

A CASE STUDY FOR:

Folk2Folk

"Born in the Cloud" lending

BUSINESS

Folk2Folk is one of the UK's largest peer-to-peer business lenders

CHALLENGES

Rapid growth meant Folk2Folk needed a new platform and new, scalable infrastructure to power current needs as well as future expansion

SOLUTION

Rackspace Fanatical Support® for Microsoft Azure™

OUTCOME

A scalable and robust infrastructure provided by Microsoft Azure, with Rackspace expertise layered on top for the best possible combination of technology and support



FOLK2FOLK

Local Secured Lending

Folk2Folk is one of the UK's largest peer-to-peer business lenders. They offer something different, filling a gap in the market at a time when mainstream banks are closing high street branches, retreating from small businesses, and delivering poor returns to investors. Folk2Folk has a truly holistic approach to business lending based on strong community values, local knowledge and a genuine understanding of customer needs.

A disruptive entrant to the market, Folk2Folk was launched in 2013 and has grown at an astounding rate ever since. Their lending to date stands at over £120m with aims of providing over £1bn of finance to UK businesses by 2020. Folk2Folk believe it's their personal and flexible approach supported by their tech and branch network that sets them apart - delivering the flexibility to innovate, the agility to respond quickly to customer needs, and scalability to be dynamic in their response.

Underpinning all of this is Rackspace Fanatical Support® for Microsoft Azure™.

BORN IN THE CLOUD

Folk2Folk was born in the cloud, heralding a new era in financial services. But it wasn't until 2015, during the launch of a new lending platform, that they discovered the benefits of working with Rackspace. Karl Straw, IT Director at Folk2Folk explains:

"We were growing faster than even our most optimistic projections had forecast. We needed a new platform and new infrastructure to power this growth, but the reality for a fast-moving start-up is that it is almost impossible to predict for the future. Investing in Microsoft Azure delivered that tried and tested robust infrastructure, but layering

Rackspace Fanatical Support on top was a real game changer."

He continues: "From first contact with the Rackspace team to going live was just 5 weeks - now if that isn't Fanatical Support then I don't know what is!"

ULTIMATE IN FLEXIBILITY, SCALABILITY AND SECURITY

Karl is a firm believer in the utility model. He believes that to have achieved the same results by building their own physical infrastructure and employing a team to run it would not only be prohibitively expensive, but almost certainly wrong.

"Doing this ourselves would have hampered our growth, it is simply not a good way to develop services", says Karl. "We are constantly improving our product set, keeping ahead of growth, and implementing new security requirements. The reality is that in the first 11 weeks with Rackspace we had already gone through three iterations of infrastructure provision, and by week 16 we were still making significant changes. We can only do this

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KARL STRAW :: IT Director, Folk2Folk

because we have flexibility, constant feedback and communication with a vast team of experts. This means we can keep reviewing, testing and buying the best technologies in the market. We can keep on innovating without being held back by legacy, keeping costs to a minimum to deliver the best and most responsive service for our customers, and value for our stakeholders.”

As a financial services organisation Folk2Folk must comply with all of the requirements of the Financial Conduct Authority. They believe that with Rackspace this is a shared responsibility, commenting: “Regulatory compliance is high on our agenda and key to our success as a lender, Rackspace technology and support helps us comply with all of the requirements that are in place – great for us and for our customers.”

GROWTH, GROWTH AND MORE GROWTH

Folk2Folk’s holistic and technology-driven approach is paying off. They’re taking traditional lending and borrowing into the digital age, meeting the needs of entrepreneurs and business owners by delivering a personal touch – anytime, anywhere on any device. So what does the future hold?

“Growth, growth and more growth,” says Karl. “Not only are we planning to triple our branch network, but we’re putting in place the building blocks to keep innovating, growing our product set and expanding our peer-to-peer markets. Technology is facilitating this at every stage. We can test and develop new ideas and go full-steam into a quick roll out. At the same time, we can be bold and inventive because even if an idea does not work out, all we’ve really lost is time and not a million pound investment in hardware. This is the essence of innovation, and Rackspace helps make this possible.”

They also see their investment in technology paying dividends in terms of customer interaction. “We may deliver a national network, but we still achieve that all-important local approach,” says Karl. “Our team are always available and always connected to each other and head office. Likewise we have complete visibility over applications and transactions, as do our customers. Interacting in the cloud means that if a customer is

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applying on their phone and hits a problem, we can see this immediately and pick it up for them. It would be difficult for a large bank to replicate this seamless way of working. It’s a great example of how technology is powering customer service.”

A FANTASTIC THREE-WAY PARTNERSHIP

Summing up his Rackspace Fanatical Support® for Microsoft Azure experience, Karl concludes:

“Microsoft are very good at building infrastructure and Rackspace are very good at ensuring we get the best out of it, providing that all-important comfort factor that comes from having 24x7x365 support delivered by highly technical people who are passionate about what they do.”

ABOUT RACKSPACE

Rackspace (NYSE: RAX), **the #1 managed cloud company**, helps businesses tap the power of cloud computing without the challenge and expense of managing complex IT infrastructure and application platforms on their own. Rackspace engineers deliver specialised expertise on top of leading technologies developed by OpenStack®, Microsoft®, VMware® and others, through a results-obsessed service known as **Fanatical Support®**.

Learn more at www.rackspace.co.uk

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