

# Learnings of a SuperAngel

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I made all the mistakes so you would not have to!



# The more the merrier!

*Hopefully informed “spray and pray” :)*



- **1999-2001: 7 investments**
- **2005: 2 very large investments**
- **2006: 4 large investments**
- **2007: 1 large investment**
- **2008: 7 investments**
- **2009: 9 investments**
- **2010: 22 investments and 4 follow-on investments**
- **2011: 18 investments and 3 follow-on investments so far with 3 new investments in the process of closing**

**TOTAL: 72 Investments!**

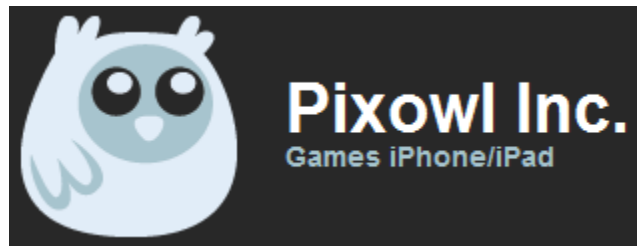
**(excluding the companies I started and ran: Aucland, Zingy and OLX)**

## Jose Marin

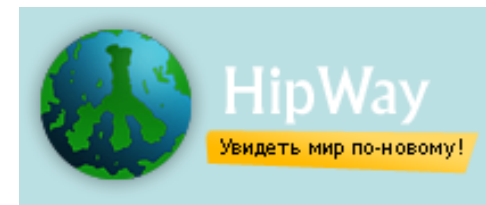
- Cofounder IG Expansion, holding company specialized in bringing Proven business model to emerging markets.
- Founder of Serendipity Investments (portfolio of 42 Internet companies)
- Cofounder Deremate.com
- Boston Consulting Group
- Stanford Business School

- 1. Traditional Angel Investing (up to 40 investments per year)**
  - We're small investors in projects where the funding is lead by others
  - Mostly passive
- 2. Advise and Accompany Projects (Up to 6 projects per year):**
  - Full screening of the project; raise funds from our angel network (200 first tier angels)
  - Monthly follow-up calls and 3 yearly meetings in person
  - Actively involved during the first 18-24 months
- 3. Initiate New Projects (Up to 2 projects per year):**
  - In Partnership with  IG EXPANSION (Jose Marin and Carlos Martin)
  - We identify the models, bring amazing cofounders with 20-30% of equity and invest the first \$2-3 million
  - 2010:  (Expedia for Latin America)
  - 2011:  (Next Generation HomeAway / Airbnb)

# Traditional Angel Investing



# Advisory Projects



# We only look at consumer facing businesses in certain geographies in line with our expertise



1. **Active CEOs are more likely to invest in consumer facing businesses**
  - The due diligence is easier
  
2. **We only look at pitches we feel capable of evaluating**
  - C2C or B2C
  - Marketplaces
  - User Generated Content
  - Ecommerce
  
3. **Geography matters**
  - We'll invest in new innovative projects in the US (e.g.; Getaround & Guestmob)
  - We invest in proven models in Brazil, Russia, Germany and to a lesser extent Turkey, China and the rest of the world

# We decide in 1 hour based on 4 criteria



1. Like the team
2. Like the pitch: it meets our “9 business selection criteria”\*
3. Like the product
4. Like the deal terms

# 9 business selection criteria

1. **At least a \$1 billion addressable market**
2. **A valid business model understood from the get go**
3. **Does not require more than \$2 million in seed or \$15 million in first round VC money**
4. **A business where you have a real shot at being one of the top players – at least in the region you are targeting**
5. **A scalable idea**
6. **A business with little or no risk of disintermediation and/or margin compression by suppliers and/or customers**
7. **A business that is in a rapidly growing market**
8. **An idea that I know how to execute on or can learn how to execute on**
9. **An idea that I like and want to do!**

For more details visit: [www.fabricegrinda.com/?p=5](http://www.fabricegrinda.com/?p=5)

# Some elements of the “secret sauce”



- **Proprietary Deal sources**
  - Entrepreneurs we have backed & their friends
  - Friendly angels & VCs
  - Stanford Business School & Harvard Business School
  - Our entrepreneur friends
  - My blog
  
- **Crowdsource the due diligence and investment**
  
- **Standard entrepreneur friendly terms**
  - No convertible loans unless they have a low valuation cap

- **Quality of time spent helping entrepreneurs matters more than quantity of time**
- **Stick to your investment principles**
- **Diversity is good**
- **It pays to be lucky**
- **Exits can take a long time**
- **Most exits are below \$30 million!**

## Fabrice Grinda

- 72 Investments: \$10 million invested
- 15 exits (excluding Aucland, Zingy and OLX):
  - 4 losses
  - 11 successful exits including 1 IPO and several exits with 10x+ returns and 1 exit with 50x returns in 6 months!
  - \$9 million recouped
- 58 active participations  
(1 of the successful exits was partial)

## Jose Marin

- 48 Investments: \$4 million invested
- 6 exits (excluding IG Expansion companies):
  - 1 loss
  - 5 successful exits
  - \$10 million recouped
- 42 active participations



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