

RW Blears: Viewpoints

Augmentive Ltd, Founder Profile: Kit Norman

Augmentive is a platform offering quick access to certified therapists, coaches, psychiatrists and holistic professionals. Monty Halliday speaks to Kit Norman, Co-Founder and CEO, about his experience of building a technology driven business, his motivations, and what the growth trajectory of Augmentive is for 2024.

What is your business experience prior to starting Augmentive?

Along with my brother, Archie Norman, I co-founded an agency named Mercury Labs. This venture was focused on creating custom software and machine learning solutions. It was my initial foray into the world of technology-driven businesses, and was instrumental in shaping my approach to tech-centric solutions. During that time I also trained as a product manager. This was significant for me as I don't have a traditional technical background. It equipped me with the skills necessary to engage more deeply with the development aspects of technology projects. I eventually left Mercury Labs to set up Augmentive. Although Archie remains CEO of Mercury Labs and currently the business is focussed on the artificial intelligence space, providing AI solutions for businesses in a variety of sectors.

What inspired you to start a business?

Both my parents have worked for themselves for as long as I can remember (my mother, Sarah Norman, is an integrative therapist and is a Co-Founder of Augmentive). Without doubt this gave me a natural inclination towards entrepreneurship. At the outset of my career I worked in a larger professional services environment but it quickly became apparent my true motivation was to start a company. The idea of building something from scratch and bringing my own vision to life, has always appealed to me immensely.

What was the genesis for Augmentive?

The idea for Augmentive was born out of witnessing friends struggling with their mental health and seeing them face significant difficulties in accessing the right support.

My initial market research at the time indicated a number of issues with the state of mental healthcare.

I noticed people often had to endure long waits for help and had difficulty connecting with the right specialist. So the care they received was often of poor quality or ineffective. The process was confusing and highly fragmented, making it unnecessarily challenging to access vital mental health services.

Further, my mother's experience highlighted another issue from the perspective of therapists. For the most part they operated small or individual practices with a low outreach. They were struggling to manage their businesses effectively, which was in turn stymieing the potential to grow and deliver high quality care to the maximum number of people.

These key challenges shaped my vision for Augmentive. I saw the need to create a service that would enable efficient and personalised access to the right mental health support. Further, I drew on my experience at Mercury Labs to conclude we could address many of the practical challenges in the mental health sector by adopting a technology-led approach.

What point had the business reached for you to decide Augmentive was ready to undergo its first fundraiser?

We brought in a team of behavioural scientists to carry out comprehensive quantitative and qualitative research to understand the nuances of the mental health sector. Our research was then translated into wireframes, leading to the active development of the platform. Much of the core infrastructure was established at this point. Alongside the technological development, we had secured the commitment of nearly 100 mental health professionals to join the platform. So we were confident of strong professional interest and support.

A pivotal moment came with a meeting with Dominic Vail, our chairman. He generously reviewed our business plan and spent considerable time discussing the idea with me. He has over 30 years of experience in the banking industry, and his insights were instrumental in shaping our capital raising strategy to accelerate the business's growth. He introduced us to the Venrex fund, who have led all three investment rounds and been phenomenal partners.

What were/are your expectations from investors you chose to partner with?

Our investors share a strong passion for enhancing access to mental health support and are committed to creating a positive social impact. This mutual dedication forms the bedrock of our partnership.

Further, there's a clear agreement on our approach — the necessity of combining trained specialists with advanced technology to revolutionise mental health support. Our investors understand and support this integrated model. We're aligned on the importance of maintaining high service quality while ensuring the financial sustainability of the venture. This balance is crucial for long-term success and impact.

Finally, we've found our investors adopt a supportive, yet non-interventionist stance. They are open to providing guidance, sharing advice, and expressing opinions, but they also respect our autonomy. They understand our direction should be primarily informed by the insights and feedback we gather from our customers' experiences with our product.

Do you have an expectation/ strategy in mind for future capital requirements (i.e. further equity raise or debt finance?)

Very soon we are going to see great change across the business and a real gear shift in terms of activity and volumes. We are shortly launching a clinic service, and anticipate a 5-10x growth in sales over the next 6 months, plus the bottom line feeling the benefit of much-enhanced unit economics. On the back of this growth, in Q1-Q2 2024 we'll begin our plans for a series A equity raise later in the year, with the capital used to both supercharge headline growth and to further develop our proprietary technology.

