

Resolution Ventures: User research

24 March 2023

Design thinking for collective impact

Resolution
Ventures

Shift

In this writeup



You'll find a report on what we did, who we spoke to, what we learned and recommendations for possible change.

- 01 About the project
- 02 What we did
- 03 Context & framing
- 04 Key insights & Opportunities
- 05 Recommendations

Appendix: Founder profiles



01

About the project

The challenge

There are eight million low-to-middle income families in the UK, including twelve million adults and nearly seven million children. As each includes at least one working adult, they are not the very poorest in society, but they are often struggling to get by.

While levels of employment are on the rise, the number of people in precarious and low paid work is growing. Those in low paid work are least able to access training and least likely to be represented at work through a union, meaning they are particularly and persistently excluded from areas of opportunity.

The plan

Technology can support people in low paid or precarious work to improve their pay, prospects and power in the workplace by creating connections, improving choices, helping people get advice and increase skills. Resolution Ventures has been supporting tech ventures to date through their WorkerTech Fund which provides direct investment, access to an accelerator programme through Bethnal Green Ventures, and through building a WorkerTech ecosystem. They are keen that the ventures they fund are built by, and with, those with lived experience so that they better address the wider needs and challenges faced by those in low-paid and precarious work.

The project team

Resolution Ventures exists to back innovative tech start-ups seeking to change the world of work for the better by improving the experience of work for people in low-paid or precarious work.

Shift are a social design charity with 15 years experience of building social ventures and helping purpose-led organisations build impact through the design of new products, services and programmes.



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Our project goal

Together we set out to understand how to better support people with lived experience of low-paid or precarious work build tech ventures.



Research objectives

Understand the experiences of setting up social businesses for founders with lived experience of low pay or precarious work

Understand existing support and best practice in supporting people with lived experience build ventures

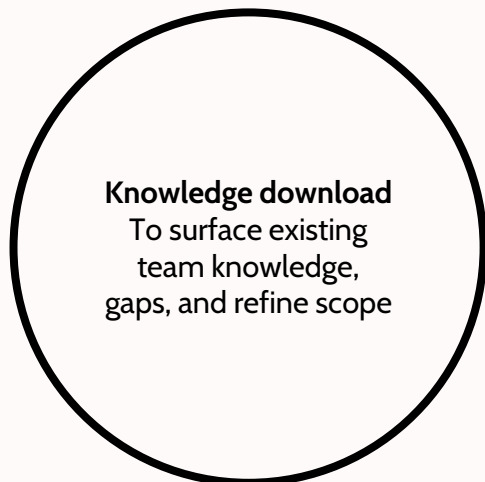
Explore how Resolution Ventures can play **their best role** in supporting lived experience founders across their journey **from idea to investment**, particularly during the early stages of idea development



02

What we did

What we did



We interviewed 6 support providers



One to one mentoring with a sector entrepreneur



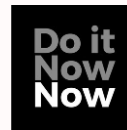
Funding, investment and 1:1 support for social entrepreneurs, particularly those from marginalised communities



Venture builder focusing on a social challenge, taking on founders pre-idea



Invest in early stage tech for good founders



Support programmes for underrepresented founders to help them launch, grow and scale

Range of support to empower Black people through financial inclusion, entrepreneurship and employment

Note: The support providers we spoke with were able to provide anecdotal evidence on the experiences of people with lived experience of low paid and precarious work, however the majority mentioned they did not collect specific data on this characteristic as part of their monitoring processes.

We interviewed 9 founders

For this research project, we spoke with founders with lived experience of low pay and/or precarious work *and* lived experience of the social venture they are building. While some were focused on building worker tech ventures for low-pay and precarious workers, some were focused on building ventures that aren't tech based or in other areas of impact where they have direct lived experience.














Idea that supports workers



Idea that harnesses technology

*Please note that 8 out of the nine founders who took part in this study would prefer a pseudonym to be used in any public facing outputs. We have consent for their real names to be used in project outputs seen by the Resolution Ventures and Shift Design team

Ideas	<p>I've got an idea but haven't received any grant funding or support yet</p> <p>  Founder 45-49, East England</p>
Testing & developing	<p>I've got an idea and have had some grant funding or support to help me develop it</p> <p>  Founder 25-29, London</p> <p>Founder 16-24, East Midlands</p>
Scaling	<p>I've got a well developed idea and I'm seeking investment</p> <p> Founder 30-34, West Midlands</p> <p>  Founder 40-44, London</p> <p>Founder 30-34, Southwest</p> <p>I've got a well developed idea and I've secured investment</p> <p>  Founder 30-34, London</p> <p>  Founder 30 - 34, London</p>



03

Context and framing

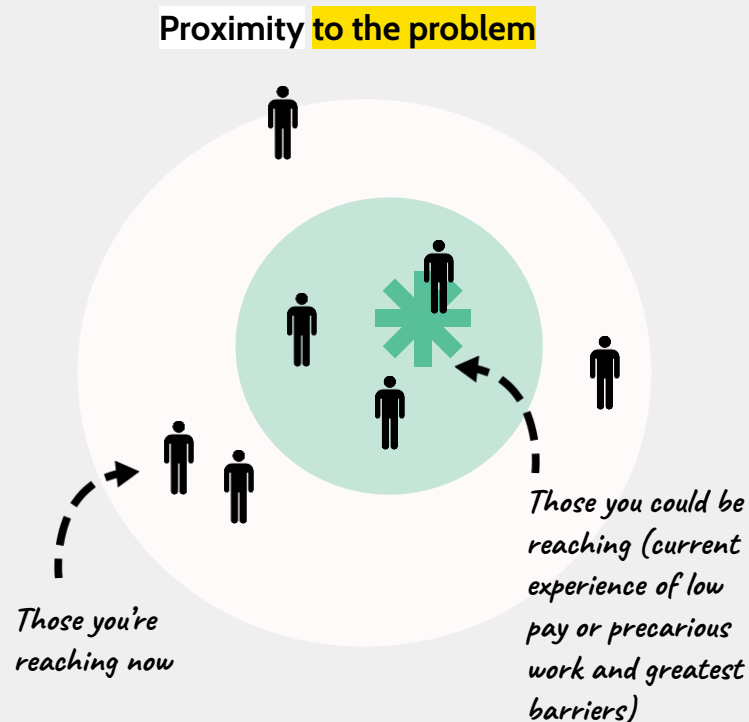
Lived experience of low pay and/or precarious work

Lived experience (LE) of low pay or precarious work encompasses a wide range of experiences and backgrounds. Amongst this difference, we found that the level of exposure to corporate or professional work settings, the level of financial security at the time of building a venture, and socio-economic background and education level had a significant impact on founder journeys.

