

Brand and deliver: investing in NextGen purpose-driven startups, a profile of Redrice

In the ever-growing investment landscape, funds are multiplying and diversifying, and for startups there is more to raising investment than the money and the media moment. With #QVCS Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Tom March, founder of Redrice.

Temps de lecture : minute

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I founded Redrice in 2018 but the journey began in 2014 when, as an equity investor, I started advising a family office on consumer startup investments. We managed assets for a fascinating network of exited founders from the likes of NET-A-PORTER, Graze and Lovefilm.

It became clear that there was a real lack of consumer-focused institutional investors at seed stage in the UK, and there were only one or two operator/founder-led consumer VCs. British-based entrepreneurs were achieving great things - think Huel, Farfetch, Just Eat - but the investment support just wasn't there to match it.

It was an opportunity that couldn't be ignored. I decided to establish a consumer-focused seed stage firm that placed brand strategy at the core of its investment proposition. For six months, I spent my evenings holed up in an alumni suite at London Business School, laying the foundations for Redrice. After careful planning, I walked away from company equity and co-managing \$1B in assets, and launched the firm in May 2018.

A key part of my preparations was to cultivate a core team of consumer and investment experts, so we were ready to start investing on day 1. They are:

Robert Senior: Former global CEO of Saatchi & Saatchi and founder of Fallon (exited to Publicis)

Jonathan Heilbron: Former CEO of Thomas Pink (exited to LVMH) and former Walpole Board Member

Andrew Sutcliffe: Investor and cofounder of Writtle Holdings

The team is completed by a select group of advisors and operating partners, who have led/founded the likes of Livestream, Tails.com, Commodity Flow and Brand Learning, and have a wealth of tech and ecommerce expertise. Collectively, we offer a unique combination of operator experience and an impressive investment track record.

We all share a common sense of purpose: we want to give back, share our experience, and help create a new generation of culture-defining brands. These 'brands' encompass every element of the retail sector: from products and services to platforms and marketplaces, as well as new business models.

Fast forward to today: we've made 10 investments with exciting young brands, and we're set to make many more, thanks to a £50 million fund, backed by the British Business Bank. We've joined forces with Walpole, the UK sector body for luxury, and an incredible network, to support young premium brands and tech-enablers.

Which industries are you working in?

Primarily, we find and nurture challenger premium brands and platforms, operating across all consumer sectors.

For us, a premium brand is not about price: it's about delivering a higher value add to customers. It's a brand that has a perceived superior product functionality and that forges an emotional connection with its audience.

In supporting these brands, we also invest in B2B retail technology companies that can enable and enhance them. Our partnership with Walpole and its 270 member brands, combined with our own network in the retail space, means we can open doors to retail tech companies and share our expertise.

What do you look for in a founder?

We have a simple test. Would we leave our jobs to join them? We're drawn to founders who bring heart as well as mind to the table. Entrepreneurs with a sense of purpose beyond the numbers.

We back founders who we believe can find opportunities beyond the obvious channels. We assess their ability to be creative and find new ways to achieve results. As we invest early, we're looking for brands with promise, that can show us they've already started building a movement, and fostering a fanbase.

Finally, we expect them to have a robust plan, and a strategy beyond hope. We prefer teams rather than solo founders and we look for complimentary skillsets. Previous startup experience and domain expertise can be helpful if it's combined with a 'rip up the rule book' mentality.

Can you talk about your current portfolio?

The current Redrice portfolio consists of 10 companies covering a diverse range of sectors. They include:

Castore - A global sportswear brand using technical fabrics to enhance performance. We led the seed round in 2018 and our partner Robert Senior sits on the board. The founders Tom and Phil Beahon have exceptional drive and really understand the product, having been professional sportsmen before starting in finance. After bringing Andy Murray in as a shareholder and board advisor in 2019, the business has grown rapidly, winning partnership deals with Newcastle, Rangers and Wolves Football Clubs, the West Indies Cricket Team, and McLaren Formula One. Monthly revenue has grown more than 40x since we invested in June 2018.

