

# The first Bitcoin-focused venture capital firm, a profile of Stillmark

*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. Today we speak to Alyse Killeen, Founder and Managing Partner of Bitcoin-focused venture firm Stillmark.*

Temps de lecture : minute

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Stillmark launched in 2019 to back the top tier of founders building companies in the Bitcoin space. Though there was an abundance of entrepreneurial activity in the arena, there was very limited venture capital focused on Bitcoin; today, Stillmark still has a lane open.

Our work is to stay up to date on the advancements happening in Bitcoin's open-source protocols, which define and underly the products and economic activity in the space. That drives our formation of investment hypotheses and informs investment decisions.

Earlier, I began my career in venture capital at a large generalist VC fund in Los Angeles. Most of my time was spent on research and investments in cloud networking, cybersecurity, data science related technologies, and enterprise tech. When I found Bitcoin in 2013, it became my hobby - at first. I'm grateful that today it is at the core of my work.

## Which industries are you working in?

Bitcoin is relevant to the modernisation of multiple, massive, global industries: banking, payments, energy, and more. Adoption will soon move from being primarily investment driven to include earning in the form of gaming, work, rewards etc., introducing Bitcoin to a broader and more diverse group of users and businesses. Stillmark is investing across this expanse.

## What do you look for in a founder?

Stillmark commonly backs founders very early in their journey, at the pre-seed, seed, and Series A stage, when what matters most is vision and grit. The ability to collaborate, recruit, and form a community around your vision is also important. High potential founders are not a monolith; there's no pattern that we're trying to match.

## Can you talk about your current portfolio?

The startup ecosystem of Bitcoin and Lightning companies (the Lightning Network is Bitcoin's payments network) is still relatively early in development. There's so much to be built on and with Bitcoin and Lightning that we're often partnering with founders who are introducing entirely new categories.

For example, our portfolio company Casa introduced a first-of-its-kind mobile app that allows people with Bitcoin to safely be their own bank. While Bitcoin provides the promise of that, Casa's software makes it possible for people that aren't deeply technical to achieve it. In other words, Casa introduced the concept of a bank in your back pocket to a very broad audience.

Another example is Stillmark portfolio company Sphinx Chat, a Bitcoin-

native chat and call app that runs on Lightning. Sphinx further provides a platform for other social media apps to launch atop, accessing both Bitcoin's opensource payments network - Lightning Network - as well as the features of the Sphinx platform. In terms of new insight introduced, Sphinx is advancing the concept of facilitating higher quality social media environments via use of Lightning's ultra-micropayment potential (i.e., a few cents sent at a time) for anti-spam measures. For example, a Sphinx Chat social "Tribe" can require a small Bitcoin deposit for participation that would be lost if community standards were broken.

We also partner with founders who bring novel concepts to enterprises and SMEs. Our recent investment in Satoshi Energy is an example of that. Satoshi Energy helps renewable energy projects monetise the energy they produce but can't sell by helping them partner with Bitcoin miners. It's a revolutionary concept for a wind farm to mine Bitcoin, but by doing so, they can significantly increase their profitability. The Team at Satoshi Energy recognised this potential and the significance of it and then made it achievable for energy asset owners.

## How has COVID-19 changed the way you operate?

The shift to remote work showed that we can use video conferencing to form relationships that lead to financings and other collaborations. The extra hours gained by reducing travel can be valuable to founders, but in person connections are invaluable. In a post-pandemic world, it will be about balancing the time savings of video conferencing and calls with the gains of being face-to-face.

## What does the future look like?

El Salvador introduced Bitcoin as legal tender in early September of this

year. Since that time, more than 3m Salvadorans have begun using Bitcoin via Lightning Network. This represents ~46% of the population penetration and puts Lightning far ahead of all of El Salvador's banks in aggregate in terms of Salvadorans served.

This is what the future of finance, banking, and payments looks like - it's Bitcoin and Lightning serving the unbanked, underbanked, and other populations whose needs are not well met by traditional finance.

## What makes Stillmark different?

The companies that comprise Stillmark's portfolio along with the founders and executives that lead them are what's most important. I'm grateful to have the opportunity to work with many of the industry's most ambitious visionaries and skilled operators.

What facilitates that is a focus and preparation that is differentiated. Notably few firms are dedicated to and knowledgeable about Bitcoin; Stillmark was the first. Along with our focus comes our network. After nearly a decade operating in the Bitcoin ecosystem, our network of friends, peers, and collaborators is vast. It informs our investment hypotheses, can be called upon to support diligence, has driven investment opportunities, and most importantly can be a resource for the founders Stillmark backs.

We match this focus and network with experience in traditional venture capital and hundreds of hours spent side by side with entrepreneurs - in celebratory times, as well as in rough waters. Some of these challenges and opportunities repeat across early-stage companies, and we can pass along that insight proactively.

# What one piece of advice would you give founders?

Take time to interrogate your own assumptions and beliefs and be confident in your ability to handle both enthusiastic reviews as well as critical feedback of your product and roadmap. There's praise and criticism that is worthy of reflection and response as well as that which can simply be let go. Developing fearlessness for evaluation and feedback can introduce a valuable data stream and help reduce the distraction that can be a consequence of both positive and challenging reviews.

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Article by Alyse Killeen