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THE SECOND ACT



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MIKE SCHMIDT DOVETALE TRICIA JOSE WE REPRESENT ZAK LEFEVRE CHARGELAB

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A LETTER FROM THE CEO

WE ARE FOCUSED ON FOUNDER DEVELOPMENT AND COMMITTED TO SUPPORTING OUR ALUMNI THROUGHOUT THEIR ENTREPRENEURIAL JOURNEY.



KYLE WINTERS
CEO, NEXT CANADA

I attend many meetings accompanied by Reza Satchu - NEXT Canada Board Co-Chair and Co-Founder. Reza has an epic social and professional network that spans the country and extends beyond its borders. I've learned that when Reza invites busy and accomplished people to attend a meeting, dinner, or even a costume party - they show up, and they show up in droves.

Last month was no exception when a group of 26 friends of NEXT Canada got together for dinner at the home of Don Walker (former CEO of Magna). With script in hand (and no intention of sticking to it), Reza welcomed the room of CEOs, board chairs, university Chancellors, VCs and a few outstanding

NEXT alumni. After extolling the virtues of NEXT and its alumni - he veered the conversation to the potential role of failure as an element in the DNA of successful founders. The turn of phrase that particularly caught my attention was "failed spectacularly," which Reza used to describe a venture launched by one of the alumni who was in the room. I took a deep breath and scanned the table to see how this was being received. Our guests were enthralled - where was this going?

It turns out that this wasn't the much-used mantra about "fail fast" as a means of accelerating iteration - it was about the process of building fundamental knowledge and building a network of trusted advisors that are

critical when launching a venture - and exponentially valuable when launching a second or even third venture. That's where NEXT differentiates from traditional accelerators focused on venture success. At NEXT we are focused on founder development - and we are committed to supporting our alumni throughout the lifetime of their entrepreneurial journey.

In this issue, cleverly packaged as "The Second Act" we are featuring alumni who have taken lessons from their first venture and applied it to their second or third. Cathy Han offers insight from her experience leading 42 Technologies and how she leveraged that to launch Levro. And Zak Lefevre (who was at the Don Walker dinner) shares an update from ChargeLab, where his past experiences have contributed to his current success (including a recent \$15M Series A funding round). It's a significant issue filled with genuine talent who have made an impact during their second act. I hope you enjoy it.

And on a personal note - I wanted to congratulate my colleague Jaskaran Chauhan, who was recently promoted to Manager of Stewardship and Impact. Jas is an incredible part of our team, and we are expecting great things in her second act at NEXT.

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THE SECOND ACT

“THERE’S A FIRST TIME FOR EVERYTHING.”

We have heard this idiom time and again, especially when something unexpected happens, or we embark on something new.

It is supposed to provide comfort, make us feel grounded in the absence of certainty. For first-time entrepreneurs, the journey could be extraordinarily challenging with little help and a lot to learn, and yet those who move ahead, shaping their ideas into reality, know the journey is worth every bit of effort.

Whether the venture they create succeeds or fails is another story. It is the exhilaration of trying something for the first time that makes the experience unique.

But, what is it that makes some entrepreneurs take on the challenge again? What makes first-time entrepreneurs - second-time entrepreneurs, or even third-time entrepreneurs? Are there lessons that can be applied to subsequent ventures? If so, why do some entrepreneurs stick with one venture, while others go on to create multiple businesses?

There has been much debate on the entrepreneurial lifestyle. While there are some who say entrepreneurial skills can be taught and learnt, there are others who are convinced it is

the ‘entrepreneurial gene’ that makes it happen. And yet, almost everyone agrees, there’s a certain level of grit, focus, relentlessness and willingness to take risks that make an entrepreneur, that creates a venture, or many ventures.

As you’ll read in this edition, most entrepreneurs, who went on to create multiple companies, said they wanted ‘more’. They had not done enough with their first venture, the creative urge was unsatisfied or they just wanted to tell a different story and chose a different narrative with the subsequent ventures. In every case, the ‘more’ was evident - be it a desire to achieve ‘more’ success or create ‘more’ opportunities. And yet, if we dig a little deeper, we realize that the achieving aspect of it is often secondary to the ‘doing’ part of it. In that sense, it truly is about the journey rather than the destination.

There are well known names in the entrepreneurial community around the world who serve as an example of what success looks like the second time around, just as there are entrepreneurs who

succeeded at their first venture and continued to pursue it. Elon Musk, Richard Branson, Oprah Winfrey are only some of the names that come to mind when talking about entrepreneurs who have achieved unprecedented success. It is not surprising that people around the world try to emulate their success and imbibe their work ethics.

On a glance, there doesn’t seem to be much difference between entrepreneurs and second-time (or serial) entrepreneurs. They have the same enthusiasm, the same passion, and the same urge to create a business.

Perhaps it’s not differences that we ought to be looking for, but similarities.

An insatiable thirst for learning, the unrelenting pursuit of perfection, and the ability to relish challenges, might be what forms the core of every entrepreneur. A belief that the chance of achieving success is greater than failure, and the humility to accept defeat, and retry when needed. Be it during the very first venture or the fiftieth.


The appeal of entrepreneurship is often discussed, especially if it is the first time for an individual creating a venture. But the subtle attraction of repeating the process all over again, to then create a second venture, still needs some dialogue.

Yes, there is a first time for everything. The question is, is there a second time too? And if there is, what makes the Second Act so alluring.

Whatever the answer might be, it is true that ultimately, entrepreneurs come to shoulder a great responsibility, especially, if they become successful and go on to manage more people, more money and, in turn, are entrusted with more power. It is easy to idealize those who we see as powerful, but it becomes even more important in those scenarios to hold them responsible for the overall impact their ventures have on the wellbeing of the communities they impact. And perhaps that is why it is so important to understand the motivations and ideologies behind people who go on to create and command multiple ventures.

In this edition of GRIT, we try to answer those questions and dive deeper into the entrepreneurial mindset.

The Second Act begins now.



◀
TRICIA JOSE
CEO and Co-founder of Casama
Next 36, 2017

THIRD VENTURE **ACT 3**

Most of the time, entrepreneurs are VERY intentional about starting a company.

Written By
KERN CARTER

They have a mission and a vision for change that drives their actions and fuels their business. For the serial entrepreneur Tricia Jose, her first venture with Next 36 was what she describes as "accidental."

Though Tricia would consider her entry into entrepreneurship as "naive," that didn't stop her from diving head-first into her next business venture. She built a platform called Arrive, which served new immigrants entering Canada with all the necessary preparatory services.

