

Patient investment, risk appetite and network effects, a profile of VNV Global

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 interview Tessa Wanders and Daan Sanders of VNV Global.

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Can you tell our readers a little about your career to date and what your current role at VNV Global involves?

Tessa Wanders: I've spent time on both sides of the table. I started off at a VC firm called FJ Labs in New York, where I learned the ropes from marketplace entrepreneur and investor Fabrice Grinda. Speaking with 20+ entrepreneurs every week for 2.5 years, gave me the itch to start a business myself. I started two venture backed businesses; one in Toronto in the Hospitality space and one in San Francisco, in the Food & Beverage space.

After six years in North America, I returned to Europe during the pandemic. To reconnect with European society's needs and problems, and to rebuild my local network, I returned to VC. At VNV Global I'm

responsible for our early stage investments and our scout portfolio. Our HQ is in Stockholm, but this year Daan and I opened VNV's first satellite office, in Amsterdam.

Daan Sanders: I started my career at eBay in product and growth roles and then set up on my own both advising and investing in online companies. In 2012 we sold two of our ventures. In 2013 Naspers (today Prosus) acqui-hired the core team and asked us to join their classifieds business, OLX.

Joining OLX in Brazil, my role was to improve the product and grow our user base. At the time we were in a massive dog fight with our biggest competitor. Then I moved on to Argentina. In 18 months, we launched in 21 markets: from Peru to Iran and from Nigeria to Pakistan. In 2015 I moved to Cape Town to oversee the business in Africa, the Middle East and Pakistan. My final role with OLX was to run the Ventures team, finding new growth models as well as investing in companies that were synergistic with our horizontal and vertical platforms globally.

In 2020 I returned to Holland. After a short sabbatical - extended by COVID - I began working with various companies and in 2021 Per Brilioth (CEO of VNV Global) asked me to become a scout for VNV. I fell in love with VNV Global and its portfolio: joining was an easy decision.

Which sectors are you focused on and what does your current portfolio look like?

Tessa: What's most exciting about VNV Global is our risk appetite. In 2021 alone we invested in companies across over 20 countries. You can see our love for risk in the sheer breadth of cheque sizes and deal stages that we're active in.

Of course we do have some investment requirements; the most important

one being that the business needs to have some degree of network effects - this means we're drawn to investments in digital marketplaces or in businesses built on communities or large amounts of data.

Some examples from my personal portfolio at VNV are *HousingAnywhere*, a marketplace to find mid to long term accommodation, or *Fika*, a female-focused social & dating app in Vietnam. Then there's also *Grace Health*, which helps women in low and middle-income countries get access to digital female health. I'm also keenly following the passion economy, the future of education, the future of work and healthtech.

Daan: Given my background, mostly marketplace businesses. Much of my attention will go to companies like Blablacar, jobs and housing verticals. After that I try to spend my energy on companies that balance commercial viability and doing good for the world. Great examples are *Olio* (food waste), *Cirplus* (recycled plastics marketplace) and *Campspace* (micro camping). Oh yes, and I have a deep love for the African continent, so I'm stoked about our new investment in Wasoko (B2B groceries logistics in East/central Africa)!

What do you look for in a founder?

Tessa: I really value something called "altitude shifting". People are rarely good at both high-level strategy and atomic-level execution. But the best founders are great at both, they can zoom out and give us a five year vision for their business but also drop down into the weeds of product, their customers and the day-to-day execution. They can also explain how the two perspectives connect.

Before I started my own companies, I didn't care too much about whether a founder was mission-driven or opportunity-driven. Then I learned how hard it is to build a business, especially if you don't feel personally aligned with the "why" of your company. So even though I hate the word, I have

to add “passion” - which I define as personal conviction - to my “founder characteristic wish list”.

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

Tessa: I’m particularly interested in companies in the passion economy right now, as well as *femtech*, the future of education, healthtech and the future of work. However, I’m not constrained to stick to one sector, which really suits me as I am naturally curious and excitable.

Daan: What excites me is the next billion internet users who are now coming online. In the early 2000’s tech companies were building products for wealthy, western, urban, male users. The next billion internet users are working class, non-western, rural and female.

One great example in our portfolio is SWVL, a tech enabled bus and transportation company active in Africa and LATAM. They understood early on that public transport for females in countries like Egypt was difficult, so they designed buses with dedicated female-only seats, enabling women to travel safely and confidently.

What makes VNV Global different?

Daan: We’re not a typical VC fund - a partnership. We are a listed investment company (on the Nasdaq Stockholm Exchange) that provides permanent capital. That creates a whole different dynamic. From my perspective as investors we are better aligned with the entrepreneur because we have to think long term. Our permanent capital structure is a strength when it comes to investing in companies that are built on network effects because it takes time (and commitment) to get the

flywheel spinning. We understand that and we can be patient investors. The beauty of network effects is that they are very defensible and that creates long term attractiveness.

What one piece of advice would you give founders?

Daan: My advice is to build a business that solves a problem that is close to your heart. Spend most of your energy hiring fun and exceptional talent. And, maybe even more important: enjoy the journey! As an entrepreneur I didn't do that enough.

Tessa: Always have a North Star. It's vital to have a mission for your company, which helps to drive you but also helpful in finding the right investors and employees and motivating them. Some of the best founders I know talk about the company North Star every week; the goals for that year, that month and week are extracted from it. As a leader you want to be able to ask any employee at any given time "how's this helping us reach our North Star?"

While this big goal is crucial, you must also always pay attention to cash-on-hand because the fundraising climate is turning. When investors become skittish you may have done everything right but you will still raise less, at more dilution, than you would have six months ago. Keep your eyes on your cash balance and on the capital markets.