

Sarah Jennings of Beyond Angel Network and Fund

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. Investor Connect is a 501 C three non-profit dedicated to the education of investors and startups for fundraising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the Donate button on the Investor Connect org website. Hello, this is Hall Martin with Investor Connect., here is Sarah Jennings, director at Beyond Angel Network and Fun. Sarah, thank you for joining us again.

Speaker2: [00:00:53] Yeah, thanks for having me. Happy to be back.

Speaker1: [00:00:55] All right. Well, we had a previous interview in which you talked about your network and fun. Can you give us a short update about what you've been doing since our last interview?

Speaker2: [00:01:03] Yeah, absolutely. So we've had a lot happening since last year. So happy to go through and give it kind of a high level overview. So first off, with our network, we continue to grow. We're now up to about thirty two angels and 15 different states in Europe, which is really exciting. We've added seven more portfolio companies since we last spoke as well. And then, of course, with the pandemic, we were virtual all year, but we just recently started going to face to face regional meetings, which has been really exciting. So we had one last month and then we're having one in Dallas on October twenty eight, so we're really excited about that. Listeners can find out more information about that event on our website, on our events page. And then what we're also really excited about is that we're going to kind of kick off next year with one in Florida for all of our investors with network and funds, not just the local regional area, but anyone can come. And what's kind of special about the Florida one is we're going to invite all of our portfolio company CEOs to come to that event, be able to share kind of a live progress update on their companies and also give all the investors an opportunity to get to kind of interact face to face. Since our, you know, our pitch meetings have been virtual. So we're really excited about that.

Speaker2: [00:02:19] That's going to be a lot of fun, as you know, with our our network and our funds. Kind of one of our unique aspects is how we try to provide and really seek to provide education opportunities, not just for our investors in venture capital and angel investing, but also for college students. So we've had kind of our main internship program, our venture capital analysts internship program, for a couple of years now. And this year we launched three more programs. So we have a venture marketing program, we have a fund administration analyst program and then we have a venture associate, one that's the newest one we just released. So it's been going really well. It's fun just to see the team continue to grow and build. So we're excited about that and then to also support our educational goals. On the membership side, we just launched a new membership option as well, too. So we're calling this our sponsoring angels, and this is really geared for people who are not accredited, who can't invest yet, but who will want to learn about the space. They want to learn about venture. They want to learn about angel investing. So once they hit that accredited investor status, they feel knowledgeable enough to make these decisions. And so for our sponsoring angels will provide not only educational materials, but they'll have the opportunity, of course, to just come alongside our angels and learn with them, attend our quarterly meetings.

Our regional meetings obviously net worth and network with individuals in their different spaces. And then why it's called sponsoring angels is because we're actually going to allow these sponsoring angels to nominate specific students for internship consideration. So they are angels. Really like that part of us about how we are impacting the next generation of theses and angel investors. And so the fact that they get to kind of actually impact maybe a student they know well, they really like that as well, too, so they can nominate a student for internship consideration from any university anywhere, which is really exciting. So that's something we have coming up. Our just launched we officially launched our fund since we last spoke. We were in that that pre-launch phase last year. And so that's been really exciting. It's seated, it's has a growing portfolio. It will be closing here at the end of the year. So we have just a few more months left for investors to have the opportunity to get in. It's doing really well. We're excited about that. We're excited because we're going to actually be making our first distribution to fund members here at the end of the year. So we're excited about that. It's been a good year and I've probably missed one or two things, I'm sure, but I think that's hit some of the highlights of what else happened so far year to date.

Speaker1: [00:04:55] Well, that's great. Sounds like things are going well and you're already having distributions, so it sounds like it's going very well. But thank you for the update on that and sounds like things are really cooking along at this point. So let's talk about your investing experience over these past few years. What company do you regret not investing in and why didn't you invest at the time?

