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As the EU plans to launch a \$3.9 billion fund for Valley of Death startups from 2021, Ian Sosso has just returned from Brussels where he led a workshop advising the European Commission on how to turn intellectual property developed by universities into commercial application—and opportunities for investors.

The founder of Monte Carlo Capital has also been busy implementing contingency plans for all his businesses to be able to sustain a long period of uncertainty brought on by the current spread of the coronavirus epidemic. "The key focus is ensuring that each company is well capitalized to keep expanding through a period of volatility, and some are therefore in fund raising mode," says the Monegasque.

By Nancy Heslin

HEAD OF THE CLASS

As the EU plans to launch a \$3.9 billion fund for Valley of Death startups from 2021, Ian Sossó has just returned from Brussels where he led a workshop advising the European Commission on how to turn intellectual property developed by universities into commercial application—and opportunities for investors.

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FRONTRUNNER

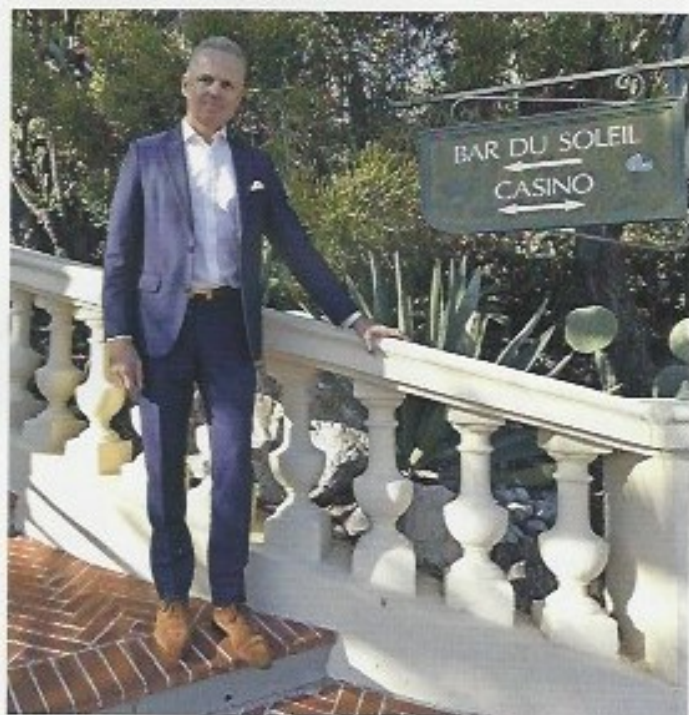
According to the National Science Foundation, the U.S. spends \$75.3 billion a year financing universities and research centers, yet over 95% of university-funded research never reaches market. “So far, the general solution has been to take scientists and try to turn them into entrepreneurs,” says Ian Sossó, founder of Monte Carlo Capital (MCC). “This has been challenging as those are different skills. But if you are able to identify great technology, license it and build a business, it is also a great opportunity.”

The Monegasque spent 16 years working as an investment banker, on trading floors, in London, Tokyo, Hong Kong and Singapore, before he started his own company in 2009, initially to invest his own capital. “I saw a significant opportunity to build a strong investment strategy around early stage companies.”

Over time MCC has become one of the most active groups of HNWI and family offices co-investing together, with the size and scope of a venture fund, in disruptive tech businesses, both in Europe and the U.S. “The key is the process, which is focused around de-risking what is in essence a risky asset class, tilting the odds via a disciplined process, and building a diversified portfolio.”

The 49-year-old adds, “We start investing at seed in the Valley of Death in the funding cycle of a startup—investments size too big for regular angel investors and too small for venture capital funds—mostly in deep tech or highly disruptive businesses, anywhere from €500,000 (\$541,000) to €1.5 million (\$1.62 million) as a first ticket, and we take an entire financing. We usually also lead the next few subsequent rounds till series B.”

Sossó, who also teaches a 30-hour MBA course on venture capital at the International University of Monaco, has a keen interest in university spinoffs. In an article he penned last year for the European Trade Association for Business Angels, which represents 30,000 angels in 50 countries (he’s also on the Board and won their “2019 Best European Early-Stage Investor” award), he wrote, “Difficulties in turning intellectual property developed by universities into commercial application is one of the greatest bottlenecks to the creation of world changing businesses, and ultimately growth and pros-



perity. It’s also a significant opportunity for investors.”

Sossó partnered with U.S.-based Irove Capital, a venture development company, to license intellectual property directly from universities and then build the businesses themselves. In the U.S., they now have more than 25 full-time employees.

Flavio Lobato, principal and founder of Irove Capital, says the relationship with MCC “has been crucial in helping some of our portfolio companies get off the ground.” He refers to Nikola Labs, a leader in the concept of wireless power and one of Irove’s first portfolio companies to successfully make it as a startup.

“We helped Nikola Labs hone in on the enormous market potential of their technology,” shares Lobato, “but what truly drove their success was the international support they received from Ian and MCC’s network.”

“For a startup, support from strategic investors like MCC translates into accelerated customer growth and sustainable, well-paying jobs for people who need them.”