Cryptobanking and the Future of Payments – an Interview with Marc O'Brien, CEO of Crypterium

Crypterium is a start-up with big ambitions, to enable everyday consumer spending with cryptocurrencies. Sheffield Haworth (Gillamor Stephens' parent company) placed Marc O'Brien as CEO to realise this objective and to drive the global growth agenda. The former Visa exec spoke with GS-insight about his journey from corporate to start-up and the challenges of running a crypto business.

What is Crypterium and what moved you to leave an incumbent payments provider where you were gamekeeper, to turn poacher with a crypto start-up?

Crypterium aims to make the cryptocurrency experience one of everyday payments. Currently, if consumers want to convert their crypto into legal tender, they have to send it to a crypto exchange and then wait a week to get it paid out to a bank account, which can cost them as much as 3%. We aim to make that process instantaneous and can render the service at a far cheaper price than our competitors.

The move from the traditional, mainstream payments industry into crypto was an easy one. My conditions for going into a role such as this were that it must be 100% digital, that it was a start-up where great things could be achieved in a short space of time, and lastly that it was crypto. Just like other industries before it, I believe crypto is set to go through an inflection point and become mainstream in the next five to ten years and what better place to be than at the beginning of that inflection point?

How has your management style had to adapt, coming from a background in large organisations, into a start-up like Crypterium?

It's fair to say most of my career has been working in big businesses, ranging from Royal Bank of Scotland to

Gamekeeper turned Poacher: Marc O'Brien, CEO of Crypterium

NatWest, Mastercard and Visa. Before I was at Visa however, I worked for a very small boutique consulting firm and after I left in 2014, I threw myself into the fintech scene, working with a wide array of start-ups. I was the third person within the Revolut team, joining the founders, Nikolay Storonsky and Vlad Yatsenko as one of their advisors. I led the first fundraise for them and worked on the pricing and product strategy as well.

In the four years since I left Visa, through to joining Crypterium, I worked with around twenty different start-ups. Some achieved great things whilst others failed to achieve any level of success, but from this mix of experience, I've become adept at putting in place the right disciplines and structures to enable effective communication within growing organisations, whilst working in a way that is fast and agile, as required in start-

ups. There's a blend of experiences I can draw on to help Crypterium scale up and to put in place the disciplines required for the business to cope with any growing pains.

Crypterium went through an ICO (Initial Coin Offering) shortly before you joined which attracted a record number of retail investors. Does this increase the pressure on the business to quickly deliver the product and would you have done the ICO any differently to attract more institutional investors?

The founders did an amazing job of creating huge interest in the white paper and the Crypterium proposition. They clearly illustrated the opportunity to bridge the gap both in terms of timing and cost, when converting crypto to fiat currency (legal tender). They went on a global roadshow and articulated a vision to bring on board a huge number of ICO token buyers, not investors. The event was positioned as a utility token ICO, meaning tokens purchased do not entitle the holder to ownership rights, instead they act as coupons which grant them access to the future product.

Crypterium attracted seventy-two thousand token buyers by the time the company completed the ICO which is a record. I think this speaks volumes as to the functionality we can deliver and to the demand in the marketplace for our proposition. Already, we have four hundred and fifty thousand people who have registered an interest in the product once it has launched. If we're slightly later in coming to market than originally hoped, it's because we want to ensure we deliver a product that meets all the anti-money laundering regulations and the expectations that anyone would have of a regulated financial product.

Indeed, there's been a lot of talk recently within the blockchain and crypto communities regarding regulatory engagement, what are your thoughts on this?

Pure crypto is an unregulated market, but when it bridges the gap to fiat currency as Crypterium does, then it moves into the regulated space. This

means we have to be belt and braces, regulated ready in all that we do.

When I joined, the company had already obtained a crypto to fiat licence in Estonia, but when we looked into the details as to what that licence actually offered, we found it was incredibly limited. We could only make a crypto to fiat transaction and pay it back to a non-payment account. Almost everything we wanted to do required us to either get a licence ourselves or find a partner that would extend their licence over us. Either way, we are heavily scrutinised in terms of adhering to Anti-Money Laundering (AML) and Know Your Customer (KYC) standards.

We will meet these requirements in large part through partnerships. One of the best things about the fintech industry over the past five years is the emergence of a vast range of players offering highly segmented software as a service models which means we can outsource our AML and KYC and then integrate them through open APIs. We can simply buy in the services we need.

Blockchain developers are very limited and expensive. How will Crypterium address this skills gap and any other recruitment challenges to scale the business quickly?

We're very fortunate in terms of the setup we have at Crypterium and how that relates to technology. When I joined, there was already a technology team based in Moscow and we've found we can recruit very capable people in that market. We've built a high-quality IT team with backgrounds in front-end, back-end, security and penetration testing and so we've decided we will continue to run IT from Russia. We will build the technology ourselves, but we will also use some external talent for testing and audits, for example, with the security penetration testing of our network.

The main challenge we've faced in terms of recruitment isn't in IT but compliance. There's been a huge wave of new fintech businesses arising in London over recent years and they all need compliance officers which has created a considerable squeeze on the talent pool. Finding good compliance professionals with crypto and payments experience is

like looking for pixie dust.

The other complexity we face in hiring the right talent, comes with the territory of being a start-up. When we're hiring for a specific role, we in fact look for people who can work across a broad stretch of multiple roles. This in turn means we must be flexible in terms of the organisational structure. When we identify a new hire, they may not necessarily have all the skills we were originally looking for, but they possess so many other useful attributes that we are forced to rethink how they will fit in the organisation. We have to be ready to change our organisational structure with every new hire we bring in.

You're currently managing teams across multiple regions with different languages and cultures, how do you address the managerial complexities this presents?

I pride myself on being inclusive, diverse and multicultural in my approach to growing and managing businesses. At Crypterium we have a London and a Moscow team, whilst we already have advisors in North America and Asia Pacific, so this philosophy should serve me well, as it has done in previous organisations.

We adhere to a follow-the-sun strategy whereby we keep the business ticking over through the different time zones. Being based in London, we benefit from the fact we can start the day for Asia and we can end it for North America, enabling us to juggle the time zones effectively. Technology meanwhile, exists to bring people together and we make full use of video conferencing and other tools to enable the smooth running of the business across borders.

For many businesses, diversity is at the heart of the talent and growth agenda. Is this similarly the case for Crypterium?

My first two hires into the business were women, both senior Project Managers who I've got huge respect for and who I've known and worked with before. Diversity is not something we have discussed as a matter of policy, it's more something I expect and which I intend to lead on by example.