

## Lucas Caneda of Unicorn Incubator

**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. Interest raising money for your startup, for your next fund raise, consider Tenke Capital Syndicate Platform, an online portal using a special purpose vehicle syndicate platform allows for online investment access to over 12000 accredited investors. Log into the King Capital Syndicate platform to find your next investment. To learn more, go to 10 Capital Group SPV for.

**Speaker2:** [00:00:48] Well, this is Hall Martin Investor Connect, they were here with Lucas Caneda, global team leader and director at unicorn incubator Unicorn Incubators, the largest real incubator accelerator of its kind in the world. Unicorn features an eclectic team of seasoned professionals with a proven track record in taking technology startups from inception all the way to exit. Lucas, thank you for joining us. A pleasure to be here. Thank you for having me. Great. So tell us more about your background before joining the incubator. Well, in terms of background, I'm from Argentina. There's till I was twenty five, I came to France to fulfill my dream of becoming a professional rugby player, which I currently do too. So I do both things at the same time, which is an interesting, interesting thing to do. When I was home, I was studying engineering when I came to France. I couldn't continue. So I was studying online management, which I did for like three years. And then I just come from entrepreneur ACRON. I would say, Mom, my dad has his own company. My mom was always doing something. So did I. When I was young, I funded a catering company when I was 18, which I manage for like seven years. Then with my wife, we funded a shoe shop back home too. And then when I came here to play rugby, well, that stopped for a bit, but eventually it started to come back and see how I could do something more, not just rugby.

**Speaker2:** [00:02:16] Right. And that's how I met Dom, our founder, Dunagan, and that's how we started to work together. And we've actually funded a company together with a couple of other investors in the past two months. That's called the challenge. So, yeah, pretty much nice adventure, nice challenges. And that's how I got here. And that's where we're going. We'll tell us more about the incubator itself, what type of startups does it focus on and what does it offer them? Sure. So first thing we do, we do only tech companies. That's our first filter. And then we

come from the digital marketing space and the investor relationship. So that's our main focus. When when we work with our clients on the marketing space, we do a lot of articles, Syndication SEO. And so today we currently own more than five thousand keywords, ranked number one, for instance, on the App Store on the U.S. So those are the tools that we leverage for our clients purposes. And then I would like to tell you about what do we think a startup is because we take it the American way. So for us, the startup is actually someone with a proof of concept with a couple of clients and that they have already convinced someone to invest into the company, even if the amount is not big. We try to ask for that. And it's very important for them to be able to convince someone in this case, someone they are close to, because then they need to convince ourselves to to invest in what they are doing and to participate into these common objectives.

**Speaker2:** [00:03:55] If they haven't managed to do so with their parents, their friends, it's going to be a lot harder to convince ourselves. Great. Let's talk about the state of startup investing itself. How do you see the industry evolving these days? Well, some of the researches that we've seen lately is that whenever there is a fund raise, at least 50 percent of that is spent on marketing. I think it's just growing and there is lots of interest for what we do and there's a lot to work on. Then if we go more to the funding, I think there's a couple sectors that are thriving or expanding a lot more. We ourselves, we do like them very much, and that would be the defining sectors of decentralized finance that I think does everything around tokenization today. You can see it on the news every single day. There's something going on. So, yeah, in that sense, I don't think it's anywhere stopping. Actually, quite the opposite. It's moving pretty fast and moving forward. It seems like there's a lot of funding out there available. The stock market's All-Time High. Interest rates are zero. Money is everywhere.

What kind of impact do you see having on the start up with their fund raised with that much money flowing out there?

I do think that we always need to keep in mind that you need to have good fundamentals to get those fundings.

**Speaker2:** [00:05:23] It's not that because there is money available, you can just try to any start up and just ask for money and that you get it need to be conscious enough after running a

startup. It's very risky and that you need to lower that risk as much as you can in order to provide a good opportunity, a good Arieli, which every investor is looking for. And yeah, I have those things in mind before you dipping into any any sector, any market without actually knowing it and doing your research. We've seen lots of startups going bankrupt after after a while because they just have that feeling that money is free. But you need to perform to so just be do your homework before you actually get started. Right. And so we have quite a few investors on the show as well, listening. And what's your advice for people investing in the early stage companies? What do you tell them to do before they write that first check? Well, I won't really tell them what to do. I could I could tell you what we do ourselves internally is we all with start ups every single day. And there's a couple of things that we always look for. So the first thing is we look for passion. We look for that internal flame, whatever we are dealing with, with our CEO or offender, because we are not here to do the work for them, but we are actually here to to go with them in the same direction and help them out.

**Speaker2:** [00:06:58] So if you're not willing to do the job yourself, we're not going to do it for you. And if the guy you're dealing with, it's actually very passionate about what he does, that shows a lot of things to come comes with that and that it will just lower the risk. Right. So what I like to say is to create your own luck or probability on your side. So try to reduce the risk of investing as much as you can. There are certain ways to to do that. Everyone knows best what they are looking for. But, yeah, try to find someone who is very passionate about what he does, is not afraid of working because at the beginning every startup needs hours of work. So try to find someone that's willing to to put aside his personal thoughts and is willing to actually get his hands dirty on that sense, get his hands into work. So a lot of effort is required. And that's usually the people you'd like to work with.

