



## Andrew Gaule talks with Jurek Sikorski

Founder Henley Business Angels, Executive Director Henley Centre for Entrepreneurship, Entrepreneur in Residence London Business School and Chairman Fresh4cast and MedicSpot



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**Andrew Gaule: Good to see you. Of course declaring my interest as a member of Henley Business Angels and a fellow investor. Could you give us a brief introduction to yourself first, please?**

Jurek Sikorski: I am Executive Director of Henley Centre for Entrepreneurship, founder of Henley Business Angels ([www.henleybusinessangels.com](http://www.henleybusinessangels.com)) and an experienced entrepreneur and investor. I am also chairman of several start-up and small businesses and focus on business development, sales and customer development.

I have over 30 years' experience in the pharmaceutical, medical devices, in-vitro diagnostics and biotechnology industries, working for SMEs and multi-national corporations. This includes senior roles in sales and marketing, including Sales and Marketing Director at a FTSE 100 company and Chief Executive of main market listed Cantab Pharmaceuticals Plc and Proteus International Plc, as well as AIM-listed SRS Technology Group Plc, which he led to an IPO and sale.

**Can you please describe Henley Business Angels and entrepreneurship areas you tend to focus in. Declaring my interest I'm an early member of HBA.**

Henley Business Angels (HBA) is a network of University of Reading (UoR) alumni and other invited business leaders and investors (members). HBA's overarching aim is to support early stage high growth ventures through funding and mentorship. [To find out more about HBA as an investor or entrepreneur go to [www.henleybusinessangels.com](http://www.henleybusinessangels.com)]

In May 2017 the Henley Centre for Entrepreneurship was honoured as one of the winners of the Spotlight

Challenge organised by the AACSB, the world's largest accreditation body for business schools, for its exceptional contribution to entrepreneurship education, research and impact on the local business community. The recognition places HCfE as one of the top twenty 'centers of entrepreneurship' worldwide.

HBA operates under HBA Ltd and functions under the auspices of the Henley Centre for Entrepreneurship and HBS at the University of Reading.



Since its formation in October 2016 members of HBA have invested over £750k in 15 companies across different sectors including energy, food & beverage, healthcare, retail, sports & leisure and technology.

**Please explain your Purpose and Process so we explore the start up eco systems and what areas you look for in a venture.**

The purpose of HBA is three fold

First, Members help build and promote the Henley Centre for Entrepreneurship as a 'centre of excellence' for entrepreneurial research, teaching and practice

Second, Members invest in high growth early stage ventures launched by entrepreneurs who are graduates of the University or connected with the University and raising finance typically in the range £50k to £250k

Third, Members provide mentoring to the high growth early stage ventures alongside investment by drawing on their expertise, connections and deep industry knowledge

The application for and securing funding will follow at 9 step process...

Step 1 Pre-funding Assessment

Before submitting the executive summary for consideration by HBA the entrepreneur should consider whether angel funding and whether funding from HBA is right for the company...

Entrepreneurs should read 'Entrepreneurs' section of the HBA website prior to deciding whether or not to apply for funding from HBA

## Step 2 Complete and Submit Application

Should the entrepreneur decide to apply to HBA for funding he/she must then it must complete an application on line (on the JustInvesting Platform via the link 'Apply for funding') and submit with an executive summary (or business plan)

The application form is designed to aggregate the most important information about the entrepreneur's business to help the HBA investment panel decide whether the company making the application should be invited for an interview...

The panel will carefully review the executive summary against the investment criteria and will contact the entrepreneur if it has any questions...

Entrepreneurs will only be invited if there is a realistic chance of securing funding from HBA members...

## Step 3 Interview

Should the panel feel the company fits the HBA investment criteria HBA will invite the company for an interview at HBS

The interview will take approximately 1-2 hours arranged on a day and time to suit the company... The entrepreneur will be required to present the business and answer questions of the panel

## Step 4 Invitation to pitch

If the entrepreneur is successful at interview he/she will be invited to register to pitch at the next meeting of members

The entrepreneur will be one of 5 (S)EIS approved businesses to pitch

The entrepreneur will need to accept the invitation in order to attend

## Step 5 Training

Following registration the entrepreneurs will be required to attend a full day workshop at HBS to help them become 'investment ready'...

The workshop provides insights into why angels invest from members of HBA, and also presentations from experts on everything the entrepreneur needs to

know about securing investment in particular financials but also tax, term sheets and shareholder agreements.

## Step 6 Pitch

This is the big day... the entrepreneur will have 10 minutes to pitch and 5 minutes of questions...