Jose is now on to her third act; throughout it all, she's maintained a consistent mindset and approach.

"I'm now on my 3rd act with Casama. In terms of my "why," it's always stayed true—I care about solving problems that matter and building solutions that create economic opportunity and reduce inequality. I will say that I've been a lot more intentional about starting a company this time."

Casama is dipping its toes into Web3, and Jose's experience

with her two previous businesses has taught her many lessons. But more than just numbers and projects, Jose learned how to pace herself to avoid burning out.

During my first company, I didn't think a lot about tradeoffs. I burned out quickly. Now, I realize it's a long road and ultimately, starting a company is one facet of my being. I'm mindful of how I spend my time, and I try to make time for things outside of my company that matter in my life too. In some ways, it was harder to start now -- there are more life implications! But during the pandemic, I was reminded that life is short, and I spend so much of my life working that I might as well work on things that matter."

That's a perspective that most entrepreneurs won't tell you about. You'll have to do most things yourself

when starting out. And in your excitement to achieve success, you don't want to bypass anything; there's absolutely nothing wrong with that. But Jose is saying that life is happening while you're building your business. And no matter how passionate you are about your mission, you can't get that time back.

It's a tradeoff most entrepreneurs have to live with. How far they go and how much they're willing to sacrifice usually depends on the individual. And while sacrifice is a necessary part of entrepreneurship, Jose's message is crucial.

That type of balanced thinking injects itself into Jose's businesses. She is purpose-driven, meaning her ventures serve a purpose larger than herself. And when she advises up-and-coming entrepreneurs, it's just as much about

finding who you are as it is about finding product market fit.

"The most important thing I've learned is that you can move fast alone but farther together. Whether in startups or life, the people you choose to come along the ride will make all the difference. Choose a strong support network and good teammates, champions and allies - you will be better off for it."

In Tricia's businesses and her life outside of entrepreneurship, people are at the heart of everything she stands for. And if her message needs to be more explicit, she encourages entrepreneurs to have a fulfilling life outside their business.

"Your identity is not your startup. It may feel that way, especially with the highs and lows, but nothing is as dire as it seems."

LESSONS FROM SERIAL ENTREPRENEURS

"The most important thing I've learned is that you can move fast alone but farther together. Whether in startups or life, the people you choose to come along the ride will make all the difference. Choose a strong support network and good teammates, champions and allies - you will be better off for it."



NEXT 36 ALUMNI
2017: Reza Satchu presenting Tricia Jose an award at Venture Day 2017.



THE ENTREPRENEUR'S OUTLET

In 2016, Lefevre cofounded ChargeLab, which makes software that runs about 80% of popular EV chargers through partnerships with ABB, Siemens, Phihong and Delta Electronics.

Written By
BRITTANY HAMBELTON

Zak Lefevre has been starting businesses longer than most of us have been choosing our own bedtimes. He started his first venture when he was only 12 years old, flipping random items on eBay. Today, he's the CEO of ChargeLab, an electric vehicle charging software company.

Of course, he didn't go straight from online retail into the EV software industry. Lefevre has started several ventures on his path to success. "The first business I ran that did over \$50,000 in revenue was during my first year of undergrad," he says. "I started a student painting franchise when I was 18 and ran that business throughout my undergrad and even a few years after graduation."

He then transitioned from construction to his first tech venture. That business only lasted about four months, but it proved to be a stepping stone for his most significant success yet: ChargeLab. Unlike his first foray into the tech world, which never grew beyond five employees, ChargeLab has grown from 10 to 20 to nearly 50 employees. It's to no surprise; this has, at times, been challenging.

"For me, every subsequent venture has been about reaching a larger scale," he says. "This inherently comes with new challenges."

While Lefevre has always had an entrepreneurial spirit, his motivation for starting each of his ventures have changed along the way. He began his student painting franchise because it seemed more interesting than getting an internship at a bank over the summer.



ZAK LEFEVRE
CEO, ChargeLab
Next 36, 2015



NATIONAL SELECTION WEEK
Zak (Center) pictured with his peers at NEXT Canada's National Selection Week in 2015.



VC FUNDING
ChargeLab raised its first VC funding in 2019 and has now raised a total of \$20.4M in funding.

When he first dove into the tech world, he became more deliberate about the type of business he wanted to run and gained an appreciation for one that scales exponentially (like tech), rather than linearly (like construction). He also wanted to choose an industry that excited him, knowing that if he wanted to see long-term success, he was going to have to stay in it for several years.

“When I started ChargeLab, I had a specific intent to scale exponentially,” he says. “Consciously or subconsciously, I also knew this would take longer than starting the past businesses I had run. So I picked an industry that I was truly fascinated by. I started researching the EV industry deeply during the Next 36 in 2015, but I didn’t find enough co-founders who wanted to focus on that idea. So we built something else during Next 36, then I returned to the EV idea afterward.”

Having been an entrepreneur for the majority of his life, Lefevre has learned many lessons along the way. Still, he has one important piece of advice to anyone aspiring to start

their ventures: avoid sunk cost fallacies.

“Every year at ChargeLab, I look at the business we’re running and the market we’re running and I ask myself: “if I could start a new business today, would I pick this idea?”, he says. “Life is too short to continue with an idea just because you started it. You should only be running a startup if you believe you’re in the right market, with the right team, and you can build the right product.”

Lefevre got into EV software because the industry is growing rapidly, and he was (and still is) excited to be a part of it. He argues that if you don’t have that level of excitement for your first venture, it’s time to move on to your second. Whether that’s because you picked the wrong market or because it was the wrong time to start, you’re better off cutting your losses and applying the skills you learned during that experience to a better market or idea.

His second piece of advice is to start off with a fresh cap table. While this shouldn’t be your main motivation to get going on a

venture, he notes that serial founders always end up with cleaner cap tables for their later ventures, which makes everything smoother.

It seems that after many years and numerous ventures, Lefevre has finally found where he wants to invest his time and energy - at least, while it still makes sense to do so. “There is never an assumption that this is the only venture I’ll ever work on,” he says. “But I haven’t found a better opportunity in the market yet, especially given my experience in this industry (now 6+ years), and the momentum we’ve built up with our product and brand.”

ChargeLab raised \$15 million USD of Series A funding last year, and Lefevre believes they have at least another five to 10 years of growth ahead of them. Of course, that doesn’t mean this is his final venture. Once a serial entrepreneur, always a serial entrepreneur, so if things change, he’ll do what he’s always done - get back out there and start something new.

