

WIF x Lauren Robinson Lunch n' Learn

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Summary Notes

Lauren Robinson is currently a general partner at a hybrid venture capital fund called Highline BETA. Highline BETA is an early-stage venture capital fund that works with Fortune 1000 corporate partners to tackle and solve their problems. Lauren graduated from McGill University with a Bachelor of Commerce in Finance & Entrepreneurship. While Lauren was in university, she also started a Women in Finance initiative with a few classmates at McGill University. After graduating from McGill, she joined National Bank where she worked in three different groups: investment banking, M&A and equity capital markets. At the beginning of 2013, she met her now business partner and what started as an informal conversation, turned into an opportunity to join forces and rethink the future of venture capital in Canada. Together they grew Highline VC from a one-city program to a national pre-seed fund and accelerator platform, supporting portfolio companies across the country to grow globally. Lauren sits on the Board of Directors of the Canadian Venture Capital and Private Equity Association, and is focused on creating more engagement with corporate venture capital and innovation groups in Canada.

Growing up, her family was very influential in spurring her interest in finance and entrepreneurship. They often spoke of investing and growing businesses at the dinner table. Through her family, she learned a lot about investing and the public markets at an early age. Lauren wanted to be in a position where she could always be learning, especially in the early years of her career. She left National Bank and she took a sabbatical in 2012, travelling the world solo for a year. With an interest in global entrepreneurship and innovation, she visited 14 of the 20 start-up ecosystems around the world, talking to various entrepreneurs, innovation leaders and investors. Since then, she has been actively involved in the Canadian venture capital landscape, and specifically helping more women get access and education to enter venture capital.

Q: Are there any interesting trends you see emerging in the Canadian venture capital landscape recently?

A: The last few months have been particularly interesting from a macroeconomic perspective, which is affecting all stages of businesses and capital availability. COVID-19 is a disruptor itself that has and will continue to shift and transform industries in many different ways. What we've seen overnight is the underlying assumptions of how certain businesses operate have been completely thrown out the door, forcing a lot of executives to accelerate adoption of technology and different business models and ways to innovate in general. You're seeing a lot of businesses no matter how big or small, needing to pivot to capture opportunities in this new reality. More broadly, what's exciting is that innovation venture capital and the start-up ecosystem are more critical than ever before. By nature of how start-up operating models are, they're in the business of creating new markets and helping us to reimagine how we think about the world. From a Canadian policy perspective, it's exciting to see a lot of governments right now doubling down to

support small businesses and early-stage start-ups with the acknowledgement that technology is going to drive our future. We're also seeing companies looking to raise larger earlier stage rounds with the uncertainty of what's going on, and preparing for a potential downturn.

Q: You mentioned you have several initiatives regarding women and women in VC. What steps have you proposed to promote these initiatives and how have they performed?

A: Many of the same challenges exist in investment banking, as there does in the tech & startup world. There are a lot of people and organizations out there who are doing good work in this area, with a lot of focus on female entrepreneurs specifically. However, I've always been biased to focusing on how you can make the most impact. If you can focus on the systemic challenges around capital allocation, you can start to make bigger strides in terms of diversity. If entrepreneurs and innovation are driving our future, we need to reconsider the start-ups that are getting funded, and who is allocating that capital. If you can have decision-makers at the table that represent the diversity of our population, we will have better outcomes. Over the last couple of years, I've been running a venture called Female Funders that creates access and education to women in corporate leadership roles to learn about VC and angel investing. If we can get women as investors and on boards at the start-up stage, that will continue to progress over time as the company grows and scales. In 2019, we produced a report that found 15.2% of VC fund partners and 16% of corporate VC leaders are women, which is a relatively small ratio if you look at the population overall. They also found that 85% of capital is controlled by firms or funds with no diversity. I think there's a lot of work to still be done and it's going to take a combination of initiatives. It won't happen overnight but there's progress being made for sure.

Q: What is the most important lesson you have learned in your career?

