

## Richard Teideman Angel Investor

**Speaker1:** [00:00:04] 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. You said raising funding for your startup, for your next fund raise, consider 10 Capital Syndicate Platform. An online portal using a special purpose vehicle for the syndicate platform allows for online investment and access to over 12000 accredited investors. Log in to the King Capital Syndicate platform to find your next investment. To learn more, go to TTING Capital Group SPV.

**Speaker2:** [00:00:48] Hello, this is Hall Martin with Investor Connect the day we're here with Richard Teideman angel investor Richard. Thank you for joining us.

Oh, thanks for having me.

So tell us more about your background. What were you doing before being an angel investor?

Well, I mean, I've always been an entrepreneur, even when I was before I was 10 years old in the UK. Here we have newspaper rounds where they'll hire little kids to go and deliver the newspapers locally to all of the area. And I got one of those and I figured that I could probably subcontract the work to a friend of mine and just take a little skim off it. And so even at that age, I was kind of doing entrepreneurial kind of jumps. And then by the age of 13, I was running a sound system with a bunch of guys and we were making money off that. And I've always had these multiple streams of incomes, and I think probably it's made me unemployable to an extent in a large organization because, you know, you're always seeing pressure opportunities. This is now my seventh company and I've had some hits and misses along the way. I do often think of patriotism a bit like standing on the pitching mound, you know, and the ball comes past and occasionally you swing and you miss and occasionally you swing and you're not one out of the park, you know, that's just the way it works.

**Speaker2:** [00:01:58] Right? Well, tell us more about the angel investing you're doing today. Sure.

Well, I currently have I think about six investments, and what I like to do is I like to try and be actively involved in them once I've invested. I'm completely agnostic and although I have found from experience that there are certain things that I, I just I'm better at than others. I'm a bit of a polymath when it comes to companies, so I'm fascinated with business business models sort of very open to all sorts of different industries. There are certainly some that I found that I'm just happier in than others. So I currently actively involved with a company that is specializing in purifying waste water coming off landfill sites, and they have multiple patents across the world, including China as well. It's a very exciting business and that's got really going places. I've also got a company that has developed a sustainable railroad engineering solution. So here in the UK, we have a problem where the leaves fall on the railway line, the train goes over it, it squashes the leaves and they can't break. So we have a braking issue and these guys have developed a sustainable way to remove that leaf layer, which sounds dead easy, but it's not quite as simple as you think it is. And then I move into I very much like fintech.

**Speaker2:** [00:03:20] I have a custody solution that is a secure vault where you can store digital assets, and this thing is as near on impossible to get in as you can possibly make it realistically. So that's a very exciting sort of change from the other two investments. And then I'm very active in the space of data integration. I've got a company that's doing a deep dive, data integration, and then I have a company that's also like it. It's providing loans for the unbanked as well. So I kind of like these fintechns that are very scalable, you know, and it's all fairly it's all fairly broad, really. It's quite an interesting sort of asset allocation in terms of where I'm at at the moment.

Great. So like, you have a great portfolio there and sound like you've done quite a bit of angel investing over the years. How do you see the industry evolving for Angel Investor, where do you see it going?

Well, I mean, I think Coby just pushed us online, and I'm not altogether sure if that is. I don't know if that's a good thing or a bad thing. I mean, the first here in the UK, the first angel investment round I went to was in 2009, I believe. And a friend of mine ran an asset management company and said, Hey, I'll be really fun if we just got a load of startups in a room and we'll get some of our clients and we'll just have some drinks and see what happens.

