

TASTE OF THINGS TO COME

BRINGING HIS TRADEMARK
ENTHUSIASM TO THE
TABLE, TIMO BOLDT IS
REVOLUTIONISING THE WAY
CONSUMERS COOK WITH
GUSTO

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Goûsto

Savour every moment



Perhaps the ingredients in Timo Boldt's cupboard that pack the most punch are his passion and culinary skills. And both of these proved invaluable when he was first courting board members for Gousto, the recipe-kit startup now taking the UK by storm.



"I COOKED MEALS FOR THEM, tried to be really charming and literally never gave up," he says. For example, while his attempts to woo Ian West, former CEO of SkyTV and non-executive director at Naked Wines, TalkTalk and Pact Coffee initially fell on deaf ears, with time Boldt's enthusiasm whet his appetite. "He came back and said 'you're clearly really persistent and want to work hard to make this succeed: I'll invest in you as a person.'"

Without a doubt, Boldt picked up much of this relish for cooking and commerce from his godmother and her husband. "They're serial food entrepreneurs," he says. "I was massively inspired by their lifestyle and passion." During his final years of high school, Boldt moved from his home country of Germany to stay with the couple in California's Napa Valley. Before long he was following their lead and taking cookery classes, something that helped his godparents see the enormous potential the young entrepreneur had. "They would always come to me saying: 'Timo, you have no kids or mortgage – why aren't you following your passion for food?'" he says.

Despite this, after graduating with a degree in international business administration, Boldt wanted to get his teeth into something slightly more meaty. "The flavour of the month back then was investment banking," he says. While he admits he didn't know much about the industry at the time, he applied for several roles and was snapped up by Rothschild & Co, spending a short time in its New York office before being relocated to

Germany and eventually London. During his time working for the banking behemoth, Boldt quickly found himself developing a broad suite of skills ranging from financial modelling and analysis to understanding business drivers, as well as building an invaluable network of contacts. “The chairman of Rothschild has since invested in Gousto and many of the people I met there have worked for the company at some point,” he says.

One contact he formed there would prove even more instrumental than all the others: his future co-founder James Carter. “We literally sat next to each other in the first training class,” he says. Realising they had similar interests, the duo ended up taking cooking classes and hosting dinner parties together and this formed the basis of a friendship that lasts to this day. “He exited the business last year but we’re still close and attended each other’s weddings,” he says.

By 2010, Boldt had begun to get itchy feet and while working at Rothschild had taught him a great deal, he was hungry for a new challenge. “Investment banking is interesting in that the first year you have a tremendous learning curve but then at some point that begins to tail off,” he says. “I felt like if I moved from the advisory side to the investment side, I could accelerate my learning again.” Joining Petrus Advisers, a new hedge fund spun off from Goldman Sachs, as its first associate, Boldt found himself in his first truly entrepreneurial role. And it’s safe to say this is something he took to with his trademark enthusiasm, gradually working his way up to become vice-president. “We opened two other offices, scaled rapidly and I eventually had a massive opportunity to lead the London office,” he says. “It was hugely exciting.”

However, this tiny taste of entrepreneurialism still didn’t sate his desire to follow in his godparents’ footsteps and he began to think about how he could build a business of his own. “I actually took a bit more time and thought really hard about what motivates me,” he says. “I decided I wanted to solve tough problems, do some good in the world and have fun doing it.” And as Boldt researched opportunities in the food sector, he began to realise that, in an age where consumers feel more time poor than ever, our entire approach to home cooking is back to front. “For the last fifty years, you’ve had to look up the recipe, write a shopping list, go to the store, pick up the ingredients and measure them out,” he says. “That’s a lot of work.”



Not only that but given research conducted by Ocado in 2015 found that the average Brit knows how to cook just nine meals from scratch, many budding Blumenthals or fledgling Fearnley-Whittingstalls were clearly finding themselves stuck in a rut. “If you look at how many people watch Master Chef and spend money on food magazines, it’s obvious that there’s a huge demand for inspiration but many recipes require you to find all kinds of weird spices,” Boldt says. In his eyes the solution was clear: interesting and innovative recipe kits with ingredients packaged in the exact quantities required that are sent direct to consumers’ homes.

But while his long-term goal was to enable consumers to order boxes online, Gousto’s initial offering was considerably lower tech: the entrepreneurs started out flogging prepackaged kits from a stall in Shoreditch. “I couldn’t even get a license for the proper food market at Borough Market,” says Boldt. “So we had this weird stall at an antiques market on Brick Lane selling recipe kits with really odd branding.” Shifting these first few kits provided the new startup with some invaluable feedback and they started encouraging friends and colleagues to try them out. Before long, the city was abuzz with talk of Gousto’s recipe boxes. “The concept was novel and people got excited about it so there was a lot of word of mouth,” he says. “That helped tremendously.” ►

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But as demand started to ramp up for Gousto's services, it became the clear the startup was in desperate need of an injection of fresh capital. Keen to explore every available avenue, the entrepreneurs even applied to be on Dragons' Den and were thrilled when Gousto was selected to appear on the show. "Being on camera for the first time was really nerve wracking but it was an amazing experience," says Boldt. Despite serious interest from Peter Jones, by the time Gousto appeared on the show it had been offered a very attractive term sheet from a group of angels and the entrepreneurs' unwillingness to jeopardise this ultimately saw the dragon walk away. Looking back, Boldt has very few qualms about this decision. "In general, I'm a hugely optimistic person so I don't have many regrets in life," he says. "We just didn't have the right chemistry and ultimately there was a better offer on the table."

