

Tamara Lohan – July 2019

TAMARA

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SVEIN

Hello. We're here today with Tamara Lohan entrepreneur and co-founder of Mr and Mrs Smith, a boutique hotel and travel specialists. Founded in 2003 Mr and Mrs Smith now has 1.5 million members spread over 100 countries with offices in London, New York, Los Angeles, Singapore and Ibiza Mr and Mrs Smith is a bona fide British business success story. And that's reflected in the fact that in 2014 Tamara and her husband were awarded MBEs in recognition of their services to the British travel industry. As COO Tamara is currently responsible for the global operations of Mr and Mrs Smith and as a speaker at HSBC's Inspirational Women's series as well as mentor to a number of start-up enterprises is the perfect candidate to talk about life as a business owner and what it takes to succeed.

SVEIN

Just, just in the intro there it struck me founded in 2003 just over 15 years later you've amassed nearly over 1 and a half million members, that's an astonishing story?

TAMARA

Thank you. Yes, I, I, it's the numbers are funny aren't they because I always think actually it's not about how many members you have, how many offices or even how many employees you have in business it's about the quality. And we can have 1.5 million members but actually you know how many of those are real quality people who are really fans of the business, people who are booking through us regularly? So yeah it's what, what's really important to the business that counts.

SVEIN

Did you ever envisage in 2002/2003 that you would be here today with...?

TAMARA

Not at all.

SVEIN

Right.

TAMARA

It, I mean Mr and Mrs Smith was only ever supposed to be a hobby business. [Right] It was born out of a real true frustration of mine and my partner James, who we were

dating at the time, now married. But we used to love going away to hotels in the British countryside and we were constantly frustrated by what was out there and led completely astray by these guidebooks out there who would you know present the hotel in just a terrible way. And we'd end up at these hotels and they would be fusty, they just hadn't kept up with the times. You know we had some disastrous weekends away, just very disappointing on our precious time off. And so Mr and Mrs Smith was kind of our answer to that and we said ok we've got to be able to do it better and we started the business in our spare time so it was after work, at the weekends and we just never, I don't think we ever imagined it would, it would get to where it is today.

SVEIN

Can you give any advice about how people might be able to turn their sort of passion projects, side gig, into something sort of sustainable and scalable like you have?

TAMARA

Luckily because we had other jobs and my husband had another business we were able to sustain ourselves whilst we were building Mr and Mrs Smith. And when we quickly realised that Mr and Mrs Smith was going to be a success I think when we...hit our targets in those first three months and had to reprint the book, we started as a guidebook, and we had to reprint. And we sold 20,000 copies before Christmas that year and we launched in September and our distributor had told us that we would only ever sell 5,000 copies. So, you know it kind of took on a life of its own quite quickly and so I think if you have a passion you should try and pursue that and, and try and make something of it because you never know where it may take you. The worst thing is just never doing anything about it, right, and missing out on something that could be big?

SVEIN

Yeah. Absolutely. You said you had jobs, you each had jobs can I ask what you, what they were? Because I mean another question to explore is when you're starting a new business whether you should do something that you're sort of already quite good at or whether it should, as you say, be following your passion and I'd be interested in your opinion on which routes you would advise people to go down?

TAMARA

Both, is the answer, right. If you are good at something then that feedback loop will make you passionate about doing it even better. And if you're passionate about something and you do it a lot you know they say anything that you do for 10,000 hours you become an expert at so you become good at it by default and so I think both of them go together.

