

## Ben Rifkin of Ten Eighty Capital

**Speaker1:** [00:00:04] 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. Interested in learning more about investing in startups, launching a new startup need to raise funding, the startup funding espresso is a daily podcast and a short, concise format delivered to your inbox every day, Monday through Friday, the time it takes to drink an espresso. You can learn about startup funding to subscribe, go to invest, connect Doug and put your email into the Pop-Up Box.

**Speaker2:** [00:00:40] Hello. This is Hall Martin with Investor Connect. They were here with Ben Rifkin, CEO at 10 A-T Capital. Canady is a single family office and diversified private investment firm with three primary focus areas. 80 trading develops proprietary technical trading strategies for the public markets. Gennadi Capital invest time capital expertise into operating companies, ranging from concepts incubated in-house to late stage growth rounds and even full buyouts. Alternative funds and other investment vehicles can land invest in discrete residential commercial properties as well as broader development projects. Ben, thank you for joining us.

**Speaker3:** [00:01:14] It's my pleasure. Thanks for having me.

**Speaker2:** [00:01:17] So what was your background before investing in early stage companies?

**Speaker3:** [00:01:20] So I spent most of my back, most of my career on the operating side of companies, mostly in media, a little bit in sports and entertainment, hospitality and tourism sector as well. PR marketing, sales, revenue generation management. So on the operating side. And then about seven years ago, I started working for a family office and focused probably seventy five percent of my time on the venture space and about twenty five percent on helping some of their existing assets grow strategically.

**Speaker2:** [00:01:52] So what excites you right now?

**Speaker3:** [00:01:55] Yeah, that's a big question. I know we're going to get into my my thesis and mandate as part of this family office, and I'll I'll skip ahead a second and just say that it's to be opportunistic. So the things that excite me right now are all over the map. I really love getting my hands dirty with early stage startups. But at the same time, I really like seeing how later stage companies are growing strategically, how they're bringing on new capital, creating new capital structure, expanding internationally or its new channels. So for me, every every investment I look at is very unique, not just because of the sector it's in, but because of the stage and because of the management team and the capital structure at the time that we enter the investment. So I'm I guess I'm most excited by the broad range, the breadth of opportunities I get to look at.

**Speaker2:** [00:02:44] Great, we see a lot of startups and a lot of investors out there. What's your advice for people investing in startups? What do you tell them to do before they write that first check?

**Speaker3:** [00:02:53] Make sure you can write several more of the same size into that particular investment. And I'd say that's almost agnostic stage, but especially at the early stage. I think as a as an early stage investor, you really need to be prepared to write several checks into the company to see them through that that chasm that often happens at the beginning of growth. And then more importantly, I think is before you write that check, to make sure you have the right alignment with the founder, I'm huge on that investor and founder alignment at all stages. Its most important at the early stage. I think at the later stages there's enough enough other things to mitigate the relationship between the investor and the entrepreneur or management team. But at that early stage, you really need to have great alignment with the entrepreneur's vision, not how you might tweak or manage that vision as an investor and as well how they intend to return capital and over what time period just so that you can be patient with the growth trajectory that they believe is right for their company.

**Speaker2:** [00:03:50] And then 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 for a fund raise,

**Speaker3:** [00:03:58] Even before the fund raise? I guess at that kind of idea, inception, I am drawn to founders who have a passion around the problem that they're solving. And they're not

just looking to to have a successful exit. There's really some burning need that they have to solve the problem that they've identified as an opportunity and that they vetted that there are plenty of customers out there who have that same share, that pain. And so that's, I think, important as an entrepreneur is to make sure that you are willing to get up every day and try to solve this problem and you're going to do it for as long as it takes to solve.

**Speaker2:** [00:04:36] Right. Well, let's talk about the state of investing in startups today. How do you see the industry evolving from here?

**Speaker3:** [00:04:43] It's a good question. You know, it's I think it's constantly evolving. There's new capital vehicles, new ways to access capital. I think to me, that's the biggest change is sort of the democratization of access to capital markets and different capital structures. We have an investment in a company that has sort of help the dis intermediate, the municipal municipal loan and bond market, and another one that's dis remediating small business bonds and corporate bonds at kind of the earlier stage of company development, not necessarily venture backed. And then there's Robin Hoods and things like what you do at 10 Capital Network. Right. Is is creating better access to retail investors or individuals or family offices to participate in the growth of businesses at all stages.

**Speaker2:** [00:05:34] And so what do you think is the biggest change we'll see and say the next five years?

**Speaker3:** [00:05:39] You know, one of the things that I think will be interesting, so I mentioned I came from a media background, and when I entered media, it was especially on the digital side. I worked for ski magazine, skiing magazine and several other brands under the timing of Barela. And that was pre Facebook, sort of just before Facebook and when Facebook happened and other other types of media consumption vehicles, the same amount of advertising dollars, marketing dollars that were coming from corporations now had more places to go. And you saw that with the evolution of television. And and every time there's a new medium in media that the same dollars are exist and the pie just gets split in more ways. And so I think that's what's going to happen, especially at the later stage of capital and private markets right now. It'll be really interesting aspects of our vehicle that have been around for a while. They've obviously sort of hit a tipping point in the last 12 months or so. And at the same time, we're seeing a lot of

competition between late stage venture sort of pushing later and later just with the check sizes that big funds need to write. And private equity may be taking on more risk than they have in the past because there's more competition for those later stage rounds. So I think it'll be really interesting to see how later stage investing in sort of that pre-IPO venture, an institutional round against private equity, against IPO markets or access to public capital, public market capital. That's where I'm excited to see what happens. And I think that what's happened in media over the years is a good a good corollary.

