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MAY 2015

THE MAGAZINE FOR THE **STARTUP SCENE**

**ENTREPRENEURIAL MINDSET RAISING CAPITAL ECONOMY
OF SHARING** SEIS WHY PEOPLE BECOME INVESTORS



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DISRUPTS

STARTUP ECONOMY

What is your opinion on funding?

I had visualisation the other day, an animation of the process of starting a startup. It begins with jumping from a stratospheric air balloon without a parachute.

The earth is small. The fall begins. Look around; you're surrounded by hundreds of other people, all on this semi suicidal mission. Crazy bastards. They're just like you.

The aim of the game is to build a flying machine before you hit the ground. You have some of the components. You have to find and connect with the right people who have the rest of the components. You're plummeting towards the ground as you do this. The amount of time you have left depends on how high up you were when you jumped, and how fast you fall. As you build the machine, you'll fall faster.

Get building.

Find a co founder that's got the other half of the fuselage and wings, find a developer that can wire the controls, find another developer that can do it right this time, the machine is taking shape, angels are watching, but they won't catch you, the machine must fly. Hustler. Build an engine. Create revenue, the thrusters catch light and glow into life, the decent slows, is controlled, a bit more fuel, you're no longer falling, you're gliding, and now you're hovering by your own power. You look down. The ground is still a few hundred feet away, you test the machine, it maneuvers, you can choose a direction. Exhale. You did it. You're airborne. You made a machine that can fly. Make a few refinements.

Paint it some badass colours.

Get ready for the change of gear.

Here comes the Angel with the rocket fuel.

That's my opinion on funding.

Editor

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CROWDSOURCED ANSWER



LAURA WILLOUGHBY,
CO-FOUNDER OF CLUB SODA:

“ Being brave enough to make your own decisions - because the buck stops with you. Its empowering and scary at the same time.”



DIMPLE LALWANI,
FOUNDER OF SOCIAL BELLY:

“ Lots of people call themselves entrepreneurs because they’ve started a business. Having an entrepreneurial mindset is unfortunately a quality that not all entrepreneurs have. This unique quality revolves around the idea of being able to see an opportunity in every corner and being able to start something new every time. For me, one of the key aspects of having an entrepreneurial mindset is learning how to fail. If you’re an entrepreneur, you will have failed and your persistence will allow you to learn from that failure and make some use of it.”



“Nuts”

WHAT MAKES AN ENTREPRENEURIAL MINDSET?



GRAHAM ROBINSON
FOUNDER OF RADIO PLUS VIDEO

“ Passion, creativity and endurance.



CLAUDE SCHNEIDER,
FOUNDER OF PORTFORA:

“ - By definition, someone who sees - and takes - an opportunity. A gap in the market, or sees a way to solve a problem that people would pay for.
- I see myself as a problem solver, mostly by making things easier, and better; improving on existing ways of doing things.
- To achieve these, entrepreneurs must have a passion for what they’re doing (whether it’s driven by the desire to improve the world, or just build something awesome); and be relentless in their desire to achieve success, whatever setbacks or obstacles are thrown at them.



VINCENZO RUSCIANO,
FOUNDER OF HEAVENOTE:

“ ...the capacity of seeing the world differently and having the awareness to change it.

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IS IT FINANCE OR IS IT US? (THAT NEEDS AN UPGRADE?)



RAJA PALANIAPPAN,
Startup founder,
Barclays accelerator

WHILE WE ALL WATCH in awe at the meteoric rise of the FinTech sector in London over the past few years, the truth is that the real disruption hasn't really begun. Even the most famous disrupter in the consumer space, Transferwise, still uses a traditional bank to help process their currency transactions. But as more and more challengers chip away at consumer financial processes, it's time to start looking at the beating heart of financial services - investment banking.

THE COMPLACENCY, stagnation, and nepotism which has served as a catalyst for the disruption of other industries is nowhere more prevalent than in wholesale finance. For hundreds of years, investment banks have controlled access to the financial markets for investors, companies, and individuals. These bottlenecks are well established across multiple services, including securities trading, corporate bond allocation, and even fund management. With banks now playing catch-up in the technology race and having to deal with shareholder, regulatory, and reputational pressure, the time is ripe to break the gates open.

THE BENEFITS OF DISRUPTING wholesale finance are enormous. A handful of institutions are in control of literally trillions of dollars of capital; yet that capital isn't flowing to the "real economy." The costs are huge: the US Federal Reserve estimates \$10-12 trillion lost in output due to the financial crisis. There are SMEs and individuals who still have limited access to credit 7 years after the financial crisis. Central banks globally are spending trillions of dollars to try and jump-start stagnant economies and help these people and their businesses. Harnessing technology to rebuild the market's core structure can go a long way to solving the problem.

Technology has the ability to democratise the financial markets and get rid of the favoritism that unsettles it. And it's a market-based solution: crony-capitalism becomes free-market capitalism.



EDDIE GEORGE
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Are all the ills of our financial system a product of poor technology, a lack of blockchain, not enough crowd, no social? Or is it the case that the human condition is the problem, good old fashioned greed, selfishness and corruption?

For all the hype that currently surrounds FinTech, it's people that drive change, not technology. Tech is just the enabler. Upgrading our tech without upgrading ourselves will not necessarily bring about the positive change we all hope for.

Many of the same actors from the old world are building in the new, how is this going to be any different, will it be the enlightened self-interest that Entrepreneurs often demonstrate that saves us? Or is it that technology always creates better services at lower cost regardless? We've certainly experienced better services in other industries that have taken the tech plunge, there's no doubt that retail, travel, fashion, are all better for it, will this necessarily happen to Finance too?

We're currently in a difficult growth stage, a Wild West even, there's a lot of hype, regulation lags behind the technology, new untried features are legion as tech allows rapid experimentation, and there are a lot of newbies entering the market who are just at the start of their learning curves, see Silk Road for an unintended negative effect.

Is the transparency and clarity that comes with new technology a strong enough force to override the moral hazards in this Wild Web West? Or are we just churning the existing world into new tech version of the old?

Technology offers us a new opportunity that can create wins for all of us, but I believe it requires a counter-intuitive shift towards altruism that will benefit us all. The disruption of finance will not happen again anytime soon, so let's make sure that we get it right and upgrade our ethics and not just the tech.



CRITICAL MASS... HERE COME THE UPSTARTS.

CRITICAL MASS – those holy words of start ups. They're actually inscribed above the silicone gates to the promised land of unlimited pizza and free beer. I know, I've seen. Yet, what do they actually mean? In real, physical life, not just in terms of traction for the latest social app. Well, you can blame critical mass for the gentrification of Soho, Brixton, and where ever else you can now buy Starbucks... yet that's not necessarily a bad thing, it's the flow of people. Critical mass comes in tides, waves and currents.

IT USED TO BE THE ARTISTS that triggered the gentrification process. All they need is cheap space to live and create their thing. Give them a warehouse in a derelict part of town and they'll fill it with friends and freaks, and before long a coffee

shop opens, and the first flat white is sold. This cultural indicator, the flat white, is the harbinger of all things expensive. First the artists, then the freaks, fashionistas, cool and the gang, followed by want to be cool and the gang, followed by pesto, hummus, artisanal everything, and the artists pack up and move on to the next derelict warehouse in a forgotten industrial estate.

OF COURSE startups are the new artists, because art is sleeping for a while, dreaming and scheming of what to do next after playing its trump card of street art. And we don't want cold warehouses with one toilet; we want sickeningly fast broadband, 24hour access, and other startups all around us to bounce off. But there you go. Apart from that, SAMO.

Dimble founders Koran and Tomi in Whitechapel
Photo by Andrei Croitor



LONDON STARTUP EGO-SYSTEM

BY PAUL DOWLING



Silicon Valley is famous for crunching together brilliant minds, adequate capital and great advisors to produce world beating startups. Folk in The Valley are also famous for 'paying it forward', the concept whereby you give before you take. Could London benefit from a more sharing approach to developing early stage tech?

The London ecosystem will find it hard to compete with the massive resources of The Valley unless the players embrace some new principles making the most of the resources we have at our disposal.

PAY IT FORWARD

This is one of the first principles of networking. If you offer help before asking for it you are more likely to build a rewarding relationship. Ask potential future team members how you can help them and they will be more willing to join you. Show an interest in investors and they are more likely to fund you.

SHARE IT

Startups often talk about the sharing economy. Some even provide sharing solutions themselves. How many walk the walk themselves? Sharing can save time and money. Here are a few examples of what startups can share;

KNOWLEDGE

Why pay for an expensive lawyer or accountant when there is probably someone in your workspace who already knows the answer to your question. Share experiences for the benefit of the whole ecosystem.

SKILLS

Why take on an expensive resource to complete a short-term task when you can skill-share? Try lending out your graphic designer in exchange for a development resource.

SPACE

If you have spare office space, why not let it out to an early stage business at an advantageous rate. Not only do you get a small income stream but you also get access to new thinking and a vibrant atmosphere.

SERVICES

Founders can save a fortune by using a whole range of shared services. The cloud is a great example of sharing infrastructure. As well as simple hosting it is possible to dip into a whole range of software applications to save costs and improve time to market. Finally, startups can use consumer apps such as Airbnb and Zipcar to reduce fixed overheads.

What goes around, comes around. Your neighbouring startups are unlikely to be competitive. Open up and find ways to cooperate and share resources. This will help us to create a thriving startup scene.



BY MATTHEW BLACK

REVENUE, THE FORGOTTEN MONETISATION STRATEGY.

Show me the money! If you haven't seen it grab a copy of one of my all-time favourite movies Jerry Maguire. I don't think I have ever seen better articulated the importance of focus on revenue and not all the "stuff" that goes on around us.

I have met untold numbers of start-ups in my years, I was a business strategy consultant driving revenue into new projects in Silicon Valley at the tail end of the dot-com bubble, and see some parallels in the thinking here in London, that were the undoing of many a good concept. Top of the list is the near obsession many founders have around getting external funding, like it's a good thing giving away a chunk of your business. A necessary evil in my book and ONE path not THE path to success.

Want a hot tip on funding your business - selling things for a profit. Not sexy I know, but it's worked for thousands of years before some crazy person decided we can sell the idea of what money might possibly look like one day. Investors and markets are wise to that now and want to see revenue streams clearly defined, but some founders don't seem to have got the message and continue to ask for money to build castles in the sky.

What happened to shoestring? MVP? Trust me, we know you have "the grand vision", and you can sell investors on the all singing all dancing version of your product. But if I were your personal guardian angel, I would want you to build something and go and see if people will buy it. And I totally get you have a million reasons why that won't work for you, but with 68% of apps earning less than 650 quid since their launch, follow best practise on this one. Research, Test, build, test, tweak or pivot. Test, repeat.

BETWEEN THE EYES - FOR APP DEVELOPERS

63%

Developers whose apps are free
- High competition? Absolutely.

81%

Developers who felt they don't have a standalone business
- Whoa.

66%

Developers who don't have a marketing budget
- It hurts my brain to see this one.

STEP BY STEP FOR FOUNDERS:

1. Seek real world feedback on the saleability and validity of your concepts, constantly.
2. Features, functions and benefits does NOT equal a sales/marketing. In fact, it's not even close.
3. Go find someone that would pay money for your "solution", how much and why.
4. Build MVP and sell some, hell sell it before you build it (ever heard of crowdfunding?)

E
getred.co.uk

You have to learn the rules of the game, to play better than everyone else.



INCUBATOR .INC?

