



**Complete Transcript: HALO Talks with Connor O'Loughlin  
Posted February 18, 2022.**

Pete Moore:

This is Pete Moore wanted to officially announce the release of time to win again. 52 takeaways from team sports to ensure your business success. I wrote this book over the last year. I think you're going to love it. Good to great meets wears Waldo pick 'em up for your team. Time to win in 2022. Happy to come to your club, your studio, your company, and talk about ways we can optimize business and win going forward. Go halo. This is Pete Moore halo talks YC on location Galway with my good fast friend Connor O' Loughlin coming in from glow Fox, who is the sponsor of special drink at the time to win again, event in Dallas Connor. Welcome to the show.

Conor O"Loughlin:

Thanks for having me, Pete.

Pete Moore:

Awesome. And a quick shout out to Joanna's stall who works at glow Fox has been a good friend of the square for a very, very long time. So kind of why don't you start off and tell us how the brand name glow Fox came to be and the evolution of that, and then we'll talk about you and the company.

Conor O"Loughlin:

Sure. And I wish I actually had a, a, a better story to start on this. Isn't this, isn't a fun, fantastic and insightful story about how, how we chose a name for the company, but we, we started off as a professional services business. So I used to play professional rugby, and then I transitioned from rugby into, yeah, just back into tech. And we were working across a range of industries to doing basically tech development. Then we saw an opportunity to build a product in an industry that was very passionate about us. We, we saw a lot of, lot of opportunity there. And so we started building a gym management software that was providing services for a, a new type of fitness entrepreneur. And I think with the name we, we started with reserve view because it was more around, you know, the ability for these businesses to allow them to reserve bookings for classes and scheduling. And then, you know, we saw that, that we felt that the, the industry just lacked a really innovative technology leader and we wanted to, to replace the incumbents. So we, we changed the name and to lox, and it actually was one of just a few over a few points with the founders. And we were on a on a name generator and we wanted something that I had, six letters had a.com. It sounded like it was something global. So we landed on it and it just seemed to work.

Pete Moore:

I like it. I like it. Well, there's a funny story about a it was an investment bank at outta Minneapolis and there was a guy named Goldsmith and he wanted to set up a firm and it made it seem like he had a partner. So he basically sat down with a bottle of whiskey, opened up the dictionary and he got to the word AIO and he, and it became Goldsmith AIO there really, wasn't a guy named AIO it just like that's when he got to the, to the name in, in the, in the dictionary that he's like, all right, this sounds pretty cool. So solo Fox. It is it, it is a catchy name, I think you know, a lot of companies you know, get, get a name and then stick with it. And it's like, well, you know, you don't know how to spell it, or, you know, they, I got to explain what it means or, you know, so on and so forth.

Pete Moore:

So I like the name, I think it's good. We could do like a glow drink which is kind of what we were trying to do at the at the trade show. And, and anybody who played team sports is you know, part of the square. Cause we really do believe that what you learn on the field is applicable to business. So, you know, when you start out with the professional services firm, you were you working with a specific health club or a gym client, and you said, Hey, like, I'm trying to Jerry rig what you're currently doing. It's just not working for us. So let's, re-engineer this

Conor O'Loughlin:

Exactly. Yeah, it was, it was in that, that professional services business, we were working across a range of industries. I, and then a customer who was running a fitness studio, a multidiscipline fitness studio was looking for an app for their members to book in for their classes and for, you know, be able to kind of manage your own memberships. And we, we set in, had a look at it and we said, obviously, you know, to price this individually for you going to be prohibitive. But there's nothing really on the market that was really helping them really establish their own brand and establish their own connection with their members. And as we, we did more market analysis, we felt that there was a huge opportunity where the market was being underserved. The expectations of end members have changed. And these types of fitness business owners that were creating the, or engaged business models were kind of more pioneering and progressive. So we really lent into it. And we, we used that initial customer which was called pure fit out, out in Galway. As an early adopter, we, we got customers, we like went out in the streets and knocked on doors and, and found a ton of other customers that a lot, like then started builder from there. And then got off the island pretty quickly and got into the us market to really kind of test our, our, our product market fit there. And so just really evolved.

Pete Moore:

Yeah. So when you look, you know, you're a rugby player, so you probably don't see many things that intimidate you. So, you know, when you looked at the us market and you saw the incumbents there you know, what gave you the right or, you know, the pathway to say, Hey, look, I know you guys are doing a nice job. I know you got venture capital, you got growth equity, but, you know, I got something here that I built, you know, to manage and solve the frustrated of these clients. I get it. And you're going to get your market share. I'm going to get my market share. I might take some of from you, you know, but I feel confident that I built a platform that can, you know, punch against you.