A: There's many lessons learned over the years, that's for sure. The one that really resonates for me and is relevant almost every single day is giving people the benefit of doubt, and starting with the most favourable assumption in a situation. Stay curious about what's going on for other people. That's with colleagues, investors, portfolio companies, and especially in the lowest moments when things aren't going well. When things are going badly and people are in a negative scenario, that's when you're being watched and evaluated most significantly and the most unexpected rewards can be reaped when you do the right thing. That plays into life, not just work specifically and career. The other thing I would say is to trust your gut. Even when I was leaving investment banking, there were a lot of people including friends and family, who were shaking their heads in confusion. I knew in my head how excited I was in shaping early-stage capital and the opportunity I saw to make a difference. It's really easy especially early in your career to stay in the confines of what other people think you should do and stay within those boundaries. Only you know deep down what's going to give you energy and excitement, and that's the third lesson I've learned, which is really thinking about what you're going to do in the world to make a difference. It won't be obvious straight away but allow that to guide what you do. A lot of purpose comes from thinking about how you're going to make an impact on the world.

Q: What is your take on relationship building? How does one initiate and maintain meaningful connections?

A: I've always been a believer in building strong and meaningful connections overtime and playing the long game in terms of really adding value before asking for something. I think there's a lot of people who want to network for networking sake. Especially right now, the number of LinkedIn requests I get with no context is incredibly high. What resonates for me is when someone will take the time to customize a message by reaching out and saying something along the lines of: "I read this. . . and what really resonated was your perspective on x, y, z and this is why I'd like to connect. Do you have 15 minutes over the next couple of weeks to chat?" Know your audience and know that the person you reach out to is likely busy. What I've found is that people who are respectful of your time and stay in touch are really good at maintaining relationships. They make an effort to keep you in the loop in a casual and passive way. It goes a long way to remember little pieces of information that someone mentions that you can bring up, whether it's their kids' name or their birthday. That used to be something that was so important in relationship building and networking when things were analog and that's gone away now that we have social media to remind us when people's birthdays are. Now more than ever, those little details differentiate you and let other people know that you're listening, and that you care enough to think those details really matter.

Q: How does one identify which direction to go after a number of years working in one field?

A: That's a good question. It's a question that I thought a lot about when I was younger. I'm the kind of person who thinks very intentionally about next steps and what I want to achieve. When you're thinking about what you want in your career, and what I've learned in the VC world is that there's value to being intentional and thinking about a path but often you can't necessarily connect the dots going forward, you can only connect them backwards. If someone had told me in 2006 that I was going to be running a VC fund, I might have believed them, but it's not typical to know exactly and that's okay. Some advice that I found really helpful in my career is if you're really not sure about what you're going to do after graduating, think about three paths that you want to go into that you get really excited about. I think about it in three columns. Write down the skill sets that you would need for a second and third level role that you would want and make a list of the people you know within that industry and people you think you can connect with. Start connecting with those people. Start writing down what resonates for you as you speak to these types of people. Think about what their life is like, what their day-to-day role is like and what gets you excited. If you find that there is one path specifically that gets you really excited, start thinking about a project or work you can do that can allow you to start exploring that path before you're in that role. Start to reflect on whether or not that's exciting you to get up in the morning. I know a student who recently started a blog about VC. That allowed her to do research in the space and allowed her to show that to potential employers in the VC space. Coming out of school, however, and finding a role that gives you really deep analytical experience and builds a strong work ethic right off the bat can be really valuable. Your first job out of school doesn't have to be your passion project, but I always knew that going into investment banking, would open up many doors and allow me a perspective that would be relevant in many fields.

Q: If you could do it all over again, would you still start in investment banking or go straight to VC? Or is there something else you think would be valuable to do before going into VC?