LESSONS FROM SERIAL ENTREPRENEURS

Lefevre believes that it is possible to become a serial entrepreneur in less than a year, and that hands-on experience is more important than theoretical knowledge.

“It’s like riding a bike. I’ll take an hour falling on the pavement while learning over a month of reading books on bicycle physics.”



THE LURE OF THE JOURNEY

In 2011 when Cathy Han co-founded her first company, 42 Technologies, she already knew it wouldn't be her last.

**Written By
BRITTANY HAMBELTON**

After ten years, Cathy Han handed off 42 Technologies to her co-founder and started a new venture in the fintech space, eager to take advantage of the learning opportunities startups provide.

"Over the past 10 years of watching companies and fellow founders grow, I always thought I would work on a few companies in my life. The highlights of startup life are how much you learn and how many amazing people you get to meet along the way."

In many ways, starting a second venture has been more accessible than the first. Having already been through things

like incorporation, recruiting, and contracts, the mechanical aspects of a startup have been a lot easier the second time around. The more challenging part, says Han, is not to over-correct for lessons you learned during your first venture because each company is different - different timing, different people, and different products.

"Fintech moves fast, and the product was more challenging to build than our last software product due to additional factors like regulatory and compliance restrictions."

Han says the other big difference between your first and second startup is your reason for starting it in the first place.



◀
CATHY HAN

Co-founder & CEO, Levro

Next 36, 2011

Pictured: Cathy Han, at Breakout Startups on centre stage during day three of Web Summit.



◀
VENTURE DAY

Cathy Han, Co-founder, 42 Technologies on stage at NEXT Canada's Venture Day in 2011

When she launched her first company, she was fresh out of her undergrad, full of ambition but light on experience. In many ways, her reason for building a startup was to learn how to build a startup. The second time around, she thought long and hard about where she wanted to spend the next ten or more years of her career.

"The difference was not just choosing what we could build, but what we thought needed to be built," she says.

"We're motivated by how we could use all the skills and lessons we've learned to create something of lasting value."

While she'll be the first to admit that she still has a lot to learn about starting a company (that's the alluring part about a startup, after all), Han's experience starting two businesses in the last decade has given her a unique perspective that she hopes will help other aspiring serial entrepreneurs. Her first piece of advice? Adjust your mindset.

"Startups are truly about the journey," she says. "The common thing I've observed about so many "successful" founders is that despite having the means to, no one is sitting on a beach. They're still working on things they're passionate about, whether a company, project, or foundation. Take breaks. Celebrate wins with the team along the way. Focus on real rather than vanity metrics that sound good but don't mean much."

Continued...

Her second piece of advice is to keep a highlight journal that you update monthly with the top three successes of the last 30 days. You'll likely be working on a startup over several years, and it can become difficult to recall the details over time. Starting your own company will come with challenges, and regularly reflecting on your accomplishments can make it seem less overwhelming. "Plus, things are much more obvious in retrospect, and it's amazing to look back on years of memories to see just how far you've come!" she says.

Her final advice is to know which level of the game you're on and how success is measured. Stay close to your customers, talk to other founder friends, and get coaching - the benchmarks are constantly changing, and your vision for the company will also evolve over time.

Undoubtedly, the startup energy is infectious, and Han has caught the entrepreneurial bug. Her second venture is well underway, but she expects a third act (and maybe a fourth or fifth) in her future.

"Many of our friends who have exited multiple companies are still hard at work making new ideas a reality; it is about the process and impact. The founder community is amazing."



NEXT WOMEN'S EVENT 2011

Cathy Han & Nancy Lockhart having an intimate moment at the Women's Event at the Satchu

LESSONS FROM SERIAL ENTREPRENEURS

Han's recommended reading for all aspiring serial entrepreneurs is Paul Graham's essays.

"He's incredible at boiling down really difficult topics into important and easy-to-understand insights"



MONEY20/20

Cathy Han interviewed backstage at the Money20/20 conference in Las Vegas.



SPOKE CLUB 2011

Reza Satchu, Founding Chairman and Co-Chair, NEXT Canada & Cathy Han with the 2011 cohort at the Spoke Club in Toronto.





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IL-LUMEN-ATING THE WAY

When Michael Cheng & his business partners began their first venture, Sniply, in 2014, their primary goal was to run a small-scale, product-focused startup.

Written By
BRITTANY HAMBELTON

This venture relied heavily on viral growth, and they were still only a four-person team by the time they had reached the 500,000-user mark.

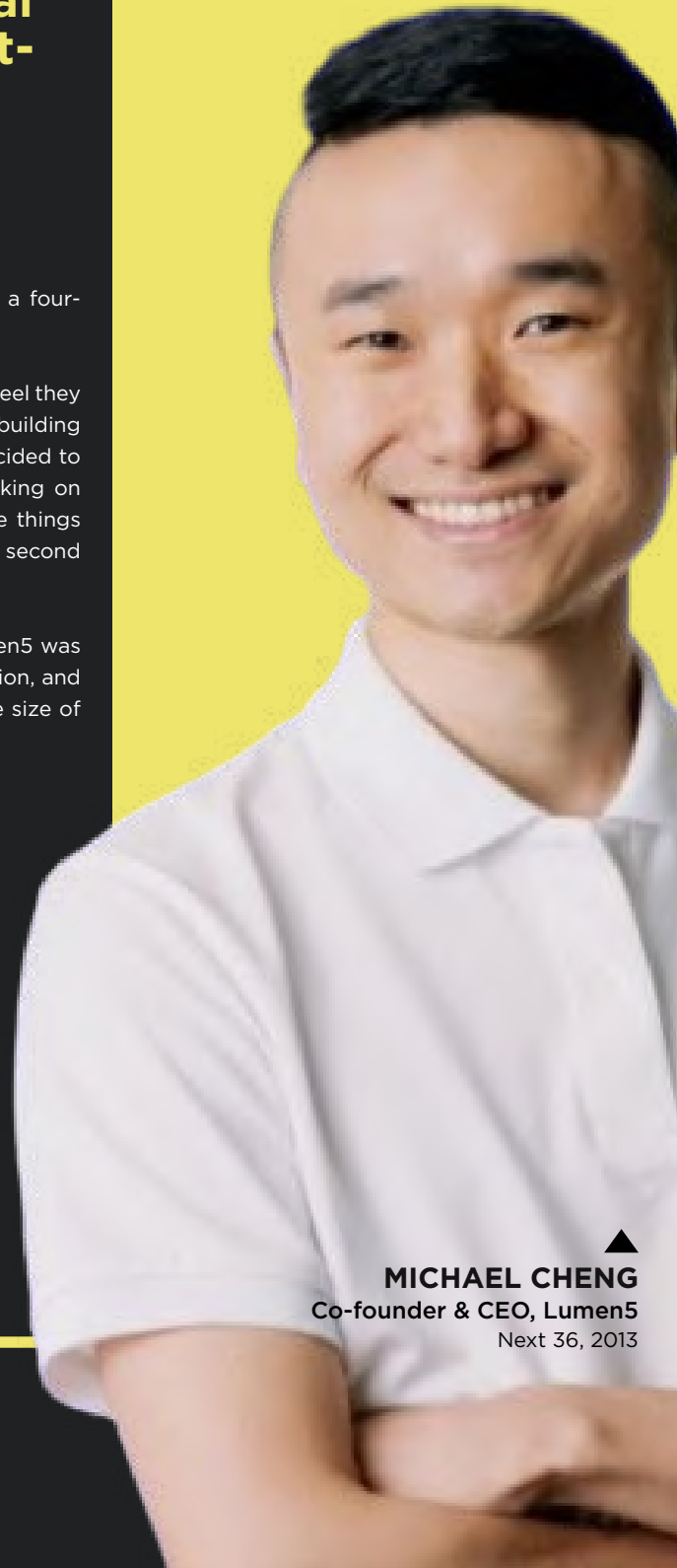
After Sniply was acquired in 2019, Cheng and his partners couldn't help but feel they could've done something much bigger. This belief inspired them to start building Lumen5, a video creation platform for corporate communications. "We decided to build another company together because we learned so much from working on Sniply," says Cheng. "We couldn't help but wonder how we could've done things differently, and so we created the opportunity for ourselves with Lumen5, a second act that allowed us to apply all of our learnings from the first."

