Nothing ventured, nothing gained: Maddyness' top ten QVCS of 2022

Maddyness brings you our top ten 'QVC's from 2022. 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, we therefore profile different funds to give founders and entrepreneurs the information they need to choose the right investor.

Temps de lecture : minute

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Over the past year we've had the pleasure of profiling a huge array of UK VC firms for our QVC series. From specialist construction funds to firms made up solely of founders, the series goes some way to illustrating the range of approaches venture capitalists take. At Maddyness we value the role VCs play in the tech and innovation ecosystem and so our VC coverage goes further than profiling: we were thrilled to again host some excellent content dedicated to *climate fintech*, and the '*ESG self-deception'* from principals in the thick of it. We also looked into how VCs are tackling the governance question themselves, with an article about *the rise of the B-Corp VC firm*.

1. Landscape VC

With #QVCS we normally profiles fund. With Landscape, however, we flipped the script and heard directly from Emily LaRocque, Associate at

Landscape VC, who told us all about Openscout.

Can you tell us a little bit about OpenScout? Is it a typical VC scouting network?

We're looking to productise scouting. Openscout is a "scout-as-a-service" platform that allows scouts to share their deals with a whole marketplace of VCs. Allowing VCs to gain access to deals they may not have seen, and providing individuals with quality deal flow an outlet to use it.

Unlike other VC scouting networks, OpenScout acts as a two sided marketplace. Scouts can pipe deals to multiple VCs – as opposed to other programmes who traditionally only allow you to scout for one. We will be launching with around 50 VCs to begin with, but we're eventually hoping to be able to say we've added another zero to that number

Read our Landscape QVC here

2. Giant Ventures

We spoke to Giant back in February and discussed impact investing, among other things. Thanks to Madelene Larsson, investor, for your help with this.

Is there a trade-off between 'doing well' and 'doing good'? By backing impactful startups, do you have to sacrifice returns?

The opposite! We believe the largest companies of the decade will be built by entrepreneurs leveraging advanced technology to solve huge societal and environmental challenges. Our track record shows that by backing the best of these purpose-driven entrepreneurs, you deliver systemic change *and* market-beating financial returns.

As early stage investors, we follow where talent moves, and many of the most ambitious, smart new founders are starting companies in areas such as climate, health and inclusive fintech. Many of the previous web 2.0 generation of startups made life marginally more convenient for affluent people; we are now seeing technology be put to much more meaningful use. The transition to net zero, for example, is the biggest investment opportunity of the century and the most important societal revolution in history.

Read our Giant Ventures QVC here

3. Cathay Innovation

We spoke to Denis Barrier, Head of Cathay Innovation, in October.

Which industries are you working in?

The industries we're focusing on include enterprise software, AI, fintech, digital health, tech-enabled consumer, new mobility, logistics, retail and smart-energy. In the next ten years, all industries face massive change as modern digital infrastructure redefines markets by better linking products, customer needs and the wider value chain.

With Fund III, our goal is to back these next-gen digital platforms bringing new technologies and business models that will be pervasive in industries. We also want to have a real impact on the success of future partnerships that will be struck between new leading platforms and our strategic industrial investors, helping the latter to lead the enlarged markets of the future. By linking healthcare and finance to consumer, mobility / logistics and energy — we believe that we can help our strategic industrial investors deliver better, more efficient products and solutions to meet all customer needs.

Read our Cathay Innovation QVC here

4. Foundamental

As the only global venture investing in construction technology, we enjoyed profiling Foundamental in July.

Tell us about Foundamental

There are two main North Stars that helped us initially to chart and navigate the direction that we chose for *Foundamental*.

In an era of change, construction has been left at the altar by the efficient frontier. Construction is the biggest, undisrupted market in the world – an $11T market (10% of the world's GDP), which employs 1 in 14 workers globally. Yet the construction industry is massively inefficient and getting worse. We have recently seen a severe productivity decline of -23% from 1990, whereas manufacturing and agriculture grew 240% and 290% respectively during the same period.

In 2019, the "why now" that helped navigate our decision was that the construction industry was starting to go through a teething phase of a much-needed evolutionary growth spurt. At the time of formation, we were – and remain today – fervent believers that the industry will become an orchestrated economy. This added to our belief that construction was during a Renaissance funding cycle. In terms of venture funding and supporting innovative founders, by observing other sectors and their patterns, we noticed that it generally takes sectors ~five years to scale from $5B (in venture funding) to $50B.

Read our Foundamental QVC here

5. Hummingbird Ventures

We spoke to Tess van Stekelenburg, investor at Hummingbird, about exponential curves and the digitisation of biotechnology in October.

What does the future look like?

Given how early we invest it would be detrimental to try to over predict the future. If there's one thing we've come to learn it's that founders have the welding power to create new markets.

