

Case study

Pioneering a new way of buying prescription glasses



glasses direct



Glasses Direct

Disrupting the optical industry's traditional business model

Background

Founded by entrepreneur Jamie Murray Wells in 2004, Glasses Direct pioneered a new way of buying prescription glasses and is today the UK's largest internet-based retailer of prescription glasses, offering significant value together with exceptional service to consumers.

Investment history

In 2007 Glasses Direct raised £3mn first round fundraising from Index Ventures and Highland Capital Partners. The company subsequently expanded its management team and hired experienced CEO, Kevin Cornils. The business continued to thrive and Glasses Direct decided to raise further funds to support international expansion. Faced with the need to manage and meet the varying needs of existing shareholders (both angels and venture capital investors) the management team and the business, Glasses Direct engaged FirstCapital as adviser to complement the role of the management team.

In April 2009 Glasses Direct secured £10mn in its second round of funding at an attractive valuation. This outcome also represented an increase in the round size to accommodate the high level of demand from investors. Acton Capital Partners, a Munich-based specialist investor in internet and mobile based consumer-oriented businesses, joined existing Glasses Direct shareholders, Index Ventures and Highland Capital Partners who both reinvested in the round. The new funding will be used for working capital to expand the UK business and to explore other international markets in a sector that totalled £28.5bn in 2008, with the internet representing the fastest growing market segment.

Key Successes

- Glasses Direct is today the UK's largest internet-based retailer of prescription glasses. It has continued to innovate and lead the creation of this new market. With a strong team in place it is well positioned to continue its success in creating a global leader in this category.
- By maintaining low overheads and selling glasses directly via the internet, Glasses Direct calculates it has saved consumers over £40m since it launched.
- The company and its management team have won a number of awards, the most recent of which include the 2009 Revolution Hotshot award and the Queen's Award for Enterprise Promotion.

Investors:	Acton Capital Partners, Highland Capital Partners, Index Ventures
Location:	Wiltshire, UK
Sector:	eCommerce
Stage:	Series B
Exit:	Still in portfolio
Company website:	http://www.glassesdirect.co.uk/
Investor websites:	http://www.actoncapital.de/ http://www.hcp.com/ http://www.indexventures.com/
Adviser website:	www.firstcapital.co.uk

“Having worked with FirstCapital on two fundraising rounds, I have been impressed with the skills and experience of their people and their ability to deliver outstanding results that satisfy the differing needs of multiple stakeholders”

Jamie Murray Wells, Founder