Conor O'Loughlin:

Yeah, yeah, no, it's, it's good. Good question. And, and I think like with us, we, we went to the us because we had a very narrow focus on the type of business that we wanted to serve. So we actually went really uncomfortably, narrow. We said, this is exactly the type of business model. We only have

our guardrails in fitness. We, we don't serve any outside and out. And even within that, we were around these businesses that were, you know, trying to engage your members to get them back in using the services kind of really established a very strong brand identity with them. So for us, it was around really speaking to that type of customer, creating a very clean, elegant forum that was modern, that wasn't overly complex. It was very intuitive, easy to use. And it came back to those frustrations, like you saw in those frustrations, that, that you're talking about the frustrations around acquiring new members, streamlining operations, and giving their members and exceptional experience that retains them. So that kind of discipline of focus of, of what our ideal customer profile looked like. And the, the discipline of keeping to that and hiring people in the industry that knew it, and then really just positioning the business as look, our service and our place in the world is building successful fitness businesses that look like this. And we use technology to enable that. So I think they were, are the, the things that were core at the outset, and they're still, you know, they're still really embedded in our DNA and what we're about.

Pete Moore:

Yeah, it's interesting. You know, as, as an analogy, you know you don't know this, but 20 years ago I started a software company that was basically doing, it was called fitness insight. And it was doing online fitness, nutrition, Salesforce management websites, email marketing, drip campaigns. And in order to generate revenue, we basically, you know, took on analogous businesses. So if you had a multi-unit, you know I remember we did something for like a seafood, you know, like distribution company that had, you know, a, and we kind of convinced ourselves like, Hey, you know, for 25 grand, we could build this. And it's, it's kind of the same thing. And until it's not, you know, and then it's like, all right, well, we got to change every single thing that refers to fitness, and now we got to change it to like their, you know, their, their nomenclature, if you will, of like, here's the words they use their industry.

Pete Moore:

And then you're like, wow, like we've got a whole separate division now with only one client. And nobody wants to be in the seafood industry that works at this company. So how disciplined are you when you kind of see a big fish as to use an analogy of my seafood and you say, wow, we kind of can do that, but, and there's a big revenue opportunity, but like, that's just not what we do. How do you, how do you keep the guardrails on when you got VC money and you got to get excited and you're like, Hey, my stuff's going to work. And it scales, but dot, dot dot.

Conor O'Loughlin:

Yeah, absolutely. And it's, it's, it's one of these ones that's very hard to do because like that, that big fish comes along. They're a great brand, they've got great validation. You, you know, that they're going to be a big portion of revenue but on what terms, right, because you, you take that on and they be, you become an, an in-house technology shop for them. And then you, you basically hand over your own map and then you, you lose your own identity. So it's, it's absolutely critical to be able to say no. And I think that's one of the, the hardest and most important jobs you have is what you're not going to do. And what you're going to say no to, because you can, you, you can do anything, but you can't do everything. And right. I think it's tough like that. So but like with us, we're still 80% of our, our business is independent teams and studios.

Conor O'Loughlin:

And so our roadmap and we've been disciplined around this has been very much dictated by what we feel, the challenges they have now and trying to get behind it behind that. Not exactly what they're saying, that they want more, or like the challenges they're trying to solve, and then combine that with, with our own insights and where we think the industry is going, and then use that to really inform our decisions around it, but be very deliberate and strategic about who we go after then at the top end of the market, to make sure that they are kind of progressive and they are going to take us in the right direction. And be a type of business model that we feel is, is more visionly and future proof.

Pete Moore:

Yeah. I mean, it's a good point. And, and just to, to, to make a, a, a side comment here, when we're selling a company through integrity square, you know, if it's software business, a products business inevitably some point in due diligence, someone says, Hey, what's your customer concentration? You know, so there might be some awesome protein bar that you know, everybody loves and then you see like 80% of their revenues coming from like Costco or Walmart, and they basically own your company, right. Cause they own your, your pricing and they, they, they, they you're at their at their whim of, you know, basically taking away your shelf space. And I think in the same thing in a software company, you know, someone's going to revalue or discount your business. If you're in a position where, you know, your, your main customer, you know, basically dictates your existence. So I think that's a really interesting point. So, you know, as you built the business and kind of started in Galway, you know, state, state and Ireland for period of time, and then started to go into Europe and into north America, what were some of the key hires, you know, maybe take it from, you know, like your rugby team, like, you know, what, what are the most important players and, and like, in what order do you bring 'em on?

