

# Founders suffering from burnout as global funding drops 23% in Q2

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## In the absence of funding, business leaders are coming under increasing pressure to keep companies afloat

**Chris Biggs, CEO and founder of consultancy and accounting company, Theta Global Advisors, discusses the external factors affecting the deals market and how to avoid founder burnout**

Global funding for startups has fallen 23% since the first quarter of 2022 according to a report from CB Insights, with \$108.5 billion invested over 7,651 deals. This is the largest quarterly percentage drop in deals in a decade, and the second largest drop in funding. The decline in funds is a rarity in the startup ecosystem, which has been propelled over the last decade by a booming economy, low interest rates, and people gravitating toward using more technology. Over this 10-year growth period for startups, quarterly funding only fell seven times. However, after a spate of rising interest rates, inflation, and uncertainty, tech companies and startup funding in general have taken a significant hit.

This is having a severe knock-on effect on the founders leading these companies, as they are meant to convey the picture of strength and stability for their employees. Chris Biggs, CEO and founder at consultancy and advisory, Theta Global Advisors, discusses the external factors affecting the startup ecosystem and the importance of implementing strategies to avoid founder burnout.

Landmark national research from Theta Global Advisors has unveiled that 34% of British business leaders cite a dire lack of support which is negatively affecting the day-to-day running of their company and resulting in burnout. This, mixed with a lack of capital to keep operations running smoothly, has the power to create a volatile and stressful environment for founders charged with promoting a picture of stability within their companies.

The stresses could entail clients dropping their services, budget cuts, and staff layoffs, affecting how the business runs day to day. Now more than ever, founders need to be able to rely on competent second tier management, which can often be the difference between a business that scales successfully and one that falls flat. This sentiment was echoed in Theta's research, finding that 21% of British business owners state their business started successfully, but is now struggling to achieve growth, exacerbated by the quarterly plummet in funding.

However, there is a light at the end of the tunnel as the number of deals and funding actually haven't dropped below 2020 numbers, highlighting the fact that 2021 was a record year for venture capital funding. The steep drop reported for Q2 this year was somewhat expected and is balanced out with the shock UK economic growth of 0.5% announced earlier this month. Director of Economic Statistics at the ONS, Darren Morgan, has stated the UK economy has "rebounded" largely across sectors such as construction, services, and manufacturing. Chris Biggs, CEO of accounting and consultancy firm, Theta Global Advisors, explains that the combination of a more positive outlook and company valuations that have plummeted, could provide a wealth of opportunities for deep-pocketed private investors and may outline a brighter future for founders, provided they have astute advisors in place and a plan of action.

Chris Biggs, CEO and founder of Theta Global Advisors, comments on how the current economic outlook is affecting founders globally:

*"There has been a drop in global funding for startups since the first quarter of 2022, and this will undoubtedly be playing on the minds of founders. A lot of firms are reliant on securing their next round of finance to stay afloat, so with investment becoming harder to come by, that will create some stressful situations for those leading these companies.*

*"In many cases staff are let go and other resources slashed in order to extend the cash-flow runway, and that forces not only founders to work harder, but the remaining workforce too. It's important that people talk about the dangers and signs of burnout during times such as these, as it will become more commonplace.*

*"I think along with the lack of funding – the main issue we're seeing is founders creating a business because they've got an idea and a passion for a concept – which is what they are good at doing. But when that business comes under strain and so much of their time is spent managing the back office, they'll find themselves burnt out with no time to focus on the strategic or ideas side of the business. I think to be able to scale up in times of adversity – for any size business – second-tier management is key.*

*“I think CEOs should be the ones actually growing the strategic side of the business, if you’ve got a product, they should be the ones selling the product, if you’ve got a service, they should be the ones expanding, growing, and selling that service, but they shouldn’t be the ones worrying about how the back-office accounting goes. If you’re a founder, then you need to get the team around you, outsource or a mixture of both, to free up your time to do the stuff you need to do to grow the business.”*