Those Resolution Ventures are reaching or could reach now (i.e. those we spoke with who were closer to succeeding with investment):

- Have some corporate/professional experience
- Have a certain level of financial security
- Aren't as close in proximity to their experience of low pay/precarious work

While these people still experience significant challenges along their investment journey, the closer founders are to the experience of low pay or precarious work, the greater the barriers.



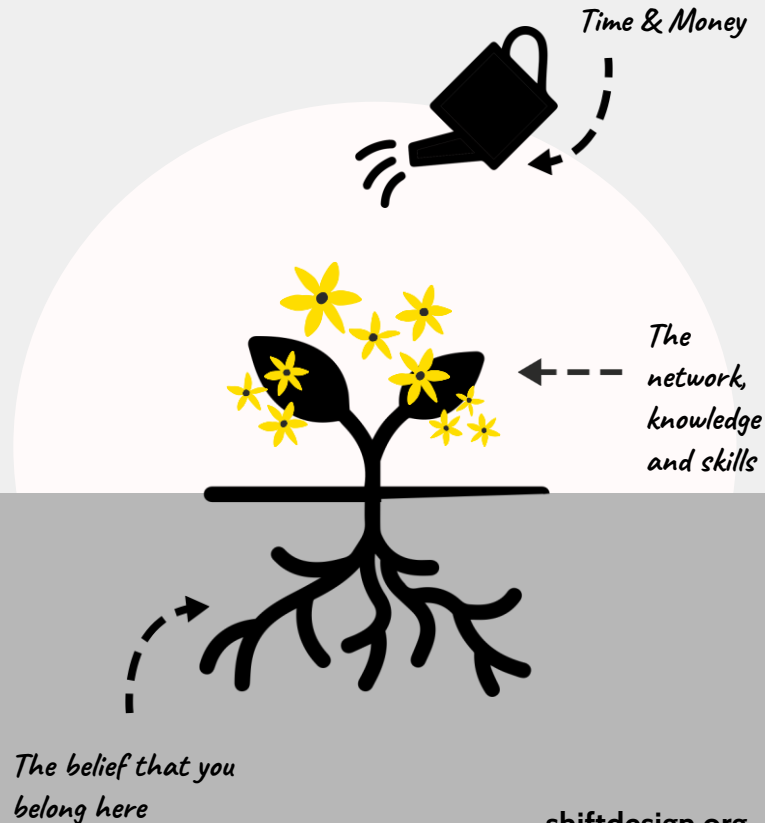
The conditions people need for venture building

In order to create successful and investable ventures, along their journey from idea to investment founders need:

- Belief
- Time + Money
- Networks, Knowledge + Skills

Founders with lived experience of low pay and precarious work face unique challenges across each of these enabling factors, particularly those with close proximity to that experience.

Context and framing



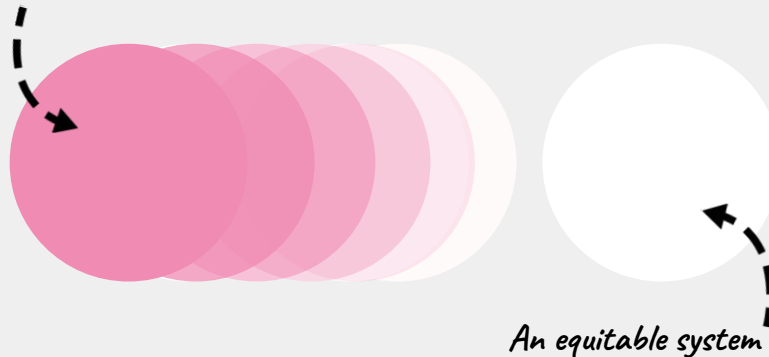
The constraints of venture building in today's system

While there has been great progress increasing opportunities for underrepresented founders, we have also heard of the constraints of venture building for low paid or precarious workers operating in the existing system. In some instances, this can exaggerate existing inequalities, leaving people worse off than where they started.

To successfully support new founders towards their ventures, it is crucial that Resolution Ventures (RV) design interventions with the systemic constraints in mind. For each of the enabling factors in section 04, we have identified relevant **system challenges to consider (in pink)**, where well-meaning interventions often fail.

Context and framing

Where the system is today



How can Resolution Ventures nudge the system towards a more equitable environment for low paid, precarious worker founders, while recognising where we are today?



04

Insights & Opportunities

#1 Having the belief

For traditional founders: To build a successful venture, founders need a strong belief that they, as they are, belong in the startup world and are able to make a success of their venture.

For low paid, precarious workers: A lack of diversity of people in the sector—in terms of race, background, experience, etc.—means that people do not feel like they belong or will be able to make a success of their venture because of their identity.

#1 Belief + Identity // An overview

I don't look the same...

I don't sound the same...



I don't think the same...

I don't feel like a founder...

Over a venture journey

Ideas

Without the belief that they can become a founder, people do not spend the time and energy to pursue an idea.

"I think the thing is 'do I see myself as an entrepreneur'. That's the identity reconciliation I need to have with myself as I would really very much like to but I don't feel I warrant that title yet."

Founder

"I think once you meet people that have done what you're trying to do, you realise it's possible. I've been fortunate enough to meet many people like that, that have shown me that yeah, like, you're not crazy, like these things can happen for you."

Founder

Testing and developing

People can be put off developing an idea because the environments in which they can access support are predominantly occupied by people that do not look like them.

