

Ipshita Mandal Johnson and Giorgio Reggiani of Global Bio 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, and many other investors for early stage and growth companies. I hope you enjoy this episode. The Investor Connect is a 501 C three nonprofit dedicated to the education of investors and startups for fund raising. 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. Today we're here with Ipshita Mandal Johnson , co-founder and CEO, and Giorgio Reggiani, co-founder and CFO at the Global Bio Fund. Global Fund is a value capital fund with a gender smart lens investing in bio sectors, health and wellbeing, food and agriculture and energy and environment. If you enjoy a job, thank you for joining us.

Speaker2: [00:01:02] Thanks for having us.

Speaker1: [00:01:03] So where are you guys calling from today?

Speaker2: [00:01:06] I'm from New Zealand.

Speaker3: [00:01:09] Hey, Giorgio. Based in the UK and Cambridge.

Speaker1: [00:01:12] Great. We're glad to have you with us today. Before we kick off, can you talk about your backgrounds before co-founding the Global Bio Fund?

Speaker2: [00:01:21] Sure I did. My PhD at Cambridge and Biotech caught the bug for entrepreneurship early on, was working in a startup with Giorgio called back TiVo that got renamed Banana. Also co-founded Global Biotech Revolution, which was a think tank in the biotech sector and did some work with McKinsey Private Equity, Pharma, Tech, and then decided there was a gap in the market. And that's.

Speaker1: [00:01:50] Great. And Giorgio.

Speaker3: [00:01:53] I'm lucky enough to have started my career off as an accountant because I think that's given me a great basis to sort of not be an accountant, but use the finances as a good base. And really lucky to have worked with a lot of entrepreneurs, first of all, in the nineties with software amazing growth. And of course, we saw a bubble burst as the millennium came up but great experiences. And then post that I spent some time with venture capitalist, which was great fun and good experience and gave me an insight into life sciences. And so when I decided I'd rather spend my time helping create new companies in the life sciences, I went off and did that for a few years. So we've. A separate asset started a company in Rare Diseases, which we recently sold Astellas Pharma, Japanese Pharma, and it ended up being available at more or less the same time as, as I was. And whilst we worked together we always talked about how me coming from Africa, Cheetah, having come from Africa and India and various places around the world, how lucky we felt we were being given a chance to have a wonderful life. Given how many people around us were having hard lives and wanting to be more impactful with what we did. So we started talking about how we could work together, and that's why we started working together on Global Fund. Great.

Speaker1: [00:03:17] Well, what excites you right now?

Speaker2: [00:03:21] What excites me, I think, is people are being more meaningful about business and growing companies. And what I mean by meaningful is. There are entrepreneurs now who want to address real challenges when it comes to environmental challenges or social challenges or health challenges. So that shift that has come through and I think the pandemic's probably added a sort of a double dose on what are we doing with our work? What sort of companies would have companies have been building? What sort of investors are we that shift towards ESG and even more meaningfully impact investing, which is quantifying some of this impact too? That really excites me and what that means for women entrepreneurs that that allows us to build companies which are diverse, but, but also thinking of driving impact into the work, the solutions that you're building.

Speaker1: [00:04:18] Right. And how about you, Giorgio? What excites you right now?

Speaker3: [00:04:23] Yeah. I mean, the work we're doing with investing in woman led, woman founded companies is very exciting because it's vastly under-resourced. And you kind of see only two 3% of venture capital investment goes to woman led companies, woman founded companies. And it's like we live in half the planet behind in terms of ideas. And so the drive to come up with great new companies. And so we're seeing some great companies being started by a woman. And as she says, they tend to be more impactful in the way they approach business. They're more inclusive in the teams they build, and generally they're entrepreneurs I've enjoyed working with, have been very successful. Most of them must be said, male, have had those attributes that I think you typically find with women led businesses. They tend to try and do things a bit more, longer term, but more thoughtfully, but more inclusively.

Speaker1: [00:05:22] Right. Well, if you see a lot of investors out there. What's your advice for people investing in start ups in your sector? What do you tell them to do before they write that check?

Speaker2: [00:05:32] But I think a lot a lot of the backgrounds of investors I've seen and worked with or raised capital from as well, I think we've we've got a very structured, very high professional backgrounds coming from finance sector or consulting or banking and which is great because at the end of the day we are making money. However, I feel there's a big part having having grown startups, and I think that's a benefit. George and I've both had, as we've built companies before, we see this a lot more than the numbers and the business plan. There's a lot more to your investing in people. Businesses about people and startups is about people. So when we look at teams and I think that's the advice to investors is not looking for me tools. We're not looking for people who just look like us and behave like us. And that's where that diversity of entrepreneurs, not just the CEO or the founder, you're really looking for the team. That I think is what's quite important. And we find and there's more gender balance and teams, you do see.

