

Anupama Pansare of Volyx

[00:00:04.77] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode.

[00:00:23.63] Hello, this is Hall Martin with Investor Connect today we're here with a new Anupama Pansare founder of Volyx Consulting. Anu is an accomplished business leader and a venture investor and serves on the advisory board of the Indiana University Angel Network. She's a judge for the Brize Business Plan. Competition has chaired the Houston Angel Network Screening Committee and is speaker at conferences including the Angel Capital Association. A new thank you for joining us.

[00:00:45.89] Thank you so much for having me over. Appreciate it.

[00:00:48.95] And so what was your background before investing in early stage companies?

[00:00:52.82] So I started out on the tech side of things. I'm a computer engineer by training and I went to IU, got my master's and I date myself here. But that was a time when Web technologies were just kind of developing and bursting. So I built a zoo like a whiteboard and that got me into Schlumberger. And so my early career was in tech, in energy and consulting and kind of all of these. I launched off wallets, which was initially focused on tech consulting. And then we pivoted and focused more on digital transformation and digital transformation using a lot of the startup technologies to my passion has always been with startups. I have this type of DNA. So even when I worked with the technology Chevrons of the World, I have always been the entrepreneur or kind of disrupting their status quo and coming up with new processes which nobody really leapfrogged from the Linux mainframe into the Web and so on. So throughout my career, that has been my goal. And as I started working with startups, one thing led to the other. I started becoming an angel investor and I got involved for some time also with C10 out in Austin. And then I switched over to Hohn and actively involved with the IU network, as well as several of my own family office and several family offices and venture funds.

[00:02:16.61] Great. And so what excites you right now and excites me right now.

[00:02:20.57] So my focus right now is early stage companies. I think this is one of the great times to be. And Houston, do we have a lot of early stage, high quality companies? So these are companies in the Precede C through series AI that I like to look at and my areas of focus tend to be around digital. So SAS B2B in the energy transition, space sustainability and some fintech and block chain. So those are the areas that I'd like to look at.

[00:02:50.45] Great. Well, you see a lot of startups and you worked with a lot of investors. What's your advice for people investing in startups? What do you tell them to do before they write that first check?

[00:02:59.09] Great question. So especially when you are in the early stage and I'm looking at a lot of companies at any stage, I think it helps to do a lot of due diligence. Due diligence is really key and it's a team sport. So getting connected with your ecosystem and finding other investors and also comparing notes, finding out what the competitors, what they look like, that's always a good thing. So I always reach out to other investors and I'd always be happy to have other people reach out because I find being diligent upfront helps a lot, as much as you want to see a fit, a cultural fit between you and the founder, because this is a long term relationship and you're getting an early stage, you're going to be involved with this company for a couple of years down the road to this liquidity or exit event. And so you want to be able to have this found the right. One of the reasons, at least for me, getting involved in early stage companies is being able to help that founder, being able to make those connections. So you want to be able to have this founder as somebody that you and them can kind of get along great.

[00:04:06.08] And on the other side of that table, what's your advice for people running startups? What do you tell them to do before they go out to raise funding?

[00:04:12.02] So founders that are out in the market, I think now is one of the best times to be a startup founder, one of the best times to fundraise. Last year, you saw a whole bunch of sparks and a whole bunch of financial vehicles becoming available. So I think as a as a startup founder, carpe diem, seize the opportunity. But I also think that when you reach out for funding, it's very important to find of try to understand what that investor or angel or or fund your reaching out to what the pieces is and how you fit in with the Nexus. A little bit of due

diligence as a founder and understand what the portfolio looks like. How do they engage and is that a model and is that a set of processes that will work for you because you're going to have to spend a lot of time with your investors.

[00:05:01.91] Great. Let's talk about the state of investing, in particular angel investors, as you've been a member of many angel groups and have done a lot of work with the early stage companies. How do you see Angel investing evolving? Where do you see it going?

[00:05:15.62] Really good question. So there are several factors of change or agents of change that are coming in, so. One of the changes I see is that we're having only angels would be the first money in now we're seeing a lot of industry players come in. So there's corporate services trying to also get into this market. You're also seeing some of the larger players, some of the larger pension funds, also looking at very early stage companies. So from that perspective, the angels, you know, it's getting to be a competitive market there. And then the other change, which I see as really positive, is that we are becoming a much more diverse and people, women, minorities in the investment community where a few years back, it was really difficult to make progress for a diverse founder today that are funds that are actually even focused on helping such founders. So these are the kind of changes I see.

[00:06:14.44] Great. And what do you think is the biggest change we'll see in the coming, say, 10 years with angel investing?

[00:06:19.81] I think with the angel investing over the next 10 years, we will see the base expand quite a bit. So really, I think today there are angel networks like the Angel Network, Hancey, Danzel, and even as we all come under the umbrella, but there's a whole bunch of people who are accredited or who are interested in investing that could come under the umbrella of these angel networks. And I think these folks will will start coming under the Angel Network, especially their credit. I feel that would be one direction that the industry goes.

[00:06:56.65] Right. Well, let's talk about your investment thesis. You mentioned several areas, block chain and others a moment ago. But can you tell us a little bit more about what exactly are you looking to invest in and what is your thesis for that to be successful?

