INTERVIEW

Flotek on course for £100 million

From the outset, Flotek Group CEO Jay Ball set the right strategic course to grow profitably. Here, he discusses the ongoing evolution of his business model and strategy to hit £100 million revenue by 2032.



Jay Ball

Generating fast business growth is nothing new to Ball, having started his first tech business at 21 and grown it to £5 million revenue before exiting in 2019 to SCG. Only to realise that selling and retiring into the sun wasn't quite enough. So Flotek Group (which now has over 100 staff) was co-founded by Ball in 2022 with a mission to bring IT, cyber and communications together (rather than be led by either comms or IT), launching with a ten year plan to achieve £100 million revenue by 2032, always ensuring organic continues to grow while adding M&A growth.

"We're currently at £18 million and ahead of our plan," stated Ball. "The goal is to end the year with a £20 million revenue run rate. And we expect organic growth to exceed this target but M&A will be lower. When we secure our next funding package that will accelerate again."

Flotek Group focuses on managed IT support on a per user basis, with cyber being a crucial target along with cloud comms. "The higher organic growth this year has been driven mainly by our new business development team," added Ball. "In terms of M&A, the current focus is to integrate our latest acquisitions then secure a larger acquisition facility which will enable us to deliver our growth plan for the next three years. We are seeing a huge number of opportunities but are very selective about which to pursue."

These impressive financials continue a trend that Flotek set in motion as soon as it was up and running. The fledgling business ended its first year on £5 million revenue, second year £10 million and third year was comfortably ahead of its £15 million target. "We will be at £30 million-plus in three years time," stated Ball.

Ball's top tip

AI IS SUCH an exciting opportunity. Don't miss the curve and be too late to the party.

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Flotek Group launched a dedicated business development team late last year which is driving the momentum. And Ball noted that the highest growth comes from customers who procure multiple services across IT and comms, which combined with Flotek's ability to cross sell effectively is a win-win. "The average spend across our base is over £500 pcm and this is growing rapidly as IT adoption increases," he added. "Notably, our average IT customer spend is three times that of comms customers. We will continue to grow through IT, cyber and utilise comms as an easier door into these customers to begin relationships."

GTM strategy

Flotek Group's typical customer profile is 20-150 staff – core SME. But the MSP does have many smaller and larger customers outside this demographic. The common factor they share is that average revenue per customer is growing rapidly across the board, especially as Ball continues to evolve his sales and GTM approaches. "We're moving further towards a vertical based focus," he added. "For example, legal and hospitality are huge for us. Having a specialism in these markets means we can drive our knowledge, experience and relationships with sector vendors heavily.

Vertical focus

"Adopting a proper vertical focus means having solutions tailored to those businesses and speaking their language, whether that's expertise in hosting legal practice software, supporting cloud TV solutions for hotels and developing our cloud phone systems to work commercially in that market. Later this year I expect our marketing to be more vertical focused. Our team is always doubling down on solution selling, so focusing on verticals and addressing their pain points is key."

According to Ball, listening to the market is always going to be Flotek Group's primary growth driver. "This way we know when to pivot and adapt to the technologies that need dedication or resource," he commented. "Take cloud computing: There was a drive towards AWS/Azure in the past few years. However, customers are now looking for more private cloud facilities and fixed costs, so we're exploring our own private cloud offering to complement the hyperscalers."

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Ball says that Flotek Group's biggest opportunity right now is leading the charge to be a complete tech provider. Not an IT or comms solution provider with bolt-ons, but to cross sell in a way that brings all tech together. "Microsoft Teams is an enabler of this," he said. "It's the chosen product for most of our high growth customers. Cyber will also continue to drive revenues within managed IT as there is so much focus on security and the repercussions of not taking it seriously. Given our expertise across IT and networking we are well positioned to provide customers with a comprehensive solution."

Flotek Group's greatest successes at the moment are linked to the growth across managed IT, reiterated Ball. "We've grown our IT revenue by over 200 per cent in the last year, driven by our two highest spend customer categories which are also up over 200 per cent," he said. "But customer education is critical to success, especially for IT, cyber, advanced networking and firewall solutions. We are putting a lot of investment into ensuring our customers can make the most of their technology and self-serve, as well as giving our account managers the tools to offer a more consultative sales process for complex solutions that need more time." ■