Written evidence submitted by Dr Olivia Champion, Research Commercialisation Manager at University of Bristol [FEN0042]

Further to the UK parliament Committees Call for Evidence for Female Entrepreneurship this individual submission provides evidence for the following questions:

1.“What are the barriers facing women seeking to start and grow successful businesses in the UK?”

2.“In which sectors of the economy do women face the greatest barriers to entrepreneurship, why is this, and what could be done to tackle them?”

3.“How can women best be supported to overcome the challenges they face in securing funding to start and grow their business?”

4. “What examples are there of best practice in supporting female led entrepreneurship, in the UK and internationally?”

5.”What steps should the Government take to help support the development of female led high growth enterprises?”

6. “What data exists to track success and monitor progress in female entrepreneurship?”

1.0 Introduction to Dr Olivia Champion and her relevant skills and experience

The basis upon which I give this evidence is as an award-winning scientist and serial entrepreneur in the health and life sciences sector. An inventor on four patents with an H index of 20, I have over 30 publications including six book chapters, and I’m a Nuffield Farming Scholar. Having participated in Innovate UK’s ICURe programme at its outset (cohort 2), and been lead applicant and project lead on multiple successful Innovate UK grants and other translational awards, I’m experienced in the grant funding landscape. As regional winner, I participated in the “Pitch at the Palace” UK final at St James Palace. Moving out of academia I successfully commercialised my own research to co-found and lead two start-up companies (I was CEO of both). My first company, in the health and life sciences sector, successfully raised investment through the seed enterprise investment scheme (SEIS) and used the HMRC R&D tax credits scheme. The company moved into profit in three years, exporting products to 19 countries. The second company was a research-intensive company in the Agri Tech sector that was funded through grants to generate IP and was included as an industry partner in the Insect Doctors Marie Curie Doctoral training programme. As a consequence of my experience as a female academic entrepreneur, I was an advisor and featured as a case study in the Oxford Brookes “Women and Spin-outs” report and invited as a panellist at the Oxford Brookes “Women, STEM and Investment: Closing the gender gap” event. I’ve written opinion pieces on female entrepreneurship and I’ve also been an invited speaker at numerous national and international events including BioIntegrates, Westminster Insights Women mean business and the Foundation for Science and Technology Future Leaders programme. I was appointed to the role of Entrepreneur in Residence for SETsquared, the global number one spin out incubator, where I worked for two years. Currently I’m Research Commercialisation Manager for a Russell Group University in the top five UK Universities for commercialisation, I have nine years’ experience supporting world class founders to establish and grow start-up companies in a range of sectors. Drawing on my experience I’ve recently co-developed and launched a new University pitch and funding programme aimed at encouraging female

academics to commercialise their research. My career has been forged against a background of being a mother to three children.

2.0 What are the barriers facing women seeking to start and grow successful businesses in the UK?

My experience of the barriers facing women for technical businesses with IP at their core, which require a development phase to bring the products or services to market are as follows:

2.1 **Access to capital**: Availability of funding is crucial at all stages of the process, including translational grants, loans and investment. Funding was the key factor that enabled me to drive my businesses forward and is the number one concern of founders that I've supported. Evidence suggests that it's more difficult for women to secure investment compared to their male counterparts.

2.2 **Network**: In my experience women may lack a network of contacts to further their business interests including, leads for investment, routes to market, business to business contacts, regulators, people with commercial experience and other stakeholders. Not having people to call to talk things through, seek advice, make introductions and put in a good word puts women at a disadvantage. Trust is an issue and there are lots of "experts" circulating in the start- up world who try to exchange significant equity in the new business in exchange for their advice which doesn't represent good value, but can be appealing when a start up founder is stuck and someone is offering to help them solve the issue. I suffered from a poor commercial network and tried to address this through programmes such as pitch at the palace, joining the SETsquared incubator and becoming a Nuffield Farming Scholar. These programmes somewhat addressed the issue.

2.3 **Skills and knowledge gap**: When starting a business, it is usually driven by one or two people and they need to do all the tasks associated with the business, unless they have enough financial support to employ staff or service providers. There is usually a period of time at the start when the founder has significant skills and knowledge gaps and this was certainly my own experience. My background was technical and I recognised that I was lacking skills and knowledge around the financial side of starting and running a business including forecasting, P&L, cash flow and balance sheets. Similarly, I found it difficult to calculate the market size. I didn't know how to create those important documents that are required to raise investment and there was no obvious way to fill this skills and knowledge gap. I believe this remains the case for many founders.

2.4 **Childcare**: Not all women have children but many do, I have three. High quality, affordable childcare is essential for women with children to be able to focus on their businesses.

3.0 In which sectors of the economy do women face the greatest barriers to entrepreneurship, why is this, and what could be done to tackle them?

From my work as a university Research Commercialisation manager I have noted that women in SHAPE (social sciences, Humanities and Arts) are highly represented as founders in spin outs and Social Enterprises. From my experience founding my own company, and

through my work as an Entrepreneur in Residence I would say that women in STEM sectors face the greatest barriers to entrepreneurship. The reasons for this are:

3.1 **Gender imbalance in tenured STEM roles at Universities**: Many technologies arise from university research and there is a gender imbalance in tenured positions for STEM. So, from the outset there are more men in senior STEM academic roles than women which is a barrier to female entrepreneurship in STEM. To address this, Universities must meet the targets set by the Athena Swan charter, with a financial penalty if they do not, such as limiting access to grants.