[00:07:09.67] Great question. So one of the things I'm looking for in companies is that they are one early stage, I don't believe, and none of the funds and family offices we look for typically beyond a series A, but today is a loss is a seed round. They have different definitions, especially if you come from one of the coasts. If you come from California, it might very well be a series ground for us, what you're calling a seed or a bridge. But so that is one kind of check. And then the other is my background is a lot of digital rights. So I focus on companies where I can add value through helping them optimize with their digital workflows, help them go to market, get them those connections. So I'm looking at early stage companies where I can help them get to the next gate. And with that in mind, in the digital space, I like to work with companies that are the B2B space. That's where a lot of the partners with one that we worked with a lot of experience hands on and helping them grow and market their services.

[00:08:13.69] So that's one area. And then the other is I've worked in the energy industry for the last 20 plus years and this is an industry that's in flux today. Energy transition. It's not a is it going to happen? It's a when is it going to happen? Right. So the sustainable looking at hydrogen as a fuel, both as fuel cells, any kind of capture. Those are the areas that interest me and companies that are being disruptors. So we know we worked quite a bit with companies that are doing analytics platforms. We're also looking at companies that are doing a step change. So got new materials and they've got new processes. So those are some of the companies that definitely interested us. And in the fintech space, I think what interests me is the defined right where they're looking at how can we centralize some of the financial processes and workflows and the other pieces blockin. I don't look at Blockin necessarily as just finance, but I think blockin as an enabler across multiple industries just because a framework that provides.

[00:09:15.46] Right. So you see a lot of startups out there. What do you think is the biggest challenge startups face in launching their business these days?

[00:09:22.57] I think one of the biggest challenges, of course, getting from that zero to one that is always the biggest challenge for startups. But assuming you've got past that, then it's also the the amount of change changes are constant are, for example, in the energy alternative energy space. Right. Our standards are evolving continuously. We don't have any standard set. For example, let's say you're looking at long distance transportation, right? Long haul

transportation trucks, that sort of thing. Who's going to win out? Is it the EVs or is it the hydrogen? You don't know that. So which way do you go? So that's sort of there's a lot of that uncertainty. I of business has always been uncertain, but today it's really magnified. And so how do you as a startup, quickly pivot or take advantage of what's happening in the ecosystem? That that is a big challenge right now.

[00:10:14.68] On the investor side, what do you think is the biggest challenge investors face in working with startups these days?

[00:10:19.42] I think as investors you're faced with. A lot of deal flow these days, it's not that do I have to, you know, it is how I filter noise from signals. And that was one of the things I'm really passionate about. And I'm actually thinking of launching a podcast to talk about the different players in the space and try to help figure out that noise from signals as well as maybe do a syndicate where people can join in and be part of this community, because I think it takes a village not only to for a start up, but also a village to invest then for some of the early stage investments, because a lot of due diligence that you got to do to filter out that noise and have that collective viewpoint. Looking at different viewpoints has a lot, I think collective intelligence or the swarm intelligence is a big thing to have.

[00:11:11.13] Great. Well, you see a lot of different applications in sectors out there. If you had to pick one or two that are good opportunities for investors to pursue today, what would you put at the top of the list?

[00:11:21.60] I'd definitely say that electric vehicles and the technology is coming that I would put my money there. Another would be the hydrogen fuel chain. Those are three areas that I would say those technologies are set to disrupt green when the last few that we have here, what else should we cover that we have in the next step? Right. And also working with DeVita as their user director. So looking at early stage companies, I'm looking to expand the Houston market as well as help them get more deep tech, which is my background. And the other piece that I'm also working on, hopefully, April, is launch a podcast where we talk about these early stage investments, talk with investors, the different stakeholders, start ups, and as well as industry experts, so that we kind of share with our listeners what are ways to kind of filter noise out and get to signal and start investing. And in that same frame, I'm also looking to launch a

syndicate where we can have birds of a feather connect and invest in some of these companies. But I think one of the big things in Texas and especially in Houston, Austin, is that we have actually a big base of professionals who are very much accredited investors. But we've got to enable them. We've got to provide them that platform to get involved. And I think that'll go a long way to supporting the startup ecosystem and subjects is to actually become the third course. We have the two course kind of dominating all the funding. And for third and I think we can flip that.

[00:12:59.82] Great. Well, I'm looking forward to listening to your podcast. You have a potential name for it yet?

[00:13:04.80] I don't yet. Maybe it's just a new venture, right. Or something like that. But I will keep you posted. It's going to be along those lines.

[00:13:14.79] Well, great. So how best for listeners to get back in touch with you?

[00:13:18.72] I think you guys have my LinkedIn and my email. Either way, worse. I'm always responsive to either of those will put those in the show notes.

[00:13:26.63] I want to thank you for joining us today and hope to have you back for a follow up soon.

[00:13:29.76] Absolutely. Thank you for having me now and take care. You too.

[00:13:35.76] Investor Connect helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect, Doug. Paul Martin is the director of investor Canek, which is a 523 non-profit dedicated to the education of investors for early stage funding, all opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.