So in answer to your question I was, I had actually come out of corporate life I was working for a WPP agency in, in marketing and had joined my mother's dating agency, she ran a dating agency, actually it was one of the first dating agencies in the UK. And I built her her database and was working on that. My husband at the time had a members bar and club south of the river, it was the first one south of the river so he was busy with that, he also had an events company. And so literally Mr and Mrs Smith we, we used to do, you know after work, get home from work together and pour over what the book was going to look like. We took a month off together to travel the length and breadth of Britain to go and find the hotels that filled the first book. And actually it was funny because that first trip the whole premise of the book was that we wanted 52 hotels, one for every weekend of the year. But when we travelled around

the UK we found 41 and there was a point where we said oh my god we don't, we don't have a book, we don't enough hotels. And then suddenly realised that that was the whole point that we were only going to put the hotels that came up to our curation criteria at the time, only the ones that were really truly special and that we weren't going to just put other hotels in just to fill the numbers. And that has actually become one, our, you know, founding values that we still curate by today. You know if it's not good enough we just don't put them in.

SVEIN

Wonderful. And in your, in your experience with you know going to things like the HSBC Inspirational Women's series and other sort of mentor programmes that you're involved in do you see other husband and wife or partner and partner sort of businesses take off?

TAMARA

Yeah, I mean I think there are, there are quite a few out there and I think it's wonderful when it works, I really do. I mean I get to see an aspect of my husband that most wives don't you know I see him in his element. I see him telling the story of Smith and its origins and the creativity behind it and that's him you know they're, it was, it was very much him. And so that's, you know, hugely attractive. And so that's a, you know it's a privilege to be able to do that. You know there are down sides as well sometimes we only talk about work and it's hard to get off that topic. It infiltrates every part of our life even our children are becoming mini hotel inspectors and so you know we need to have our kind of get out of jail cards where I can say at the end of the day do you know what I really don't want to talk about work today and he'll totally understand that, so yeah.

SVEIN

Terrific. I, I was wondering if we might be able to sort of go back to the beginning as it were? You spoke there about selling 20,000 copies of your guide book in the first few months on its existence can I talk to you about the support that you got from friends, family, businesses and what you can advise people in similar situations about where to look for, for sort of business support in scaling?

TAMARA

So, yes we, I guess you're talking about funding as well?

SVEIN

Mmh.

TAMARA

So the support came from family and friends most definitely to begin with. Where you're talking about companies, other companies I mean most other companies especially in the publishing world which we were going into when we started said, turned us down or said you know we weren't going to be able to do what we wanted to do. We heard, at every turn we heard no you can't do this because we don't, you know this is not going to be a success because... You know even the distributor telling us that we were only going to sell 5,000 copies that, that same book went on to sell a 100,000 you know that's how wrong he was, thank god.

SVEIN

Did that, did that sort of fuel your desire to sort of be successful?

TAMARA

Yes, I mean on the one hand we had kind of our friends and peers saying we love this idea, this is really what we need and then the establishment telling us no, no, you know there's no need for this. And so we, I think we knew that we were onto something and that we needed to fight against what was the kind of establishment in those days. And we were going into publishing is, you know was a very archaic industry I mean I think it's slowly revolutionising itself but, and has had to have a shakeup, but back then you know what we were trying to do even in the book world was, was kind of seen as outrageous.

SVEIN

Again, looking at the early days despite the fact that you were obviously quite successful pretty early on can you sort of describe any sort of tough moments you experienced in the first sort of year/18 months of your existence and how, how you approached them together as a sort of business but also individually? And again was there a support network which you relied on to sort of help you through?

TAMARA

So I mean in the first year it was about getting the book out and fighting those, you know, the detractors who said well you can't send one photographer around to every hotel because you'll blow the budget. You can't print black writing or coloured writing on coloured off set paper because you're a luxury product and luxury means gloss so and we didn't want gloss paper and you won't be able to translate because you need black writing on white paper. And so it was all these, you know, these obstacles that were put in our way which is just not what we wanted as the kind of final product. And so once we'd overcome that and we'd got, we, you know friends and family invested to get the first print run out we were out of the traps and away. It was then about a year and a half later that we realised that some of them were probably right in that we'd never make you know huge amounts of money out of publishing but that there was a different business model to be had out there. And we also suddenly realised that people were using the book. We walked into a hotel and the hotelier turned around to us and said you know how are the books going? We said they're fantastic! You know we, really selling well in Waterstones and we're going for the second book and I asked him how's the hotel business? And he said wow you don't know do you? And I said what? And he says well you're 40% of my business.

