

Meet Hotbed, where ambitious startups go to grow

As part of our quick founder questions series - or QFQs - we spoke to Perdie Alder and Margaret Anne Coyle, Co-founders of Hotbed, about access to resources and networks, funding and the Hotbed programmes.

Temps de lecture : minute

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What was the catalyst for launching Hotbed?

We've been deeply involved in the startup ecosystem for 7+ years. Before launching Hotbed, we supported over 2500 early-stage fundraising startups across our first business, Spice Startups, and at TechHub, where we met. Throughout this time, we started seeing an already huge problem become exacerbated, as more startups and angel investors entered the global startup ecosystem. The problem was them finding the resources and network needed to build better, and fund better.

When the world switched to Zoom, we heard many investors talk about how excited they were to be able to now access an international pool of talent, as opposed to being geographically constrained. We expected to see this translate to a wider pool of founders being funded, but it quickly became apparent most of the funding still went to the same cities. We believe talent is evenly distributed around the world, so this didn't make much sense. After getting into the weeds, we realised there still wasn't a way to supplement the trust and peace of mind that comes from either meeting a founder face-to-face or at least knowing they're located near you. There are a significant demand from both angels and founders to

meet one another virtually, but no formal way to do so and to supplement the trust that comes from proximity.

And that's where *Hotbed* comes in.

Can you tell our readers more about Hotbed's mission?

Our mission is to democratise access to resources and networks for startups and angel investors worldwide so they can build better, and fund better.

The majority of funding is allocated to just 5 cities, (Silicon Valley, London, NYC, Beijing & Boston), which accounts for just 0.5% of the global population. We've seen first hand talented, ambitious founders outside these key tech hubs struggle to access the resources and networks they need to successfully grow and raise. Equally, we've seen angel investors outside these key tech hubs struggle to access deal flow.

We know that founders can't access early stage investment (angels) due to lack of personal networks, market knowledge and geographical limitations, and we know it's not easy for angel investors either. Sourcing and evaluating deal flow is time-intensive, investors are overly reliant on their personal networks, investors struggle with receiving quality dealflow, and they struggle with geographical constraints.

Opening up a way to connect the two groups is a huge opportunity. Lack of investment at the earliest stages is not due to lack of people with capital to deploy. Over 90% of early-stage investment comes from angel investors. The lack of investment comes from those people not being able to find each other, and not being able to easily assess whether they're a good fit.

What are you looking for in a founder/startup?

Hotbed is aimed at founders who want to speed up the process of building and funding their startup. Outside of an ambition to grow fast, and raise funds, Hotbed is looking for those willing to learn, adapt to feedback, focus on growth and contribute to the community.

In Hotbed programmes, we accept all founders that hit a minimum criteria, because we believe that all founders should have the opportunity to demonstrate their speed of execution, learning and growth. Cohorts are between 40-60 startups, all of whom get access to the content and community, whilst they report on their weekly growth. The startups that demonstrate the most growth are then selected for final Demo Day and Investor: Founder intro events. The content is as important as the network and intros. In order to have successful investor conversations, and be able to demonstrate weekly growth, they first need to understand what 'good, great, and top 1%' looks like to an investor, and they need to learn from scaled founders and domain experts tactical tips on how to achieve that growth.

How do you support pre-seed and seed stage startups?

Startups generally go through a 6 week programme, designed to be low time commitment, high reward. We also run one week sprints and in-person full day events.

Our content educates founders on the topics important to growth and fundraising our speakers are a mix of;

- Founders 'How I did it'. Each week we bring in 'been there, done that'

founders to share their story and inspire founders. We've had the Founder of Strava, WeWork, SeedLegals, Koru Kids, Blockchain.com, Streetbees, Killing Kittens and what3words amongst others to share their insights and learnings

- Domain experts 'How to do it'. Each week, we bring in an expert on marketing, growth, hiring, finance, and legal, to provide tactical tips. We've had Product Leaders at Deliveroo, Growth Experts at Alibaba, CMOs from Monzo and Revolut share best practices on how they achieved certain growth milestones.
- Investors 'Why it matters / what I want to see'. Each week we bring in angels, syndicate leads, and early-stage VCs to talk about what 'great' looks like to them, and to provide live pitch feedback to cohort members.

But the real magic lies in our community. We always joke that founders come to meet the investors and high profile speakers, but stay for the community. The Whatsapp group from the programme we ran 3 years ago is still quite lively, and people openly share their wins, losses and roadblocks.

