

Sector expertise and diversity of thought, a profile of Octopus Ventures

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Zoe Reich, Deep Tech Investment Principal at Octopus Ventures.

My academic background is in volcanology and thermodynamic equilibrium modelling of aerosol plumes, a topic I mainly pursued for the field trips. After finishing my Masters I joined KPMG as a management consultant before turning to focus on start ups. I joined Oxford University Innovation, Oxford University's technology transfer office, where my academic and professional background came together and I worked with the breadth of deep tech research happening at the university, from advanced materials to therapeutics, to help turn that research into high potential businesses.

From then on, I've really focused on focus on finding novel, protectable technologies that are derived from years of research and offer a step change in our approach to solving the worlds greatest challenges. I was a deep tech investor for the Bank of Wales and managed Imperial College's deep tech seed fund before joining Octopus Ventures

Now I head up early stage deep tech activity for Octopus Ventures, we're one of the largest deep tech investment teams in the UK and invested around £45

million in the first half of this year into businesses like Orca Computing, which just sold the first quantum computer to the Ministry of Defence and TouchLab, an Edinburgh based company giving robots the sense of touch.

Which industries are you working in?

Octopus Ventures invests across six sectors that we believe can change the world for the better: B2B software, climate tech, consumer tech, deep tech, fintech and health tech.

I'm focused on deep tech – novel, protectable technology that is the product of years of research. It's the type of research we need to create a paradigm shift in how we tackle the world's greatest challenges. Within that, my and the team's interest ranges from quantum computing through to biotech.

What do you look for in a founder?

Vision, motivation and ability to sell. I want to know where they want to take their company, why and can they persuade people to support the journey to make it successful. When you find that combination, you've found a world changing founder, and that's gold dust.

I find all those qualities are particularly vital in deep tech where you are looking at the translation of hard science into a commercial product and for the simple benefits of a complicated technology to be made clear.

Can you talk about your current portfolio?

Our current portfolio in deep tech is diverse. It runs from novel AI, through to drones and robotics and quantum hardware.

Historically, we've backed businesses like True Knowledge which developed the technology that is now Alexa and WaveOptics, an augmented reality display business that joined Snap in one of Europe's biggest deep tech exits last year. Right now our portfolio includes *Orbex*, which aims to make the first vertical spaceship launch from U.K. soil; *Origami*, an energy data platform designed to accelerate the transition to green energy and, autonomous robot creator, *Dogtooth Technologies*.

We're one of the few funds happy to support deep tech hardware at an early stage because we can underwrite the technology validation and productisation

pathway in house. Our team consists of everything from photovoltaic engineers to material scientists to synthetic biologists to machine learning experts.

How has COVID-19 changed the way you operate?

Most of the team are now at most 50/50 remote Vs in the office. We're more likely to be out where the innovation is happening, where we need to be to see and meet next generation of frontier tech teams.

It also grew our emphasis on more rounded support for the founders we work with. We've long had an incredibly strong people and talent team who help founders with their early people challenges and to set the right culture within the business, but during COVID we really stepped up the support the team provides for founders' and their teams' mental health.

What does the future look like?

Now is the time for deep tech adoption. In times of flux, capital is focused on essential tech around core challenges. This is deep tech - paradigm shifting technology that can solve - not just improve - global challenges. End customers are thinking hard about how they can secure long term competitive advantage and deep tech can deliver.

What makes Octopus Ventures different?

Our size, activity and heritage in the UK and Europe are unique. We were an early VC in Europe and backed our first billion-pound business, Zoopla, in 2009. We've invested in more than 180 UK and European businesses since then and exited 60 of those, including businesses like Evi and WaveOptics but also Cazoo and Depop so we bring a huge amount of knowledge on how to grow a business here.

Secondly, our sector expertise and diversity of thought. We have everyone from former founders to PHDs to technology transfer experts and former NHS doctors under the Octopus Ventures roof, so we can call on a wealth of expertise to support the founders we work with. Not only that but we're one of the most diverse investment teams in the industry. Octopus Ventures really is one of the most diverse places I've every worked and that helps us find, fund and support a wider range of founders and ideas.

Finally, our focus on brilliant people. Our people and talent team have helped

build some of the world's fastest growing businesses, companies like Monzo and Deepmind, and bring that knowledge and experience to help the founders we back build their own teams. The team advises on everything from making the right hire to setting your culture and structure for growth. Every business needs to begin with an idea but a great team will turn an average idea into an extraordinary business so we keep people are at the heart of everything we do.

What one piece of advice would you give founders?

Be clear on your goals and why you want to achieve them. This will give you the best possible guidance for choosing a pathway and selecting partners along the way - those that support your vision and motivations.

The hardest lesson for me in deep tech was that no one cares about the widget - only the benefits of it. For hours I used to try and sell the features of a novel tech when it's the benefits that sell it.

Zoe Reich is Deep Tech Investment Principal at [Octopus Ventures](#).

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