

8th March 2019

International Women's Day

Earlier this year, the British Business Bank in partnership with Diversity VC and the BVCA published a report titled "UK VC and Female Founders" exploring venture capital in the UK and the lack of support for female founders across the country. The findings of the report were a shock to readers as they highlighted a monumental gap in funding for companies founded by women when compared to their male counterparts. Recent figures show that in 2017 £5.6bn of venture capital was invested into UK businesses, yet for every £1 of venture capital investment, less than 1p went to all-female founder teams. This lack of investment into aspiring female entrepreneurs raises the question of the business possibilities that are being missed and what needs to happen in the industry for this to change. It made us think about what we could learn from those female founders we have supported with investment who seemingly defied the odds to gain investment and drive their businesses forward.

Over the past few weeks, we have spoken to several of the female entrepreneurs leading companies within our SME portfolio, to gain an understanding of what it means to be a female founder, the defining moments in their careers and any advice they have for aspiring entrepreneurs on the cusp of starting their businesses. Between them, they have years of experience to assist them in their current roles, so we also asked them what they wished they had known before starting out:

A number of them highlighted the importance of self-belief and confidence. Cath Booth, Co-founder and CEO of leading contract research company *Epistem* emphasised that conveying confidence inspires others to be confident in you. She believes that the real key to success lies in confidence in one's ability, rather than the pure ability itself.

Clare Hanson, Co-founder of Milton-Keynes based *The Children's Furniture Company* encourages entrepreneurs to follow their intuition and provided they have done their research and can see potential, to pursue their idea without being afraid of making mistakes along the way.

Marvee-Lisa Booker, Co-founder and Commercial Director of online franking alternative business *Postworks*, emphasised the importance of having a strong strategy that is goal orientated from the outset: "*Everything you do should have a clear objective and should feed into your strategy in some way. However small the task, ask yourself, what is my objective for this activity, to make sure you are using your time effectively.*"

Given their collective experience in business, the founders we interviewed have a great deal of wisdom gathered over the years. We asked them what advice they would give to another aspiring female entrepreneur starting out:

Overwhelmingly their advice centred around pursuing a business idea with conviction and steadfastness. Marvee-Lisa urged entrepreneurs not to overthink things when starting out, suggesting that it is very easy to talk yourself out of the risk of starting a business if you do. Sarah Bellamy, Founder of the rapidly expanding northern nursery chain *Poppy & Jacks*, believed it's important not to look backwards and only focus on the things you can control. She added that once you've set your mind on something, the only barrier is working out how to get there.

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Catherine Downes, co-founder of ticketing technology platform *usheru*, emphasised the importance of going out and talking to people in your industry: *“In my previous work environment products were well marketed and fine-tuned before release whereas in a start-up, you can't wait for that level of perfection. Talk to people in your industry, show them your product (even if it looks terrible) and never stop selling. Once you start a business, you are always selling, no matter what you think you are doing.”*

A recurring theme was around the role that investment companies have to play in this funding gap, particularly as a part of the investment process. This is what they had to say:

Many thought that education, awareness and support was the key to increasing the number of female entrepreneurs seeking funding. Catherine questioned whether the problem may be more deep-rooted than investment and thought the problem lies in the fact that there are more male than female entrepreneurs. She said that this can be addressed by getting the message out to young women in schools and universities to demonstrate the opportunities that starting a company can afford them. Similarly, Cath advised that the situation may be improved by more education and support for early stage female entrepreneurs who could benefit from a mentoring or business education scheme.

Denise Leslie, CEO and Founding Director of health and wellbeing service provider *ABL Health* thought that more awareness of investment opportunities would increase the number of women securing funding: *“My own experience tells me that women frequently pursue entrepreneurship to accommodate family responsibilities. Men on the other hand often open businesses with a commercial background or education and therefore have a better understanding of the funding opportunities available to them.”*

Another important point raised was the makeup of the investment companies themselves, with several of our founders saying that more women need to be involved in the investment process to build rapport and attract prospective investee companies that are female led. Clare explained: *“Seeking and securing investment can be an intimidating process - you must be prepared to answer tough questions about the business you have put your heart and soul into creating. In meetings I was frequently the only woman present, so by design the meetings were male dominated and at times aggressive in tone. Having more females as part of the team would have changed the dynamic and has the potential to make the process more inclusive for aspiring female entrepreneurs.”*

We'd like to thank all who contributed to our campaign to shine a light on female entrepreneurs, and who spoke so candidly offering such honest and frank advice for women considering embarking on a similar journey.

As a leading regional SME investor, at Foresight we are committed to improving gender diversity within our portfolio companies and for our employees. At present, of the 1,400 opportunities our team reviews every year, fewer than 5% are founded or led by women, yet around 15% of our portfolio companies have female founders. In 2018, we became signatories on the Women in Finance Charter, a government backed pledge for gender balance across financial services. We recognise there is a long way to go to achieve gender parity in venture capital funding and financial services and we are dedicated to making a positive contribution where we can.