Gender and diversity in UK tech: women founders and other underrepresented entrepreneurs

Beauhurst

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Contents

Foreword

Tanuja Randery
Managing Director, Europe, Middle East & Africa (EMEA) Amazon Web Services

Since day one, Amazon Web Services (AWS) has been dedicated to supporting startups so that they can innovate, compete, and grow in the UK and beyond with the Cloud. Startups who began their journeys on AWS are consistently pushing boundaries, reinventing, and solving problems yet to be solved, and we've been there with them every step of the way.

This is why AWS is committed to levelling the playing field for all startups, working to enable founders to pursue their ideas and build innovative solutions on the Cloud — regardless of their background. We are proud that anyone, anywhere, whether that's in a high-rise office or at their kitchen table, can access the same technologies and build companies that can impact the world. Entrepreneurs and innovators are the lifeblood of many industries, so we must work together to remove any unfair barriers they face.

We are pleased to sponsor the *Gender and diversity in UK tech: Women founders and other underrepresented entrepreneurs* report from Beauhurst, which is helping to shine a light on the UK's funding landscape to show where progress is being made and highlight where there might be opportunities to enhance and support diversity further.

Even in an uncertain economic climate, the report presents some promising findings. Despite headwinds, women founders are succeeding: in the UK, company incorporations with at least one woman director increased from 211,000 in 2013 to a record 272,000 in 2022. However, they still represent only 34.2% of the 796,000 total incorporations in 2022.

The report also reveals opportunities to further support the UK startup community. Although the number of deals for companies with women founders has grown, 92.7% of deals for these companies occur at the seed

Entrepreneurs and innovators are the lifeblood of many industries, so we must work together to remove any unfair barriers they face.

or venture stage, where investment rounds tend to be smaller on average.

At AWS, we are helping as many founders as possible gain access to advantages that the Cloud can provide, so they can scale fast and bring new ideas to market.

The programmes we have built at AWS are already enabling underrepresented founders to thrive. These include AWS Reach, which is designed to discover, engage, and acquire startups founded by underserved groups early. It also supports the VC and investment community by connecting them to startups directly. Since launching in 2013, the AWS Activate programme has helped hundreds of thousands of early-stage startups, including underrepresented founders of companies like Unitary, Streetbees, and Hertility, who innovate, grow, and scale their businesses using the Cloud.

We are also committed to supporting the next generation of women in tech all the way from school-age to startup. From the AWS GetIT programme, a fully funded education program and competition designed to inspire 12-14-year-old students, especially girls, to consider a future in STEM, all the way through to AWS Elevate, an intensive initiative for early-stage founders, which focuses on media training and communications.

As we look at a decade of data, this report provides cause for optimism. With encouragement from the progress, and proper acknowledgement of work still to be done, the UK has the potential to be a place where diverse startups can scale, and entrepreneurs from all backgrounds will not only survive but thrive.

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Executive summary

Henry Whorwood
Head of Research and Consultancy at Beauhurst

£8.52b

total value of equity deals secured by tech companies with one or more women founders (2013-2022)

£505m

total value of innovation grants received by tech companies with one or more women founders (2013-2022)

£57.4b

total value of equity deals secured by tech companies with one or more immigrant founder (2013-2022)

£44.3b

total value of equity deals secured by tech companies with one or more ethnically underrepresented founder (2013-2022)

In this report, we shed light on gender and diversity within the UK tech sector, with a particular focus on women tech founders and other underrepresented entrepreneurs. For years, Beauhurst has been utilising its data to highlight the challenges faced by women founders in raising funding. Now, we are pleased to expand our scope to include data on founders from outside the UK and ethnically underrepresented founders.

Our analysis goes beyond just funding, examining accelerated businesses and those receiving innovation grants to gain a deeper understanding of how various support mechanisms interact for underrepresented founders. Unfortunately, all three categories of founders experienced a decline in equity funding in 2022, reflecting the general trend across the UK. It is fair to say that it has become harder for these founders to secure funding.

Over the past decade, tech companies with one or more women founders have secured a total of £8.52b in equity investment. Furthermore, they have received £505m in grant funding and benefited from participating in 228 accelerators.

In terms of equity funding, tech companies with an immigrant founder in the UK have captured 60.4% of the total value over the past 10 years, despite constituting 39.1% of the high-growth tech sector. Similarly, tech companies with an identifiable ethnically underrepresented founder have secured 46.6% of equity investment since 2013, surpassing their population representation of 35.1%. But founding teams come in different shapes and sizes, so there are plenty of further avenues for inquiry.

Despite the challenges posed by the current funding environment, it is noteworthy that these underrepresented categories have managed to maintain the proportion of investment they win. This resilience highlights the potential for continued growth and success within these segments of the UK tech sector.

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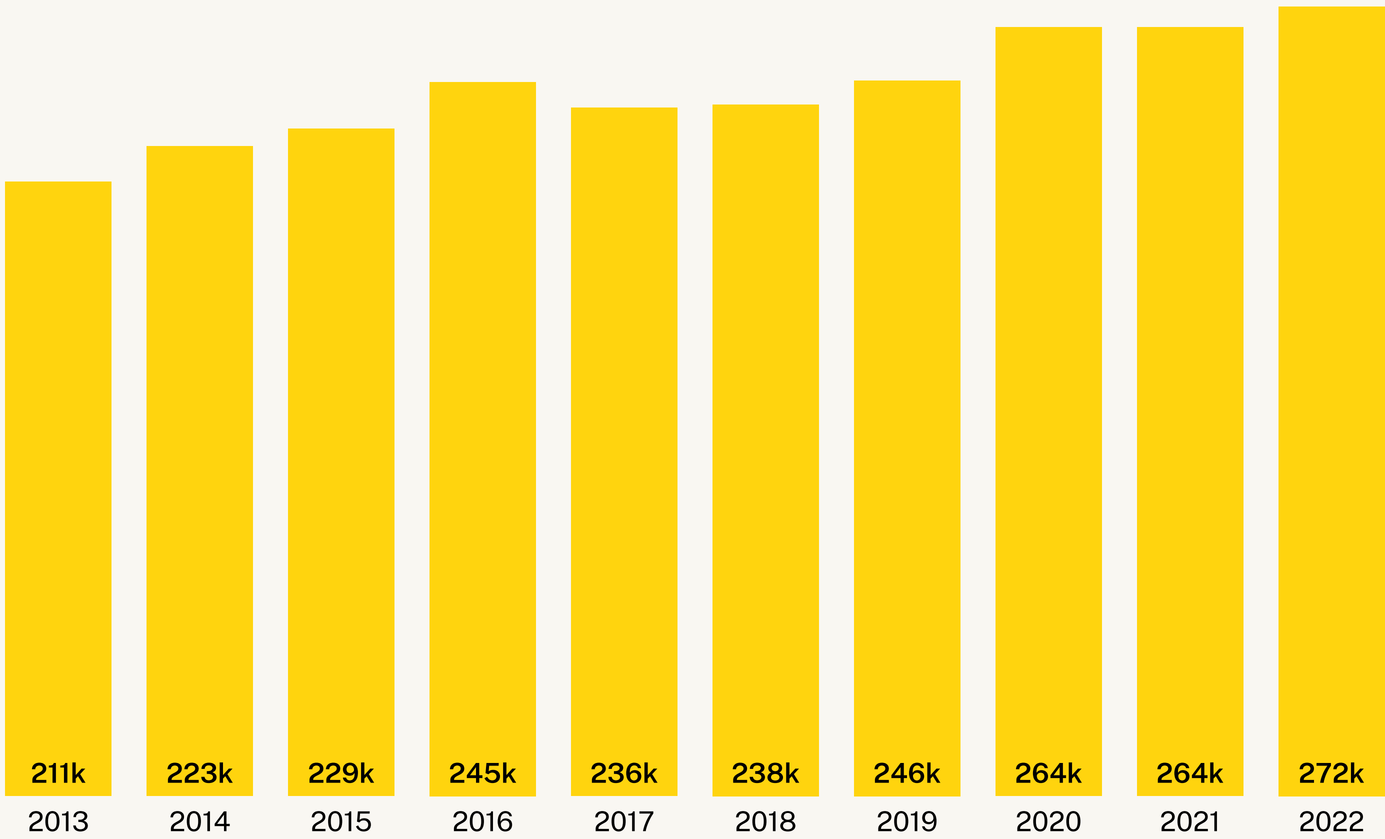
Diversity in UK tech

Women founders

Incorporations

Number of incorporations of companies with one or more women directors at incorporation (2013-2022)



The number of company incorporations in the UK with at least one woman director at incorporation has steadily increased over the past decade. Between 2013 and 2022, these figures rose from 211k to a record 272k. This data suggests that there has been a consistent trend towards greater gender diversity among businesses, with the number of companies founded with women on the board steadily increasing each year.

Although 2022 marked a record year for these company incorporations, with 272k new companies formed, this figure represented only 34.2% of the total 796k companies incorporated that year. This suggests that while there has been a significant increase in the number of companies with at least one woman director at incorporation, there is still room for progress to be made in the representation of women on the boards of startups.