A: The challenge with the VC industry is that there is only a small number of entry-level roles. I would still do investment banking again 100%. It provided me so many invaluable skills that many people in the startup world do not have, as well as an appreciation of later-stage capital and how larger companies grow and scale. However, there are different mentalities in the venture capital world vs I-Banking. I had to do a serious detox while transitioning from IB to the VC world. In IB, there is no room for errors, in VC it is a faster-paced world. Start-ups are always pivoting, and the way investments are done, it's just a very different mentality and approach. Speed and execution is valued over perfection. When I came into the VC world, my mindset was that nothing can be wrong ever. That is great for a very high quality of work which is why I say I would do investment banking again in a second because it's contributed a lot to how I work and set the bar very high for the quality of work. However, it's important to find a balance.

Q: Is there any advice you would give to first-year students? Or any piece of information that you would want to know as a first-year?

A: It's not necessarily for first years specifically but early in university or your career. I think it's really healthy to test out different types of work, classes etc that you think you want. Say you know for sure you're going down the path to investment banking. There's a lot of room in early years to try out different experiences that will give you the perspective before you start to narrow down your focus. I think it's really healthy to have different courses or different internships before you get to your final year. To have that breadth of experience will potentially open up opportunities that you could not have imagined before, giving you a whole different view on what's available and how you can apply your skill sets. When I was at McGill University, there was a very structured path about how you went into the working world and you kind of went down these steps. There's a lot of paths and jobs that don't get talked about, including within the start-up world. Today there's a lot of different areas you can contribute to and you can use a finance background but also get experience from an operational capacity, for example. In the early years of your career, I do think that having a large company experience can be valuable but is becoming less and less important. I think what's rare about candidates is when they have experience in a large company as well as a start-up. There's not a lot of people who have both so if you can work that into your co-ops, it can be really valuable.

Q: Considering how stressful the VC environment can be, what are some ways you cope with stress and continue to stay motivated about your work?

A: In my opinion, there's not enough conversation about the mental aspect of high-stress environments. However, I think that's really shifted over the last couple of years. I know in investment banking or even the start-up world five years ago, it was a badge of honour to brag about the fact that you were working till 1 AM or over the weekend. There's so much data that has come out over the past couple of years that if you're not getting around 8 hours of sleep, your cognitive function is drastically reduced. Personally, I think it's a blend and everyone needs to figure out for themselves what works for them and gives them energy. For me personally, being active and exercise is a huge stress release for me. I've had a couple of things over the past few years that have caused me to need to go from very intense sports in the past couple of years to learning about yoga and meditation. These are very useful practices for me to really get grounded into what the focus for your day is and what you want to achieve. So, for me, it's exercise and getting out into nature, which allows me to reset and get perspective. I live in BC where getting outdoors and taking in nature isn't difficult. I encourage you to find what gives you energy and make sure that's a part of your everyday life.

Q: What would you say are the characteristics of a successful founder that you would invest in? Is it the people, the founders, the products?

A: We look at a number of criteria, but the founding team is very important. We are usually one of the earliest investors into the companies we invest in. Often, the product is in the early stages and there isn't much validation of the product. That means that a lot of our investment criteria

relies heavily on the people and the founding team. At that early stage of investment, the product and the company will pivot multiple times and you need to make sure that the people who are driving the vision and the mission have the grit and perseverance to actually do what they're going to say they're going to do. We want to believe and feel really confident that they will seek out counsel in investors, in other mentors and in other smart people around them to ensure the company succeeds. We also look for product expertise and technical expertise as well. Product, market, business model and early traction are also areas we look at.

Q: To conclude our Q&A session, what is your favourite thing about being in VC?

A: So many things! I think I'm in a fortunate place that I'm able to blend a lot of different passion areas together. The combination of working with entrepreneurs daily who are changing the world or innovating in different industries never gets old. I like the diversity of the types of companies that I get to look at and the world-class founders we get to work alongside. While the team of the companies we invest in are doing the hard work, sometimes the smallest things we do, such as a customer intro, can often create a lot of value and growth within a company and that's really rewarding to see on a day-to-day basis.