

## Seren Rumjancevs & Rain Kivisik of Dealum

**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 and many other investors for early stage and growth companies. I hope you enjoy this episode. The 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. Well, hello, this is Paul Martin with the best you connect. Today we're here with Seren Rumjancevs, CEO, and Rain Kivisik founder at Dealum. Dealum provides a superior investor group collaboration platform to build a vibrant, early stage investing ecosystem. Your objective is to become the leading global deal flow source for early stage investors by creating meaningful connections between investors and startups. Seren, Rain, thank you for joining us.

**Speaker2:** [00:01:03] Thank you. Great to be here. Yes, as as I introduced, Dealum is a software platform that is being built by angel investors. So we say that that can really add value to networks in the interstate and elsewhere in the world.

**Speaker1:** [00:01:19] Great. So tell us about your background, what did you do before you started or founded deal? Why don't you start first?

**Speaker2:** [00:01:28] I've been actually involved in this kind of startup innovation and high-tech companies fail for almost 18 years now, so I started in Interactive Science Park, where we were running lots of lots and lots of international projects to support the local entrepreneurship and the high tech community. And it was kind of only natural from there that I fell in love with this kind of startup vibe and and and the startup world in general and ended up founding my own high tech fashion tech startup. So that's what unfortunately became one of the statistics and failed to raise funds to develop further. But it did take me to a lot of interesting places around the world and in London as well. Finally, coming back to Estonia, I kind of followed my heart in a way to to continue in the communication and entrepreneurship and the startup community, and I joined them to really help. The early stage investments also flourish in rain.

**Speaker1:** [00:02:34] How about your background?

**Speaker3:** [00:02:36] My background is I've been last 20 years entrepreneur and founded several successful software companies, and it's five six years last five, six years. I've been doing angel investments and we have around 30 companies with me and my partner in Limpopo, and he's also the other partner in other floundering as well. And the main focus being is software development and product development and building and mentoring startups. This is in my focus over the last two years.

**Speaker1:** [00:03:15] So what led you to start working in investment group management tools, why did you pick that area to go for rain?

**Speaker3:** [00:03:23] Over the last seven years, it's been the experience for as an investor when when you started to being active in angel investing and and again, we started with my my partner in No Boom. And he he had several roles in different businesses and networks as a president or a member of board. And we got very close insight how business networks are or are working and what is missing there. And and we realized quite several things. What what is good or what can be done better. And some of the things we noticed that it's kind of our lack of digitalization and transparency. It's very close to the ecosystem and and there is as we are coming from the software background we see. Room for improvement. And also seeing the potential what happens if those different age groups starting working together as as a network of networks? And this is very was very interesting idea, which we kind of started and currently in already developing this many years.

**Speaker1:** [00:04:41] And Sarah, what would you like to add to that?

**Speaker2:** [00:04:43] Well, for me, it was really just kind of to say finding a suitable role in a suitable place. So. So for me, I was not part of the founding team. Then I joined us to take the company to the next level, really and to to work further on enhancing those tools.

**Speaker1:** [00:05:05] So what's your advice for investors about automating their investment process there? What do you tell them before they start to actually try to build an automation system here?

**Speaker2:** [00:05:16] Well, of course, the first thing is that automation is never like a thing in itself, it needs to be improved and in order to improve, you need to. And what we've seen from from the customers is is that the transparency is often the problem, as in both the founders and the members, investor members need to really understand how things work and what they can expect. And that is what communication becomes the key aspect of of all the processes. And this is what what we really excelling in smoothing out those communication touchpoints and allowing various ways of sending information and collecting information either from the companies or from your investors or any other information that is part of your workflow. So once you understand your processes, that is when we can see which bits automation is really needed. Because if the founders and members understand what is going on, the process can actually be slightly more complicated. It doesn't need to be bare bones simplicity. If they understand then, then maybe automation is not needed in that bit, but somewhere else where it's less clear just to make sure that it actually supports your group's way of working and not being, as I said, the thing in itself,

**Speaker1:** [00:06:47] Right in rain, what would you add to that?

**Speaker3:** [00:06:50] As a senator mentioned, it's again. It's made time, it's the focus on the process and sometimes process very clear, and there is lacking some technological side and sometimes technology persons are there, but they're kind of lacking processing. So a lot of different cases here. And again, this of said, we try to see different parties and bring them together. Sometimes we can help with technology, sometimes as we have a lot of experience already. We can share best practices and processes that are working. So that's something we we are looking after.