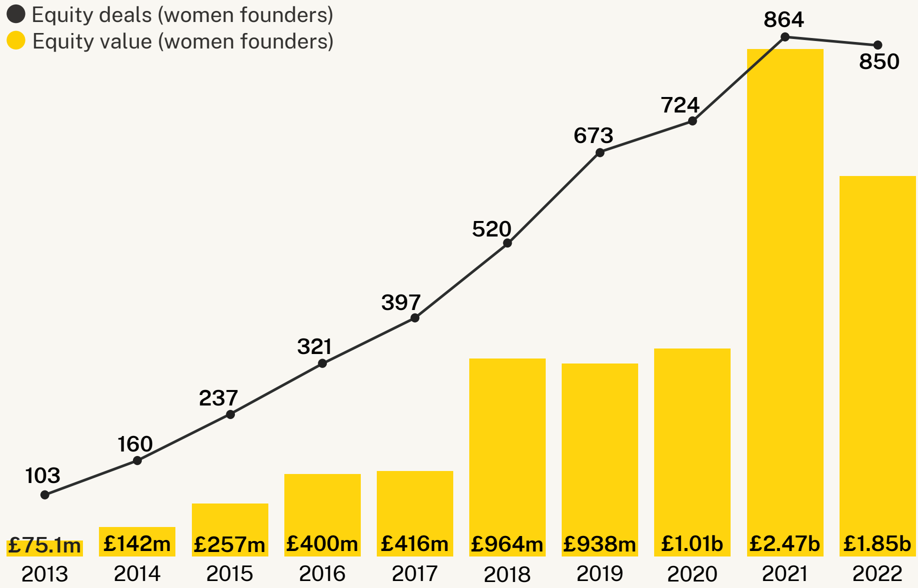
Founders by gender

2,343 high-growth tech companies with women founders	**16.3%** proportion of all high-growth tech companies
940 high-growth tech companies with women founders only	**6.53%** proportion of all high-growth tech companies
1,404 high-growth tech companies with mixed gender founding teams	**9.76%** proportion of all high-growth tech companies
9,251 high-growth tech companies with male founders only	**64.3%** proportion of all high-growth tech companies

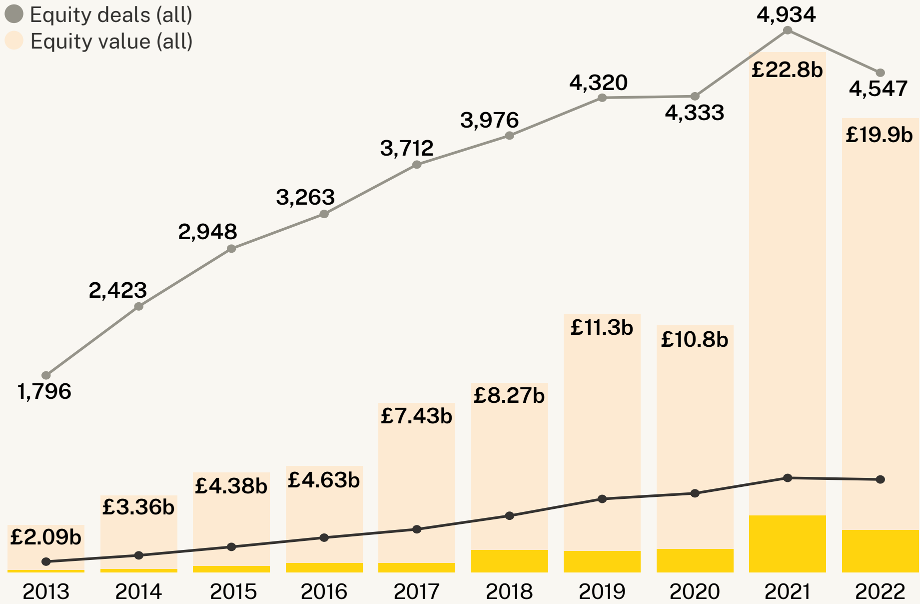
The tech industry has long been criticised for its lack of gender diversity, and BenevolentAI CEO, Joanna Shields, highlighted this issue stating that "female leadership and mentorship is lacking in the tech industry". A more diverse workforce can significantly impact the products and services of tech companies, better reflecting the needs and perspectives of society at large. While there is still much progress to be made, the fact that 16.3% (2,343) of high-growth tech companies are led by women founders is a positive sign. Of these companies, 6.53% (940) are exclusively founded by women, while 9.76% (1,404) have mixed-gender founding teams. While male-led high-growth tech companies still make up the majority at 64.3% (9,251), these figures highlight the progress being made towards gender equality in tech entrepreneurship, and the potential for further growth and innovation with a more diverse workforce.

Equity investment: women founders

Equity investment into tech companies with one or more women founders (2013-2022)



Equity investment into tech companies with one or more women founders–proportion of all equity investment into tech companies (2013-2022)

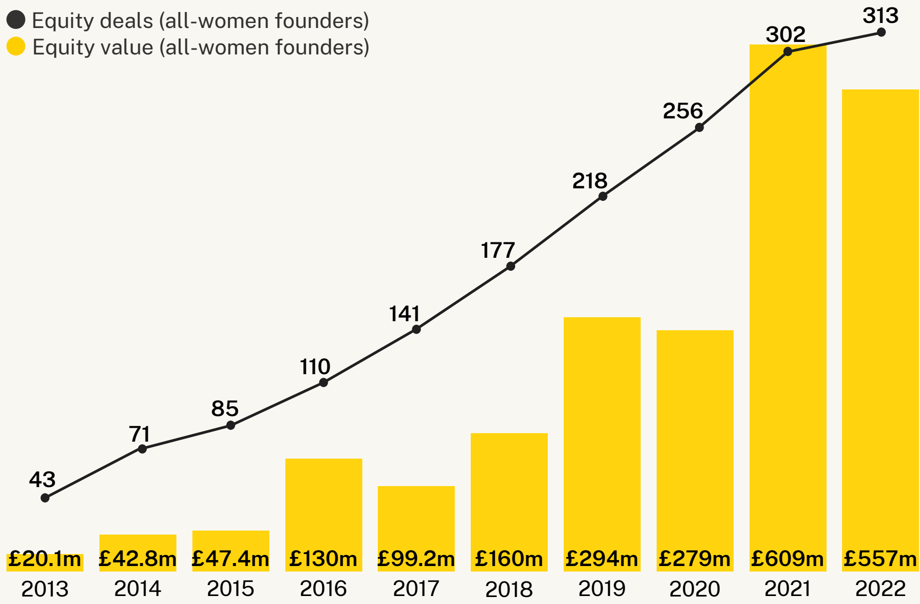


Over the past decade, the value of equity investment deals secured by tech companies with at least one woman founder has grown almost 25-fold, from £75.1m in 2013 to £1.85b in 2022. Similarly, the number of these deals has grown from 103 to 850 in the same time period. While this represents faster growth than seen in the wider, high-growth technology sector in the UK, tech companies with at least one woman founder are still underrepresented in terms of private funding.

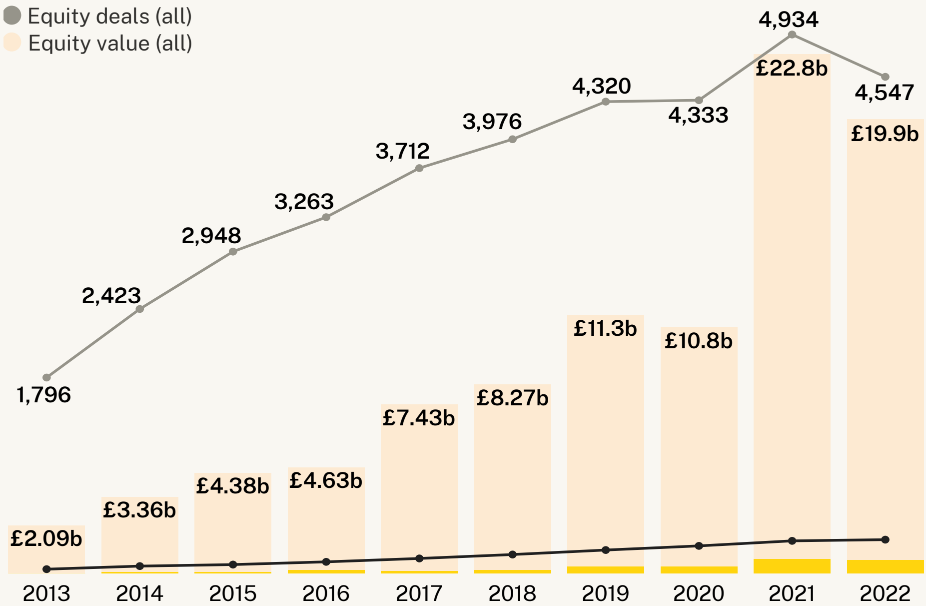
Since 2013, these companies have received just 8.96% of equity investment made into high-growth technology businesses in the UK, despite making up 16.3% of the active technology company population. These findings show that while the proportion of investment into these companies has grown over the last 10 years, there is still work to be done to create a more equitable funding landscape for women in tech.

Equity investment: women founders only

Equity investment into tech companies with only women founders (2013-2022)



Equity investment into tech companies with only women founders–proportion of all equity investment into tech companies (2013-2022)

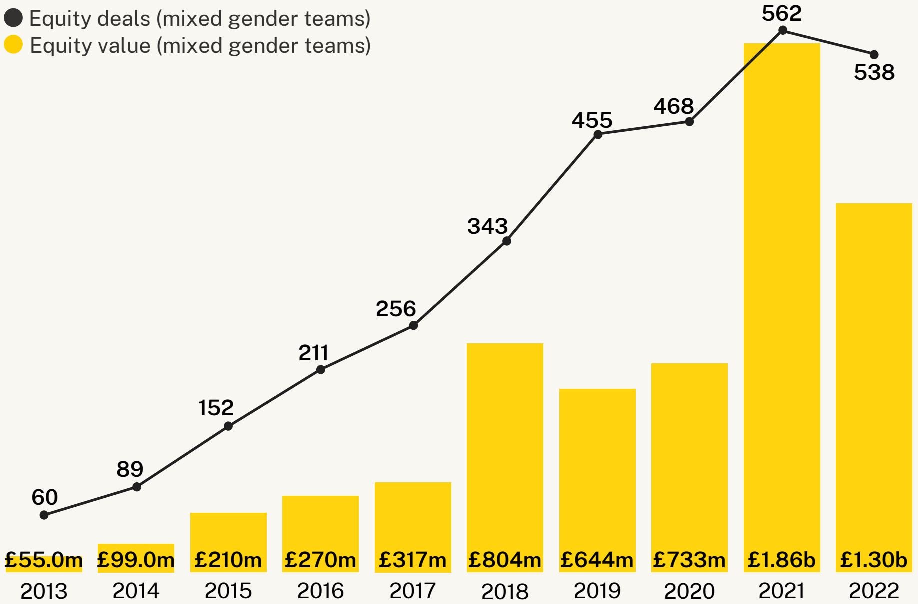


The number, and value, of equity deals secured by tech companies with only women founders have increased significantly in the past decade. Between 2013 and 2022, the number of deals secured by these companies has grown from 43 to a record 313, meanwhile the value of these deals has grown from £20.1m to £557m. Equity investment figures in 2022 declined slightly from the peaks set the previous year, but notably, this represents relative strength compared to the rest of the sector.

