

# Access to funding, SMEs and one of the world's most innovative OEMs, a profile of InMotion Ventures

*With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Mike Smeed, Managing Director of InMotion Ventures.*

Temps de lecture : minute

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I've spent the past 25 years working in finance at global organisations across a range of different roles, including private equity investing and commercial finance. The common thread is operating on the periphery of large corporations, in disruptive high-growth business units and scaling new ventures in a way that drives innovation at the parent company. I joined *InMotion Ventures* last year from JLR's joint venture in Shanghai with Chery Automobile, a Chinese car manufacturer. My first priority was aligning our fund with JLR's vision for the future, and on a day to day basis I'm refining our thesis, meeting with founders and reworking our operating model.

## Which industries are you working in?

Within automotive today there are multiple strands of innovation that you might consider 'once in a generation' changes - the technological advances in cars beyond electrification, emerging ownership models such as vehicle subscriptions, the evolving relationships between automakers

and their customers, the focus on supply chain visibility, and the impact of the UN's Sustainable Development Goals on industrial operations. However, what's so unique and exciting about our industry is that all of this is happening simultaneously.

The flip side of this mass innovation is that it is very easy to get distracted, which is why this year we made the conscious decision to focus solely on four priority verticals: Sustainability and Electrification, of both our products and our operations, and Industrial and Enterprise Technologies, which are new solutions that can accelerate the transformation of JLR and its products.

## What do you look for in a founder?

Firstly, we look for founders who understand who we are and why we exist. We invest in technologies with the potential to accelerate the strategic transformation of JLR. We make no secret of that. As such, we like to meet founders who can demonstrate a clear understanding of our mission, and who come to meetings ready to explain why they are a strong fit for our fund.

Secondly, we place huge emphasis on whether or not we'd like to spend a significant amount of time with this person. Our ambition is to be a good investor, which means really getting to know our founders to understand their challenges and unlock commercial opportunities within our network. We look for founders that we're excited to celebrate the wins with, but also those who won't shy away from having the tougher conversations.

## Can you talk about your current portfolio?

We typically invest Seed to Series A, and view ourselves as specialist co-investors. What that means in practice is we don't lead rounds, but where we do invest we seek to over-index on the value we create.

The portfolio is currently 17 strong, spread globally, with that number set to increase in the coming months. It's currently a fantastic time to be a corporate investor, and this year has been one of the fund's most active years to date. In fact, we were one of the most active investors in the UK and Ireland in Q3 2023.

Over the last 11 months the team have deep dived on material innovation and have made two investments in space as a result. The first being *Gen Phoenix* - the leading producer of sustainable recycled leather, and the second *UNCAGED Innovations*, a US-based biomaterials startup developing sustainable leather alternatives from cereals. For a material to be considered automotive grade, it must undergo rigorous testing, and the ability to adjust UNCAGED's formula in line with requirements made the decision to invest in it an attractive one.

This year we also started exploring new approaches to silicon chip design, promoted in part by the recent semiconductor crisis. Our research led to an investment in *ChipFlow*, a hugely exciting Sheffield-based startup building a microchip development platform that has the potential to offer greater optionality in the semiconductor sector.

## What does the future look like?

In cautious funding environments, like the one we're experiencing today, investor domain expertise becomes non-negotiable - both for funds and the founders they're backing. This preference for sector knowledge has resulted in CVC units competing for many of the best opportunities. Competition for strategic capital is on the rise and I expect this to remain the case for a few years to come. In my mind it highlights the impact the right investment partner can have on a portfolio company's trajectory, especially in tough macroeconomic conditions.

# What makes InMotion Ventures different?

At InMotion Ventures we offer a unique combination of funding, access to SMEs and opportunities with one of the world's most innovative OEMs.

Our team is very hands on with the portfolio and draws on their operational experience to advise our founders in areas such as go-to-market and product strategy. We also have access to thousands of experts and engineers who help validate our portfolio's technologies, which is not something every investor can say. In the past 12 months, we've been able to double the number of portfolio engagements with JLR, this is a statistic I'm personally very proud of; it demonstrates that we're genuinely moving the needle for our founders.

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

Founders must be extremely clear on the reason their business exists. It may sound obvious, but when capital was easier to come by we saw many people developing solutions and then retrospectively looking for a problem that they could solve with it. When competition for capital is tough, as it is today, that approach simply won't fly. You also need to get the basics right. It's no secret that investors receive hundreds of pitches each week, and spend very little time reviewing each deck. Getting the investors name or fund wrong in your initial email is a signal that you're not really interested in what they have to offer.

Mike Smeed is the Managing Director at *[InMotion Ventures](#)*.

