

Donna M Hamlin & Nola Masterson of Boardwise

Speaker1: [00:00:04.72] This is the Investor Connect podcast program. I'm Hall Martin. I'm 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. Hello, this is Hall Martin with Investor Connect, we're here with Donna Hamlin, CEO, and Nola Masterson, partner at Boardwise. Boardwise is dedicated to providing companies executives with the highest quality solution tools, education, research, late breaking news and advisory support and corporate governance available for governances around the globe. They work with all forms of companies and organizations, including private and public corporations and associations, non-profit organizations and executives and teams with a passion for better governance practices. Donna, thank you for joining us.

Speaker2: [00:00:55.02] Thank you for inviting us.

Speaker1: [00:00:56.89] All right. So let's talk about your background before investing in early stage companies, Donna. Can you tell us what did you do before?

Speaker2: [00:01:02.61] This is kind of a perfect marriage between and me and that my background was all in strategy and the talent pool office strategy. So I worked in the management side of things and developed an interest in when things go well, it's because of that combination as opposed to just the wallet that gets invested. Now, if you compare that to NOLA, she comes from a different angle.

Speaker3: [00:01:28.95] Yeah, my background is in science. I got a Masters degree and was working on a Ph.D. when I decided I was going to be called to corporate life in the area of science. And so I work for a medical technology company and a biotech company called Niloufer Corporation for nine years and climb the corporate ladder into understanding how businesses run. Our businesses work by not only carrying the bag, but then being a regional manager and educating other people how to take an order and sell great.

Speaker1: [00:02:03.45] Sounds good. So knowing what excites you right now,

Speaker3: [00:02:06.93] I'm most excited about investing in the tech space because it's very underserved and it's a hot area and there's a lot of women that have a lot of wealth actually that are putting it toward areas that they want to see products developed. And it's changing the tenor of venture capital bit. So that's exciting to me.

Speaker1: [00:02:28.89] And Donna, how about you?

Speaker2: [00:02:30.81] Well, I'm learning as much as I'm helping with some of these new areas where there's underserved markets or opportunities where there just hasn't been enough focus on investment. And we are working together to discover it's not just them tech, but it could also be aging and longevity or diversity markets, categories that just haven't gotten their investment strategy accessible to them. And the more we look at those things, we're learning a lot about the innovations, which is really exciting to me when you're helping as much as you're learning.

Speaker1: [00:03:05.52] All right. Well, let's talk about your advice for startups and investors. Let's start with, you know, what's your advice for people investing in startups? What do you tell them to do before they write that check?

Speaker3: [00:03:15.87] Well, most of the time, it's not an individual writing a check. You go with a group of people that are going to vet the deal for you and do the homework and the due diligence. And you should do that because individual investing in a startup is very, very risky. It's been more money lost that way than there has been money made. And I came up through venture capital myself, working with early firms like Kleiner Perkins and Oak Investment Partners and then joined as a venture partner with the company called TVM Capital. So I believe in the venture capital model. I'm working with a fund called FinTech, which is out of portfolio, a venture capital firm now. So I think it's better to go with people that will help you make that investment succeed because it's always risk capital when you talk about venture.

Speaker1: [00:04:03.84] That's right. And Donna, how about you?

Speaker2: [00:04:06.36] Well, I tend to do a lot of homework on early stage companies that I have been doing consulting with. And if I find one that feels right and is making a difference in the world, that's my interest. Now, I'm also an investor with the portfolio fund and we're now

doing some work with Harmonix, which is another investment fund looking at life sciences and technology, which are hot topics to look at. And if there's something that comes up that's interesting but not really impactful, then it's probably not for me. And Nola's done so much due diligence in her past that we've kind of got a formula now that she picks the resources that we make them successful. Right.

Speaker1: [00:04:51.87] And then on the other side of the table, what's your advice for people running startups? What do you tell them to do before they go out to raise funding? Noah, what's your answer for that?

Speaker3: [00:05:01.26] Well, they should get a team together that they can that you can believe in because it's always a management team that makes a company succeed, not just one individual. And you want to make sure that that team operates well in its highest purpose for what they're doing. And I think the best people make the best investments. So I think you should. Talk is much taking as much money as you can when you're beginning an early stage investment, because it really is, you don't want to have to keep going back to the well. So people running startups should find deep pockets before they can.

Speaker1: [00:05:37.16] Great. And Donna.