One thing we can do is prepare for future markets that might be enabled by exponential curves of technological development. It is surprisingly hard for people to truly grasp what exponential growth *actually* means. It looks pretty boring in the early days hence most people don't notice it. After some years of a few die-hard early adopters hacking away on a pipedream it reaches an inflection point where the exponential change crosses that of linear change. Just how quickly this inflection point tips is hard for people to grasp.

The cases of cellular and photovoltaics are telling stories of our incompetence to grasp these curves. In 1980 McKinsey was asked to predict the size of the US mobile phone market by 2000. Their prediction was off by a factor of 100 (100 million vs their 900,000 prediction). Today we still see this in photovoltaics, where the World Energy Organization consistently misprojected the GW in added photovoltaic capacity to grow linearly each year since 2002, despite the past two decades of observed data clearly charting an exponential reality.

Read our Hummingbird Ventures QVC here

6. Playfair Capital

We interviewed Chris Smith, Managing Partner at Playfair Capital this autumn, who are well known for their Female Founder Office Hours initiative.

What one piece of advice would you give founders?

I'd ask a question first: do you love what you are doing? If the answer is yes, I'd encourage them to be relentless in their pursuit of success, noting that often the difference between success and failure is down to persistence. If the answer is no, or there is even slight hesitation, I'd ask them to consider if the founder journey with a business they aren't passionate about is really how they want to spend a good part of their life. We tend to glamourise being a founder, but it is incredibly tough and requires so much sacrifice that the cost can be too high unless it's driven by an overwhelming passion for the problem you are trying to solve.

Read our Playfair Capital QVC here

7. Antler

We interviewed Fridtjof Berge, cofounder and Chief Business Officer at Antler, speaking about why they support exceptional founder talent from *day zero.*

What markets are you most interested in, and what are the trends that are driving them and your interest?

With Antler's model of backing visionary founders from the earliest stages – while they are developing their ideas and forming their teams – we invest across a wide range of technologies and industries. Our focus differs between geographies, but some of the largest areas are within fintech, proptech, sustainability, and healthcare. It is exciting to see how many markets are now producing groundbreaking innovation and great startups: In 2010, 22 cities had created one or more unicorns; by mid-2021, this number had grown to 170. This trend fits well with our thesis that great talent is found everywhere

Read our Antler QVC here

8. OneRagTime

We interviewed Stéphanie Hospital, CEO and founder of OneRagTime, about being a team of founders - for founders.

What makes OneRagTime different?

Our model sets us apart from the pack. We are ourselves founders, we have the same entrepreneurial journey as our founders – a team of founders, dedicated to founders. We are firm believers that crowd equity is the best way to fund a startup. We've found a sweet spot for fintechs in particular to find funding within our ecosystem and platform. The fact that we are entrepreneurs creating a fintech venture ourselves means that we can empathise with and understand the complex journeys of our entrepreneurs and investors.

In our unique VC-as-a-platform model, our investors have the autonomy to choose which ventures they'd like to invest in and then we take care of the rest: market analysis, terms negotiation, dedicated vehicle creation. Our founders are then supported throughout their entrepreneurial journey: from capital, to contacts, advisory, operational resources, and more.

Every deal we do must generate profits for our investors – this is baked into our deal-by-deal approach and investment thesis as a whole. We are also incredibly focused on the support aspect of our roles as investors: guiding, supporting, and advising our portfolio companies is key to our investment thesis. We centre the community in a way that sets us apart from other, less hands-on funds.

Read our OneRagTime QVC here

9. Concept Ventures

We spoke to Reece Chowdhry, founding partner at Concept Ventures about bringing clarity of process and purpose to early-stage VC.

You intend to bring clarity back to the pre-seed stage - why it this necessary?

There's a major gap in the funding landscape when it comes to pre-seed investments. Too many investors start backing companies at Seed stage, leaving people to rely on Angels, friends and family, or bootstrapping to get their business going. We don't believe that serves the market well. You need dedicated, experienced institutional investors working in the pre-seed space. Otherwise, less privileged founders who don't have access to existing networks of capital will miss out. As a result, brilliant ideas and diverse founders will disappear from the ecosystem.

Concept Ventures will bring opportunity and clarity back to the pre-seed stage with our new dedicated, founder-first fund.

Read our Concept Ventures QVC here

10. Kiko Ventures

We spoke to Robert Trezona, Arne Morteani and Jamie Vollbracht, partners at Kiko Ventures, about having a transformative impact on the climate crisis.

What makes Kiko Ventures different?

Kiko benefits from IP Group's evergreen structure: through which returns from exits can be recycled into new opportunities, allowing for a true evergreen portfolio without crossover between fund vehicles and with a very long time-horizon.

We started Kiko because we believe building and scaling cleantech ventures needs a more flexible approach alongside the short time horizons, fixed capital constraints, and narrowly defined mandates of traditional VC funds. Moreover, we've done deals that other VCs could not. Our unique funding structure means we can be entrepreneurial, investing at any point from seed to public capital markets and directly or indirectly through LP investments in funds. We leverage this flexibility with a focus on areas where we can build expertise and add real value.

Read our Kiko Ventures QVC here

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