentation to top British officials she was too caught up in the moment to see the historical symmetry.

That was five years before the London-based, Longford-born fintech entrepreneur would set up Swoop Funding to source hundreds of millions in credit for small firms.

But like her father before her – former Taoiseach Albert Reynolds – she was more than happy to lay out stark facts for the British government.

"Your SME grant system is utterly fragmented. You're wasting £12bn (£14bn) a year. Every job you create costs £1m," she told then prime min-

ister David Cameron's senior business team, who, she says, were unaware that she was the former Taoiseach's daughter. They were impressed.

The experience gave her the confidence to push on with an idea that would eventually, in 2018, become Swoop Funding, which uses open banking protocols and data technology to match SME clients to a wide variety of funding sources.

In recent weeks Swoop has raised €10m in funds for itself – valuing the firm at €30m. It is on the cusp of rapid expansion, says Reynolds. It has facilitated lending of more than €600m and a further €80m in grants, largely in the UK but also in Ireland.

That figure is growing at an annual rate of 450pc right now and the firm has agreed a partnership with small business body Isme to allow it offer its members a funding finder tool via

Swoop's technology platform. It has also rolled out its service in Canada, the US and Australia.

But, perhaps fittingly, it was her Downing Street presentation almost a decade ago that got the ball rolling.

She had taken a chance by leaving a solid position working on corporate finance with major clients at KPMG's London office a few years earlier to go it alone advising about raising funding and government grants for smaller firms, but had grown frustrated with the process.

At a business event she had met the then Downing Street communications director and told him about detailed research she had carried out: "Public sector money is not being used efficiently and SMEs can't find it. You need a tech platform to bring it all together," she told him.

"You sound very convincing. Come

to Downing Street and tell us more," the communications director told her.

Later, former prime minister John Major would recall that the room in which she had made her presentation was the same one in which he had first met her father – a meeting that would ultimately lead to the pair becoming close friends and to them delivering the momentous Downing Street Declaration, paving the way for peace in the North.

Reynolds herself had long been used to standing up and giving a pitch: "Even at 10 years of age, I was standing on the box with the mic outside the church on a Sunday," she says.

But even though her father held various ministerial posts and the Taoiseach's office during her childhood and teens, to her, first and foremost, she always thought of him as a businessman and entrepreneur, particularly his building of the C&D Foods plant in nearby Edgeworthstown.

"He was kind of an accidental politician. He got into it to make sure Longford wasn't a place where we had no choice but to emigrate."

But his ability to make connections with people – a defining aspect of his political persona – also made a huge impression on her: "He loved life and was so 'can do'. He kept everything simple and I loved that about him."

"I remember when he got the job [as Taoiseach] he told us 'I'm going after peace'. And I remember him saying 'sure I know so and so from the days of the showbands or from C&D' or whatever. He brought everything back to simple relationships."

There was, of course, plenty of political controversy and difficult headlines, not least when his coalition with Labour collapsed: "I remember someone said to him at the time, 'I don't know how you're coping with the pressure'. He said 'well, if you'd ever owned a business, and you didn't have the funds to make payroll at the end of the week, that's pressure. This is nothing in comparison.'"

She herself never had any ambition to get into politics: "You have to almost go into politics not knowing what's ahead of you. When you've seen the other side of it you know too much. What I love about technology

now is that you can do things to improve people's lives without having to go to parliament. I reckon if my dad were back starting out now he would have become a tech entrepreneur."

After boarding school, she studied economics in UCD before joining KPMG in Dublin as a trainee accountant, then heading to its corporate finance division in London. She loved it but had other interests too.

"I decided to take a year out to write music but then KPMG offered me flexible time, working three days on and two days writing music."

But eventually Reynolds decided that the world of big corporates did not offer the spirit of entrepreneurship that she was hoping to find.

She left to help advise and raise funding for an innovative spinout from the McLaren Formula One team, where she learned about a funding landscape of grants, tax credits, equity investment and lending.

The experience brought home to her an important realisation: every type of funding proposition needed the same basic data.

"It was just wrapped up differently depending on who the funding provider was. I also started to realise that business owners, particularly innovators, were not necessarily as financially literate as you would assume. There was a disconnect between a lot of business owners and their numbers."

She could see a need within small companies for the type of corporate finance advice she was used to giving big companies at KPMG. The idea for Swoop was born.

"I had met two guys from Google who wanted to build a game and I did a barter with them. I raised the funding for their game and they built me my prototype."

She brought Swoop co-founder and COO Ciaran Burke on board. He had previously built a platform to match creative employees to employers such as Sky News and Channel 4.

Matching small businesses to funding sources was not so different and Burke managed the product side while she built relationships with the funding providers themselves.

