

Government offer £1B in support for startups. Is it enough?

Nearly one month after the launch of Tech London Advocates (TLA) Resource Hub for COVID-19, I caught up with Founder and all-round startup hero Russ Shaw who shared some early insights and trends he has observed during the past few weeks since the hub's launch to support the startup ecosystem.

With many facing a hurdle that makes staying open over the next three weeks challenging let alone the next three to six months. This comes in the wake of the UK Government announcing ambitious plans to help startups with matched funding, grants and loans to the sum of £1B.

Startup founders depending on their business stage and cash flow positions will from May, be able to access a “Future Fund” through which the government is offering matched funding to private high growth startups to the sum of £250M which will be delivered by the British Business Bank, who will deploy between £125,000 and £5M in qualifying startups. The Government is also preparing to release £750M in grants and loans for small and medium-sized businesses.

When asked how early talks with the Government had gone Shaw commented that “Early talks with the DIT and DCMS had shown the need to pull the startup ecosystem together and the need for action”. Shaw goes on to describe why he felt there was a need to launch the resource hub and why he is already seeing

traction in what the TLA Members Directory.

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“The purpose of the resource hub was to empower startups that needed help to have access to our members who were willing to donate their time to help vulnerable startups through this difficult period. Since the hubs launch on the 27th March we have seen over 60 members join the directory and we are seeing that on average around two startups per member are currently engaged in talks. We have also seen an increase in traffic to the hub and engagement across the other tools we providing startups with”

Similar to myself Russ sits at the top of an organisation that speaks to a lot of startups and he has in the past three weeks seen the good, the bad and the downright stupid “Main problem for all businesses at the moment is cash flow and having enough runway to keep ongoing. My main piece of advice is to try to manage this as effectively as you can and cut wherever possible.

I would suggest making sure you have applied for any R&D tax credits you are eligible for. Furloughing staff while in some instances is a useful option in some cases actually restricts you more because you need your staff to provide economic outputs so trying to retain staff and keep them in the business with a reduced salary and some equity in the business as an alternative”.

“I’ve really seen the startup ecosystem come together to support each other in the last few weeks”.

When interviewing Russ you are instantly engaged with the topic he obviously feels passionately about which is that in the past three weeks he has “really

seen the startup ecosystem come together to support each other in the last few weeks”.

When asked about the lightbulb moment for him as to why he felt that his was the appropriate response Russ responded “It was formed out of an idea that another TLA Automotive working group who was trying to support startups when the pandemic first started.

We then with the help of Seven Hills Agency were able to bring this to life quite quickly and scale up our efforts, which are now being replicated across our global network including the Nordics where one advocate looks after multiple regions so our framework is ideal”.

What the TLA resource offers startups in addition to the directory of TLA Members but there is a host of useful content across the hub from insightful podcasts through practical advice and blog that startups can use to help leverage the TLA’s knowledge and collective wisdom.

TLA Resource Hub

When looking at the combination of the TLA’s approach and the new government funding, grants and loans coming into play in May I find myself asking is this enough to help the startups who solve a big problem that may have to fold their businesses due to lack of significant runway.

That follows suit from the French and German governments who have issued similar packages. But the community it feels is split as to these new measures will simply prop up unhealthy startups as well as promising ones and if there will be sufficient amounts of due diligence as to where taxpayers money is being funnelled.

As the UK sees an extension of the lockdown it is reassuring to hear that people like Russ Shaw are in the world and are trying to empower startups to have access to those essential talents that can really make or break a business in the early days.

Interestingly I like Russ’s closing point which is “If our entrepreneurs have managed to get their business to survive the last three years of Brexit uncertainty, then political uncertainty and now COVID-19 we should definitely hold a celebration of these determined founding teams who have kept their businesses grow through some of the most challenging times”.

The old adage “What doesn’t kill you makes your stronger” comes to mind but in the businesses I work with I have seen such tenacity from the founding

teams of coming up with new ways to adapt and grow so fingers crossed there is some light at the end of the tunnel for the UK's ambitious startups.

If you would like to know more about the resources open to you please visit the TLA's resource hub on by clicking [here](#).

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