



Growth Investment Network East Midlands was set up to bring together often competing companies to stimulate investment deals in the region. Here, operations manager **TOBY REID** discusses the organisation's success and its plans for the future.

Altering *the mindset* of entrepreneurs

When Growth Investment was launched in 2004 I am sure there must have been a degree of scepticism within the wider financial services community as to the viability of such an organisation. After all, to bring competitive players together - for ostensibly a team game - may have appeared a desirable, but unlikely workable proposition.

Well, here we are four years on and our members have helped raise £13m in funding for businesses from a wide range of sectors across the region.

In order to perform our role we have to be impartial. The Growth Investment network is a not-for-profit organisation, which acts as a catalyst and sign-post for investment opportunities within the East Midlands. We define "growth investment" as all types of funding available to early stage and developing companies with high potential for growth.

We exist to champion growth investment and guide entrepreneurs to sources of further support and funding through our network of specialists.

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Many small enterprises are not aware of the types of investors that exist, what processes need to be undertaken to access funding or what other third parties are involved.

Our success as an organisation would not have been possible without the vital role played by Jonathan Lowe and his team at emda (East Midlands Development Agency), together with all the

member companies and organisations involved in supporting the network.

It is widely acknowledged by both government and regional development agencies that SMEs represent a very significant and vital part of the economy and that capital injections into such enterprises enhance their speed of growth.

We are fortunate in the East Midlands to have a wide and growing range of private equity funding options available including venture capital funds managed by E-Synergy, Catapult Venture Managers and Enterprise Ventures; and business angel organisations such as East Midlands Business Angels, Beer & Partners, Octopus Ventures, Venture IP and CMR.

Business owners can sometimes be slightly sceptical about the role of investors and whether they are going to exert undue pressure upon them, or perhaps compromise their creativity. All too often, small businesses take the view

that if they are making profits then there is no need to raise money. However, very few successful experienced entrepreneurs grow a business organically, most look to raise funding to accelerate growth.

It is a question of altering the mindset of entrepreneurs in the region. If you look to the US or to London and Cambridge in the UK, for example, there is

a high level of entrepreneurial activity and with it a higher level of understanding about growth investment. When I joined the Growth Investment network last year, the organisation had created a good level of recognition among the professional services community.

My role now is to build on that and introduce the network to a broader audience by focusing very much on generating awareness amongst business owners. It is vital that we encourage a culture shift among SMEs away from being understandably protective of their businesses, to the point where they recognise the benefits of accelerating growth through investment.

We are able to point them in the direction of nearly 40 companies including: asset-based lenders, banks, organisations that can assist a business in achieving investment readiness specialists, venture capitalists, business angels, solicitors, corporate finance firms through to IP experts and specialist recruitment companies – all of whom can help the business owner in the process of raising money.

There is no doubt that we are now sailing in rather more choppy economic waters, but for well managed businesses with good potential for growth there is plenty of investment money available. The key is to act now to raise the money to sustain and develop growth. Any companies that want to know how to do it should certainly contact the Growth Investment network.

To find out more about the Growth Investment network log on to www.ginem.co.uk 