



Business Unusual Podcast · Transcript: Episode 5 · 04/08/2020

what3words – The unusual business of inventing three-word addresses

CLAUDIA:

Hello and welcome to Business Unusual. I'm Claudia Winkleman. In this podcast I'm speaking to the most innovative business owners in the UK and discovering what it takes to build a successful challenger brand. This week we're gonna hear about what3words. It's a London based startup that has divided the world into a grid pattern of 57 trillion squares, and given each one unique three word address. So, if you're visiting Stonehenge, you'd be looking for "ordinary pedicure rucksack". And if you're meeting a friend at Blackpool Tower, tell them to find you a "secret master theme". Confused? Don't worry, all will become clear. Let me introduce Chris Sheldrick, Co-Founder and CEO of what3words. Chris, thank you so much for joining us.

CHRIS:

Pleasure, thanks so much Claudia.

CLAUDIA:

What an extraordinary idea. Can you explain it to us, I'm sorry, in sort of layman's terms, and then we can get into the specifics.

CHRIS:

So, what3words is a global address system. We wanted to give everyone in the world a really simple name. So just as you said, we divided the whole world up into these three-metre squares. And you got 57 trillion of those across the world. And we named each one with three

words from the dictionary. It's like a random sequence of three words - something like "table chair spoon". And there's enough combinations of three words that you can literally go around square by square, uniquely identifying each one. And, we wanted to do that because what I tried doing was thinking, well, actually, we could just use GPS coordinates, the latitude and the longitude, to name everywhere, but actually, that's really complicated and great if you're a geographer, but not if you're just a normal person. And so by naming all of these three metre squares with the three words, it just means that if I say to you "table chair spoon", you can type that in to an app and we're both talking about the same place.

CLAUDIA:

I mean, it's so extraordinary - where did the idea come from?

CHRIS:

So, I was actually working in the music business. I was a tour manager, and we were kind of organising gigs around the UK but also abroad. And so basically it's my job to get everyone to arrive at the right place for a kind of soundcheck and loading. And it kind of didn't matter where we were – it could have been the back of Wembley Stadium if it was sort of, you know, loading entrance 'L 42'. Or if you're trying to find some villa halfway up a mountain in Italy. So whenever we put the address we were given in, basically would point you to the wrong place, where in the case of Wembley is literally the centre of the whole building, which has no use to anyone. So I try to enforce on the London music business, I said: 'Look, guys, you can just type in a latitude and longitude into your smartphone or TomTom or something else'. But basically, everyone's quite bad at accurately typing in an eight digit latitude and longitude.

CLAUDIA:

Absolutely.

CHRIS:

And people are like, hang on, where's the degrees button? What do I do with this? And so, I

kind of just figured, like, there must be a simpler way of doing this so that we could all just have more one system to use around the world. And that's basically where the idea came from. And then I sat down with a friend of mine called Mohan, who's a mathematician. And it was like, how can we make it easier than 16 numbers? And he immediately said, 'Well what about using a sequence of words?' We kind of did the back of the envelope maths and worked out that you'd only need three words to get enough combinations. And then we just kind of ran with it from there.

CLAUDIA:

It's so extraordinary - it's such an unusual concept. But the minute - by the way, I've downloaded the app - the minute you see it, you go: 'Oh, this makes total sense! I'm never gonna get lost again.' Chris, how did you decide which words to give to which places? I mean, you have to have so many words, did you at the beginning go 'Yes, yes, if it's Cairo, it should be pyramid', or was that thrown out?

