

Anshuman Gwal of Brightside Partners

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. Investor Connect is a 501 C three nonprofit 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 dot org website.

Speaker2: [00:00:44] Hello, this is Hall MArtin with Investor Connect Day. We're here with Anshuman Gwal managing partner at Brightside Partners. BrightSide provides seed funding and fundraising advisory to early in mid-stage startups. They work with startups who show a promise of potentially breaking out of the crowd and becoming successful. Thank you for joining us.

Speaker3: [00:01:01] Thank you, Mr. Hall. How are you today?

Speaker2: [00:01:05] I'm doing good. So where are you calling from?

Speaker3: [00:01:08] I'm from California. I live in Monterey, a small little beach town up in central California.

Speaker2: [00:01:17] So tell us more about your background before joining Brightside Partners.

Speaker3: [00:01:22] Absolutely. So my journey started as a data guy, so I supported a lot of initiatives and executions around data projects and then transform into advisor, full scale advisor and a fractional stewardship. And three years ago I joined as a managing partner for Right Side and start thinking about investing in scalable startups. So that is how my journey from Data guy to an investor and to an advisor transformed me and my journey.

Speaker2: [00:01:59] Great. So what excites you right now?

Speaker3: [00:02:02] So for me, it's like the pain points. I mean, mostly from start up communities. I mean, I feel like more connected to solve and to kind of bring some value there. And of course, like startups are my one of the areas where I try to dabble around and see where I can help. And the other thing is, of course, my investing profile. I like to invest in companies, I mean, who I see as a as a potential targets and see I mean, if you can drive some value for our investors or for ourselves.

Speaker2: [00:02:35] Right. Well, you see a lot of startups and a lot of investors out there. What's your advice for people investing in startups? What do you tell them to do before they write that check?

Speaker3: [00:02:44] So, I mean, again, from an investor perspective, I do support in kind of enhancing or leveraging various techniques to kind of better inform ourselves. And again, for anybody to invest, they have to have their mandate or their focus area, right? So that's one thing. And the other thing I would suggest investor is do their due diligence properly. And at this market when you never know what will happen. So I do kind of emphasize that again and again. Make sure that you do your due diligence and you vet the founders in and out. That is my the most important advice to any other investor. Great.

Speaker2: [00:03:29] And then on the other side of that table, what's your advice for people raising funding? What do you tell that founder to do before they go out to meet investors?

Speaker3: [00:03:39] Again, I mean, from start up side, I mean, that's our sweet spot where we do advise. I do advise day in, day out is, of course, like what problem you are solving, what solution you have, and what kind of traction you are thinking to achieve. How far are you in that journey? And of course, like marketing and other things, like all the key aspects of becoming a sound and a good startup is to kind of have all the ducks in a row before you even get to more sophisticated investors. Great.

Speaker2: [00:04:14] Let's talk about the state of startup investing. We've seen a lot of changes in the market this past year. How do you see the industry evolving from here?

Speaker3: [00:04:22] My take on that is, I mean, state of investing is pretty good. I mean, I know there is some macroeconomics possibilities going through like, I mean, the economy, the inflation and whatnot, But my term rule or my my term rule that I follow personally is like I mean, there are some trajectory of changes like radical changes, creative changes, progressive and intermediate thinking changes. So I kind of bucket them in for trajectories. And again, how the world is going and expanding is a lot of work going on in space, emerging technologies and sustainable energy. And again, I mean, sustainable energy is part of our mandate. I is part of our mandate. Blockchains is part of our mandate, too. So I think specifically these three things and a lot of initiatives other than our mandate like space and manufacturing side of things, a lot of radical changes are coming on that side too. So I mean, again, you have to keep solid check on the market and then of course, like what is disruptors of this time are and what will be the impact in future.

Speaker2: [00:05:35] And what do you think is the biggest change you think we'll see in the next, say, five years? What big thing you think is really going to come up and take over?

Speaker3: [00:05:42] From a venture capital perspective, the market is looking good. There is already a ton of micro VCs getting generated in this economy and about \$4 Billion have been raised. So from investor standpoint, it's a good market from start ups. Of course, like if there is a market to invest in, then of course, like it's a perfect time for investors and entrepreneurs to come and outshine their idea and get funded. So my thinking is positive and that's what I think and that's what I think A lot of discussions are happening. Some do. Some folks do have a negative feeling about it that at the time of I mean, and we are almost there at the recession. So there might be talks that companies and individuals are thinking to save money, but I don't think so. That will happen. Okay.

Speaker2: [00:06:36] But tell us more about your investment thesis and how did you arrive at it?