How have you found managing the overall cash raised from investment combined with initial revenues?

Managing the cash raised from investments alongside initial revenues has always been a critical focus for our team. We have prioritised process optimisation and automation, allowing us to maintain a lean and efficient operation. While additional funds for sales and marketing would have been beneficial, we are proud of our achievements with the available resources. Our chairman also plays a crucial role in ensuring vigilant management of our finances, emphasising the importance of directing our efforts and resources towards activities that align with our team objective.

Are there areas of the business that have absorbed more/less cash than expected?

Experimentation within our business has required a larger financial investment than initially expected. However, this has proven to be a very positive investment. The approach of constant testing and tracking has been pivotal, leading to many of our most significant breakthroughs. This rigorous process has been essential in our pursuit of achieving a tight product-market fit, validating the additional expenditure in experimentation.

To what extent have you pivoted from the earlier versions of the business plan?

Our journey from the initial business plan has been more about constant refinement than a complete pivot. We started with a broad and very ambitious vision, but as we received more customer feedback and insights from analytics tools, we began to streamline our focus. This process led us to shift our attention from the SaaS aspect of our product to prioritising the marketplace. We identified fields like psychiatry, particularly neurodevelopmental psychiatry, where our technology and marketing strategies were most effective. Now, we're evolving from a marketplace model to a service model. As part of this transition, we're incorporating a regulated clinic within our platform, complementing our network of independent specialists. This new model will allow us to offer more comprehensive services, including assessment, diagnosis, and personalised treatment, whether medical or non-medical, tailored to each new patient's needs.

What is Augmentive's customer acquisition strategy and how effectively is this being executed?

Augmentive's customer acquisition strategy, while kept confidential to maintain competitive advantage, revolves around cost-effective and scalable methods to attract high-intent traffic to our custom landing pages. We employ relentless A/B testing to not only enhance conversion rates but also to refine our offerings based on user interactions and insights. This continuous learning process helps us understand how, when, and where we can add additional value for our customers. We then apply this successful formula to other services, guided by thorough analysis of customer feedback and Google search trends. This strategic approach has proven effective in steadily growing our customer base. We're also seeing a steady flow of word of mouth referrals coming through which is great.

NHS – how can businesses like Augmentive contribute to and improve the NHS framework?

Businesses like Augmentive are uniquely positioned to contribute to the NHS framework, particularly by addressing the challenges of innovation within large organisations like the NHS. Innovation in such settings can be slow and complex due to their size and structure. By partnering with us, the NHS can bypass some of these inherent hurdles. We specialise in developing and rapidly testing highly efficient systems that leverage the latest technologies in mental health care. This allows for quick scalability and integration based on proven data, demonstrating improvement over existing provisions. Our agile approach to innovation and technology implementation can complement the NHS's services, offering an expedited route to enhanced, accessible, and personalised mental health care, ultimately improving patient outcomes and resource efficiency within the NHS.

What are the key objectives for 2024?

Our team objective is to be profitable by September 2024, very clear and simple. To achieve this, we will continually focus on quality, capacity, unit economics and scale. We want to run the country's leading psychiatry service within our ecosystem.

What drives you in light of all the challenges that arise in starting a business?

It has to be the mission and the people. We all believe in the value we can bring by providing quick access to personalised mental healthcare. We also want to succeed for the people we work with and the people who have backed us.

What is the difference between Augmentive now and the vision you had for the business at the outset?

We have moved beyond the concept of a 'Deliveroo for mental healthcare'. You see this approach a lot by start-ups looking at improving access to specialist support. While there's been a notable (and largely positive) trend in businesses striving to democratise access across various sectors, we've realised this model, particularly in mental healthcare, can compromise quality when scaled indiscriminately. Consequently, we are shifting from an open marketplace to a hybrid model. Our focus is now on managing a regulated service that works in tandem with a selectively curated marketplace. This transition involves taking on more complex responsibilities, such as administrative tasks and clinical governance. However, it grants us significantly enhanced control over both the quality and availability of services, aligning more closely with our commitment to excellence in mental healthcare provision.

Monty Halliday

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