If America is anything to go by, over the next few years pretty much every international company is going to create an incubator program. The motivations include R&D, risk avoidance, recruitment, corporate cultural influence, and good old public relations and forward facing innovative image fabulousness. But before the bandwagon buckles under the weight of these hatcheries, here's a question for cohorts and incubators to ponder:

SHOULD INCUBATORS THEMSELVES HAVE A STARTUP MENTALITY?

Do they have the ability to make fast decisions? Are they opportunistic? Does everything get passed through 8 layers of management and back before a decision can happen? Is the incubator itself lean? Agile? Do they really understand startups? And do they need to understand them in order to be an effective incubator?

Arguably the incubator itself should have the same dynamic approach to business as the companies they are incubating. It's inevitable that the mentality and culture of the incubator will infuse the mindsets and mentality of the startups. If they have a kickass attitude, they'll output kickass upstarts. Like it or not, incubators may well be spawning their own likenesses. As more and more get into the game, some are going to get it right, and some are going to be pale imitations of what they could and should be.

And there's a real risk that some corporate incubators will take a safe thinking route, take on low risk startups with compliant attitudes, and in doing so, reduce the actual level of disruptiveness happening in the market. It's like the commodification of Rock and Roll, and if it happens to the startup scene then God Save the Queen.

IT'S NOT ACADEMIC

It was only 3 years ago I was in an enterprise program at Redacted University and the 'financial expert' (semi retired ex bank manager) came in to do a talk on funding for SMEs. He didn't mention Angels, Crowd Funding, Incubators, Accelerators, but he did talk a lot about Banks, and a pre millennial pornified search engine called Dogpile. As I watched a room of eager young wantrepreneurs diligently add DP into their notes, I knew this steaming mound of presentation hadn't been updated in years, and probably never would be.

In some industries, academia is at the front of the game. Think grapheme. In others, it's behind, but that doesn't matter. Art. But in business related degrees, academia needs to move in parallel with the market, and to vector with the live market to know what's going on.

One solution seems pretty obvious. Get entrepreneurs and founders into Universities to bring everyone up to speed. They could even use the consultancy fees, it supports founders and shares real time industry experience with groups of students who are just entering into the game. Unless this happens some courses will literally be teaching obsolete methodologies and skills. And at 9,000 a year, that's just Dogpile.

TBC, and if you want to join the chat @DisruptsUK or pen to paper editor@disrupts.co.uk

Toby Kress

TALKING ABOUT THE ACADEMIC INCUBATORS

Here's where we're going to see some really exciting progress happening. It's also going to be the space where the biggest discrepancies in quality occur, region to region, institution to institution.

Good academic accelerators have absolutely huge potential, probably bigger than corporate ones in some respects, if they can get it right. But can they, will they? As ever in this scene, everything's a startup, everything's for reinventing. Let's hand over to Toby Kress, Head of Accelerator, London Metropolitan University's business incubator.

mentorship to turn their idea into a reality.

From last year's Hatchery cohort EthicalBox, an e-commerce platform, has gone on to raise a seed round, make their first hire and sign up close to 100 sellers; Arctic Power Berries are selling internationally and have received 50K in investment. London Met alumni a few years ahead of them have succeeded in raising millions in VC investment. And it's not just tech companies. Students are just as likely to start a fashion label, food business or design agency.

These are the kinds of graduates the UK needs - prepared to thrive in the future economy, creating rewarding jobs for themselves and others, and driven to make an impact on the world around them."

DISRUPTS COMMENT: It would seem LMU got the formula right, a mix of student and non student businesses, and the obligation of mutual support between the two. There can be no resting on past success though, that's not startup mentality, there needs to be an urgency, a fear almost, that the competition is right behind, and the opportunities are right in front. I wonder what LMU ambitions are, to expand, scale up, specialise, replicate, diversify? They may be top of the game this year, but next years another story, another time, and I'll be disappointed if they aren't facing some serious competition, with the quality of the incubators becoming a major selection factor for UK and international students.

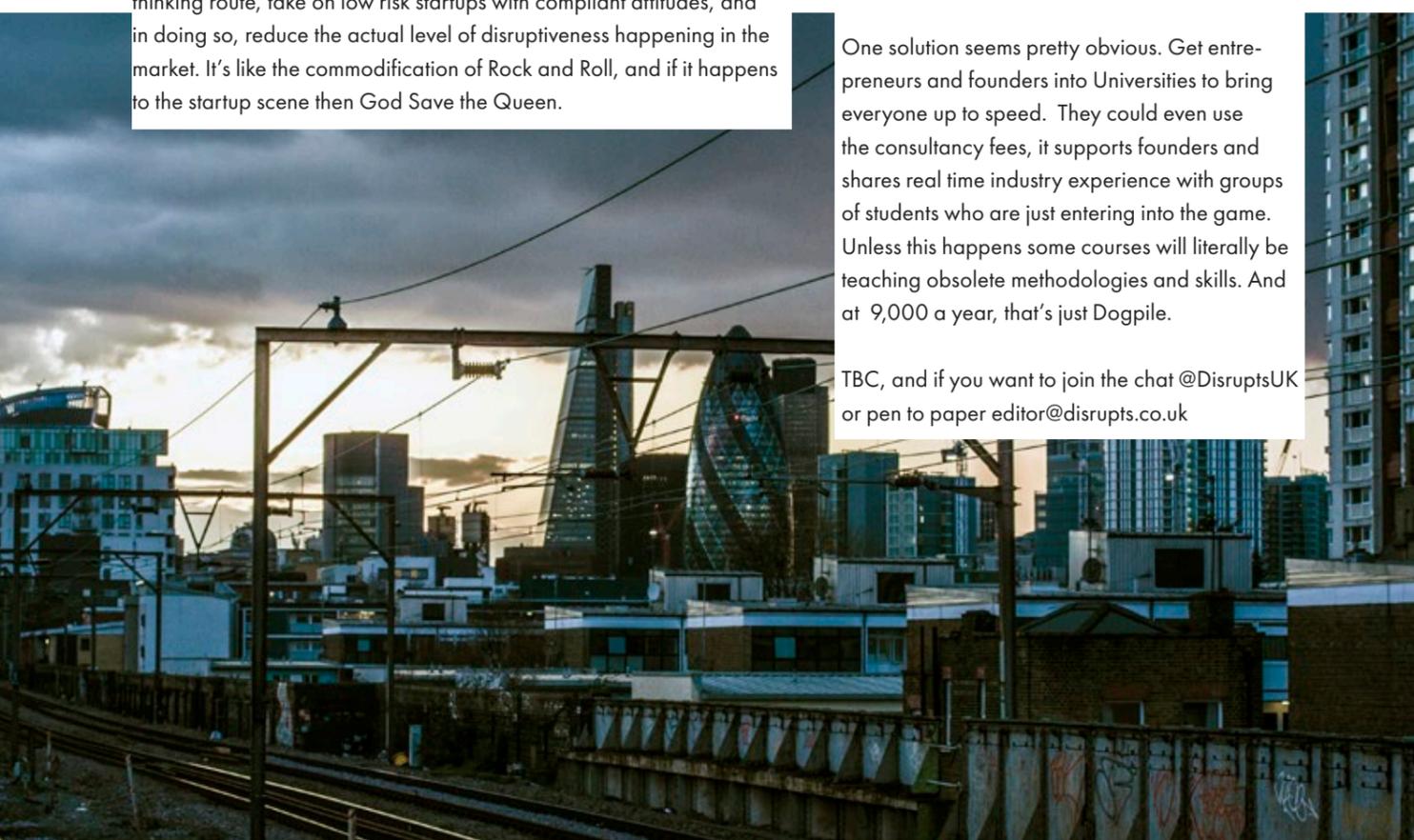
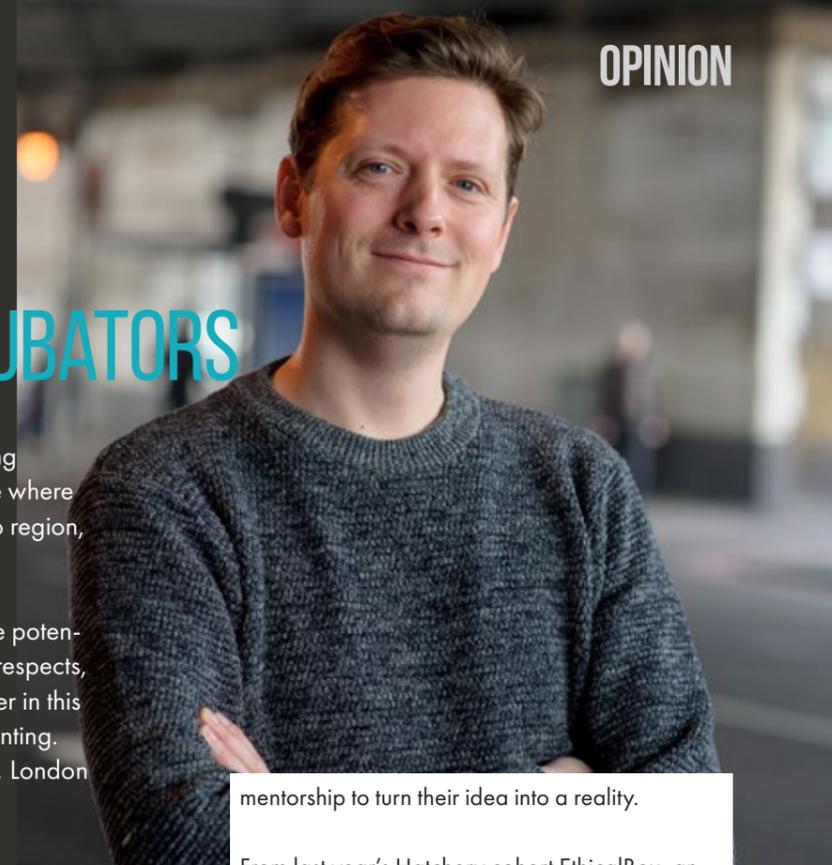
"What will a job look like in 20 years time? Things are changing so rapidly it's hard to imagine but the direction we're travelling is clear. Expect more uncertainty and less security - an increasingly complex and volatile environment. Scary? Perhaps, but it is also a huge opportunity. We're moving into a world that favours the flexible, the small, the bold, the passionate - the entrepreneur!

The current boom in the London startup scene is a window into that future. Last year saw a record number of new UK companies (184K in London alone) and an explosion of accelerators, incubators and co-working spaces popping up to support them.

LMU is a pioneer in this space. When they opened Accelerator ten years ago it was one of the first business incubators in Tech City. The mission has always been to help students and graduates from the university start their own businesses, but unlike other universities they saw the value in doing this in a real world environment away from campus, surrounded by inspirational entrepreneurs. So Accelerator is also home to fast growing tech startups who act as mentors to the student businesses. The model is unique and rather beautiful.

Demand from students is exploding. As the economy struggles to create good jobs young people are increasing taking their destiny into their own hands, with over 55% of 16-24 year olds wanting to be their own boss.

Accelerator delivers the support they need to get started though workshops, competitions and hands on courses that put young entrepreneurs in front of real customers. And it's working. The Hatchery - an intensive 12 week student startup programme run by Accelerator - has helped launch 35 businesses in the last two years. The programme ends with a pitch day where the best companies have a chance to win 6 months free office space and



RAISING CAPITAL AND MAXIMISING YOUR APPEAL

Raising capital can be a challenging process for start-ups. Doing all you can to make yourself attractive to potential investors will maximise your chance of securing investment. Chris Owen of Penningtons Manches LLP gives a summary of some of the key legal issues to cover off before approaching investors and the steps involved in obtaining investment once negotiations start. Before investing, investors will usually expect you to have dealt with the following key issues:

BUSINESS PLAN – a good business plan is crucial. You must demonstrate that your business is credible, likely to scale, when it is predicted to be revenue generating and cash positive and that you have a thorough understanding of its competitive advantage in the market.