Speaker2: [00:05:17] It's a great question. So I'm going to do a spin a little bit on this question. Specifically, say a company that I regret the fund not getting into specifically. So we had a company that came through our our channels end of last year. We're really excited about it, our network angels where you were able to get in on it. This company is called Sutaria. They're in the renewable kind of battery market doing obviously it's very hot right now, doing really well. And we got great terms in their series, a Koretz, who was the lead investor, so, you know, a great term sheet and the company's been doing really well and I really regret the fun. The fun wasn't able to get in on the action, and the reason why we didn't get in at the time was we were in that launch period and we just couldn't deploy capital yet. And so it's a little it was a little second. And now that we've tracked it like, Oh wow, really wish we were able to get in back to back then. But I know we're we're obviously keeping an eye on it as we're network investors in it and we'll see if we get in on the action and a subsequent route. But we're we're excited about that one and obviously with tracking with that company specifically excited just about that kind of subsector to.

Speaker1: [00:06:25] Great. So in general, what sector are you passionate about and why?

Speaker2: [00:06:30] So like I said, we definitely well, first off, we like anything tech, so I'm sure that's not a groundbreaking statement to make on here, but we really specifically like deep tech is what we've kind of found we're really drawn to. So of course, things like I just mentioned, like renewable battery, really like VR, Air XR, et cetera, those are all things that were really kind of interested in and pursuing for us. We really like it just because we like the scalability of tech. We like the growth outlooks for both broader just market technology, but also for these specific kind of subsectors. And then also, of course, like kind of the average return stuff once you kind of expect from tech as well. Right.

Speaker1: [00:07:10] And are there any particular sectors you've avoided and why so?

Speaker2: [00:07:15] So even though we have a preference towards tech, we do invest kind of across industries. I will say one thing that we do tend to avoid are sectors that are really highly regulated. So things like biotech, there's just so many different kind of hurdles they have to get past before they're really, really, really viable company with all the FDA approvals and all that. So we tend to steer clear of those. But other than that, we typically kind of look at anything.

Speaker1: [00:07:42] Great, and so what's your worst or worst experience with the startup?

Speaker2: [00:07:47] Oh, OK, so worst. You know, we've been blessed and I have too many bad experiences. I have to say we're very lucky, so maybe I can go knock on some wood or something now. But I didn't just jinx myself, but you know, think about this. We had we had one company we worked with and they were just very difficult. You know, post-PC, it was just a difficult process, I think, for for everyone involved for our team and as well as for investors who were interested in investing, they were pretty inflexible. And so that wasn't a great experience. But like I said, I think for the most part, we've been we've been blessed with getting to work with some really great founders and companies. And so I can't really complain too much about that.

Speaker1: [00:08:26] Great. What was your best experience with the startup?

Speaker2: [00:08:29] Oh, OK. It's hard to choose one. We've had a lot of us. I feel like I'm bragging, but I have to brag on our companies because they're just great. But I think some of the most rewarding and best experiences that we've had for our group and for me specifically is whenever we've had the chance to advocate for our portfolio companies. Maybe, you know, as they continue to raise that round and close that round as we talk with other groups that we kind of share deal flow with. And also whenever they've had the opportunity to kind of vouch for us and getting to speak with other startups that they know and kind of vouch for for us and our process. So I think there's nothing better than a really great investor start-up partnership that's mutually beneficial to both parties. And so we've had quite a few of those and it's been a blast. So I really I do have to brag on our companies and our founders quite a bit.

Speaker1: [00:09:21] Great. Well, what are the main challenges the startups you work with face today? Aside from fundraising, what do you find is the biggest issue?

Speaker2: [00:09:30] Yeah, so I think both for us first, if I can hit the investor side a little bit and circle back around to the entrepreneurs. I think a challenge always is finding quality deal flow, right? Always. There's a lot of startups out there. There really are a lot, but it's trying to find the high caliber ones. That's the trick. So I think that's always a challenge that we have to deal with in the industry. I think then with you add the rise of things like impact investing and then all the different subcategories of impact investing. I think it shows that investors are feeling the struggle of finding investment opportunities that align with the things that they really are interested in and their values, their convictions, what they're most passionate about. And I think the same is true on the other side for entrepreneurs. I think from our experience, the more and more people we meet with founders face a challenge of finding capital that aligns with the vision and mission and values of their company. And so this is an issue that we really are trying to solve at the core of our network, our fund and what we do.