Conor O'Loughlin:

Yeah, I think, I think that the most important are your, your co-founders and, and that's one that you can don't really underestimate the impact it, it has and this, like, you know, finding people that share your beliefs and values, but bring something different and bring something complimentary. So I was lucky that, that my founding team, you know, that we actually managed to achieve that we've got a, a very kind of passionate founding team. One of my co-founders used to run one of the, the largest wellness events in, in Europe and coming from the industry, the other one is very technical run complex it program management rollouts in, in software for over 15 years. So like coming in with that, that that founding team where with complimentary skill sets was very important. Then as we grew, we wanted to get the balance right, between finding people who had seen more the movie and had more the experience but also was the right fit for our stage of business and the ambitions that we had.

Conor O'Loughlin:

So it's, you know, through our, through our VCs and through our network, we're, you know, we're exposed to a lot of these folks and, and we've, we've made some mistakes and we've made some great, great hires too. And, and I think, you know, our executive team has a really good balance with people who've served in the industry, served in, in large, large growth your back SAS companies that have, that have done very similar things. And, and I think like when you look across the team, the functional areas that, that are crucial are first and foremost, you know, your people and your organization, like somebody who's coming in really helping you work at work at your hip with creating that, that best place for people to work, being a magnet, incredible talent, and really putting in place the, the working environment, which fosters innovation, which nurtures supports people is, is, is absolutely critical.

Conor O'Loughlin:

Your, your, your CTO and your head of product is, is, is also, you know, it's also a role that, that is right to get is so important to get right. And making sure that it's linked as well to what your, your product strategy and vision. And then a key transformational hire has been our CFO previously was VP of finance for Zendesk going through the whole journey. And she's we found her in co, which is only about an hour and a half away from going. She's really turned the needle first since joining the team. And I think, I think that's when, you know, you've got a good hire where, where you come in and, and you just don't spend time in that function anymore because somebody's just come in and just put a lot of process and infrastructure around it.

Pete Moore:

That's great. So, you know, you went out and you raised a round of 25 million. I'm assuming that on the sources and uses of the 25 million, you know, you didn't have that earmark to the dollar and say like, Hey, I need 25 million. Let me show you like dollar for dollar, I'm going to spend it. So how'd you get comfortable with taking on that size of a check? How much of it just kind of sits on the balance sheet is opportunistic and, you know, VCs, when they see a company that they want to back, they want to put as much money as they can behind it, you know, within reason to own a, a material stake so they can allocate the resources and potentially get the return. So can you talk a little bit, you know, without breaching any confidentiality or things that aren't disclosed, you know, how you got to that number and, you know, where you, where you used most of it, or, you know, segmented it out.

Conor O'Loughlin:

Yeah. So I think we're with our, our funding trajectory when we, we first raised our seed around with, with notion capital and, and partake ventures. And, and that was a more humble 2 million raise. And that at that time got us, got us about, you know, two years. And then we, we were a different type of company. We were probably in about, about 40 people. And we had, we had grown then to prove out a lot of the unity economics, which the unity economy materials for, like we're a monthly recurring software business. So what we get back from our customers in their first few months, doesn't, you know, doesn't offset what we, we spent to acquire them. So, right in order for us to have confidence in accelerating growth and continuing to spend, we need to know that the unity economics like the churn, like, you know, the acquisition costs the lifetime value that all of these stack up, and we have, you know, a strong handle on our unit economics internally.

Conor O'Loughlin:

And that definitely gave us the confidence and external investors, the confidence to, to continue to invest in accelerating growth and given the fact that our growth rates you know, pre pandemic were well in excessive a hundred. And we grew even throughout the pandemic, just down to this year and what we touched on earlier, the diversity and revenue, we've still got a, a big about 30% of our revenue comes from Australian and New Zealand, which we're largely open throughout. So we kind of benefited from that and we're back on hyper growth now and where, where it goes, you know, 40% of our people are in R and D. So a big majority of our, our investment is in developing solutions for, for the market ones that are going to future group us. So we are very kind of long term thinking in this.

Conor O'Loughlin:

But we've, we've put in place a, a lot resources there. And then the rest of it goes in, in accelerating our growth. We were 110 people at the start of last year, and we've just passed 200 that were going to close out the year. And we're, we're kind of putting in the bank a good solid growth number this year. So

we're, you know, we're, we're pretty ambitious, but I, I think, you know, that's, that's reflected in, into, in the, the, the money that has come behind us to, to help, you know, help fulfill that ambition.

