

Fintech investors for fintech 1.0, a profile of Outward VC

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 Maddy Ness profiles different funds to give founders and entrepreneurs the information they need to choose the right investor. Today we interview Kevin Chong, Co-Head of Outward VC.

I spent the first half of my career in consulting and corporate banking. While I had the privilege of working with a range of companies around the world, they were all well established businesses. Joining Investec in London gave me my first taste of entrepreneurship. When I joined, Investec was a founder led startup, a tiny outsider in the City of London. Investec was supremely entrepreneurial and it was exhilarating to be part of the journey.

Driven by a desire to forge my own entrepreneurial journey, I co-founded a small VC fund in 2013 when London's startup ecosystem was starting to come together. As London marched on to become the leading startup hub in Europe (and perhaps the world in the case of fintech), London's VC landscape matured. Product/market fit is now as important for VCs as it is for the companies that VCs seek to invest in. With that in mind, Devin Kohli and I launched *Outward VC*

in 2019 to address a problem – the gap between seed funding and large institutional funding is getting larger and fintechs need fintech investors.

Which industries are you working in?

Fintech but not fintech. For me, fintech is not just payments and personal financial services. Those areas badly needed change and was an obvious focus for fintech 1.0. In fact, B2B payments, life insurance, capital markets, Islamic banking and pensions are even bigger opportunities to name a few. I also believe that fintech investing must also extend to adjacent areas that will end up shaping financial services, such as legal technology, data privacy, employer benefits and the crypto economy.

What do you look for in a founder?

There are two big things for me. The best founders are those who know what they don't know. I look out for this because it is a huge advantage for hiring, building partnerships and pivoting. Secondly, perseverance and tenacity. While it seems obvious, many founders under-estimate the length and intensity of the journey and the sacrifices required. It takes a certain tenacity to run the full course, and most likely the tenacity will have been shaped by an earlier experience.

Can you talk about your current portfolio?

Our current portfolio can be found on the Outward VC website. While our companies are all working on tackling global fintech problems, I am proud that their missions are driven by fairness and inclusivity. Treating retail investors equally, cost transparency in the pension industry, levelling employee benefits and life insurance for the mass market are just some of problems our companies are tackling.

I am also proud that our companies are being built by amazingly diverse teams.

How has COVID-19 changed the way you

operate?

COVID-19 taught us many things. While it was a reminder that technology can never fully replace face-to-face interaction for learning from each other, we also realised the time wasted on commuting and unnecessary logistics. Amazingly, we seem to have become more efficient as well as improving our work/life balance.

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

15 years on from the first iPhone, I believe we are still at the beginning of what is possible with the processing power and screen we all have in our hands. The future of health (both medical and pre-medical) and education will be linked to smartphones.

In fintech, there are huge opportunities to reinvent B2B payments and the decentralisation of currencies (and its regulation!) could fundamentally change the world.

What makes Outward VC different?

My hope for Outward VC is we will have backed the most important fintech start-ups in the world, and we backed them when they most needed support. Our partnership with our portfolio companies start when they have developed a working product and platform and have just started going to market. At this early stage, the fintech needs capital as well as non-financial support in critical areas such as learning how to grow as founders, hiring, channel partnerships and tactical planning for the next funding round. Outward is set up to provide this support and specifically for fintech.

What's one piece of advice would you give founders?

Be prepared before starting your business. Leave no stone unturned when you do your market research. Make sure there is really a gap that you can exploit, and there is a realistic way to go to market. If you discover later that there was never a gap in your market (because you did not do enough market research),

you will have wasted many years.

Kevin Chong is Co-Head of Outward VC

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