VALUATION – investors will expect to see a realistic valuation of your business. This can be particularly problematic for early stage businesses. Look to comparables to assess value and factor in the time you need to become cash positive. The general rule is that the further you are from being cash positive, the more expensive the capital (and thus the lower the valuation). Be careful not to overvalue your business; this will only inflate investor expectations or risk creating a negative impression of your understanding of the market.

SERVICE AGREEMENTS – recognise the value of your team to potential investors. The team are a key asset of the business. Investors will be keen to know that pivotal team members will not be leaving once the investment is made. Service agreements, or employment contracts, should be agreed with them to ensure necessary formalities are in place to retain them.

INTELLECTUAL PROPERTY (“IP”) – investors will expect you to have taken adequate steps to safeguard the IP you need to operate your business and to protect it from abuse by potential competitors. Registrable IP (for example trademarks, domain names or patents relevant to the business) should be held in

the name of the company (and not in the name of one of the founders). Unregistrable IP (such as know-how and most software code) should, where possible, be protected by non-disclosure agreements before any confidential information is disclosed.

EXIT STRATEGY – investors may well expect an exit strategy where they can cash in their investment. You will need to be able to give a general overview of the likely exit mechanism through a trade sale or a new investor, for example.

FINANCIAL PROMOTIONS ORDER – under UK financial services legislation, any oral or written communication to encourage an investor to invest in your business is considered a “financial promotion”. Financial promotions should only be made by, or approved by, an FCA-authorized person, unless an exemption applies. However any financial promotions you make to an investment professional who is FCA authorised, a certified high net worth individual or self-certified sophisticated investor are exempt. You will therefore need to make sure that you are dealing with exempt individuals as investors.

Once you have dealt with the issues discussed above, you should then be in a more favourable position to approach investors. The usual legal stages of the investment procedure are as follows: Non-disclosure agreement – this ensures that confidential information disclosed to investors remains confidential. Such an agreement should be signed with each party who will be receiving confidential information about your business.

HEADS OF AGREEMENT – this is usually a non-binding letter of intent to invest, setting out the key terms of the investment. Agreeing heads of terms is a useful exercise in flushing out any issues

that may prove a deal breaker, before starting detailed due diligence and document drafting.

DUE DILIGENCE – the process by which the investor will review the business to verify your valuation and business plan. This can be a frustrating and time consuming exercise for those unfamiliar with the process. It is important to remember that it is at this stage that you need to prove to the investor that you are a worthy investment. You should try to see the process from the viewpoint of the investor, as they will want to ensure that you are as safe an investment as possible before they part with their money. You must be thoroughly prepared so that you are able to back up assertions in your business plan with evidence. In particular, if the success of your business is underpinned by a number of key contracts, you should ensure that the contracts are in writing and the terms and obligations are clearly defined. If not, you should take steps to document the terms of the agreements. Investors will expect clarity and certainty.

INVESTOR AGREEMENT – the legally binding agreement that sets out the terms of the investment and the nature of the relationship between your business and the investor. This will normally give the investor the right to have access to financial information and in certain circumstances the right to veto certain decisions not contemplated by the original business plan. It may also give the investor the right to have board representation. At the same time the founders may be asked to undertake to protect the goodwill of the business by agreeing not to compete with the business in the event that they decide to leave within a specified period after completion.



www.penningtons.co.uk

GETTING FAT ON THE LEAN STARTUP

by Dan Jacobs, Nomorefiling.co.uk

With origins dating back over 100 years, the Lean Startup is a methodology devised by Eric Reis and popularised through his book *The Lean Startup* (2011). Reis, a software engineer noticed the phenomenon of startups sinking millions of dollars into their products before releasing them to the public only to find that the customer demand wasn't what they expected. The core of his lean approach is his belief is that product fit and market demand for a product or service can be determined with considerably less time and money than has been the norm.

One of the key terms that Reis uses is Minimum Viable Product, this being the minimum product required to validate the idea. The concept is that a business builds the very bare minimum functionality, launches the product as quickly as possible to get user feedback which can then validate the idea and justify further investment.

Reis is also an advocate of A/B testing which means baking into your product the ability to try two different versions of the same feature or user interface. With proper tracking you can analyse which is the more successful.

The final piece of the lean puzzle which Reis employs is the 'pivot'. Reis defines it as a “structured course correction designed to test a new fundamental hypothesis about the product, strategy, and engine of growth.”

Implementing Lean in your business is harder than it sounds, my own personal experience is that defining exactly what the MVP is can be a real challenge and there is often a desire to keep adding more and more features before releasing MVP into the wild.

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MAKE THE MOST OF SEIS

By James Richardson, director at Metric Accountants

So, you're a startup and you've bootstrapped your idea for the first few months. You now have the building blocks ready but you need investment to make it happen.

Unfortunately, a few years ago, that was as far as many would-be companies reached. The perceived risks of investing in such an early stage company were considered to be too high by the typical investor and too early to attract Venture Capital investment.

That's why the tax break, the Seed Enterprise Investment Scheme (often referred to as "SEIS") was introduced, to make it easier for small, early-stage companies to raise funds by providing very generous tax reliefs to investors who take risks on these very early stage ventures.

HOW DOES SEIS WORK?

SEIS allows investors to collectively invest up to 150,000 in a limited company that is under two years' old. There are certain industries that are excluded from SEIS, but most goods and service industries do qualify.

There are certain rules that investors have to comply with. Investors may invest up to GBP 100,000 per year into SEIS investments and may not control more than 30% of the company.

If a company wants to raise more than GBP 150,000, then it can use another (slightly less generous) tax break – the big brother of SEIS – the Enterprise Investment Scheme (or "EIS"), which allows a company to raise up to GBP 5 million per annum.

6 PRACTICAL STEPS FOR COMPANIES USING SEIS

There are certain pieces of advice I would give to any company considering using SEIS (or EIS):

- 1. SEEK PRE-APPROVAL.** Obtain "pre-approval" from HMRC. Whilst not compulsory, this gives the investors confidence that they will indeed get the tax breaks that these schemes offer. Having pre-approval gives you an advantage against any competitors and can reduce the time of finding the investment you are looking for. Plus, if HMRC issues a pre-approval notice incorrectly they are required to honour it.
- 2. START THE PROCESS EARLY.** It takes circa 45 days for HMRC to consider/draft/issue a pre-approval letter and it will likely take a few days to pull together the necessary supporting information to complete the request, so you're looking at close to two months. The sooner you start, the better.
- 3. GET EXPERT ADVICE.** There are so many hurdles to be aware of with SEIS (and EIS) that can trip you up. Ensure you get the right advice before collecting cash from investors, issuing share certificates, etc.

- 4. GET A SHAREHOLDERS' AGREEMENT.** Don't expect others to feel the same passion about your business as you do. At the end of the day, this is an investment, where the aim is to make money. Having a shareholders' agreement can avoid problems later.
- 5. MAKE USE OF SEIS WHILE IT LASTS.** Having reviewed the recently issued manifestos of all the main political parties, not one has confirmed that they will definitely be retaining tax breaks such as SEIS (or EIS) in the next parliament. Therefore, make the most of it while it's in existence.
- 6. KEEP A TRACK OF THE FUNDS USED.** In order for a company's investors to claim the tax break, the company must be able to demonstrate that it has used at least 70% of the funds invested. In order to make this easier to track, we suggest you set up a separate bank account for the investment (and prioritise using these funds).



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ECONOMY OF SHARING

WHAT IS IT?

The Sharing Economy is an economic system built around the sharing of human, intellectual and physical resources. The term is often used for businesses that enable people to access rather than own goods such as car clubs like Zipcar or peer-to-peer accommodation sites like Airbnb.

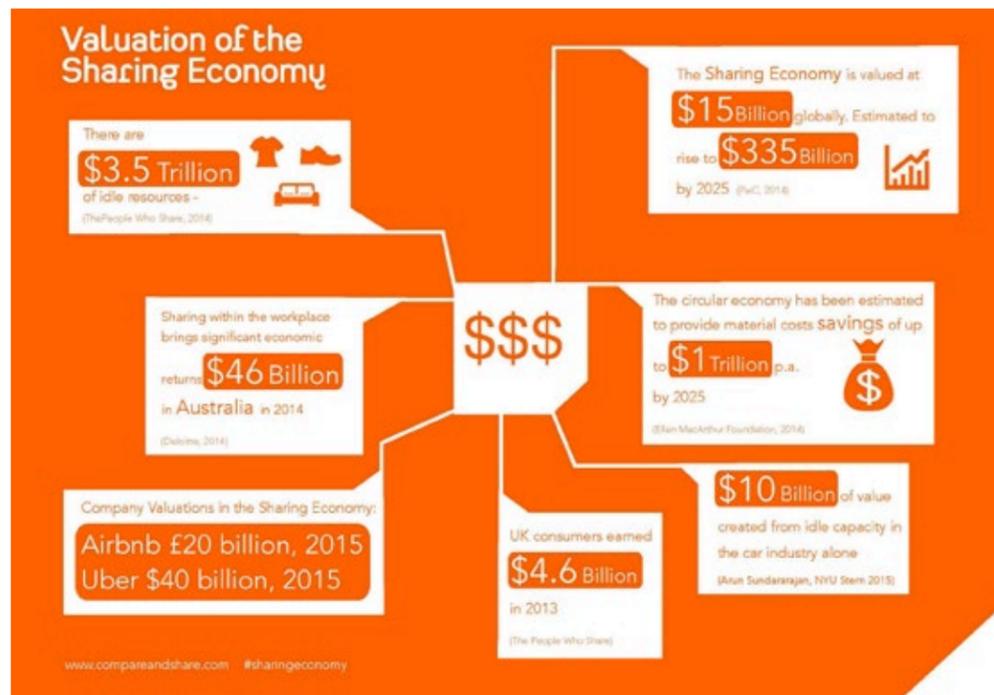
In reality though, the Sharing Economy is much broader than that – it's a hybrid economy that includes different kinds of value exchange such as swapping, freecycling, alternative currencies, timebanks... It signals a cultural shift away from hyper consumption and a 'me' based society to a 'we' based society where community and connections matter. The real Sharing Economy is purpose driven and puts people and planet at its heart. The 'sharing' refers to the sharing of resources (human, physical, intellectual) and different kinds of value exchange.

There are now over 7,500 Sharing Economy sites worldwide and this number is growing daily. They range from for-profit companies valued at billions, to local community initiatives run by volunteers.

Benita Matofska

Benita Matofska is Chief Sharer and Founder of Compare and Share and a global Sharing Economy expert.

@benitamatofska
www.compareandshare.com



Source: www.compareandshare.com

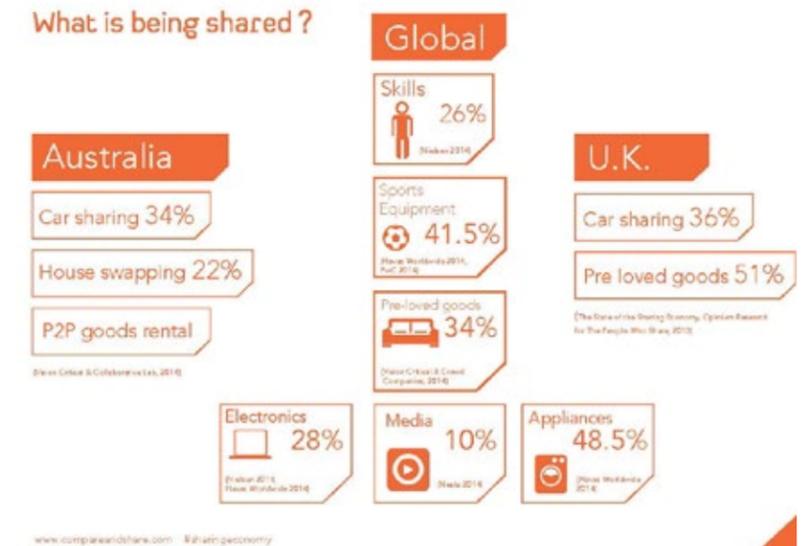
WHO BENEFITS?