SVEIN

Wow.

TAMARA

And so we suddenly realised that there was a kind of different business model out there. And in the very first book we had a membership card in the front when you presented that membership card at the hotel the hotel would give you something extra - a bottle of wine, a bottle of champagne, a spa treatment and so people were using it and that's why they knew that the customers were coming from us. And the hotels had never had that visibility before they'd never had that tie to you know where their advertising, where their marketing was actually working. The customers were actually signing up their details on this kind of little single page that we'd created on the

internet which was in its infancy then but they were signing up and they were emailing me. And I was getting emails like, for example one member emailed me to say I really love your books, love the hotels, but I can't take the book into work because my boss will know that I'm booking a holiday and not working so please could you put them on a website. And then, you know so those, that from the hotel side and then from our members side we were just realising that there was something else. And of course at that time as well the internet was exploding around us and so we pivoted the business in 2005 and built the bookable website.

SVEIN

Wonderful. And I think it would be interesting if there is indeed an example of a sort of failure and in the sort of early part of the business and then what you learned from that?

TAMARA

It was, you know we were very naive and naivety is sometimes your best weapon as an entrepreneur because if you knew what was coming around the corner you probably wouldn't start walking round the corner. So naivety was great but we did come up against some stumbling blocks which perhaps we could've avoided had we had some advice in the very early days. One example is we thought naively that we would be able to distribute the books and call up Waterstones and say you know this, we've got this great book, will you take it? And of course they only work through distribution houses who were owned by the publishing houses who'd all turned us down which is why we ended up self-publishing. And so we were really stuck at one point thinking well we've raised the money we know we can, you know, print a book but we have absolutely no way of getting it onto the shelves anywhere in the UK. And so we had to scour the UK for, and found, the last remaining distribution house so you have to kind of pull things out of the bag when you face these obstacles and challenges. And again, you know, some of the bigger challenges came later as we scaled the business and as we went on line and as the business grew and we opened offices globally.

SVEIN

Can you talk a little bit about the specific challenges with scaling from a start up to a sort of medium sized business?

TAMARA

Yes, and you know one of the mistakes we made I think was opening quite early on an office in Australia we were very opportunistic in that we had a great person to open the office there, very credible, and we'd recruited a great team. But you know Singapore is very naturally the hub for Asia and it's the right place for Mr and Mrs Smith to have a hub office and the Australia team just always felt very far away. At that time it was very early on for us and we just didn't have the funds to make it work. And so pulling back from that was difficult and very painful, quite sad but we did open the office in Singapore and we've got a great team down there now so it was all good in the end. But I think perhaps you know again having some advice along those lines, along the globalisation would have, you know, allowed us to not make those mistakes.

SVEIN

I see so it was a case of perhaps going in a little bit too early too soon?

TAMARA

Well as an entrepreneur you're always, you know it's a part, it's always about positivity and wanting to run at a million miles an hour and you get these opportunities thrown at you. And often it's, you know being able to say no to opportunities is you know far better than saying yes to everything that comes your way.

SVEIN

So, and as an entrepreneur, Tamara, you must, there must've been a time when you've had to have had a difficult conversation? You mentioned the story about opening an office in Australia and then having to, having to sort of pull back a little bit. Was there a time when you had to have that sort of hard conversation?

TAMARA

Yes, I mean you know shutting down our Australia office was very sad because we had to let go of really great people so it's not as if you're letting go of someone who's you know underperforming it's, it, they were a great team. Having difficult conversations like that are always the worst because you know they can get very emotional and I think as an entrepreneur you're always going to have to have those difficult conversations. Not just letting people go but we're also you know thinking about the business and where the business is going and you know so many businesses don't survive and so that difficult conversation about you know where the business is heading, where you know the monetisation for the business is, where the success is and what you cut back on those are the conversations that are, that are truly difficult. Because as an entrepreneur you always want to do everything so it's hard to cut back and to go slower or to let people go.

