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The pool of capital available to scaling private businesses has deepened significantly in recent years. The landscape has completely changed. For today's scaling businesses this is very good news. We track the number of fundraising rounds between £2m-£25m – they have risen steadily.



Worldwide record low interest rates have been a key factor, as this has driven both private and institutional investors to look further afield for yield and to move into private investment opportunities.

This means that many more public market institutions will now look at private deals. In 2011, 173 institutional investors deployed capital in private deals; in 2017, it was 315. Not only does this deepen the pool of capital but it also brings different types and styles of investors.

The rise of patient capital institutions such as BGF and Woodford – as well as the creation of British Patient Capital by the British Business Bank – is creating a cohort of institutional investors whose time horizons, unlike VC and private equity firms, are unconstrained by the life of a particular fund.

Investment in early-stage growing businesses will continue to increase. This is partly due to the Chancellor's decision to double the limit on EIS investment, both in terms of the limits of how much investors can invest and how much EIS investment companies can receive, and to make changes to VCT rules in order to encourage investment in entrepreneurial knowledge-intensive companies.

These changes will result in further growth in tax-driven funds, all seeking great investment opportunities in the private capital landscape. A middle tier of finance for scaleups is emerging, comprising many disparate players. They range from family offices and VCTs to entrepreneurs who have sold their businesses but now want to be active investors.

In addition, the long-established de facto options for scaling companies – VC and private equity firms – have amassed considerable financial firepower (the so-called “dry powder”) and they continue to look for great scaling businesses in which to invest.



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The public markets not only offer entrepreneurs access to capital and a broader shareholder base but also the ability to stay in control of their company. Far from viewing an IPO as an exit, it is another step on the growth ladder.

So for private scaling companies, the options are broad and extensive. While this widening and deepening pool of capital is positive for scaleups, it does create a more confusing marketplace. It is hugely important for each startup to find the right investors – those whose investment hypothesis is aligned to the vision and strategy of the company. In an increasingly large and complex market, that is difficult.

For scaleups, the question today is not so much about access to capital, but rather access to the right kind of capital which is best suited to your business. Yet a great number of companies, particularly female-led businesses, simply don't try to raise growth capital.

There are many reasons for this, many of which relate to confidence and ambition. We are trying to fuel this ambition. We launched Ambition Nation to fuel growth among UK companies by telling stories of ambition to entrepreneurs and also providing them with better knowledge of the financial landscape. We want to encourage more people to grow their businesses and to access the right form of growth capital to help them achieve that.

In building finnCap, my barrier has always been about getting comfortable with the next stage of growth. If you are comfortable, the more likely you are to do it. To get comfortable and to gain that vital confidence, you have to meet people who have done it. Until you see what is possible and get comfortable with that, you won't get out of your comfort zone.

It's all about lighting ambition and refreshing people's bigger picture thinking. We have to encourage the mindset that people can build a £100m company – and if they can do that, then it could be a £1bn company. After all, it's easier to go from £200m to £1bn than it is from nought to £2m.

Entrepreneurs need to have the confidence to grow, and to hear stories of how they could potentially increase the size of their company ten times. It is

all about planting the vision and making people feel comfortable with the risks they are taking.

As a subset of Ambition Nation, we are focusing on developing this “think big, be bigger” approach among female founders. Many of them don't want to raise funds. Few of them go out on the road to do so, and fewer of them actually get money. But while there are both push and pull factors at work, we know that demystifying finance is at the crux of this problem.

There's a general point: financiers and entrepreneurs can often talk in different languages. Entrepreneurs want to get comfort on and understand issues such as the potential loss of control; financiers will focus on the numbers and financial ratios. And the other key point is that the world of finance remains very male-dominated. There's also a shortage of role models of female CEOs who have been there and done it – who have tackled the challenges of growth and have raised money.

Things are starting to shift – the push is definitely there. There is no shortage of female-led growing businesses and it's vital to keep building that pipeline. Steps are being taken to encourage more female angel investors and VC partners. Funds have been launched that will allocate more to companies with higher levels of gender diversity. Having more role models will exponentially encourage more women to scale up their businesses. I'm confident that we will make huge strides over the next few years.