

Redefining capital access, a profile of Conviction

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today, we speak to Andrew Jenkins, cofounder and General Partner at Conviction VC.

Conviction VC started out as a network of angel investors, whose most notable investment was in Mimecast, the cybersecurity company that transformed how email is managed.

That journey began when I met the Mimecast founder Peter Bauer in the early 2000s and immediately saw the high-growth potential of the company. I became “employee number seven”, the lead financier, and successfully took the company through its early funding rounds. It listed on the Nasdaq in 2015 and earlier this year, in May 2022, Mimecast became private again in a \$5.8B deal.

With Mimecast I was able to get first-hand experience of how a start-up can grow into a unicorn. I co-founded Conviction VC with my good friend Jeremy Middleton, CBE – a successful investor and co-founder of Homeserve plc – to formalise and implement structure around our investing approach. We aim to replicate the success of Mimecast and have invested over \$100M in nearly 20 companies. We focus on investing in high-growth business to business (B2B) Software as a Service (SaaS) companies in Europe.

Which industries are you working in?

We specialise in the B2B SaaS business model, and we are open to making investments in any industry. Having said that, we know there are some areas that are of particular interest.

One major trend is cybersecurity, which businesses are becoming increasingly vigilant about. Today, it is a key topic in boardroom discussions. Another trend is how enterprises use data, and the use of artificial intelligence and machine learning to provide real-time insights on that data. And finally, we see real potential in education for the workforce, and the need for companies to upskill and retrain their employees.

What do you look for in a founder?

The founder judgement is the most important thing we do when we make an investment. When a business is in its early stages there isn't the data upon which to make decisions, we need to go with our judgement of a founder's character and their ability to lead a \$100M revenue business in the future.

I look for honesty and integrity in a founder. I also look at other qualities, such as their ability to sell their vision. I ask myself whether they will be able to attract the right talent – and ask them to take a risk in their careers to work for a start-up – and convince said candidates to work with them. Will they be able to convince other investors? I look for the founder's conviction in their vision and their ability to pull on different levers to make it happen.

I like to get the founder to pitch to as many people as possible as everyone has a different interpretation of a person's character. Our team has vast experience of investing in founders at the seed stage, and we know what good looks like. The founder doesn't have to be perfect – some things can be coached. If, for example, they don't know how to sell effectively and scale their business, we can tap into our network to help them. Leadership skills can also be taught, and we can introduce them to a mentor.

Can you talk about your current portfolio?

Our portfolio has nearly 20 companies and a number are still at the early stages of their journey – we expect we can talk more about them next year. To give you an example, we have invested in Creative X, a creative data platform that has been disruptive for marketers and enables them to effectively

measure the success of their content. In June 2022, they raised \$25M in Series B funding and we believe they are a company to watch.

How has Covid-19 changed the way you operate?

For a small fund it can be difficult to multiple places all the time, and in many ways, Covid-19 actually made things easier for us. One-on-one meetings with founders are irreplaceable, but when it comes to finding investments, we found that we could have a much broader reach. Now that everyone is familiar with using Zoom, we have become more accessible and more open to connecting with founders who are based in other countries.

What does the future look like? New trends/technologies, changes in the global/local economic landscape?

SaaS seems to be back in trend now, and we have been steady, consistent investors in this technology for years now. People have been excited by the latest trends, such as Web 3.0, but the 'boring' world of SaaS has soldiered on.

When you look at many enterprises, they are still using spreadsheets and emails and many areas are ripe for disruption. They have solved issues like customer relationship management (CRM) with those systems having moved to the cloud. However, there are still many use cases for SaaS.

What makes Conviction different?

We are not a straight venture capital fund, and our heritage is as syndicate investors, which means that we don't just invest for a couple of years, we are in it for the long term. The patient capital of the syndicate means that the founders can have the confidence to build something of scale and with ambition. By also having the ability to invest directly in interesting deals, rather than always through a fund, this results in massive flexibility in our financing solutions that founders love.

What one piece of advice would you give founders?

Founders must remember to have confidence in themselves and their vision. Often when they go to raise capital, they get diverted from what they want to do, and they may get pushed to take on more money than they intended. Of course, it is important to take feedback on board, but ultimately it is the founder's vision that will carry the company and get it to scale – founders need that confidence to go and make it happen.

Andrew Jenkins is cofounder and General Partner at [Conviction VC](#).

Article by ANDREW JENKINS