

News / Founder Interviews

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Virtualstock founder: 'Limited funds often spark the most inventive ideas'

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Robert Scammell
Editor



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Ed Bradley is the co-founder and CEO of Virtualstock, a dropshipping marketplace management software company.

The Reading-based company's software is used as a supply chain platform to manage returns, stock updates, invoices and more.

Founded in 2004, [Virtualstock](#) works with retail brands such as B&Q, John Lewis and Argos. Bradley initially financed the business with his co-founder, Tim Ingham, by selling Christmas trees by the side of the road.

In this week's [Founder in Five Q&A](#), Bradley explains why developers were the most important early hires, how excessive investment can lead to careless spending, and how losing a big client taught him the importance of diversifying revenue.

1. Which role was the most important early hire you made?

Ed Bradley: Our most crucial early hires were developers who shared a genuine passion for our company, not just the necessary skills. In fact, our first three hires, all developers, are still with the company today.

Their dedication and alignment with our vision has been instrumental in our success—and works as a reminder that hiring individuals who are deeply committed to your mission can significantly impact your company's growth and resilience. Building a world-class team meant prioritising cultural fit and enthusiasm.

2. What advice would you give to a first-time founder?

EB: Keep your expenses low and delay seeking external investment for as long as possible. While this approach might seem counterintuitive, creatively managing to bring cash into the business will put you ahead of those already entangled with shareholders and ROI concerns.

Remarkably, a lot can be achieved with zero-budget marketing. There are numerous innovative ways to showcase your company's services to potential clients without spending much. Excessive investment can lead to careless spending, whereas operating with limited funds often sparks the most inventive ideas.

3. What's a common mistake that you see founders make?

EB: A common mistake I see founders make is thinking a values statement stuck on the wall is enough to shape company culture. Core values are a vital part of the framework, ensuring all decisions and actions align with the company's principles.

Defining them is the easy part: the real challenge is successfully integrating them into every aspect of the business. This will help founders, the C-suite and staff at all levels remain connected to each other to drive overall productivity and engagement.

4. How do you motivate your team?

EB: By prioritising the social aspect of the team by having a dedicated social committee that organises regular events. The goal is to create an enjoyable work environment, boosting productivity in a non-transactional way. Company culture isn't just a buzzword; it's essential to running a successful business.

Regardless of an organisation's size, your people are your greatest asset. When employees enjoy where they work, they are more engaged and motivated, driving the overall success of the company.

5. Tell us about a time you screwed up?

EB: Winning Tesco Direct as our main client in 2013 was a significant achievement. Their expertise in the dropship market immensely benefited us, shaping our SaaS platform to meet the demands of large-scale retailers. However, when Tesco Direct closed, ending our contract, it severely impacted our revenue stream, highlighting the risk of depending too heavily on a single client.

This experience taught us the importance of diversifying our client base to avoid future uncertainties, ensuring we're not overly reliant on just one or two major clients. As the saying goes—don't put all your eggs in one basket.

[Founder in Five](#) – a UKTN Q&A series with the entrepreneurs behind the UK's innovative tech startups, scaleups and unicorns – is published every Friday.