**Speaker1:** [00:07:34] All right. So let's talk about the state of investing in early stage companies. How do you see the industry evolving from here? What's your what do you see coming up?

**Speaker3:** [00:07:45] I see a few things, but over the last years, and I think it's moving forward now that angel investing and startup investing is becoming more mainstream and accessible. There are different ways how it happens, but but it's back in the time you need to explain what it did. Nowadays, it's maybe not for everybody, but people know what it is and they see it quite serious alternative investment compared to the other instruments, financial instruments. And

so that's the one thing. The second thing I see a lot of, including myself, people looking meaningful investment rather than just return on investment, and that can be a good option where. Are looking for entrepreneurs and founders who really like to make a change, and if an investor is usually successful persons as well, they can help with their knowhow, including the financial, that's really helpful instead of just just as plain financial and lasting from. I think the main thing I see is that. I think there is a new generation of angels which are who are being the founders either recently or a few years back. And and I think this generation that I see how they are sharing their values and can really help understand each other, they can help each other. And it's creating something really nice, I think, which helped new entrepreneurs get going. And and more people can call me the entrepreneur mindset and create new ideas and. Yeah, so that's quite interesting. And the important thing as well.

**Speaker1:** [00:09:42] Ok. And, sir, what do you think is the primary change you see happening today in the market?

**Speaker2:** [00:09:48] I think it's it's the acknowledging the importance of collaboration, so especially maybe with this kind of older traditional networks, which are very location based, there is much more will now to to work with with investors outside your usual networks and and syndicate and invest together. So basically, it's kind of a decentralized network of networks. This is starting to emerge where where different groups work together and creating these kind of clusters around maybe some industries or or regions like the wider regions. And of course, with with the pandemic, the need to digitalize has really hit the hit hard nowadays. So maybe earlier it wasn't as necessary, but now it's really becoming essential. And as Ryan just previously said, there is this new generation of angels coming coming into the field who have very different expectations on the workflow of the group. So they expect a different way of communicating from from those managers. And this is where, again, the digital tools become of essence, really for all the groups. And but what we also see is that the lead investor is becoming more than kind of like a nice honorary status within the group. It's more becoming more of a profession and a serious career opportunity for angel investors. So this is something that we see also kind of need supporting in the future that that this lead investors become more professional, more more efficient and more knowledgeable.

**Speaker1:** [00:11:44] Great in rain, what do you think is the main challenge investors face today in today's market?

**Speaker3:** [00:11:50] Well, I see some things that for Angel Investor is usually quite hard to make an investors when they have a small ticket, which they should have when they start, definitely. And so they need to choose if they go to cloud platforms or find a business agent networks or some other investor groups. And with that, there is a lot of information that is missing, and a lot of it is coming from the trust, which source to trust and which persons to her because there is so many opinions, so many different ways, how those things can handle. So I think as we are dealing, we are supporting networks. We we believe that those local villages and networks are the best source two engine Universal Co two. It's mainly for educational purposes. See what others are doing. There is some experience leads investor lists already in each group, and it's a great source while. Uh, while we see that those challenges that business angel network have local, they really like to do more investments, but again, they are competing with other smaller businesses and other more wealthy individuals who founders usually prefer because there are just the number of investors or less, it's less basically overhead to make this deal. And from that point of view, we need those groups need help, how they can manage the process, how to kind of compete with this, these investors who can with larger tickets. And so that's that's something that I see as a main thing.

