

Audience, content and technology: a profile of ACT Media Ventures

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 Mat Cole, Partner at ACT Media Ventures.

I started my career post-school in a few different jobs, then chased a rugby ball for a while in the UK before starting my own sports management and marketing agency in Sydney, Australia, called The Blaze Agency (yes, we should have chosen a better name).

The Blaze went on to be the largest rugby management company in Australia. We were fortunate enough to represent about 35% of the Wallabies, and about 40% of the professional super rugby playing group domestically. The Blaze was set up in Sydney and expanded to Brisbane, Tokyo, the UK and France. This period was incredibly formative for me, and one that has a vast range of similarities to the work I do today as a partner at ACT Media Ventures.

You would be surprised to learn of the crossover in processes between sports

management and VC investing, such as identifying a young talented athlete, and investing time, money and resources into them in the hope they become the next global superstar or unicorn. I wrote [*a blog post*](#) many years ago not knowing one day I would be an investor.

In between The Blaze and ACT Media Ventures, I founded a global sports recruitment platform called Sporple.

Sporple launched in London. Then, after raising VC funding in Silicon Valley, I moved there with my 18-month-old daughter and incredibly supportive wife to grow, scale and build the business. I grew the business to have a presence in 70 countries and thousands of athletes were successfully recruited via the platform. I spent two years in the Valley but eventually had to close that business for various reasons – personally and professionally.

These lessons, scars and experiences are so valuable now as an investor, as I have genuine empathy with founders and advice that stems from real-world learnings and not textbooks. Following Sporple, I ran global expansion for a highly-funded ad tech company based in New York, which involved building the global sales function and market entry into India, UK, and South East Asia.

I then moved to a similar revenue-focused role for a social ads platform based in Austin, Texas. My role here was essentially to create a revenue model that a PE, would see as attract and drive the valuation. This was achieved and Next Spark acquired in company in late 2018. I went from West Coast to East Coast and finished in the middle.

These lessons, experiences, failures, successes and relationships I have built across the globe are incredibly valuable for the work I do every day.

In 2018, when I returned to Australia, I joined a smaller angel fund and took on a role to expand its footprint across Asia. Here, I met my current partner and ACT founder, Adam Schoff. I was excited by the model Adam was looking to build and saw incredible opportunity to have the impact I hoped for as an investor in the next phase of my career.

Which industries are you working in?

ACT Media Ventures is a Melbourne based media-focused VC fund, investing globally. ACT = Audience, Content, Technology.

At first, that may appear niche, but it's about having the ability to go deep into areas where you can add strategic insights when investing and building a profound market-based thesis on future trends and opportunities.

We are all former operators in media and tech. When we conduct diligence on a potential investment, we can apply a range of analytical views based on our knowledge and then reach out to people in our networks. This, combined with our structured and more formal DD process, allows us to build a very deep understanding of businesses in a relatively short space of time.

The way we view media is simple, but covers a huge market. Anywhere content is being created, a story being told or an audience consuming information or being entertainment, that's media. This encapsulates an enormous and growing market from e-sports and gaming, podcasting and AR/VR to the creator and influencer ecosystems. The media sector has been fundamentally impacted by the COVID pandemic, with 5-10 years trends accelerated into 18-month windows or in some cases, they have already arrived.

What do you look for in a founder?

There is a range of things we look at both quantitative and qualitative. We look at domain expertise and how they apply experience, learning and insights to solving a new or unique problem. To be a great founder, you need to be incredibly resilient and have particular personality traits that allow you to be composed and remain pragmatic when facing uncertainty.

During due diligence, we are looking for moments of great learning. How self-actualised are they to acknowledge what they know and what they don't? When they don't know something or don't have the required skill set, how do they acquire that new knowledge?

One of the final traits I look for is execution velocity. Ideas are easy, but how quickly can founders innovate, iterate and deliver? I think when you see these traits on display early, it's a great sign. Most startups for a considerable period of the company's life are built in the founder's image. If the founder can learn and deliver change rapidly, the company tends to incorporate this trait into all they do.

Can you talk about your current portfolio?

XR Games is a VR/AR gaming company based in Leeds, UK. We are super bullish on the XR market. We acknowledge that while not immune from COVID's impacts (supply chains were initially impacted as many components for head units were manufactured in China) overall gaming, in general, has been a huge beneficiary from the pandemic, accelerating from fringe subculture to mainstream.

We believe its accelerated timeline is 2-3 years in terms of mass-market adoption. XR Games are the only global marketing partner for both Facebook and Unity. Hence, we are incredibly excited to see how they continue to scale over the coming 12-18 months as it will be a critical growth period for them. They have just launched *Zombieland*, which is doing well, so I encourage all gaming fans to get out and grab a copy!

Elsewhere, *PixelMax* is building the next generation of metaverse. PixelMax is a best in class immersive communications platform, providing content delivery for a variety of purposes including virtual networking/promotional events, skills/product training and entertainment including virtual music concerts, all with a 3D gamified, interactive environment.

What we love here, is that remote work is here to stay in some form or another, so how do you build the future of work tools and environments that don't try and replace 'IRL', but solve the problems of in-person work with digital tools?

In both these investments, we have been co-investors with UK fund *Praetura Ventures*.

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How has COVID-19 changed the way you operate?

We believe COVID-19 has been an accelerant for the media industry, and in many ways for us as a VC fund. We have seen a considerable uplift in deal flow. Founders that would prefer to talk to local VCs in San Francisco, London, Leeds, Manchester, Berlin, originally prioritising proximity to their investors, are now seeking out ACT due to our media industry expertise. Meetings are via Zoom, so regardless of physical location, the process is identical.

As people have spent a significant amount of time in their homes, greater attention has been paid to content and the platforms they engage with to consume it. For us, this has meant bringing forward adoption rates and timelines for many platforms.

What does the future look like?

We are excited by several verticals. Firstly, the global creator ecosystem. With the rise of platforms like Clubhouse, podcasting and Substack, we witness the rise of solo creators becoming standalone media companies. This is only the beginning. The next George Lucas won't be a traditional film school graduate: they will be a TikTok creator.

Also, the gaming and esports industry is accelerating, such as XR/VR previously mentioned. However, despite teams having captured many headlines for their 'punchy' valuations, we haven't invested just yet due to some fundamental issues in the current business models. That being said, we love the gaming media space and think it's only a matter of time before we see some true media destination; long-form, video and audio that create and capture significant value.

What makes ACT Media Ventures different?

We, as a fund, are very open about not being from traditional VC backgrounds. We are all operators with deep domain expertise and global media networks that we actively tap into to source great companies. We also work with our founders to accelerate their businesses by engaging networks, attending key partnership meetings or working with founders on their future capital requirements.

Many VCs say they are more than money, but I'd like to think we live by this statement and are judged by our actions. This is front of mind at all times. How we say no to a company and how we communicate with our investors is paramount to the core values, on which we want to build our reputation and how we act in all environments.

What one piece of advice would you give founders?

Be authentic and 100% honest. If you take funding from an early-stage investor, you are signing up for a 5-10 year relationship and if you create a false position at the start of the relationship, it's bound to cause issues before too long.

When you are honest with your team, you can build trust, empathy,

understanding and compassion. Being a founder is insanely hard. Pretending its always great and you always know what to do is not reality. Be honest, always.

Article by MAT COLE