"Gary was the only mixed-race person in this recruitment syndicate. A while later, after Covid, he went on LinkedIn and re-founded Gary as "the only one who looked like me"

Founder

"My skin colour. It's holding me back. There's a huge gap in minority founder investment. I do everything I'm supposed to... I've met some people who've got investment and they don't even have a product yet"

Founder

Scaling

People feel like their identity is either the only reason that they can access specific grants, or that it prevents them from accessing investment.

"The language, framing and process of getting investment and funding is so foreign. You feel like you're constantly proving yourself... are you black enough, poor enough?"

Support provider

"It felt like my old banking days. People who don't look like you or talk like you"

Founder

How might we create inclusive environments where new founders feel like they belong?

There was a fear of rejection and embarrassment, particularly acute for founders creating a business which is based on their own lived experience of a social problem.

For those we spoke to, confidence to pursue an idea often came from someone they trusted, or believed was more credible than themselves, telling them their idea was worth pursuing. External validation of both ideas and their lived experience was important in creating a sense of belonging.

“I feared people would reject it, they might reject me, that my ideas weren’t commercial... I got feedback from people who wouldn’t just [big you up], they were professional, credible, respected...”

Founder

#1 Belief + Identity // Founder focus

“Founders highlighted the fact that as they didn’t come from finance or commercial backgrounds, there was a steep learning curve for them and their boards to understand the jargon and terminology used in the sector.”

GIF Fund Feasibility insights

Many of the founders we spoke to mentioned the impact of their identity and background on their ability to be a founder. This included:

- Not having the right mindset to build a venture. One founder, who described her background as “very working class”, said that she felt she wasn’t as “naturally initiative savvy” because of her upbringing.
- Being motivated by need. Founders who looked at entrepreneurship as a ‘way out’ of their current situation put lots of pressure on themselves and had a different ‘founder’s story’ than other people in the sector.
- Imposter syndrome amplifying for people who are underrepresented. Entering environments where people do not look like them, alongside business and financial modelling language that can be intimidating and excluding.

How can RV bridge the gap between the startup system and LE founders?

Founders from underrepresented backgrounds, especially those with lived experience of low paid or precarious work, struggle to find their place in today's startup system, limiting their ability to make their venture a success.

Underrepresentation reduces founder's chance of success.

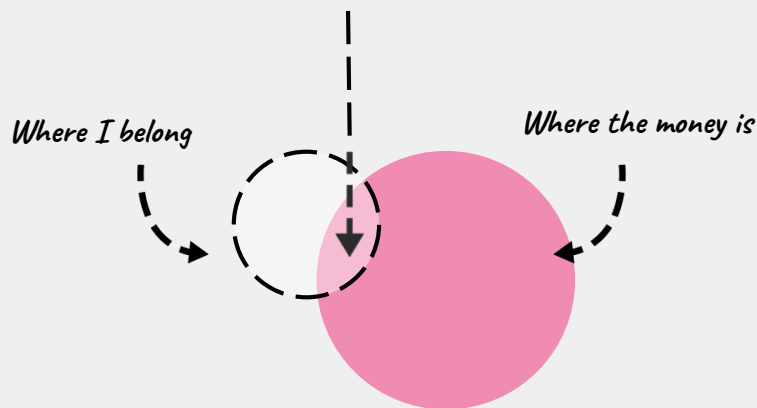
Only 24% of the venture workforce are people of colour and there is a lack of diversity among investors (Diversity VC, 2019). This has an impact on the companies who are able to secure funding.

The diversity of investment teams affects the companies that can secure funding. Venture capital firms with female investment partners are four times more likely to invest in female CEOs

DuBow and Pruitt 2017

#1 Belief + Identity // System focus

How can Resolution Ventures facilitate a space to bridge between the two worlds?



The Black founders we spoke to spoke of the impact on this underrepresentation, and the need to have confidence and a positive mindset to overcome the visible barriers they faced.

"It just so happens that I was born black, you know what I mean? That's something that I can't change. You have to have a positive mindset because otherwise you can be a barrier to yourself sometimes"

Founder

What if we...

01

Create environments where people can see and be themselves, and thrive as a founder.

- Spaces people with shared identity can gather and support each other. For example, the [Black Design Guild](#) are hosting retreats for Black design researchers to both heal and develop their leadership skills.
- Language and imagery in case studies, websites and resources that reflect people from low paid or precarious works' experiences' of the world.

02

Be honest about the impact people's identity has on their ability to build a viable venture in the current system, and facilitate connections between traditional venture workforce and underrepresented founders.

- Tell real stories about the venture ecosystem as it is today to build awareness and support founders through common barriers.
- Facilitate spaces for underrepresented founders to find their path in today's system.

“Whenever I talk to people I match business concepts to what they do in their day to day lives. It’s important to make sure people aren’t intimidated and show that a lot of this is common sense. People need a lot of reassurance and they need to feel like they belong, and know that they don’t have any less right to be in these spaces than anybody else. For people who already see themselves at a disadvantage, it’s important to start every session with a reflection on small wins to build confidence.”

Support provider

What if we...

#1 Belief + Identity // Opportunities

03

Provide a duty of care for founders that are at risk of being re-traumatised battling for a venture that is tackling issues they have experience of.

- Recognise and provide support to address the emotional and mental health burden that may arise as a result of people's lived experience of the issue.
- Train teams working closely with founders to be able to appropriately respond to and support founders with lived experience. For example, the team at UnLtd are undergoing training in trauma informed practice to enable them to better support founders day-to-day and in the design of their programmes.

“We provide executive coaching. This is for the founder's own personal and professional development. It's about giving them space to discuss what they need to think about or to work on. They discuss things like leadership skills, dealing with imposter syndrome, how to balance family life. This isn't fed back to the Zinc team, it's purely for their benefit”

Support provider

“You have to be hypersensitive. These are issues people are facing on a day to day basis and they are often coming to terms with what they've experienced themselves. It's important they feel like they can be themselves.”

Support provider

shiftdesign.org

What if we...

04

Work towards change within the wider system by bringing people with experience of low paid and precarious work into design and decision- making.

