

Are you cut out to be an **ENTREPRENEUR?**

“INDUSTRY estimates show that only around 5 per cent of people have the personal qualities and aptitude required to be an entrepreneur,” says Simon Thorpe, angel investor, business coach and former COO of UBS Equity Research. “Many people don’t want the responsibility that goes with starting and running a business on their own. It can be a lonely place being a company founder, even when there are two of you.”

He created his own list of expectations in relation to entrepreneurs with whom he is happy to work.

“What I look for in an entrepreneur is a compelling five-year vision for their business, unreasonable optimism and a willingness to take risks. They should also be outstandingly capable, good at managing people and skilful managers of their workload and time. A successful entrepreneur will be good at taking advice and able to judge from whom to take it. They must wear the ‘can-do badge’.”

Mike Lynch, CEO and founder of Invoke Capital, a man who is regarded as Britain’s most successful technology entrepreneur, confirms that view: “Entrepreneurs wishing to succeed must strongly believe in what they are doing. However, they also have to be able to listen and learn. It is also crucial to realise that your success depends on the people around you.

“The biggest mistake entrepreneurs make is when they surround themselves with people who are just like them. The real skill of building a team is choosing people who are very different and bring diverse skills and attitudes to the table.

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Mike Lynch



Charles Cotton



Simon Thorpe



Niume

What does it take to start your own business? Can anyone who has a ‘big’ idea, access to unique expertise, contacts and funding become a successful entrepreneur? Investigating the nature of entrepreneurship, Numitas asked three leading British entrepreneurs and investors, **Mike Lynch**, **Charles Cotton** and **Simon Thorpe**, for their views and then spoke to two young entrepreneurs who founded a very successful blogging platform called **Niume**

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For example, Steve Wozniak and Steve Jobs couldn't be more different.

"Once I found the people I wanted to work with, I took them with me from Autonomy to Invoke Capital. Our team often has very different views and this results in lively debates but this helps us make the right decisions."

Charles Cotton, co-founder and chairman of Cambridge Phenomenon International Ltd and director of Cambridge Enterprise, believes that with the support of the right team and access to resources, the majority of entrepreneurs can become successful: "There are different types of entrepreneurs; some have skills to manage the human-side of enterprise, while others have technological know-how and original marketing ideas.

"Some have superb communication skills and are able to convince others that they should join them on their entrepreneurial journey. However, many successful entrepreneurs are poor communicators but are able to build a team of people who have the necessary skills to make their venture successful."

He stresses: "It's tough being an entrepreneur; the risks they take keep them awake at night." Yet, he points out that there are some places and organisations that provide them with support: "Cambridge has a very supportive community for entrepreneurs. If they're just starting a company here, they will be supported by the city's entrepreneurial culture and its system of formal and informal networks. Andy Richards (leading biotech investor) is known for saying: 'Cambridge is a low risk place to do high-risk things.' This relates to Cambridge's networking culture and the people's willingness to advise others. This has proven invaluable for young entrepreneurs."

Daniel Gennaoui, one of the founders and directors of the collaborative blogging platform Niume, believes that an entrepreneurial journey is not for everyone: "You cannot be risk averse. You have to be willing to take a leap. In my opinion, this is the defining characteristic of an entrepreneur.

"It helps if you're outgoing and willing to make as many connections as you can, as well as being clear and confident about how you present your ideas to the outside world. An entrepreneur should also have an analytical mind: the ability to look back at your successes and failures and learn lessons from them. Furthermore, an entrepreneur should be flexible; if something doesn't work first time around, you need to go back and consider new options.

"Lastly, you need to be able to take failure with a pinch of salt. Niume is now doing very well, but it has suffered through a series of major blows. Despite that, we never once discussed quitting. An entrepreneur has to be able to use these lows to their advantage."

Simon Thorpe is sceptical of people who boast that they have a 'great idea': "A lot of people have good ideas. That is the easy bit. The difficult part is executing that idea. This means bringing various skills to the company and being able to work with different people, drawing on relevant industry knowledge."

Niume's co-founder, **Francesco Facca**, endorses this view: "Most entrepreneurs have excessive expectations regarding their 'big idea'. Many have excellent ideas, but they also have to learn how to develop it and adapt themselves to that process."

"Business courses, such as those run by Cambridge Judge Business School, have incubator and accelerator programmes that provide entrepreneurs with funding and advice on sales, marketing, finance, IP, technology, social media



and networking to help them succeed," says Simon Thorpe.

"These programmes provide a support system which significantly increases the probability of success. During such courses, entrepreneurs pitch their ideas to mentors and investors where they get lots of feedback, some of it very harsh.

"They go back and iterate again and again, until they get it right. Then, they might win a small grant (£5,000-10,000) and later perhaps an Innovate UK grant. This is usually followed by angel (or crowdfunding) and VC funding."

Francesco Facca, who studied at the Judge



The biggest mistake entrepreneurs make is when they surround themselves with people who are just like them

Mike Lynch, below left

It's tough being an entrepreneur; the risks they take keep them awake at night

Charles Cotton, main picture

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Simon Thorpe, below right

Business School with Daniel Gennaoui, where they were selected for the Accelerator programme, firmly believes in its merits. He says: "The postgraduate course and Accelerator programme were essential. They provided a safe environment for us to make mistakes and learn from them, alongside a group of other young entrepreneurs who were trying to achieve similar things."

He added: "When you start, you are trying to do a lot of things but achieve nothing. The Accelerator programme disciplined us and taught us to become focused, which eventually made us successful."



