

ANALYSE THIS

A data crunching start-up co-founded by three high school buddies is poised to take on heavy hitters Bloomberg and Reuters in the data intelligence industry.



Rachel Botsman is a global authority on the power of collaboration and trust.

TIM HWANG, CO-FOUNDER AND CHIEF EXECUTIVE, FISCALNOTE

Tim Hwang has been passionate about his pursuits since childhood. The son of Korean immigrants, he grew up in Potomac, Maryland, in the United States.

At the age of 14, he co-founded his first start-up, Operation Fly, which funnelled its profits into programs for the homeless. By the age of 16, he was a field organiser for the 2008 Barack Obama presidential campaign. His natural leadership potential surfaced when, at just 17, he was elected to public office as a student member of the Board of Education of Montgomery County Public Schools.

In 2013, with two high-school friends, Jonathan Chen and Gerald Yao, he built and launched FiscalNote, an analytics platform that uses artificial intelligence to crunch state and federal data to predict the fate of proposed government legislation.

Let's say Colorado is considering an anti-pharma patent bill that would affect US Food and Drug Administration approval for an expensive drug; FiscalNote forecasts whether the bill will pass. With a claimed accuracy of more than 90 per cent, it is easy to see why the result is something a pharmaceutical company would pay for.

FiscalNote could disrupt research divisions at analyst companies such as Bloomberg, Reuters and Gartner, not to mention the jobs of junior associates of law and consulting firms, and researchers in government agencies.

Hwang acknowledges that the company is still in its infancy and their 100-person staff (rising to 200 in the next year) may be smaller than Bloomberg's

marketing team. But based on his ability to predict what customers will want he is likely to disrupt the data intelligence industry in a meaningful way.

Hwang is surprised nobody seems to question that he's a successful chief executive of an \$US18 million (\$24.5 million) company at just 23 years old. Perhaps it's because this wunderkind demonstrates a wisdom beyond his years and an innate ability to execute and lead. He won't like me saying this, but he is the type of person that "make the world a better place" books are written about.

What inspired you to start FiscalNote?

I was working as a field organiser for the Obama campaign. And one of the great lessons from the 2008 campaign is how important data is to the political process. Even more so in the 2012 campaign, when it was the first time large-scale data applications were applied to a presidential election.

After that, I had the opportunity to join the board of education in Maryland and I always thought to myself: "Why does it take this long to get information out of the governments?"

I saw the problem again at Princeton when I was leading an association. My job was to advocate a piece of legislation to young Americans. When the information would come once or every other week, there were massive amounts of it – it was like drinking out of a fire hose – and it was very hard to collate.

I studied computer science and public policy in Princeton and this was a simplistic problem: how to build a web engine to extract information.

In the 21st century, there is a huge opportunity to revolutionise the relationship between government and organisations, making it to be in real time, more predictive and accessible to the public – and that's the impetus for starting FiscalNote.

You built the first version of FiscalNote while holed up in a Motel 6 for the summer. What was it?

The first version was a search engine. You could type in a keyword such as 'drones' or 'ride sharing' and it would populate with all the pending pieces of legislation on the internet in real time.

I wanted to build something that I could use, and then I shopped it around Washington to a couple of my friends to see if they would want to use it as well. It turns out there's a very strong need for that sort of information in the marketplace.

Why do you think some of the big legal analytics and data players have missed the opportunity?

Thomson Reuters and LexisNexis have been doing legal publishing for decades and built a \$US10 billion-plus market. But there has been no impetus for them to change. Given their market dominance, combined with their public shareholder expectations, it's not hard to imagine that they don't want to rock the boat on their cash cow.

The interesting thing is when you talk to an end user of these established players, they have a uniform reaction: 'I hate it.' Nobody I talk to enjoys using them. Holistically, the entire experience of using these services is so bad that there's a massive opportunity for a third-party player to really be a disruptor. So I thought there must be a better way in terms of speed and breadth of information delivery, design, platform and customer service.



Tim Hwang, co-founder and CEO of FiscalNote in the company's Washington DC office.

What's the secret sauce behind the rapid growth and success of FiscalNote?

We're insanely customer centric. I read every single interaction we have logged on our Salesforce account to see what the market is saying and how they are perceiving our value. We have advisory councils of our closest customers who advise us with our product development and road map.

I triage the feedback consistently with our product team to try to deliver a higher level of experience, building features and products that they haven't even imagined yet, whether they are predictive analytics or Siri for law – something that really pushes the envelope of technology.

We think of what the next generation of attorneys

will be using, and try to invent the future of law from that perspective.

What is the mindset and the background of the people you look to hire?

I take risks in hiring people who have high capacity to learn, who at six months will not only do the job but exceed it. Some people hired were not correctly qualified but were intellectually curious and had the ability to learn fast. That curiosity is part of our DNA.

What are the company values and how do they affect how your team behaves?

We have an ungodly level of retention. We've never lost a single software engineer to a competitor or another technology company. I think that's a strong testament to our company culture.

HACK THE MINDSET: TIM'S RULES

1

It all begins with the people within the walls of your organisation. I sit down with every manager in the company one by one, eight hours per month. We go through mandatory training of how we manage at FiscalNote and how we ensure the company is an incredible place for people to work.

2

There's always a relentless focus on what is cutting-edge. I make sure the engineering, product and research staff are constantly pushing the boundaries of not only what's applicable to our customers today, but will be applicable to our customers in five to 10 years' time.

3

Think about the voice of the customer all the time. In enterprise software, it is easy to drift from the needs of the customer. It is critical to have a focus on each customer's needs and how their needs will evolve.

We put a big focus on 'levelling up', the need to commit ourselves to constantly pursue professional development and push ourselves to be better.

There's also a hyper-level of transparency. On Fridays, I sit down with our entire staff and field any questions they have, and try to be super transparent on the decisions we make.

What do the founders bring to FiscalNote?

Jonathan Chen is the engineer; he has the software experience and thinks heavily about architecture. He thinks not just about the engineering stack but its implications. For example, whether we should pick this engineering language because trends show it is an exploding one that engineers want to work with. He is a lot more in tune with the engineers' DNA.

Gerald Yao is the strategist; he thinks [of whether] our pricing is optimised and how we can continue to grab more market share [and] what our product strategy looks like with respect to our core competencies. Personality-wise and strategy-wise, he's very even-keeled.

I am the main driver; I set what we will be doing in five years, and Gerald and Jonathan help with execution and planning. I'm the one who says, 'Go, go, go!' Gerald says, 'Let's think about the problem and the market' and Jonathan thinks about the engineering considerations to be competitive.

Research by Mia De Villa.