Speaker3: [00:06:41] So building an investment thesis is mind grinding and mind boggling, I think at times effort, right? I mean, you have to bring the right juices and for us it cost like 7 to 6 months solid to kind of put our heads around it. So we kind of started with OC will focus on certain industries like financials, health care and retail and

then of course like emerging technologies. So our thesis evolved like from industry specific and also of course looking at these emerging technologies. Then we kind of started to think them together, right? How these together will make an impact. So the intersection between these three industries that I just talked about are going to change with these emerging technologies like AI, blockchain battery technology and digital computing and so on. So how these are going to make a significant impact on the industry is where our focus lies, and that's what we are calling our mandate as well. So and again, there has been some solid exits happening in this focus area and that's what we are trying to double down and focus on with our kind of strategic niche, which is our acceleration piece. Again, we are not an accelerator, but we do have an acceleration so that we for sure guarantee five X or ten X returns to our investors. Great.

Speaker2: [00:08:19] Well, can you mention one or two startups, perhaps a portfolio or two that fit that thesis?

Speaker3: [00:08:25] Yes, we do have some startups that we accelerated like and one of them is MPO that just got funded for 300 K, That's their pre-seed round and a couple of them are there are in our portfolio that we are working with, but some of the opportunities that match our mandate are our great jewel case, Swiss World Gap, Nursery and Eagle that we kind of were thinking to invest, but we just let them go because I mean due diligence was not up to the mark.

Speaker2: [00:08:59] Well, you know, there's a lot of challenges for the startup and investors in today's market. What are you seeing as the main challenge to start faces today?

Speaker3: [00:09:07] Challenges for the startup. So that can be very detailed answer to but but again, on a high level. Mr. Hall I think what we have seen again, the founders, the right chemistry of the team is always important. And as an investor, that's our focus area, right? And the strategy of the startup is also key for us. How they are strategizing their work product and the product roadmap is another key element. And of course, I mean, they're like a lot of people talk about the pitch decks, their positioning, their go to market. All these things are kind of like there is not a one thing or one perfect answer. But again, there are a couple of things, like about ten things that I can I already shout

out like five or six things off it that these things have to be in a role to kind of be in that zone that you get to investors. Great.

Speaker2: [00:10:07] And then what you think is the main challenge investors face in today's market.

Speaker3: [00:10:12] It's kind of like similar answer, but if it's on the other side of the spectrum. Investors are again, first from an investor perspective, like they need to have the right funding, right LPs for them, align LPs and solid mandate that they kind of execute. And again, I think some of the issues are challenges that VCs are facing, is more power to founders is good, but at a certain point it kind of blocks we see capacity to expand and grow the startups as well. And what we have seen working as a VCs, sometimes we do get caught up in that friction between the founders who are very passionate about their idea, but they are not very passionate about opening to thoughts or to learn more. So again, it's a personality issue that I see, and in today's world I think people have to be more and more accommodating and kind of flexible in terms of working together. Again, there is no perfect answer to anything. Sometimes investors can be thinking, I mean, without thinking through things and sometimes like founders, we have seen that there might be also missing some key critical points that they should be mindful about. Great.

Speaker2: [00:11:30] Well, you see a lot of new business models and a lot of new technologies out there. If you were to aside from your job, if you were to be able to build your own business with a new business model based on what you see out there, what would you focus on in today's market?

Speaker3: [00:11:46] Very interesting question. I was just speaking with one of, I think, partners with another VC firm. That's one of the reason why I still work for 9 to 5 companies or 9 to 5, which is I mean, is the corporate company still? Because while working with them, you kind of see what the gaps are, right when you are in the game working with these companies, like, for example, advising startups but not advising like on a on just sitting back and just telling them what to do, what not to do. But when you are in bed with them, like understanding what pains they are trying to solve and what pains do arise, but sometimes they don't see. So I think, yeah, I mean in 9 to 5 you see certain use cases like for example in health care, some pain points while working in the

industries you understand. So I think that's where I think if I have to launch a business then use cases pertaining to the real life pains is my go to place to execute any business if I have to in future.

Speaker2: [00:12:49] Cool. Well, in the last minutes that we have here, what else should we cover that we haven't?

Speaker3: [00:12:54] There is a diversion yet on. But again, what I'm seeing is the founders and we see the interaction needs to be more smooth and reflective of each other at times. It's either part. I mean, party is kind of blaming each other for the weight game or not being respectful or responsive enough, but I think they have to be more mature conversation around that. You will not get funded for any idea you get. So it same goes with VCs like if you think some some some founders are investible, but you have to also understand and respect the founders say to if they don't want you to be an investor, then you have to just relax and give them that space. A lot of times there is a lot of tension between or I mean, yeah, you meet our mandate vibe, we do respect you, but at times they have a choice to have that rebuttal or maybe up to not to be a part of that. Right?