**Speaker2:** [00:04:39] And you get this dynamic in the room. And I've been to I went to so many of those events since 2009 that you kind of get a feeling of the crowd. You know, the way I think if you're a sports fanatic, you can generally tell when your team is going to do well or not because you get a feeling that your instincts tell you. And I think what what the online angel investment rounds have done is I've lost that, I've lost that instinct, so I can't really feel it anymore. But typically, if you put me in a room with an angel investor and I've been to enough now, I can go. I think everyone's going to go for that one, that one and that one. I don't necessarily agree with what they go for, but I certainly think that the future of it being online means that I think one of the benefits is we're going to have a lot more data. I don't necessarily think that angel investment is going to become any more arbitrary in its efficacy. I do think that people are quite emotional at the angel level. Oftentimes, when it comes to their investments, which I actually think is a mistake. But I do think that the whole online process is really going to move this thing for pretty fast now.

**Speaker2:** [00:05:43] So he said the benefit is online. You get more data.

What do you mean by data? What exactly are you getting that we didn't get before?

Well, I mean, other than crowd funding. I mean, I kind of blow hot and cold. I'm not a great fan of crowdfunding. I can see its benefits and I do think it's wonderful for certain businesses. There have been businesses that have had some marvelous crowdfunding opportunities, but I'm still a great fan of just having a pack of investors who can come together. We can all pool our common intelligence first time. You can do this more consistently so you can have votes online. You couldn't necessarily have had before. You can have active feedback that you couldn't necessarily have before. That's a really exciting opportunity. I think they're in the states. You have some much more sophisticated methods of managing Asian investments in India over here. I mean, over here, like the safe device is not really used very much, whereas over there it is. And I think it's I'm a big fan of Place Safe as an investment device. So, you know, I think we've got a lot to learn from each other.

Great. So what do you think is the biggest change we'll see post-COVID with angel investing?

Well, I think sooner or later we are going to hopefully get back to some of the more standard event based angel investment groups, but I think that now what I'm seeing is that you have both so you're online, you have a whole load of people that might be in the other country joining in on an investment round, but also you have people in the room as well.

**Speaker2:** [00:07:04] And so I think that's that's going to be a real benefit because there's one currently that I couldn't make because I was abroad and I was able to join in and see the recording of it. We couldn't do that before. This isn't actually that revolutionary, but in terms of angel investing, I think we've come an awfully long way. I mean, you yourself, you know, you must have been in so many angel rounds now. How are you? You probably get a nose for which ones. You know, which ones are going to be popular and which ones aren't. Absolutely, he can tell very quickly which ones have characteristics that are going to lead to success and which ones will probably not make it, but it's just a sense there.

But you know, going forward when it's online, what do you think is the biggest challenge we will face with the online model going forward?

Well, I think regulation is a big problem. Just because, you know, there are there are always the poor scc and the FSA here in the UK, for example, the FCA, they're always playing catch up with these models.

**Speaker2:** [00:08:01] So it's very hard to to really fully verify an early stage investment. And as I say, I do think that a lot of Asian investments are primarily emotional. I've seen people invest, you know, very much on a web and not necessarily do that much investigation at all into the investments. And I think this is a shame. So I do. I'm looking forward to the regulatory bodies sort of playing catch up with these things. I think we all do pretty well in terms of diligence and governance and this kind of stuff, but there's always going to be a challenge there, I think when we begin to open it up to wider parties. Great. And so let's talk about your investment thesis.

How would you describe it and what's your criteria? You mentioned several deals a moment ago, and I was trying to figure out what is your overarching thesis there?

Yeah. There isn't really one other than that. I'm a big fan of B2B and I'm a big fan. I think of next generation engineering. I think probably in these areas I see stability and also it's less travelled, certainly in the UK in terms of an investment sector. So, you know, wastewater will water primarily is probably one of the biggest challenges that we're facing on the Earth today. And yet I don't see that many true pieces of innovation in the water field.