The media has focused on the economic value of the Sharing Economy – our recent report 'What we know about the Global Sharing Economy' revealed that the SE is growing faster than Facebook, Google and Yahoo combined. But considering just the economic value, only tells part of the story. When you car share, you lower carbon and connect with others; when you exchange pre-loved goods, you divert from landfill and extend the lifecycle of the product. When you divert surplus food to people living in food poverty, you save lives.

By providing more people with access to goods and services (it costs far less to access shared goods than to own them - you just pay for what you use, not for what you don't) a wide range of people benefit. A recent piece of research carried out by Arun Sundararajan from NYU Stern found that people from low income communities benefit 3 times more (from the Sharing Economy) than others. When you just pay for use, the cost is much lower and therefore more affordable. The Sharing Economy also offers a range of employment opportunities, with greater access to flexible work.

DO WE NEED IT?

The Sharing Economy enables people to access things they couldn't afford to own and demonstrates ownership is redundant; it makes no sense to own things you don't use. We live on a planet with finite resources and a growing population – sharing resources is an inevitability - that's why the smartest businesses know that if they build their business models around the sharing of resources they're future-proofing their businesses. It's smart to share.



Participation



Source: www.compareandshare.com

WHAT IS "COMPARE AND SHARE"?

Some time ago I was trying to book a family holiday and after trawling through hundreds of sites individually realised that there had to be a better way. I wanted to access the sharing lifestyle all in one place, just like you do via sites like Skyscanner for air travel.

Compare and Share is a one stop comparison marketplace for the Sharing Economy, quite like Skyscanner, where instead of being affiliated with airlines, we're affiliated with sharing sites.

Our vision is to open up the Sharing Economy like eBay opened up the second-hand goods market. We want to help the 40% of the global population that say they'd access sharing sites if it were easy. We are now living in a society where people want to share. It's good for the planet, for people, for business. Sharing is good for everyone. I'm building a business that will contribute to our future – a sustainable future.



THINKING INSIDE THE CUBE

LUKE LANG,
CO-FOUNDER & CMO,
CROWDCUBE

AN HOUR AND TEN MINUTES INTO A PHONE CONVERSATION WITH LUKE LANG, CO-FOUNDER OF CROWDCUBE, AND THE FULL IMPLICATION OF THE CROWD HITS ME.

THE CROWD is a massive subject. There's so much to talk about, the concept of collective wisdom and pooling of resources. Heck I was doing that in a teepee ten years ago, tribe funding a festival. These are ancient, natural, collectively intelligent ideas that have been digitised and made totally accessible and awesome to anyone.

The wisdom of the crowd. Efficiency, speed, refinement of process. Is the crowd the shrewdest judge of business? Will the crowd outperform Angel networks, VC analysts? Probably, and here's one reason why. They are engaged with the companies, they're part of them, invested in them. They're sharing them on social media, buying their products, they're ambassadors, evangelists, and a marketing force. They aren't passively picking and predicting business success, they're co-creating it. Mahooosive difference.

This utopian potential, it's like the re-emergence of co-ops, collectives, but without the yogurt weaving. This time the tech savvy marketing wizards are in the game.

NEXT

Here's another bit of intel from Crowdcube, and a lesson for all startups, especially those who get big traction and go skyward.

Crowdcubes average deal value has risen year on year. It recently hit 350K, partly due to a number of seriously big funding rounds from Just Park and Camden Brewery and a few other high hitters.

How did Crowdcube respond to this success? Drive for bigger and bigger, yes?

No. They recognised that if they aim to constantly increase the average deal value metric, they'll lose touch with the smaller startups, and lose touch with the founding function of the company. The glamour and lure of big numbers hides a threat, the risk of

detaching from the core market. If they detach from the ground, they float up, and leave a space below them, which sooner than later someone is going to enter and take, pushing them further up and away.

So rather than chasing bigger average deal metrics, they have a number of targets within Crowdcube which relate to the size of the business sectors, not the overall average. They're actually aiming for a realignment, and reduction in the average deal value, based on increasing the volume of ground level (under 150k) deals.

This is the difference between building a mountain and a rocket. The mountain becomes far more massive, and it doesn't leave the ground. And its summit becomes a fabulous place to launch rockets from. I digress.

CROWDCUBE SPRINT PROGRAM:

Let's look at that.

So as part of their intention to increase the width of the base, as well as the height of its peak, they've created a Sprint Program, the launcher on top of the mountain.

It's a fast track to funding, for seed stages from 20,000 to 150K. The aim is to get the startup from zero to hot on the site within 14 days, with no legal or admin fees. That's fast. Especially as Crowdcube normally reject 75% of their applications. It's about building transparent quality in, and building processes that refine and simplify the service and product.

Another process, launched autumn 2014, and now quarterly, is their accelerator. They take 20 active startups, and put them through an intensive program, how to prepare, how to do a successful pitch, video production, marketing, valuation, 1 to 1 mentoring, all the components of a successful campaign, including the opportunity to pitch at live events in front of 100 investors. The next one's in June.

Crowdcube is about transparency, quality of deals, quality of teams and ideas. And look how the ideas are changing, evolving, maturing. Only a few years ago crowd funding was for consumer stuff only, and preferably digital. Now specialist industries are getting involved, Medtech, and projects like the Eden Project in Cornwall. Nothing (except adult and gambling and presumably weapontech) is beyond the opportunity of the crowd. Oh, that's an interesting observation. Crowdfunding even reflects the ethics of the crowd. It truly is a democratisation, it's perfectly human.

LOOK TO THE FUTURE.

Rather than everyone investing by proxy via pension funds, soon comes the day where we invest ourselves in the companies and community projects we choose. Rather than government supporting communities and business via quangos and third sector projects, they'll distribute financial support through the likes of Crowdcube. And if you think that's pushing it, guess again, because it's already happening. Crowdcube themselves are fund-managing 5M of taxpayers money from the London Co Investment Fund run by the Mayor of London, investing in London based companies in the digital tech and science sectors.

Expanding the crowd concept, wider, deeper, higher, faster. This is what struck me after an hour and ten minutes.

The crowd is the Internet of people. Cubed.

THINGS WE DON'T QUITE GET YET

“INTERNET” BANKING

So, you've built up the courage needed to try to handle your financial situation from the comfort of your own sofa? Great.

FOLLOW THESE SIMPLE STEPS:

1. Find the ridiculous personal¹ calculator thing that needs to work² with your card to give you an access code.

¹ Not at all personal. They all work interchangeably. Between banks. Try it.

² Work being a relative term. Although, due to 1 you can just grab another one; swings and roundabouts.

2. Manage to type in your password and the verification checksum before your time expires.

3. Attempt to answer a few simple security questions such as:

“What are the 2nd, 6th, and 17th characters of your mother's uncle's dog's breed when converted into a hexadecimal string?”

What? You've forgotten? But that's the answer to one of your chosen security questions! It's there to keep your finances safe.

“Please use telephone banking to verify your identity change the answers to your security questions...”

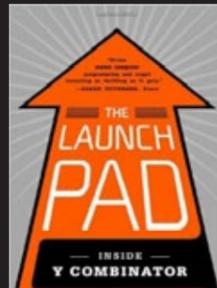
Ok... you're determined and you have nothing better to do for the foreseeable future. Let's try it.

It's a good thing anyway - you wouldn't want to make it easy for just anyone to get access to your account.

After an hours wait, you get through to a customer service assistant who, in the politest tone asks you for your full name, and only three other things. Things that no one else could ever know. Your date of birth, your address, and your mother's maiden name.

Got those right? Fantastic! How much would you like to withdraw?

THE BOOK BIT

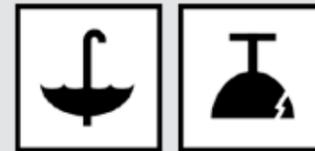


The Launch Pad
Inside Y Combinator
by Randall Stross

Randall Stross was given access to a Y Combinator cohort; he spent the duration of the program with them, and composed this book. If you want to visualise it, imagine a graphic equalizer of startups fluctuating in possibilities, viabilities, and the metrics that are the measure of their vital signs of life.

As well as being an exciting journey interspersed with background, history, theory, and comment on the Silicon Valley scene it's inspiring, intelligent, and distills much of the experience and understanding of Y Combinator overlord Paul Graham into a narrative well worth the couple of Amazon dollars to Kindle it.

Any Startups applying to incubators, Y Combinator or otherwise, would be well advised to invest. It could make the difference between in and out. Game on.



NETWORKING DONT'S

As we all know and love, networking is a vital and enjoyable aspect of business. However, there are ways of doing it which can be categorised under the heading of “don't”. Some of these we've tried, others we've witnessed, and a few we'll probably do sometime soon. So grab yourself as much booze as can fit in a plastic cup, layer up some pizza slices, kick back and enjoy.

DON'T:

- Walk in. Take a beer. Walk out.
- Do drinking competitions. *Not here. Not now.*
- Discuss Russian 'politics'. *Big brother is watching.*
- Assume someone has been to prison just because they have tattoos. *All over their neck?*
- Get into reincarnation debate. *Maybe next life. Maybe not.*
- Get so literally blind drunk that you are crawling along the floor like a cave bat. *Why not?*
- Flirt. Don't not flirt. Don't not, not flirt.
- Rant about how boring the corporate career is... to the top manager of a big bank. *She is your husbands' boss.*
- Making sexist jokes. To a milf. *Who is milf? What is that?*
- Drunk dial your ex investor. Bragging about the new one. *It's the same person.*
- Hand out business cards that you have just collected from people. *Even if you crossed out their names and wrote your own.*
- Walk in. Take cold pizza. *Too late now anyway.*

If you're reading this magazine, you can solve these problems for the good of mankind! We believe in you!

Email us your opinion at editor@disrupts.co.uk

Riverside Studios, Luke Johnson, Andy Harries
The Generation of Z Ltd and Jean Doumanian present

LONDON'S MOST TALKED ABOUT SHOW

'YOU ABSOLUTELY HAVE TO GO AND SEE THIS'

DIGITAL SPY

'THE GENERATION OF Z WILL BLOW YOUR MIND'

MTV

'IF YOU'RE A FAN OF SHAUN OF THE DEAD OR 28 DAYS LATER THIS IS A SHOW FOR YOU'

MAGIC FM

'IF YOU LIKE ZOMBIES OR IMMERSIVE THEATRE THIS IS FOR YOU'

ANDY NYMAN

'A BLOODY FEARSOME THEATRICAL ADVENTURE!'

XFM

'A MUST SEE. PERFECT FOR HORROR AND THEATRE FANS ALIKE'

DAILY EXPRESS

'PHENOMENAL THIS IS A PERFECT TERRIFYING NIGHT OUT'

GAY TIMES

THE GENERATION OF Z APOCALYPSE

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LONDON **STARTUP** EVENTS CALENDAR

DIGITAL SHOREDITCH

May 11th to May 24th
Greater Shoreditch, State of Mind, East London.
Digital Shoreditch Festival is a two week mass-community celebration, inviting the entire world of tech, creative and all their converging industries, from around the world to East London.
<http://digitalshoreditch.com/>

THE STARTUP FUNDING GAME: WHICH METHOD SHOULD YOU CHOOSE?