SVEIN

And what have you learned in your life as an entrepreneur about having those difficult conversations I guess it doesn't necessarily get easier in terms of sort of preparing yourself for those, for those hard conversations?

TAMARA

Yeah, I think going in prepared is your best antidote and means of survival of those difficult conversations. It, if it's a person to person issue and you have to let someone go being able to look at it from that person's point of view, to walk in their shoes and that will give you empathy for what they're going through as well as what you're going through because you're, you're finding it difficult but if you can imagine how they're finding it as well if you can you know have that take. Handling the conversations not like a robot but as a human will always help. And I think I've learned that you know showing your own vulnerability and being humble also helps the conversation along and you know it, telling people that you're finding it difficult having this conversation as well always kind of breaks down that barrier. So I've literally just sought in a CTO having been CTO of the business for gosh 15/14 years. And it, it was difficult emotionally for me to let go but it's one of the best things I've done and I think it's really important in a business to make sure that you are succession planning and bringing on people within the business as well as you may need external help as well. You know what is good for the business is also good for you as a person. If not then you're probably in the wrong business. There came a point where I realised that I was not the right person to still be that CTO. I needed a new challenge for myself and the business needed some fresh skills and a different person to lead the team. And you know that, it's not, it's not a comfortable decision to make always but it's, you know

once you've made that leap honestly the, the, it can just take the weight off your shoulders. Bringing in good people, bringing in people who are better than you to help you is always a good move and it's always such a relief because I think, especially as an entrepreneurs, entrepreneurs, I'm speaking for myself, you know a little bit of a control freak, you want to do everything, you know, you think you can probably do everything quicker than everyone else but that, that is not scalable. And so there will come a point where you need to bring in people. And if you bring in people for whom you're covering their backs all the time or you're doing their work or you're mopping up after them that's, that's never great. And if you, and as soon as you bring in someone who you can just give a task to they may not do it in the same way as you but they will get the task done, they may even do it better than you suddenly you know you can actually go and do other stuff. [Yeah] So you know there's an analogy of you know your business if you're entrepreneur being like your, your, in my case, third child and I think it's, it definitely stacks up for this because you want the business to do as well as it can, just as you would a child. And if that means you know somebody else doing a job within the business that will help that child fulfil its full potential then you do that.

SVEIN

I like the analogy you used of your third child. So what advice would you give to business owners in a similar position about that sort of letting go of something that they've, they've built up themselves?

TAMARA

I think they will naturally feel that they want that child to go on and fulfil their potential. I think you know always imagine yourself two months/three months/a year from the point where you have let go a bit you know how will you feel then where somebody else is doing the work but you're freed up to do other stuff? And I think that, that freedom that it gives you to concentrate either on other areas of the business where you're most needed or on something completely different.

SVEIN

Can we talk a little bit now about where you see Mr & Mrs Smith in the next 5/10/15 years?

TAMARA

Yes, of course. So, just moving back slightly in October last year we went through a funding round and we decided to fundraise through the crowd. We aim to get 1 million and we thought through the strength of the brand and our membership base that we would hit two and we had a very stretched target of three million but we went all the way to six. So it was, it was thrilling, it was, you know the adrenaline through that month was phenomenal and hugely exciting. It has also created a lot of work so it was a lot of work fundraising but it's also now we have to deploy that capital in a, in a great way to further growth because the money was for growth. And we're deploying it in three different areas. One is expansion into the US we know that when the Americans find us they love us and they love our hotels and our product so we just need to find more of them. But our, you know we want to do that in an organic way but of course with a bit of funding behind us as well. The second area is adding more hotels and villas to the site we have a backlog of properties that we know match our curation standards but our systems and processes are a little bit slow in on boarding them. And so this is a technology play in terms of looking at some of our oldest tech and making sure that we're, we're fit to scale that and we can on board properties much quicker. And finally,