**Speaker2:** [00:09:21] I mean, there's huge amounts of desalination going on, but I'm very interested in that area and it plays quite nicely into obviously all of the ESG trends there's going on now as well. And I think really, you know, engineering is here to stay. I mean, it doesn't matter what what you wrap it up in, whether it's an electric vehicle like a Tesla, it's still a good old fashioned engineering. And I think it's a very exciting sector. But also, I see this as well in fintech. I'm super excited about what's going on. We really are in a golden age of fintech innovation, and you know, there's going to be some winners and losers, but it is just exploding at such a rate now. I just think it's absolutely marvellous and I'm looking forward to the whole next generation of this. I've stayed away a bit from blockchain. I haven't really seen that many blockchain investments myself that I've felt fully comfortable with, and I've stayed away a bit from crypto just because I still find it a little bit opaque. I'm wide open, but digital custody, I think, is definitely something that are, you know, super exciting to me and I invested in that. It's an extraordinary concept, and the fact is that certainly the banking system here in the UK, it really needs an overhaul of all of its Typekit and all of that it is going to need to be upgraded and all of the digital assets are going to have to be needed to be stored securely.

**Speaker2:** [00:10:43] And this is this is a super exciting opportunity, you know, so so that one kind of set me alight. I really like that one. So are your picks and shovels philosophy around blockchain investing? You don't know where it's going to go, but you know they're going to need a lot of big shovels and Levi's to get there. Is that your approach? That is absolutely right. Yes, definitely. The picks and shovels kind of side of things, whereas I think the front end is pretty blurry to me. It's just moving so fast for DeFi and all of these things. You know what's happening? I'm getting people on my telegram right now, and they're just trying to sell me coins all the time and all this sort of stuff. And really, you know, you don't know who's who in the zoo. And so I really think that I think the picks and shovels side of things just makes me feel a little bit more comfortable.

Right, well, now do you have a fund, is it so can you tell us more about it?

No, we don't have a fund to say, but I'm a commercial director for a family office here in the UK. We see no end of deals coming through, and I kind of help them really make sense of what's what.

**Speaker2:** [00:11:42] They're now focused on commercial real estate, and they're building sort of major film studios in various parts of the world. So it's kind of been very interesting play on commercial real estate, really. I mean, a film studio, when you boil it down, a major film studio, it's just a high yielding piece of commercial real estate. And there is a huge demand for fulfillment of content, and COVID has actually made that even more pressing. So we're seeing literally tens scores of new Netflix great streaming services coming online this year in India, for example. And all of these things are just desperately hungry for content, and there aren't enough major film studios to actually fulfill this demand at the moment. So it's a big supply demand issue going on there. So it's kind of fun. We see all sorts of deals with all sorts of things for sale, everything from vineyards to wineries to banks. You know, we see I just had somebody come today and major telecoms, someone looking to buy a major telecoms company. You see all of this stuff going through and you've got to somehow or another make sense of it, you know? And so I'm really glad for those early days in angel rounds where where you kind of I kind of learnt just how roughly categorize deals and really, what's what? Great.

**Speaker2:** [00:12:54] So you see a lot of stripes and a lot of investors out there. What's your advice for people investing in start? What do you tell them to do before they write that check?

I think if you're starting out in investing, I would. Well, I have certain criteria, so I do look at the teams in particular and the people look at their track record. I'm a big fan here in the United Kingdom. We've got obviously what's called the Russell Group of universities, which I guess you've got Stanford, Yale, all of these sort of major universities here in the UK. We have Oxford and Cambridge, we have Bristol, we have a number of others here. And these guys are really taking a lot of very exciting innovation. So I'd like to keep an eye on where where that innovation is going. So that's I like people coming out of these sort of universities. I think that's very vibrant. And also, I think for early stage angel investors, I think the other thing is get counsel from people who aren't similar to you. So for example, if you're quite an emotional

person and you're looking at someone you think, I think this is a really great idea to get somebody who perhaps is more financial or more quantitative to look at it and tell you whether they think the numbers stack up. So for me, I think if I emotionally attached to something and I instinctively attached to it, then I'll probably get someone who's better at numbers than me.

