

Finding and growing B2B dragons with Nauta 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. Today we interview Carles Ferrer, General Partner at Nauta Capital.

With over half a billion assets under management and a team of 24 people across our three offices, Nauta Capital is one of Europe's largest B2B focused VCs. [Nauta Capital](#) is a pan-European Venture Capital firm investing in early-stage technology companies, with offices in London, Barcelona, and Munich.

Last week, they announced the launch of their fifth fund with a €120M first close dedicated to investing in Europe's B2B startups. With this new fund, they will be investing from seed and Series A with first ticket sizes ranging from €1M- €5M and the ability to follow-on.

Which industries are you working in?

We primarily focus on investing in capital-efficient B2B software companies from Seed and Series A. Our main areas of interests include B2B SaaS solutions with strong network effects, vertically focused enterprise tech transforming large industries as well as those leveraging deep-tech applications to solve challenges faced by large enterprises.

What do you look for in a founder?

We like founders with a combination of technical know-how, vision and deep domain-experience. They need to have the ambition to radically transform a massive potential market by solving big problems. Furthermore, they should have deep conviction and passion for their startup and be ready to build a thought leader in their Industry in order to convince us to invest.

Can you talk about your current portfolio?

We have more than 50 portfolio companies mainly in UK, Spain, Germany solving a variety of enterprise related challenges from research, security, retailtech, marketing technology and business intelligence.

We recently announced our investment in [NumberEight](#) – a contextual intelligence startup based in the UK where we led their \$2.3M seed round.

NumberEight's technology can power the entire mobile app ecosystem across various sectors, however, the company is currently focused on the \$150B Media and Entertainment market– from music streaming and online radio to mobile gaming and advertising.

Other portfolio companies include: [Brandwatch](#), a UK digital consumer intelligence company with \$100M ARR; Onna, a knowledge integration platform that unifies workplace knowledge platforms for the likes of Facebook and Dropbox; PromoteIQ which was acquired by Microsoft in 2019; zenloop, a Berlin-based experience management platform as well as MishiPay, a mobile self-checkout technology.

How has COVID-19 changed the way you operate?

Our team was already spread from three different hubs – London, Barcelona and Munich – so our internal meetings always had a degree of remote. However, what has changed with COVID is that all our meetings with founders moved from face-to-face to virtual for the last 3+ months. And this was not just first meetings, for instance in the case of NumberEight, the co-founders Abhishek and Chris pitched to our investment committee via zoom from two different locations and to three different locations. This is certainly not something that would have happened before COVID!

What does the future look like?

With COVID there has been certainly a shift in mentality when it comes to adopting technology at a faster rate – especially when it comes to what and how we use technology to do certain activities. As a result, we'll probably see the hyper-growth of collaboration tools with strong virality component. There are several industries that maybe had a plan to digitalise their operations in 5 years, however after COVID-19, this will happen in one year.

On the funding front, while we have always had a strong capital-efficient thesis at Nauta, we're starting to see that the industry is slowly starting to shift from the growth at all cost mentality.

What makes Nauta different?

Our B2B specialism and consistent thesis is our differentiator. Due to this, we have a strong understanding of B2B market dynamics more than a non-specialist investor and we are able to provide access to relevant network and founder community. The majority of our portfolio operate around a number of clusters and constantly generate business and product synergies among themselves. We love to see our CEOs work together and this happens constantly. This also means our dealflow is naturally more qualified as many of our deals may come from entrepreneur referrals. Furthermore, in addition to capital, we support founders in areas such as business development, hiring, finance and communications as they scale their businesses.

What one piece of advice would you give founders?

If you're a B2B founder, make sure you add the right resources to focus on your go-to-market and try to build your first couple of MM in ARR as efficiently as possible. By doing this you will maximise optionality for yourself, team and investors and will only need to push the accelerator with significant funding when you have enough market evidence. If you are fundraising, ensure you research the firm's investment thesis, their portfolio and where they are in their investment cycle (i.e. do they have an active fund and how long have they been investing from the fund).

Carles Ferrer is a General Partner at Nauta Capital.

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