Banquist - Cooking classes from the world's best chefs: this brand provides video tutorials and delivers speciality ingredients to customers' doors. It's also developing an e-learning platform for cooking enthusiasts - from kids to budding master chefs. It's tapping into a sector with huge potential, which has just c10% online penetration compared to 25%+ for retail. Founders Jonny Inglis and Seb Evans are smart, driven and have achieved a lot with a little. This is a very recent investment, in partnership with KM Capital, and we're excited to watch them grow.

Finematter - An online marketplace for jewellery boutiques, from Danish founders Mie Ejdrup and Caroline Chalmer (ex Pandora and McKinsey). Jewellery is a hugely fragmented market, which has lagged behind other product categories for online purchasing (it's a \$300 billion market with only c.5% online penetration), but changing consumer behaviours, accelerated by Covid, now make the sector ripe for disruption. We invested together with Heartcore and former Pandora CFO Henrik Holmark, allowing Mie and Caroline to establish their brand and online platform. They've achieved impressive credibility since November launch and have already attracted a waiting list of 500+ brands.

Mission - A tea to beat the crash from high-caffeine and sugar-based energy drinks. While cycling the length of South America, founder Tom

Whittle discovered slow-release energy through botanicals. He abandoned his caffeinated, chemical-based energy drinks and Mission Tea was born. And just to make sure it really worked, Tom ran 17 marathons in 10 days, achieving the fastest land crossing of Iceland on foot. Co-investors include leaders and founders of Kraft Cadbury, Hello Fresh, Gumtree, and two of my sporting heroes, Michael Vaughan and Heather Knight.

How will your way of working change as the COVID-19 restrictions ease?

The core team spends at least 60% of their time in the office now, but that will soon shift to 80%. Over 15+ years and 1000s of company pitches and investment meetings, I've learnt that the most important interactions within an investment team are during and post-meeting. You can share concerns, excitement, and observations in real-time, making thoughtful and collaborative moves towards good decisions. It also helps to placate the decision-making biases and emotional friction that creep in when a culture is built mainly on digital interactions. It's important for us to meet potential investee founders in person and get to know them as a team - being able to visit their office allows us to get a feel for the culture.

What does the future look like? New trends/technologies, changes in the global/local economic landscape?

The consumer and retail sectors are reorganising around a new digital-first reality, a shift that has been intensified by COVID. We anticipate that we'll continue to see the emergence of new platforms and tools to serve these sectors, as well as back-end and front-end infrastructures to power the next generation of purchase experiences. The ecommerce ecosystem is also expanding to include more players (such as creators and influencers), and is no longer only focused on buyers and sellers.

At the same time, technology has played a role in creating a new consumer mindset. In a digital world, consumers are morphing from mere recipients and audience members, to critical centre-stage actors who want to interact with brands, and pass judgement on them. This shift in consumer behaviour is changing the rules of the game and creating big opportunities for specialist investors.

What makes Redrice different?

It's personal - My team and I have given up a lot to be here. We love what we do and are at our best and happiest creating things and helping others. Everyone on the team has enjoyed great accomplishments and are now focused on legacy - it means we care A LOT about our founders and fund investors.

We're specialists - Consumer and related tech is all we do. We've built global brands and industry-leading teams, so we see the world through a different lens to most VCs, and we offer valuable advice from first-hand experience.

Our network - Through our family office origins and our relationship with Walpole, we have a network of operators and founders who share their connections with portfolio companies.

Truly purpose-driven - We invest in brands that act purposefully, not just those who broadcast a lofty brand purpose. To help measure purpose and drive performance, we've developed a corporate responsibility scorecard in partnership with Marc Lepere of Kings College London, which will be independently audited.

What one piece of advice would you give

founders?

Find your guardian angel. Every founder needs a mentor or coach, someone who's independent and completely separate to the business.

Of course, we act as advisors and coaches for our startups, but it's important that founders also have support on their personal journey. As a founder you'll go through extraordinarily tough times, testing the very limits of your mental durability, finding a resilience you had no idea you possessed. You'll need someone by your side as you are the most important asset to the business and the determinant of its success.

We use the great *Andy Bird*, cofounder of Brand Learning (exited to Accenture), as our coach. All his work with founders is discrete and protected by NDA. He's been through tough times and out the other side, and he's been invaluable in guiding us through our journey.

Article by Tom March