

The power of the investor and founder relationship



Last month we hosted a breakfast for founders with the following female investors:

Saranyah Douse

Investment Manager, Octopus Ventures

Kimberly Martin

Regional Head, Boost and CO

Harriet Rosethorn

Investment Manager, Puma Private Equity

It felt energising to see so many talented founders in one room and we were grateful to the investors for being so generous with their time and advice. I know there are many investors wanting to support female-led businesses and our guests were a great representation of this. We had a very interactive session with excellent questions and insightful answers.

My key takeaways are:

The pitching process is more than the pitch deck

Founders need to build a conversation with the investors. While preparing a pitch deck is important, founders need to build a sustainable conversation, ask questions and get to know the investors throughout the process so that when it's time to present there's already a relationship in place. Just sending a pitch deck, albeit very polished, is simply not enough.

Always ask for help

Never leave a meeting empty handed. Our panel reminded us to always ask for help at the end of every meeting. Investors get to see hundreds of founders each year and the ratio of pitches to investments closed is very low, which means founders are bound to receive rejections. There is much more that investors can give, for example introductions to other investors, to other entrepreneurs and to potential customers. They can also provide suggestions to build your business and connect with their portfolio companies.

It is never too early to approach an investor

Founders often ask when is the right time to approach an investor. The advice is to start building the relationship early, before you're ready to fundraise. Investors prefer to get to know companies early, see how founders are addressing challenges, how they're building their teams and how they execute their plans. It's equally important to do the research in advance and target the right investors whose funds are focusing on the same sectors, geographies and stage of business. Start by having a core number of investors and keep them updated on your progress and how you are building your business.

The importance of ESG

We were reminded how important ESG is for investors. Regardless of the type of business, ESG factors are becoming increasingly important to investors when assessing potential investment opportunities. This is because investors themselves are being asked about their responsible policies when raising money for their funds. Be prepared to highlight the elements of your ESG approach in your conversations with investors and to build it into your business from day one.

What investors look for in summary

To conclude, let's remind ourselves what investors look for. It's a simple recipe: people, a solid business plan and a market with upside potential. Show that you have the right people with the ability to execute your ambitious plans, have a watertight business plan where you can prove your numbers and demonstrate that your target market is substantial. It's important to

demonstrate your ability to bring onboard senior talent and skills while keeping the cost down. Do ask respected business leaders to become advisors and mentors; there are many successful entrepreneurs who are keen to give back and support other businesses.

Our panellists are a reminder of the amazing investors both male and female willing to invest into female-led businesses; our participants are a real testament to the talented female founders building businesses with high growth potential. While the statistics for female-led businesses which have received a capital injection have been disappointing we must be optimistic about the amazing businesses being created by talented founders and the investor community which is openly supportive to invest in female-led businesses.

I look forward to continually supporting entrepreneurs. Please contact me with any questions



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Registered office: Port of Liverpool Building, Pier Head, Liverpool L3 1NW.
Registered in England No. 01448919.

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