3.2 **Access to capital**: STEM technologies require greater investment as it takes longer to bring products and services to market. The evidence indicates that fewer women are less likely to win investment. Therefore, access to capital is a barrier to entrepreneurship. To address this, I suggest: i) ring fencing some of the UKRI Proof of Concept funding for applicants lead by females. Ii) ensure that there is female representation on the decision-making panels for any funding opportunity whether its grant panels or VC panels. Iii) Embed programmes that encourage females to translate and commercialise their STEM research within universities with financial incentives. Iv) Introduce a Female Enterprise Investment Scheme (FEIS) that is similar to Seed Enterprise Investment Scheme (SEIS) but provides tax relief for investors who invest in female led enterprises.

3.3 **Network**: Lack of a strong network can be a barrier to entrepreneurship. Development and fostering of trusted, high value networks through incubators, accelerators and events is one way to address this barrier.

4.0 How can women best be supported to overcome the challenges they face in securing funding to start and grow their business?

4.1 UKRI Proof of concept funding should be increased and a portion ringfenced for female lead projects. Bias the funding according to the relative chance of success. So, if women are only half as likely to be successful, then double the amount of funding available to women. This can be dialled back until there is gender parity.

4.2 Devolved funding to universities to spend on female lead translational projects.

4.3 Provision of investor readiness training to prepare women to engage with funding opportunities so they have all the relevant material prepared and don't waste opportunities.

4.4 Introduce a Female Enterprise Investment Scheme (FEIS) that is similar to Seed Enterprise Investment Scheme (SEIS) but provides tax relief for investors who invest in female led enterprises. However, there is a risk that females will be put in place as a temporary measure to take advantage of such a scheme.

4.5 If, during investor readiness training, gaps are identified, such as IP, financial models, market analysis, provide a mechanism for women to access training or support to fill those gaps.

4.6 Provide EDI training to investors and panellists where possible to highlight the risk of unconscious bias and the value of diversity in business success.

5.0 What examples are there of best practice in supporting female led entrepreneurship, in the UK and internationally?

For female entrepreneurism in STEM I believe that the programmes established at the University of Bristol, working in partnership with Bristol SETsquared incubator and broader Bristol Innovation ecosystem, represent best practice in supporting female led entrepreneurship in the UK. The University of Bristol has the University Enterprise Fellow and Early Career Enterprise Fellow schemes that buy out researcher time to explore commercialisation and enterprise opportunities. There is significant uptake of both programmes by female academic budding entrepreneurs with around 30% female fellows since the programmes launched in 2022. Research to Reward is a new and novel pitch and funding programme aimed specifically at female academic entrepreneurs who require funding to commercialise their research. Two finalists receive £20,000 each to move their research toward commercialisation. The first year of running (2024/2025) the programme has seen ten strong female candidates pitch to a live audience. Bristol SETsquared offers a programme called “Enterprising Women” that supports female led businesses and ideas and since the launch of Enterprising Women in 2020, the number of female led businesses supported by the incubator rose to 49% of total businesses supported by the incubator.

6.0 What steps should the Government take to help support the development of female led high growth enterprises?

Access to finance is the biggest barrier to female led, high growth enterprises. This was a barrier to my second business progressing. In 2022 I won a large Innovate UK worth £1M but required match funding of £300K which I was unable to raise. Therefore, for this reason, and personal reasons, I had to decline the grant. There are many reports highlighting the disparity between investment to female or male led enterprises and it’s been reported that less than 1 p in every £1 invested goes to female founders. Therefore, a focus should be placed on increasing access to finance for female entrepreneurs. Grants such as the UKRI Proof of Concept should be increased in size with a portion ringfenced for female led applications. Some of the Innovate UK loans budget should be ringfenced for female led projects. The Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) tax relief schemes to encourage investment in start- ups are excellent and work well for series A stage investment into start- ups. This could be expanded to include a new category called the Female Enterprise Investment Scheme (FEIS) to incentivise investors to invest in female led start- ups with tax relief on their investment. R&D tax credits are an excellent way to incentivise innovation. The government could have a category of R&D tax credits for female entrepreneurs to encourage high risk innovation in their businesses.

Networks are also critical for female led high growth enterprises. Innovate UK’s Women in Innovation programme is good but it only provides £50K which isn’t much for the work involved. The network associated with “Women In Innovation” is mainly female which serves a purpose but men need to be included in serious networking events since men hold most of the power in business and investment. When I was starting out in my first business I was involved with Pitch at the Palace. This initative created amazing opportunities for networking and nothing like it has filled its place. A pitch and networking programme for female

entrepreneurs with a high-profile figure head to attract a high value network would be valuable.

High quality childcare is essential for female entrepreneurs. Tax free childcare and/ or childcare vouchers should be available for female entrepreneurs to discount childcare from as soon as the female entrepreneurs wish to put their children into childcare and return to work.

7.0 What data exists to track success and monitor progress in female entrepreneurship?

Collecting meaningful data is core to the success of initiatives that support female entrepreneurship. Data to track success and monitor progress in female entrepreneurship is available but not collated and interpreted. For example, data on female entrepreneurship is collected by incubators and accelerators who support female entrepreneurs, such as SETsquared and Science Creates. Incubators and accelerators are assessed on metrics such as investment raised, jobs created etc, so if they have women in their programmes, these data will be collected. Similarly, Universities capture data about patents filed, spin outs created and IP licenced. Therefore, Universities will be monitoring whether women are active in these areas and whether that activity is increasing. Innovate UK will have data for the number of females applying for grants and the numbers awarded. HMRC will know how many SEIS and EIS applications have been submitted and the proportion submitted by women. Similarly, data will be available for applications for R&D tax credits by women, which would be a measure of innovation by female entrepreneurs. Tasking a body to compile and analyse these data on an annual basis would be very important for the success of female entrepreneurship initiatives.

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