

Companies that matter, a profile of Giant 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 Madelene Larsson, Investor at Giant Ventures.

Giant Ventures backs purpose-driven founders solving the world's biggest problems. Led by former entrepreneurs, Giant champions founders creating a more sustainable, equitable and resilient planet, across three themes: climate, healthcare and inclusive capitalism.

Giant is a thesis-driven, global multi-stage fund, on track to deploy \$1B into purpose-driven technology this decade. The firm leads seed rounds, and invests anything from \$5M to \$50M in later stage companies.

Their portfolio of 'Giants' includes six unicorns, ranging from Calm to Radicle. The partnership of former founders is supported by an experienced advisory board and venture partner group, from Unity founder David Helgason and BP CEO turned climate investor Lord Browne, to former UK Foreign Secretary David Miliband, ex Rainforest Alliance President Tensie Whelan, and Pierre Denis, who took Jimmy Choo public as CEO.

We recently had the chance to sit down with Madelene Larsson, who joined Giant from Revolut to lead the fund's fintech practice.

Is there a trade-off between 'doing well' and 'doing good'? By backing impactful startups, do you have to sacrifice returns?

The opposite! We believe the largest companies of the decade will be built by entrepreneurs leveraging advanced technology to solve huge societal and environmental challenges. Our track record shows that by backing the best of these purpose-driven entrepreneurs, you deliver systemic change *and* market-beating financial returns.

As early stage investors, we follow where talent moves, and many of the most ambitious, smart new founders are starting companies in areas such as climate, health and inclusive fintech. Many of the previous web 2.0 generation of startups made life marginally more convenient for affluent people; we are now seeing technology be put to much more meaningful use. The transition to net zero, for example, is the biggest investment opportunity of the century and the most important societal revolution in history.

Did Giant set out deliberately to build a team of former founders?

Our head of data looked into the backgrounds of European VCs and the results were pretty surprising. Only 8% have previously worked in a startup, let alone founded one. We think it's really difficult to empathise with entrepreneurs if you've never experienced just how hard it is to build something from nothing. I'd imagine it must be harder to identify entrepreneurial talent without that experience, too. I was a product leader at Revolut having spent many years taking technology companies public at JP Morgan. I draw on that experience every day.

We are definitely seeing more and more founders choosing to work with firms run by entrepreneurs, whether it is solo GPs or larger funds. Our deep bench of former and current CEOs consistently helps us win the right to participate in the most competitive rounds. We supplement our own experience by inviting stellar angel investors into every round we lead. For a recent consumer fintech seed round, we brought in the founders of Twitter, Allbirds, Warby Parker,

Harry's, Casper and Deel.

What do you look for in founders?

There is no mould for successful founders, they come in many forms (not to mention genders and ethnicities – more than half of our portfolio companies are led by diverse entrepreneurs), so it is dangerous to generalise. The qualities that underpin the 50 year old third-time non-technical founder vary greatly from those that make an engineering genius college dropout succeed. The one characteristic that unites them all, though, is perseverance.

With the possible exception of Google, almost every startup has at least one really tough year on its way to the top. Many struggle for much longer, and it's always a huge struggle until it's not. Most normal, rational people would simply give up. The great founders have just enough reality distortion, coupled with deep self-belief and drive to continue running through brick walls in pursuit of a goal that obsesses them. At Giant our ears always prick up when we hear a founder is an amateur endurance athlete...

How has the pandemic changed the way you invest?

People underestimate how profoundly the pandemic has shifted flows of capital from traditional hubs to the rest of the world. From the moment we went into the first lockdown in March 2020 and we could no longer meet in person, geography collapsed. Suddenly the founder in Nairobi was on a level – Zoom – playing field with her counterpart in Palo Alto. The corresponding explosion of top tier VC interest in places such as Pakistan and Egypt would have been unthinkable before Covid. As a global firm, we are being joined on the ground in the geographies outside of the traditional 'VC heartlands' such as Eastern Europe and Africa by a growing tribe of US investors, from a16z to Sequoia. Yes, it increases competition, but as a collaborative fund we just see the chances of success for our companies increase enormously when we team up with these longstanding heavyweights.