Following the pitch the entrepreneurs will have the opportunity to network with HBA investors and hand out executive summaries

HBA Investors will complete feedback forms which will be collected and shared with the companies

## Step 7 Term Sheet

Following the pitch event the entrepreneurs will arrange (syndicated) meetings with HBA investors with a view to securing funding...



If interested, HBA investors will elect a lead and conduct due diligence and if deemed appropriate issue a term sheet

HBS will offer rooms for syndicated meetings... and HCfE will continue to offer advice

## Step 8 Closure

Upon agreement of the terms... due process of drawing up of a shareholder agreement and closure will follow... and a successful outcome

## Step 9 Post Closure

Typically post closure the lead angel will join the board and provide ongoing support

Also during the post closure HBA will work with the entrepreneur to develop a press release to be published on the HBA website, Twitter and the UKBAA website among others...

The entrepreneur will be invited to stay in touch and come back for follow on funding

## People are so central to success. What attributes do you tend to look for in entrepreneurs.

The management team is the most important consideration for business angels and that is true for members of HBA.

We look for...

- a full time management team of at least two people is preferred because having more than one brings different perspectives, experience, connections that delivers better decision making... also the team shares the workload...

Investors want to know that team members are assigned to manage selling and marketing, product development and operations and the money side of things and whether they have worked together before

- expertise... knowledge of the sector, skills... including selling, product development... and experience of the sector

Investors want to know your expertise is deep and defining

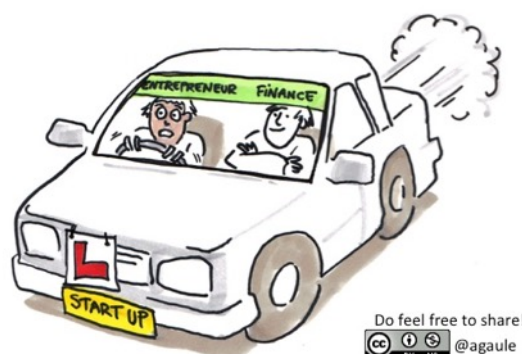
- commitment... investors like you to see a vested interest in the success of the business not just financially but with time to ensure you don't slip back into a previous job when the going gets tough

Investors want to know you have sweat equity (the non-monetary investment that founders contribute to a business venture usually) in the business...

- people they like and trust... and who are receptive to their input

Investors have an intrinsic motivation that goes beyond investing money... to help by offering expertise, knowledge and connections... this is known as smart money

- determination and a 'bias for action'...



Investors are interested in people who have a strong entrepreneurial mindset... people who are predisposed to take action, are resourceful, look out for new and better ways of doing things, welcome change, love a challenge, recover quickly, open to ideas and focus on what matters... and I will add

another they demonstrate confidence

- low starting salaries... don't expect to earn a good salary until the business is in or approaching profitability and positive cash flow

Founders taking large salaries out of the company are uninvestable.

- honesty... investors want to see transparency and be served no surprises... there should be no hidden agendas... and no dubious practices (... and certainly

not what you've read happened at Patisserie Valerie where there were secret bank loans)

Members want to be kept informed by regular ideally monthly reports

**What performance metrics do you tend to look for in investments and across funds you work with.**

The most important metrics are people, customer and finance related

People - members want to see evidence of people being fully involved, respected and well rewarded for their performance (the new IRR)

Customer - the important measure is customer experience which needs to be nothing short of excellence where customers become life-long partners of the business and where the customer loyalty metrics like NPS and CES are important to monitor

We also like to have sight of the cost of acquiring the customers (CAC)

Finance – the critical measures are cash and sales. Cash needs to be managed daily and for sales we'd like to see the six measures - sales by... month/product/channel/order/campaign/new vs repeat (including MRR) and to know the life time value of a customer (LTV)

A key measure is the ratio LTV/CAC

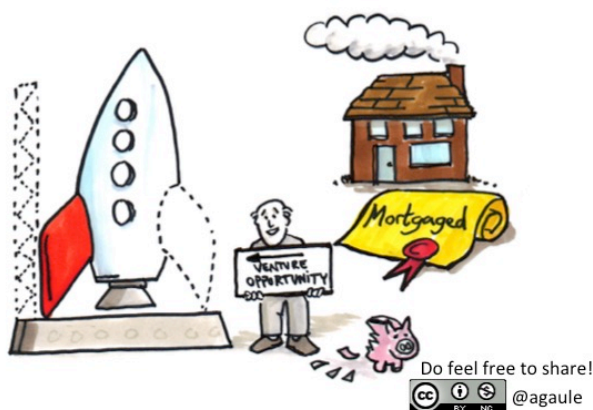
**I have outlined what I term Innovative New Value Chains i.e. connecting new tech, start ups and corporates in new business models e.g. digital health devices, data in the cloud, new direct relationship with patient / consumer, also connected autonomous electric vehicles that car share. Where do you think the start up eco systems like you work in can connect to the corporates or funds?**

The start-up ecosystem that Henley Centre for Entrepreneurship works in connects to corporates via both direct and in-direct routes.