we made an investment last year into an experiences company and now the whole world has gone you know experience mad and it's very much a buzz word. But we bought a company called Side Story who do very curated insider experiences. And for us we see this as a perfect adjunct to somebody staying in one of our hotels to add on a little side story something that enhances their trip, teaches them something and opens their mind to the local area and culture. And so we want to expand those around the world to all the cities we're in and that obviously required a bit of funding.

SVEIN

Fascinating! Can we rewind the tape a little bit more and talk about your crowd funding campaign?

TAMARA

Yes.

SVEIN

Was that an immediate sort of avenue you wanted to explore when it came to sort of bringing in capital?

TAMARA

So we did look at other options and we looked at potentially going out to private equity or VC and we asked ourselves you know what that would bring other than the money itself. Now a really good private equity fund, a VC fund will help a business hugely and they will be looking to strengthen the board which we were already doing. So we had brought on financial advisors onto the board, we've got a brand new chairman as well who's fantastic, they would be looking to strengthen the management team. And as we've been talking about succession again we've already started doing that with a new chief growth officer, a new FD, a new member director and of course my success in the CTO. They would be putting more rigour around our reporting, financial reporting and again our new finance director is doing that as well. So on balance we thought actually we're doing all the things that they would help us do and if we raise through the crowd we also get this additional benefit of very loyal members who will book through us and be advocates of the brand and you know what a benefit that is. So that's why we decided to go that way.

SVEIN

Is it something that you would advise, having had the experience of blasting through your targets, is it something that you would immediately advise other growing businesses to consider?

TAMARA

I think you, you have to have a strong following already. If you don't have that consumer base already of people who, you know that super fan base, I think that it's more difficult to, to raise money that way just with a kind of good idea. And you also have to put a lot of effort behind it raising money is never easy but raising money in such a visible way I think requires a lot of effort in terms of putting together the materials because they're not purely financial these are not purely financial investors these are people who want to hear your story, hear about where you're going you know about your growth and about your plans for the future and so you have to present it in a way that they will understand it just as an investor would understand it as well. So it's a slightly different technique I think so you have to be prepared for that.

SVEIN

Can you talk a little bit more about the importance of sort of technology and digital in the growth of your business?

TAMARA

Yeah, I mean it's been hugely important and not just the underlying technology that serves the rates and availability that allows you to book the hotel and that's hugely complex in itself but the technology that allows us to talk to our customers off line as well, all of those systems you know that's all technology [yeah]. And if you get it right it makes your people more efficient so that they can spend more time inspiring people to travel to these incredible places with the people they love rather than doing the admin. You know it's just critically important to understand how the technology is going to play in any business because I doubt there's any business that doesn't require some form of technology these days.

SVEIN

You use words like loyal and engaged a lot and that is obviously quite key to growing your, your business. What advice could you give to aspiring entrepreneurs about finding and growing that, that loyal engaged audience?

TAMARA

When you're talking about engagement and loyalty I think what it boils down to is trust. So in this world trust is no longer freely given by the consumer it is earned. So you have to earn that customer's trust and if they trust you they will then come back again and again and again and then you get that engagement and you get that, that repeat and the retention. But you, you can't break that trust so you have to deliver every time. So people, when people say loyalty is dead it's, I don't think it is dead but you, you can't rest on your laurels. You can't say well I've acquired this customer therefore they're going to be loyal to me forever you have to keep delivering and become a value to them. You have to, you know, serve some value in their life otherwise, you know, why, why would you exist in their life?

