



The Accounting Podcast Series

S04E01: Laura Youngson

A World of Firsts: The Entrepreneurial Pursuits of Laura Youngson

Transcript

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Albie: Welcome to TAPS, The Accounting Podcast Series. I'm Albie Brooks, and working with me is Abbey Treloar. Today our guest is Laura Youngson. From her escapades organising and playing soccer – or football – at the highest altitude as well as the lowest altitude, to her entrepreneurial business venture in bringing the first customised female football boot to the market, Laura has been busy achieving firsts over the last few years. Laura is co-founder of Ida Sports, the footwear company, and Equal Playing Field, which seeks to overcome inequality in sport. Let's find out more. Welcome to TAPS, Laura!

Laura: Thanks very much for having me.

A: Well, perhaps we should start where I first met you, which was when you were undertaking the Master of Entrepreneurship here at Melbourne through the Wade Institute. How did you come to be part of the Wade program?

L: It's a good question. I was kind of partway through my career and not really getting anywhere and thinking I might go and do an MBA or something like that. I need to shake things up a bit. I was looking around and found this program that was essentially an MBA but focused on start-ups. I'd always had this niggly of, "Could I do something myself? Could I run something myself?" And so I took a bit of a gamble, took the plunge, and decided to go on this I'd say perhaps slightly unconventional program and come all the way to Melbourne, because I'm obviously not from there, and have this experience across the other side of the world.

A: So from memory, it was during the Wade program you started to develop your ideas around the female football boot. First, how did this come about? And second, how did this all unfold for you?

L: Yeah, so about halfway through the Wade program in the winter break, I had already kind of arranged this crazy adventure to go climb Kilimanjaro with all women, and we played 90 minutes of soccer at the top of the mountain. And the cool thing about that experience was I had a chance to chat to professional players and players that had been to the Olympics, been to World Cups, and none of them had women's football boots to play in. It was something that annoyed me. I had to wear kids' boots to play. And I was like, "Maybe there's a business in this." So when I got back we had the garage project in second semester, and I was like, "Well, maybe I can spend a bit of time investigating this and really trying to understand – is this a thing? Is there a need in the market? What's the research look like? Can I do all the things like putting them in a business model canvas and things like that to see if it's an idea worth pursuing?" And that was essentially the project I then worked on for the rest of the semester, and it's obviously still going today, which is great.

A: It certainly is. So the logistics – just give me a little bit of feel for what you needed to go and do. What did you need to go and investigate? You had the idea of a customised female football boot; what does one then do? What did you find yourself having to go and find out?