Unlike when they started Sniply, Cheng says the goal when founding Lumen5 was to be much more aggressive with product development, customer acquisition, and team expansion. Their efforts paid off, and Lumen5 is already 10 times the size of Sniply.

Of course, with such a significant increase in size and scale, there have been several new challenges to grapple with. While they were building Sniply, they focused mainly on product development, but with Lumen5, they've had to build out sales, marketing, HR, finance, and overall management functions. As Cheng and his partners have constantly been expanding the team, they've put much more emphasis on company culture. The inherent differences in the products have also changed the way they operate as a business.

"While Sniply was primarily a self-service product, Lumen5's enterprise customers require more attention," says Cheng. "When a customer purchases Lumen5, we must go through procurement, security reviews, and contract negotiations before we can onboard a new customer."

The team's motivation has also shifted significantly from their Sniply days



MICHAEL CHENG
Co-founder & CEO, Lumen5
Next 36, 2013

“What inspired us during our first venture was very much the product. We were deeply connected with our customers, constantly striving to better understand their problems so that we can deliver compelling solutions to help them,” Cheng says.

Product development still excites the founders, but their most significant source of inspiration and motivation during this second act is the impact they can have as leaders in a growing organization. As Cheng and his partners graduated from being individual contributors to leaders and managers, they’ve already seen the impact they can have on people’s lives and careers.

“Lumen5 has been an employer that took care of its employees through a global pandemic and now a looming recession,” says Cheng. “As they say, great power comes great responsibility, and we’re proud to offer stable employment for 50 brilliant professionals during these turbulent times.”

Cheng admits that he and his team have had some learning to do as Lumen5 has grown. The 50-person team moves much slower than the four-person team they had had at Sniply, and he and his fellow founders, who were accustomed to rapid output, have been slowly learning to be patient. He says patience is required to build a strong foundation that supports future growth.

He also believes that both passion and practicality are essential for success. “Passion is what keeps you going at it across years and decades, but you can’t eat passion for dinner, so practicality is necessary to pay the bills and put food on the table,” he says.

Cheng’s most significant piece of advice to aspiring entrepreneurs is to always be recruiting. While it isn’t necessarily the founder’s job to build the business, he says it absolutely is the founder’s job to build the team that builds the business.



NEXT 36 ALUMNI

Micheal Cheng at a NEXT Canada event held at the Art Gallery of Ontario in June 2013

LESSONS FROM SERIAL ENTREPRENEURS

“In a way, NEXT was a class on entrepreneurship, and the homework was to start a venture. We all learned a tremendous amount through that experience, and we still carry those lessons to this day, almost a decade later. I strongly believe that there is no better education than hands-on execution.”

“With Lumen5, we’re much more deliberate about putting ourselves out there and building the employer brand,” says Cheng. “The initial stages require great individual contributors, and the scaling stages require great leaders and managers. It all comes down to people.”

Establishing good relationships can take months or even years. Still, Cheng firmly believes that great people will create a great business, and building the team has been their most successful strategy for ultimately building the business. “As a company grows, the founders have less control over the ins and outs of the business,” he says. “The biggest impact we can have is to recruit and grow our people so that they can make great decisions and drive high-impact strategies.”

Lumen5 is still growing, and Cheng has not made any immediate plans to start a third venture. He and his team operated Sniply for five years between founding and acquisition, and with the scale of Lumen5, he says it’s likely they’ll be looking at a far longer horizon before their journey is complete this time around. “Based on pattern recognition, it seems likely that I’d start another venture, but I hesitate to think so far ahead. All my focus and attention belongs strictly to Lumen5 in the here and now.”

CRACKING THE CODE FOR SUCCESS IN YOUR NEXT VENTURE

The concept of failing often comes with negative connotations.

Many associate it with being unsuccessful, neglectful or not meeting objectives. And while failing can be a tough pill to swallow, there's a silver lining for founders.



Written By
SID NAIR
Senior VP & Technology M&A Leader, EY Canada

For entrepreneurs, battle scars are seldom frowned upon. In fact, investors are willing to back entrepreneurs who have failed, learned from their experience and have used their failures to hone their skills and experiences. They are looking for entrepreneurs who take risks and turn fear into opportunity, funneling energy and creativity into their next business venture to make it bigger and better.

Entrepreneurs looking at their second venture — or even third or fourth — need to embrace their veteran status. However, owning this persona is just the start. The new EY Programmed for Success series outlines several factors to think about while planning for the next venture. Here are a handful of top considerations to keep in mind from day one.