Speaker2: [00:05:38.69] Yeah, our formula really is make sure that you're getting the right kind of capital from a group that understands more than just the wallet. Also, the wisdom around the table to make it so and so we do a lot of due diligence to make sure that when there's an investment to be made, that they have the right talent in the management team to pull this off, as well as the surround sound advice, a good board directors and advisers, because we know from our research that if that's done early, the acceleration rate of success for the business is much faster. And why waste your time struggling with a round and another round and another round when you can go faster, better? And that's sort of the organizational principle that we're operating some good.

Speaker1: [00:06:27.59] That's good advice. Let's talk about the state of early stage investing. How do you guys see the industry evolving? Noah, what do you think is the evolution coming up here in venture capital funding?

Speaker3: [00:06:38.99] Well, it's only growing. It's an entrepreneurship is global now. So it's there's global opportunities to invest. And the entrepreneur is really making the innovations and technologies for tomorrow. So it is the hope of every country to have their entrepreneurs pull them out of whatever recession they've come into because of covid and portfolio are our focus. It is underrepresented people such as women in the venture capital space, and that's estimated to be 50 billion by twenty twenty five. So that's a growing market right now.

Speaker1: [00:07:20.62] Donna, how do you see this industry evolving?

Speaker2: [00:07:23.48] Well, I'm going to be curious to see what happens in the next decade, because I'm noticing from an academic standpoint, I've been a teacher of entrepreneurship for many, many years that the education format is getting into earlier students and their early college years to even look at this as a principal. Anita, my daughter is 20 years old and just in college, just asking for advice on investments like she has much money to do it with, but she's already being educated to think about that. I didn't do that until I was much later past my college years. So there's an infrastructure that's being built and socialized, which I think is going to change the direction of where investments might go, because the creativity of the younger people looking at technology in a different way than we did is going to open up new opportunities.

Speaker1: [00:08:15.74] Right. What do you think is the biggest change we're going to see in, say, the next five years? What new things are going to happen here based on post covid and other trends going on?

Speaker2: [00:08:26.33] Will the new opportunities that people are looking at are in technology or lot? Because we don't know what we can't do yet in technology. And these new high principles or formulas for building platforms are pretty interesting. I'm not an expert in that area, but I'm very curious as to the direction some of that with the caution that A.I. is stupid sometimes. And you have to be careful that you're investing in something that's reliable, not biased, if you will.

Speaker1: [00:08:54.86] I know what your prognostication for the next five years where you think is the biggest change. We'll see coming up.

Speaker3: [00:09:00.41] Technology is going to impact everything. The Internet of Things is going to happen. We're going to see a lot of telehealth coming online thanks to cover and a lot of connected investors and connected and entrepreneurs being able to find each other across the globe. Because what we found is without having meetings this past year, you can still get money, you can still start the business, you can still take your idea to an investor. So that kind of opens up the door. How to people with a good idea being able to find an investor and make it happen globally. And so although we might see some fractionation in the global economy because of disruption in infrastructure and the ability to get goods, that's not going to stop for the startup phenomena that's already happening. I think it's only going to increase. And what we saw after the pandemic of nineteen eighteen was the Roaring Twenties. So to take two years out of your life from nine twenty, twenty to twenty, twenty two and then have the door open, I think it's going to be Katie, bar the door. There's going to be a lot of excitement for what's ever new and how to how to make that happen. And I think people are really anxious to create a new future, not based on the past.

Speaker2: [00:10:21.90] Another trend that I'm noticing doing a bit is that people who otherwise would go look at a product or service through their doctor, for example, couldn't go see their doctor. And so they just took the risk of themselves to try it by going online and buying. So we have an investment in a company that's doing virtual reality systems to manage nerve pain. Which means you don't have to take Obelix or any drugs any more, you can just use this and they were selling it to doctors and then when it happened, they stopped and sold it direct to consumer and they started picking on people who are willing to try, even if they don't have the courtesy of the recommendation from the doctor. And that's changing our our risk appetite. I think its users, which is an interesting thing for something like medicine in a new format, it's pretty exciting.

Speaker1: [00:11:15.20] Yeah, the tools are getting easier to use. The Web is becoming more pervasive. And so more and more the user can take care of themselves. And so it's a great time to be alive is when we go into this, I guess, the next Roaring Twenties, you think we're going to have another roaring 20s like we did one hundred years ago?

Speaker3: [00:11:31.88] Oh, I do. I absolutely do.

Speaker1: [00:11:35.09] I agree. I think there's been a demand there's a whole new set of care about here, and it's people are ready for the next thing. And we're going to come out of the gate strong here at the end of this year next for sure. Well, let's talk about your investment thesis. Tell us more about what is it and what's your criteria for looking at deals. Noller What what do you guys invest in?