CHRIS:

So, that's a really good question, because one of the first things we had to do is build this huge word list that we're going to use for the locations. And we used 40,000 of them, and then you've got to decide which words you're not going to use. So for example, we don't use words like 'hear' - that you could spell 'h-e-r-e' or 'h-e-a-r'. The homophones - all of those come out. 'Analyse' comes out because the UK and the US spell it differently. And then we thought, well actually hang on, we're more likely to have users in the middle of London than in the middle of the Atlantic Ocean. So in London, you're more likely to find 'table chair spoon'. And in the ocean you'll find 'dodecahedron hypnotic esoteric', or something which is kind of more of a mouthful. And so, that kind of was a whole part of how we designed it. And, I guess another thing was a lot of people thought we should have put 'table chair spoon' next to 'table chair spoons', because we're kind of all taught to do things in an orderly way. And we did the opposite. We basically build a backwards - we put 'table chair spoon' in somewhere like London, and 'table chair spoons' in somewhere like Sydney, because I thought back to my

musicians who often got lost and I thought, if they make a typo, I don't want them to go to the wrong place in London. If they look at it, and they see it's in Sydney, hopefully, they'll look and go 'hang on, something's wrong here'. So there was just a few kind of decisions around the design, which seemed very backwards to people when they first saw it. But I think when they think about how actually, how it'd be used in the real world, it kind of makes sense.

CLAUDIA:

How did people respond when you told them what you were doing? And how did you make them believe in the idea? Both in the business world and family and friends – who went 'you're what?'

CHRIS:

Yeah, that's pretty much exactly what happened. Because I guess to us, you know, Mohan and I have been sort of old friends and are kind of used to try to making solutions to things. It seemed quite logical. But then I think, yeah, the first couple of people I told they were kind of like, hang on, you know, 'banana coffee pyramid' - that's, that sounds a bit weird. You really expecting people to type that in instead of '16 Regent Street'? And yeah, I got a pretty difficult response from people going: 'I'm not really sure that this is going to catch on'. But about probably 10% of the people I spoke to went: 'this is awesome, and amazing, and you should do it!' And I think what I quite liked actually was the polarising responses - some people saying it's crazy, some people saying it's brilliant. And that kind of gave me the energy because we thought it was a good idea. And we kind of went on with it from there. I think thinking back probably the worst thing would have been if everyone had been a bit lukewarm about it, but the fact that it polarises people, I think is a good thing.

CLAUDIA:

But also, is that the key to, I mean, I'm going off piste, to being an entrepreneur. Because if only 10% went - 'yes!' - lots of people would have gone 'Oh, no, this is too confusing. I can't do it.'

CHRIS:

People also change like when things are brand new. A lot of people will say: 'well hang on, that's not how we do it today'. But then once you actually get a lot of validation for your idea, the 10% almost swings in the other direction because people go: 'oh, hang on. No, you've got it integrated into Mercedes cars, and oh, I can use it with this.' I think that is the key to starting is to have the boldness and the commitment in your own mind to thinking, okay, let's get started, and then you have to bring everyone with you once you get going.

CLAUDIA:

Tell me about some standout examples of what3words - who's using it, and where is it being used?

CHRIS:

The big first deal that we got was actually an unexpected place - it was with the Mongolian Postal Service. And I was invited to go to Mongolia, because it's a country which doesn't really use addresses like we do in the UK. And the Postal Service struggled to, to make deliveries. I mean, people were literally ordering things from ASOS and having them shipped to Mongolia. And then writing descriptions of how to navigate to their address ends up on the label. So we we did a deal with them, and we basically said, 'Look, here's our apps. Here's our software. And you can use this to make deliveries'. But it was just a great landmark moment because it really captured imagination. And when there was a lot of marketing around this, where people were thinking, 'hang on' - and of course we do it in Mongolian words, we don't just do it in English words (we have 45 languages) - it just captured people's imagination. And then just one thing led to another. Probably the biggest integration we have in terms of the brand is Mercedes Benz. So, all new Mercedes cars now have what3words fitted as standard, so you could get in to that car, and say: 'hey Mercedes, navigate me to 'banana toffee pyramid'', and it will understand exactly what you said, and take you to that three metre square. And so I think just things like that is great for people just going: Wow, it really works. I can really do it!

CLAUDIA:

And obviously you do so much with emergency rescues, I believe, and crime stopping and, as you say, deliveries in remote locations. That, I mean, did you ever think so many people would love it and use it?