EY BREAKFAST AWARDS

NEXT Canada CEO, Kyle Winters shaking hands with NEXT award winners at the EY office in September 2022



NEXT 36 AT EY

The Next 36 2011 cohort were given a warm welcome at the EY office in June 2011

HAVE A CLEAR IDEA OF THE SOLUTION YOU'RE SOLVING.

Founders can get too caught up in the features and attributes of the product, versus creating a solution with a clear path to monetize it. At the end of the day, if the target customer doesn't see value in your solution, then your business doesn't stand a chance. You must first understand the addressable market you plan to serve and the challenge you're looking to solve. And remember, the more critical the problem and simpler the solution, the easier it will be to drive business momentum.

This may mean a pivot rather than starting from scratch. It's likely there were elements that worked well in your first venture that can be leveraged for your next. Take stock, leverage the solid foundational elements and then tweak as necessary — whether it's features, technology, code base or monetization aspects

BUILD A GREAT TEAM.

There's nothing more important to investors than the team they back in a venture. You need to have a solid leadership team that buys into the vision, while providing diverse skillsets and perspectives to achieve it. Make sure the core team you hire has a clear role to play in achieving that vision. Finding the right people and incentivizing them with the right equity incentivization plan is key to your success. Once they're in the door, leverage their knowledge but also their network to hire and build a team around them.

FOCUS ON UNIT ECONOMICS.

Be focused on key metrics from the start. Knowing everything from the cost of acquisition and retention rates to lifetime value of customers and burn multiples will help you to understand the health of your business and what you need to fix along the way to allow it to thrive. Break down your business into key goals and metrics relevant to every phase of your growth and leverage data in your decision making to get better.

HAVE A CLEAR PLAN ON CRITICAL MILESTONES & EXIT STRATEGY.

Effective cash management and bootstrapping, as much as possible, is critical to the success of your venture. The quicker you can get customers to pay for your product, the more attractive your business is. At the end of the day, you're building a business not a product. You don't need to create the best solution on day one. Create a minimum viable product (MVP), use customer feedback to iterate and make it better. Once you have paying customers, it becomes much easier to target the right sources of capital to the appropriate stage of the company's growth.

It's also important to plan an exit strategy from day one. This means you should be creating a plan around business and funding milestones, while also building relationships with potential acquirers much ahead of planning an exit.

FORM A MENTORSHIP ECOSYSTEM THAT WORKS FOR YOU.

It's not likely a board of directors will be needed right away, however, building a core group of mentors and advisors in the seed stage will not only be critical to advise on short-term goals, but long-term growth down the line. When doing so, identify people with the experience and knowledge that's relevant to the business. Take stock of gaps and seek out advisors with the right industry, technology, finance and marketing expertise to help make the business a success. Creating and working with an advisory board is excellent preparation for eventually establishing a board of directors.

Reflecting on what your first venture taught you and how to bring those lessons forward will be critical to set the next venture up for success. Having a clear view of the problem you are trying to solve, creating an organization supported by the right people and working towards building a sustainable business with a clear exit strategy will allow you to succeed in creating a scalable and enduring business.



DAVID BUREAU
CEO & Founder, Finalytics
Next 36, 2015

BUILDING ON CHANGE

“You have to want to change something.” This was the first response when we asked NEXT Alum David Bureau what it takes to be a serial entrepreneur.

Written By
KERN CARTER

It's the perfect response for someone who didn't grow up dreaming of living this life.

Bureau's family was split into two: his mom's side was more entrepreneurial, and his father's side was more traditional, which Bureau thought would be his path. But when a professor suggested that David try entrepreneurship, he took a leap and never looked back.

After starting three businesses while still in university, Bureau founded Finalytics in 2019, a service-based company offering fractional CFO services to tech startups ranging from pre-seed to series B stages. He noticed a gap in the industry when he previously worked as a consultant and saw an opportunity to add value.

“What I noticed was, whether it was our portfolio companies or companies looking

for funding, their finance departments were such a mess. They didn't know what a SAFE or a priced round was, didn't know how to raise funding, they didn't know how to write grants properly, or if they knew, they were doing it wrong, and it was creating delays.”

In three short years, Finalytics has grown into what David describes as an “outsourced finance & accounting department” because they saw the need for not just CFO services but realized these companies needed bookkeeping, accounting, controller, financial analysis, grant writing, financing services, and the list goes on! This speaks to Bureau's first point that entrepreneurs should instinctively want to make a change. And it doesn't need to be a big change. Bureau is adamant about new entrepreneurs focusing on building a profitable business, whatever that business may be. In Bureau's mind, mom-and-pop shops are just as valuable as any unicorn. And while he acknowledges that there is a rare occasion when scaling quickly should be prioritized, in most instances, growing gradually and organically makes for a more sustainable business.

But growing organically takes networking and relationship building, which Bureau says is the most critical skill an entrepreneur should possess. When we asked David what homework he would give a class of new entrepreneurs, he said the following:

“I would ask them to put themselves in the very uncomfortable position of reaching out to multiple people they think they could never get to, like Bill Gates or Elon Musk.”

For an extrovert like Bureau, that assignment

might be easy. But most people are more reserved and need help building their network through cold calls, emails, and networking events. But Bureau feels so strongly about networking that when asked how introverts should handle this assignment, he said they need to “figure it out...or hire a partner that can do it.”

Bureau himself took his advice and hired partners. Networking wasn't his issue, but he needed someone to put the systems in place for his business to function and grow efficiently.

“Today, my days are much more structured. I put in place an amazing team who helped create a structure. So I spend 20% of my time managing the team and answering questions, another 20% of my time allocated to biz dev (business development), and 40% of my time on specific files. Then the last 20% of my time is spent thinking about how our business could be ahead of the curve.”

That kind of structure wasn't possible when Bureau was a solo act. He worked seven days a week handling every aspect of the business before finally hiring partners

Stephanie and Gabriel and building out the rest of his team. Bureau credits its partners for creating the current structure and urges emerging entrepreneurs to be careful about which partners they choose.

“It's important that you and this person are aligned regarding value. At first, it seems like, “oh, who cares? We're not super aligned. We'll figure it out later.” But no, it's gonna come back and bite you.”

Bureau is speaking from experience, of course. He's had to part ways with partners with whom he wasn't aligned, which slowed down the progress of his previous business. But dwelling on the past is not how Bureau likes to operate. He's very much in the present and puts his time and energy into listening and paying attention to the market. That kind of focus helped him find the gap that started Finalytics, and Bureau knows it will take even more energy to continue to grow his business and provide valuable services to his clients.