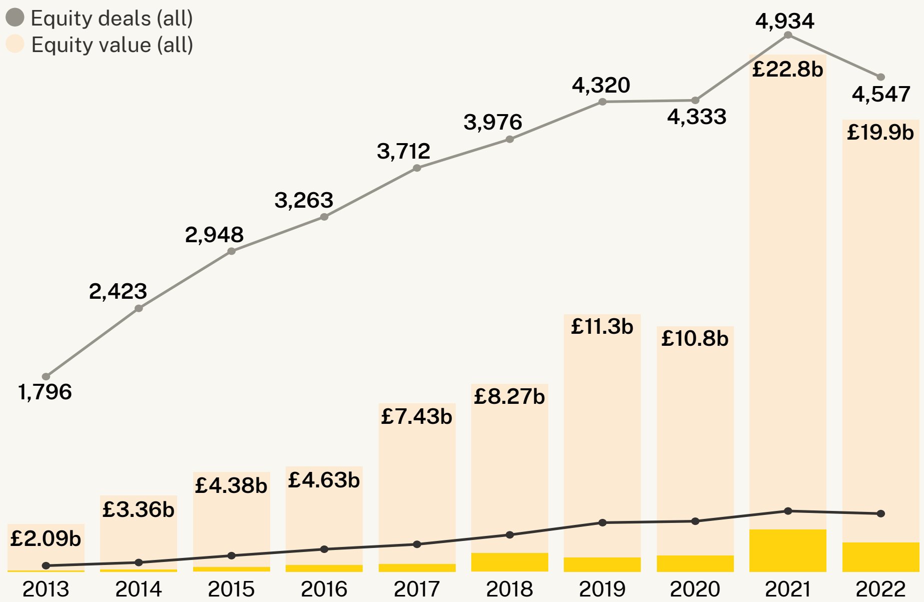
Making up just 6.53% of the high-growth technology company population, all-women founded tech companies received just 2.80% of the value of equity investments made into the sector in 2022, while also securing 6.88% in terms of the number of deals. The disparity in the proportions of the value and number of deals can be attributed to their early-stage nature, with 92.7% of deals for these companies occurring at the seed or venture stage, where investment rounds tend to be smaller on average.

Equity investment: mixed founding teams

Equity investment into tech companies with mixed gender founding teams (2013-2022)



Equity investment into tech companies with mixed gender founding teams—proportion of all equity investment into tech companies (2013-2022)



Tech companies with mixed-gender founding teams have also increased their share of equity investment received in recent years. Between 2013 and 2022, the value of equity funding received by these companies has increased from £55.0m to £1.30b and the number of deals has risen from 60 to 538. Similar to the wider equity investment landscape, these companies secured a record £1.86b via 562 deals in 2021. This includes a £20.0m equity fundraising by agritech company Vertical Future in December 2021. Co-founded by James and Marie-Alexandrine Burrows, the company develops vertical farming technology.

Companies founded by mixed-gender teams in the tech sector constitute 9.76% of the total population of the high-growth tech sector in the UK. Since 2013, these companies have received 11.8% of all equity deals awarded to the sector, but these deals represent just 6.51% of the total value received. Similar to the all-women founded teams, this can be traced back to more than 90% of these deals taking place at the seed or venture stage.

Spotlight: Hertility

Dr Helen O'Neill
Chief Executive Officer
at Hertility

Hertility, a women's health company established in 2019, is dedicated to transforming reproductive healthcare for women through its innovative diagnostic testing capabilities. Providing data-driven insights into reproductive health, fertility decline, and the onset of menopause, the company offers expert advice, education, and access to care via a virtual clinic and at-home testing. With a focus on personalised pathways to reproductive goals, Hertility aims to reduce the time to diagnosis for reproductive health issues through advanced at-home testing and specialist gynaecological care. The company has raised £6.73m in equity deals and currently employs over 35 people.

Hertility was founded by a trio with diverse expertise in the field of reproductive health and business. CEO Dr Helen O'Neill is a lecturer in reproductive and molecular genetics, with an MSc in prenatal genetics and fetal medicine and a PhD in stem cell biology from UCL. Her identical twin sister, CCO Deirdre O'Neill, is a dual-qualified lawyer in England and Ireland, with an MA in Medical Law from King's College London. COO Dr Natalie Getreu is an ovarian biologist skilled in translating scientific discovery to clinical practice. She holds an MSc in Reproductive Science and Women's Health and a PhD in Fertility Preservation from UCL.

Dr O'Neill said that she was inspired to start the company with her co-founders after a long career as a scientist and lecturer. Hertility was born out of a desire to bridge the data gap in current clinical practice.

"I was inspired to start the company after a long career as a scientist and a researcher. I started it to bridge the gap in current clinical practice. For me, there's a professional and personal angle. Professionally, we have all the tools but weren't applying them to women's health. From a personal perspective, people share their problems with me, and it's clear the system is broken."

> **Femtech can be a tick box for investors, offering diversification rather than being perceived as serving an unmet need. We wanted investors with a genuine desire to help solve women's health problems.**

Spotlight: Hertility

Dr O'Neill explains that she previously found the state of reproductive care for women challenging to witness, but that perspective has shifted as Hertility has grown. "I used to find it frustrating because we couldn't help people. Now I find it rewarding as we have the systems that can help people. We can give people answers which is a privilege but also a bit of a burden."

Dr O'Neill says that the initial funding journey was very difficult for the founders and the company, but they've come a long way. In particular, Dr O'Neill highlights a specific mentality among investors: "femtech can be a tick box for investors, offering diversification rather than being perceived as serving an unmet need. We wanted investors with a genuine desire to help solve women's health problems."

Hertility sought investors with a genuine desire to help solve women's health problems. Dr O'Neill says that convincing investors that there is a genuine market for Hertility's products has been a challenge. Such an attitude arises from a "fundamental gap and lack of understanding of women's health needs. We know the rhetoric around women's health is still quite taboo."

In June 2021, Hertility secured £4.20m in seed investment in a round led by venture capital investor Local Globe, with participation from Venrex Investment Management and angel investors. Dr O'Neill says that the venture capital firm understood Hertility's mission:

> "
> **Our investment from Local Globe was led by two female investors who were enthused and stated, 'this is so needed'.**

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Having launched in 2019, Hertility has undoubtedly faced numerous challenges related to global events and trading conditions over the last few years. Dr O'Neill has drawn on the experience to inform her leadership style. "My biggest lesson is that you can build a perfect business, but that doesn't put you outside of market forces like COVID, the war in Ukraine, and bank collapses like SVB. You can easily assume you're doing something wrong, but some events are just outside of your control," says Dr O'Neill, adding that "learning resilience to maintain momentum in the business is important."

Despite the challenges, Dr O'Neill and the Hertility team are motivated to continue growing and have witnessed over 520% year-on-year growth, evidencing the true need for solutions that cater to the business of helping more women. "This diagnostic technology is needed across the world," says Dr O'Neill.

Accelerated companies

Accelerator attendances by tech companies with one or more women founders (2013-2022)

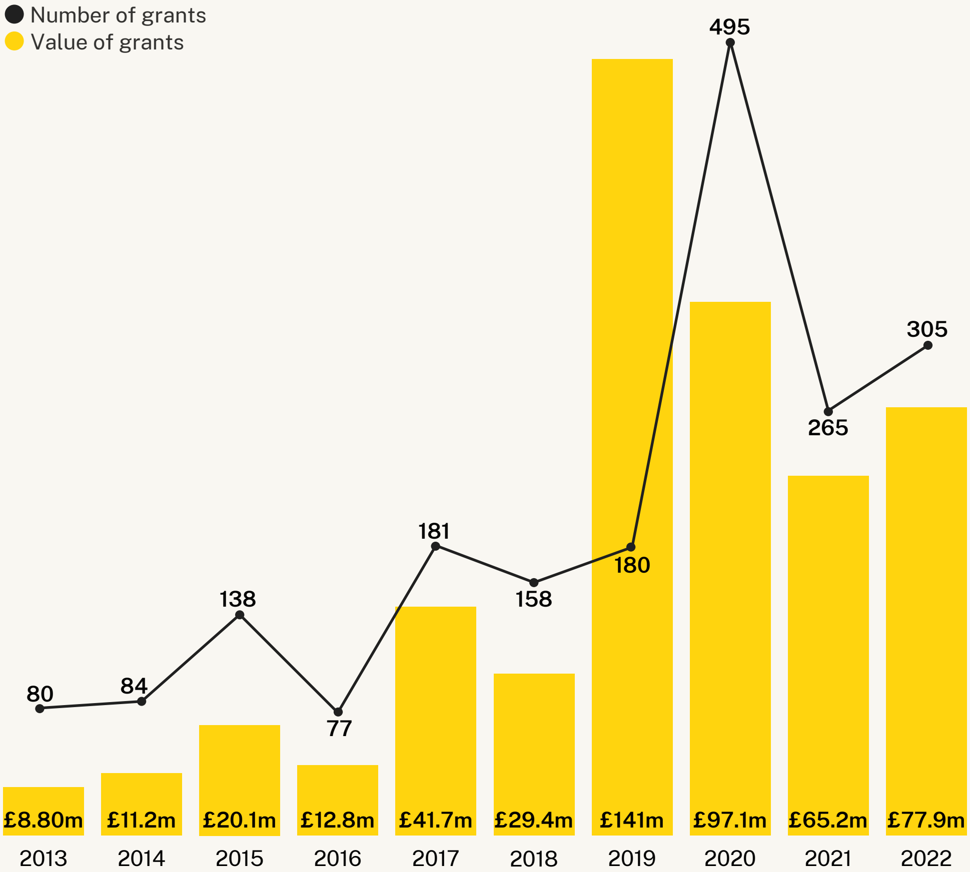
Mayor's International Business Programme	145
Entrepreneur Accelerator	107
Business Growth Programme	103
Shott Scale Up Accelerator	41
Innovation-to-Commercialisation of University Research	41
King's20	30
PwC Scale Programmes	28
Bethnal Green Ventures	25
Panacea Stars	22
P4 Precision Medicine	22
DigitalHealth.London Accelerator	22
KQ Labs	21
Enterprise Fellowships	21
Unlocking Ambition	19
Machine Intelligence Garage	19
Entrepreneur First	19

It's encouraging to see that there are several accelerators that are supporting women-led tech startups. The Mayor's International Business Programme is leading the way, with a count of 145 tech companies with one or more women founders attending their program. This program offers guidance and support for businesses looking to expand internationally and helps connect them with potential customers, investors, and partners. Another notable accelerator is the Entrepreneur Accelerator (107), which provides a wide range of support services to entrepreneurs, including mentorship, training, and networking opportunities.