CHRIS:

I think we thought at the beginning that it had a lot of applications. And, it's kind of like when you first launch it, you immediately think people will get in touch and want to use it. But the hardest thing with a system like this, you're effectively trying to invent a new way of doing something a bit like metres or feet and inches. If it's a new standard, getting your first people to adopt is the key bit. And I think whilst we knew it'd be helpful for emergency services because, of course, so often they're going to remote locations, I think we assumed that with GPS in our phones, that they would be able to track where you were. But actually, in very few cases that actually happens. And so when we first started talking to them, probably about a couple of years ago, we realised that often if you call for 999, human of the forest, they'll literally say, 'what can you see?' Because they often don't have your location. And so the fact that we're now used for that is amazing. The first person I think to actually integrate it was someone had actually seen us because we were on 'NCIS' as part of the storyline. They were using the three words to sort of solve a crime. A police officer in Norfolk watched the show, and then called us up and said: 'Look, can we use this for our emergency services?' And now fast forward two years, and we're used in over three quarters of the police, fire and ambulance services across the UK, who uses us on a daily basis, and we constantly hear stories of how we've been used in rescues and air ambulance and all sorts, often in remote areas. It's absolutely mind blowing. Like, we we didn't sort of set out with that in mind. But as things have taken off, that seems to be a really powerful use case.

CLAUDIA:

I think it's fantastic. Tell us about your work with Vodafone in South Africa - what do you hope to achieve there?

CHRIS:

So, we started speaking to vodacom in South Africa because, when we were integrated with the emergency services, they found that a lot of the time - and what you have to do if you don't have the what3words app ready is they can send you a link to your phone, you simply click a button, and it will show you the three words. But what you need for that is a bit of data on your phone - a tiny, tiny bit. And if, for whatever reason, you've run out of data, you can't then click this link and it won't show you the three words. So, vodacom thought it was absolutely important that you should be able to click this link, if you're an emergency, if you need to read those three words to the call centre person who's sending the resources to where you are. So they basically zero rated - which means it's totally now free to use that link which they send you in an emergency. And it means that vodacom will never be the barrier to somebody getting the rescue in the aid where they need it.

CLAUDIA:

That's so brilliant. In 2017 you had a team, I believe of just 15 - I don't mean 'just 15', 15 is also quite a lot. And now I think you've got over 100. Has the growth - has the speed slightly taken your breath away? Or did you always think in that bold, brilliant way with your friend, like, everyone's going to go for this?

CHRIS:

I think you kind of imagine is going to get big. But I mean, when I was working back in the music business, there were only four of us for 10 years. So, even when we started getting beyond that point, it was slightly kind of overwhelming to be running a team. But then of course, when you're growing that fast, and everyday, you're interviewing and hiring more and more people to join the team, the whole kind of shape of the business transforms, it becomes less about me and the idea that I had with a couple of friends and you're actually - you're building a brand and people need to to understand what what3words means for them and what it does. And we then need to, you know, have a brand that people want to come and work for the company, because, you know, a lot of people they join us and immediately will say look, can you go to

South Africa for six months or Mongolia for six months, they need to understand what they're signing up to, in order to be part of the what3words team as a specific thing. So, I definitely think it's an eye opening experience. And I'm sure the same for anyone who's who's grown a team like that. But what unites everybody is that we have this one pretty simple goal, which is to make what3words a global standard. So wherever you see the three words, if it's written on a postcard in a magazine saying, here's the entrance to this, we just want people around the world to know what the three words mean, in their own language and be able to use it. And it's a really powerful thing that gets everybody out of beds, engaged with what we're doing, and whether it's emergency services one day, postal services in Asia the next day, and then trying to change the way we work with and speak to cars the next day. That's a pretty exciting blend of things to be working on.

CLAUDIA:

I think - if you don't mind saying - the word 'powerful' is right. I mean, I'm sitting here and I keep on looking at the figure - 57 trillion squares - but you know, you've mapped Earth, and we're going to find each other in a different way. Tell me about - we've got such a big team - how has COVID-19, and how has the pandemic affected the business?