18:30 - 21:00, Monday May 18th
Google Campus, 6-8 Bonhill St.
This panel event will provide founders with a practical understanding of the essential things to know in order to navigate through the early stage of a company's existence and raising capital and give perspectives from various methods of raising finance such as through an accelerator, VC, Angel investor or crowdfunding platform.
<https://www.campus.co/london/en/events>

HOW TECHNOLOGY EATS BUREAUCRACY

18:30 - 21:00, Tuesday May 19th
Google Campus, 6-8 Bonhill St.
Meet Leerom Segal and Jay Goldman, co-authors of the New York Times Bestseller The Decoded Company as they reveal how a growing number of industry-leading companies are turning the Big Data lens inward, decoding employee work data in the same way that apps decode customer data to personalize, simplify and enhance the user experience.
<https://www.campus.co/london/en/events>

INSIDE MSVA

18:30 - 21:00, Thursday May 21st
Central Working Whitechapel, 69-89 Mile End Road.
Microsoft Ventures are again opening their doors to let you in and ask everything you ever wanted to know about what life is like inside an accelerator, what you can expect to get from it, what they will expect from you and so forth.
<http://h-h-h.co/events/>

GOT A PROBLEM? -> GET A SOLUTION!

18:30 - 21:00, Tuesday May 26th
Google Campus, 6-8 Bonhill St.
The basic premise is to help you solve your current startup problems by giving you an opportunity to briefly explain what you are struggling with to the audience - and they - in turn - will suggest solutions for you.
<http://h-h-h.co/events/>

DON'T PITCH ME BRO!

18:00 - 22:00, Tuesday May 26th
The Trampery, 239 Old Street.
Get the feedback your product deserves, not the feedback your pitch earns...
Our monthly demo night for early stage startups. Don't Pitch Me, Bro! is designed to get to the nitty gritty of business, not the hockey stick graphs and zero revenue models, but instead designed to help you ascertain where the next step may lie.
<http://3-beards.com/dontpitchmebro>

TECHHUB DEMO NIGHT

17:30 - 21:00, Tuesday June 2nd
Google Campus, 6-8 Bonhill St.
TechHub Demo Night isn't about pitching for funds - it's an opportunity to show the community what you're working on - get some feedback - and see what others are toiling away on. If you'd like to apply to present at Demo Night then sign up.
<https://www.techhub.com/events/>

TECHSTARS FINTECH SPEAKER SERIES - STAYING AHEAD OF THE CURVE

18:00 - 20:00, Wednesday June 3rd
Central Working Whitechapel, 69-89 Mile End Road.
Don't be left behind. In such a fast moving, evolving market it's imperative to stay a step ahead of your competitors. Join Datamonitor Financial's market specialists at our final Techstars Speaker session as we explore how markets are adapting to the latest trends in retail banking, payments and wealth sectors and where they are heading next.
<http://www.techstars.com/>

CO-FOUNDER DATING & SPEED PITCHING

18:00 - 22:00, Tuesday June 9th
Google Campus, 6-8 Bonhill St.
The ORIGINAL and still the BEST Co-Founder Dating & Speed Pitching event EVER!!!! If you are looking for co-founders or connections in general; if you want to pitch your idea/product/service/skills/etc. or if you just want to come and watch an entertaining, rapid fire event, then this is THE one to attend.
<http://h-h-h.co/events/>

TECH ALL STARS 2015

09:00 - 18:00, Tuesday June 16th
Google Campus, 6-8 Bonhill St.
Tech All Stars brings 12 of Europe's hottest startups together for 3 days of training - pitching and networking with our panel of high profile investors. Our 3 finalists will then go on to the Founders Forum in London.
<http://techallstars.eu/>

Got a startup event? Send your event listing to editor@disrupts.co.uk



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APPS TALK CONTINUED

WITH JASON KNEEN

HOW LONG DOES AN APP TAKE TO WRITE?

"HOW LONG IS A PIECE OF STRING?" is the usually response you'll get to this question, especially if the specification consists of a few lines or "I'd like an app like Instagram". How long an app takes to develop is dependent on what platforms you're targeting the functionality of the app of course, but also any 3rd party dependencies it might have.

In some cases, it's dependent on a deadline such as a conference, event, or product launch. In this case, it's more a question of "how much of the app can we develop in the time we have?".

It's obviously important to know how long an app will take and how much it'll cost so it's **really** important to give all the necessary information to the developer. Ideally this should include designs or "wireframes", and examples of the app user experience. This is really important information that can help a developer understand what's required, ask questions, and raise any issues that might need to be addressed before or during development.

Also important is ensuring that any 3rd party dependency, such as a server API, is in place (API = Application Programmable Interface - what the app talks to). Having this ready, documented and testable, is vital. The worst mistake that can be made is providing a developer with an incomplete, non-functional API, as it can really slow down development, and increase time and cost.

Typically, and unless you hire someone full-time, you'll be dealing with a freelancer or agency that's juggling several projects - and this means giving them everything they need to be productive. Otherwise what'll invariably happen is they'll push back to you for more info, and switch to something else - this means the foot is off the pedal and no development is happening - this is a situation you want to avoid.

It's also really important to ensure you have someone who is focused on managing the project from your side. Not necessarily a full-time project manager - but someone who understands the app, its requirements, and can answer questions.

(Personally, I've found using something like Google Docs is really helpful to document the app requirements from the outset, creating a working document that can be edited as you go.)

Ultimately the more up-front information you can provide to a developer, the better placed they will be to give you an accurate estimate of timescale and cost.



IS IT WORTH DEVELOPING FOR WINDOWS PHONE AND BLACKBERRY?

Another great question. Again this depends on a few factors but mostly it's about time and money. Most startups, in my experience have a budget that usually stretches to either one platform or two (iOS and Android). Typically it's down to cost and time and it's also about "testing the water" on what they consider to be **the** platform to launch on, which in most cases is iOS.

In my experience, probably the majority of enquiries I get are for iOS and Android, then iOS only, then a small percentage of Android only and almost no enquiries for Windows Phone and none for Blackberry.

Obviously it depends on your target audience - if it's a Blackberry only audience for a corporate solution then clearly you need to support it, but in most cases I find that startups are targeting iOS and Android first.

As with anything, I'd focus on doing something well on minimal platforms to start with - and if you use a cross-platform development system, then iOS and Android are a must-have. However, once you have a product out there and if you can see the need to develop on other platforms, then that's the time to look at these more seriously.

Interestingly I'm seeing many startups now launching a single platform app, then adding a "would you like to see this on iOS/Android/Windows etc" form on their web site, to understand how many people out there actually want it, before they commit to developing it on those platforms.

SHOULD WE USE A CROSS-PLATFORM DEVELOPMENT SYSTEM?

Firstly, let's understand what cross-platform development means. Traditionally app development has meant using the tools provided by Apple, Google etc - so developing with languages like Objective-C and Java. To do that, startups have had to hire developers who can develop in either **or both** languages.

In the past, this has led to some startups focusing on one platform - usually iOS - because it's seen by many to be the most popular with users, and it's cheaper to develop on one platform. In the last few years there has been a movement toward "cross-platform" development systems, which usually consist of developing for both iOS, Android and other platforms, but with one key difference - you develop in one language. For some systems, like Xamaritan, you develop in C# - for others like Titanium, you develop in JavaScript. Some, like PhoneGap produce "hybrid" apps - where you have a native wrapper around an HTML based web app - and others like Titanium, NativeScript and React Native, you create native apps from JavaScript. The advantage of these systems is you can develop in one language, on multiple platforms, and depending on the system you use, you can get a level of performance that's as fast as developing in the "traditional" way. The other bonus is cost and time. With the ability for some of these systems to share up to 90% of the code between platforms, you can end up developing your app once, and deploying it to multiple platforms with minimal effort. This means you get your app quicker and cheaper than traditional development methods. In the case of Titanium - which I use - I can develop both iOS and Android apps at the same time, producing a native application that shares 90% of the same code and runs smoothly on both platforms. A single code-base, written in JavaScript.

Of course nothing is perfect, and cross-platform development systems add another layer on-top of normal development. They can make it easier to develop applications on multiple platforms, but like most languages (especially JavaScript), you can still develop a bad app! You're also dependent on a third-party, who has to keep their platform tools updated in order to keep up with the new versions of iOS, Android etc but to be fair, most cross-platform systems do this in time for new releases.

With more cross-platform development systems coming out like React Native, and NativeScript, and with the ability to produce native apps (not web apps) with these tools, they have quickly become a viable way for startups to develop cost-effective mobile apps.

Of course there's one type of app I'm missing out here - a web app - and that's also a perfectly good solution for some startups. A mobile web app can be responsive to different platforms, different device sizes, and give you the ability to get your app on every device out there. The problem of course is that a web app is not a native app, and in my opinion will **never** be as performant as a native app - the experience is just not the same.

Despite progress with web apps having offline capability, the ability (in some cases) to send notifications, and interface with aspects of the platform - such as GPS, cameras and motion sensing etc - there is still a massive demand for native apps out there - and I don't think that's going to change anytime soon.

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DESKS, CATS AND FESTIVALS...

WITH JAMES ALLSOP

How do you get an interview with the director of one the biggest industry events in London, days before launch?

Well... I got up, walked over to his desk (one of my infamous three second cardio workouts) and asked him if he had ten minutes for a chat.



KAM STAR AND I run a games company based in Shoreditch, and as such going out isn't really our thing. A few years back we realised that a lot of companies in the area were winning awards but it was the first time we'd heard of them, even though they were only a stone's throw away. Wanting to make a few new friends we hatched the grand plan of going down literally every road in Shoreditch, knocking on every door – be it a design agency or a cafe – and introducing ourselves. We invited everyone we met to a "show and tell" day we decided to call Digital Shoreditch.

IT COULD HAVE BEEN ANYWHERE REALLY, we just happened to be based in Shoreditch. In fact, there was quite a bit of luck involved, and timing definitely worked in our favour. There was a lot of money being pumped into the area because of the 2012 Olympics and the government pushing the Digital City agenda.

IT WASN'T OUR OBJECTIVE TO CREATE THIS MASSIVE FESTIVAL. We didn't actually realise how big it was until we sold out of all the tickets... and then had to squeeze in 12,000 people into a circus tent across the road from the Tea Building. That was fun! We weren't really events people, we were game designers... well, we still are, but we've also ended up growing this massive event from a meetup group. A lot of people just enjoyed the idea of show and tell because all the content is crowd sourced, so it doesn't matter who you are. It's all about the story.

THE CAT started as a bit of a branding exercise. We wanted something to show the personality of the company. Obviously we're from a tech background, so that gives us an affection for GIFs, and cats... especially together. The cat was a fantastic fit for our culture, and ever since we've had the cat people relate to us as a fun company. I think it was AARM, which one of the more serious tech companies we've had to deal with, admitted they only worked with us because we had the cat in the logo. So we know the cat works...

CALLING IT DIGITAL SHOREDITCH probably isn't very accurate any more... Digital East London maybe? Greater Shoreditch as dubbed by Lord Wei? We have events going on in Dalston, Hackney Wick, even Haggerston Riviera – what a fantastic name! So yeah, we're way of out Shoreditch by now. Kam always refers to Shoreditch as a state of mind... it's more about what you do rather than where you do it. It's quite amazing to realise the sort of work going on around, you'd never think that a small creative agency two doors down would be working on the next James Bond film.