It's worth noting that many of these accelerators have a specific focus, such as the DigitalHealth.London Accelerator (22), which helps tech businesses looking to work with the NHS, or KQ Labs (21), which supports startups in the area of data-driven health. This targeted support can be incredibly valuable for startups that are operating in a niche market and need specialised support. Overall, these accelerators offer valuable resources and support for women-led tech companies looking to grow their businesses.

Grant funding

Innovation grants received by tech companies with one or more women founders (2013-2022)



1,963
number of innovation grants 2013-2022

£505m
value of innovation grants 2013-2022

Over the past decade, there has been a broad upward trend in the number and the total value of grants awarded to tech companies with one or more women founders. Between 2013 and 2022, the total value of these grants has increased from £8.80m to £77.9m, while the total number of grants has risen from 80 to 305.

In terms of the value of grants awarded, 2019 represented a record year for this cohort of companies, as they received £141m in grant funding. This is largely due to a £100m grant awarded to Starling Bank in February 2019 from the Capability and Innovation Fund. When considering the total number of grants awarded, 2020 was a record year for the decade with the cohort receiving 495 grants. This can be traced back to the increased governmental support for businesses during the COVID-19 pandemic, including Innovate UK's Women in Innovation programme, that aims to support innovative women founders.

Spotlight: Streetbees

Tugce Bulut
Co-founder and Chief Executive Officer at Streetbees

London-based Streetbees has developed a consumer intelligence platform powered by generative pre-trained transformers (the GPT in ChatGPT). Its technology enables some of the world's largest brands to pose their business questions to consumers in real-time to inform strategic decisions. Streetbees works with brands such as Unilever, PepsiCo, Mars, IKEA, Intel, and Philips.

Streetbees has worked with OpenAI over the last three years to bring AI-driven technology to the market research sector. Streetbees launched GPT-4 powered SBX in April. The tool allows brands to pose everyday business questions to their consumers via a GPT-powered app. This approach removes significant friction in consumer intelligence collection as no briefs, surveys, or data analysis need to be conducted by humans. The team at Streetbees says SBX translates business questions into consumer language and then into strategy reports by harnessing the power of GPT technology.

Streetbees was co-founded by CEO Tugce Bulut and COO Oliver May in 2015 to build the world's first AI-powered consumer research platform. Bulut had previously encountered difficulties with getting fast access to consumer intelligence while working as a strategy consultant for EY-Parthenon. May had previously worked as a trader for Morgan Stanley and co-founded a mobile app for planning family activities.

Bulut explains the duo's vision: "Market research has been suffering from a lack of innovation for many years. We wanted to bring the analytical capability of a McKinsey consultant to leading brands all over the world with simple software that thinks and acts like an experienced strategy consultant. Streetbees' goal has been to democratise data by enabling access to high-quality intelligence and insights for everyone at an affordable price."

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Spotlight: Streetbees

Since launching in 2015, Streetbees has raised over £50m in funding from high-profile investors, including Lakestar, Atomico, LocalGlobe, Octopus Ventures and BGF. However, Bulut notes that growing a company with a new and innovative product offering and securing funding is not without its challenges. "It's inevitable that there will be many people who say 'no' to you when you're building a company," says Bulut. "For me, the biggest lesson learnt was to keep moving and only engage with those who want to build this platform with us and join us in that journey; and not dwell on those who are not on the same page or not as excited about our dream. The 'nos' don't really matter that much as all you need is one powerful 'yes'."

Bulut has some key lessons for entrepreneurs. "You need to work on something that doesn't feel like work, something you cannot help but build. Entrepreneurship is such a challenging sector that if you are not absolutely in love with your vision and with the sector you're working in, you will have many, many reasons to throw in the towel at some point along the way."

Bulut's passion comes through when she speaks about how Streebees is embracing new methods for accessing and unlocking the power of data, such as the company's recent innovations with generative AI. "Our goal has always been to democratise the access to data. That's why I'm very proud of our team who launched SBX last month, which now is able to address everyday business questions in less than 48 hours, delivering a top-quality strategy report without any need to write a research project, brief an agency, script a survey or analyse data in a spreadsheet. This will revolutionise how we do market research and how we integrate consumer perspectives into every business decision."

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> **You need to work on something that doesn't feel like work, something you cannot help but build. Entrepreneurship is such a challenging sector that if you are not absolutely in love with your vision and with the sector you're working in, you will have many, many reasons to throw in the towel at some point along the way.**

Fastest-growing companies

The companies highlighted on this page have exhibited the greatest compound annual growth rates (CAGRs) in their turnover or headcount over the past three years. This data has been gathered from their financial accounts and highlights the significant progress these companies have made in terms of their expansions. Starling Bank and QuantuMDX demonstrated the largest increase in CAGR by turnover, having increased by 316% and 74% respectively. Starling Bank also exhibited the greatest headcount growth, having grown its employee count by a CAGR of 109%, followed by Element and Myenergi, which grew their headcounts by CAGRs of 100% and 97% respectively.

Starling Bank

CAGR (turnover):	316%
Turnover (FYE 2022):	£221m
Sector:	Consumer banking and financial services

Founded by chief executive Anne Boden in 2014, Starling Bank provides a mobile-based banking app for consumers. The London-based challenger bank has secured a total of £715m via nine fundraising rounds, with its £131m equity deal in April 2022 giving the company a £2.61b pre-money valuation. Starling Bank has also received £100m in grant funding to support its efforts in the SME banking market.

QuantuMDx

CAGR (turnover):	74%
Turnover (FYE 2022):	£3.80m
Sector:	Clinical diagnostics

Based in Newcastle, QuantuMDx develops molecular diagnostics devices, such as its flagship Q-POC, a portable diagnostics instrument designed to provide rapid testing. Co-founded by Elaine Warburton, Caroline Alexander and Jonathan O'Halloran in 2008, the medtech company has since secured more than £59.5m in equity fundraising and a further £19.8m in grant funding.

Element

CAGR (headcount):	100%
Headcount (FYE 2022):	128
Sector:	Software-as-a-service

Incorporated in 2017, Element develops a communication platform that provides secure, decentralised messaging and collaboration tools. Co-founded by Amandine Le Pape and Matthew Hodgson, the London-based company has raised £36.1m in equity investment from four fundraising rounds.

myenergi

CAGR (headcount):	97%
Headcount (FYE 2022):	273
Sector:	CleanTech

Co-founded by Jordan Brompton and Lee Sutton in 2016, myenergi manufactures energy management products and electric vehicle charging equipment for residential and commercial use. The Lincolnshire-based company has received £1.85m in equity funding and £71.5k in grant funding.

Top sectors

Top tech sectors for high-growth tech companies with one or more women founders (2023)

Sector	Companies
Internet platform	753
Mobile apps	569
Software-as-a-service (SaaS)	552
Analytics, insight, tools	399
Educational services	156
Pharmaceuticals	148
Research tools/reagents	119
CleanTech	118
Personal healthcare services	110
Business banking and financial services	107
E-commerce	97
Clinical diagnostics	88
Medical devices	82
Social network	79
Security services (physical and virtual)	76
Recruitment agencies and personnel supply services	72
Marketing services	72
Consumer banking and financial services	66
Information services	65
Healthcare products	60

Aligning with the wider tech landscape in the UK, internet platform (753), mobile apps (569) and software-as-a-service (552) lead the way as the top sectors for tech companies with at least one woman founder. The life sciences sector is also among the top sectors for this group of companies, with pharmaceuticals (148) and life-science-related research tools/reagents (119), featuring prominently. Of these companies, 11.4% fall within the life sciences sector, while for all tech companies this figure is 8.5%. This highlights the growing presence of women entrepreneurs in the sector, and the role they play in driving innovation and growth toward health-related applications.

As the world pushes towards a greener future, cleantech (118) has also become well-represented among women-founded tech companies. This includes companies such as Solivus, which develops thin-film, solar-based power generation and storage technologies, for residential, commercial and industrial use.

Spotlight: Sie Ventures

Triin Linamagi
Co-founder and Chief Executive Officer at Sie Ventures

Introducing Sie Ventures

Sie Ventures is a unique capital platform launched to redress the imbalance in venture capital funding for diverse founding teams, with particular emphasis on supporting women entrepreneurs. The team behind Sie Ventures combines entrepreneurial and investment experience, helmed by co-founders Triin Linamagi (CEO) and Nicole Velho (Head of Sie Syndicate). Linamagi has a background in entrepreneurship and investments. Prior to co-founding Sie Ventures in 2021, Linamagi was an investor and founding team member at The Venture Collective. She also held investment roles at Founders Factory and Startupbootcamp. Before her career in VC, she co-founded three companies across fintech and the future of work. Prior to co-founding Sie Ventures, Velho worked as a Vice President at Macquarie Investment Bank on the trading floor and before that was at Deutsche Bank and Barclays Capital in London. Velho kicked off her career co-founding an edtech startup that sold educational software to top auditing houses in South Africa and has angel invested in and supported women founders throughout her career. Sie Ventures currently operates through initiatives such as the Sie Catalyst educational program and the Sie Syndicate — making investments in women-led startups alongside a group of like-minded angel investors.

