

Global commitment to innovation, a profile of Eight Roads

With #QVCS, Maddyness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Michael Treskow, Partner at Eight Roads.

Temps de lecture : minute

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As a fund, we are industry agnostic, looking to back great entrepreneurs across enterprise, consumer, fintech, and healthtech sectors.

Personally, I spend most of my time across enterprise and healthtech, but also have a soft spot for consumer businesses with strong brands and/or recurring revenue models. I am very open to getting excited about companies that may not fit either of these descriptions though - good ideas don't always fit into buckets.

What do you look for in a founder?

A compelling vision that is based on deep understanding of the target customer (having relevant previous experience in the same industry is a big plus in that regard) and a differentiated insight (I love coming out of a meeting with a founder having learned something non-obvious about the company's target customer and/or industry that may give the company an edge if it executes well). This should be coupled with the ability to attract and retain strong talent: no matter how cliché this sounds, the team **are** everything in a startup, and while this starts with hiring, in the

long-run it's all about keeping individuals motivated and enabling them to perform at the peak of their abilities

I also look for personal fit - how well would we be able to work together, including developing mutual respect and enjoying each other's company? Can I see myself having an effective, difficult conversation with the person(s)?

Can you talk about your current portfolio?

All day long ☐ *Eight Roads* typically first partners with entrepreneurs post product-market-fit, when a company has about 50-100 employees and is in the process of scaling. As I have worked with several of my portfolio companies for a number of years, their average size is around 250 employees, with some approaching 1,000 people...a lot can go right and wrong across that journey!

I am a big fan of application software companies focusing on one particular industry/vertical as this allows for a granular understanding of the target customer and the problems they are seeking to solve. Examples in my portfolio include OTA Insight who help hotels make better revenue management decisions, Castor who enable healthcare companies to conduct more effective clinical trials, and our most recent investment Raft, who help freight forwarders improve their operating efficiency by automating manual processes.

I also like technical products that require deep subject-matter expertise and as a result provide customers with truly differentiated solutions, typically across the infrastructure layer of software. Examples in my portfolio include Neo4j, the leading graph database company allowing customers to leverage interconnected data, and Odaseva who enable enterprises to keep mission-critical data in their Salesforce instances safe, compliant, and agile.

Finally, when it comes to consumer-focused companies, I think sustainability will continue to gain importance in our every-day lives, and am excited to partner with the likes of La Fourche, who offer sustainable groceries at attractive prices in France and Germany, and smol, who offer sustainable household and personal cleaning products in the UK and Germany.

What does the future look like?

Boringly similar to the present ☐ I am a believer in iterative innovation, and like betting on continuation of already established secular trends. For example, I believe that cloud adoption across enterprises will continue to grow, leading to productivity gains. As the volumes of data increase, the associated processing and analytics stack will continue to mature, enabling businesses and consumers to make better decisions, faster. The lines between consumer and enterprise product experiences will continue to blur, including both becoming increasingly mobile-centric.

Sustainability will continue gaining mindshare. If all of these sound obvious, that's exactly what I'm hoping for. I'm sure we'll get flying cars too at some point in the future, but others are more qualified to opine on that.

What makes Eight Roads different?

As an organisation, we are pretty unique among venture capital firms, and I genuinely believe we offer a differentiated value proposition to entrepreneurs who choose to partner with us.

We started working with early-stage entrepreneurs 50+ years ago in Boston as Fidelity Ventures, and have collectively seen plenty of ups and downs and things that do and do not work during this time. This has helped with pattern recognition but also with keeping a long-term perspective - building a company is a (ultra) marathon, not a sprint. We

are truly global, with teams in Europe (I am in London), India, Japan, China, and the US. Any company considering international expansion can benefit from local expertise when it comes to market assessment, hiring, and commercial prospects anywhere in the world. Finally, we are laser-focused on the scale-up stage, and entrepreneurs who work with us are part of a global scale-up community of 300+ portfolio companies that together with our venture partner team provide a sounding board for all things scaling.

Coming back to what I said before though, in the end it's all about the people - we do a bi-annual NPS survey of our portfolio and the latest score is a 90, which we take great pride in.

What one piece of advice would you give founders?

Ask for more than one piece of advice ☐ In all seriousness - some of the most successful entrepreneurs I've had the pleasure of working with keep asking questions and challenging their own assumptions, while being comfortable with the notion that some situations are unique enough to require a judgement call. You need to have a thick skin to be truly open to hear and act on outside feedback, but that's the only way to build something great without reinventing the wheel.

Michael Treskow is a Partner at *Eight Roads*.