# A trend of Entrepreneurialism within Corporate Advisory

Business owners (often, entrepreneurs) who look to raise finance through the investment market be it through Private Equity (“PE”), Venture Capital (“VC”) or otherwise, are increasingly turning to firms that themselves are entrepreneurial at their core. The choice of investment partner is hugely important for any business, at any stage of its growth. Often the chosen investor will be part of the company’s journey for several years, supporting the company as it evolves.

The funding landscape has evolved drastically over the past two decades since the tech boom and the rise of PE and VC, such that it has become pivotal for businesses with ambitious growth intent. Each investment firm has a specified appetite with respect to sector, check size, key appraisal items and holding period, as well as offering drastically differing terms. Therefore, the choice of funder is often far more than a simple decision in who will offer the funds first.

An ill-considered choice of funding partner may cause significant issues to the business and/or owners further down the line, and often these problems will not become apparent until some time into the relationship. Due consideration of all factors is therefore paramount. Founder business owners are becoming increasingly alive to this fact, and the most successful ones will have spent sufficient time with their advisors assessing their fundraising preferences, with a specific focus on circumnavigating the pitfalls of incompatible partnerships.

Building a business requires rigorous consideration of disparate factors, but often insufficient time is devoted to carefully considering the factors that can so easily harm the business. One factor that is often overlooked in the growth story is the funding strategy. Many high-potential businesses are crippled as a result of carrying the wrong shareholder base, leaving hugely frustrated owners.

The earlier the stage of the business in their growth cycle, the greater the vulnerability to this threat, principally since funders will take aim at larger portions of equity in return for their higher-risk capital. One solution might be, for example, to identify a funder that deeply understands and appreciates the business in question and the challenges that it faces in achieving its goals.

Hence the trend in owners turning towards funders who are themselves entrepreneurs and so have experienced the risks, mentality, uncertainties and challenges of business ownership. These firms recruit from a talent pool not only of academics or career bankers, but also from (current or former) business owners.

This adjusts the brain of the organisation by aligning it with that of the business owner. Market participants who themselves lack experience of building businesses carry a far different attitude towards risk to those that have; it is precisely this widespread mis-alignment of risk appreciation that causes the issues described. The identified solution across the industry has been to rapidly adjust recruitment parameters.

Gambit is proud to have held entrepreneurial principles at its core since inception. In addition to being a wholly partner-owned business, Gambit Partners and Directors sit on numerous company boards both regionally and nationally. The team pride themselves on having supported innumerate businesses through the full lifecycle from inception to exit. With a team that has a balanced mix of experience of both business ownership and professional services, we believe we are best placed to assist business owners on their growth and fundraising journey; a trend that is now reflected in the wider market.

**Koo Aseeley**
**Executive**

**If you would like to discuss the options available and considerations in preparing your business for a fundraise, please contact a member of the team.**


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