- Involving people with lived experience in the design of programmes and support.
- Ensuring people with lived experience are represented and have the appropriate support to be a part of investment committees.

#1 Belief + Identity // Opportunities

From the pilots, research and development of low cost tools, a commitment to developing principles or a framework which allows practical adoption of beneficiary engagement in a range of different contexts and funding parameters.

The Young Foundations et al

All social investment institutions which receive money either from the UK Government or through dormant assets should be subject to binding targets for diversity and representation on their boards and investment committees.

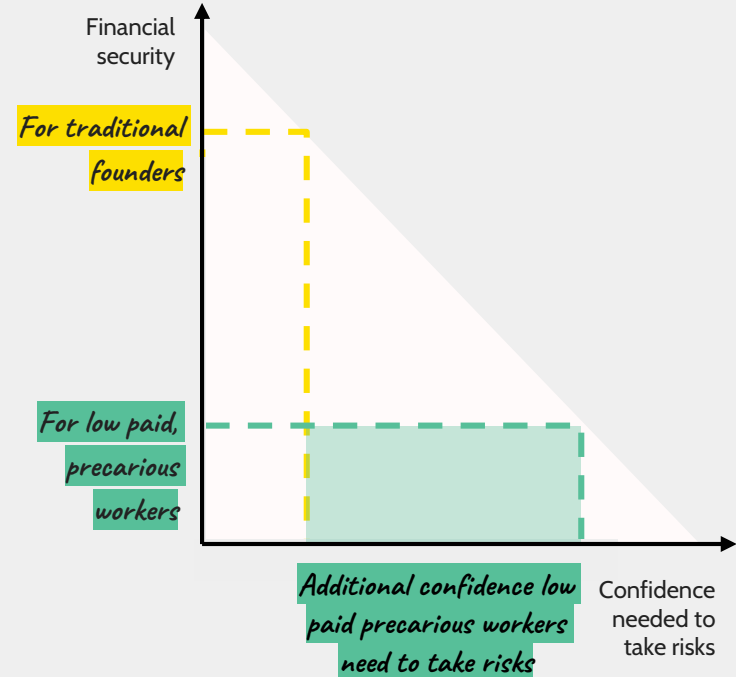
Commission on social investment, 2022

#2 Having time and money

For traditional founders: To build a successful venture, founders need time and money to have confidence they can take the risk.

For low paid, precarious workers: The nature of their lived experience tends to mean their time for venture building is limited and inconsistent as they are competing with many other needs, while they lack the financial security to be able to take risks and opportunities as they arise.

#2 Time + Money // An overview



Over a venture journey

Ideas

People lack the time and distance from an issue to be able to come up with ideas and think about pursuing them.

Those who had been able to pursue their idea while in low paid precarious work had either set aside the time to work on their venture (through enrolling in a university course) or were locked out of traditional employment opportunities and saw entrepreneurship as their way forward.

“We have some founders who see the advert for our support on Tiktok or Instagram. They might have a vague idea but they will come to a few sessions and then drop out because they realise it’s too much work.”

Support provider

Testing and developing

Moving from ideas to testing and development requires people to invest time and money into their venture, which is a much bigger risk for people in precarious work or on low pay.

“My skin colour. It’s holding me back. There’s a huge gap in minority founder investment. I do everything I’m supposed to... I’ve met some people who’ve got investment and they don’t even have a product yet”

Founder

Scaling

Accessing money to grow and scale is time consuming and putting further pressure on founders, who can then struggle to focus their efforts on building their business.

“There’s so many hoops to jump through and a lack of transparency. I’m not looking forward to having to fundraise again”

Founder

“I didn’t realise how challenging it would be to go for investment. Having to have a product that’s selling and feeling like you know what you’re talking about...”

Founder

How might we give people the time and money they need to build confidence and take necessary risks?

Founders are struggling to maintain momentum with, or pursue, their venture because of a lack of time and money. For one founder, who was in precarious work, spending any time or energy in an idea she wasn't sure would work was too risky for her to commit to.

"I just need a bit more certainty. And I'm in this very extra uncertain period of my career right now. I need to be certain this would work and make money"

Founder

Those making strides were able to keep and maintain momentum, often working part time or leaving their jobs to focus on venture building - something not always possible for those closest to the proximity of low paid/precarious work.

#2 Time + Money // Founder focus

Pressure on time, particularly for sole founders without additional resource, leads people to burnout. Support providers highlighted that many people underestimate the amount of time it will take to see growth and profit. They can drop out once they find out about the amount of work, time and energy it will take.

"I'll be doing my hours at midnight, just getting them in... I think my growth has been a lot slower. And I've been slower to make changes to the app because it's only me to fix things if they go wrong and it takes so much time"

Founder

Finding, applying and getting grants and investment can feel like a full time job. People are spending lots of time and energy applying for and 'jumping through hoops' particularly when it comes to obtaining investment, only to be told they've been unsuccessful. Others are being put off applying for things entirely because it takes up too much of their time.

"Access to capital was the single biggest barrier preventing ventures from making progress and scaling their impact"

Support provider

How can Resolution Ventures safely support people into and out of venture building?

Venture building is notoriously a risky pursuit and founders in low paid and precarious work often face a greater risk when things go wrong.

“We pay people who come onto the programme the London living wage, however people usually come with a cushion of savings just in case”

Support provider

Support is vital to ensure people with experience of low paid or precarious work have a fair chance of building a successful venture. Support exists for LE founders but it often ends with a cliff edge meaning next steps feel too uncertain and financially risky to continue building their venture. We saw that the moment after people received support without immediate success, was where they struggled. For example, one founder, who is part of the New Enterprise Allowance scheme, is facing a challenge now his year of support is ending and he isn't yet making a profit. Two founders also both faced a few months of uncertainty and paused their ventures once their accelerator programmes came to an end.

Ventures for low paid precarious workers do not fit traditional investment models.

What's off-putting about institutional VC is that it's a total boom or bust. There's no space to build a medium-sized (e.g. £20-£100m valuation) company. This leads to some value destroying behaviours by founders in chasing top-level growth at all costs and having to ignore opportunities to have more positive societal impact on the way.

