

Is the next break-out social network being built right now? A profile of firstminute 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 Maddyne profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Clara Lindh Bergendorff, Investor at firstminute capital.

Maddyne spoke to Clara Lindh Bergendorff about her journey from journalist to VC for firstminute capital. She believes any economic downturn comes with a mixed bag of tailwinds and headwinds and shares what sectors she's currently mining for opportunities, including why she thinks the next break-out social network is being built right now.

Clara, can you give me the elevator pitch on firstminute capital?

Firstminute capital is a \$100M dollar seed fund, with backing from top technology founders and CEOs, including 30 unicorn founders. Our motto and mission is to hustle hard to be the most helpful seed fund on your cap table.

We are a sibling to and share a co-founder with the wider Founders Family; a group of around a dozen organisations all promoting entrepreneurship and technology from different angles, from community to consulting to head-hunting. We feel the group enables us to see more dealflow and due diligence deals smarter, but most importantly that the platform can help supercharge the founders we back.

We invest across Europe (2/3) and the US (1/3), and think of ourselves as a bridge between Europe and US at Seed; the go-to-partner for US funds who want to deploy early in Europe, US founders who want to access European corporates and markets, and European companies who want to raise from or expand to the US.

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How does your journalist background help you in your role as VC? Does it give you the necessary inquisitive nature to find a founder and an idea that will work?

I guess the inquisitive journalist inside of me comes out when I'm trying to wrap my head around a new sector, dissecting a business model, or more generally understand how things work and why they're done a specific way. It also helps me in coaching founders on storytelling – as an entrepreneur you

have to be able to sell your vision to talent, investors, clients, partners, and press – and help them structure and communicate their thesis of what the future looks like and the central role their company will play in that future.

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I still write for tech and business publications such as Forbes on some of the sectors I invest in – often about the future of retail and entertainment – and tend to get a decent amount of curated inbound deal flow as a neat byproduct.

What are the three main traits you look for in a founder?

High EQ, grit, and a strong moral compass. Above and beyond these general traits I look for an outstanding product/founder-fit; a deep-rooted motivation to tackle a particular problem and an unfair advantage in becoming the winner in that market.

Is there one stand out example of what that looks like to you, or a story of a founder who created an impactful product creating change alongside a great idea?

One good example of what a stellar product/founder-fit looks to me is Jill Wilson of [Robin Games](#). After a career in gaming, creating some of the world's top-grossing most-enduring mobile games franchises to-date, Jill identified an opportunity in the fact that the majority of mobile gamers are women coupled with the lack of female-led gaming companies.

She is going after the opportunity with a diverse team of gaming superstars

and a business model fusing the virality of lifestyle content with the engagement and monetization of mobile games. Her motivation and ability to have an impact on the industry are both unquestionable; by putting women at the helm she thinks she can understand and serve her users better than the competition and that her success can change the industry and the opportunities for women within it for the better.

Your portfolio is very varied, are you drawn to certain industries and are you actively looking to certain industries that you anticipate will grow?

Firstminute is a sector agnostic fund, investing in everything from HealthTech (led by my colleague Lina Wenner) to RPA and Open Source (led by Sam Endacott) and FoodTech and Marketplaces (led by Camilla Mazzolini). Personally I lead on ConsumerTech, Future of Commerce, and Future of Entertainment.

At the moment I'm spending a fair bit of time on next generation social networks as I think the market conditions are perfect for a new social platform to take off: the pandemic has made it easier to grab users attention with screen time at an all-time high; cheaper to acquire them as increased inventory is bringing UAC down; at-home-entertainment should continue to boom in a recession; and the incumbents' and their ad-based revenue models are facing intensifying social backlash with a wave of brands implementing boycotts.

On a deeper level, we are lonelier and more isolated, more polarized, and suffer from mental health issues more than ever before. Today's social platforms are arguably part of the problem, while I think the next big success story in social will have a counter-positioning to these players and be closer to a remedy. As an example, I made an angel investment into Pattern: a "Facebook for the soul," or a platform to connect and understand oneself, the world, and one another better, rooted in astrology.

With COVID-19 what are the major and minor shifts you have seen and expect

to see in the future? Has this accelerated certain startups and hindered others?

We see a mix of shifts that were well on their way that have been accelerated – digital health and remote labor being the most obvious examples – and others that have been showing disappointing growth or seemed a bit ‘wacko’ until the pandemic created a quick leap across the chasm from early adopters to mainstream – such as virtual event and avatar platforms. As a seed investor it’s exhilarating to witness how dramatically certain consumer behaviors are changing right now and the explosive traction rightly positioned startups therefore can have.

From a VC portfolio perspective, any economic downturn comes with a mixed bag of tailwinds and headwinds. Overall we continue to be extremely bullish on early stage tech and believe that many outlier success companies will be built over the next couple of years, just like Airbnb, Uber and Shopify all took off during the 08-crisis. These companies also happen to be examples of a space where I see opportunity to double down right now; ‘the hustle economy’ platforms or infrastructure enabling people to generate extra or alternative income whether that’s by monetizing creative skills, passions or idle assets.

For any startups out there looking for pre seed and seed funding, what tips would you give them when pitching?

Be transparent about challenges and try to avoid marketing language or going into sales mode – you’re looking for a partnership, not to close a transaction.

Boil down your elevator pitch to something that is so clear that it gets imprinted in the investor’s mind: how big the opportunity is, why now, and why you. After a good pitch, the person you’re pitching should be able to answer those questions about your startup for you with conviction.

What is your favourite book and why?

One of them is *The Trillion Dollar Coach: The Leadership Playbook of Silicon Valley’s Bill Campbell*. The emphasis is on empathetic leadership because business is all about people and, to quote the book, if you are ‘to care about people you have to *care* about people.’

Another one of my favorites is *The Ride of a Lifetime*, by longtime Disney CEO Bob Iger – not only do I like for my business literature to come with a bit of Fairytale-vibes, but Bob is one of the most legendary leaders in media and I found the reflective recollections of the Pixar, Marvel, Lucas Film, and 20th Century Fox acquisitions particularly fascinating.

What is a quote that you live by in business and or life?

Optimise for happiness, and other things you seek in life tend to follow.

I find that when I put myself in a good and happy headspace, my work output, health, and other aspects of my personal life all tend to “move to the next level” without too much strain. Paradoxically, I used to believe in the no-pain-no-gain saying but don’t anymore.

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