



Who needs men to give birth to firms?

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Business features

For many, 2009 has not been the best time to share one's wealth. Banks are locking down on lending, businesses are cutting their expenditures and charities are suffering. But a group of pioneering women are bucking the trend.

Addidi Business Angels, to be launched this autumn, is a female-only private equity club looking to invest in small businesses. According to reports, less than five per cent of business angels in the UK are women.

"I felt we needed to balance the scales," says founder Anna Sofat. "If we as women are going to own more wealth, then we also have to invest in others."

With this mission in mind, she is gathering a group of 100 women who will each contribute £20,000 to create an investment pot of £2 million.

Among her first recruits was 53-year-old entrepreneur Jacquie Harris, who studied hotel management and worked at the Sheraton in Tel Aviv. In 2003, Mrs Harris was suddenly widowed when her husband, former Hilton International CEO Anthony Harris, died unexpectedly of cancer at the age of 47. On top of the grief, Mrs Harris says she was thrown into suddenly having to manage their finances. "Before my husband died, there was no input from me as to what shares we were going to be buying.

"When I suddenly found myself with this disposable wealth, I went along to financial advisors, but very often the men I met were a bit patronising, or spoke over my head.

"As women, we know we can run a home, a family and have a job, but often we don't get recognised for these things, and many of us don't have the confidence to go for something independently.

"Anna Sofat explained things in layman's terms. She understood that not having the jargon doesn't stop you from being a success. And I discovered that once thrown in, that sort of thing came very easily to me. I have good business instincts."

Since then, Mrs Harris has quit London for Cornwall where she is a member of the small Kehillat Kernow Jewish community, and runs Trenderway Farm — an AA five-star B&B — with her partner.

“Running the farm has given me the confidence not only that I can be successful, but that I can give other people advice about how to be successful too,” she says.

And she is looking forward to the first Addidi investment, anticipated to take place in October when the group hits 25 members.

“For me, the businesses I’d like to support would definitely have a young element to them.

“I don’t mean kids, but young adults who haven’t been employed already. These are not huge investments we’re making, but to them it’s money they can’t put their hands on at the moment, especially because banks aren’t lending. And they are the future. I like the ones who have dreamt up something brilliant in their bedrooms — I recognise the passion of an idea.”

In addition to running the B&B, Mrs Harris also operates a farm on which she is breeding South Devon cattle and making apple juice.

“The juice idea came to us because we were always going out and, with one of us unable to drink alcohol, we wanted an alternative to Coca-Cola.

“What we’re doing is producing true single varieties so that we can create a real spectrum of apple juices, some sweeter, some smoother, a bit like wine.” Most other brands mix together a combination of varieties, so Harris has identified a niche in the market, and she has already secured a list of shops wanting to stock her product.

Mrs Sofat hopes that Addidi will combat what she calls the traditional barriers to women becoming business investors: time, networks and risk aversion.

“Due to family commitments on top of jobs, women often don’t have the time to plough through business plans,” says Mrs Sofat. “And women tend to be more cautious than men, so they don’t like to put all their eggs in one high-risk basket.” The Addidi group will address this by pooling the time and knowledge of its members — headed up by an investment panel — as well as spreading and diversifying the risk.

The women have already been approached for cash by web start-ups and more traditional small businesses. They will consider any business provided it has a five-year exit strategy.

For now, however, Mrs Harris is concentrating on her own business. She says: “I’ve been up since 5am this morning. We were inseminating the cows.”

Guys vs gals

- 95% of business angels are men
- £20,000 — average amount female business angels will invest in a start-up
- £17,142 average amount male business angels will invest

- 46% of Britain's millionaires are women
- 11% annual growth of women's wealth

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