

Arbolus: Making human knowledge digital

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Sam Glasswell (IESE MBA 2016) and Will Leeming, co-founders and co-CEOs of Arbolus, were about to catch their customary flight from London to Barcelona to meet the company's chief technology officer (CTO), Pau Beltran, at Arbolus HQ. The meeting was bound to be different from previous ones. Glasswell and Leeming would have to formulate, together with Beltran, the company's strategy for their niche digital product, ArbolusCanopy.

Arbolus was a relatively new player in the expert network industry. Expert networks essentially served as intermediaries, connecting professional decision-makers, such as consultants and investment managers, with industry experts who could provide answers to the urgent questions of decision-makers.¹ Arbolus offered a "knowledge-sharing platform which investors and consultants use to collect more insights from the best experts, in less time."²

Canopy was Arbolus' latest digital product that was partially powered by generative artificial intelligence (AI). It enabled clients and experts to interact and exchange knowledge flexibly, digitally, and asynchronously. This product had the potential to redefine the company's identity and value proposition to its investment and consultant clients. Would Canopy be Arbolus' flagship product, thereby offering a unique selling proposition that is impossible to ignore? Or would it stand out as a supplementary tool, enhancing traditional expert consultations with deeper insights? While Glasswell and Leeming were proud of Arbolus' rapid growth and technological advancements, deciding how to position this new product posed a challenge as intriguing as the technology itself.

¹ <https://www.ft.com/content/cadf48b0-114a-11e6-839f-2922947098f0>

² Information provided by the company.

This case was prepared by Professors Manos Gkeredakis and Alejandro Lago. July 2024.

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Last edited: 28/1/25



The expert network industry

The first and largest expert network was the Gerson Lehrman Group, Inc., (“GLG” in short), which was founded in the United States in 1998 and sowed the seeds for the emergence of the entire industry.³ GLG grew fast by offering an elite service for matching Wall Street investors with external industry specialists, including business leaders, scientists, and academics. Based on their unique experiences and in-depth knowledge, these specialists or “experts” provided valuable firsthand insights that helped clients—such as investors, consultants, and other business professionals—gain a better understanding of an audience, industry, or market and make informed decisions. Insights covered a broad range of critical strategic and operational topics, such as market size, competitive dynamics, supply chain factors, operational best practices, and customer behavior. For example, an expert network typically served private equity firms, which conducted due diligence on companies that were unfamiliar to them—such as software companies—to collect primary insights from customers of the software and develop hypotheses regarding product positioning and areas of improvement.

The dominant mode of sharing expertise was over “calls”—that is, one-on-one conversations between clients and experts, arranged and facilitated by expert networks. The value of the service, as noted by a client, lay in the dynamic, face-to-face nature of interactions:

Whether it’s a comparison between Company A or Company B, or Product A and Product B, you need to talk to people or get a degree of insight and granularity to really understand not just the trends or difference that the data and information shows but also the why, the reasons behind these differences.⁴

Clients associated more calls with better insights and, therefore, better decisions. However, clients both loved and hated expert calls: scheduling calls and digesting the insights offered was a rather time-consuming process.

The industry had witnessed an average annual growth rate of 18% since 2015. The revenues generated by the expert network industry surpassed \$2.1 billion in 2022. A pandemic-induced dip in 2020 was recovered by even stronger growth later in the same year, with year-on-year growth surpassing 25% in 2021, only to slow down to 4% in 2022 as global deal activity reduced. The industry was highly influenced by fluctuations in global mergers and acquisitions (M&A) activity.⁵

Competition

The expert network industry had experienced significant expansion, both in terms of its total revenue and the increasing number of players, reflecting a growing demand for specialized knowledge and expertise across various sectors. The number of expert networks with which Arbolus competed grew rapidly over the decade 2010-2020, reaching 120 expert networks in 2022 (see **Exhibit 1**). Numerous expert networks focused on a specific region in which they had a stronger footprint than others. These firms specialized in one or multiple geographies or industries, thereby developing an edge over larger firms.

³ <https://glginsights.com/articles/what-is-an-expert-network/>

⁴ <https://glginsights.com/articles/interview-understanding-the-why-the-necessity-of-insights/>

⁵ <https://www.sec.gov/Archives/edgar/data/1661123/000119312521301055/d161028ds1.htm>



In the early stages of industry emergence, having the largest pool of experts was key to achieve a competitive advantage. Over time, the industry evolved with the rise of professional social networks, such as LinkedIn and Xing, which enabled expert networks to swiftly search for relevant experts who were not listed on their internal database. As Beltran noted, “Anyone can access LinkedIn, so the critical issue is to integrate and have a better offering in terms of technology so that the whole process is more streamlined.”⁶

Beyond regional positioning and the smart use of professional social networks, expert networks competed in terms of various other offerings, such as large expert surveys on specific topics and, more recently, transcript libraries—that is, online databases of past expert interviews.⁷ For example, Tegos was an expert network that offered a database of call transcripts in addition to standard call services. A large proportion of these transcripts were generated by Tegos clients. Clients received discounted rates in exchange for allowing their calls to be recorded, transcribed, and then resold to Tegos subscribers.⁸

Arbolus: company background

Before founding Arbolus, Glasswell and Leeming worked together in the expert network industry for several years. In 2018, after Glasswell had completed his MBA at IESE Business School, the duo founded Arbolus with a clear North Star in mind: to transform the manner in which expert networks serve their customers through digital technology. Arbolus positioned itself as an expert network that leveraged technology to connect clients and experts. In Leeming’s words, “We always combine technology and people to deliver the service. We trust that clients are going to value our platform and they are going to pay for it.”

The first tech solution Arbolus offered was a messaging platform with features such as the ability for clients to create a network of experts on the Arbolus platform (see **Exhibit 2**). Leeming explained,

Our competitors focused on building internal tech, whereas we did the complete opposite. It's very tempting for expert networks to build a feature that makes your delivery teams more productive because they are your most expensive resource. But we just made the decision to spend all our money on building an amazing client interface very intuitive, for clients and experts alike.

Glasswell and Leeming succeeded in selling Arbolus to large professional services companies, such as PwC and EY. Soon after, they appointed Pau Beltran as CTO. With over 15 years of experience in developing AI products in companies such as Disney, eDreams, and Onemind, Beltran led Arbolus’ efforts to build natural language processing and other artificial intelligence (AI) capabilities into its platform. He was also instrumental in creating the internal tech team, which included a group of solutions and UX designers, developers, and product owners. The team, which was organized in product lines, worked to continuously improve the platform and added new features that enabled clients to not only schedule calls with experts but also record and transcribe them using AI.

As of 2023, Arbolus was growing quickly, with 150+ people across four global offices in London, New York, Barcelona, and Gurgaon (National Capital Region (NCR), India). It was recognized as

⁶ Information provided by the company

⁷ <https://inex.one/blog/how-do-expert-networks-operate>

⁸ <https://inex.one/expert-network-directory/tegos-expert-network>