CHRIS:

So it's been a really sort of strange time as it has been for everybody. But I think for us, you know, what we were first immediately aware of with the lockdowns coming in, is that people obviously just stopped navigating. And we're primarily a navigation tool. But what has taken off is the fact that online delivery is now booming around the world. And a lot of people, a lot of companies are now doing online delivery for the first time. So they don't have a logistics provider where it's a sort of very slick setup in many cases. Often small businesses are just doing it themselves or with a very local delivery firm, who haven't been used to this kind of scale. So what they're doing is they're adding a what3words – what is effectively a box on the checkout page. And they say 'great, thanks for your address, but can you give us your what3words address as well, because then we can find you to the nearest three metre square.'

And, I mean there's like a fish and chip shop in the Isle of Man – 'Fries, Fish and Chips' - who started using it and told us later that they've now got just under half of their customers who do this on a regular basis because on the Isle of Man, a lot of it's just house name plus town. And if you've never delivered there before you can spend half your time simply driving around in circles! Same on Guernsey, there's a whole bunch of companies now using us to deliver there. We've got AO.com who deliver all sorts of you know, kitchen utility stuff, who are now using it. And we went from, I think, just you know, a handful of e-commerce sites in the UK who were using what3words at the beginning of the year, and it's grown by something like eight times, just in the last three months and doesn't look like stopping there because I think it's becoming now a thing that people are seeing a what3words box on the checkout page. So I think, just, it's really great to see that there is this need, which we're fulfilling and it can just be plugged in instantly into their websites.

CLAUDIA:

Also, I mean, you mentioned remote places. I live in London, but even I mean, I will get lost. I'm dropping off a child, I'm going to go and do a bit of work. And I'm like, wait, I thought it was number 50. How is this 46? And suddenly number three, so having those three words, and for a casual user like me, it's free. So my question to you is, how, how is this monetized? If you don't mind me asking.

CHRIS:

Yes, the what3words app is totally free, people can find the three words, put three words in and navigate the vessel totally free. We make our money in the same way that addresses our monetized today. So we often don't think about it, but if we get into a taxi or order on a ride hailing app, and you type in '14 Regents Street', those apps have to pay to turn '14 Regents Street' into the GPS coordinates. So effectively ends up as a pin on your map. But it all happens in a, in a heartbeat. So we charge exactly the same way. So any car companies ride hailing apps, logistics providers who are used to paying for addresses, they will pay us for a bit of code, which simply converts the three words to the pin on the map, and then they can use it in their

app. So, it works very well and the consumers - everybody's happy because they can use it for free.

CLAUDIA:

Let's take a short break here, so I can tell you all about how Vodafone can help your business keep connecting. Vodafone are here for you and your business as you adjust to your new normal. They can help you with connecting to your team, however remotely you're working. Vodafone business provides all sorts of services to make the technology side of things simpler, faster, and much more efficient. Whether that's through a central mobile connectivity, fixed data networks, cloud and hosting the internet of things or unified communications. And, if you're an existing business customer with more than 10 employees, Vodafone can enable your team to work from home with unlimited connectivity for voice text and data. All that for a fixed price of £15.00 excluding VAT on a 30-day rolling basis for temporary use. Keep connecting with Vodafone. Right, let's get back to business with Chris Sheldrick from what3words.

Did you have - I'm just want to get into the entrepreneurs brain. Did you go: 'Look, guys, here's a big sheet on the wall, this is what we're going to do stage by stage.' Have you exceeded that? Were your ambitions larger because already - when you say to me you're going to Mongolia now, ASOS packages are getting there and people are wearing nice tops, that are bought from there - I'm delighted! Have you exceeded what you wanted to do?

