

Support for startups: Interview with Raphaël Crouan, President of FrenchTech London

The government's support package for the tech sector announced on 20 April seeks to support high growth startups and SMEs, but questions still remain about the future of the sector. Jakob von Baeyer interviews Raphaël Crouan to examine the support offered.

Temps de lecture : minute

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Startups can now access cash from a new 'Future Fund' of £250M, administered through the British Business Bank, as well as £750M in targeted support for 'R&D intensive' SMEs through Innovate UK's existing grants and loan scheme, according to a scheme announced by the UK Chancellor on Monday.

According to Raphaël Crouan, VC and President of FrenchTech London, the announcement is broadly welcomed in the community, though some of the detail has yet to be worked out. His group represents French startups working in the UK and is a partner of the French Chamber and Business France.

This article was written by Jakob von Baeyer, Head of Content and Publications at the French Chamber of Great Britain and recently published in the digital version of their business magazine: INFO Magazine.

'I believe there is still a lot to be defined as far as the conditions are concerned, and how it relates to Enterprise Investment Scheme (EIS) and

the terms of matched funding – but of course it will help,’ says Crouan.

To qualify, businesses must secure an equal or greater amount of match funding from private investors, and be a UK registered private company that has raised at least £250,000 in private investment in the last five years.

‘It’s obviously not for everyone, as it is mainly targeting VC-funded companies for now,’ says Crouan. ‘But even if the exact terms remain to be specified, we are very happy to see the United Kingdom implement support for startups in the same spirit as that announced by France a few weeks ago.’

Earlier in the month, the French government announced a €4B package as support for startups for their sector; the equivalent package in Germany totalled €2B.

Pressure on government

The announcement comes after sustained pressure from the start-up community, including the [Save Our Startups \(SOS\) campaign](#), which published an open letter to the prime minister warning the country could ‘lose a generation of start-ups and high growth businesses to COVID-19.’

The campaign was launched by crowdfunding platform Crowdcube and industry body Coadec, and supported by tech entrepreneurs including Arnaud Massenet, cofounder of Net-a-Porter, and Brent Hoberman, cofounder of Lastminute.com.

This was followed by an open letter to the Chancellor signed by some of Britain’s largest scale-ups — highly-valued late-stage start-ups such as Citymapper, Deliveroo and Bulb – calling for access to the Coronavirus Large Business Interruption Loan Scheme, the Covid Corporate Financing

Facility and the Coronavirus Business Interruption Loan Scheme.

An important concern for Crouan is the precariousness of early stage startups, small companies who are already battling under normal market conditions, where some estimate that ninety percent of all start-ups fail within the first five years.

The Save our Startups campaign estimated that more than 30,000 startups employing some 330,000 people were in jeopardy of going out of business if no support was forthcoming from government.

‘For many, especially early stage companies, it is a question of runway,’ says Crouan. He notes Brent Hobermann’s observation that early stage startups have seen a significant decrease in interest from investors, with some in the worst cases having term sheets withdrawn and previously-agreed funding collapse.

Community spirit

At the community level, there is a need for mental health support, as many in French Tech and other groups are isolated, primary because they are younger and without children or other dependents.

‘The question at the moment is how to maintain team spirit while in isolation,’ says Crouan, who points to new activities in his membership such as daily Zoom cafés, whereby a video conference stream is left open all morning for colleagues and friends to drop in informally.

‘It’s true to say that our ecosystem is one that has been living and working in digital spaces for a long time, so they are definitely compatible with the current move to remote working. The big change of course is not being able to see people in person.’

Despite the challenges, Crouan also notes of positivity in the community,

as many businesses are either considering or actively pivoting their activities in the face of the crisis. He has seen a growth in Tech for Good initiatives, and expects more on the horizon.

A group of 700 volunteers has come together to form the 'Code of Covid' initiative, whose mission is to find technology solutions to help people during the COVID-19 crisis. The group is also offering outreach to UK citizens in need of tech support.

The political technology college Newspeak House launched a crowdsourced library for tools and resources relating to COVID-19 response. Their 'Coronavirus Tech Handbook' is a rapidly evolving resource with thousands of expert contributors and a global readership.

'It is a positive note, among the very serious and often sad consequences of this pandemic, that it has been met with creativity and new ideas,' says Crouan. 'We should remember that Airbnb and Uber were both created in the wake of the financial crisis of 2008-09.'

Could the next unicorn emerge from the crisis?

Raphaël Crouan is a VC and President of [FrenchTech London](#).

Jakob von Baeyer is Head of Content at the [French Chamber of Great Britain](#) and wrote this article for [INFO+](#), [The Digital Magazine of Anglo-French Business](#).



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