**Speaker1:** [00:13:46] Right. And then, Sam, what is the deal of company offer exactly?

**Speaker2:** [00:13:51] Dylan itself is a software tool, a platform where investor group managers can handle the operations daily operations of of the group, so accept applications, evaluate those applications with members or with the jury, then engage the members into into working with it and and collaborating with other networks as well and sharing the deal flow with them. And we see that this really saves them lots of time that they otherwise would be spending on an administration, which is doesn't add that much value to the group. And when we save that time and streamline those processes, they can then spend that time that they have saved on on building relationships and building networks and building connections between the companies and the investors or the investors to investors and widen the network.

**Speaker1:** [00:14:50] Right. What would you add to that range?

**Speaker3:** [00:14:53] As a dealer, as a platform has a quite a lot of aspects that we are trying to cover, and some of them are more relevant today. We have this kind of platform or basis where we see it. We need basic tools and we like to move further on top of that, basically building a network of networks and provide everything what is required from from that point of view. So we see it as different levels levels. Basically, the tools that we currently have, I think they are one of the best of their. And once more people are joining, I would like to make sure those groups can actually start working together and collaborating together. And we believe those local business groups will be very competitive, also global or international teams or or deals, for example, in larger countries where there are many cities for like to and many states would like to have a close relationship. So these are the the main places where we like to have impact and we see the potential.

**Speaker1:** [00:16:12] Great. So seren, how does deal fit into the overall industry landscape? How do you compare to other solutions?

**Speaker2:** [00:16:20] Well, what we see is is where we stand out is, is, of course, the focus on the early stage. So it's it's a product that is specifically developed for angels and to work with their processes. And as such, we offer this kind of tools that allow them to digitalize to make the communication transparent and also facilitate that collaboration inside the group as well as outside to the other groups globally. And what we see is is that the pre-seed investment ecosystem in general can become much more efficient, connected, and this is kind of differentiates us from from other tools that are probably more focused on on specific processes, specific automation and specific stages of that investment process, whereas we have a higher, higher purpose. It sounds a bit better, but we really want to create that that ecosystem more than anything else and to utilize and facilitate those connections that are being made in general.

**Speaker1:** [00:17:38] Great. And so what exactly is the problem that the deal of solution solves?

**Speaker3:** [00:17:43] In a nutshell, it's basically I always see it as a vision, as the network, as a lot of applications coming in from one point of view, and they have a lot of members, usually in hundreds of investors. And the main challenge is, of course, how to handle all this, how to handle those applications and how to handle those members, member application company

applications. And based on and in other words, they are solid in a funnel. So we have all the basic and also advanced tools now that can basically match those combinations. For example, if you have 100 applications coming in and we know that we need to pick only five, which are actually relevant for our investors. So what is the process doing it, especially when there is a hundreds of people, not just five people in the organization, and it's definitely a challenge, something that cannot be so easily solved without technical tools or even even, for example, tools that are broadly available, excel and so on. So, so that's the basic channel challenge that we are been addressing, and this is already running very stable and the good way for many, many of our customers. And the second layer here, once we have the kind of software features and tools, how to provide more value and in more value we are trying to bring in.

**Speaker3:** [00:19:24] Help different groups to match different deals, basically that if. One group, or Beijing Asian network found those five five companies, and they also know that 20 of their investors like to invest in those companies, usually they are missing additional funding, which like if they cannot get the full funding, it will be an issue for the company. So if if now the businesses and networks have ability to share that deal with their other deals in the network and share that in a meaningful and transparent way while keeping the privacy of all parties, then then I think another layer of value that we can add here, I think it's significant which which cannot be just handled with the software it needs to be. It's a trust network. And and if I believe this is happening, the business network and the whole industry, it becomes so much stronger because there is a lot of angel investors and I think it's very fast. And this way, they can manage through all this process internationally and cross borders as well and cross states in a way that it's not centralized. It's kind of decentralized, and it's built on the trust between those specific parties. Usually, they are regulated industries or fund managers.