CHRIS:

I think we've definitely exceeded it, but it's also been utterly different to what we could have thought of. I mean, I think back when we started there was a business plan. It looks nothing like what we've done. Um, I mean, on one hand, yes, Mongolia was not country number one, and it certainly wouldn't have been language number 10 that we developed in normal circumstances. And similarly you kind of think, well look if we got a small car company or any car to put us in, that would be great and we'd work our way up and get to people like Mercedes, but it all kind of happened backwards and that Mercedes is one of, the biggest tech car companies were the

first ones to put it in. And I think just the, you know, the fact that we've been working all around the world in like Ivory Coast in Africa, India, just all of our plans that we've had kind of changed because, you go where people go: 'I want this now'. And you've got to be ready to change and adapt. But I think yes, in terms of exceeding it, and honestly, when I just go to a website in London, I see that someones put what3words on their website on 'their contact us page', it just makes you feel, amazing, just to see that someone's picked your idea up and thought it was useful for them and that, I get that feeling every day.

CLAUDIA: Absolutely – you must do a small dance. Um, what are some of the biggest challenges you've faced?

CHRIS:

I think with what we're doing, the big challenge is that you're trying to change people's behaviour and introduce a new standard. So back in the days when I was offering bands for people who wanted to book bands, it was very simple, you know - 'do you want to book a band? yes' - and that was done and off you go. Um, here, a lot of the time with what3words, people will now go: 'brilliant', but you know, a couple of years ago, we had this kind of, 'but we'll have it when everybody's using it'. And if everyone says that, then you're kind of stuck, you have to generate all of this momentum. But I feel like that's what we've got over that hurdle of now in the UK, especially helped by all of the emergency services who've been getting people to download the app from all around the country. But that is a huge barrier to come up against. And we're still doing in other countries that we go into because, you have to get the first bit of critical mass, which is really difficult. How do you get your first 50,000 contact us pages to list three words? You kind of have to go door to door virtually.

CLAUDIA:

Yes, so hard. You basically created a whole new language.

CHRIS:

You have, and actually one of the first things you said, like, it's a bit of a strange concept when you first hear it, thinking about these three random words. No, no one thought that 'suitcase' or 'banana' or 'crayon' was going to be in their address. So, to have to explain an abstract concept and then get people on board, can take a bit of time if you're trying to do that on mass in a new country. But I think now we're pretty well practised at the way to do that. But it is a huge challenge when you're trying to get a new standard adopted.

CLAUDIA:

We discussed the huge growth of employees. Are there certain people that you believe, are right for your company and - because I've asked lots of the entrepreneurs about this, they start new businesses and they go, 'you have to go with your gut, you will just know' - where do you find your people? And - what do they have to be like? Willing to travel, excited about the world, scientists - who are you after?

CHRIS:

So for us, we really want to get people who are incredibly charismatic, but ultimately, really believe in what we're doing, because it is a different kind of idea. And you're not selling something where people have competitors. There aren't really competitors in our space, you're walking in and saying, here's a solution to an address problem that you didn't even know there was a solution to. So, we basically want people who just bought walk in the door, challenge the status quo, think on their feet - because a lot of the time people are saying 'hang on, but I didn't even think you know, think about addresses and hang on, is there a problem?' So we're looking for just kind of a different type of person. I guess that's the best way to put it. And we don't actually know what 'different' means. So sometimes people walk in the door and say, 'Look, I don't really have a CV, but I've just cycled around the world. Can I come and work here?' And that's it's a great way to to engage us because we just know that from those kind of experiences, you're gonna probably be the kind of person who can then walk into a room and get a bunch of people excited about what3words. Yeah, similarly, there's plenty of amazing and awesome and different things that people can do, which doesn't involve going quite the way

around the world. But, I guess my point is, we're not looking for people with - inverted commas – 'experience per se', in you know, let's say geography or mapping. In fact, if you come in with no preconceptions about how maps and coordinate system should work, then your mind is probably open to something like what3words.

CLAUDIA:

I love it. But also - yeah, well anyway, I'll stop wanging on, I'm completely obsessed. Anybody who's listening, if you want to spend 15 minutes looking at where your mom lives, or your favourite hotel or a beach you once went to, it's properly magnificent. What do you think then makes a successful entrepreneur? What do you have to have?

