

# Bridging the gap in equity funding for startups outside of London, a profile of DSW Ventures

With #QVCS, Maddyne profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Eleanor Boardman, investment manager at DSW Ventures.

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DSW Ventures was founded in 2018 to bridge the gap in equity funding for startups outside of London, particularly at the pre-Series A stage. We have since invested £8M in 11 companies, and now review over 200 investment opportunities each month.

We invest sums of £100,000 to £1M in rounds of up to £2.5M across all sectors. Regional businesses typically have a much harder time raising investment than those in London. However we believe there is a significant amount of untapped opportunity in the UK regions, and the performance of our portfolio to date proves that to be true.

## Which industries are you working in?

We invest across most sectors, with a particular focus on software, science-

based IP and consumer technology.

## What do you look for in a founder?

We look for ambitious, commercially-driven founders with a deep understanding of their industry. The best founders recognise their own strengths and weaknesses and surround themselves with others who have complementary skillsets. Most importantly, however, we look for founders we genuinely get along with – the founder-investor relationship is for the long term, so it's critical to build a good relationship.

## Can you talk about your current portfolio?

We currently have nine companies in our portfolio located across the UK and spanning various industries.

*Our most recent investment was into Hike SEO*, a software platform that helps small businesses improve their visibility on Google – it has a great product, very talented founders and substantial traction, which is particularly impressive considering the relatively small amount of funding it has received to date.

We are also an investor in 4D Biomaterials, a spin-out from the universities of Birmingham and Warwick which has developed tuneable, 3D-printable resins for use in medical devices. It has a true platform technology with a huge addressable market, and is making brilliant progress both technically and commercially.

We also have a couple of consumer marketplaces (Poptop and Stressfreecarrental.com), B2B software companies (The Insights Family, Shopblocks and Propello Cloud), another university spin-out operating in the pharmaceuticals industry (Aston Particle Technologies), and One Utility Bill, a utilities technology company.

The portfolio is small yet diverse, and despite being relatively young, is showing great promise. We have also exited two previous portfolio companies – one failure, and one success which provided a healthy 4.2x return after all fees. The net result of these exits is significantly positive for investors.

# What does the future look like?

The funding environment is no doubt more challenging for start-ups than this time last year, but VCs do still have funds to deploy and good companies should still get backed throughout 2023. I'd expect to see increased investment in deeper tech propositions – these are longer-term opportunities that aren't as vulnerable to the current economic downturn, and still have the potential to provide investors with very strong returns in the long run.

## What makes DSW different?

We are a low-volume, high-touch investor and work hard to ensure we add tangible value to the companies we invest in. We work closely with founders to understand the business in depth, help to develop strategy and leverage our network to source external support where required, such as bringing in non-executives who know the industry inside out. We also have extensive corporate finance experience within the team, so we can support our companies through future fundraisings and eventually exit.

Another important factor is that we invest personally in all our portfolio companies – sharing the risk is an incredibly important part of our proposition to investors, and it certainly keeps us focused on due diligence!

## What one piece of advice would you give founders?

Before approaching investors, do your research about what should be in your deck and then send it to someone who doesn't know anything about your business. If they can't understand it or clearly explain your proposition, then change your deck. This is often the first impression an investor will have of your business, so ensuring your deck clearly articulates the key messages you want to convey is crucial. We decide whether to meet founders based on a review of the deck – it's unlikely we will do so if the deck isn't clear. Once you get past the deck review stage, you can really tell the story and sell the opportunity to investors.

Eleanor Boardman is Investment Manager at [DSW Ventures](#).