Speaker3: [00:06:41] More.

Speaker2: [00:06:42] Better ideas, more creativity and better risk analysis coming through. So for investors focusing beyond the finance and the business plan, you're investing in people. So that is probably the biggest advice or tip or flag that would suggest to other investors.

Speaker1: [00:07:03] Right? Georgie You see a lot of startups out there in this sector. What's your advice for them before they go out to raise funding?

Speaker3: [00:07:10] We do some really exciting ones. We're seeing at the moment. I think in all cases, having been involved in startups myself, it's very, very clear that you need to try and get to the market as soon as possible. We've got some great scientists in the world created some very clever ideas that have no application. So I think every one of the startups I've got involved with, we've got collaborations going early on, whether that's big pharma or biotech, getting close to the market quickly to understand what the market need is and developing for that rather than the best product or the best idea. It's the most valuable idea that you can bring to market, I think.

Speaker1: [00:07:51] Great. Let's talk about the state of investing in the bio sectors. If you how do you see the industry evolving from here?

Speaker2: [00:07:59] It's it's a pretty bias an easy sector to think of impact because, you know, just delivering good therapeutics and health services has such a big impact on on access to health and new health innovations. However, this this area of diversity, equity inclusion has not quite factored into the bio sector very thoroughly. It's emerging that the COVID crisis has caused a few networks and groups thinking about it. But I think how people are able to access these bio health innovations in a cost affordable way, which ethnic groups and rich communities are able to access it, that's quite important. So a trend I see in bio is how are we using technology now? We've got these amazing breakthroughs from AI to deep technologies to blockchain technologies. How are we using technology to improve access to different communities? That's what excites George and I. When we look at some of these disruptive business plans at the intersection of Biontech.

Speaker1: [00:09:10] And Great Georgia, what do you think is the biggest trend going on in the sector now? What's the biggest change you'll see in the coming years?

Speaker3: [00:09:18] Suddenly the one we're seeing and I suppose because we're looking for them in some ways is what she's just been talking about, the digital tech side of things. It's

wearable technology that is collecting, collecting and collating and using clever AI algorithms to understand the data points that are being collected and making clever decisions about what's actually happening. I think that's really exciting because the more data we collect, the more I think we'll find some hidden gems out there that just haven't been discovered in the traditional ways of developing drugs or therapies. And I think we'll see some incredible leaps forward. Now, having worked with stem cell science, science in the past and genomics as well, there's always been this promise of great new medicines and therapies to come. But I'm feeling quite confident that we will see big advances as we use, as we create, collect and use big data to understand patterns of what's actually going on in the human biome, in the human health.

Speaker1: [00:10:25] Great. Well, let's talk about your investment thesis. Can you tell us more about what your investment thesis is for the bio sectors and what your criteria for making an investment?

Speaker2: [00:10:36] It's very simple. We invest in women led bio companies and we're looking at the intersection of mostly health and bio. But there's some intersection of nutrition as well that we are interested in food and nutrition, the intersection of health and food and nutrition. We focus on early and early stage. So Seed and Series A is that is the sort of check size that that we are focused on and actively investing at the moment of a deal to deal investments in UK, in the US and Australia, New Zealand are the three geographies we focus on.

Speaker1: [00:11:19] Right? Georgia, can you talk about a few startups, perhaps portfolio companies that fit that thesis?

Speaker3: [00:11:26] Yeah. We. We've seen a lot of. Well, we're busy. Making an investment through Special Purpose vehicle at the moment in a digital tech company that looks at maternal health, doing things very differently to what the existing players are doing. So that's where we're excited. We're seeing particularly women creating companies that are dealing with women technologies, women health issues that aren't necessarily picked up by the rest of the market that well. But generally digital technology I think is coming of age and being able to collect data on the go and bring that back to a very clever big data miner is really what's exciting at the moment.

Speaker1: [00:12:16] That's great. Well, there's a lot of challenges in the space for both the startup and the investor. What do you think are the main challenges your startups face when you go out to help them?

Speaker2: [00:12:28] There's quite a few. I think at an early stage there's just so much risk. One of the things we find is social capital that a lot of entrepreneurs have. So a lot of the women led enterprises, when they're thinking about social capital in terms of where to recruit from, who are the right investors to bring into their cap table, who are the right strategic partners, and what relationships do they have? And sometimes these relationships take years to build on. And that's where we find is the value of of a focused investor in a sector that can that can open those doors for those companies. But social capital, I think, is definitely a challenge for many.

Speaker1: [00:13:14] Great in Georgia, we think is the challenge the investor faces in today's market.

