

An impact investing syndicate for underrepresented founders, a profile of Daring Capital

With #QVCs, Maddyneess UK profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. This week, we speak to Jem Stein, Founder of Daring Capital.

Temps de lecture : minute

16 December 2024

My journey began with the founding of a social enterprise called The Bike Project. We refurbished bikes, donating half to asylum seekers to help them get around London and selling the other half to generate funds for sustainability. Over time, we grew the organisation to £2.5M in revenue and raised social investment that helped us scale our impact.

There was no one investing in purpose-driven businesses with turnovers under £100K. To get to £100K, you need capital, but you can't get capital without £100K in revenue. This catch-22 meant only founders with well-connected networks could raise a 'friends and family round,' perpetuating a cycle that privileged people like me while excluding countless others with incredible potential.

I was meeting loads of underrepresented founders starting brilliant, purpose-driven businesses who weren't able to access finance and I found it incredibly frustrating. There is incredible talent out there and no shortage of funds - it just needed someone to put the two together.

This realisation inspired me to launch [Daring Capital](#), an impact investing

syndicate focused on supporting underrepresented founders to build purpose-driven businesses. Since our launch in September 2023, we've invested £1M into nine purpose-driven founders from underrepresented backgrounds.

Which industries are you working in?

Our mission is to invest in extraordinary, underrepresented founders building for-profit companies that improve the world. We focus on businesses that either provide accessible, affordable products and services for underserved communities or seek to improve that demographic's socio-economic prospects. These include individuals facing poverty, discrimination, or lack of access to justice.

Our support is targeted at early-stage businesses (pre-seed or seed), including pre-revenue companies, as this is where funding gaps are most significant and where our support can make the greatest difference.

We are committed to underrepresented founders, such as women, minority ethnic individuals, and those from low-income backgrounds, who face systemic barriers to accessing capital and resources.

What do you look for in a founder?

We are very founder-focused: businesses change and pivot but founders stay the same.

We seek founders who demonstrate a deep commitment to the problems they are addressing and the communities they aim to serve. This means having a proven track record of working closely with those communities and showing dedication to making an impact.

We look for individuals with lived or expert experience of the challenges

they're tackling, as this insight is critical to developing meaningful solutions. Equally, we value founders who have exhibited extraordinary tenacity in building their businesses to this point, overcoming obstacles and showing resilience.

Can you talk about your current portfolio?

In practice, the key issues we have ended up tackling are mental health, lack of employment opportunities and the lack of support for neurodiverse people.

What does the future look like?

I think the only thing that we can safely predict about the future is that it will be volatile, as the last few years have proved. Founders and investors need to be ready for more volatility and the impact on their businesses.

Given the downturn in fundraising, I think we will see founders eschewing the traditional VC model, i.e. raise a fortune to build a unicorn at all costs. Instead, we'll likely see founders aiming to build smaller businesses that grow sustainably without the need for large cash injections.

I also think that we will see more businesses with a social purpose at their heart. Gen Z care more about social problems than their predecessors, which will be reflected in the businesses they build.

What makes Daring Capital different?

When I was raising money, I met lots of well-meaning social investors without any experience of running a business or raising money. They had long, convoluted application processes that wasted a lot of my time and I fundamentally believed that they didn't understand the businesses they were investing in. They also prioritised founders who can navigate those

processes, which many can't.

To combat this, we are building a founder-first approach with an easy to navigate, fast, transparent process where founders feel supported and informed throughout the journey.

We are also an 'impact-first' investor: we only invest in businesses who are solving a really difficult problem for disadvantaged communities and we are prepared to accept lower returns as the price for higher impact.

What one piece of advice would you give founders?

Don't try to pretend your business is something it isn't: it's OK to have a small addressable market, it's OK to need a small amount of money and it's OK not to be an AI-powered business. It's better to be honest about that rather than pretend that you are something that you aren't.

Jem Stein is the Founder of [Daring Capital](#).



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