- L: Pretty much everything. I'm obviously not from a shoemaking background, and it turns out that shoemaking is quite complex. I probably would have started with a different product if I'd known that. But there was a lot of reaching out for help to understand the actual manufacturing process and what are the key components and where you make your unique differences and that kind of thing to really understand how – what's our value proposition for the market. So I undertook a lot of research. I asked a lot of people for help. I built a network of people that really know shoes and know the manufacturing capabilities. And that was how we were able to get a prototype pretty quickly. And also using things like the 3D printing facilities at the University of Melbourne to really test those first initial ideas and bring it to life so you can put something physical in front of people so they can see what it is and talk about it and give you feedback.
- A: So just running on from that, how exciting was it for you to find that you then had female soccer players buying your boots and then wearing them during competition?
- L: I mean, I still find it mad when I turn up and I see people wearing our shoes. It's something that popped out of my head and is now physically on my feet. We've had some really awesome milestones, though. Our shoes won the AFLW grand final last year [2020], and there's images on TV of a player wearing our shoes – wearing them and loving them and talking about them, and all of that. So for me it was such a need and then I'm so happy it's resonating with other people. And I think, for example, in investment, we bootstrap the company until the middle of this year [2021]. Investors were not interested because it's a women's product, it's a niche. Even though it's a huge market, they consider it niche. And actually, it meant we had to focus on the customer. Can we sell something that people want? What's the point of doing it otherwise? So I listen a lot to our customer reviews over almost anything else. Even experts in the business don't carry as much weight as the customers.
- A: That's great. We should sneak some accounting into this.
- L: Definitely.
- A: How difficult did you find it getting those initial estimates together when there was so little information around? You said you had something viable on your hands. And looking back at that time now, would you have done anything different? But initially, how difficult was it?
- L: You know me; I love a good spreadsheet. I was very happy going away and trying to figure out ballpark costings and what it would be. We spoke to loads of manufacturers, really trying to understand what's an average price for the product that we're doing, what's the cogs, what are we expecting to pay, what do we pay in shipping, what are people prepared to pay for? And understanding those numbers. Very early on I did a rough costing and it worked out that the margins were around 70 per cent. And I was like, "Oh, that's cool. That's a great business." Curiously, they are around that. As you get bigger, you start to get economies of scale and you can shave off percentages here and there, but the actual realisation that if you can get it working this is a decent business to be in – and looking at those numbers in black and white made it a much easier decision to go, "Okay, so we know if we can get to this stage there's a viable business. What are the prototyping steps and what research has to be done and when do you need to pay for a particular thing to actually get that first MVP into the market?"
- A: Of course. Now, as the business has grown, which we know it has – and we often talk about the business itself growing, but we often don't talk about the need for the support, like accounting and admin, and the way in which it might grow and evolve. So how has the accounting and admin side evolved and grown to meet the changing needs of the business and those who are making the decisions like yourself?
- L: I think what's great is that we were able to professionalise pretty early on. I mean, I love Xero. I'm obsessed with it. I have coffee and accounting Fridays where I sit and do my reconciling in Xero, because it gives me such a great picture of the business and the ebbs and flows of the sales and the cogs and what's running through the business. So we've had to scale our software to deal with what we're doing. Right now we're building a more complex financial model. We've had to get external help now, whereas before it was something that I could have done in-house. Now we're starting to get into that complexity where you do

need someone who can help you design it, but you still need to understand the underlying inputs and assumptions to be able to then work out what your projections are and things like that.

A: Now, you've made reference to a couple of things like customer reviews, margins, but – without giving too much away – when you sit down on Fridays and have coffee and Xero, what are some of the key data points you're looking at to help you manage this business?

L: Yeah, it's actually quite catchy. It's "finance Fridays with coffee and cake".

A: Finance Fridays, okay.

L: Highly recommend it to everyone, a finance Friday. Treat yourself. Sit down with your accounting software. We review quite often the cogs, so at each stage what is it costing us to make the product and ship the product and any – even things like insurance and things like that, so end-to-end from factory to customer, how much does that cost? And can we improve upon that each time we're producing a production run? There's obviously sales, so our wholesale sales and direct-to-consumer sales are big drivers of the business. And then also keeping an eye on personnel. So we have some contractors and some employees now, and the salaries that they have, again, just keeping an eye on our burn rate. Are we default dead or default alive as a business? How long do we have? And you can get some really nice snapshots if you start to pull back. Now we have enough data because we've been running a little while. We have enough data to do comparisons and know if you've got some extra time in a month where to focus the team's time. Is it that we need to put a bit more marketing into direct-to-consumer, or we need to close another wholesale account because then that gives us the breathing space to design something else? So it's all the key stuff that you'd put into the models, right? Your inputs, your revenue, your cogs, and then your operating expenses, keeping an eye on all of those on a regular basis is really important.

A: Yes. It goes without saying it's been a really difficult couple of years for most businesses. How is Ida Sports travelling through that period, and what's on the horizon for the business?