That's great. And so what are the challenges in running an incubator that you have to overcome to make your startup successful? What are the challenges you deal with on a regular basis? Well, we had a couple and we tried to those challenges, we tried to just learn from those and try and get like a better model, one of the things that we do ourselves is that we don't move a finger.

**Speaker2:** [00:08:27] We don't perform before we actually get paid. This was a choice beginning because, I mean, we've all got burned and not some people not paying and what not. We tried

to avoid that. And what it meant is that we actually kept our best clients and the rest decided not to work with us anymore. And we are a lot more picky today. We think we have that right or we just we'd rather not work with anyone would rather choose the people that we work with. We also don't like to waste our time or our clients time. So if there's not a good connection, if we are not certain about the added value that we can bring to to their company, we just decide not to work together because we respect what we do and what they do. There's no point in just wasting ourselves time if there's not going to be an added value that we can bring.

So tell us more about the incubator and how you fit into the overall landscape. You're a fairly unique compared to others. And in particular, you take companies from startup all the way to exit. That's that's pretty unusual. Tell us more about how it works.

Yes. What we do and what we think is that each company is at a different position and they need different things.

**Speaker2:** [00:09:49] So what we always try to understand is where are they standing? What are their objectives and where do they want to get? And after that, we ask ourselves a quick, important question. That is, what are we going to do for them or with them? That's actually going to add a lot added value and it's going to help them reach those objectives. We need to be certain that question has a good answer before we invest ourselves into the journey. Do you like to invest at the companies that we are working with? So part of the agreement usually is a bit of shares. So we take part into the cap table of the company because that gives us the energy and it just makes us work together with the company a lot better because we are up for the same and we want the same things usually. What do we intend to do? And whenever we decide to stage and we decide what we can do, which is craft. Customized proposals for or for each of our clients, we don't have like models you can apply online or something like that, that we just like to speak to our clients a couple of times, identify if we really want to work with them, then it's a good connection. And then according to what they're looking for and according to what stage they are in, we can just craft and come up with a good agreement that can benefit both parts, because in every relationship you need to have a win win situation for that to be lasting and a good relationship.

**Speaker2:** [00:11:33] So that that's a bit of what we are and what we think. So at the beginning, you mentioned that 50 percent of what started spent was on marketing. Are you providing a lot of support in the marketing area? And if so, how does that work? Yeah, we do. One of the biggest things that we do is we invest in a company with media, so we run ads, syndication, customer acquisition campaigns, CEO. And so we do we do run a lot of marketing campaigns for our clients, no matter what type of clients they are. There's always a way that you can leverage from that. So many of our clients, for instance, are actually public companies. They need to have press releases to to sort out. And you want those to be read, those to be found. And we can actually take care of that. So imagine you you send out a press release. Well, we are in a position that allows us to have at least 10 keywords ranked on Google News, for instance, in the next 30 minutes after one of our posts. And that is something that's very powerful. Get your word spread. Get those eyeballs that you need. That's great, so you stay with him the entire life cycle all the way to exit, is that right? Well, that usually depends on the client and the company.

**Speaker2:** [00:12:59] Sometimes the ones they go to through an exit, they just contact us for specific campaigns and that's perfectly fine. Some companies don't go public, which actually there are not that stay private because they decide that or because that's not what they are looking for. But you can also help them anyways. I mean, there's no need, always a necessity of going public to be successful. But here again, one of the companies, for instance, that we incubated and accelerated in here, it's called Exer Applied. And it's a company that we've been working with for the past 15 months from scratch from the beginning. And we've been approved for listing. And it's actually listed in this U.S. Canada since last Friday. Great. Right. He has good access there going on the markets. That's good to hear in the last year that we have here. What else should we cover that we have in? I think with the audience that you have and the people would really like to know a bit more about our most recent company that's called Challenger X, it's a sports Texas we've built our proof of concept is our actual local rugby club that we've managed to work for the past year, which we started from what we thought was the beginning in terms of branding, in terms of marketing. And we quickly scaled up, for instance, on social media. We went from one thousand five hundred followers into 140 Kaled last week, and we've worked through our sponsorship proposals.

**Speaker2:** [00:14:38] We rebuilt all our merch. We today we we have more than 30 products that we are selling. We're selling online. We have at least 25 different selling points throughout

the town and the region. And the idea of this proof of concept is to bring this problem solving, let's say, let's call it to other clubs in the world. No matter what sport they're playing or no matter where they are, we can help them out. And there's a big focus on monetization because most of the amateur semi-professional teams are still struggling with the same the same things. And it comes back to one of the main problems that they are all facing that we really want to help them out. So this company you have funded two months ago and in the next coming weeks, we expect to be listed in the exchange in London. So we are currently running our IPO pretesting. So, yeah, I think it's a good connection with your audience in there. That's great. We appreciate your joining with us today. How best for listeners. Get back in touch with you all. The best way would be through LinkedIn. So just look at Canada and that would be the best way. Cool. We'll put that in the show notes and want to thank you for joining us today and have you back for a follow up soon. Thank you. Thank you for having me. It's been a pleasure.

**Speaker3:** [00:16:04] Mr. Cadec helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at investor Connect Pulte. Martin is the director of Investor Connect, which is a 523 nonprofit 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.