

# You've got the ambition. All you need is the right support

Companies that want to grow don't just need a cash injection; they need advice born of experience, too

STEPHEN WELTON



The Fast Track 100 is proof that Britain can create thriving, innovative businesses. Encouragingly, I also see evidence from this year's cohort of a deepening of the support network they deserve and need to scale up, with a record 44 firms backed by external investors.

That is more than double the 20 that raised funds from investors in 2011, the year BGF was founded. This trend coincides with the expansion of the UK's funding

ecosystem, with more investors offering more capital to more people who want to set up their own businesses.

While this is positive, it is only a start. Finance is an integral part of any growth strategy, and we need more capital and funds investing across all sectors and UK regions. Otherwise too few firms will grow into significant enterprises, particularly amid the uncertainty caused by Brexit.

We need a patient source of growth capital, and BGF – which has £2.5bn to invest – provides just that. It invests off its balance sheet, taking minority stakes and providing access to business leaders and sector experts who can help founders navigate the challenges of scaling up a business.

The 2017 Scaleup Index highlighted that BGF has backed 55 scale-ups, which is more than the next three biggest investors combined. We are also proud to see four

of our portfolio companies in this year's Fast Track 100: Giggling Squid (No 60), Cennox (No 42), the Good Care Group (No 79), and Ocee International (No 93). Filmore & Union also makes this year's Ones to Watch.

But we want to do more, especially to help businesses at the earlier stages of their development in sectors including manufacturing, healthcare, the creative industries and oil and gas. We're also continuing to strengthen our presence in the UK and Ireland, and last month opened an office in Dublin, where BGF is the largest growth-capital fund for SMEs.

The companies we support are similarly looking beyond UK shores. Among them is Ocee International, a Northampton-based furniture maker whose designs can be found in offices and universities across Europe, America, China and Australia.

The company generated

all its sales in the UK until we provided £10m to support its 2016 acquisition of Denmark-based Four Design, Ocee's manufacturing partner since 2012. Chief executive Alistair Gough said: "My priority was to secure a minority equity partner who would take a long-term view and support the management team to develop the full potential of the business. BGF was the obvious choice.

"It's not just about the money," he adds. "The networking opportunities and relationships that BGF helps you form have been very valuable."

Ideally, equity and debt work in tandem, and our association with Ocee indirectly helped it with a refinancing this year. "Having BGF as our equity funder made the banks more comfortable and receptive, and we got a better deal as a result," says Gough.

The acquisition of Four Design has strengthened Ocee's position, whatever the



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Ocee International (No 93), led by Alistair Gough, sells its furniture as far afield as China

outcome of Brexit. Overseas sales have grown to account for 55% of total turnover of £33.5m this year. "We've got a foot in both camps," Gough says of the company's bases in the UK and Denmark.

Making selective acquisitions on the continent

is an astute strategy in the run-up to the UK's departure from the EU. We have also helped Cennox make the leap from being a domestic company to an international provider of anti-fraud and security devices, as well as servicing, for cash machines

around the world. Led by founder and chief executive Clive Nation, it has an experienced team who have developed strong customer relationships. It is adept at making the right acquisitions and integrating them into the group – helped by the £13m

we have provided in three funding rounds. The firm's sales have grown an average 68% a year over three years to £43.7m in 2016.

Supporting fast-growing businesses can also get them onto the radar of larger trade buyers. Among them is the Fast Track 100 alumnus Acro, an aircraft seat manufacturer, which we backed with a £7.8m minority investment in 2015. It was acquired in September for £55m by Chinese manufacturer ZTC, which was keen to tap into Acro's expertise and experience.

We'll continue to support businesses such as Ocee, Cennox and Acro as they enter the next stage of their long-term growth journey. And I hope other backers will do the same. With a stronger support network, we can all help enable the creation of the next generation of growth stars.

*Stephen Welton is founding chief executive at BGF*