L: Well, yeah. Who would launch a sports business just before a pandemic shuts down all of global sport, right? It was initially very tough, but then we pivoted and used it to our advantage. A lot of athletes weren't training, so we sent them shoes. And that meant that they were willing to have a go and take a chance on our product, and we gained a lot of fans that way. We were very creative and entrepreneurial in the face of the pandemic. And since then, we've picked up key accounts in the US. So we're stocked in Dick's Sporting Goods, which is one of the biggest retailers over there, and perhaps sooner than we would have expected, but because by default we ended up global distributed and remote, we were able to capitalise on the fact that we could be anywhere virtually and we could take a bunch of meetings which before we would have been expected to fly to, whereas now we can take virtually. So in that sense we've been able to skim through some of the hardest parts of COVID. It has affected us with the supply chain; things are a little slower and shipping is a little slower. And obviously we hope that sport comes back in a way that more people are playing and buying. I think, given the unprecedented two years, we've been able to navigate it pretty well.

A: An off-the-cuff question: how has the competition – the competitors in the sports apparel and footwear landscape – reacted to the presence of Ida Sports?

L: They're still pretty slow, but we know that they're working on stuff for the Women's World Cup which is going to be hosted in Australia and New Zealand. Very exciting; on home turf.

A: Yes.

L: We talk to a lot of podiatrists and physios around the world and they're testing our shoes. We're still leading the way. So it's been nice to push the industry and show what best practice could be. And we're seeing consumers buying our products, so we know that there is a market for it, and we're just trying to move as fast as we can to stay in it.

A: It's such a terrific achievement, I've got to say – it really is – to have got the business in such a quick time period into the position that it currently is particularly, as you've said, with those two years of unheralded

disruption the last couple of years. So well done to you and your team, because it's a sensational performance, really.

L: Yeah, we are definitely a team that punches above our weight collectively, I think.

A: I do often reflect back to the Wade days and us sharing stories with other members of the class and so on at the time, so it's just great to have such significant achievement.

L: The funniest thing is, I think it was week 8 of the garage project – I got such bad feedback that I was like, "Oh, better give up on the project." And I'm pretty glad I didn't, because it's been worth it.

A: Yeah, so good. So tell us a little bit about the Equal Playing Field initiative and your role in that.

L: Kind of at the same time as I was at Wade and doing a lot of this stuff and thinking about these things, I set out on this world record and it then became a bigger movement and lots of people were asking me, "Well, what's next? What are you doing?" So we're actually continued to do more world records. We played the lowest-altitude game at the Dead Sea and we played the world's biggest game in France at the World Cup. But the main reason we did it was using the world records to shine a spotlight and start the conversation about the gender inequality that exists in sport. Equal pay. Even prize money is so ridiculously different for men and for women. You still have dumb things like women have to wear youth boys' kit, which just doesn't make sense. And then obviously the coverage of women in sports media. So it is changing and we're doing our bit as a collective. We have people in 70 countries around the world, and it's been fantastic to build this global network of women and men who are passionate about growing the women team and supporting each other through coaching, refereeing, administration, and just really enjoying the sport and getting together to highlight some of these challenges.

A: Excellent. You've had some excellent achievements, and it certainly has provided the opportunity to spread the tentacles around the world.

L: Yeah, and it's fantastic having both organisations. One is obviously a not-for-profit and one is a commercial venture. And looking at the different levers you can pull as those two entities to perhaps often achieve the same aims of recognising women in sport and catering to their needs.

A: Yeah, excellent. Now, your initial undergraduate degree was in the sciences, physics in particular, I think. Tell us a little bit about that background and your encouragement of females to undertake studies, particularly in STEM.

L: I studied physics and it's helped me so much with anything to do with analysis or being numerate. And especially working on entrepreneurial projects, we go back to first principles and really build up. Especially for the shoes, we've thrown out the rulebook with how you design shoes and rewritten our own rules based on what makes logical sense as opposed to what's always been done. So for me I loved it. It's been a super useful degree. I mean, I don't remember the radius of a black hole equation anymore, but the actual concepts of how to analyse and how to think about the world has been super helpful as I've embarked upon lots of different careers and journeys.

