

Growth capital for small and mid-sized businesses, a profile of BGF

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today, we speak to Tim Rea, Head of Early Stage at BGF.

Temps de lecture : minute

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Can you tell our readers where and how it all began and talk about where you are today?

For me personally, my involvement in the investment world began as an entrepreneur. I have a science background and in the late 1990s I grabbed an opportunity to start a company, a spin-out from a large corporate group. I loved the process of starting a company, hiring a team, developing products and engaging with prospective clients. I had less love, however, for the process of raising funds and working with investors. When I was backed into a corner and pushed into an early exit, I decided that I should learn more about investing before going through the loop again. I've now worked across multiple fund cycles and have been party to a large number of deals, and I'd say I'm still learning!

Which industries are you working in?

When I moved to BGF, I had a fantastic opportunity to develop our early-stage proposition and define our areas of focus. The Early Stage team started with broad market engagements and explored areas where we saw high unmet needs; we then developed a focus on deep tech propositions in the life sciences and healthcare industry, broadly defined

to include everything from platform technologies to supporting the development of new therapeutics through to diagnostics and MedTech. Once we built momentum in that category, we expanded our capability to focus on the deep tech aspects of climate and sustainability. Once in a while, we will make an investment outside of those two categories, but in general, we are focused and have built a good support network to help us evaluate propositions in those sectors. I should be clear here and reiterate that I'm talking about our early-stage investments here - our Growth team has a broader remit and deep expertise in several sectors based on the 600 plus investments completed over the past 14 years.

What do you look for in a founder?

I think we've moved beyond the idea that there is a perfect founder profile for which we must filter. As far as the individual is concerned, we look for people who actively seek and act on advice, are open to influence and understand that it is really all about the team. The team also needs to evolve as the business develops, and sometimes that is painful, but a good founder will focus on ensuring that the company has a team that is suitable for where the company should be in 12 months' time.

Can you talk about your current portfolio?

We have an amazing portfolio of nearly 70 companies on the early-stage side of the business, which forms a substantial portion of the around 350 companies in BGF's overall portfolio. Several of our early-stage companies are properly early-stage, meaning that they are pre-revenue and working on developing new products, building market awareness and searching for product-market fit. I love that exploration stage, especially when you can see the excitement in the eyes of prospective customers when you describe the new technology and its potential impact on them.

Working with companies at this stage, we would spend a lot of time

collaborating with co-investors to work through issues and deal with problems that may arise. But we also have several portfolio companies that are fully commercial and whose focus is on scaling up – *OrganOx*, for example, has reached an interesting stage where we are starting to see its broader impact in the market based on widescale adoption, as well as a recent study from the Cleveland Clinic showing that use of the system reduced mortality of patients on the waiting list for a liver transplant from 18.3% to 6.3%. (*Machine Perfusion Shortens Waitlist Time, Increases Liver Transplantations*) We are excited to be part of a company's journey where it can point to the number of lives saved.

What does the future look like?

One thing I've learned over the last 25 years is that there is always something new and potentially disruptive just around the corner. I can also confidently predict that the rate of technological change over the next decade will be greater than what we've seen in any decade previously. Our collective challenge will be to harness innovation that benefits society as a whole, otherwise the potential positive impact will be undermined by disparities and inequalities.

What makes BGF different?

On a practical level, we have a number of key advantages that allow us to approach investment differently. Our evergreen capital structure and the persistent support of our shareholders allows us to support businesses over a longer timeframe if necessary (I'll admit though, that we like a quick win as much as the next guy!). On the early-stage side, it's brilliant to be able to invest early and continue supporting a business across multiple rounds without the time pressure that comes with the usual fund cycles. We also have the advantage of having an excellent team of people who can support our portfolio companies as they grow. Beyond the practical advantages, however, I knew BGF was different the moment I

first stepped through the door and met the people – we have a great team that is committed to working together to help our portfolio companies succeed.

What one piece of advice would you give founders?

It's not a sprint, it's a marathon. It requires hard work; you are out in front and must lead by example, but you've got to find your pace. To stick with the race analogy, you need a clear sense of where the finish line is, you need a race strategy—for instance, starting steady and finishing strong—and you need to think through tactics for all scenarios. Even better if you can co-opt people to help pace you through the race.

Tim Rea is Head of Early Stage at [BGF](#).



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