**Speaker2:** [00:14:12] I'm not very good at numbers, and they'll Hoover through the numbers and make sure that that thing looks good, too. So I think team your instincts, your emotions, your self-belief and then the quantitative side of things as well is the basic tick box that I would go through. But you never can tell. You know, I mean, I've seen many come past me that I've missed, and they've gone on to do extraordinary things. So it's always challenging. And that's, I think part of my love of it really is the intellectual challenge, right?

And then what's your advice for people running startups? What do you tell them to do before they go out to raise that round of capital?

But I was always told, if in doubt, sell your way out. And I think traction is everything. I think that's I view investment as an accelerant for something that something good that is already happening rather than necessarily a facilitator of something that should happen. And I think the distinction between those two things is particularly important. So if you've got something good, then hopefully investment will accelerate that good. Also, I mean, I'm a big fan simply of just picking up the phone and selling something myself. And sometimes people spend all of their time trying to gain investment, whereas in fact, what you should really be doing is spending your energy, trying to sell what you got.

**Speaker2:** [00:15:26] And that's the mistake I've seen a lot of people make, and I'm like, Well, listen, rather than going out and selling more of your company, why don't you simply sell more of your product, you know? I heard it said by one of your previous interviewees. They said one of their key questions is talk me through from the time you got up this morning to the time that we're sitting here now. How much of that time has been spent trying to get the money that belongs to your potential customers into your bank account? Talk me through how much of your day is spent doing that process, and it was one of your interviewees who actually said that. And I think this is just a golden question, because many of us, we spend a lot of time writing our code or spend a lot of time looking after our product. But in fact, what it really is about is

business is about getting your own fair share of the pie and you've got to get your own fair share of the customers. Got your fair share of the revenues and revenues are key. You know, it's absolutely true.

So you've mentioned several sectors today, you know, ESG, electric vehicles, fintech, crypto. But if you had to pick one or two sectors, do you think are really good applications to pursue today by investors, what do you put at the top of the list?

I'm very excited about the picks and shovels of the fintech area, so we're looking at the sort of the hybrid between in the banking sector.

**Speaker2:** [00:16:47] There are a lot of very old school pieces of infrastructure that they're still using are now currently creaking, and I'm particularly excited about that. I think that's great. I'm trying to remove the noise of sustainable rhetoric around investing at the moment because I think one of the things that is people are finding exciting. But in fact, I'm finding distracting is sometimes you can invest in something because it has a sustainable batch to it. And that's particularly hot over here. I don't necessarily think that a sustainable business stacks up to be a very good capitalist business. The two aren't necessarily good bedfellows, so I'm very excited about the future of transport and infrastructure. I think that's particularly exciting, and I think probably one of the hottest ones that I'm seeing a lot of this side of the summer is edtech. And I think edtech is just really going places that whole industry is set for a big revolution and it's super exciting. So yeah, I'm seeing some really, really interesting opportunities in edtech at the moment, right?

Those sound like great opportunities. Well, in the last few minutes that we have here, what else should we cover that we haven't?

Well, I'm super excited about just the prospects that there are now for people to become entrepreneurs.

**Speaker2:** [00:18:04] And I'd love to talk to anybody who just wants to bounce ideas around and particularly sort of have sort of any if I can point you in the right direction, in any way, shape or form, I'm more than happy to do that. I think business is all about sowing and reaping



and you know, you really do reap what you sow. And if you do, good, good will be yours. So I'm a big fan of sort of trying to do the best you can and we help each other and we prosper each other in that way. And I think that's a really, really good. That's a really, really good policy to have in business.

It's great. So how best for listeners? Get back in touch with you.

I think the best way is you can follow me on LinkedIn. I've got a rather strange, strangely spelt name. It's TDMA, and that's the best way to catch me and just put me a message. I'll be glad to respond back to you. All. We'll put those in the show notes. I want to thank you for joining us today and hope to have you back for a follow up soon. It's a real pleasure. Thank you.

**Speaker1:** [00:18:58] 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 Talk.

**Speaker3:** [00:19:10] Tim Martin is the director of Investor Connect, which is a 501c3 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.