

San Francisco

Peter Bauer, chief executive of Mimecast, tells *Director* why North America was the best place to extend his company's international presence



When Peter Bauer started information management company Mimecast in the UK in 2003, he didn't realise that business would pick up so fast. "We were probably one of the first cloud companies to focus on what we believed was a niche around email management," he says. "But it turned out to be a real issue for businesses and we were able to build a company that is able to service customers in nearly every sector."



California dreaming: Peter Bauer says San Francisco is the birthplace of hi-tech industries



CITY: ALAMY, CORNERS

Since then, the business has grown to employ 460 people worldwide and has attracted several investors. "Index Ventures invested in us at the end of 2009 and then, at the end of last year, we received \$62m (£40.5m) from US investment firm Insight Venture Partners."

International expansion was always part of the plan for Bauer and his team. He identified his home country, South Africa, as the first market. "We've been very successful and are probably the most dominant player in that space in South Africa," he says.

But in 2007 Bauer needed to decide where Mimecast would go next – mainland Europe or North America? "We were still a small company and we knew that if we tried to expand in both markets we would probably fail," he admits. "We decided to tackle the harder of the two, which we believed was North America. But we also felt it was a substantial opportunity for the business and that the US would perhaps adopt

cloud services more seamlessly than in Europe," he adds.

A group of six employees were sent to San Francisco to start the company's expansion. "The city is the birthplace of the hi-tech and software industries. By setting up there we could target Silicon Valley or the east coast of the city," he explains. "We chose San Francisco's east coast because our primary competitors have headquarters there and we felt that we had something to offer the market, too."

The company based itself in the South of Market district, two blocks from the financial area, and hired a consultancy broker to help with starting up. "We had some pretty good advisers such as [real estate firm] Cassidy Turley, which helped us identify the right type of building for our business," says Bauer. "We wanted to ensure the building had a sustainability rating, as Energy Star [a government-backed fuel efficiency programme] compliance is

important here," he explains. "It meant that all the decisions we made on the types of equipment and materials we used for the fit-out had to comply with the guidelines – but we were more than happy to do that."

With the building secured, it was time to get to grips with Californian laws. "The rules are quite different and getting our heads around them was a challenge. For example, you can't impose a limit on how much holiday an employee can carry over to the following year."

Then there are the safety laws that are associated with the area. "There is a significant focus on safety because of earthquake threats and you need to have a range of trained safety officers – nearly everyone in the office is a warden of some sort."

Bauer explains that California is employee-friendly in general. Workers have expanded leave options due to the Family and Medical Leave Act, and employers must be careful to



On the dock of the bay: clockwise from left, San Francisco's famous Golden Gate Bridge, Yerba Buena Gardens and the South of Market neighbourhood near the financial district

that San Francisco is competitive in terms of hiring staff. "There are so many talented people who aren't afraid to move around, from job to job, until they find a position they really want," he says. "You need to ensure you can compete with other companies in terms of the benefits you are providing and the culture you can offer employees within the business."

The Mimecast office is located among restaurants, food trucks, farmers' markets and coffee shops so the company's benefits package includes lunch for employees four days a week, as well as breakfast on Friday mornings. The business also offers staff a supplemented gym membership. "San Francisco is in the vanguard of liberalism, and the food-truck culture is really booming," says Bauer. "It is a happening, avant-garde place. The city has a relaxed feel – employees tend to get to work early so they can leave earlier and go and enjoy the sunset or an evening swim."

Thanks to rapid growth, Mimecast has opened offices in Dallas and Chicago. And this year it plans to expand its 4,000-strong US customer base. "We're just scraping the surface," says Bauer. "It's going to be a big year. The US business is growing faster than the UK, which is fantastic. Our South African branch is also dominating that market and we're expanding into Australia this year as well."

Exciting times ahead, then, for Bauer and the team as the cloud continues to move into the mainstream. "The wind is in our sails because the issues around email and data management are getting bigger for companies across the globe – the right time is coming for us."

Behiye Hassan

SAN FRANCISCO FACT FILE



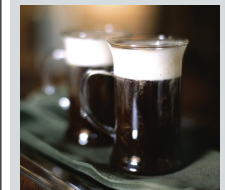
Population
Around 812,000

Currency
Dollar

Language
English

Sightseeing

"The Alcatraz Island tour is brilliant – it's probably one of the best guided tours you can do in San Francisco," says Bauer. www.alcatrazcruises.com



Food

"Buena Vista is where Irish coffee was invented – it's a great place to go and enjoy a late-night coffee. And Ozumo is fantastic for sushi." www.thebuenavista.com
www.ozumo.com



Where to stay

"I use the W Hotel (above) as it's a three-minute walk from the office." www.wsanfrancisco.com



Getting there

United, BA and Virgin fly direct to San Francisco from Heathrow. Alternatively, book flights through WEXAS at www.iod.com/travel (020 7858 5989).

Useful contact

Small Business Network
www.sbsn.org/resources