Support provider

There is continuous trade off between commercial viability of ventures and their social impact, and some founders feel unable to find investors that have the same social values as them. There can also be misalignment between the level and scale of growth investors expect, and what founders feel comfortable with. While hosting their finance 101 events (which focus on investment) with founders, Hatch find most people come out of the events saying they don't think it's for them because it's not the scale or the speed of growth they want right now.

Many of the participants questioned whether growth should be the leading metric of success and argued that building a portfolio of sustainable businesses provided scope to dramatically alter the investment landscape, creating an environment that could support many more ventures to succeed.

Support provider

What if we...

01

Provide more flexible forms of capital, recognising the needs and circumstances of founders with experience of low paid or precarious work.

- Paying for people's time spent building their venture - beyond business costs.
- [Eastlight All In](#) unites local people to tackle the big social issues that matter to our communities. Residents are paid to work full time on their venture and are able to learn and practice the skills they need to make their venture a success.
- Adjusting traditional investment conditions to support the needs of founders and their ventures

There is need for investment to be long term, paid back based on business growth with flexibility, lower levels of debt interest, structured to strengthen the balance sheet rather than accounted for as debt

Commission on Social Investment, 2022

"I'd love a hatchery fund to help me build confidence that this could work and is worth pursuing. I could then take it to the next level... Some seed funding for R&D, which is about getting that proof of principle, that would be really good."

Founder

What if we...

02

Reduce the time it takes to find and apply for funding

- Being upfront about eligibility criteria for funding and investment.
- Signposting people to appropriate support for their business.
- Providing opportunities for shortcuts to follow on funding once someone is successful (See UnLtd case study) .

03

Support people both into and out of venture building

- Giving clarity on the risks of starting ventures and supporting these founders to work out if it's right for them
- Providing support to help people safely out of venture building if it doesn't work out.

Case study:
UnLtd

As well as increasing the award amounts they offer, UnLtd provide continuous support for the social entrepreneurs they support. Once through the door they are able to speak to a support provider to unlock additional funding, rather than having to fill in lengthy application forms. This has meant a change for the organisation who are now committed to building the depth of relationship with a founder over supporting a breadth of founders.

“We make sure people are really aware of what they’re signing up for and the impact working on this might have. There’s also a frank conversation, once the competition and drive to win a place on the programme is over, to let them know our reservations”

Support provider

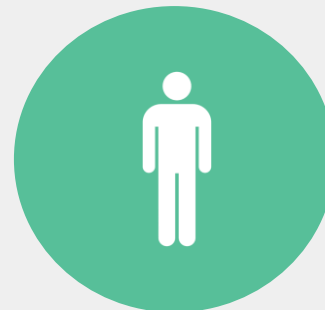
shiftdesign.org

#3 Having the network, knowledge and skills

For traditional founders: The startup world relies on strong networks with a need for a range of different skill sets and knowledge bases to be successful and navigate the ecosystem.

For low paid, precarious workers: They bring a deep knowledge and understanding of the issue and often have close networks of other people with similar experiences but are lacking the network, knowledge and skills to turn their ideas into a viable business.

#3 Network, knowledge + skills // An overview



Over a venture journey

Ideas

Without access to networks and knowledge people aren't aware that entrepreneurship could be an option for them. People did not know other people who had set up their own businesses or how they would go about turning an idea into reality.

"Poorer people simply don't know as many entrepreneurs, inventors or startup founders, so their children aren't aware these routes are possible."

[Wired, 2019](#)

"How do you get started? None of my friends at that time had started their own business or anything like that. No one in my family has their own business. So I didn't really know what you would do."

Founder

Testing and developing

People can end up spending time and money in the wrong places and going straight into product development without understanding the market, who their target user might be.

"I've seen people go and buy a domain straight away and put money into things they don't necessarily need before they know if their idea works"

Support provider

"I think this shows my lack of experience as a founder. I just built the app when in retrospect I should have done something non-digital and tested the concept first"

Founder

Scaling

People are unaware of social investment. Those who are aware feel locked out of investment because they don't know what investors want or need to see, and they don't have connections with people who might pay for or invest in their service. Growth and scale was much more easy for founders who were already well connected to potential buyers and had more knowledge of the market they were hoping to operate in.

"I didn't realise how challenging it would be to go for investment. Having to have a product that's selling and feeling like you know what you're talking about..."

Founder

How might we support founders with the networks, knowledge and skills they need to create a viable business?

People with lived experience have strong connections to potential beneficiaries of their product or service, and a knowledge of the impact their idea will have, however they lack the existing connections with people who have the skills and experience they need to develop an idea into a viable business.

Within their immediate circles, potential customers with LE express a desire for their product or service, which is unmet when the product is launched and people are unable to purchase or use the product, creating a false sense of demand and confidence.

#3 Network, knowledge + skills // Founder focus

Some founders had begun creating networks by sharing their story on LinkedIn, which created access to different opportunities to apply for grants and brought offers of support from people with specific skills like marketing. However, some were struggling to navigate the amount of support on offer without the knowledge of what or where they should focus next.

Most people mentioned they specifically wanted access to people who know 'business' and could help them turn their idea into a business that makes money.

Very few founders with lived experience consider a B2B model which can hold them back from scale and growth.

How can Resolution Ventures support founders *and* experts to understand the context for success?

Experts, investors and founders can struggle to align.

Venture building requires a team working towards the same north star. Networks are made up of people with different skills, strengths and motivations and they are all coming to ventures with different perspectives of success.

Alignment also matters within venture investment. Previous research has highlighted the need for investors to consider both who they are investing with during a fundraising round and what a 'responsible exit'

Social enterprises highlighted to us a lack of understanding by investors of the types of risk encountered by social enterprises, compared to other businesses, as well as a lack of understanding of how social enterprises seek to mitigate financial risk (for example, using their social and environmental impact to build brand or customer loyalty to get through challenging periods)

Commission on social investment, 2022

#3 Network, knowledge + skills // System focus

looks like within impact venture ecosystem. This is particularly important when engaging with more traditional firms that may not have the same impact or return motivations ([Lasting Impact: The need for responsible exits](#), 2018)

Experts may be backing an individual rather than an idea.

