

# From start up to grown up

Supporting  
developing businesses



## S-Tech

Independent Insurance  
and Risk Management



## Local, national, global

For over 35 years S-Tech has successfully supported developing businesses based on newly emerging technologies. Many of these dynamic business ventures cross the boundaries between academia and industry or as existing start up companies find themselves in need of expansion via risk capital.

For each venture S-Tech supports we work closely with the entrepreneurs and innovators in order that we fully understand the technology. We then assist in the growth of the enterprise by the evolution of a comprehensive risk management strategy in conjunction with senior managers.

Over the years S-Tech has built up an impressive portfolio of technology based clients which have spun out of research and development 'incubator' work. Many of our major global business clients started from such environments.

Our extensive links with venture capital companies and other sources of risk capital means we fully understand both their and their client company needs especially in the key areas highlighted within investment agreements.

Between them our staff have a wealth of experience of supporting new ventures through their growth cycle to the conclusion of a successful trade sale, exit, merger, acquisition or, more commonly, an IPO.

The last thirty-five years has seen us evolve specialist solutions for our clients and we have been rewarded with the personal recommendation of existing clients, their advisors and shareholders including:

- Venture Capital Companies
- Incubator Ventures
- Business 'Angels'
- University/College Research Depts
- Financial Institutions
- Small Business Services
- Accountants Management Consultants
- Solicitors

// Always a really friendly voice on the phone, with excellent advice //

Martin Cartwright, Raspberry Pi

## How do you manage risk?

With fast growing business the most difficult part is managing the changes and risks involved.

Our Consultancy Services can help to fulfil our client company's responsibilities and prevent avoidable losses to protect market share and customer base, maintain competitive advantage, continuing business viability and assist with corporate governance compliance.

### 1. Getting started

With an innovative idea and ambitious targets. The business may be self funded or reliant upon the support of private investors to enable the business plan to be fine tuned and research/development to be undertaken. S-Tech are able to provide insurance/risk management costings for incorporation in the business plan. At this stage the venture should be considering protection of its;

Such Risk Management may include:

- Review of current risk identification and evaluation arrangements
- Validation of risk control quality and audit systems
- Design of Health and Safety systems
- Selection and design of fire and security systems
- Development of crisis management and business continuity management system and plans
- Installation of Motor Fleet Risk Management programmes
- Review of environmental exposures and controls
- GDPR compliance
- Commercial contract reviews

A large proportion of the management of risk can be undertaken by ourselves in conjunction with our Partner Underwriters allowing enterprising companies time to achieve their other business goals.

Our experience in managing risk has shown that a typical S-Tech client will go through a number of key phases in its development:-

<b>Assets</b>	Low cost protection of its tangible assets, research materials and databases
<b>Liabilities</b>	The statutory requirement of Employers' Liability even if only Directors and/or Consultants are being utilised.  Public Liability Insurance needs especially if premises are leased or rented
<b>Key Persons</b>	In the event of death or long term incapacity of entrepreneurs and business critical individuals what will be the future of the company?

### 2. Seed/First round funding

Having achieved its initial targets the company may then need to seek first round funding to progress to the next stage. Funding is normally sought from a selection of business angels looking to grow their personal portfolios, specialist venture capitalists or other investor networks.

With such new investors and shareholders on board there may be a need to extend the risk management strategies with regard to its;

<b>Assets &amp; Stock</b>	Values insured will need to be kept under constant review and possibly extended to the movement of assets eg. lap tops/test equipment on a worldwide basis
<b>Liabilities</b>	Inclusion of prototype/product liability insurance for protection against claims made by customers/partners for injury or damage  Clinical trials for the Life Science industry  Errors and omissions insurance for those businesses providing services, designs and consultancy and in respect of products failing to perform to specification and for which a third party financial loss is payable
<b>Intellectual Property Rights</b>	To ensure the adequate funding of Defence and Pursuit IPR disputes worldwide including awarded Damages
<b>Key Persons</b>	Investors will normally insist on insurance being provided to protect their financial interest
<b>Directors and Officers</b>	Increasing successful litigation highlights the need for the personal protection of Directors in their ability to manage the enterprise. Common sources of litigation are shareholders, employees, customers, suppliers, regulatory and environmental groups and fellow Directors  Investment Agreement Protection. It is usual that Directors will be asked to give Personal Warranties and Indemnities as part of any funding arrangement.

With the Company entering and hopefully succeeding in its chosen markets initial decisions regarding its future and the investors final exit route will need to be taken. Whilst this

decision making process continues there may be a need for more funding to see the business through to either a trade sale, merger or a listing.

### 3. More funding

Such funding may be achieved from the original investors or additional venture capital companies introduced to the company or those attracted by its success to date. Again all new investors will want to analyse the success of the previously noted risk management strategies which may need to involve further protection for its;

<b>Assets and Stock</b>	Due diligence requirements will demonstrate the need to protect all offices, research centres etc. worldwide including at Sub Contractors, Suppliers and in transit.
<b>Key Persons</b>	Inclusion of Business Travel Insurance protecting all employees, and sub contractors where required, worldwide.
<b>Debtors</b>	Selling Products/Services/Technology worldwide is one thing – ensuring payment is another. Adequate protection must be put in place in the event of the financial failure of any customer.
<b>Employees</b>	Production of bespoke Benefits Packages including Death in Service, Income Protection and Pension Schemes
<b>Revenue</b>	Protection of future income streams following Research/Development/Prototype work, especially relevant if key marketing 'windows' are missed.

There will be numerous occasions when our client company will require our services to satisfy their other professional advisers as to the adequacy of the risk management strategies through the due diligence processes leading up to a Public offering or Trade Sale to achieve the original investors aims.

### 4. Public Offering or Trade Sale

Our services are essential at this stage as we support the Company's other advisors in relation to its;

<b>Liabilities of Shareholders</b>	<p>Relating to the Prospectus/Listing particulars</p> <p>Relating to prior negotiations, discussions and decisions in connection with the offering</p> <p>US and non US exposures, including SEC registered listings, on all UK, NASDAQ and other world stock exchanges</p> <p>Including all Directors, Officers, Employees, Issue Underwriters, Solicitors, Accountants and other experts where required.</p> <p>Up to 6 years for all UK exposures (3 for US exposures and where ongoing Directors and Officers cover is included)</p> <p>Crisis Containment Costs</p> <p>Warranties and Indemnities given by the Company and its Directors in the event of a trade sale exit, merger or acquisition</p>
<b>Risk Management Programme</b>	Requirement for continuous reviews and evolution

## Our services

### As specialist Risk Managers our services include:

- Preliminary assessment of the Business Plan and Technology to fully understand the nature of the risks involved
- Analysis of the dependency on key people and their likely future involvement
- Production of an initial Risk Management Report
- Implementation and maintenance of the Risk Management Programme - locally, nationally and globally
- Due Diligence services to Professional Advisors
- Innovative solutions to deal breaking issues
- Experienced personnel with over two decades corporate insurance experience, total confidentiality and rapid response

We recognise the need to be innovative and to respond with high levels of service and to provide solutions that produce an end product upon which our clients and partners can rely completely.

We are here to help these emerging technology companies through their most exciting years. Please contact us at:

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154-156 Victoria Road  
Cambridge CB4 3DZ

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Don't hesitate to give us a call  
whenever you have a question  
about insurance or financial services.  
We're happy to help however we can.

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Alan Boswell,  
Executive Chairman

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