AND THAT'S WHAT MAKES IT HAPPEN – community! We wouldn't be here if it wasn't for companies big and small helping us out, a huge part of the festival is freebies.

HAVING LIVED IN LONDON FOR ABOUT SIX YEARS, I've spoken to my neighbours about four times – but that mentality doesn't really exist in this industry, especially in co-working spaces. You can literally just get up and start a conversation with anyone in the room. I doubt we'd be having this one if we weren't both based at Central Working Whitechapel. I think that's one of the reasons we've thrived as an event. The cooperative nature allows so much collaboration, and there isn't really any one that's closed off. It's actually easier to borrow some brainpower from a successful, creative, entrepreneur, than it is to borrow some sugar from your next door neighbour.

Interviewed by Andrei Croitor

SHOWMANGO

Company name
ShowMango

Launch date
28th March 2015

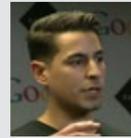
Website
www.showmango.com

Contacts
contact@showmango.com



We provide a subscription service for live events. Subscribers get unlimited access to music shows (concerts, DJ acts, operas) for £25/month. We aim at disrupting the live music industry by providing an efficient promotional solution to our partners and delivering an unbeatable value proposition to our subscribers.

Our objective is to promote 5-10 shows a day with a large diversity of music genres, ranging from Rock, Indie, Electronic, Alternative, and Reggae to Classical and Jazz. We are offering tickets for events hosted at some of the most famous venues in London including the O2, Proud Camden, Fabric, Jazz Cafe, Koko, Village Underground, Notting Hill Arts Club, Islington Assembly Hall, Brixton Electric and many more.



JAMES KAY

CEO
Strategist and hustler with years of experience promoting and producing music events and background in Finance.



ALEXIS ROBERT

CTO
Product expert with both a deep tech and digital business background, 4 years' experience managing products and developer teams.



BEN HACKING

CMO
Digital marketing expert with experience running TV campaigns for MTV, BBC, Sony and Nike.



YANN LE MORVAN

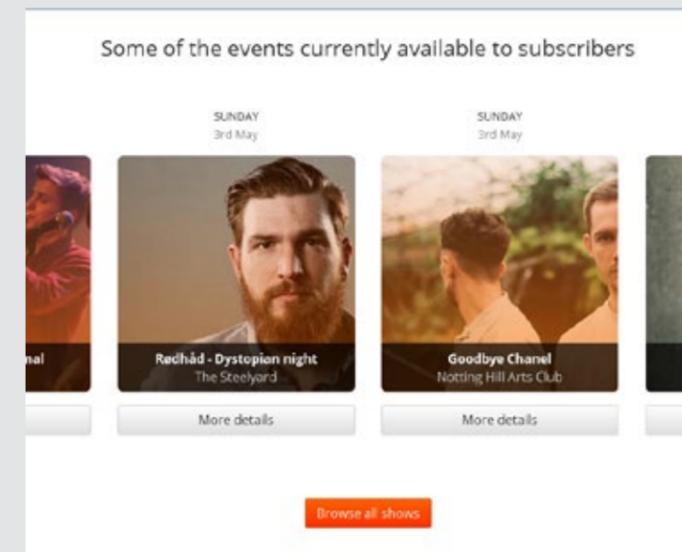
Event curator
Singer songwriter passionate about live music with a wide network extending throughout the world.

FOUNDER INTERVIEW

with James Kay

THE MAIN REASON we're making ShowMango is to give people the opportunity to discover artists through live shows instead of just streaming services. Subscription makes it easy for you to try things out without worrying about what it is.

SHOWMANGO is fairly fresh on the scene, but the company behind it was incubated with SeedCamp as Flutr, an app also related to events. Through experience we've had through Flutr – talking to our users, event organisers and so on – we've come to realise the opportunity for everyone to benefit from the subscription model.



Sia Houchangnia, Portfolio Analyst, Seedcamp

James and his team joined Seedcamp in 2014. One of the reasons we chose to invest was due to the team-balance and their collective experience in the entertainment industry.

James, the visionary founder has a very deep knowledge of the market. So too does Ben, their marketing and design superstar. And their CTO Alexis is a key asset able to iterate incredibly quickly, giving them a big advantage over any competition.

The live events industry has long battled with the issue of filling excess capacity and has traditionally taken a low-tech approach to innovation in this area. So ShowMango is an exciting new proposition for clubs and event spaces - and one they've been eager to experiment with.

James and his team have made a strong start, and I think the coming months will be a particularly important time for them. They need to convince their early adopters to stay with them for the long-term by continuing to provide top-quality events at their low £25/month price. If the quality of events drops then the ShowMango offering may not be compelling enough to keep their existing customers. So that's crucial.

But knowing James and his team well, I have no doubts that they'll be working around the clock and leveraging their extensive industry network to ensure that quality is maintained and they continue to iterate their offering.

I'm really excited to see how ShowMango develops and grows in the next year.

1-5 events per day

offered to subscribers in the first month of operation

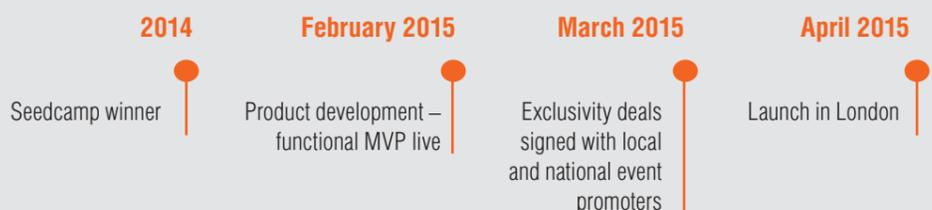
mentors

Mentor – Guillaume Gonneau, Seedcamp

Investors – Seedcamp, 10 angels – industry insiders

needs

Cross marketing partnerships
Engagement with the blogging community
Strategic investment





Company name
Double

Launch date
Valentine's Day - 14/02/15

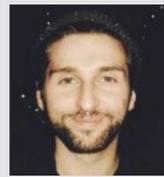
Website
www.joindouble.com

App download name
Double

Contacts
Gary MacDonough
gary@joindouble.com



Double is like a new location based dating app for double dates. Single people can sign up with a friend and search for other pairs nearby. Double dates are inherently more fun due to group dynamics, less awkward as there is less chance of awkward silences, and safer due to safety in numbers. Double launched in London in the run up to Valentine's Day 2015 and aims to introduce a freemium based revenue model in the near future. Two's company, but four's a party!



GARY MACDONOUGH

Business development
Uni dropout turned tech entrepreneur who is good at emails



BEN GREENOCK

Product designer
Product design aficionado who makes things look nice.



LOREN GOULD

PR & Marketing
The PR wizard who can make or break your story.



FOUNDER INTERVIEW

with Gary and Ben

Disrupts: What's the one thing you wouldn't do?

Gary: We give most things a go...

Ben: Yeah, there's not a lot we wouldn't do. It's best to just have a go and then apologise if it didn't really work out.

G: "It's best to not ask for permission but do it anyway and then just ask for forgiveness..." that's kind of our mantra.

B: To an extent.

D: Why are you on our sofa?

G: Brutally honest? Free PR! And obviously the chance to take the rest of the day off.

B: Yeah! No... that's uh, really disrespectful!

D: When did you realise you were entrepreneurs?

B: I'm not sure I am... people keep calling me that, but I'm not really sure.

G: That's a sh*t answer! For me? It was when I dropped out of university and I had to get a real job, you know the ones with suits and all that nonsense. I tried for RBS, that didn't really work out. I didn't really stand a chance there. So I started selling stuff on ebay, just to get by really... That's when people started referring to me as an entrepreneur. But as Ben said, I don't really use that word. It's a bit vain isn't it?



mentors

Mentors -
<https://www.incubuslondon.com/>

Investors -
bootstrapped from profits of previous business venture -
www.woopwoop.com

needs

CTO / Developers
Investment
Mentoring

<p>S</p> <ul style="list-style-type: none"> * Key USPs - more fun, less awkward and safer. * Strong branding. * Dynamic and dedicated team. * Startup experience. 	<p>W</p> <ul style="list-style-type: none"> * Lack of tech expertise. * Stigma related to investing in dating products.
<p>O</p> <ul style="list-style-type: none"> * International expansion. * Opportunity to scale. * Various revenue models. 	<p>t</p> <ul style="list-style-type: none"> * Dating is a crowded sector. * Strong competition.

<p>March 2014</p> <p>Launched Double website MVP.</p>	<p>October 2014</p> <p>Double soft launch</p>	<p>January 2015</p> <p>Incubus pre-accelerator.</p>	<p>February 2015</p> <p>Valentine's Day hard launch in London.</p>	<p>February - April 2015</p> <p>Featured in Mail Online, Marie Claire, Timeout etc. First double dates arranged via the app.</p>
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Bird Lovegod,
editor at Disrupts

Online dating is shite. I've just had to spend twenty minutes on the phone to try to cancel my 19 pounds a month subscription to a dating app. However DOUBLE are not bastards.

DOUBLE is a good idea. It makes online dating less tragic, because the process is shared with a friend. This makes the ups, downs and total disappointments FUN! Yay! So rather than being constantly depressed by the steady flow of equally dejected rejects, one can LOL about the volume of floating turds in the pool, even as you bump into them. DOUBLE is the cure for dating self loathing! Sign me up.

Gamification of the dating process is a winning formula, look at Tinder, that's not a dating app, it's a game to acquire metrics on ones desirability. Although for men the entire process consists of swiping right on every image and saying 'yes, I would'.

Back to DOUBLE. The app works, I've no idea what their tech is like but who cares, the app downloads, I just need a friend to go on a double date with. Andrei, let's do this.

Wait. What if we go on on a DOUBLE date, and they both fancy Andrei? Is there a risk of doubling the humiliation? Andrei just said maybe they'll think I'm his dad. You know what, maybe I should take a girl instead.

Anyone want a date? editor@disrupts.co.uk
Anyone?
Anyone?
Swipe right.

D A N C C C E



Company name
Dancce

Launch date
11 May 2015

Website
dancce.com

Contacts
Nickel@nickelyudat.com



NICKEL CASIMIR
Managing director

Dancer, choreographer for over 10 years performing. Was teaching all over Europe and North America. Today he is also an entrepreneur who is determined to help dancers to take more control over their career.

We are a global online community for dancers to share their creative work and monetise it. We give them the opportunity to sell their dance videos directly to their audience, they can also take part in our online dance competitions and be rewarded for their talent. With the technology today every creative dancer and choreographer have the possibility to create amazing digital content at low cost, we want to help them generate a revenue from their hard work, and our platform is strictly dedicated to the dance community therefore their digital product will be in front of a very targeted audience. Our vision is to allow professional dancers to become more independent and get more control over their career financially. There is no upfront cost to use the platform we will take a percentage from each creator sales. We will also generate a revenue trough advertising and sponsorship for our online competitions.

mentors

Jonathan Pfahl: Managing director of Rockstar

needs

Digital marketing support
Create awareness
Investment

S	<ul style="list-style-type: none"> - Investment and mentoring from Rockstar - Industry expertise and understanding - first dance platform allowing dancers to generate a revenue from their dance content 	W	<ul style="list-style-type: none"> - Single founder - New concept therefore need to educate the audience
O	<ul style="list-style-type: none"> - Live Pay per view - International competitions - Live streamed events - produce and sell our own video content - sponsoring 	t	<ul style="list-style-type: none"> - Some people may use the website only for the money they could earn - Technology easy to replicate

March 2014	May 2014	October 2014	November 2014	May 2015
DANCCCE was founded	First online dance competition	Second dance competition	First investor on board	The official launch of the on demand platform where dancers will be able to sell their digital products.