CHRIS:

I think you have to have the self belief and the boldness to just push through every time something gets thrown in your way. And that happens all the time. And the biggest bit is the first few months in that first year, before you have any validation. So many people will try and tell you that you shouldn't pursue the idea, that you'll never be able to, sort of, get past the big players in any space. And it's almost like on a daily basis - especially when you're going out there getting investment - people are just saying no to you left, right and centre and you know, with what can seem like good reasons of why they're right to say no. And then you just got to go home, and go: 'actually, no, I'm still absolutely sure what we're doing is right'. And get out there again, and go and sell your story and get people on board both for investment and those first few key team members to get going with you, because you can't do it on your own. It's that first few people in the team who who needs to grow with you, because they'll be the ones pretty soon who are actually going around the world selling the idea. So, I think for me, when I think back, that's the key thing is stick to that vision. Don't get swayed by everybody coming and telling you where you should go. With us, I mean, addresses are a big thing that once people get their head around, they say 'you guys should go to Ecuador', because you know, there's a problem there and you should go to this country. And if you if you take all the advice, you won't do any work because you're you're too busy flying to every place and meeting every company who has a problem with addresses. You've got to start somewhere and be focused and get the right balance between -

CLAUDIA:

So hard though. I like the fact that you say that and it sounds easy. I would get swayed – I'd go 'yeah, all right, bad, bad, I won't do that'.

CHRIS:

That's the hard bit. And sometimes people kind of in the office, they'll be like, what's Chris doing? Because I'll just be sitting there with a cup of tea, kind of staring in space. And often it's something like, should we be going to Ecuador or Indonesia. And there's good reasons to do both. And you've just got to try and make that call. Because once you say, we're going to put a couple of months work into going down a new stream, you've got to be relatively sure that it's going to work out and be worthwhile. And, and you're right, people are swayed, we're all swayed. And if we respect the opinion that's coming, you can be even more swayed. So just I guess, seeing the wood for the trees and sitting there going with everything that I've seen so far, trying to build out this product, what do I think the right decision is? And I guess, yeah, just making sure you make the right call enough of the time.

CLAUDIA:

Looking into the future, are there companies you fantasise about? Do you want us never to use addresses? Would we flirt with somebody in the bar - and I'm not saying you should give your address on a first date - but whatever it is, and somebody says, 'where do you live?' And you could say 'pumpernickel pyjamas parrot'. Is that how it's gonna work?

CHRIS:

Yeah. In fact that's how it already is working. I think actually, what3words is a very popular first date tool.

CLAUDIA: Is it?

CHRIS:

Yeah, people jusat say 'yeah let's be here', because it gets people thinking. But yeah, that's the kind of, I mean, we wanted to just become part of the vernacular. The first few times you use it, you know, and I would definitely challenge you to meet somebody at a three word address because the first thing probably you and they will go is: 'great, it worked!' And then you're kind of bought in. Really the ultimate success is for you to be saying, 'banana covered crayon', and for it to not feel weird at all, for it to feel totally normal. That for us is the holy grail that we're

pursuing is to just have normality for an idea which can sound a bit out there when you first hear it. To see it just used in normal everyday life is the ultimate compliment for us.

CLAUDIA: Thank you so much. I know it's going to happen. And I really like that address by the way – 'banana crumpets crayon'. That's where I want to live. I'm going to find out where it is right now. Thank you so much and enormous luck for the future.

CHRIS: Thank you so much, Claudia and thank you so much to Vodafone as well.

CLAUDIA: Thank you so much to Chris for talking to me. What3words is a really revolutionary idea and it seems that it can benefit all sorts of different organisations.

That is the end of this week's episode of business unusual. Hope you enjoyed it as much as I did. Next time, I'm going to be talking to Michelle Scott Lynch, curl expert and founder of curly hair brand, Boucleme. We are going to hear all about how Michelle has embraced an audience that has been ignored by the mainstream beauty industry and how she empowers people to love their natural hair. Please do subscribe so you don't miss an episode, and while you're there, why not rate us five star, if you want, and give us a nice review. See you next time.