Speaker3: [00:11:53.24] Well, out of the Femme Tech Fund, which portfolio has is still raising, so you can still get into it if you want our investment thesis as products for women from early stage of birth and labor and delivery all the way through menopause and looking at areas where women are particularly sensitive, whether it be heart disease, chronic pain, whether they're not being served well by the average community and areas where technology can make an impact in women's health. So what we're finding is that the connected consumer, which is usually a woman, is using their data for their own health benefits now more than ever. So this is whether it is a continuous glucose monitor for a diabetic or everybody in the family can see if the diabetic is hitting a low point or high point. This is really where we're going. The data analysis is becoming the new oil for for the future. And data analysis is being adopted by women. And they want to see it in the areas where they have been underserved, endometriosis, uterine fibroids, women's issues, cancer, ovarian cancer. There's not a good screen for that yet. Breast cancer, these are all areas that women are concerned about. And heart disease, their heart attack for a woman looks a lot different than heart attack for men, and they're not being treated well for their particular brand of heart disease. So we're looking at our investment thesis is this that can help a woman. We will look at it.

Speaker1: [00:13:26.67] Donna, what's your take there here?

Speaker2: [00:13:29.24] In addition to that category? I think the social impact opportunities are of interest. For example, Daily Pay is the company that we've invested in, and it creates a way for employees to draw down their earned income, independent of waiting for their paycheck, which has had a huge social impact on their access to capital to pay their bills on time and not be paying to death with penalties and what have you for a group of people who are working

really hard and every penny matters. And that's a social change. This dramatic, especially during a time like this where income is uncertain for many people. So any opportunities that fall in that category are of interest as well.

Speaker1: [00:14:15.32] Again, can you talk about a portfolio that perhaps fits that thesis?

Speaker2: [00:14:20.15] Well, we are talking together with three different groups that have common interests in those categories. Now they cross different technologies versus life sciences, what have you. But I'm finding that working together by comparing interests of portfolios with other groups makes us stronger

Speaker1: [00:14:41.15] In any startups that you'd like to call out that fit that thesis.

Speaker3: [00:14:44.84] Well, we do have an investment in prime genomics, which is a company that's analyzing saliva. When a woman goes to get her regular mammogram for biomarkers that might indicate cancer at the earliest stage before before you get a sizable thing that can be seen on a mammogram, we're also looking at pelvic floor problems and things that would prevent bone loss in women at menopause. We're looking at things that will help do telemedicine for women and families. We invest in a company called Mavin, a series C round which delivers the telehealth doctor for about eighteen dollars, which is less than a copay would be if you went into to see your doctor. And we're getting a lot of traction with making health visits easier for families and women and it's getting reimbursed. We're also looking at some of the new things from menstruation products and fertility and women wanting to have birth. So these are all areas that were would fit into our investment, right?

Speaker1: [00:15:51.89] Well, let's talk about the challenges. You see your startups and investors facing today. What are the challenges in the space for the startup that you deal with?

Speaker2: [00:16:00.17] Startups in general are always challenged by getting the right people and enough money to prove their thesis. So I always quote Vinod Khosla, who said, I don't know what I'm investing in until five years after I've made the investment, but it's always the management team that makes the difference. So it's not the horse, it's the jockeys that we try and bet on. And that's always that's always a growth opportunity for people in general, because

how do you fit a CEO role if you've never been a CEO? How do you hire the very, very best people for a startup? What are the challenges for a startup? Over time, people couldn't get together, so they even even at Google, it's hard to run a team when you can't see the team when you're not together. So that's the big challenge now is how do we come out of it and develop teams that are really effective.

Speaker1: [00:16:52.16] Donna, what's your take?

Speaker2: [00:16:53.63] Well, we've talked to an awful lot of the first time CEOs, and one of the things they ask a lot for is help finding the right talent, because if they choose from their own social networks or their friendship or their loyalty to people that they've trusted in the past, it's not the best judgment. And the other is asking for coaching themselves because a lot of times is the first time they don't know how to leverage the assets of the board or get advisers and they need help. And that's what we're trying to do, is bring that wisdom to them so that they can make good decisions earlier as opposed to the school of hard knocks where it hurts for a while, and then they have to make a different decision.

Speaker1: [00:17:36.59] And then the for the investor side. Donna, what do you think is the challenge the investors face today?

Speaker2: [00:17:42.59] Oh, so many opportunities and so little time. There are a lot of them. There's a lot of things to look at and to stay focused on. What you really care about is the discipline. And so that's the one task. And the other is to put enough time into really do the due diligence. Well. And to create some sense of harmony around the intent of a group that's going to go after this together and I'm on a board right now, the company is adding a new board director from the ground. And the cohesion of the group prior to this has been really high. And so there's a lot of skittishness right now about who is this new person or what's going to be like. So finding out time to really marry what you need against where the money's coming from so that you don't have somebody there for the wrong reason is important.