FOUNDER INTERVIEW

with Nickel Casimir

ORIGINALLY, I'm from Haiti... I moved to France when I was about thirteen. Now I live in London. I've been dancing for more than ten years. Started in my late teens, and it's just a love story since then. My style is mainly street dance, so hip hop and modern.

I REALISED THAT we can do some much more now with dance using modern technology. Especially video. What used to happen with dance is we'd create this great show, perform it on a stage... and that's it. No one would know about it. Now we can record it and upload to the internet, so people from across the globe can enjoy the show.

BEING AN ARTIST and being an entrepreneur are very similar. Even though maybe being an entrepreneur is a bit more stable.



COMMENT



by **Jonathan Pfahl,**
Rockstar Hubs

I invested my first round of funds into Dancce.com only 4 months ago, I funded their second and third monthly competitions and was blown away by the second comp which achieved over 400,000 viewers. We have now secured corporate sponsors for our next competitions which makes them profitable and have just returned from a weekend in Paris - where Nickel had organised our first live /on demand dance production. Six of the worlds most well known professional dancers, over 500 paying customers and a Paris based dance off that got the crowd rocking!! Was an amazing experience. A great company run by someone who knows his industry inside out and who knows how to make it a global success. Come join us.



To Achieve **SUCCESS**, surround yourself with **SUCCESS**.

Rockstar Hubs is all you need to grow your business faster, all under one roof in the City of London.

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- In House 1 to 1 Mentoring
- Meeting Rooms
- Weekly Workshops
- Weekly Networking Events
- In House Investment Team

info@rockstarhubs.com | 0203 751 8150 | www.rockstarhubs.com



Company name
Birdsong

Launch date
August 2014

Website
Birdsong.london

Contacts
Ruba Huleihel
ruba@birdsong.london
07530393028



SARAH BECKETT
Director of Marketing/
Co-founder
Social media addict, secret
artist, lover of old people, expert
project manager.



SOPHIE SLATER
CTO/ Co-founder
fashion model turned feminist,
blogger/playlist maker, wannabe
coder, women's services
consultant.



RUBA HULEIHEL
CEO/ Co-founder
spreadsheet crafter, public
speaker, headhunter turned
feminist fashionista, sales lady/
business manager.

Birdsong is an online fashion market place where you'll find unique, beautiful clothing made by wonderful women's groups. No sweatshops, no photoshop. We aim to tackle gender inequality, make fashion fairer for women and provide women's organizations with a commercial source of income.

Our market is fashion which is worth over £26 billion in the UK. Ethical fashion is growing and currently worth £150 million. We fill a gap by providing ethical fashion that is affordable and stylish. We are the only ethical fashion marketplace focusing on women's empowerment. Our business model is to take a commission from sales.

mentors

We have an informal advisory board that includes Jack Graham (Year Here), Brenton Caffin (Nesta), Florence Norman (Sweet Cavanagh), Emma Southgate (Participle), Birdy Imoke (Daughters of Eve), Seyi Newell (Hibiscus Initiatives), Sarah Drinkwater (Google).

As alumnae of the Year Here program we receive informal advice and guidance from their network. We have also completed the Bethnal Green Ventures (BGV) accelerator program who continue to advise and mentor us. BGV have invested £15,000 in Birdsong. We also have an informal customer advisory board so that our service is interactive and the voices of our audience is heard and implemented in our products, ensuring we stay consumer focused and on trend.

needs

We hope to raise an initial round of investment of £150k which will cover our costs for 12-18 months. We are also looking for contacts in the fashion industry including celebrities, photographers, models, retailers brands and PR people. We would love to have a space or studio we can use for photo-shoots on a regular basis.



£16,000
Investment and grants

100-1200 daily
Website hits

Birdsong.London...It has a nice sound to it, kind of feels like freedom of the City somehow...

We decided to use the dot London suffix as we loved the idea of being associated with a fashion centre, and a centre for an amazing startup culture. Also, many of the women's groups we work with are based in London, so we wanted to reinforce how short our supply chain is, and how we support women local to us.

Does London fashion and clothing have the same global reputation as Tech do you think? Is it up there with say NY, or Milan?

Of course! London Fashion Week is still a huge landmark event in the fashion calendar. And some of the world's most iconic fashion designers, Alexander McQueen, Vivien Westwood, hail from the capital. London's fashion scene is also great for ethical designers, with trailblazers like Stella McCartney and Katherine Hammet leading in the field. London was the home to the original punk fashion scene, and I'd like to think that Birdsong encapsulates a little of that ethos.

Good point! It's appealing how you combine local production with global promotion, high ethics with tech, it creates a dynamic feel, a sensation of movement, which really works with your company name. Where do you want to take Birdsong?

We hope to lead with our products, and make ethical fashion an easy stylish choice for consumers. We have already branched out in terms of international suppliers, but we do have a real mission for helping charities based in London, as they have faced some funding cuts in recent years. We're always on the look out for new brands in different places, but as far as a place for our headquarters goes, London is a great, inspiring place to be.



Katrine Richardson,
Metric Accountants

In the aftermath of the factory disaster in Dhaka, Bangladesh in 2013, fashion consumers are more conscious than ever before of the role that ethical fashion companies can play. A fashion brand that is based on fairness as much as fashion is intriguing to say the least.

This kind of business is more than just a company, it is a community. The founders are regularly communicating with their followers by writing blogs and have already built up a fair amount of followers. As the followers are likely to be a fairly homogenous group there is a great potential to obtain advertising income from companies that would like to reach this community.

There are aspects of their business that have value for the local communities and wider society which potentially could attract some government funding.

Birdsong could consider crowdfunding as they have already established a community which has an emotional attachment with the business and its brand. I wish the girls all the luck for the future with making Birdsong a success!

- August 2014**
Birdsong founded during Year Here postgraduate program on social innovation
- September 2014**
Website launched 50% of stock sold in first 12 hours, Birdsong raises £1,000 at UK's first live crowd-backing event
- January 2015**
Birdsong start Bethnal Green Ventures accelerator for social tech ventures securing £15,000 investment
- February 2015**
London Fashion Week Takeover and Birdsong Fashion for the Future Party SOLD OUT
- March 2015**
Four new women maker groups including crochet beach wear; now have total of 8 suppliers





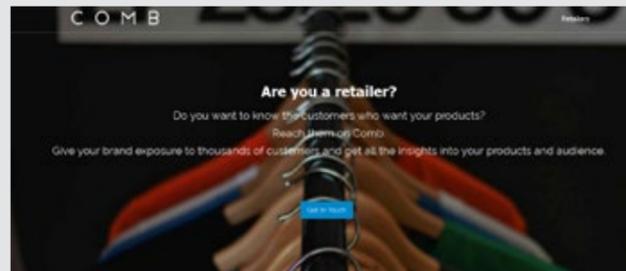
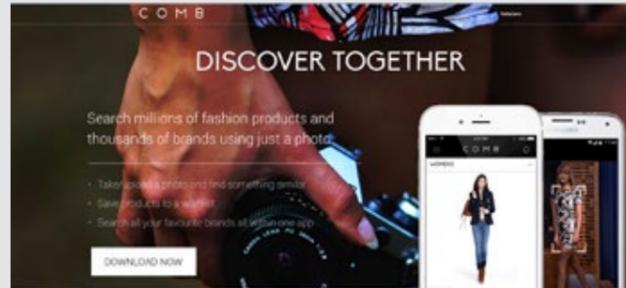
Company name
Comb

Launch date
January 2015

Website
www.joincomb.com

App name
Comb

Contacts
Liam Doolan
liam@joincomb.com
Moez Ali
moez@joincomb.com



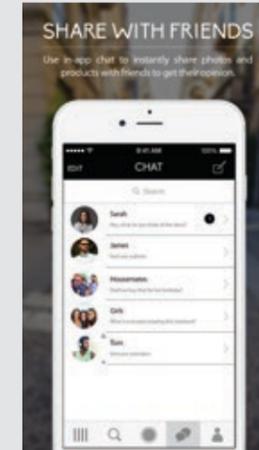
Comb is the 'Shazam of fashion.' See something you like online, in a magazine or in person, take a picture, upload it and you'll get the top 30 most similar results. The problem right now is that platforms like Instagram and Pinterest are not easily shoppable, yet there's a huge demand for the products on display. Essentially, Comb is a shoppable version of both, with a heavy focus on social integration. We'll make money through Cost Per Click, Commissions and Advertising. The target market is Millennials, although because of the wide variety of products available, it's accessible to anyone.



MOEEZ ALI
Co-founder
Grown up all over the world, loves travelling, design & hates 5am starts.



LIAM DOOLAN
Co-founder
A fan of social media, design and 5am starts.



FOUNDER INTERVIEW with Moez Ali

I MET LIAM, my cofounder, at University. We both studied design, so we don't really have a background in either apps or fashion. Liam saw a gap in visual search whilst working in social media. So after quite a bit of research, we knew what we wanted to create. I used to hate the thought of quitting a steady job and moving to London in pursuit of something quite ridiculous, but here I am...

WHAT I HATE is about it is not knowing when it's going to start paying off. Not just financially. I've got to a point where I get excited that people cancel plans and I don't have to go parties. Yeah... it's not ideal.

I WISH I HAD have taken the plunge a bit earlier. I always believed in the stereotypical stigma attached to the startup scene. I didn't think I had good ideas, I didn't think I was cut out for it. But in reality, no one is until they have a go.



Over 3 million products
1000+brands

needs

We're looking for seed investment to grow the business and expand the team. We want to build partnerships with relevant brands to reach our target audience.

S High street to high end brands available for both male and female consumers
Industry leading image recognition software
Strong brand appealing to both the male and female market

W Lack of patentable tech
No technical co-founder or technical member of the team
Lack of experience in the fashion technology sector

O Growing mobile commerce market
Brands looking for new ways to reach consumers
Growing social commerce market

t Saturated market
Easy to replicate as the concept isn't patentable
Established brands with significant backing

February 2014

The vague idea/concept of Comb was initially discussed

May 2014

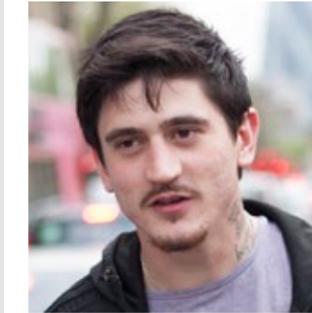
Development started

September 2014

Prototype created and tested

January 2015

Comb launched on Android and iOS



Koran Murphy-Saffet,
Co-founder, Dimble

With Comb being in such a competitive market, they need their app to possess an element of uniqueness to stand out from the crowd. Exploring the Comb app, we can see they have attained this USP. Whether you're a fashionista, businessman or tradesman, I can bet that some time in your life you have seen a passer-by wearing a piece of clothing, and you have thought "oh, that's nice, where can I get that?". Comb has allowed anyone to find "that" piece of clothing. Combs' friendly user interface allows users to snap a quick pic of a garment, and the software pinpoints certain aspects of this picture to present a variety of similar garments, saving the user a shed load of time!

The fact you can create your own profile and share products with other users is a nice touch. Comb have allowed users to interact with each other, which is a smart business move. This naturally creates increased brand awareness and promotes sales for their respected affiliates. Smart guys!

We wish Comb all the luck in moving forward to building their business. There is a lot of scope in the market for Comb to build upon and the Dimble Team are confident they will make the most out of this advantage. Who knows, maybe some future collaboration. Keep Combing people!