Pete Moore:

Yeah. So let me ask you to, to get into your psyche. And, and I'm an entrepreneur at heart, I'm also banker and I've ran some software company. So, you know, for the first couple years, like my mentality, and I'm sure your mentality is like, I got to make sure I made payroll on the first and the 16th. Right. Or at least within a couple days after that. Right. so I got to bootstrap it, then I got to get to break even, and now I got a VC that puts money in, they're like, Hey man, like, it's okay to burn cash. You know, like you could burn 500,000 a month if you want, or like a million a month. And you're like, dude, I'm not sure I'm cool with that. So how do you kind of think about that and how have you kind of changed your psychological perspective?

Conor O"Loughlin:

Yeah, yeah, definitely. And I, I, I completely relate to that. I like we were bootstrap for we boots track the development that is for about 18 months using a revenue from the services side of business to fund the growth throughout that time for about three years, I didn't take a salary myself because I, I

Pete Moore:

Did three and a half. I was out on my last software company. So I hear you.

Conor O"Loughlin:

Yeah, that's

Pete Moore:

Something I wanted to high five about either, but,

Conor O"Loughlin:

But, but it's great. It gives you that kind of discipline to, to be a bit scraper and, and, and be more cost conscious and get to those next, next inflection points and milestones where it can it can give you a little bit of a release valve with, with money coming in. But you can kind of continue that either. And that's been something I've definitely changed in, in my mentality has been that in order to you, you know, in order for us to be the best place for people to work, to be the best place for our customers to be, we need to create that environment where people can have space to innovate and to, you know, to, to be creative, to, to have a healthier work life dynamic. And by constantly focusing on trying to squeeze is every last bit out of every resource, it, it can create that ingrained environment that just wouldn't, wouldn't be conducive with that.

Conor O"Loughlin:

So I, I think like it's, it's been more reflected in the benefits that come with, you know, taking advantage of the market opportunity, kind of not sweating not sweating the small stuff as not sweating every and every daughter as much and kind of looking at the bigger picture of it. It's definitely helped. And, and, and again, it comes back to what we want to achieve as a, as a business. We don't want, you know, to be this lifestyle business, we want to be, you know, global market leader. Yeah. Serving both SMB and

enterprise and to do that, you know, we need to, we need to get a lot of things. Right. So we can't be kind of focused over here at these kind of small wins when you've got bigger things to focus on.

Pete Moore:

Yeah. There's something that came up a couple months ago, Peloton gave the, the market, their forecast for, for 2021. And they said, we're going to lose 525 million of EBITDA in 2021. I've doing the math. And I'm like, that's like a million for a day. I'm like, that's not something I would ever personally be able to like, say, Hey, I want to run that company. Like, that's, that's a little bigger than my brain's comfortable getting around. You know, so yeah, that's a lot. So, you know, as, as you take a look, there's obviously a lot of consolidation going on market. You know, you got you know, a buy versus build strategy you know, 40% of your people and, and expenses are going into R and D. How do you think about talking acquisitions? You know, cuz as you mentioned before, which I'm a big believer in is like, look, I could get my guys to develop whatever we want. It just got to allocate the time you know, to have the, the intellectual firepower and coding to, to basically build anything. So how, how do you think about that? Do you become an acquirer or do you say, look, I want to make sure my platform is, is fully integr and the best way to do that is just kind of build it out myself.

Conor O'Loughlin:

Yeah, no, it's a, it's a big question cuz I there's, I think it's, it depends really is the answer. It depends on, on what you're, you're looking to acquire to, to provide value for customers. For us, we feel very opinionated around that customer journey from a core hiring a customer right through to being a, a kind of a loyal advocate. So with us, we, we are, we always defer to, to building and we haven't done any acquisitions. We've done partnerships and we've been selective even with the partnerships because we are, you're only as strong as the partner you're bringing in. And what we feel is too that, that our customers, they, they rely on us. We're the operating system. They rely on us to, to bring in partners that that are helping to achieve what, what we need to achieve.

Conor O'Loughlin:

Yeah. But we've done, we've done this buy where we've done, like say integrations with our reporting suite with luck, for example, our integrations with in processing with, with Stripe and, and others because we don't want to become a fully payment processing company or a, a full BI system. So I, I think where it comes to, to those things make, make sense, but from an acquisition standpoint we have no appetite to acquire any kind of complimentary software systems that we feel would just bolt on. I, I've seen that in America and I don't really feel that works. I think if we were going to do any acquisitions, they they'd be more likely took in acquisitions where we, we we'd look to, to maybe get an inquiry and to the customer base in, in market that we were, we were just entering into. But might change over time. But I, I think that's yeah. That's how we're approaching it at moment.