Speaker2: [00:10:33] Both our mission and our investment thesis is centered around providing restate values aligned capital to our portfolio companies. And everyone always talks about how investors need companies that are good fit for them. But it's a two way street and companies need investors that are a good fit for them, too. And capital is so much influence on early stage companies and the direction of that startup. I think it's really important for these entrepreneurs. So in order for a company to be able to scale and grow and really, truly flourish, I think it's really important that both investors and entrepreneurs are aligned on the direction, the vision, the core values of the company for it to be a success for both parts. And I think that's what's kind of a challenge that we've seen increasingly as it becomes more and more popular as more and more founders are looking for capital that lines up with their company and investors are looking for opportunities that line up with their interests and their passions.

Speaker1: [00:11:31] Great. So you talked about several application sectors a few moments ago, if you had to pick one or two that you think are really good opportunities to pursue today, what would you call out?

Speaker2: [00:11:41] Ok, so again, I'm going to keep on circling back to these two I'm talking about because they are really interesting and things that we're really pursuing right now. So kind of going back to the whole renewable like battery and all that kind of market or subsector was crazy is that companies right now with this type of technology are IPO with zero revenue, which is like insane. And so I think that's a really, really interesting to see this subsector really taking off. I think it was Pitchbook, if I recall correctly, was recently a recent sectoral report was done. I think it was by Pitchbook, and they were saying that the specifically the renewable battery market was expected to grow from I think it was two billion this year to over twenty seven billion by the end of the decade. So really high growth rate, and we're certainly seeing that as we just track a few different companies in that in our own portfolio. And like I said, we're also really interested in companies like Villarreal Czar types of technology, and we've seen that market kind of really grow. We have a couple of companies, one of which we invested in that we've been tracking for a couple of years before we even invested. And so we kind of seen along the last 12 to 18 months how much that sector has really grown as well to.

Speaker1: [00:12:56] Great. Well, in the last few minutes that we have here, what else should we cover that we have?

Speaker2: [00:13:00] Well, as always, Paul, you covered everything really well. I think I would just say to listeners, I know the venture can seem scary and it can seem a little intimidating, but it doesn't have to be. And so I think my advice to anyone new to angel investing or thinking about getting into angel investing would be get plugged in with a group of other angels that you can learn alongside, and that can kind of help with the heavy workload of diligence. I appreciate everything you do haul to to help others get connected and different groups and providing resources for them as well to love what you guys do at 10 Capital. And as I kind of alluded to earlier, we really have become a a national angel group and fund. And we've got options to participate both virtually and in person and options to invest actively and passively. And so we'd love to have you join our our community as well. But we have quarterly pitch meetings. And then of course, like I mentioned, we have our regional meetings as well, too. And of course, we've got options now, both for our accredited investors to invest through the network or the fund, or for non accredited investors to join our community and learn our learn kind of DC and learn angel investing as well.

Speaker2: [00:14:08] We have upcoming meetings. Like I said, Dallas and Florida are on the calendar as well as a few others, so we'd love to see some faces there. And then we have our Q4 pitch meeting on October 15, so that's just around the corner. I think one of the things that really differentiates us is how quickly we move. And so with an efficient process to get from point A to point B with the vetting and screening and still do it in a thorough a very, very thoroughly. But it is an efficient manner that we do these things. And so once a company pitches to our investors within 30 days, we've written checks and invested as well, which I think our our companies like quite a bit. So we're already accepting applications for our Q1 pitch meeting, which will be February 4th. So for any entrepreneurs listening, I'd say we'd love to have you apply. You can find out more about us, our process and our application on our website. And then for any angels, you can find out more about our different ways. You can get involved on our website as well, too.

Speaker1: [00:15:07] That's great. Well, appreciate your joining us today and hope to have you back for a follow up soon.

Speaker2: [00:15:13] Yeah, thank you. Thanks for all your doings. A lot of fun.

Speaker1: [00:15:17] 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: [00:15:29] 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.