Speaker1: [00:18:41.34] Right. To know what your take on that

Speaker3: [00:18:44.34] Challenge in this space for investors is. Number one, we see about one hundred companies for the one that we invest in. So making time to find the right investment. And then once you've made that investment, the big challenge is getting other people to invest with you, finding a syndication that can go the distance for the A, the B, the C round the round. And because no one fund wants to do all of the funding as the company grows. So I portfolio I'm particularly interested in finding syndicate partners that will go into some of the deals that we've already done and will show us the deals that they have that they're interested in having a syndicate with them. So I think syndications, the name of the game.

Speaker1: [00:19:26.58] Great. Well, you guys see a lot of sectors and applications out there. If you had to pick one or two that you think are good immediate opportunities for investors to pursue today, what would you put at the top of the list, Donna? What would you call out is number one and two opportunities there?

Speaker2: [00:19:41.17] Anything in the life sciences I think is important. And the burgeoning number of things that fall under that category make subcategories to med devices is one, you know, in life science education, information, access is another. They're all interesting and they're all powered.

Speaker1: [00:19:58.77] Right?

Speaker3: [00:20:00.72] Well, as I said before, I'm I'm kind of married to the space right now, so that is my favorite space. And so what I'm looking at every day, and I I'm really encouraged to see that there is a little bit more money coming into it. But there's a disparity how with women, when you start to look at race and we portfolio also have a fund for black, Latino and LGBTQ because it's really almost criminal in the United States that we have double the rate of maternal and fetal deaths from nineteen ninety four to two thousand and 14, especially amongst non-white women. And that is that to me is untenable. So we really need to address the problem of disparity of race and disparity of sex. Just to give you an example, it wasn't until nineteen ninety four that they mandated that women be part of clinical trials for drugs. Up until that time, they couldn't even use female mice in the preclinical studies because they menstruated. Something about that culture is got to change because half of the population menstruate and that has to be built in to the to the research underlying the life sciences. So I'm

sitting with with a bunch of NIH people saying, how can we change that culture? Because it's not about maintaining fertility. It's about actually getting fertile women into clinical trials for four subjects as subjects and black, Latino and LGBTQ. We have to get more diverse. We can't just use white men anymore. And life sciences,

Speaker1: [00:21:42.93] Very good for the last few months that we have here. What else should we cover that we haven't known anything else for you to add.

Speaker3: [00:21:49.47] But I really encourage people to come together with us at Portfolio and join us in this venture. Our next fund, besides the Farm Tech Fund, will be in ag and biotech fund. And we have we're open especially to women investors, because we are excited about having women put some of their capital into the venture scene. We don't think that's been something that they thought they could do and we actually teach them as they do it. So it's really we're a very eco friendly, as you might think, to have anybody that wants to come in and learn by doing right.

Speaker1: [00:22:24.69] And Donna,

Speaker2: [00:22:25.86] But one of the features that we're emphasizing is if you're going to be an investor, also think about how you can contribute with your problem solving skills or your orientation or your expertise. We've built out a registry so that people who are investors or people who are just would like to help can understand where their highest, best use is. And if there is an advisory need or a board director need that's not in conflict with an investment. We can match that talent to a company CEO that's meeting that talent. And there's there's much more value when you're. Working at that level in a strategic way, in addition to just writing a sharp. So we're trying to encourage that its wisdom and wallet together, that's going to make a big difference in the capacity and success of an early stage company as it blooms.

Speaker1: [00:23:21.63] Great. Well, how best solution to get back in touch with, you know, what's the best way there

Speaker2: [00:23:26.31] You can reach me, master stem science teachers dot com can be reached at A.M. Sinnett board by substance or through portfolio dot com

Speaker1: [00:23:39.06] And Donna.

Speaker2: [00:23:40.38] And you can actually reach Ed Board as well as me at Donna Dot Hamlyn at Broadways. That is

Speaker1: [00:23:48.36] Great. We'll include those in the show notes. And I want to thank you guys for joining us today and hope to have you back for a follow up soon.

Speaker2: [00:23:54.69] Thanks so much for the opportunity. We really appreciate it. Thank you very much.

Speaker1: [00:23:59.61] Investor Canek helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investor Connect, Doug. Alti Martin is the director of Envestra Connect, which is a fiber one three nonprofit dedicated to the education of investors for early stage funding of opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinions of investors. Connect. This podcast is for informational purposes only and should not be relied upon for the basis of investment decisions.