Q&A with Triin Linamagi

How has your experience as a woman entrepreneur influenced your approach at Sie Ventures?

I believe I have taken all the things that worked and didn't work from my own journey, which I then pass on to the founders we work with at Sie Ventures. I have never thought of myself as having an advantage or disadvantage because I'm a woman. However, I do think we need to work much harder, do more to prove ourselves and tap into all possible networks in order to succeed. I've spent most of my career in rooms full of (only) men and I think there's huge untapped potential in businesses that have more diverse founding teams.

What are some sectors or tech areas where you see women entrepreneurs particularly excelling?

Healthcare, future-of-work, and consumer — and we're seeing more and more women building across fintech and sustainability.

Spotlight: Sie Ventures

Women often build businesses that solve real-world problems in areas where they have first-hand experience. We are not only seeing innovation in areas that have been largely overlooked and could drive huge returns but also in areas that positively impact society, marrying profits with purpose.

What would you say to those who believe that the gender funding gap is more about the industries women choose to enter rather than systemic bias in funding?

I tend to disagree but at the same time, understand their thinking. Contrary to their belief, we are seeing an increasing number of businesses where women have very specific industry expertise and background in historically male-dominated sectors from spacetech, biotech, and deeptech to B2B SaaS, fintech, and proptech. I think it goes back to the lack of access to the right talent and heavily relying on pre-existing networks and sourcing patterns. I also believe we need more funds that take a different approach and invest in more areas where other venture firms don't. There are many sectors where we have reached a certain maturity level whilst there are others that are ripe for disruption.

What are some common obstacles women face when seeking venture capital?

Access to the right networks is one of the biggest barriers. Venture capital is incredibly relationship and network driven with male founders often having the advantage of pre-existing connections to the industry. Secondly, the prominence of unconscious bias in decision-making and information processing, it's not only gender bias but also FOMO, overconfidence bias, anchoring bias, similarity bias, confirmation bias, and much more. Unconscious biases can be challenging to address because they are often deeply ingrained. However, we can do a lot to overcome these obstacles — both as founders and investors.

"Women often build businesses that solve real-world problems in areas where they have first-hand experience. We are not only seeing innovation in areas that have been largely overlooked and could drive huge returns but also in areas that positively impact society, marrying profits with purpose.

Some argue that initiatives like Sie Ventures reinforce the stereotype that women need special assistance to succeed. How do you respond to this claim?

Women don't need special assistance. Women need equal access to capital and support

Spotlight: Sie Ventures

ecosystems. The most effective and valuable support can be given by focusing on specific communities with specific wants and needs, so why do women get asked this when men have benefited from this for the end of time? We are levelling a skewed playing field, creating a world where women entrepreneurs can thrive with the support, network, and capital to do so.

In your view, what unique strengths do women entrepreneurs bring to the table?

Women entrepreneurs optimise for long-term sustainable growth rather than actioning short-term growth strategies for a quick exit. For example, they often explore alternative sources of capital — alongside venture capital — and tend to be more effective at building and developing their workforce. It goes without saying that men and women have very unique, lived experiences in similar situations and solve problems differently.

It's also a huge misconception that women are more risk averse and multiple studies have found that when it comes to risk, men and women rank fairly similarly but the way they react to risk is different, women are more detail-oriented and tend to consider the full picture before decision making.

What advice would you give to women entrepreneurs looking for investment?

Stay true to yourself and understand what your strengths are. Avoid focusing too much on being a "female founder" and instead, make use of the various support programs and networks available to you. Focus on making sure you have customers who want to buy your product, that there's enough incoming demand and that the opportunity is large enough for you to succeed. I would say to any founder that they should be validating their product before they even consider raising capital — or at least in most sectors! Become familiar with venture returns and if this is something you can realistically achieve with your business.

Women need equal access to capital and support ecosystems. The most effective and valuable support can be given by focusing on specific communities with specific wants and needs, so why do women get asked this when men have benefited from this for the end of time? We are levelling a skewed playing field, creating a world where women entrepreneurs can thrive with the support, network, and capital to do so.

Sector focus: AI and ML

1,689
active, high-growth AI companies in the UK (2023)

£10.7b
equity investment secured (2013-2022)

Artificial intelligence (AI) replicates tasks needing human intelligence, often striving for a high-certainty prediction, much like human judgement. Primarily created through machine learning (ML), AI uses vast data to build and validate a model. Generative AI, a branch of AI, generates new content, including conversations, stories, and multimedia, powered by large pre-trained models known as foundation models (FMs). Given the easy access to scalable computing, an abundance of data, and swift ML progress, industries are quickly adopting generative AI, marking a thrilling turning point in the widespread use of ML.

Awareness of the potential of AI is already prevalent among investors and entrepreneurs in the UK's high-growth ecosystem. Beauhurst data shows that there are currently 1,689 active, high-growth AI companies in the UK.

High-growth AI companies have secured a total of £10.7b in equity investment between 2013 and 2022. Even in a year of macroeconomic uncertainty, the sector has outperformed the wider market, securing a record £3.13b in equity funding in 2022. This includes a £210m equity deal for Lendable in March 2022. The company develops a consumer lending platform that uses AI and automated underwriting to rapidly approve loans.

Artificial intelligence and machine learning are poised to play a major role in the future of tech and high-growth ecosystems. With AI and ML, businesses can automate routine tasks or gain insights from vast amounts of data without the typical expertise required. These technologies can be leveraged to make companies more efficient earlier on in their lifecycles, providing a platform for faster growth.

AI and ML with AWS

AI and ML have been a focus for Amazon for over 20 years, with many of the capabilities customers use at Amazon driven by ML. With generative AI on AWS, you can reinvent your applications, create entirely new customer experiences, drive unprecedented levels of productivity, and transform your business. You can choose from a range of popular FMs, or use AWS services that have generative AI built-in, all running on the most cost-effective cloud infrastructure for generative AI.

Spotlight: Dressipi

Sarah McVittie
Co-founder and co-Chief Executive Officer at Dressipi

Dressipi's e-commerce platform helps fashion retailers to provide personalised recommendations by using machine learning to update and enrich product data. Its clients include John Lewis, River Island, and LK Bennett. The London-based company's technology supports clients seeking to improve efficiency and increase revenue via tailored fashion experiences. Since launching in 2009, Dressipi has raised over £5m in equity funding to support its growth and has over 25 employees. By enhancing product searchability and matching products to consumers, Dressipi is also helping to reduce waste in the fashion industry.

Dressipi co-founders and co-CEOs Donna Kelly and Sarah McVittie have impressive entrepreneurial backgrounds. Kelly previously co-created The Interactive Content Factory, which was acquired by Verizon in 2005. McVittie co-founded and served as CEO of Texperts, the world's first text message question-answering service. The company was sold to kgb, owners of the 118118 directory inquiries service, in a multi-million-pound deal.

McVittie says that Kelly had the idea for the company: "The idea was Donna's while she was working at IMG Digital running all the digital assets. We were looking to do something more in the space. Inevitably, we initially built the business to be B2C and were then approached by large companies looking for a B2B solution."

The journey has been quite a long one. The company was incorporated in 2009 and McVittie says the business really got going about seven years ago. Thankfully it is becoming easier, explains McVittie, "We've got an easier market

> **It's definitely a lot better now. When we were first raising investment, lots of funds were run by ex-bankers and financiers — lots of blokes. We're a tech-heavy AI business, yet people invest in people like them, and there just weren't enough women involved in VC funds. It just wasn't a good fit for us.**

Spotlight: Dressipi

now with AI tools like ChatGPT helping people to understand the value of data."

McVittie says that raising investment for the company has had challenges and that it has raised most of its funds via angels. "It's definitely a lot better now. When we were first raising investment, lots of funds were run by ex-bankers and financiers — lots of blokes. We're a tech-heavy AI business, yet people invest in people like them, and there just weren't enough women involved in VC funds. It just wasn't a good fit for us."

Despite the AI focus, one early fund McVittie and Kelly spoke to responded with, 'Sorry girls, we don't do fashion'. McVittie says, "The market has definitely improved now. There are now new, better, more focused funds with diversity and inclusion a key part of everyone's focus."

She has advice for founders looking to raise investment, regardless of the stage: "Take the time to really understand what investors are bringing. Make sure you do as much due diligence on them as they will do on you — speak to at least two people that they have not provided for you to interview."

McVittie also notes that some founders should look beyond venture capital to support their businesses. "Keep in mind that there are so many ways to fund a business; it doesn't have to be VC. Some VCs have a real herd mentality."

Beyond her suggestions for choosing investors, McVittie has two key lessons for entrepreneurs: "Remember to keep it simple. Sometimes we have been guilty of trying to be too smart. Make it easy to understand. And always remember to build a network. For me, others have been amazing mentors and can be people who really have your back."