NIUME

The story so far

DANIEL Gennaoui and Francesco Facca became friends while studying mathematics at King's College London. Daniel describes the circumstances that led to their 'light-bulb moment': "When Francesco created a very sophisticated post relating to our degree and shared it on social media, it received very little attention. Yet when he uploaded a funny post featuring him and his girlfriend, it was widely shared. This clearly demonstrated that social media platforms are used by people who have very diverse interests. We concluded that it would be an excellent idea to create a platform through which one could target audiences with very specific interests."

Francesco continues: "We started brainstorming the idea, assuming that the interactions should come from social media platforms to interest-specific sites. We approached our families for initial funding and interviewed a number of software developers to help us progress the idea but couldn't find the right person."

Daniel advises: "If someone asks you for money before they start developing your product, they are not the right person. Our current developer really liked the idea and he joined our team while he was developing it. At the time, we were in our second year of university. A year later, we launched the first version of the platform. We tested it in different ways, eliminating many problems we encountered during development, and then redefined it when we graduated. Niume was launched in July 2014."

► Enterprise training

The following autumn, Daniel and Francesco enrolled on the Postgraduate Diploma in Entrepreneurship at the Judge. During their first week, they were selected for the Accelerator programme, where they met their mentor and future investor Simon Thorpe.

Daniel recounts: "The programme is planned to help you develop your business. We went to Cambridge every week and everything that we learned we immediately applied to our business. The course helped us to narrow down the idea, which at this point was still very complicated. Such programmes are priceless for people who are trying to develop their first business. The programme included pitching ideas to potential investors, which you do again and again. At each stage, you get advice that helps you move along. The programme also gives you access to investment funding at a very early stage. This is something you would never get if you were alone in the market."

Francesco has plenty of advice for other early stage entrepreneurs looking for investors: "We dealt with some high net worth individuals at an early stage in the project, but these deals felt through. At Judge Business School, we met Simon Thorpe, who directed us to Cambridge-based SyndicateRoom (see page 49), a crowdfunding platform which allows an investor to list their company

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once another investor has already committed 30 per cent. After this, the first round of funding was completed within a week.

“At the beginning, we were naïve and assumed that if we approached people with funds who were interested in our idea, it would work. In fact, in most cases, they were the wrong people for us. It’s much better to approach an experienced angel investor who has dealt with young entrepreneurs before and who can provide ‘smart money’, ie contacts and market expertise.”

So far Niume has managed to raise £170,000 and is currently moving towards an EIS round.

► The big idea

Niume is a collaborative blogging platform. The name came from New Me, the spelling of which was altered to form the homophone Niume.

The platform addresses a very distinct market need, said Daniel. “Niume brings together the blog creator and the audience. Online content creators find it hard to reach an audience interested in that content. Niume’s platform brings together the best content creators worldwide and enables them to post their work in collaborative blog areas, called ‘spheres’. They are interest-based, ie arts, photography, travel, science, business and finance etc. The communities that have developed around these 20 interest areas have their own moderators, who ensure that the content doesn’t become commercialised.

“There is room on Niume for commercial content, which is posted in the ‘sponsored’ sections of the sphere. We make it very clear which content is commercial. Niume’s UPS is its very simple creation interface, which allows even inexperienced bloggers to put together very attractive posts that include images, video and links to magazine articles.

“All the content featured on Niume is original. We have different company accounts on Twitter and other social media platforms that cover different market niches. We use them to share our content. Since the content is interesting, it creates engagement and many readers become bloggers. We have over 350,000 Twitter followers and some 75,000 Facebook fans. We also use Reddit where, on a few occasions, our posts have ended up on its front page.

“Niume membership is free for bloggers. Businesses which found their audiences on Niume pay us a fee for distributing their content. Currently, there aren’t any other platforms that allow long pieces of quality content to be posted and reach potentially interested audiences in specific spheres.”

The company is based in London’s Old

Niume’s Francesco Facca and Daniel Gennaoui



“We would like to become a very large blogging platform, able to give anyone who has interesting content a space to share it”

Street district, in offices leased by London Metropolitan University to start-up companies. Daniel deals mostly with marketing, while Francesco focuses on product development, although they work together on most issues.

During the last 12 months, Niume has moved from an initial stage of development to becoming established. Daniel says: “We have proven that our concept works. Our platform is used by over a million people every month. Our team of nine staff has also grown in a structured way. We have a strong technology team and a four-person marketing team. In addition, we have just established a

sales division. Over 50 per cent of our traffic comes from the US, about 25 per cent is from the UK and the rest comes from other English-speaking countries, ie Australia, Canada, Ireland and New Zealand.

“I have recently received a number of enquires about whether we will operate in other languages and this is the issue we will be looking at next.”


► The future

In addition to the current round of funding, Daniel and Francesco are planning another round, which is likely to involve VC investors.

“Our exit plan is an acquisition, as is the case with most fast growing high-tech companies. Being absorbed into a larger company brings the advantages of greater funding and other resources to further our development,” says Daniel.

“From a conceptual point of view, we would like to become a very large blogging platform, able to give anyone who has interesting content a space to share it.”

The final piece of advice comes from Francesco. “The Cambridge diploma taught me that the entrepreneurial process starts from a problem rather than an idea. The success of your enterprise will depend on how big that problem is.”

 Numitas is a financial services specialist providing project and interim finance directors and other senior finance professionals. A unique feature of the company is its quarterly CFD Club events which are informal gatherings of finance professionals who network with peers and debate key issues for a modern business with high-profile business speakers.