

## Stephen Welton

### CEO, BGF



They say change is the only constant and looking back at the last year or so, that has certainly been the case. While on one side, technological progress is transforming our lives, creating new industries and with them, a wealth of opportunities – on the other side, we are navigating increasingly uncertain waters. As we head towards Britain's exit from the EU in 2019, an exact vision of the future is hard to imagine.



One might naturally assume that such uncertainty would be bad for business. But as we've seen at BGF over the past 12 months, entrepreneurs and scaleup business leaders across the country, while acknowledging its impact, are determined to make the most of the opportunities it might present.

In 2018, BGF has on average made one investment per week, bringing our overall investment to more than £1.7bn across 250 companies.

### A time of great transformation

The business environment is evolving, even down to the very ways we define success. There seems to be a renewed confidence in the impact that innovative, scaling businesses can have on the world around them. Leaders are striving to make a positive difference to society and power progress in the UK.

Indeed, innovation and supporting R&D have been a clear focus for the government, as seen in its Industrial Strategy and the new deals being brokered to support Britain's prowess in emerging areas, such as artificial intelligence (AI).

### Our technology success

Britain's tech industry is certainly flying. The latest reports from TechNation suggest that the digital tech sector grew 2.6 times quicker than the rest of the economy between 2016 and 2017.

This growth is reflected across many of BGF's portfolio businesses, in particular our earlier stage group, which is in large part driven by digital. Take for example Trouva, which is creating an online marketplace for global bricks-and-mortar boutiques.

But we must not forget that fast growth – and the progress it brings with it – is not merely seen in the technology sector.

I can say with confidence that the bright sparks of innovation and productivity can be seen vividly from all sectors. From manufacturing and energy, to business services, hospitality and healthcare, we are a nation of passionate and ambitious creators.

### The importance of diversity

For the UK to build a sustainable economy, it must create and support a diversity of businesses across all regions. We can't put all of our eggs in one basket and with such a wide-range of skills and talent in every corner of the country, there is no reason we should. Having more strings to our bow will bring resilience and will help us to meet any economic hurdles that this age of uncertainty might throw up.

It is critical, on a finance and growth capital basis, to be close to our scaling businesses. We need to build a nationwide approach, with more investment needed on the ground and a renewed focus on making Patient Capital a reality by crowding in institutional funds to support Britain's scaleups. The future may be uncertain, but one thing is clear – with such an inspiring crop of innovative, scaling companies, based in all corners of the UK – the future is bright.