"

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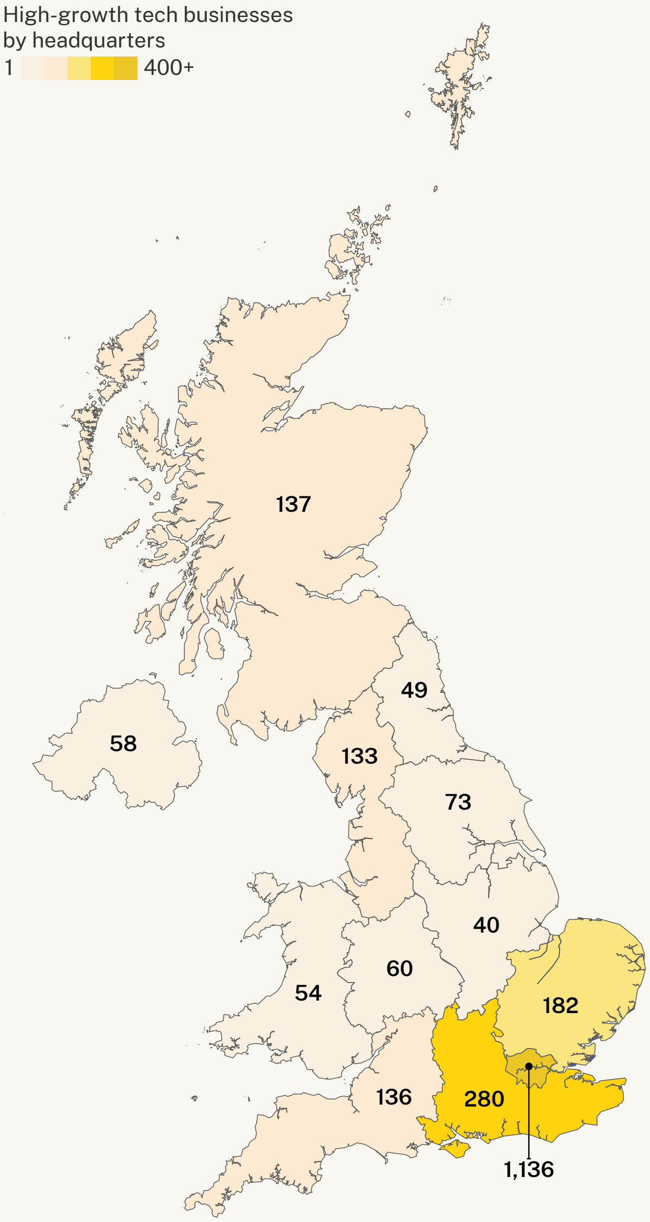
As for motivation to keep growing, it helps that Dressipi's mission also has a social and environmental impact, which keeps the team motivated. Helping retailers and consumers reduce waste can have an immense impact. "Fashion is the least sustainable industry after oil and gas. For example, 60% of all clothes sold in the UK end up in landfill," says McVittie.

Top regions

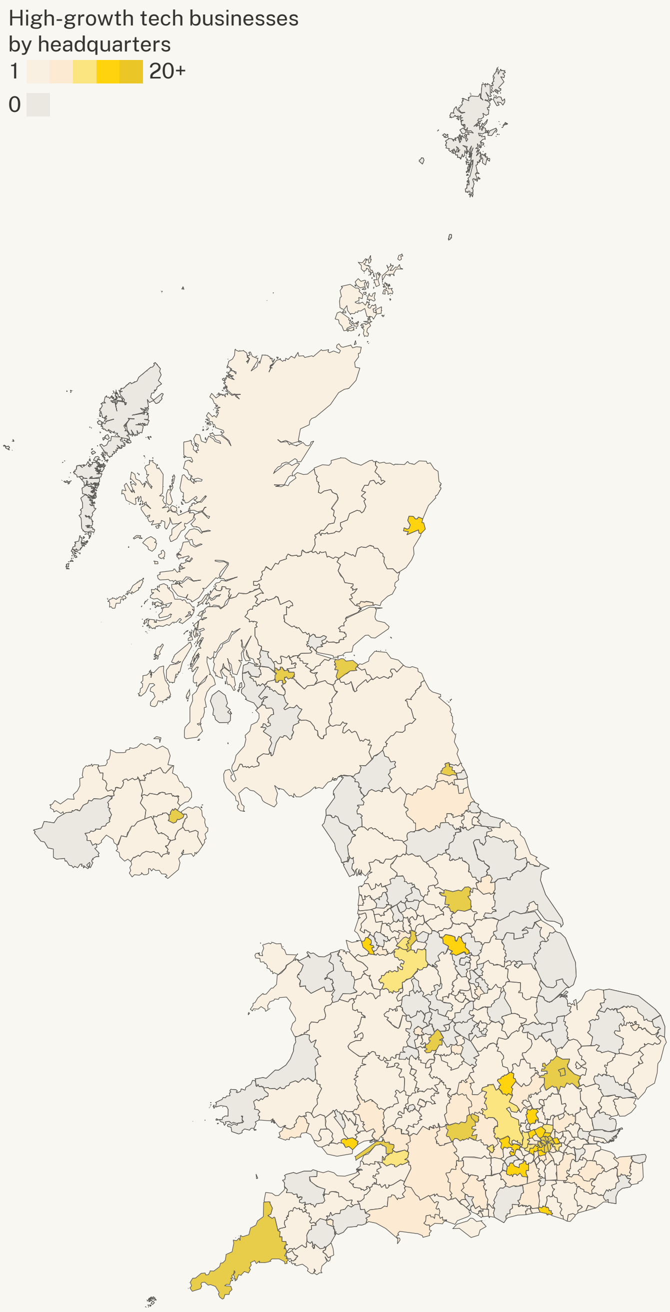
Map of UK regions by high-growth tech companies with one or more women founders (2023)



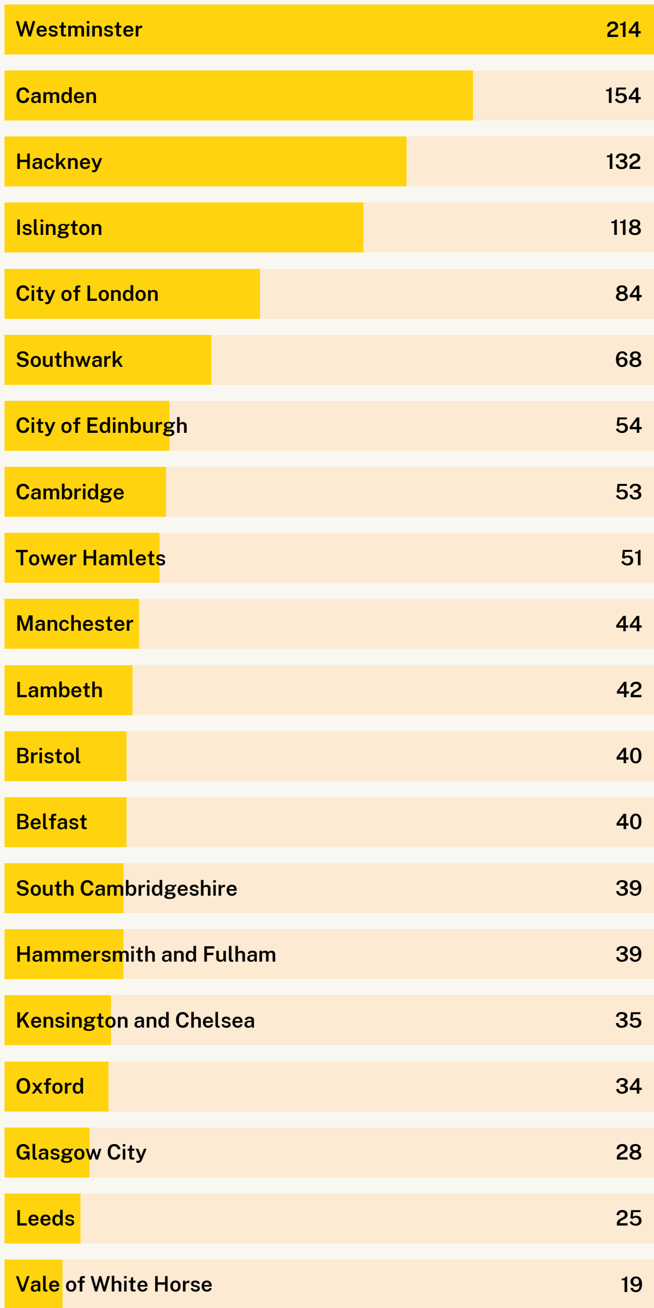
Top UK regions by high-growth tech companies with one or more women founders (2023)

Top local authorities

Map of UK local authorities by high-growth tech companies with one or more women founders (2023)



Top UK local authorities by high-growth tech companies with one or more women founders (2023)



Spotlight: Unitary

Dr Sasha Haco
Co-founder and Chief Executive Officer at Unitary

Unitary is a software development company that specialises in artificial intelligence for interpreting online images and videos, particularly for content moderation. Its co-founders, CEO Dr Sasha Haco and CTO Dr James Thewlis met at accelerator Entrepreneur First and combined their passion for problem-solving and online safety. After identifying a need for better tools and information for keeping users safe online, Unitary developed its AI technology, launching in 2019. The East of England company has secured three equity deals, raising a total of £8.11m, and has more than 30 employees.

Dr Haco explains how a desire to do more impactful work led to her starting the company. "Before Unitary, I was doing a PhD in physics looking at black holes. I was basically studying like what happens to things when they fall into a black hole. And this is a really meaty, exciting, intellectually challenging problem, but I found it hard to grapple with the fact that it wasn't very impactful. I couldn't see the impact of the work I was doing. That's what made me want to do something a bit more connected to the real world."

Anyone who has engaged with social media in recent years will observe that the surge in political and ideological conversations and issue-based discourse amplifies the demand for balanced moderation, fostering a respectful and safe environment for all users. Dr Haco says familiarity with social media and its issues has helped make Unitary's mission explicable. "I definitely think people really understand our business quite quickly. We're quite lucky that this is a business where you can understand what we're doing really easily. I think what is challenging is to convince people that this is a big enough problem and that we're going to be the ones to solve it."

The team at Unitary has certainly managed to convince investors so far, having secured £8.11m in equity investment via three rounds from institutional and angel investors. Dr Haco says that raising investment has been a positive experience: "We went out to raise our first round of funding at the end of 2019. So far, I should say that I've had a very good fundraising experience. I haven't felt discriminated against. I know that's a massive issue, but I've been very lucky... Each time we've raised, I've found people who I connect with really well and who believe in me and believe in what we're doing. And I've worked with them for some period of time before they've invested."

