

A passion for entrepreneurship: An interview with Sutin Yang, Head of Scaleups at Virgin StartUp

At the tailend of a busy, if not especially warm, summer, Jamie Walker spoke to Sutin Yang, Head of Scaleups at Virgin StartUp, about the importance of investment readiness, supporting underrepresented founders, and finding founders with a passion for entrepreneurship.

Virgin StartUp is a not-for-profit incubator for UK business founders founded by Sir Richard Branson in 2013. They provide startup loans with the Government-backed Start Up Loans programme, help under-represented founders through their Empower100 programme, and support purpose-driven businesses with their Collective Impact programme.

Firstly, why is it important for Virgin

Group to support startups?

Virgin is really unique in that it was started by Richard Branson, so Virgin StartUp is his way of supporting the next generation of entrepreneurs. All of us who work at Virgin StartUp share that passion for entrepreneurship and quite a few of us have startup experience, so it is a real passion for everyone who works here.

Your job role is Head of Startups at Virgin StartUp. What does that mean?

I manage and develop the scale-up programmes that we run. When I joined about a year ago, the only scale-up programme we ran was the Collective Impact programme, which took place once a year and focused on purpose driven businesses. This year we're running four different programmes.

For example, we started The Virgin StartUp Angel Investment Accelerator after we noticed that a lot of early stage fundraising is done by angel investors, instead of VCs. Angel investment is often easier to get, especially in this current market environment. So we teach founders how to find angels, how to approach them, how to work with them.

We've also launched Empower 100 which is a free investment readiness and growth programme for diverse founders in Greater London. So we're spreading out with a focus on different sections of the UK startup community.

You joined Virgin StartUp in 2022 after a successful career as an investor and entrepreneur. How have you brought your previous professional experience to the role?

When I started out, I never knew that my knowledge of what investors and analysts look for could be used to help startups on their fundraising journey. When I started to work in the startup space, and speak to founders, I found that they were brilliant at building tech, or marketing, or being experts in their fields, but they didn't necessarily have the experience in finance or fundraising.

And this is an area that you need to have expertise in! So, it was natural for me to bring that knowledge to the startup founders.

I understand the journey that founders go through because I went through it myself, starting up a property crowdfunding startup. So I know how busy founders are and how very little time they have. I want to help them to balance their time and prioritise. Because if you're going to fundraise, you need to find some time and delegate.

How big is the Virgin StartUp team?

When I started we had about 14 employees. We were a small but mighty team! And now we have 23 employees. On the programme side, when I started, it was mostly me, but now we have six. So we're growing rapidly!

Virgin StartUp programmes put a large emphasis on 'investment readiness'. What is 'investment readiness' and why is it important for a founder?

Investment readiness is making sure that you have all of the documentation and information that an investor will need to complete due diligence on you as a business. It ensures that the founder is ready to pitch themselves and their business to investors as an investable proposition.

Investors want to see that you've got a great business that is growing, that you know who your customer is, and that you know where you're going to spend the money in order to grow. You can have a great product, but if no one is buying it you don't have a business.

What approach do you take on your programmes to train founders?

We've found delivering knowledge through expert-led seminars to be the most effective way of getting them investment ready. And then we'll have them do one-to-ones with different experts, such as our resident angel investors.

Founders do these one-to-ones constantly as it helps them to improve their business as it is evolving. They'll also do one-to-ones with CFOs to work on

their financial modelling, or with a lawyer. The programmes we run are very hands-on and practical: teaching founders how to find investors, how to contact them, how to write a good email, etc.

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Virgin StartUp announced the latest Collective Impact cohort in May 2023. Why did Virgin decide to focus on helping purpose driven businesses?

Virgin, as a Group, wants to change business for good and do business better which is one of the reasons we, along with some other Virgin companies have signed the *Better Business Act*.

Previously, I was at the *Social Tech Trust* running programmes focused on social impact businesses. What I saw is that even if you're a purpose-driven business, you need to be shown what you can do to best express that impact. Once you've been shown the way you can start to make a bigger impact.

Every business can become more powerful by becoming purpose driven and better serving their customers.

What are you looking for from applicants to the Collective Impact programme?

We generally judge them on three criteria: the strength of the business proposition; the team; and the potential for impact. These are criteria that investors will also judge them on.

What is the application process and who decides who is successful?

We have a short application form that asks some basic questions about their business, customers, and revenues. Next, we'll go through and judge those applications internally. Each applicant for a cohort is judged competitively against other cohort applicants.

After the initial scoring we will invite 25-30 people to interviews to answer any

questions we have after seeing their pitch deck and seeing their website. The interview also helps us to get a good feel for the founders.

How many applicants do you accept per cohort?

Applications vary each time! We had 300 applications in January for our Angel Investment Accelerator and achieved a cohort of 14. We opened applications to our Collective Impact programme soon afterwards and received around 60 applications for a cohort of 10.

Last year we had around 100 applications for the Collective Impact programme, so it varies.

We plan to do another Collective Impact programme starting in January, opening for recruitment in November!

What is the goal at the end of the Collective Impact programme?

The goal is to help the participating startups to get investment and grow. Sometimes, a business finds that investment fundraising isn't what is needed after the programme. Instead, a founder realises that a focus on increasing clients or revenue is needed first.

One of the things I talk to founders about is whether they have what it takes to raise equity. Because equity investment is one of the more expensive forms of funding. Debt funding is cheaper, and grant funding is free. So there are other forms of funding that I walk them through. The aim is to determine what is best for each individual business.

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If they find that they don't need to fundraise, they could be saving themselves 20% equity.

Do the founders on the Collective Impact

programme share any characteristics?

The characteristic we find, and it is certainly something that we look for, is passion. We want founders who genuinely believe in what they are doing. Entrepreneurship is an incredibly hard job that is difficult and lonely. So the people who are successful are the ones with the conviction.

The point, also, is to build a better world. So we want founders who are committed to change and committed to building better businesses.

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You've launched the London-based Empower 100 programme. An 8-week growth and funding accelerator for underrepresented founders. How is that getting on?

So far, it is going really well. We have a cohort of 10 founders and they have all given really positive feedback about the curriculum. The curriculum is slightly different in that we have built in growth alongside investment readiness.

Investment readiness is really helpful even if you aren't fundraising. It is important if you're raising debt, or if you are grant funding, as you still need to present your business as a business proposition. Alongside this we have included business development, leadership, and marketing, which are really useful to help founders grow their business.

Are there plans to expand beyond

London?

We'd love to! We're always looking for funding and sponsorship to expand our programmes and increase the support we can give.

Finally, what do you think separates the work that Virgin StartUp does from the other accelerators in the ecosystem?

One thing that Virgin has as a benefit is its name. We have really great ties with other Virgin companies and can introduce our founders to those companies.

For example, *Nice Wines* has been stocked on Virgin Atlantic and in Virgin Clubhouses at Heathrow. We have curiosity shops at Virgin Hotels, and on Virgin Voyages, where you'll find our products and you can purchase Virgin StartUp gifts with Virgin Points on Virgin Red too. So we can expose those startups to the different parts of the Virgin brand. That is a little known benefit that you only really know once you've become Virgin alumni.

Sutin Yang is Head of Scaleups at Virgin StartUp. Find out more about Virgin StartUp programmes [here](#).

Article by JAMIE WALKER