Founders with lived experience of the issue they are tackling and a platform to promote their story are able to attract offers of support from people backing their story. However, this can often be in absence of other support and business acumen, which can push them off course, or lead to more risk and more time wasted. For example, one founder was offered a marketing grant and mentor by Princes Trust which led her to gain huge traction for her idea despite having not tested the market. An illustrator offered to create illustrations she could take to a manufacturer, and a few months later she had a batch of 1000 dolls. However is now struggling to make sales.

What if we...

01 Provide people with knowledge and connections to the sector

- Meeting people where they are to get them thinking about entrepreneurship and ideas (e.g. Tiktok or Instagram, University, college and schools).
 - BGV grew from events called social innovation camps where they brought people together who were good at tech, design or business and people who had a good understanding of social and environmental problems.
- Introducing them early on to customers and investors who might pay for their product or service.

#3 Network, knowledge + skills // Opportunities

TechNation

One founder joined Technation in June 2022 and is part of the Libra network. Through founder investor mixers he has been able to meet with investors and industry partners and has built some strong relationships with a handful of people.

“If you need an intro to anyone Technation will make it happen”

Founder



What if we...

02

Help founders find a mentor or cofounder who can support them throughout their venture building

- Access to a mentor who believes in them and their idea was crucial in enabling the founders we spoke with to progressing their ideas. They often wanted this person to provide business or market knowledge, and give them credibility.
- Some mentioned they would like a cofounder who could share their passion and drive.

#3 Network, knowledge + skills // Opportunities

Case study:

Zinc Venture Builder | Finding a cofounder

Each founder is put into a support circle with people they have a commonality with that makes them unlikely to be co founders. They're given training around how to mediate and run their support sessions and often continue to support each other beyond the programme. The programme is set up so that everyone gets to know each other quite quickly and we try to make sure the spaces are as psychologically safe as possible. People match with people who have complementary skills to their own.

Work hand-in-hand with them
to launch your idea.



Building the banking
app

+



Co-founder of one of
the fastest-growing
mobile banks in the
world

What if we...

03

Bridge the gap between founders and those providing support

- Connecting them to experts who can work *with* them to develop and build their business.
- Building alignment between founders and investors

#3 Network, knowledge + skills // Opportunities

Case study:

GIF| Pre-investment support

Growth Impact Fund provide pre-investment support that works within a founders wider context and needs. They give out grants which founders use to gain access to consultants (of their choice) to support their specific needs. They also backpay founders time (e.g. by paying for childcare costs or time away from another job) so that they have the time and capacity to (i) properly internalise that expertise and (ii) put advice into action



05

Recommendations

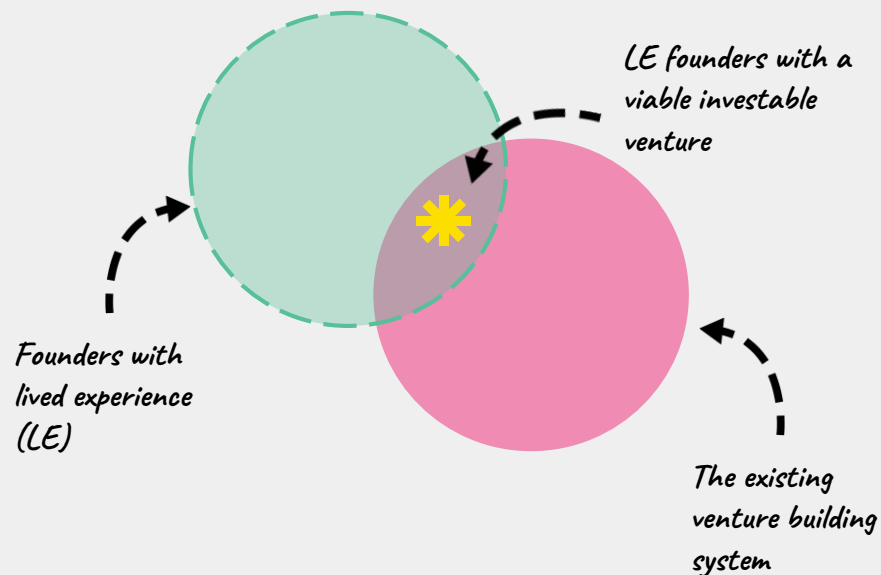
Recognising the existing conditions necessary for venture building

Few startups are well suited to venture investment. Equity investment requires significant risk appetite and ambitious growth expectations, alongside a scalable business model and capability to execute on the growth strategy. As a result, we acknowledge only a small proportion of LE founders may be viable for venture investment.

The insights have surfaced the challenges associated with adapting how venture funding operates within the existing venture building system. We also recognise that asking sole investors to adapt their investment rigour, assessment criteria or return expectations could potentially set ventures up to fail if the rest (or at least part) of the system is not willing or able to also adapt their expectations.

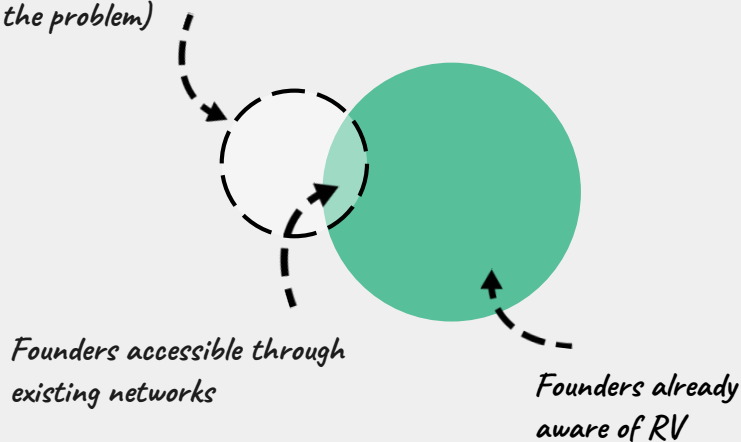
Given the current reality of the venture building system, these recommendations focus on where Resolution Ventures could best play an impactful role - focusing its programmatic activity and partnerships work on increase access to relevant LE founders with a viable venture and simultaneously working to influence change within the venture building system it operates in.