Speaker3: [00:13:20] Well, one of our concerns right at the moment is how high valuations got in the last few years. There was a lot of money chasing few opportunities. And I think there's a lot of investors that come to the market that aren't as knowledgeable about the sector as they maybe should be. So that's something we're worried about, the current level of valuations. Also a bit worried with biotech. You need to invest in long term patient capital. A lot of the funds that we've seen investing in are still structured in that kind of 7 to 10 year time frame where they're going to start wanting to pull their money out, realise investments perhaps before companies are ready to be exited. So that's something I have personally experienced in companies I've helped create. So that's my concern for investors. So we just might have people starting to get a bit. Overvalued and a bit shorter term than they should be invest. But hopefully there's a lot of money out there still. So we'll hopefully see. Good second and third rounds.

Speaker1: [00:14:32] Great. Well, you both see a lot of new technologies and business models out there. If you could start a business tomorrow, what would that business be? If you. What would you. What would you start a business in if you had a chance?

Speaker2: [00:14:46] Ray, I've been thinking about this. Actually, a really cool business for me would be some sort of a data, private health data privacy sort of platform, which uses crypto as

an enabler. So the more I almost think power to the consumer, I think people knowing that what's happening with their data and being able to decide which companies and platforms are accessing it and how and then receiving the the value of the data that they're sharing as well. So I think some sort of a platform company that can kind of be the broker for people's data. So if anyone is copying this idea afterwards, please do get me involved then, because I think that I feel is very exciting. On what we do with people's health data.

Speaker1: [00:15:39] It's great. Giorgio, how about you? What business would you start tomorrow if you had the chance?

Speaker3: [00:15:44] Yeah. I've also given that some thought. I actually think being separate website right now and helping other. Investors are helping entrepreneurs get going with some great ideas and being able to pick and choose those. That's actually been more exciting to me than going out and doing it. So I've been lucky enough to start several companies, but they do take a time to get going and it's quite nice to be able to get to the point where you can help other companies get going and help them rather than trying to do them again.

Speaker1: [00:16:15] So it's great when the last minutes that we have here today, what else should we cover that we haven't? If you do, why don't you go first?

Speaker2: [00:16:25] Understanding, I think the value of diversity, not looking at it as a problem that needs to be solved. But what an opportunity. I mean, thinking of when you have women in leadership, teams in startups, they are getting 112% higher return over just pure male founded teams, sometimes at 48%. And that's analysis that Forbes has been reporting, similar analysis done by McKinsey as well on operating margins of female led companies. And I feel moving the conversation from let's do the right thing, let's do the social good thing to you're missing an opportunity in the market here by not not bringing diversity into your into your DNA of business. That I feel is probably one highlight from our conversation.

Speaker1: [00:17:17] Giorgio. How about you? Anything? Closing words there?

Speaker3: [00:17:20] Yeah, I'd echo very much what she's just saying, because when we talk to co-investors and indeed our investors about the problem of how few women get investment,

there's a disbelief. I mean, I honestly myself disbelieved the numbers when they said 72 to 3% were true. But actually, when I was with the venture capitalist, I can't remember any presentation by a woman CEO or woman founder in the whole time I was there. They just won't come in across our desk. And then the question is, why not? Because we purely focusing on women like business woman founder businesses are saying an awful lot. And I think what we're coming to understand is women aren't necessarily in the networks that. Time to go to the traditional venture capitalists. And in some ways, because we present ourselves as a more considerate, helpful team. They seem to be happy to work with us knowing that we're not necessarily going to sweat them in five years to try and get an exit, a quick exit out of them. So I think that's surprising. And I think when people think about it, they move from disbelief to shock when they realize just how few entrepreneurs have been invested in the gender, land space.

Speaker1: [00:18:49] It's very important and it's a great perspective. What can it bring to us as opposed to what is costing us? I think that's going to resonate with the audience there. And so how about your listeners get back in touch with you if you go first.

Speaker2: [00:19:03] LinkedIn. I'm very active on LinkedIn and love putting posts and content about bio and gender lens, so do get in touch.

Speaker1: [00:19:24] That's great. Giorgio, how best for people to get back in touch with you?

Speaker3: [00:19:29] Yeah, I'm much less active on social media. I'll show my age clearly, but easiest just to email me to Georgia Dr. Rajani at global bio fund dot org that's that's really the easiest we'll go on our website and just just contact us through them.

Speaker1: [00:19:48] Well well, thank you both for joining the show today. Appreciate your sharing your information. We'll include your contact details in the show notes. And we hope to have you back for a follow up soon.

Speaker2: [00:19:58] Thanks for having us on.

Speaker1: [00:20:03] 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 dot org. Paul. Tim Martin is the director of Investor Connect, which is a 500 1c3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by host 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.