**Speaker1:** [00:20:56] Right? So Sarah, what is unique about the solution that people can't find anywhere else?

**Speaker2:** [00:21:02] I think what is unique is the company background, as in the solution specifically developed by Angels for Angels and even more importantly, our founders investors put the impact first. So that means that we are not a typical start up company who who needs to really scale fast, produce results and so on to secure next round of funding in order to survive. This often comes with pivoting. But as we focus on the long term vision, that means

that the angels and the early stage capital ecosystem will continue to be our focus. And there is less threat of pivoting to other potentially profitable, more profitable routes or directions. So I think this is what is unique about it being very clearly focused on specific niche and then taking the input from those from the customers and the ecosystem itself to develop the product. So our product is the product roadmap is clearly led by customers taking the information from them and then utilizing it into the tool itself.

**Speaker1:** [00:22:24] Right in rain, what would you like to add to that?

**Speaker3:** [00:22:27] I'd like to add that also kind of important that that we are purely focused on angel investing because there are quite a few platforms which are kind of looking to broader, which can also suit for businesses in networks. And definitely there are a lot of funnel and different type of softwares that can be used or adjusted. But but we see that we are focused on angel investing and have this commitment there. And again, as certain said that this kind of long term approach here. So we so we like to keep that focus. Our focus is angel investing and everything around it. That's something I think in this industry, it's unique. And I think what is and we'd like to keep it that way, which is, I think, kind of commitment and then something which we believe and I think customers ask this a lot is important that we don't change that, right?

**Speaker1:** [00:23:25] Well, in the last minutes that we have here, well, should we cover that we haven't and you go first.

**Speaker2:** [00:23:30] I would like to encourage the listeners and the investors to to change angel angels individually to maybe push their managers tiny bit more. So if the tools that you're currently using feel out of date or uncomfortable, uninspiring, not efficient enough, there's really no no good reason to stick to those tools. There are some good modern solutions available among themselves that you can choose from, and there is really no reason not to use them and to make your life and and more comfortable.

**Speaker1:** [00:24:08] Rain and rain, but would you like to cover?

**Speaker3:** [00:24:11] Yeah, I think for for me, the most important thing why I'm doing it is and all is, is to see that that is kind of angel investment and the values around it, which I like to share. It's something I believe in. And when it comes to investment, I really believe in investing in younger companies, especially when different professionals have something to contribute additional to that funding. One of the thing is that that it's more meaningful for and more helpful for founder and investor. But but also I think so far I've been investing. I kind of feel more connected and I know the people there and I know I can help them and I can build relationships and all that making it worthwhile. If it's just investing and then getting return and then investing, it's kind of endless loop. And it's and it's missing something that our currently main instruments on the market and the stock market and real estate, it's many times they are missing this kind of there's a lot of funds and possibilities to invest, but I don't really what's happening there and it's just a body somewhere, and hopefully it's going back. But but then again, I realize that we as investors, I spend a lot of time on on actually maybe reading about it or looking at it. But but it's mainly just to see how my money is doing instead of looking, how the founder is doing, how I can help, how we can work together, how we can solve some challenges. And on side, investors have ability also to add investments. I think this combination, it's much more healthier and I think angel investments as they become energy investors one or the other way. Since this and and I think we're at Tailm like to support this type of angel investment and investors. That's that's something they've been able to bring out.

**Speaker1:** [00:26:26] So, Sharon, how best for listeners to get back in touch with you?

**Speaker2:** [00:26:30] I want to stress is to reach out on LinkedIn. The link is also on our web site. If it's not available, so and probably will be somewhere in the in the podcast information as well.

**Speaker1:** [00:26:45] Sarah Rayne, thank you for joining us today. Hope to have you back for a follow up soon.

**Speaker2:** [00:26:50] Thank you very much for having us.

**Speaker1:** [00:26:57] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at

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