So I, I really believe that you need to hire people who want to learn as much as you know I try and learn myself. If you don't have a culture that fosters learning and a team that wish to learn you, you just won't, you won't move forwards because things are changing at such a rapid pace. I mean even this morning my first task of the day was to book my new fantastic junior designer on a UX design course at General Assembly to further her learning you know I want her to be great and I want her to learn and we want to invest in our people. So I think it's critical to any business to have that culture of learning and hire people who are curious. What I do I, I go to conferences, I try and actually look at conferences outside of my own industry because I feel there's always so much to learn from people who are doing it in completely different ways and in completely different industries. Bring that buck back to my industry I, I read, I read every night and every morning, almost every morning, I run and I listen to podcasts. So that, that's my learning curve I wish I had more time to keep learning but I guess you know one day I will have a lot of time and I can just learn again, maybe go back to university.

SVEIN

Terrific. Do you enjoy that sort of that mentorship side to your to your role?

TAMARA

I love seeing people in the business grow and grow into new roles and you know grow in confidence, learn new things and it's always really satisfying when we can within the company give opportunities for people to move within departments and find their way because you know life is actually getting longer and you can jump around a lot and you don't have to anymore be set in one career path. And so I think if within the business we can you know give people opportunities in sales and then jumping from sales into support and then from support roles into marketing and from marketing perhaps into tech I think that's hugely exciting for, for us as a company because it means we can retain staff and, and for people's career paths.

SVEIN

Wonderful! Were you lucky enough to have a, a mentor when you were starting the business? I mean I guess working with your husband you had sort of an opportunity to [yeah, a partner] to bounce ideas off but did you have a mentor when you, when you started Mr and Mrs Smith?

TAMARA

I think that I get my work ethic from my parents, both my parents worked and were very entrepreneurial. But specifically my mother I saw her working and growing her dating agency from a very young age and I was there every holidays I'd help her find dates for these people all round the country. It was the, you know initially when she started the company I remember she had these files in the sitting room and she would say I need a gentleman in Hertfordshire who is over, between 50 and 60 and plays tennis. And I would rifle through the files [wonderful] you know that was the original database, right, that's how it worked.

SVEIN

That's like a, that's like a game of Guess Who.

TAMARA

Yeah. I was lucky I was with my partner and you know who went onto be my husband and so I always felt fully supported by him and the trust and the respect that you have there with your husband is obviously second to none. And so I never found it hard to become an entrepreneur because I had that backing. I know that some women do find it hard and I think when I look at the figures out there in terms of female founder businesses not getting the money from VCs and other organisations you know I, that makes me feel sad. And I, I try and encourage women into business I also feel that it's really important to get to girls when they're younger and allow them to understand that they could run their own business whoever they are.

SVEIN

What are the top three things that you would say to female entrepreneurs?

TAMARA

I would tell them that it's hard, that no business is ever easy, that it's a rollercoaster so there are highs and there lows so just keep going because it's worth it. I would say never stop learning so just because you're in a business and you're going, you know the business is growing and you know never stop that learning curve. And then finally I

would say look for the support networks and other women networks out there who can support you and offer advice even if it's not business advice but personal advice whilst you're building a business. The smaller networks of women that I know and other women who help other women, that has been you know my saving grace on occasion where I've you know I had to turn to them for help.

SVEIN

Wonderful! Thank you. So looking back at your own career Tamara what advice would you give your, your 20 year old self?

TAMARA

I would tell her not to worry so much and to just get on with it.

SVEIN

So did you worry a lot as you, as you said about the business?

TAMARA

I think you spend a lot of time worrying unnecessarily just generally about things that you know might not happen and it's kind of wasted energy.

SVEIN

That was Tamara Lohan COO of Mr and Mrs Smith, the boutique hotel travel and experience specialists. We heard there about Tamara's exciting expansion projects into the US and beyond as well as her succession planning. If you're a business owner or entrepreneur looking for wealth management in planning solutions then visit [HSBCprivatebank.com](https://www.hsbcprivatebank.com) today for more information.