

Relentless passion and insane customer love, a portrait of Blossom Capital

In the ever-growing investment landscape, funds are multiplying and diversifying, and for startups there is more to raising investment than the money and the media moment. With #QVCS Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. We spoke to Carmen Alfonso Rico, Partner at Blossom Capital.

Temps de lecture : minute

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I always thought I'd be an entrepreneur. And I became an investor because I thought it would make me a better founder. I launched a crowdsourcing marketplace for journalists in Spain and we failed to scale it. I then thought I needed to 'serve my time', joined Investment Banking at Morgan Stanley and then Felix Capital, as I thought VC was a great school to become a better founder.

After being an investor at Felix Capital, I launched my second business - Reconnect, a D2C brand to empower women to live maternity our own way. I put all my savings, my time and my passion on to it but a year and a half into it I realised that I really missed investing. I love to build things but I was missing the thrill of working with multiple founders, going after different problems and markets.

I am very happy to have been a founder, I think it made me a better investor. First because after launching and failing in two companies I have

faced a lot of the challenges that founders I now meet have and I have the utmost respect, empathy and admiration for what they are doing because I know how it feels, how hard it is. Secondly, because it gave me the conviction and the certainty that I'm here to be an investor, for life.

It's the perfect job for me. It's a people's business backed by metrics. There's breadth and there's depth. And there's the impact and the responsibility that comes with it. It's about learning new things every day — new business models, new technologies, new sectors — , first-hand from those disrupting the status quo and supporting them on their way to do so. The energy is electrifying. And reality is that as a VC investor in small young firms, I get the entrepreneurial highs as well - at Blossom we are building a new type of VC firm for founders, from scratch and with our very own hands.

Today I'm a Partner at Blossom Capital, focusing on consumer and commerce enablers. Previously to Blossom, I launched and led the UK strategy of Samaipata VC, a €100M AUM seed fund investing in digital platforms and marketplaces with offices in London, Paris and Madrid. I am also a Founding Partner at The Fund London (\$5M AUM), a community-driven VC invested by some of Europe's most successful founders and operators to back European pre-seed companies and support the ecosystem at the earliest stage.



Read also

Blossom Capital welcomes Carmen Alfonso Rico as partner

[Maddyness] Which industries are you working in?

[Carmen] At Blossom, we are sector-agnostic and look at every sector and model with open eyes. I have a background investing in consumer, commerce tech, foodtech, B2C and B2B marketplaces and digital platforms (SaaS-enabled marketplaces, market networks, etc.). So, always naturally interested in anything going on in these spaces. But if you look across all my investments, from now unicorn (Hopin) into some of the most recent ones (SideQuestVR), there's a common theme to all of them: they are businesses built on top of strong community and customer-love.

I love businesses that show insane customer love, supported by super

engaged communities, that grow organically and where members have a strong sense of belonging beyond the specific product or service: users that go the extra mile to buy the product/use the service, super active facebook/Reddit groups around the company, users making youtube tutorial videos for other users. These are companies that are almost cults for (at least) some of their users, that's magic! Companies supported by such strong communities can exist both in B2C and B2B, they have strong network effects and are highly scalable and defensible. Because that emotional connection you build with your customer base, the community and the sense of belonging you create around the experience you provide, is a powerful driver of growth and a strong barrier of entry.

And the beauty of brand and community is that it's about emotions as much as it's about metrics. Something apparently so emotional as the power of a brand and the power of a community can be clearly measured in your CAC:LTV, as metrics are just the reflection of customer behaviour towards your product/service.

What do you look for in a founder?

One characteristic common to all my investments is a very strong founder market fit: I look for founders that hold a secret on the market they are going after and that are fueled by relentless passion (almost an obsession) to solve the problem they are tackling.

I have been a founder myself and looking back I think one of the reasons I failed was that I wasn't passionate enough about the problem I was trying to solve. So, now I look for true passion.