“To me, it's not even about money. It's not even about success. What keeps me up at night is how I can help my clients, the entrepreneurs, get to their goals and

succeed. This is what drives me every morning when I wake up.”

Looking to the future, Bureau sees an opportunity to add specific value around financing. He says it's never been harder to raise funds, and he wants to find ways to “creatively think outside the box and find clients alternative solutions” to raising funds. He doesn't ever want to tell his clients that there's nothing they can do, which is another essential lesson Bureau stresses: always be valuable.

Finalytics is built around this concept. Their mission is to be an asset to the companies they work with. As a service-based company, this concept is ingrained in the core of the business. But whatever businesses you're starting or running, you need to find ways to add value to your clients or customers to avoid falling behind- And behind is not where Bureau wants to be. Though all his attention is centred on Finalytics, he only considers potentially starting another business in the future.

“If I find more things to change, then who knows.”



NEXT 36, 2015

David Bureau shaking hands with Reza Satchu at NEXT Canada's Venture Day in 2015

MIKE SCHMIDT COULD'VE QUIT. BEING PART OF THE NEXT 36 COHORT, HE TOOK HIS LEARNINGS AND STARTED HIS FIRST COMPANY, POSTERBOARD. BUT AFTER LESS THAN SIX MONTHS IN THE MARKET, POSTERBOARD WAS SUNSET.



◀
MIKE SCHMIDT
Sr. Product Management Lead, Shopify
Next 36, 2011

MULTIPLE VENTURES MULTIPLE LESSONS

Written By
KERN CARTER

"Many people don't know about my first venture, Posterboard, because it barely got off the ground. I think about that experience a lot, especially because the underlying thesis is the same as some companies I have successfully scaled today. I don't think about it in a regretful sense."

Not viewing the outcome of Posterboard as only a failure was the biggest lesson for Schmidt. As he looked to move on, he took the opportunity to learn rapidly and shift his mindset.

"I think about how lucky I was to experiment with a business idea and have support from some of the best entrepreneurs in the world. I also think about how my mindset has changed yet stayed the same in many ways.

Being an entrepreneur is about consistency; showing up is half the battle. The sad truth is that founders stop showing up for many failed ventures. Some are forced to because they run out of money, while others run out of energy. In my experience, mental fortitude separates big successes and failures."

The energy wasn't Schmidt's problem. He dove headfirst into his next two ventures immediately after Posterboard. One of those ventures was Listn, a global music streaming social network that eventually merged with Beatport, now the world's largest electronic music marketplace. With Listn and Dovetale, the other venture Schmidt started after Posterboard, he is open about the fact that some of the ideas and learnings from his initial failures are a big reason why those businesses have worked out.

Schmidt doesn't think learning ever stops. Even as his businesses took off, there were new challenges he faced. Schmidt says those challenges are part of what it means to be an entrepreneur, and how you handle them will determine your success.

"Every venture I have worked on is a chronicle of different learnings, but not all of them are necessarily new. I like to think about business problems as a remixed set of issues that have already happened. Some are issues you have experienced firsthand, while others are case studies you read about in the news. I have many friends and peers who are entrepreneurs, and each has very similar problems."

Entrepreneurship for Schmidt has taken on different iterations throughout his career and spanned various industries of interest. Dovetale, his most recent venture, was acquired by Shopify and built the foundation of Shopify Collabs. Schmidt decided to stay on and run the company from the inside, not only one of the largest corporations in Canada but one of the most talked about companies in the world.

"The global scale and impact of what my team

and I do now is much larger than anything I've ever worked on. By nature of our size and the opportunities in front of us, we need to ruthlessly prioritize areas of investments to ensure the best outcomes. There are many more levers to pull, more resources, and more points of failure. At this point in my career, I have so much to learn and I consider it a training camp for what's next."

With two successful businesses being acquired and a senior-level position at Shopify, entrepreneurship has been an easy ride for Schmidt. That's not the case. He worked on Listn for three years before it transformed into a company worth acquiring. He then worked on Dovetale every day for almost 6 years before Shopify came calling. Schmidt often hears many entrepreneurs refer to the idea of building companies that become an 'overnight success' - for most entrepreneurs, this couldn't be further from the truth.

The one commonality that Schmidt says all successful entrepreneurs share is sacrifice. People talk about it but aren't usually prepared for it until the need to make those sacrifices arises. Schmidt is both critical and optimistic

about the continued cultural push toward entrepreneurship. He believes that starting a business at any scale can unlock impact and purpose, but there are questions that entrepreneurs or potential entrepreneurs need to ask themselves.

"The biggest piece of advice [to entrepreneurs considering starting a venture] is to ask yourself if you are ready to go all-in. Will your current venture result in the largest impact you can make? Will it make you feel fulfilled and happy every day that you step into your work? Do you love working with your team? There is a difference between a 'wantrepreneur' with 7 different 6-month-old companies and a successful serial entrepreneur. I have seen a few entrepreneurs that call themselves serial entrepreneurs because they are the CEO of multiple companies on LinkedIn. It's helpful to remember that your side missions are someone else's main mission."

Wise words, indeed. Regardless of where they are in their journey, all entrepreneurs can learn from Schmidt's experiences. And in closing, Schmidt gets honest about the toll that being an entrepreneur can take.



POSTERBOARD
Underlying principles of Mike's 1st venture are the same of his scaled ventures.



ACQUIRED
Schmidt with his co-founder at their Dovetale booth.



BRIGHT FUTURE
Schmidt on stage at Next Canada Venture Day in 2011

LESSONS FROM SERIAL ENTREPRENEURS

"As a serial entrepreneur, you can't help but think about how you can do it better next time. Choosing to enter the ring of entrepreneurship is a choice, and it's also helpful to remember that if you are in it for the wrong reasons, it can take an overwhelming toll on you."



▲
VENTURE DAY

Founding Chair & Board Member, Reza Satchu introducing the graduating cohort at Venture Day where 8 NEXT Canada ventures pitched to an audience of business leaders, partners, alum, and investors.





NEXT CANADA VENTURE WEEK SEPTEMBER 12-16

Photographs By
FX PRODUCTIONS

NEXT Canada's Venture week saw some of the most engaging activities and events that attracted over 400 attendees in-person and across Canada virtually, bringing together some of the most brilliant minds in Canadian business to celebrate the ideas and ambitions of the NEXT Canada 2022 graduating cohort. The selected founders to pitch on stage at Venture Day included Akshay Maharaj, Chirag Jadhvani, and Athiya Rastogi from Next 36, Jonny Yvon Kalambay, and Yara Mohajerani from Next AI, and Megan Takeda-Tully, Livia Han, and Cody Ruberto from Next Founders.