**Speaker2:** [00:07:18] That will be interesting to see how that works out. You talked about your investment thesis a moment ago. Let's dive deeper into that and tell us more about it. And in particular, what's the criteria you look for to invest in a startup?

**Speaker3:** [00:07:29] Yeah, of course. So 10, as you mentioned, is a single family office and so are my mandate. And thesis really aligns with my principles, legacy and kind of multigenerational wealth creation in his family and his personal outlook on the world. So while my mandate on an investing front is to be opportunistic, the underlying themes that we look for are around people purpose and and kind of principles and taking care of the world. So we come from all of us come from an operating background and really adhere to the idea that as a as a team in a company, you all have to move in the same direction and you need to try to take care of each other. So we try to find founders and management teams that are that have that outlook in the way that they're building their company and the way that they think about giving back through their company. And then we also try to invest in companies that are creating the world we want future generations to inherit. And that's very broad. I'd say that kind of extends well beyond traditional ESG impact. It could have to do with with media consumption habits. It could have to do with social equity. You could have to do with climate. So just trying to invest in companies that sort of mirror the way we'd like to see the world develop.

**Speaker2:** [00:08:48] Can you talk about one or two startups that fit that thesis?

**Speaker3:** [00:08:52] Yeah. So one that I mentioned a little bit ago is called Alpha Leger. They're a company that's focused on the municipal lending market loans and bonds. And they have they come from a background where they're very familiar with that market. They've seen a lot of wasted capital, especially public dollars when you think about how municipal bonds get repaid

through taxes generally. And so there's a lot of waste and there's a lot of waste and time and resources. And so they have have work to find a way that this mediates the brokers there and also provides access for retail investors to support municipal initiatives in their own backyard or in whatever geography or theme they choose. So that's that's a way that we think the world should go, that capital markets shouldn't be exclusive to one hundred million dollar plus family offices or private wealth clients that if I want to support a school bond in my backyard or erode bond or some sort of public works public utilities initiative, I should be able to invest in that just as well as Goldman Sachs.

**Speaker2:** [00:10:05] Well, great. So let's talk about the challenges you see startups and investors face today for the strategy you work with was the number one challenge they face.

**Speaker3:** [00:10:14] I think false positives around product market fit is a big one. It's really easy to get. It's not really easy. I should refrain that it's relatively easy to get a couple of customers to say yes to a product that you have, but to truly understand whether that's replicable that that customers replica. All that sales process is replicable, your pricing strategy is replicable, that takes a lot more savvy and goes far beyond intuition. And I think it's it is easy to see early on some yeses that are not necessarily the best direction to build your company. So I think that's a that's a big challenge. And then I also think that, again, you know, if you look at consumer products, but it happens in any industry. I think now with the cost of software development tools and the cost of developing a consumer product, it's relatively easy to get some early milestones and indications of product market fit or successful traction, but then to go beyond to create a sustainable, scalable company and concept, it takes further proof points. And so I think that that challenge and from the investor perspective, there are obviously lots of investors that like free revenue, pre product market fit companies. But at the same time, it's a lot easier for entrepreneurs to get to those earlier milestones without raising outside capital, especially venture capital. And so I think there's a constant tension between those two desires.

**Speaker2:** [00:11:50] And what is the challenge the investor faces in today's market

**Speaker3:** [00:11:55] Challenge for the investor? There are so many great entrepreneurs out there, I think trying to find the ones that you best align with in terms of the amount of capital you want to allocate toward this asset class and making sure that you're picking investments

that that sort of support your own thesis, whether you're a family office or individual or institutional investor, and then making sure that you are supportive of finding that true alignment with the entrepreneur. I think that's a that's a real challenge. It's a hard conversation to have. But when you think about the relationship that an investor has with an entrepreneur, you know, a lot of people will say that it's like a marriage. It truly is. You need to make sure that you both understand where you're coming from and what your expectations are going into it, or else you're just setting yourself up for some challenges down the road.

**Speaker2:** [00:12:44] Well, great. And so you see a lot of different applications in sectors out there. If you had to pick one or two that you think are really good opportunities. What do you put at the top of the list for investors?

**Speaker3:** [00:12:55] You know, I look at them. I don't often look at macro trends, but I think those help inform some of the decisions that I make. And I think around FinTech and the different tools and opportunities that are out there to create more equitable, equitable access to to capital or to tools to manage capital. So that's that's a theme that I look at. And then I'm a big proponent of public education. I think that that goes to to equity and a lot of ways. And so I think there are some some great tools that have emerged out of covid and have been with us all along really that are helping create better access to level the playing field around public education.

**Speaker2:** [00:13:36] Great. One of the last few years that we have here, what else should we cover that we haven't?

**Speaker3:** [00:13:41] You know, I just go back to the theme of alignment as I look at investments and I talk to entrepreneurs, whether or not I'm investing in them, I think I always try to encourage finding that alignment before they go too far down the road with any investor or or really any employee for that matter, making sure that everybody is along for the same ride and can help be accretive to that journey.

**Speaker2:** [00:14:07] Well, that's great. Well, how best for listeners to get back in touch with you?

**Speaker3:** [00:14:11] Yeah, I'd say LinkedIn is probably the easiest. I think you have my information. They're relatively easy to find and I will make sure to respond.

**Speaker2:** [00:14:20] Right. We'll put that in the show notes. Want to thank you for joining us today and hope to have you back for a follow up soon.

**Speaker3:** [00:14:25] Thanks very much. I'll have a great afternoon.

**Speaker1:** [00:14:32] 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. Alti 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.