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Tech Startup of the Week: Lauren Maillian Bias' Gen Y Capital Partners Provides Invaluable Opportunities

The Gen Y Capital Partners co-founder shares the do's and don'ts for investing in tech

Lauren Maillian Bias founded Gen Y Capital Partners to provide financing for tech startups.

Super successful model-turned-serial entrepreneur-turned financier, **Lauren Maillian Bias**, 28, co-founded **Gen Y Capital Partners** after recognizing that capital intensive businesses were no longer on trend. Though she was fortunate to have successfully exited SugarLeaf Vineyards, which she founded at age 19, she understood that creating and growing wealth now took on a different form than the model she used initially, which involved large investments upfront before her business even started to scale.

Her other business, **Luxury Market Branding**, focused specifically on creating media plans, strategic partnerships and doing marketing and branding for wine and spirits companies. As that evolved, she eventually began advising hair care, skin care, and technology companies about branding. After a project helping to start an iPad Magazine for women, Maillian Bias fell head over heels with the tech world.

"I became really passionate about technology and the future of technology and the kind of numerous ways you can innovate when you're leveraging and utilizing technology as a central point," says the mother of two. "I was personally interested in understanding more about investing in tech and putting dollars behind promising entrepreneurs."

Now, Gen Y Capital Partners, an early stage venture firm, has a $30 million fund, and, since they launched in 2011, they've invested in seven startups, of which one has already been acquired.

Though Gen Y Capital is not a tech startup, **Black Enterprise** honors Maillian Bias, one of our **#NinjaInnovators,** as Tech Startup of the Week for carving out opportunities for tech companies and redefining the stereotype of what a venture capitalist looks like. Here, the innovator gives advice to aspiring investors on the practical things they can do before putting their money into a new venture:

Call another VC. If you are a successful entrepreneur, and you have significant capital to invest in startups as an angel or otherwise, you have to think about the best use of your time. It's time consuming to do the proper due diligence and source opportunities that have the highest potential of yielding you venture backable returns, which are different than what people consider to be good returns in other industries.

Do your research. Not only research where you have the most interest, but where you think the most financial opportunities lie. Ask yourself, do you want to do emerging markets, ecommerce, mobile applications? You have to spend a good amount of time researching the trends and what is going on. What are the big firms doing? Where are the really well-known firms with great returns and track records investing? Find out when they are investing, and why they are investing.

Explore venture funds. With our fund, most of our investors are invested in the fund because they believe in our approach to investing. Figure out where their sweet spots [lie], where they have the most interest, and also figure out where most opportunities lie and how much risk you're willing to take. It is an easy and effective way to be involved in venture and the startup community by syndicating someone else's approach to investing.

You have to **create the networks and connections within the startup community**, and within the technology community, to be able to have access to the really incredible deals. Start by going to conferences. Start out in organizations that you are already apart of and ask who here is interested in building tech companies. That is a prime opportunity to voice your interest in technology.

Understand a cap table (capitalization table). It's a process learning how to deploy smart money. It's about knowing, not just the right deal, but once you find a deal, understanding how much money you should put behind that company and those entrepreneurs, and what is a fair valuation for what they are building at this stage of the company. You can certainly find deals that you think are promising, but are you over paying for an opportunity, or is it such a fair valuation that you should put more money to work? Those are things you learn from being in the business or from making enough investments.

Increase your expectations. I see a lot of businesses that are great solid concepts with decent traction and a good team. It is a solid investment for friends and family. But a venture capitalist doesn't put money behind a company to net two to three times the money over the *life* of an investment. In tech startups, VC's want to see that there is very high probability for them to return to their investors and to their fund anywhere between five to eight times their money within the next five years.

Investigate the team. In the team, I don't look for one thing in particular in the CEO. I try not to get caught up in titles. Someone always wants to be a C-level title. In the startup world, I don't care if you're the CEO or CFO. The CEO will do CFO-type duties, and the CFO will do CEO-type duties. I care more about well-rounded teams. I care about seeing teams that have experience that is complimentary, and who have long-term value to the company.

Look for great advisory boards. I want to see companies that put the time and energy into rallying the support of other people who have significant experience that can be advantageous to their startup, and who have taken the time to dedicate to supporting that company. This signals to me that there are other people who find you and your company promising. That there are other people who are willing to put their social capital behind you and believe what you are doing is really important. If you are able to snag a C-level exec of a [world renowned] company to be your adviser, that says to me that you've not only done your homework but they've done their homework and they believe in you.

Don't place too much weight on the product. People always want beautiful seamless products. A lot of venture is being a good judge of people and opportunities. Companies pivot all the time. You have to feel like you're investing in a team that moves as fast as the market moves. A lot of it comes down to timing. I spend a lot of time making sure we are investing in the right people. I look for people who are able to evolve and adapt themselves. At the end of the day, if they pivot into something not based on the original company, I still feel good enough about that team that they can execute on the second iteration of that company.