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Technology Fund Launches for the West Midlands

The Mercia Technology Seed Fund, a £12.8 million fund which will invest in young technology based ventures in the West Midlands region, was officially launched today at an event held at Villa Park.

The launch event, sponsored by Advantage West Midlands, BRDL and WM Enterprise, brought together regional entrepreneurs, leading individuals from the West Midlands universities and the regional business community.

The fund will typically invest in companies with high growth prospects that have a robust and developed product, based on patent protected technology. There will be a clear and demonstrable market plan and commercial interest in the technology under development. The fund will typically invest between £50k and £250k, with the potential to invest up to £750k.

The fund benefits from a unique mix of private and public sector investors. At the fund's first close, investors include Advantage West Midlands, Forward Group, regional universities (Aston University, University of Birmingham, University of Central England, Coventry University, Staffordshire University, University of Warwick and the University of Wolverhampton), University of Warwick Science Park and WM Enterprise. A second closing is targeting further investment of up to £2m.

The Mercia Technology Seed Fund is managed by WM Enterprise, a Birmingham-based investment fund manager which has in excess of £90m in funds under management across the country. Funds under management have a strong technology focus and WM Enterprise has developed an invaluable network of co-investors, advisers and non-executive directors to support businesses from the seed finance stage through development to exit by trade sale or flotation.

WM Enterprise raised the Mercia Technology Seed Fund to fund technology-based opportunities deriving from both the region's universities and, from outside of them.

*WM Enterprise is a trading name of West Midlands Enterprise Limited, authorised and regulated by the Financial Services Authority.

Mark Payton (Fund Principal) said: "The Mercia Technology Seed Fund has a mix of private and public fund investors with a common goal of growing a strong portfolio of technology-based high growth businesses in the West Midlands. The fund will play an active role in the investments it makes. The fund is managed by a team of investment executives with a strong technology background and direct experience in the management of high growth technology businesses."

Geoff Edge (Chairman of WM Enterprise) added: "WM Enterprise is thrilled to have raised this fund, one of the largest funds of its type in the country. It will provide early stage technology companies with much needed finance to help commercialise and invest in the wealth of talent in the region's universities, businesses and research institutions".

Patrick Palmer, Head of Access to Finance at Advantage West Midlands, said: "A key priority of the Agency is the development of a diverse and dynamic business base. This fund will play an important role in achieving that priority by providing the vital early stage investment required to exploit innovation and develop new technologies through to commercialisation"

Paul Isaacs, Managing Director of the Forward Group, said "We are pleased to be a significant cornerstone investor in the Mercia Technology Seed Fund, a fund that has fostered significant links with the region's top universities and a fund that aligns itself with our own focus of investing in and supporting young and rapidly growing technology ventures in the West Midlands. We were impressed with the strength of the team from WM Enterprise, the Fund Manager, and in particular their direct and relevant experience of running high growth technology businesses and the issues they face. We believe the combination of funders and fund manager in the Mercia Technology Seed Fund will be a significant factor in its success in identifying, supporting and investing in high growth technology businesses in the West Midlands."

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