

‘Dragon’s Den’ fund for Scots startups

Three entrepreneurs have set up a six-figure investment fund aimed at transforming Scottish businesses into game-changing global brands.

Successful Edinburgh businessmen James Longcroft, John Ross and Sean Rollo are using their own personal wealth to establish Invest Scotland, a unique business growth initiative.

Described as a ‘Dragon’s Den for start-ups’, the project was conceived during the early days of the pandemic when the trio realised there was little assistance available to help smaller companies cope with the fall-out of Covid-19.

Funding up to a maximum of £30,000 per business is available.

To be eligible, a business must be based in Scotland, be registered at Companies House as a public limited company and have strong growth potential thanks to a robust business plan.

“We want to take the best small businesses in Scotland and transform them into industry leaders across the globe,” said James Longcroft, founder of Choose, a company at the cutting edge of packaging technology.

“Our criteria is not as extensive as banks and that was a key aspect of setting up the fund.

“When the pandemic struck we struggled to get banks to lend to us as businesses and it made me think what was out there for

companies taking their first steps. There was a lot of support for established businesses with bounce-back loans while the Coronavirus Business Interruption Loan was there to assist the bigger ones.

“Banks aren’t really looking at new businesses or small businesses in the same way as they were before the pandemic. The landscape has never been more challenging for startups or small businesses and we wanted to help.

“We are open to any small business or startup that is based in Scotland. We are using our own money to help Scottish businesses and are offering investments up to £30,000 per application.

“We’re not looking to become a huge equity house and drum up millions of pounds for existing businesses. We are here to help Scottish startups get off the ground. It’s almost like a ‘Dragon’s Den’ for startups but it’s the three of us helping and successful applicants don’t have to pick just one!

“We would like some active trading already but it’s not a necessity. We’re happy to help with ideas.”

In return for the funding support, Invest Scotland will take a stake in the company with the aim of selling it back to the business or other interested investors at a later date. Any profits will then be reinvested into helping other Scottish startups.

Mr Longcroft said: “It is most likely to be an equity investment.

“Depending on what the company does and how we envisage the growth, we will stay in the business for as long as we feel we can benefit it.

“Once we have grown it to a point where it can run well by itself, we’ll look to the company to buy back the shares from

us at a new valuation or sell them on to other investors who want to become involved. We don't want to stay involved for longer than is necessary as we want to take our profits to reinvest back into more Scottish businesses starting out on their own journeys."

Underpinning the initiative is the company's ethos of 'investment, strategy and growth for Scotland', with each partner specialising in a specific area.

"We're looking for startups in Scotland with huge potential growth," said John Ross, a multi-business owner and managing director of industry-leading cleaning specialists CleanTEC.

"We are looking for the right individual rather than the right business plan. Obviously there has to be a strong plan but at the end of the day we want to invest in the people.

"Our combined expertise has been gained from 30 years in business and we will use that to help companies through this uncertain period and help them emerge stronger than ever.

"We're here to make companies stronger so we're looking for motivated individuals. We want to invest in the people behind the businesses rather than the businesses themselves. We want the right people running these companies, that's who we invest in and where we can add value."

Sean Rollo is managing director of successful building firm Rollo Developments and he is looking forward to helping develop the largest Scottish-only growth portfolio.

"We each have our own businesses and have had our fair share of failures and learned a lot of lessons along the way," he said. "We have been tripped up by a lot of the hurdles businesses are facing just now so are well placed to help them avoid such pitfalls.

"If small Scottish businesses do not have the huge client base

that is needed to keep afloat, the concern is that hundreds of them may go bankrupt as they can't get access to the funding and advice they need. That is where we can provide support.

"We understand that it is difficult to get innovative ideas and businesses moving. A lack of finance, specialist knowledge, marketing power, technology, strategy or appropriate facilities can all be barriers. Our sole aim is to help our clients shape and strengthen their business to overcome these issues. We aim to improve our clients' cashflow, guiding them through the mistakes we have all made and getting them into the black as soon as possible.

"Invest Scotland looks for entrepreneurs that display high levels of passion and our own team leads by example. Every aspect of the work we carry out highlights our own passion for business, Scotland and creating businesses that solve problems."

Applications for funding can be made directly at Invest Scotland's website [CLICK HERE](#)