Bringing your startup to the UK: Everything you need to know

The UK holds the coveted title of Europe's top startup hub. We spoke to six French startups who shared what they learned from setting up shop in the UK

Last year, it was revealed that _39%_ of the UK's fastest growing businesses have at least one foreign-born founder.

The UK's thriving tech sector is built off the back of international entrepreneurs spying the opportunity to build a business in one of the best startup ecosystems in the world. A combination of its flourishing financial sector, an everflowing stream of talent from several of the world's top universities, and an increasingly tech-oriented government has established the UK as a top destination for founders to set up shop.

So what is it actually like establishing a business in the UK? We spoke to six French startups—including Back Market, Foodles, and Malt—who have all established operations in the UK, to share what they've learned along the way.

Bigger market means more competition

There's no questioning the enviable size of the UK market. After Germany, the UK is the largest country by population in Europe. It also has one of the highest percentages of internet penetration—making it an appealing market for tech companies.

Beyond the initial numbers, the UK is also strategically valuable. It is the only English speaking country in Europe (aside from Ireland), making it a particularly powerful stepping stone to the vast US market. It's for this reason that so many European businesses looking to embark on global expansion choose to set up shop in the UK.

Charlie Gregson, UK Country Head at freelancer marketplace _Malt_, believes expanding from France, where the company was founded, to the UK was a no brainer: a chance to tap into not just a bigger market, but a more mature one. This meant they wouldn't have to expend as much energy in terms of marketing and educating their potential audience; but it also meant it was much more competitive. This has really informed their strategy around how they differentiate themselves.

"Other UK competitors are more upshot driven—essentially a way to find cheap labour in South East Asia, for example. Ours is much more local driven," adds Quentin Debavelaere, General Manager for Northern Europe at Malt.

Read also

Malt: the freelance platform riding the flexible wave

Follow the money

It may seem obvious to say to startup founders—but it's worth going where the money is. The UK is unrivalled in terms of startup funding in Europe, making it a particularly attractive place for fast growing businesses.

The nature of the capital is different too. "We see much more appetite for risk from VCs in the UK, compared to France, where venture capital is much more conservative," explains Alexandre Sagakian, UK general manager for smart canteen business _Foodles_. This means much more early capital, as well as much deeper angel investor networks (powered by great schemes like EIS and SEIS).

London has become a particular focus of startup capital, with numerous large US funds setting up the European arms in the UK capital. That said, it isn't all about London—many cities, including Manchester, Birmingham, Edinburgh, and Newcastle are all investing strongly into boosting their tech sectors, making them equally appealing places to set up companies.

Moreover, the flexibility of working culture enables a more distributed company. "The UK has a more remote friendly culture," says Laetitia Carle, COO at carbon management platform _Greenly_, making it far more amenable to hiring people regardless of geography.

Make the most of local talent

The UK is fed by several of the world's top academic institutions—Oxford, Cambridge, Imperial, to name a few. So while it may be tempting to bring your existing employees, don't neglect to tap into locally based talent.

Alexandre from Foodles admits that one of their early mistakes was not focusing on local talent. "As a French company, you'll attract lots of French candidates, and it's natural to hire these people: but it's not the best way to adapt your product. You need people who can understand the local social elements, and are able to adapt your French product to the British market."

Top talent, however, doesn't come without its challenges. "Attracting and retaining skilled employees in a competitive market like the UK can be challenging. Employers may need to offer competitive salaries and benefits to attract top talent," says Edouard Eyglunent, founder of artisan workshop booking platform _Wecandoo_.

Very internationally minded

This leads to the next key feature of the UK—it has a very international outlook. Many have put this down to its island status, and its existential need to forge relationships abroad. As a result, the UK has become a melting pot of different nationalities, cultures, and attitudes to business.

"It was perfect for our market ambition to be a global company—it really is the best place to grow internationally," says Fabrice Bernhard, CTO and co-founder of _Theodo_.

For some businesses, the rich diversity of the UK creates an enviable market of demand. Wecandoo, who connect craft-minded individuals to local artisan workshops, stood to benefit greatly from the cultural landscape in the UK. "London is a multicultural city par excellence, and the range of knowhow that can interest its inhabitants is even more limitless than elsewhere," founder Edouard says.

Thibaud Hug De Larauze, CEO and co-founder of _Back Market_ (the e-commerce platform for refurbished tech products) saw a pivotal change in attitude after they decided to expand to the UK. "When we launched the UK, we were still

very much a company with a French mindset. Expanding to new markets allowed us to adopt a more international mindset now, and that's really supported our growth and given us confidence to expand further internationally."

There's no doubt, too, that the international diversity has made businesses far more open-minded and receptive to differences. Laetitia from Greenly jokes that British people are "Able to forgive our Frenchness"—and are very willing to accommodate new perspectives.

Things can take longer than you think, so seek advice

Quentin from Malt believes the UK is one of the easiest places to set up a business—potentially as quick as 48 hours. But that doesn't mean everything is plain sailing, and some things can take much longer than you might expect.

Opening a bank account, getting a visa for existing employees—as with relocating anywhere, many of these things can take uncertain amounts of time.

So for one, manage expectations as to how long things might take. But secondly, seek support where you can. The British Embassy in Paris offers support to entrepreneurs looking to relocate their business, while local organisations like London & Partners provide an invaluable bridge into the UK startup ecosystem.

Don't underestimate cultural differences

As with locating to any new country, coming to the UK requires paying close attention to some key cultural differences.

For instance, there's the subtle difference in management culture in the UK, that Fabrice from Theodo noticed. "Work culture is far less confrontational, and much more relaxed. It took some time to translate our French approach to British culture," he says.

Similarly, on the product side, this may require some adjustments in how you approach the market. The Foodles team saw the key difference in office lunch culture in the UK, which is less social and more functional than in France. "They are focused on efficiency and productivity," Alexandre says.

This may hold opportunities too. Thibaud recognised the UK market being far more digital first. "The UK is a nation of online shoppers, who want high-quality products for the money they spend. With this in mind; we adapted UX and created faster delivery times."

International entrepreneurs shouldn't understate the opportunity the UK holds to grow their business, but nor should they dive in head first. Be prepared to do your homework before you burden yourself with fixed costs.

Alexandre suggests dipping your toe in the water before you commit wholesale to establishing yourself there.

"Companies should try and launch a UK MVP, and try and test it without any fixed costs. And at some point, you need to take a stance—is this the right time, and am I going to be successful?"

If you consider the opportunity to outweigh the cost—which for many, the UK does—then it could certainly be worth your while.

The Commercial Department of the British Embassy in Paris provides support to French companies wishing to set up in the UK. Click <u>here</u> to find out more.