Recommendations



Where RV can play their best role to safely support LE founders

People currently sitting outside the existing venture building system (likely those with close proximity to the problem)



Recommendations

The recommendations outlined in this document prioritise both the programmatic and influencing opportunities Resolution Ventures could, and should, take forward now and next (within the next year), as well as where they can influence others within the system. Given the scope of the project, the recommendations remain high level and may require further dialogue and inquiry internally to ensure they are feasible, particularly in light of fundraising timeframes and resource constraints.

Our recommendations are segmented by the two types of LE founders Resolution Ventures currently feel best able to safely support:

- People who have LE and are already aware of, and interacting with, Resolution Ventures
- People with LE who already identify as 'venture' entrepreneurs and are engaged in, or accessible through, existing or known networks

Recognising the existing system that venture builders operate within and the increased risk for those who are currently experiencing low-paid or precarious work (with close proximity to the problem), we suggest this audience should be out of scope for future programmatic activity in the short-medium term. Instead, Resolution Ventures should continue to explore how any learning of this audience captured via investment and portfolio activity may contribute to the wider research, policy and influencing work conducted by Resolution Foundation.

Recommendations on a page

Founders who are already aware of RV

Now

Actionable rejection: *Guidance for founders who are rejected from investment from RV*

Next

Bridge to investment: *Supporting founders in between investment rounds*

Pro partner: *Providing founders with access to a credible support partner*

Influence

Right referrals: *Developing a high quality candidate referral system*

Investor surgery: *Supporting founders build relationships and get feedback from funders*

Founders accessible through existing networks

Optimised journey: *Making RV's investment application journey seamless*

Founder showcase: *Showing the diversity of existing investees and their stories*

Backing potential: *Creating a pre-investment support model for high fit ventures*

Away AMA: *Designing spaces for entrepreneurs to ask questions + build confidence*

Hatchery: *Bringing together lived and learned experience*

Actionable rejection:

Guidance for founders who are rejected from investment from RV

● Founders who are already aware of RV

≡ To test now

Hypothesis

By providing clear guidance and support to lived experience founders at point of rejection for those too early stage (or unable to evidence investment) there will be an increase in return applicants who transition to successful investment.

Recommendations

Recommendation

For people rejected from investment by Resolution Ventures but who meet RV's eligibility criteria, provide clear advice and guidance on what they need to do to reach investment in the future. This should include:

- Low-cost, actionable advice to help founders turn feedback into action (e.g. translating jargon or signposting founders to what other support is out there)
- Advice on how to better showcase the value of their lived experience as part of their investment pitch.

Relevant insight

- People are spending lots of time and energy applying for and 'jumping through hoops' particularly when it comes to obtaining investment, only to be told they've been unsuccessful.
- Support exists for LE founders but it often ends with a cliff edge meaning next steps feel too uncertain and financially risky to continue building their venture. We saw that the moment after people received support without immediate success, was where they struggled.

Optimised journey: *Making RV's investment application journey seamless*

○ Founders accessible through existing networks

≡ To test now

Hypothesis

By improving the application process, there will be an increase in the number of relevant founders applying for and able to progress through each stage of the RV investment process.

Recommendations

Recommendation

Recognising the existing measures RV is taking to improve their investment journey for founders such as flexible office hours, signposting and clear investment criteria, ask for feedback from existing and previous applicants of RV about key pain points experienced during the application process to understand whether these measures are working. This includes creating a baseline processes for capturing feedback to identify and measure where founder most commonly lose confidence or capability during the RV process (and why).

Based on this learning, identify practical improvements to the application journey for lived experience founders. Insights suggest this would include tailoring support to factor in lower levels of founder capacity, confidence or knowledge that can detrimentally impact LE founders experience (and appetite to fundraise in the future) during and after the investment process.

Relevant insight

- Entering environments where people do not look like them, alongside business and financial modelling language that can be intimidating and excluding.
- People are put off applying for investment because it takes up too much of their time.

Founder showcase: *Showing the diversity of existing investees and their stories*

○ Founders accessible through existing networks

≡ To test now

Hypothesis

By showcasing the diversity of existing investees, the number of lived experience founders applying for investment from RV will increase.

Recommendations

Recommendation

Adapt existing brand content across the investment process to better showcase existing investees (particularly those with LE of precarious and low pay work) for potential applicants, to help them build confidence that founders who present or identify 'like them' can be successful in investment with RV (and venture more broadly).

Effective visual and written storytelling around why lived experience founders were successful in accessing investment may also increase trust that RV's narrative regarding lived experience is not simply 'tokenistic', demonstrating that close 'proximity to the problem' is integral to your investment selection criteria.

Relevant insight

- People can be put off developing an idea because the environments in which they can access support are with people that do not look like them.
- People feel like their identity is either the only reason that they can access specific grants, or that it prevents them from accessing investment.

Bridge to investment: *Supporting founders in between investment rounds*

● Founders who are already aware of RV

≡ To test next

Hypothesis

By supporting founders RV have provided conditional investment to through the process of applying for investment from a lead investor, the proportion of ventures who are able to successfully secure investment will increase.

Recommendations

Recommendation

Acknowledging the role RV plays in the investment round as a non-lead investor, provide 'bridging' pre-investment support to help ventures successfully navigate and achieve investment from a lead investor.

This recommendation assumes that RV can capture feedback from lead investors on typical reasons why they have (or will) approve or reject applicants who've been successful via RV's investment committee. It also recognises that RV should focus any philanthropic support on founders with 'high potential' to succeed and may need funding to 'keep the lights on' or gain additional capacity during often time-intensive diligence processes between RV approval and lead investment.