Speaker2: [00:13:56] Well, that's always the challenge. We stand between the investor and the startup and we try to balance between the two and close the gap between what the startup wants to do and what the investor wants to invest in. And this really is coming together right at the beginning, but over time it can. Have you ever been able to do that? Just be able to close that gap one way or the other between the two?

Speaker3: [00:14:23] Yes, we do. We do. I think communication solves a lot of things, but at times, I mean, it's personalities that comes to play that we have to navigate. I think with this experience and navigating different startups, I think we we can consider ourselves that that's another placement or understanding that we bring in as a VC that is or is playing in our advantage.

Speaker2: [00:14:48] So you say communication techniques. What are some examples of that?

Speaker3: [00:14:53] Some examples. Like, I mean, sometimes you have to coach the founders, mentor the founders in a different way. Sometimes they are strong headed. Sometimes they like a couple of our founders. Like I can I can give specific examples. One of the founders we worked with was a young guy. I mean, 23 year olds never had an experience in a professional world, just graduated from college. But my dreams were very high and and again, like very positive. I wanted to win the win this idea and wanted to be a millionaire as soon as possible. But again, all these operations, we do understand, we have been at that age once and again, sometimes you have to be patient and things comes with time. So those are the specific things when we specifically see when we work with young founders.

Speaker2: [00:15:45] Right. I find there's a lot of unrealistic expectations among first time founders and how fast things happen and how much you have to bring to the table. And I find they're usually off by a factor of ten. It's just it's not even close. This is way out. And one thing I found is if you take an inexperienced founder and put them with an experience, when they start talking about it, it can help open their eyes a little bit about it's not an investor telling you this is another founder telling you this, that you really aren't going to raise that \$5 Million in three months. You're just not you're going to raise maybe 506 and or more months in today's market. It just haven't talked to one of their own, so to speak, to get a level set, because I hear all kinds of things come through the funding door about what they want to raise and how fast they think they're going to raise it. And then but they really haven't done that before. And so having them talk to one of their own founders really can help get. How long did it take you the first time? Oh, took two years. Oh, well, that's a different story. And it starts to settle in a little bit. I don't know if you ever tried anything like that.

Speaker3: [00:16:51] I mean, yes, we do introduce different founders with within each other in that ecosystem we have or we have created. Again, I mean, as you said, Mr. Hall, I think the best way is to kind of interact, talk people who have similar experiences. You learn from people's wisdom and more experienced people that you talk to more wise, you get. So I think those basic principles still hold with normal life or even while you are investing. So I mean, I mean, yeah, and we do inculcate those feelings and we do push those feelings, whoever we work with that this is I mean, I mean, 5 to 10 years commitment. And you have to be patient and be mindful of different aspects of this journey. And and again, if you believe in your idea and if your idea is solving some

realistic problems, then yeah, definitely you can be that unicorn level of founder, I think, at a time.

Speaker2: [00:17:51] All right. Well, this has been great catching up with you. How best for listeners to get back in touch with you.

Speaker3: [00:17:57] Oh, this is kind of very particular thing. I mean, I'm very, very active on social media like LinkedIn. I do attend a lot of conferences, a lot of webinars. I'm a speaker in many functions, but that's something I'm trying to avoid because I mean, a lot of people speaking and again, that's still a way to spread out your name, but that's a status quo that I'm trying to break within this ecosystem. And I do tell them like, Hey, I'm done speaking. I'm more of a rather bring me a problem I will try to solve by rolling up my sleeve, rather attending these conferences and becoming a speaker and just talking to several aspects and just answering questions is not very, very fruitful. Eventually, what I am seeing, it's like I think talking time is over, let's get things going and I'm happy to solve your problems. Let's connect and let's talk. So that is something I mean, I'm very, very personal about. And again, I'm not challenging or hating anybody to not to do that, but I am challenging the status quo that, hey, you organized a lot of events with these startup companies, rather bring startups who have who are struggling and find a way to really help them on the ground. So that's something as I'm trying to change and I'm very, very passionate about it.

Speaker2: [00:19:24] Well, that's great. Well, I want to thank you for joining us today. We'll put all your contact details in the show notes and we hope to have you back for a follow up soon.

Speaker3: [00:19:32] Absolutely. Mr. HALL Thank you.

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