CAMP NEXT

Following the awards ceremony, the graduating cohort let their inner child enjoy 30,000 square feet of unique team-building activities at Canada's largest indoor obstacle course, Pursuit OCR.



PERFECTED PITCHES

The graduating cohort set up kiosks to share their ideas, business models and display their prototypes to our guests. Pictured left to right: Parnian Majd (Next 36, 2022), Yin Qi Xie (Next Founders, 2022) & Mohammed Wasif (Next 36, 2022)



▲
STARTING UP

Athiya Rastogi (Next 36, 2022) on stage at Venture Day pitching her venture, Snapwrite AI.



RELENTLESS PURSUIT

CAMP NEXT included activities that allowed the graduating cohort to have some fun before pitching their ventures on stage on Venture Day. Pictured: Akshay Maharaj (Next 36, 2022)



Alumni Breakfast

The final event for the week, Brunch at the Arcadian Loft, where we welcomed our graduating cohort into our expansive and well-connected alumni community.



CLASS OF 2022

The graduating cohort set up kiosks to share their ideas, business models and display their prototypes to our guests. Venture Day will be a memory these graduates will cherish for years to come.



A DRAGON IN THE DEN

Venture Day saw 8 venture pitches with a panel discussions with Bruce Croxon, Eva Lau and Janet Bannister, moderated by Prof. Ajay Agrawal.



THE NEXT CANADA 2022 AWARDS

LEADERSHIP & AWARD RECOGNITION

The 2022 NEXT Canada Awards ceremony was held at the EY Tower, offering a stunning 360-degree view of the Toronto skyline as the backdrop.

The annual event celebrates the success of the talented individuals who graduated from our three programs: Next 36, Next Founders, and Next AI.

The ceremony began with a networking breakfast, attended by NEXT Canada staff, partners, supporters, and board members, as well as members of our strong and dedicated entrepreneurial network.

The 12 award recipients exemplified the very best of NEXT Canada's entrepreneurial spirit and achievement.





NEXT Canada Hepburn Valedictorian

The NEXT Canada Hepburn Valedictorian is an award given to the individual who was selected by their peers as the most valuable member of the 2021 cohort of NEXT Canada. This award recognizes the individual who

THOMAS STORWICK

Next 36, 2022

Thomas Storwick is a researcher and engineering student with a broad range of skills and experience. He grew up in an entrepreneurial family and has worked on several startups at different stages of development. Thomas has strong technical abilities and a wide range of knowledge, which have earned him fellowships totalling \$70,000 for his research. He enjoys giving back to his community, advocating for student mental health, and mentoring aspiring birders in his free time.



NEXT Canada CEO, Kyle Winters with the 2022 NEXT Canada award winners

Alphabetical order: Aryaman Rastogi (Next 36, 2022), Athiya Rastogi (Next 36, 2022), Cody Ruberto (Next Founders, 2022), Helen Lin (Next 36, 2022), Laur DeSouza (Next 36, 2020), Mani Siddiqui (Next Founders, 2022), Megan Takeda (Next Founders, 2022), Narges Rezaei (Next AI, 2022), Parnian Majd (Next 36, 2022), Tharshi Srikanthasan (Next AI, 2022), Thomas Storwick (Next 36, 2022), Yara Mohajerani (Next AI, 2022), Zak Lefevre (Next 36, 2015)

Satchu Prize Next 36 Top Entrepreneur

The Satchu Prize Next 36 Top Entrepreneur is an award given to an individual who has demonstrated outstanding performance in the Next 36 program. Nominated by their peers, this award celebrates the individual's achievements and demonstrations in becoming one of Canada's next generation of high-impact entrepreneurs.

HELEN LIN

Next 36, 2022

Helen Lin is a Canadian developer, designer, and entrepreneur based in Toronto and Ottawa. She is passionate about mitigating algorithmic bias and building human-centric digital products. Lin is currently studying at Carleton University for her Bachelor of Computer Science, Shopify Dev Degree Program, with a minor in Philosophy. In 2022, Lin founded her venture, Augmentr, a career advancement tool that empowers emerging talent in remote and hybrid work environments. She also participated in the DMZ Basecamp incubator in Toronto and joined the Women Founder's Project at Front Row Ventures in Montreal.



Helen Lin accepting the Satchu Prize from NEXT Canada donor, Rustom Satchu at the awards ceremony in September 2022.



W. Galen Weston Top Entrepreneur Award

Nominated by their peers, this award celebrates the outstanding Next Founders entrepreneur who has achieved venture success and has demonstrated great potential to lead Canada's next generation of high-impact entrepreneurs.

MANI SIDDIQUI

Next Founders, 2022

Mani Siddiqui is the founder of Jitter, a B2B platform that uses team-buying to increase purchasing power for small and medium businesses. The platform provides quality produce and just-in-time delivery, addressing the challenges that many SMBs face in the produce industry. Prior to starting Jitter, Mani completed his MBA at the Ivey School of Business and gained experience at Walmart and IBM Consulting. He is a growth-oriented entrepreneur who values learning from diverse perspectives. Mani lives in Oakville, Ontario with his wife and their newborn daughter.

HATCH

Hatch Next AI Outstanding Venture

Nominated by their peers, this award, presented by Hatch, celebrates the Next AI venture which has experienced the most growth and success throughout the program.

ENVAI SOLUTIONS

Yara Mohajerani & Tharshi Srikannathasan
Next Founders, 2022

EnvAI bridges the gap between geoscience and financial analytics. We provide Geoscience-as-a-Service (GaaS), placing climate data on an equal footing with traditional financial data and enabling next generation ESG-driven financial analytics. We do this by providing unparalleled insights by fusing aggregated corporate sustainability data with remotely-sensed insights and trusted climate models in our proprietary computational engine.



Next AI Top Entrepreneur

Nominated by their peers, this award celebrates the outstanding Next AI entrepreneur who has demonstrated great potential to lead Canada's next generation of high-impact entrepreneurs.

NARGES REZAEI

Next AI, 2022

"NEXT CANADA IS THE BEST THING THAT HAPPENED TO US THIS YEAR. I COULDN'T BE MORE SATISFIED WITH THE SUPPORT, ADVICE AND EVERY MEMBER OF THE NEXT COMMUNITY"

- NARGES REZAEI



Next 36 Outstanding Venture

Nominated by their peers, this award celebrates the Next 36 venture which has experienced the most growth and success throughout the program.