A: Excellent. You've also, of course, with your partner and team created and now sold a gym business. Is that correct?

L: Yeah.

A: Your entrepreneurial spirit spreads widely. More generally, where do you think we are at – "we" being the community, if you like – with entrepreneurial spirit?

L: The Wade community or the wider community?

A: The whole community. The world.

L: Well, I go back to my time at Wade. There are a lot of problems to solve in the world, and I think entrepreneurs are in a great position to tackle some of these problems. I have done a lot of work with very

big lumbering organisations, organisations that have billions on their balance sheet, and they're just not as agile or nimble as small start-ups. I think the more you can encourage and nurture these smaller companies to see the world differently and solve these problems, I think the better we all are as a society, because some of these big corporations get very lazy because they're making money and that's the way it's always been done, whereas as a start-up you're able to challenge that and you almost have that freedom to redesign. I look at, for example, our sustainability principle. And we can embed already a lot in from the very beginning that, as a good corporation, you have to almost unlearn and undo a lot of things before you can redo. So I think we have a very – there is a strong entrepreneurial spirit. The challenge I face and I think others face is there's not always the ecosystem support to enable you to take the risk of going to build a business. And so if you're not from a well-off space or you don't have the privilege of taking that time out or you don't get funding straight away, which often happens to women, then it's so much harder. And I think we're actually missing loads of people who make great entrepreneurs because they can't take the risk to leave their day jobs and embark upon what could be a life-changing adventure.

A: And hopefully that continues to evolve over time. I think, even in a place like Melbourne, for example, the broader ecosystem around the start-up community and entrepreneurship has grown dramatically in the last, say, five to 10 years. I guess where you currently are in London, you're involved in the start-up community as well. Are you finding that that ecosystem is getting better, developing?

L: Yeah. It's so vibrant over here. I think for me, especially in the space I'm in, sports tech, originally I'd often be the only female in the room. It's starting to change and partly through – I mentor other businesses because I don't want to be as lonely in this space and the only one, right? There's lots of people with the ideas, so how do you help them make it into something that's viable, and connecting and building your own networks to those peer networks to really make sure that you as a business continue to grow and push yourselves? Whilst London is an incredibly vibrant city, I think one of the beauties of us being global and remote and distributed is that I connect in a lot with entrepreneurs in the US, for example, and entrepreneurs in Australia who are doing great things and the geography is somewhat irrelevant now. It's more about the ideology and the fact that you can connect. You're in this fast-paced start-up environment helping each other to succeed.

A: I think that's a really good point. We now also have technology that facilitates a lot of this, that enables us to do this, take paths we might not have, or we might have had to have travelled. So staying in touch with others is certainly easier with the technologies that we have available. So that kind of helps a little bit as well.

L: Yeah.

A: So finally, what's your advice to current undergraduate students, whatever they might be studying? If you were speaking at a graduation or something, what would you be saying to undergraduate students?

L: I think if you've got an idea, then definitely go chase it. It's not black or white. You don't have to suddenly quite your job and turn full-time into an entrepreneur. It's more you sort of lean into it a little bit and you lean a bit more and it becomes more viable. You test a few more things and then suddenly it's an option to go and do it. If you've got that passion, I think it's worth pursuing otherwise it'll just nag at you for ages. So go and do it, go and change the world.

A: Well, that's good advice from someone who is and has been doing that. It's been a pleasure chatting to you.

L: Thank you.

A: Thanks for joining us here at TAPS, Laura. I think it's an incredible achievement to date, what you have done with the number of interests, with Ida Sports and the not-for-profit Equal Playing Field initiative and the other things that you're involved in now trying to help and mentor others. So we wish you the absolute best with Ida Sports and all of those other activities. We wish you well in your current and future endeavours, and thanks again for joining us here at TAPS.

L: Thanks for having me.