Pete Moore:

Gotcha. So I got one question related to, you know, how the software works. And my question is related to you go into a company and you say, look, this software has been built off of other people's frustrations that we've solved. And I want you to run your business like what I've learned and the software works to optimize what these other clients had frustrations on. So I'm not here to kind of change the interface or I'm not here to like customize this for you. You know, like this is a SaaS platform and I'm not in the, I'm not a web development professional services company anymore. So how of that,

how do you kind of get a over the hurdle? Or do you say maybe that's somebody you say no to, because like you got to run it the way I want you to run it because this isn't just like, my idea is it's proven.

Conor O'Loughlin:

Yeah. It's a, it's a great question. I like we we've, we've launched our, our new kind of automation suite where we have these series of messages that go out that help exactly like these businesses to nurture members. And we've able to prove that certain flows in day, one day three day five via SMS or email are acquiring members at a greater rate than, than a more standard control base. But to that point, you're still going to have to enable these businesses to have some sort of customization in that. So I think, you know, it comes down to where you give flexibility and where you give that customization. In terms of business rules and settings, we've tried to be as flexible as, as possible on those in terms of creating wide labeled experiences for their members in, in the app for through the website portal, through APIs, you know, giving, giving flexibility there, we feel is important.

Conor O'Loughlin:

But we, we do, we do have internally opinions around where the how of those flexibility can, can be because for us as a company, we can't kind of maintain multiple code bases or are too much complexity in the system. So I, I think strategically, you know, when, when we sit down on, on an annual basis and we, we, we map out what we're going to do again, it comes back to what we're not going to do and what we're not going to give flexibility on and just maintain firm on that. And I think invariably, if you're focusing on the value, you're trying to deliver for the customers, they get it because that's what they're trying to achieve is like, do you want it to be red or, or blue, or do you want to increase your retention rate or, or get more revenue? So if you're able to prove out the value, it helps overcome any objections in that regard.

Pete Moore:

Yeah. I mean, harkening back to our software company 20 years ago, we wanted to say yes to everyone and we were running it wasn't called Sasin. It was called ASP application service provider. And then one day I remember, and this guy, Shane Edmonds, who was our CTO and I was the CTO of, of forte fit fitness. And I said, Hey, can we just do this one change? He's like, bro, do you understand? We're already running like 80 different web platforms. Like there is no ASP right now I'm running 80 sites on an ATT server, you know, in a server form in Phoenix. Like don't tell me that, that you think we're running a software business anymore. Like I'm running custom web development company. So that's a great takeaway. And I think people should think about that. Yeah. You know, going forward in whatever business you're in, you know, out what it is, and then stay within the guardrails of that. So in closing here, you got any business quotes or things that, you know, people say, Hey, you know, that Connor said that, you know, what's your what's your go to, or what, what do you got post-it notes in your on your computer screen of,

Conor O'Loughlin:

Oh my God. And put me in the spot and what, what do I like to say? I, I do like that saying to be the best place sorry, sequentially, you need to be the best place for people to work, to be the best place for your customers to be. So like for me, like number one is, is team. The team you build is the company you build. So like our, our kind of maniacal focus and discipline and rigor around how we recruit and retain people, you know, has been really the cornerstone for, for any success that we have and, and for success going forward. So if I was given one piece of advice and even kind of like looking back on my

own career it's been something that that's really changed my cycle. Like at the start, you're all excited about the solution you're solving for that initial customer, the product you're building, how cool it looks and how brilliant it's. And then over time, it's like you look around and you, you hear about how people speak about working Inox and don't really set out a company to support people's career goals. But you realize that it's, it's something you're massively proud of. And also it is the most important, you know, thing that's going to help you drive success. So, so focusing on that is, is probably number one, wasn't a very concise quote, sorry, Pete.

Pete Moore:

No, that's good. That's good. So if you're looking for a job, then go to the glow Fox website and put you in your application. So, Hey man, it was great to meet you in person in Dallas. Thanks for being part of the time to win again and you know, your, your athletic background and prowess, you know, obviously dovetailed into building a really strong business. So welcome to the halo sector. Feel free to use the halo term as is necessary. It's copy right free royalty free want everyone to be part of the halo sector and create halo effect. And you're definitely doing that so great to see you and look forward to it. Strong 20, 22, my friend.

Conor O"Loughlin:

Thanks, Pete. Go easy on me on the character show when you thanks.

Pete Moore:

Yeah, we, we have, we have final edits on, so don't try and get involved. All right, man. Good to see right. Talk to you soon. Happy new.