Spotlight: Unitary

Entrepreneur First (EF) played an important connecting role in helping Unitary to secure investment. The London-based accelerator specialises in supporting ambitious individuals in transforming their ideas into successful startups. Dr Haco explains how connections formed at EF helped with Unitary's second round of investment from Plural, an investment platform set up by Songkick founder Ian Hogarth.

"One of the co-founders of Entrepreneur First connected me with Ian Hogarth. And Ian was really supportive and helped us because he believes in our mission… So when I started thinking about going out for our next round of investment, Ian — who had recently raised a new fund — suggested 'Why don't we invest?' And because I really had a great relationship there, I didn't have to go out and do a traditional fundraise."

Dr Haco notes that convincing investors that Unitary's tech is top-notch has been an important step in helping investors build conviction in the company. "The people who backed us saw that space was big enough but we also had to work hard to show that our tech was uniquely positioned to solve this problem so that we could dominate in the space. It's not the kind of market where there can be many winners," says Dr Haco.

Reflecting on her experience as a woman founder and CEO, Dr Haco notes that there is increasing acceptance of different types of CEOs in all respects, not just gender. "I think there's more acceptance and awareness of the fact that there are different leadership styles and there are different types of CEOs. So there's less pressure to try and be the stereotypical white male CEO that people point to in the biggest success stories. I've certainly met a lot of people who are very happy and very open to lots of different approaches."

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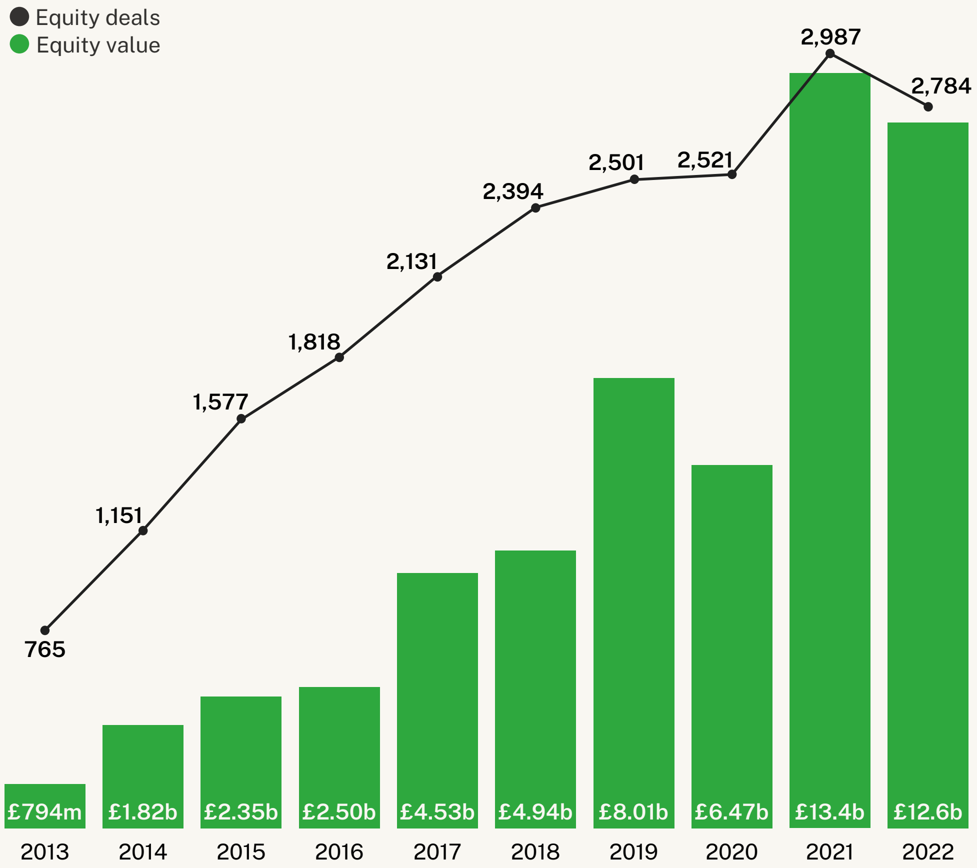
2

Diversity in UK tech

Immigrant founders

Equity investment

Equity investment into tech companies with one or more founders from outside the UK (2013-2022)



20,629
number of equity deals 2013-2022

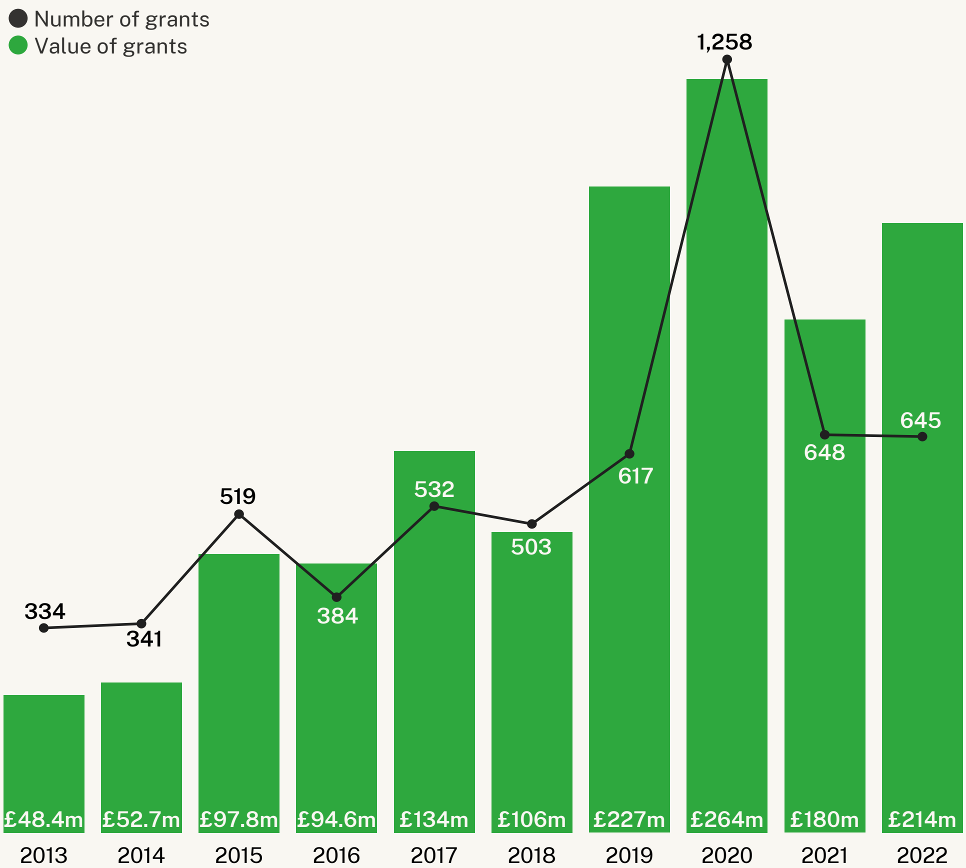
£57.4b
value of equity deals 2013-2022

The number, and value, of equity deals secured by tech companies with one or more founders from outside of the UK have grown significantly over the past decade. Between 2013 and 2022, the value of deals secured by these companies rose from £794m to £12.6b, meanwhile, the number of deals increased from 765 to 2,784. These companies constitute 39.1% of the high-growth tech sector in the UK, but since 2013, they have received 60.4% of the total value of all equity funding for tech companies.

These findings highlight the importance of international founders in driving the growth and success of the UK's high-growth tech sector. It also indicates the attractiveness of the UK for global tech entrepreneurs looking to establish and grow their businesses, with access to a skilled workforce, investors and a supportive business environment being a key factor in this.

Grant funding

Innovation grants received by tech companies with one or more founders from outside the UK (2013-2022)



5,781
number of innovation grants 2013-2022

£1.42b
value of innovation grants 2013-2022

Since 2013, grant funding for tech companies with one or more founders from outside of the UK has broadly increased. The past decade has seen the value of grants awarded to these companies rise from £48.4m to £214m, while the number of grants increased from 334 to 645. In 2020, these companies received a record £264m from 1,258 grants, which can be attributed to the increased government support given to companies during the COVID-19 pandemic.

While figures declined slightly the following year, grants are still a crucial source of funding for these companies. This has been particularly true in the past year, in which companies have seen equity investment figures decrease as investors take a step back in difficult economic conditions. Fortunately, the grant funding figures were strong in 2022, with companies such as DIOSynVax, which develops vaccines using AI, receiving a £32.1m grant in March 2022.

Top sectors

Top tech sectors for high-growth tech companies with one or more founders from outside the UK (2023)

Software-as-a-service (SaaS)	1,621
Internet platform	1,568
Mobile apps	1,307
Analytics, insight, tools	1,139
Business banking and financial services	431
Pharmaceuticals	262
Consumer banking and financial services	260
Educational services	246
CleanTech	244
Security services (physical and virtual)	238
Research tools/reagents	233
Marketing services	202
Payment processing	192
Clinical diagnostics	183
E-commerce	169
Medical devices	163
Personal healthcare services	151
Collaboration tools	151
Information services	148
Social network	143

Software-as-a-service (1,621) leads the way as the top sector for tech businesses with one or more founders from outside of the UK, followed closely by internet platform (1,568) and mobile apps (1,307). The business (431) and consumer (260) banking and financial services sectors are also high on the sectoral ranking. This highlights the impact that foreign founders are having on fintech in the UK, as well as the international talent the UK is attracting in this field.