Relevant insight

- There is a need for investors to consider both who they are investing with during a fundraising round and what a 'responsible exit' looks like within impact venture ecosystem. This is particularly important when engaging with more traditional firms that may not have the same impact or return motivations ([Lasting Impact: The need for responsible exits](#), 2018)
- People feel locked out of investment because they don't know what investors want or need to see, and they don't have connections with people who might invest in their venture

Pro partner: *Providing founders with access to a credible support partner*

● Founders who are already aware of RV

≡ To test next

Hypothesis

By providing founders with access to a credible entrepreneur who can help them grow and scale their venture, founders confidence will grow, increasing resilience and success during and between fundraising rounds.

Recommendations

Recommendation

Test a 'pro-entrepreneur' matching model with high potential ventures to give them access to 1:1 credible support to help them grow and scale. We recommend prototyping at a micro-scale (e.g. 2-3 ventures) or even funding and learning from the One Day (or similar) model and scaling into a larger scale pilot once a clear programme of support has been effectively tested and positive feedback received.

Relevant insight

- Access to a mentor who believes in them and their idea was crucial in enabling the founders we spoke with to progressing their ideas. They often wanted this person to provide business or market knowledge, and give them credibility.
- Some mentioned they would like a cofounder who could share their passion and drive.
- Some were struggling to navigate the amount of support on offer without the knowledge of what or where they should focus next.

Backing potential: *Creating a pre-investment support model for high fit ventures*

○ Founders accessible through existing networks

≡ To test next

Hypothesis

By bridging the gap in support from programme to investment for high potential ventures, RV will increase the number of ventures receiving RV investment with lived experience of the issue.

Recommendations

Recommendation

Pilot a pre-investment support model for ventures identified as high potential and high RV 'fit' via existing and new networks, reaching people who have gone through an accelerator or programme of support.

We suggest identifying potential candidates based on RV's institutional knowledge about which business and impact models are most likely to address a market need, and then supporting a small number of these founders with support, such as grant funding, to develop their capacity, and evidence and documentation required to access investment before starting the RV application process.

Note: Work needs to be done to ensure there is a robust structure for appropriate venture selection, as well as where this fits within the current support and signposting RV offers such as its linked to BGV.

Relevant insight

- Support often ends with a cliff edge, particularly after traditional accelerator or venture programmes end, meaning next steps feel too uncertain and financially risky to continue building their venture.
- People feel locked out of investment because they don't know what investors want or need to see, and they don't have connections with people who might pay for or invest in their service.

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Away AMA: *Designing spaces for entrepreneurs to ask questions + build confidence*

○ Founders accessible through existing networks

≡ To test next

Hypothesis

By enabling founders to self-identify as a good fit for RV and understand early on what's needed for them to be eligible for investment, the number of people applying for investment from RV will increase from networks not previously accessed/engaged with.

Recommendations

Recommendation

Identifying 5-10 relevant entrepreneur networks, design a space that allows entrepreneurs to self-determine whether they are the right fit for RV and build confidence to apply for investment with them. This may be in the style of an 'ask me anything' forum, capturing frequently asked questions and providing a safe, relational space (for example within existing networks) that doesn't require founder preparation or knowledge of investment before attending.

Relevant insight

- People with lived experience have strong connections to potential beneficiaries of their product or service, and a knowledge of the impact their idea will have, however can lack the existing connections with people who have the skills and experience they need to develop an idea into a viable business.
- People are unaware of social investment. Those who are aware feel locked out of investment because they don't know what investors want or need to see.

Hatchery: *Bringing together lived and learned experience*

○ Founders accessible through existing networks

≡ To test next

Hypothesis

By bringing people with lived experience together with expertise, RV will access relevant pipeline via a new origination method that is strongly aligned with RV's investment thesis.

Recommendations

Recommendation

Pilot a dedicated space to bring together people with proximity to the problem and experts with RV's expertise in Workertech to develop and test credible ideas.

We would encourage these spaces to be targeted (e.g. a day focused purely on ideation or rapid-testing/ evidence gathering) with clear parameters on how these spaces could translate into founder-led propositions.

Relevant insight

- People lack the time and distance from an issue to be able to come up with ideas and think about pursuing them.
- People lack the existing connections with people who have the skills and experience they need to develop an idea into a viable business.
- Venture building requires a team working towards the same north star. Networks are made up of people with different skills, strengths and motivations and they are all coming to ventures with different perspectives of success.

Right referrals: *Developing a high quality candidate referral system*

≡ To influence

Hypothesis

By helping RV's network better understand the type of founders that meet RV's eligibility the number of people being referred to RV by current or future network partners will increase.

Recommendations

Recommendation

Reach out to a number of networks working with lived experience founders* and work alongside these networks to develop an RV 'referral pack'.

This pack would aim to help networks better refer high potential candidates into appropriate support or to funding sources including Resolution Ventures. It would also help the RV team better understand what potential candidates might need to see in order to think about (and be confident) in getting investment from RV.

Note: These networks are likely to be those providing general entrepreneurship support to diverse founders. They may be 'start-up first' rather than specifically impact driven.

Relevant insight

- Meeting people where they are to get them thinking about entrepreneurship and ideas (e.g. Tiktok or Instagram, University, college and schools).

Investor surgery: *Supporting founders build relationships and get feedback from funders*

≡ To influence

Hypothesis

By increasing the amount of feedback and network of investors founders have access to, the number of lived experience and workertech founders securing investment will increase.

Recommendations

Recommendation

Engage a social investment network (for example, SIIG or FCH) to gauge appetite for a 'non-pitch' day where founders are able to get feedback on their venture and able to build networks of potential future investors.

This would be designed to improve confidence for investors in their pitch as well as offer investors a 'low pressure' environment to connect with founders outside of a formal process.

Note: Work needs to be done to ensure LE founders know this type of support is relevant and available to them.

Relevant insight

- People can end up spending time and money in the wrong places and going straight into product development without understanding the market, who their target user might be.
- Those who are aware feel locked out of investment because they don't know what investors want or need to see, and they don't have connections with people who might pay for or invest in their service.
- Introducing them early on to customers and investors who might pay for their product or service.