What makes Hotbed different?

Hotbed is run by two female founders. We've built our business from the ground up and have wrestled with many of the challenges our cohorts are facing ourselves whether that be finding users, building a brand, B2B sales cycles, finances, hiring, operations and more. The fact we know the founder journey so intimately, paired with our extensive network in the ecosystem, means we're able to design and deliver a programme with 100% understanding and empathy for what founders need.

As mentioned before, investors want to see speed of learning, execution, and growth, so alongside going through a programme of support, Hotbed puts a lot of effort into helping founders identify 1-2 KPIs which are

important to them, keeping them focused on achieving certain growth milestones, and being in a position where they can then showcase this growth to investors. We do this by,

1. Asking founders to set a growth target for what they want to achieve by the end of the programme, then report weekly on their growth against that target.
2. Asking founders weekly how many users they've spoken to, what they've learned, and how they're going to apply that learning the following week.
3. Leaderboard. For number of users spoken to, we also have a leaderboard showing top performers each week, adding a competitive nature
4. Giving the top 10-20% opportunities to pitch at our final Demo Day and Investor:Founder intro events.

What's in store for the future?

We have big ambitions for the future. Behind the scenes, we're productising what we do in order to support a much wider group of founders and angel investors. Stay tuned!

What advice would you give to new and future founders?

Speak to your users or potential users as often as you can. Truly understand the problems they're facing and how you can address them. The more you understand them, the better you can build for them, the easier you can communicate marketing messages to them, and the smoother you can demonstrate to investors you can build a scalable business that improves their lives.

Is there anyone who inspires you?

Perdie: I worked at companies that accelerated startups for over 4 years before we launched Hotbed. In those roles, I always felt I couldn't / shouldn't advise founders, as I wouldn't be able to empathise with their position. I was constantly inspired by the fact they'd taken the risk and pursued their passions, and I was lucky that on a daily basis I got to see their resilience, tenacity, creativity, ambition and talent. Seeing so many thousands of founders take a leap of faith, as well as seeing them navigate the startup journey definitely inspired me to do the same, and I'm so glad I did.

M.A. I pull a lot of inspiration from the work of Neri Oxman, who blends many different, seemingly unrelated, subjects together to create something truly novel. I admire the way she approaches massive problems like climate change with optimism and excitement, as opposed to cynicism.

And finally, a more personal question! What's your daily routine and the rules you're living by at the moment?

Perdie: It's hard to have a routine as a founder, each day is *very* different, and that's one thing I love about running a startup. I live in the countryside, and 2-3 times a week will head into London for meetings. When I'm not heading into town, my mornings usually start with taking the cats for a walk (yes, you read that right). Then a bit of garden maintenance for mindfulness, and often baking a loaf of bread (this involves a bread maker, I'm not Mary Berry!).

We normally start the day with a co-founder call, to catch up on progress from the previous day, and plan the day ahead. We're mid programme at

the moment, which means we've got 45 founders in our care, and we prioritise spending time supporting founders, so our work day is usually a blend of being reactive and proactive (planning upcoming programmes, events, or spending time finessing our product).

In the evening, if I'm in London I'm catching up with friends, and if I'm at home I'll usually take a walk with the cats (again) to get out of the house and into the fresh air, then cook something tasty (which I'm really trying to get better at versus eating out), and then have a debate about what to watch on TV with my husband, before settling on something and only getting through 30 mins before going to bed.

A rule I live by as a founder is celebrate the small wins, and move quickly past the hurdles / setbacks.

M.A. I loathe routine and I enjoy living in the moment as much as possible. To help me do that, I like to have a peaceful start to the morning, which usually involves a brief meditation/prayer, lemon water, listening to some fun music and most importantly, avoiding my phone. From there, I usually hit the gym or head out for a run (again, I like to mix it up!). I like to spend a few minutes getting ready, and choosing an outfit I love for the day. Small things like this make all the difference. Then the chaos and fun begins, and I'm focused on work for the rest of the day.

In the evening, because my whole family lives abroad, I am always on the phone with one of my family members. My favourite part of the day is usually the last hour before I go to bed, where I like to read, research or listen to interviews on random subjects I'm interested in that have absolutely nothing to do with work. I get so much inspiration from other fields, so I believe indulging my curiosity, even when it seems completely off topic, is one of the productive things I can do (whether that be fashion, the Amazon Rainforest, or quantum physics).

Perdie Alder & Margaret Anne Coyle are the co-founders of *Hotbed*.

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