Certainly sticking with the angel deal seems like it was the smart move: Gousto went on to secure £500,000 from the network, which proved invaluable in helping the startup build out its offering. "We used the angel investment wisely," Boldt says. "We upped the product quality, which helped tremendously with growth and customer loyalty." Before long other investors were clamouring to back the startup: Gousto secured a \$2m seed round led by MMC Ventures in late 2013, while a series A led by Unilever brought another \$8.3m into the business in September 2014 and a series B raised another £9m in December 2015.

And soon rapidly accessing capital became the least of the startup's worries: the biggest risk to the business now was becoming the victim of its own success. "It can be very chaotic: you have to build the organisation, put together teams and make sure that the boxes get out the door," says Boldt. "So the challenge is how you really inject organisational design and a scalable structure into your startup."

Eager to learn the skills required to put these firm foundations in place, Boldt began to study for an executive MBA in his free time – although, like many entrepreneurs, he didn't have a lot to



spare. "It was very painful," he says. "I had to do a lot of the reading at 5am or 6am." Despite the hard work involved, there wasn't a trace of doubt in Boldt's mind that it was worth all the effort. "It helped me grow up tremendously, get perspective and – most importantly – learn from the people in the class who had far more management experience," he says.

One of the most important things Boldt learnt during this time was the importance of having the right talent in place – something that he admits can be difficult in such a competitive market. "Google, Amazon, Facebook, the big banks, other startups – everyone is competing for exactly the same people," he says. "My tech guys receive headhunter calls on a weekly basis, which doesn't make it easy to retain them." Fortunately, Gousto has a special ingredient that gives it an edge over its rivals in Silicon Roundabout. "Building an insurance platform or banking product is boring," he says. "Our teams get to eat our food all day, they get to see the fruits of their labour and that's much more exciting." ►

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This is one of the reasons that Boldt has previously been very vocal in his support of gender equality. “Even from a purely selfish point of view, if you’re not tapping into all of the talent that’s available, that’s obviously a huge issue,” he says. In an attempt to tackle any hurdles that might prevent women from advancing at Gousto, Boldt has transformed his leadership team to include more female role models. Meanwhile he’s also attempting to tackle unconscious biases in the hiring process by weeding out keywords in job descriptions that tend to discourage women from applying. “It’s an ongoing process: we have not completely figured this out,” he says. “I’ve got a huge opportunity but on the other hand a tremendous obligation to make this better.”

And talent isn’t the only area Gousto is finding itself having to compete: since it was founded, rivals operating very similar models like Berlin’s Hello Fresh and New York’s Blue Apron have burst onto the scene. However, Boldt seems remarkably unperturbed by the new kits on the block. “Back when we started, no one in the world did recipe boxes,” he explains. “When you’re starting out you’re always looking for validation of the model so I was actually delighted to see other people jump on the bandwagon.” And there are good reasons why Boldt is so unruffled by the competition. Not only does Gousto come in at a lower price point than its rivals and with a much shorter lead time but it also allows consumers to pick the foods that really tickle their tastebuds. “We already offer by far the most choice,” he says. “Ours is the only platform where you’re able to select which recipes you receive.”

But customers don’t just get to pick which provisions end up on their plates: they are actively involved in the development of new dinners. “On a weekly basis, we get recipe happiness reports highlighting what people currently like and what the latest food

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trends are in that area of the UK,” Boldt says. Using this real-time data, Gousto’s team of gourmets can see which meals fizzle and which sizzle, enabling them to tweak and fine tune recipes to ensure every bite hits home. “Innovation comes in three parts: ideation, selection and execution,” says Boldt. “Effectively we outsource both the ideation and selection stages to the customer.”

Without a doubt, this has proven to be a recipe for success. Gousto’s customer-focused approach has seen it top many publications’ lists as the UK’s best recipe delivery service and has helped net Boldt plaudits and gongs galore, including Young Entrepreneur of the Year at the Great British Entrepreneur Awards. Moreover, the startup’s growth has exploded: Gousto’s annual revenue has risen 240% over the last three years, it raised a whopping £10m in November and it now has over 200 employees. “So the business has absolutely transformed over the last couple of years,” says Boldt. And in the entrepreneur’s eyes, this is just the beginning. “We intend to relentlessly work on the proposition and the product, listening extremely carefully to the customer to make this a mass-market proposition,” he says.

In light of his enthusiasm for bringing UK consumers delicious and innovative recipes, it’s hardly surprising that Boldt believes passion is key for anyone looking to disrupt a staid industry. “At the end of the day, there’s only one thing that’s guaranteed when building a startup: it’s going to be hard work,” says Boldt. In light of this, any time an aspiring entrepreneur approaches him and asks whether they should commit to their new business concept, he has just one piece of advice. “The people that truly stand out, make it happen and become successful are the ones that deeply care about what they’re doing,” he concludes. “So love what you do, be absolutely passionate about your business and create a product you truly believe in.” ✕