Direct involves reaching out to corporates across the Thames Valley to engage in a variety of ways including speaking events, hosting visits and sponsorship of initiatives for mutually benefit

Indirect is via the Thames Valley LEP and a range of business and trade organisations including IoD and CoC.

**Can you please illustrate what you have described with a couple of examples of recent activities?**



A couple of examples. The Centre also is a co-host of the Brittelstand Symposium which brings together business leaders of mid-sized companies to discuss the issues facing business – this is probably the largest gathering of business leaders hosted by the business school which has attracted some notable key note speakers

over the last three it has been held. In 2018 (the last Brittelstand symposium) keynotes included Cindy Rose OBE CEO of Microsoft UK and Karen Blackett OBE Managing Director WPP UK and Business Ambassador for DIT to number 10.

The Centre is also a partner with Thames Valley LEP, ScaleUp Group and Business United to delivering the ScaleUp Berkshire programme supporting the scale-ups across Berkshire through a rich programme of activities that includes the peer to peer networking event for founders and CEOs.

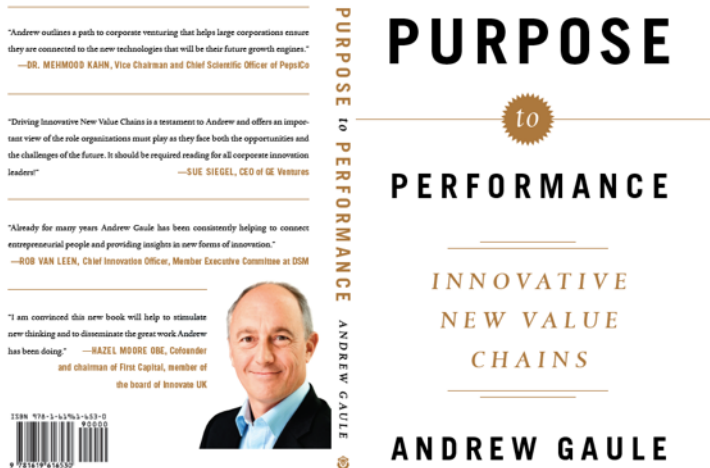
**When you are not working in the tech and investment eco system what do you do to relax?**

Engaging and supporting entrepreneurship in all manner of ways is what I do 24/7. I relax when I work and I work when I relax. The boundary between work and relaxing has long disappeared.



Regular (daily) exercise, sufficient sleep and eating nutritious food is key to this lifestyle.

Thank you



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Andrew Gaule is developing the capabilities and expertise of organisations leading Open Innovation, Venturing and Corporate Venturing programs to drive strategic benefit. Andrew also supports innovation programs and collaborations with Innovative New Value Chains® in global organisations.

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**Purpose to Performance – Innovative New Value Chains** by Andrew Gaule is available on [Amazon](https://www.amazon.com)

*"Linking larger corporates with the smaller, innovative companies that are generating the new technologies and products is difficult to do well, but Andrew brings together the many strands that today are necessary for success."*

—Ian Harvey  
 CEO, BTG (1985–2004)  
 Chairman, IP Center Advisory Board, Tsinghua University x-lab, Beijing

*"Driving Innovative New Value Chains is a testament to Andrew and offers an important view of the role organizations must play as they face both the opportunities and the challenges of the future. It should be required reading for all corporate innovation leaders!"*

--Sue Siegel, CEO of GE Ventures

*"In Purpose to Performance - Driving Innovative New Value Chains, Andrew outlines a path to corporate venturing that helps large corporates ensure they are connected to the new technologies that will be their future growth engines."*

—Dr. Mehmood Khan  
 Vice-Chairman and Chief Scientific Officer, PepsiCo

*"I have known Andrew, through his work in the corporate venturing community, for many years. His work in breaking down silos in corporate thinking and in disseminating best practice to assist in opening up opportunities through corporate venturing and open innovation has been of immense value to the community. I am convinced this new book will help to stimulate new thinking and to disseminate the great work he has been doing. "*

—Hazel Moore OBE  
 Cofounder and Chairman, FirstCapital  
 Member of the board, InnovateUK