I also have a thing for data-driven founders - they grow much faster. Being data-driven allows you to know and control your business much better, ie it enables you to test and learn much quicker, to identify and action your levers of growth earlier and to also identify issues earlier.

Can you talk about your current portfolio?

Yes, love that! Many exciting additions not yet announced but three great examples of Blossom's global high-conviction approach.

Duffel is building the future of travel: a platform enabling direct connections to multiple airlines with one simple integration. As Stripe did for payments and Spotify for music, Duffel will be the global platform every technology plugs into for travel. We led their seed round and Benchmark led their Series B.

Tines' security automation platform helps the world's leading security teams automate any manual task. Blossom led their initial Series A and Accel and Index joined in a later round extension.

Checkout's mission is to build the future of commerce by building full stack technology that offers access to a payment gateway, advanced risk and fraud monitoring tools, a cutting-edge processor and the relevant acquirers. In 2019 Checkout raised Europe's largest fintech Series A round ever.

How has COVID-19 changed the way you operate?

As an asset class, I think VC is clearly a winner of COVID-19. We invest in tech and digital solutions and hence sit at the intersection of many of the strongest trends post-COVID-19.

From an investment/deal execution perspective, in my view COVID-19 has further proven the need for in-person relationship building. We are social animals and our business is a people's business. Not news to anybody but investing in a company/taking an investor onboard is like getting married, so you want to make sure you know very well the person you are getting married to.

What does the future look like? New trends/technologies, changes in the global/local economic landscape?

COVID-19 has accelerated many existing trends, and the adoption of technologies that would have taken years has happened in just a few weeks, changing the way we communicate, work, learn, buy, play.

Beyond the now obvious accelerations we have seen (healthtech, online groceries, ecommerce infrastructure, live streaming and gaming...), I am also thinking about it in terms of the medium to long-term impact of a crisis that, unfortunately, looks deeper than initially anticipated.

I think the passion economy - i.e. tech tools that enable creators and individuals to reach their audiences directly and build businesses on their own - will play a key role going forward. Also, I'm increasingly interested in digital assets and VR - the idea of blending the real and the virtual world and having a parallel sphere in which you can own things and socialise in ways you couldn't do offline is fascinating to me.

Ultimately, I am looking for technologies that reinvent experiences, not just replicate the offline into online. I think that by challenging the most fundamental ways in which we work, communicate and socialise, COVID-19 is also a great opportunity to reimagine many of our paradigms and tech is a great resource to do so.

What makes Blossom Capital different?

I'm an early stage investor. I believe that very early-stage investing is, more than anything, a people's business - it's about supporting founders, building a relationship of trust and value-add. That's what I love the most about it and why Blossom's partners-only hands-on approach to adding value to founders really resonates with me.

We want to redefine what early-stage means in Europe, with a global mindset from the outset: we are high-conviction investors, looking to back visionary founders, with strong ambition and brains, working on global disruptive technologies and on a mission to build +\$10B companies. And we will go anywhere and do everything it takes to find those founders and help them win.

Somebody I respect very much defined Blossom as 'the most progressive VC in Europe' and I think that's actually spot-on. In everything from investing to fund management, Blossom is really bold and innovative. We are a startup ourselves and to stand out vs. other leading players, we know we need to do things differently and with high-energy. I love the hunger and the hustle we put into building the next leading Series A fund.

What one piece of advice would you give founders?

I am the one learning from founders every day, but more than happy to share some investor thoughts. How I see it, as a founder, at the very early stages of the business, you need to optimise for speed of learning and speed of execution. On that note,

- Time is your most valuable asset. So focus and be ruthless with time allocation.

- You need to be agile and reduce feedback loops, so keep things simple. This applies to the team but also to fundraising. Make sure you find the right partner(s), optimise for value-add and personal fit, but don't find too many - at this stage, you don't want too many people around the table that you'll need to manage.

And an obvious one but that is important as we enter lockdown 2.0: take care of your team: while the team is working from home, ensure their wellbeing — make them feel safe, informed of every relevant decision and a key part of the company and your mission.

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