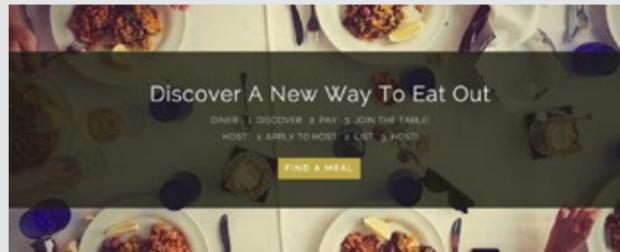


Company name
Social Belly

Launch date
June 2014

Website
www.socialbelly.com

Contacts
Dimple Lalwani
dimple@socialbelly.com
07545552459



Social Belly is a trusted community marketplace that allows people to list, book, and discover dinner parties. We create communities of like-minded people with similar interests by allowing them to eat in the homes of locals, who then have a chance to monetise a passion for cooking.

Social Belly is entering a large and profitable market, attractive to the industry's largest customer segment - price sensitive hungry food lovers. By offering a new supply of places to eat out (by eating in), we have the potential to disrupt local restaurant chains and offer consumers a better value alternative.

Our business model follows the Airbnb model where we take a 10% commission from the host and a 5% from the guest.



DIMPLE LALWANI
Founder & CEO

Maker of connections. Positive leader. Sees an opportunity in every corner.



NAVIN SAWHANI
Tech Lead

Creator of deals. Strategic thinker. Plans our product roadmap to make this a scalable business.



ANTONIA HOBDEN
Marketing & Operations

Driven workaholic. Voice of sanity. Passionate to build communities of like-minded people.

mentors and investors

- Simple web, Onboardly, TLT and Rackspace all invested a total of £50,000 worth of resources in Social Belly when we won the #GetStarted2014 startup competition
- Business mentor – Bertrand Dijoux

needs

- CTO/Lead developer
- Investment
- Always on the lookout for more advisers who have an expertise in online marketplaces and in the hospitality industry

<p>S</p> <ul style="list-style-type: none"> • Strong value proposition for all of our users • Strong branding • A great and focused team that is ready to take over the world! 	<p>W</p> <ul style="list-style-type: none"> • Changing a behavior is time consuming • Creating a 2 sided marketplace is tough
<p>O</p> <ul style="list-style-type: none"> • Geographic expansion • Market size is huge. • Everyone loves food and most people like to meet new people 	<p>t</p> <ul style="list-style-type: none"> • Noisy market • Low barriers to entry

20%
unique user growth rate monthly

18%
lead to customer ratio

<p>November 2013</p> <p>Company formed</p>	<p>March 2013</p> <p>Intensive work with focus groups to define our value proposition</p>	<p>June 2014</p> <p>MVP launched</p>	<p>September 2014</p> <p>Won the #GetStarted2014 Startup competition. £50,000 given to the company in resources including web development</p>	<p>October 2014</p> <p>Intensive A/B testing to better understand the market</p>	<p>March 2015</p> <p>Beta product launched</p>
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FOUNDER INTERVIEW
with Dimple Lalwani

I actually came to London with the plan of opening up a Tapas restaurant... but the expenses seemed too high to pull it off and all the while I missed the student feel of meeting new people. So I started hosting dinner parties in my house and part of the arrangement with my friends was that they'd always bring a guest I didn't know. After one of these dinner parties, still buzzing from the wine and desert at about 02:00 in the morning, I realised that this is something that would bring value to a lot of people... a way of meeting people through the experience of social dining.



Katrine Richardson,
Metric Accountants

I have to admit that before meeting the founder Dimple Lalwani I was a bit sceptical to this idea. However, as our conversation went on I became excited about the business proposition and started to see many different ways that this idea could work.

There are numerous opportunities in this market, many different ways you can approach the market i.e. by themes, country parties, student parties etc, which could be a great potential for Social Belly. Dimple has spent many hours researching the market to gain a deep understanding of different segments of the market. However as this is a new product it is hard to really know what will work and not. The only way is to test and adapt.

One of the largest challenges Social Belly faces is to create a market and to do so fast in order to gain advantages against potential competitors. As it is easy to enter the market, choosing the wrong direction could potentially be costly. To make Social Belly a success it will be important to build a close relationship with the customers and for hosts to build up ambassadors for the business.

The target group will be young professionals and potentially students. Therefore social media will play a big role in the growth. It will be important to create dinner parties with a buzz, parties that will attract some social media attention and help Social Belly to be the number one provider.

Social Belly will be seeking external funding in the near future, a majority of this funding should be used for marketing to help them create this market and become market leaders.

DEAD STARTUP CASE STUDY

NAME OF DECEASED: Keepzer.com

FORMER FOUNDERS: Jens Elstner and Jay Bowles



Photo by Andrei Croitor

HOW IT STARTED

Jens: When I came to London, my wife was working in the same company as Jay. He told her that he wanted to quit his job and do a startup of his own so we organised a meeting and talked. That's when we realised that our ideas match quite well and we decided to do it together.

WHAT IT WAS

We wanted to build a platform to organise your small bits of personal data, stuff like notes, settings of apps, health info, location and so on. Currently all of this is spread into a multitude of different services and that limits usefulness. Then we wanted to add a layer of analytics on top of it so that all the data could be combined and made sense of. The long term goal was to build something like a "weather forecast of your life", predicting the next things you were going to do and improving them.

TIMELINE

- Founding of the company in April 2013, working from TechHub at Campus London
- October 2013 going live with public beta and integration with services like Moves and Pebble
- Moves and Pebble became our biggest drivers of new user sign-ups through referrals
- March 2014 rollout of new analytics and dashboard

CHALLENGE

At the end of 2014 we had come to the realisation that we needed to test strategies for making money and decided that an app would work well because of wide reach through various marketplaces and the ability to distribute as a free download but with additional services through in-app purchases.

We couldn't decide on the specific app use-case that we wanted to implement though. We both liked different ideas and couldn't find one that we were both passionate about. This dragged on for a few months until the realities of having to make a living caught up with us and Jay had to look for a full-time job. At the beginning of 2015 I then decided to take a break from Keepzer as well and we decided to send it to sleep for now.

DISRUPTS ANALYSIS

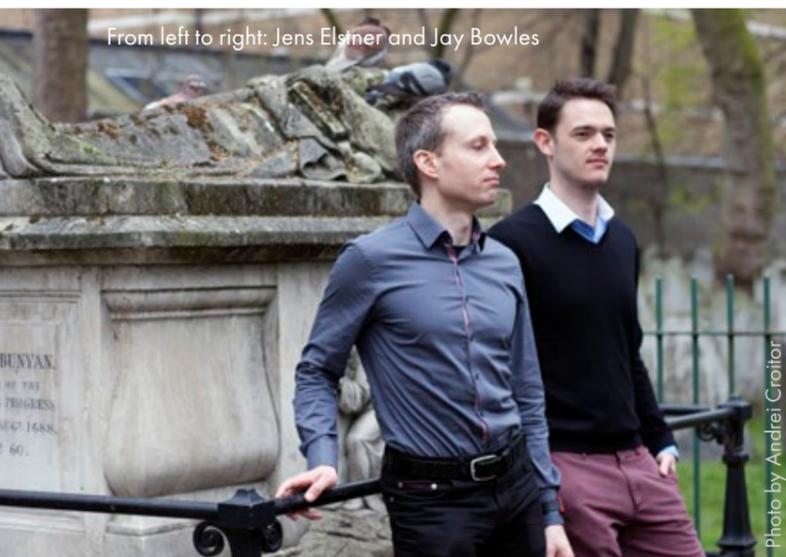
This startup was almost certainly never going to work. It lacked the most important thing: a complete team with complimentary skills. They had half a team, maybe two thirds, tops. The vital organs of business development were missing. This led to a reluctance to expose the idea to the market, which denied it the chance to adapt, evolve, or pivot. They played to their strengths, that being design and development. They built a product, but not a business. What was needed was attention to their weaknesses. It's the weaknesses that become threats. Ignoring them, or not knowing they exist, is bad.

CAUSES OF DEATH: Multiple organ failure including unproven initial concept developed in isolation to the market.

- Incomplete team: A designer (Jay) and developer (Jens). No business development resulting in deficiency in business strategy and delayed market exposure.
- Over-engineering of product, more and more functions added to 'make it marketable'.
- No strategy of how to take it to the market.
- Indecisiveness with critical decisions.
- No monetisation strategy.

EPITAPH: Their next startup will have a much higher chance of success.

Photo by Andrei Croitor



From left to right: Jens Elstner and Jay Bowles



THE MISSING PIECE

By Bird

As a willing prisoner in Apples' beautiful walled garden, I feel Steve Jobs presence from time to time. The garden is perfect, and that's why we love it. But since Steve moved on to greater things, his absence is starting to become apparent.

Have you ever owned a perfect thing? A new car perhaps. Flawless. Then you get that first scratch on the door panel, and it's like the whole thing is changed. It was perfect. And now it's not. And this is what I fear may be happening in Apple Inc.

It starts with the smallest thing. I plugged the charger into the wall. And it was difficult to pull out again. My fingers slipped, I couldn't pull it free. The 'finger grip' bit of the charger isn't

quite deep enough, or the angle is not quite right... And a chill passed through me. Imperfection had entered the garden. The Apple had a speck on it. A few months later the iPhone6 was released, and maybe they were prone to bending, maybe not. But by then I already knew. The chief gardener would never have let this happen. The obsessive perfectionist would have scrapped every one of those chargers, regardless of cost or consequence. And the iPhone6 would be perfect.

There can be no compromise in perfection. Zero. There is no such thing as 99% perfect. It's binary. And whilst the garden is still beautiful, still fabulous, still my favorite place, I know that everything has changed.

There's a crack in the wall, a tiny one, nothing to worry about. But the magic is seeping out, and those inside the garden, like myself, are starting to wonder what lies beyond.

Where are you Steve? We miss you.

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WHY DO PEOPLE BECOME INVESTORS?

That's a question every start up should ask. Or at least every start up that's looking for investment. They need to understand what drives someone to invest. Obviously having capital is part of it. But most people with capital keep it in the bank or go into something more secure like real estate... The ones that want to have exposure to business can buy shares and leave it at that. So what drives an investor to pursue start ups?

The flipside of taking that risk is a rich return, but not just in monetary terms. Working with start ups is exciting. In the course of meeting the people, evaluating the ideas, taking a product to market, you get a chance to witness an acorn turn into a towering oak tree.

Also there's a slightly self-confident drive to prove that you can spot something others can't. Be it potential in an idea, ability in a founder, or future scope that a business may have in a particular marketplace. It's an opportunity to put your expertise to work in a real situation and it's making a choice which will have real accountable consequences...

WHAT DO YOU WANT TO SEE IN A START UP THAT YOU ARE INVESTING IN?

Investment of this kind is quite like a partnership. You will have to work and spend time with the team, so you need to make sure you can get along. Arrogance is what puts me off. Obviously the idea itself has to be viable, but there have been some occasions where a start up entrepreneur poses a level of self-belief which makes them difficult to work with. Ironically, it is that self-belief that's ultimately required to make the decisions and push the business to where it needs to be to get investment and beyond. The right character with the right attitude is hard to find.

I have seen a lot of companies where the growth is powered by one individual but as the company grows, the management team becomes more and more important. So it could be the question of the entrepreneur's ability to recruit the correct people and collaborate, and to be able to take advice. To some extent it is recognising strengths and weaknesses that make you succeed.

Developing a start up is going to be a long road; not everyone is going to make it. It requires quite a bit of perseverance, tenacity, and determination to succeed and some are not cut out for it.

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