

# The real Dragons' Den: Investment boss reveals reality as firm eyes major expansion

The popularity of Dragons' Den since it returned to our screens last month has proved there is still a healthy appetite to see budding start-ups take their business to the next level.

With the addition of entrepreneur Steven Bartlett to the line up, the hit show [has been able to reach audiences like never before.](#)

But the reality of venture capital firms investing in exciting start-ups is far from the version seen every Thursday on BBC One.

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In an exclusive interview with BusinessLive, the managing director of a top Manchester-based investor reveals the secrets of the sector which set real-world investing apart from what is shown on TV.

Praetura Ventures was established a decade ago and has backed some of the North West's most exciting tech and health start-ups over that time.

Among its success stories is Manchester-based AI firm Peak which [raised \\$75m in a funding round in August 2021](#) with the world's largest technology investor and revealed plans to create more than 200 jobs.

Bucking the trend of most businesses, the firm was able to take advantage of the last two years and was able to grow

significantly.

Speaking to BusinessLive David Foreman said: "The last two years were surprisingly good for us I would say.

"When the pandemic hit it was a real moment for everyone to look at themselves and look at the businesses they had built.

"It was very much a case of peering over into the abyss and thinking 'what is going to happen now'?

"No one had any clue about what the future might hold.

"There was a lot of concern at the start about what might happen to various businesses.

"We had 13 businesses in our venture capital portfolio at the time and I had genuine concerns that they would never raise any more money again and they might all fail and ten years of work might have gone down the drain.

"But that is obviously not what happened and the following 20 odd months since the pandemic started was probably much better than anyone would have forecast in that March/April time.

"That has certainly been the case for us and it has probably been our most productive time. We have grown significantly during the pandemic and enjoyed a really positive and profitable period."

Mr Foreman added that the pandemic was an opportunity to "take stock of where we were; reassess what were core priorities".

He started to work with Steve Counce, who was CEO of A0 for 13 years, and has now become chairman of Praetura Ventures.

Mr Foreman said: "He helped me to focus in on what we needed to do to become one of the leading venture capital firms in the north of England, which is our goal.

"By doing that and also cutting out things that we didn't need

to be doing, we have managed to capitalise on opportunities that have come along during the last two years.”

Praetura Ventures is now aiming to invest £30m into early stage companies across 2022. That will see 13 new businesses added to its portfolio. The firm currently has 23, having completed three deals already this year.

But Mr Foreman has told BusinessLive how the day-to-day work of a venture capital firm is very different to the investment process seen on TV shows such as Dragons’ Den.

“A lot of people ask me if it’s like Dragons’ Den and I guess to a certain extent it is in that businesses do come to us and we are making decisions whether to invest or not”, he said.

“The main difference is that we spend a hell of a lot more time working with the business and assessing whether we want to invest.

“Our average investment time is over four months so we are doing a lot more diligence and it’s not just a five-minute pitch and then a decision to invest.

“We spend a lot of time meeting the management, speaking to their customers and understanding their technology.

“Whilst there is that initial pitch, behind that there is a hell of a lot more work that would not be seen on a Dragons’ Den-style TV show.

“It’s a lot less gut feel and a lot more diligence and work.

“From the founder’s side, they equally have to work out if they want to take investment from us.

“It’s not just a one way street. There is no point in us finding exceptional founders and companies to back if they do not choose to work with us.”

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The managing director added that his firm sees about 200 investment opportunities a month and that in 2021 it looked at over £3bn of funding requests.

He added: "The vast majority come through our website while some are brought to us through contacts and other venture capital firms as well as people helping start-ups raise money or the founders themselves.

"It's our job to sift through that huge amount of opportunity to work out the ones that fit with our investment criteria."

On the current strength of the sector in the North, Mr Foreman said: "It's getting stronger. Manchester in particular, but also Leeds and Liverpool, are becoming quite the tech hubs.

“We invest in tech and health businesses predominantly and the North West in particular is becoming a real centre of excellence in both those areas.

“It helps that there are a number of success stories that are playing out such as Matillion and our own portfolio company, Peak, who have done significant fundraising and achieved significant valuations over the last year or so.

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“I think success breeds success such as THG and A0 and Greater Manchester is becoming more and more established as the second city to London.

“The majority of VC money does go into London and there is no getting around that but with the likes of ourselves and the levelling up agenda the playing field is levelling but it’s a

long way from being level.”

Praetura Ventures has big plans for the future, including going from investing £30m in 2022 to £40m or £50m in the next couple of years.

Mr Foreman added: “Our plan is to keep getting bigger and bigger. We want to continue to grow the amount we can invest in northern businesses.

“We want to expand our capital sources to other high-net worth individuals as well as institutional firms which will allow us to back the early stages we currently support but also then to really back our existing companies with significant funding thereafter.

“One of our goals is to invest £10m into one of our businesses. We are not currently quite there but we are looking to do that over the coming years.

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