The arrival of open banking in the UK in 2018 opened up lending compe-

tition and brought huge opportunities for the new firm, founded that year to coincide with the new protocols.

"We can aggregate an SMEs data and surface insights for them about where they can save money, where they can borrow money, where the next grant is available for them. So in effect, we become this virtual CFO."

The idea was further vindicated when Swoop won a competition run by the UK's Competition & Market Authority in conjunction with nine UK banks to find ideas that utilised open banking for SMEs.

"It meant the nine banks were mandated to work with Swoop for a minimum of three years. It was our first step to getting on the map. The banks had started to see open banking as an opportunity so they were looking for partnerships with fintechs."

Royal Bank of Scotland was particularly impressed and awarded Swoop £5m from a fund established as part of its own bailout. That award, and more that have followed, effectively replaced a seed round for Swoop, allowing it grow from six to 60 staff, 20 of them in Dublin.

The timing, she says, was perfect.

The growth of alternative lending options has transformed the market. Finance has become borderless and data driven, she says.

"We've done deals in Germany, we're about to close deals in Belgium and we've just funded five deals in Spain this week even though we're not in Spain. We don't have a website there. But we're funding deals there."

"The world is becoming very small when it comes to funding, and that is great news for Irish SMEs."

And yet, she says, in Ireland there tends to be a feeling of gloom around funding.

"All I hear is 'terrible news, Ulster Bank is leaving. KBC is leaving. The market is shrinking. There's less competition.' But that's not what I'm seeing. Maybe the banks are not playing as much in the credit market but I'm actually seeing an expansion of options rather than a shrinking."

There's new financing products coming all the time with super niche products, for example for someone

who has just started a business, with no credit history, who just wants to borrow enough to finance their first production run."

Ireland, she says, has been Swoop's toughest market so far.

"The Irish market is the most conservative market we've experienced so far and the least mature in terms of open banking.

"I don't think open banking has really landed here and I don't think there is an understanding of how valuable it is to servicing SMEs.

"There is work to do to build an alternative finance market. More competition means more options for businesses and improves competition with the banks. And it helps the banks because it just means smaller businesses will survive and become good customers for them later on."

Despite her concerns about the market here at the moment, Reynolds remains ambitious about the amount of lending they can facilitate into the Irish market.

"We worked incredibly hard to work alongside them and show them the value we bring to our SME clients but also to them by pulling all the data together and bring them complete applications that meet their criteria.

"Our audacious goal for Ireland is €100m. It's a slow burn but we've been here since 2018 and we're not going anywhere. We want to unlock some of the liquidity that is out there for Irish SMEs."

The new partnership with Isme will help, she says. Small firms may be more comfortable seeking funding via an organisation they know and trust.

And a conservative approach to funding is no reflection on the talent that is out there: "Irish businesses stack up very well. The management of Irish businesses is strong compared to other countries."

Reynolds's father once famously said that what Ireland needed above all was peace as he set about playing his part in delivering on that.

She passionately believes that external finance can drive productivity for Irish firms and is determined to bring the force of her own personality to delivering on that task.

"We're trying to do two things," she says. "Improve awareness and demand among SMEs and then prove to the suppliers of finance that this is a really healthy market to be active in."

BUSINESS LESSONS

Can you recall a piece of advice that stood to you in your career?

The one that sticks with me most is dad telling me to "always go with your gut".

Then I went with my gut one particular time and he was like "are you sure?" I told him, "I know it's not convenient to mention it right now but you told me to go with my gut." "Fair enough," he said.

And I've gone through life doing exactly that. Some people would ask how it felt leaving KPMG to go out on my own.

Or how did it feel starting a tech company when I wasn't a techie. Honestly, I never really thought about any of those things.

So if I were to give anyone advice for their career I think I would have to say "go with your gut".

CURRICULUM VITAE

Name

Andrea Reynolds

Age

49

Position

Founder and CEO, Swoop Funding

Lives

Between Ireland and the UK but London is home

Family

Married to music producer Jamie Petrie (who wrote the D:Ream '90s classic *Things Can Only Get Better*). Four stepchildren aged from 21 to 31.

Education

Primary school in Longford, secondary school at La Sainte Union in Banagher, Co Offaly and economics at UCD

Favourite book

Traction: Get a Grip on your Business by Gino Wickman

Pastimes

"Music is a huge part of my life. I'm a traditionalist and love the Rolling Stones, Bowie, all of that. But my stepson, Finn Foxell, is a recording artist and very into rap and emerging music from the London scene, so I'm really into his music as well as artists like Lord Apex and Parallel Theory. My family home always had an open-door policy, as do we, so my son and his pals come and record their albums, which is great."