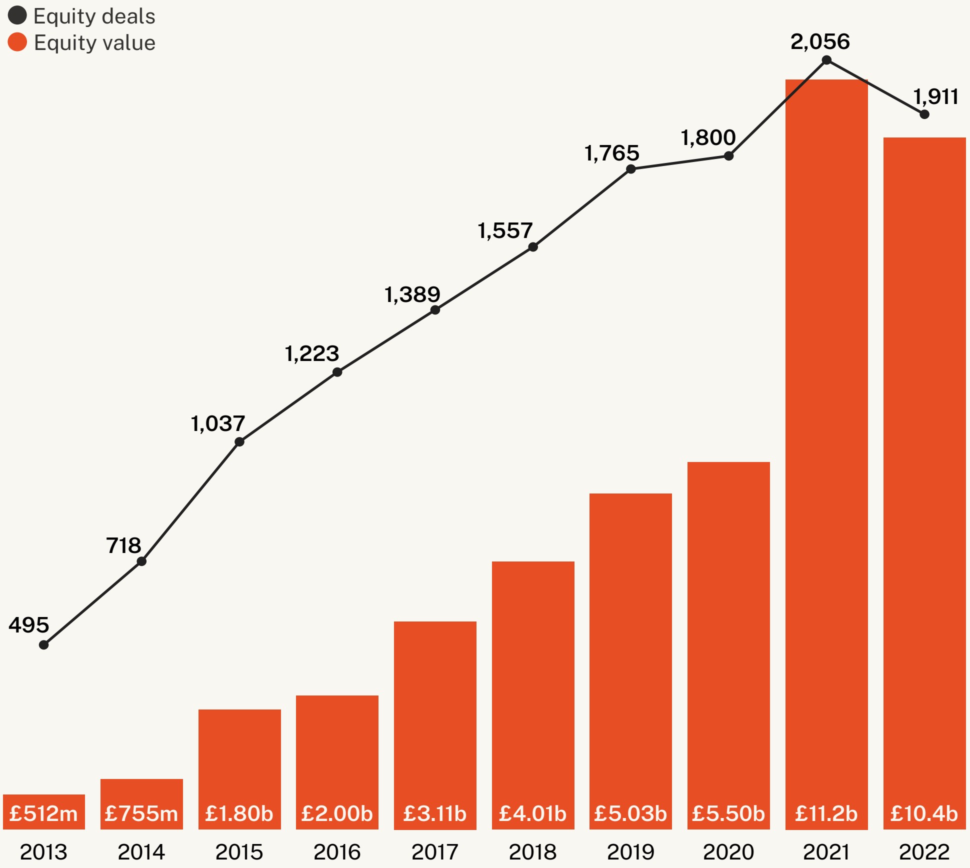
3

Diversity in UK tech

Ethnically underrepresented founders

Equity investment

Equity investment into tech companies with one or more ethnically underrepresented founders (2013-2022)



13,951
number of equity deals 2013-2022

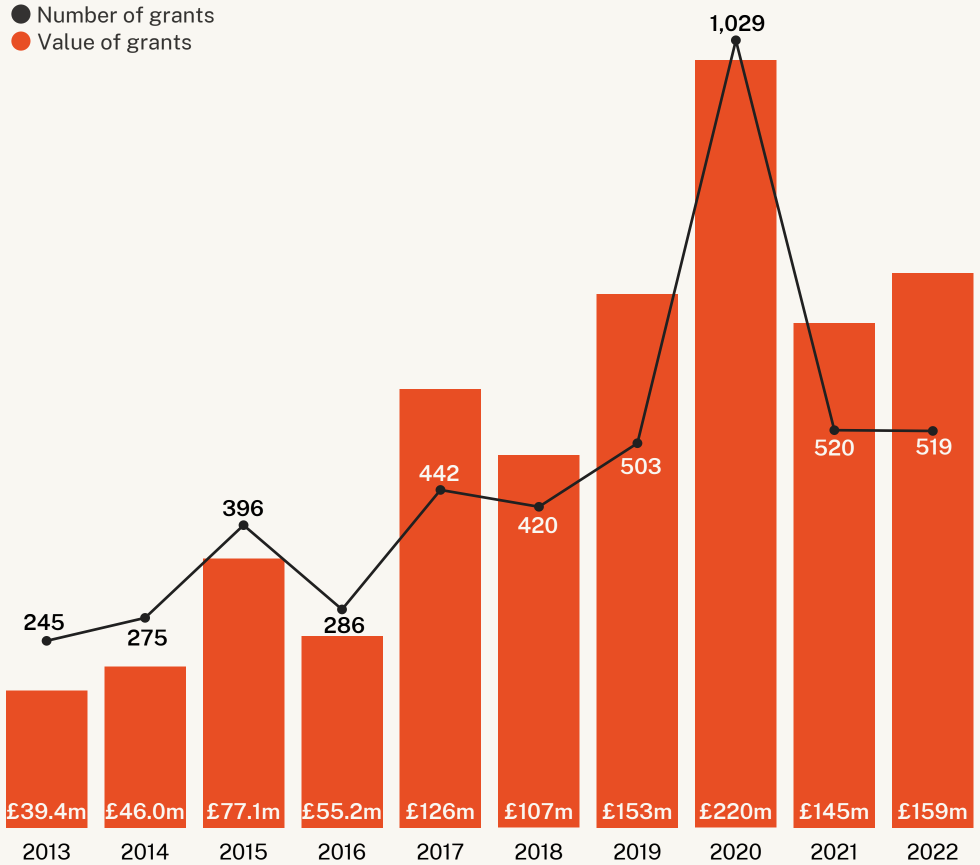
£44.3b
value of equity deals 2013-2022

Between 2013 and 2022, the value of equity deals secured by tech companies with one or more ethnically underrepresented founders has increased from £512m to £10.4b. In the same time period, the number of deals rose from 495 to 1,911. These companies currently constitute 35.1% of the total tech company population in the UK, while their fundraisings represent 46.6% of the total value of all equity investments secured by tech companies in the past decade. The number of deals secured by these companies represents 38.5% of all deals secured, indicating that while they receive a proportionate number of equity investments, these companies tend to secure more money than their counterparts.

It's worth noting that a successful deal can obscure the difficulties faced in raising the investment; the process may remain unfair, even as funding starts to flow. But these numbers suggest that efforts to promote diversity and inclusion in the sector have been productive and that investors are recognising the value and potential of businesses led by diverse teams.

Grant funding

Innovation grants received by tech companies with one or more ethnically underrepresented founders (2013-2022)



4,635
number of innovation grants 2013-2022

£1.13b
value of innovation grants 2013-2022

The number of grants awarded to companies with one or more ethnically underrepresented founders has more than doubled in the past 10 years, increasing from 245 to 519. Meanwhile, the total value of these grants has quadrupled, rising from £39.4m to £159m. Most of these grants (77.1%) were awarded by Innovate UK, a government-funded organisation that supports businesses to drive economic growth through innovation. The remainder have been awarded by the EU and regional and local grant schemes throughout the UK.

The total value of these grants constitutes 29.5% of all grants awarded to tech companies since 2013. Similarly, the count of these grants represents 31.5% of all grants awarded to tech companies in the same time period. These findings suggest that tech companies with one or more ethnically underrepresented founders are underrepresented in terms of grant funding, with these companies comprising 35.1% of the total tech company population. While these companies have received significant grant funding over the years, this indicates that there is still room to support and promote diversity within the tech sector to ensure equal opportunities for entrepreneurs.

Methodology

Data sources

The gender data in this analysis is primarily based on the honorifics founders have chosen for their directorship records at Companies House. If this data is insufficient, other sources like company websites, professional profiles, and press materials are used to determine an individual's gender. Companies with founders where gender is unknown are excluded from the analysis.

Nationality data is sourced from founders' information associated with their Companies House directorship records.

The founder ethnicity data in this report has been generated using the Onomap software tool, which classifies names into the 2001 Census Ethnic Group, aligning with the UK 2001 Census Ethnicity Classification. For a founder to be classified as an ethnically underrepresented founder in this report, the founder must have been assigned to a category other than "White British" according to the 2001 Census Ethnic Groups. Where a company has a founder with an unknown ethnicity (where Onomap was unable to classify the individual) the company has been excluded from the analysis. Companies where at least one founder cannot be identified have also been excluded. More information on Onomap can be found at onomap.org.

High-growth companies

Beauhurst identifies ambitious businesses using eight tracking triggers (outlined below) that we believe suggest a company has high-growth potential. More detail on Beauhurst's tracking triggers is available via our website.

Equity investment

To be included in our analysis, any investment must be:
- Some form of equity investment
- Secured by a non-listed UK company
- Issued between 1 January 2013 and 31 December 2022

Announced and unannounced fundraisings

An unannounced fundraising is an investment made into a private company that is completed without press coverage or a statement from the recipient company or funds that made the investment. These transactions are an integral part of the UK's high-growth economy, accounting for around 70% of all equity transactions.

High-growth tracking triggers

- Equity investment
- Academic spinouts
- MBOs/MBIs
- Scaleups
- High-growth lists
- Venture debt
- Accelerator attendances
- Major grant recipients

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Beauhurst is a searchable database of the UK's high-growth companies.

Our platform is trusted by thousands of business professionals to help them find, research and monitor the most ambitious businesses in the UK. We collect data on every company that meets our unique criteria of high-growth; from equity-backed startups to accelerator attendees, academic spinouts and fast-growing scaleups.

Our data is also used by journalists and researchers who seek to understand the high-growth economy, and powering studies by major organisations — including the British Business Bank, HM Treasury and Innovate UK — to help them develop effective policy.

For more information and a free demonstration, visit beauhurst.com

aws

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In 2006, Amazon Web Services (AWS) began offering IT infrastructure services to businesses in the form of web services — now commonly known as cloud computing.

One of the key benefits of cloud computing is the opportunity to replace up-front capital infrastructure expenses with low variable costs that scale with your business. With the Cloud, businesses no longer need to plan for and procure servers and other IT infrastructure weeks or months in advance. Instead, they can instantly spin up hundreds or thousands of servers in minutes and deliver results faster.

Today, Amazon Web Services provides a highly reliable, scalable, low-cost infrastructure platform in the cloud that powers hundreds of thousands of businesses in 190 countries around the world.

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