

Understanding SaaS with selectivity and conviction, a profile of Oxx

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 Richard Anton, the General Partner of Oxx.

Oxx was launched in 2017 by my cofounder, Mikael Johnsson, and myself after two decades investing in software companies. I had been a Partner at Amadeus Capital for 16 years, which Mikael joined in 2014 as Venture Partner. Mikael and I spent several years backing SaaS companies together and noticed a funding gap somewhere after Series A where an injection of capital, support and a hyper-relevant network of customers, investors and mentors, could accelerate growth tremendously.

Today Oxx is a diverse team of ten people, both industry veterans and fantastic rising stars, based in London and Stockholm. We are a specialist SaaS venture capital fund, backing Europe's most promising B2B SaaS scale-ups helping them to go from product market fit to go-to-market fit.

Which industries are you working in?

Oxx exclusively backs European B2B SaaS scale-ups, but we're excited about many sectors. We specialise in understanding the SaaS business model inside out and invest across B2B software. A few areas we are particularly interested in are data convergence and refinery, financial services infrastructure, end-user empowerment, the future of work and sustainable business.

What do you look for in a founder?

We look for great partnerships where we are mutually excited to come together as a team in aid of a single goal. There is no one-size-fits all mould and every investment is a unique and important partnership.

Of course, there are patterns: we back founders that live and breathe product and have complete conviction in a category-defining vision. We often work with management teams who have long standing experience in their sector, whether that means being a serial entrepreneur or having deep domain expertise. We appreciate team-oriented founders who understand the importance of organisational health in scaling successfully.

Can you talk about your current portfolio?

We're proud to back an outstanding group of European SaaS leaders. In 2020 Funnell won The Europa's 'Hottest SaaS Company in Europe', Codility was listed in ComputerWorld's '20 Hottest Enterprise Software Companies 2020', Apica was listed in Breakit's 'Fastest Growing SaaS Companies in the Nordics' and Goodlord landed in the top 10 of Deloitte's 'Fast 50' - to name just a few accolades! In recent months we also announced our newest investment in Lightico, a hypergrowth Israeli company that completely digitises and simplifies any customer transaction experience.

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How has COVID-19 changed the way you operate?

As we lost the ability to travel and meet in person we have, of course, changed the way we build relationships - but we've made a huge effort to replicate this engagement digitally, so founders can get to know us online or by phone instead (reach us on email at info@oxx.vc and we'll make sure to come back to you!)

We also grew our team as the pandemic hit, so we've become pros at Zoom quizzes and socially distanced walking meetings!

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

We're in a 'golden age' of SaaS. The pandemic has massively accelerated the pace of change, enterprises of all types are moving up the adoption curve and consequently SaaS public market leaders are massively outperforming their traditional counterparts. The pandemic radically changed our lives and digital transformation is no longer an option, it's a requirement. If you're a SaaS company, there has never been a better time to fundraise.

For example companies today can finally, in the cloud, break open their silos of data, allowing machine learning to produce insight with a holistic scope that had previously been infeasible, leading to value creating action.

What makes Oxx different?

We'd like to think Oxx stands out for many reasons! We're a specialist VC, dedicated to being the best partner for European B2B SaaS scale-ups. We back companies that have found product-market-fit and are ready for global scale. Our team can partner with founders and help accelerate their quest for go-to-market fit.

Our sector and stage focus means that we can offer flexible funding, and tailor terms to suit the situation. We understand you're somewhere between Series A and Series B, so we aren't just looking at a list of metrics - instead we will deep dive into your vision to understand why you're on the way to becoming a category-defining market leader.

Our focus also means we're your partner for the long haul: growth is a process and we support you in laying foundations so that the rocket ship is ready to accelerate when the time is right.

Finally, we invest with extreme selectivity and absolute conviction in a small number of companies. This approach means we don't believe in a portfolio of 'unicorns' and 'everyone else' - we're fully dedicated to the success of each company we back.

What one piece of advice would you give founders?

Fundraising is one of the most challenging parts of a founder's journey - each fundraise fundamentally changes the future of your company. While a big brand name or high valuation can be seductive, identify what your needs for a new investor really are and pick a VC who'll fulfill those requirements. It's incredibly important to choose an investor who'll be your partner for the long haul, someone who you can trust will be in your corner. Interview your VC so that you understand how they'll behave in the good times and the bad, especially if they're joining your board, and take out references to confirm what you've learned. Cultural integrity and fit is crucial for a successful relationship between founders and VCs.

Article by RICHARD ANTON