SNAPWRITE AI

Athiya Rastogi & Aryaman Rastogi
Next 36, 2022

SnapWrite AI is a tool that helps eCommerce companies generate product descriptions and intelligence quickly and easily. With SnapWrite AI, companies can create unique, SEO-optimized descriptions for their products in seconds. The tool also has the ability to automatically label images, allowing for even faster and more accurate description generation.



RBC People's Choice Award

The RBC People's Choice Award is a recognition given to the venture with the most outstanding pitch, as voted on by the audience on Venture Day. It is a testament to the venture's ability to communicate their idea and persuade the audience of its potential.

URIDE

Cody Ruberto
Next Founders, 2022

CREATING CANADA'S **NEXT** **GENERATION** OF HIGH IMPACT ENTREPRENEURS

"I AM INSPIRED BY THE COURAGE, THE RELENTLESS COURAGE THAT YOU GETTING BEATEN UP, YOU DON'T MIND LOSING A BUSINESS AND STARTING

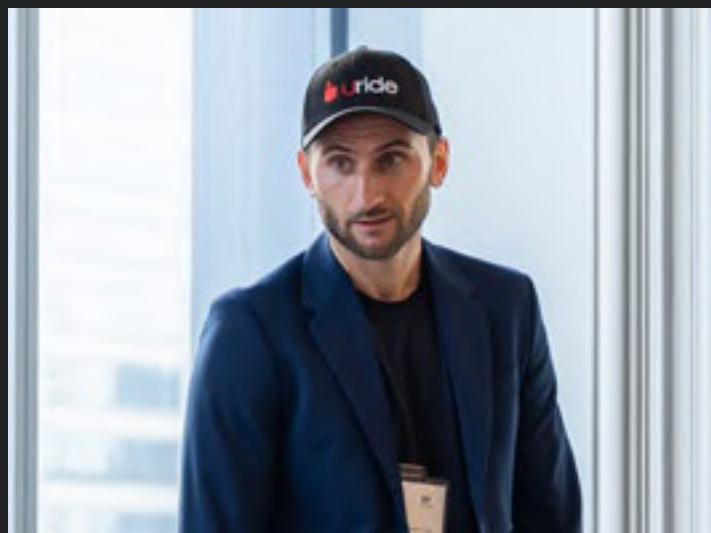
Next Founders Outstanding Venture

Nominated by their peers, this award celebrates the Next Founders venture which has experienced the most growth and success throughout the program.

URIDE

Cody Ruberto
Next Founders, 2022

Uride is a rideshare company that is focused on providing affordable and reliable transportation options to people in small towns and rural areas. The company's app allows users to easily request rides, with quick pickup times and competitive fares.



EY Women in Tech Award

Women in technology who are unstoppable entrepreneurs, shaping and advancing Canada's innovation economy and building a better working world. This award recognizes a high-potential female entrepreneur, building businesses within the tech community and supporting their peers.

PARNIAN MAJD

Next 36, 2022



Scotiabank Outstanding Contribution to Society

The Scotiabank Outstanding Contribution to Society recognizes the venture with the greatest potential to positively impact society's social and environmental issues. This award highlights the efforts of entrepreneurs focused on creating solutions to critical global issues.

MEGAN TAKEDA-TULLY

Next Founders, 2022

**'VE ALL TALKED ABOUT AND THAT YOU DO EVERYDAY. THAT YOU DON'T MIND
G ANOTHER ONE. THIS TAKES HUGE COURAGE, AND I COMMEND YOU FOR IT.'**

- TIM PRICE

Presenting the Tim and Frances Price Alumni Engagement Award

Geoff Taber Alumni Achievement Award

The Geoff Taber Alumni Achievement Award is a recognition given to outstanding NEXT Canada alumni for their achievement and venture success. The award is named in honor of the late Geoff Taber, who was a champion of entrepreneurship and made many contributions to NEXT Canada and the Canadian tech community.

LAUREN DESOUZA

Next 36, 2020

Lauren DeSouza is the co-founder and CEO of Ace, an interview coaching platform that provides personalized feedback to help job seekers prepare for interviews. She is a graduate of the Lazaridis School of Business & Economics at Wilfrid Laurier University, where she obtained a Bachelor of Business Administration (B.B.A.) with a concentration in Entrepreneurship.



Tim & Frances Price Alumni Engagement

This award recognizes the outstanding NEXT Canada alumnus or alumnae who has demonstrated a commitment to giving back to the NEXT community after completion of the program.

ZAK LEFEVRE

Next 36, 2015

Zak Lefevre is the CEO of ChargeLab, an electric vehicle charging software company. He has been an entrepreneur for most of his life, starting his first venture at the age of 12. Lefevre is a graduate of McGill University, where he obtained a Bachelor of Arts (B.A.) in Computer Science, East Asian Studies, and Finance. He also holds an International Baccalaureate (IB) Diploma from the Western Academy of Beijing.

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Award
tial to
issues.
ocused

"GAME CHANGING"
★★★★★
LALIBENT LAFERRIÈRE, NEXT AI, 2022

"SUPPORTIVE"
★★★★★
SAMANTHA WALKER, NEXT AI, 2022

The 2022 Cohort in Montréal

Montreal | 26 Ventures | 51 Founders

Now, more than ever, we are embracing our leadership role for AI-driven startups from across Canada. Watch the 2022 Next AI pitch videos and discover the talent from this year's cohort in Montreal.

Watch Now

Discover all Ventures

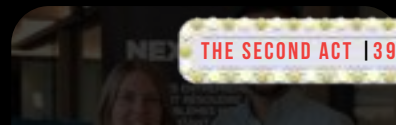
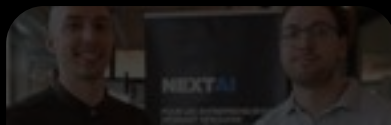
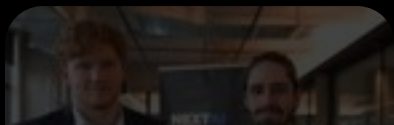
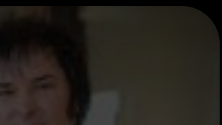
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Watchlist





HOW FLYBITS IS UNLOCKING THE METAVERSE FOR BANKS

It's a trillion-dollar market, but most financial institutions don't have a metaverse strategy, nor do they know where to begin...

What is the Metaverse?

The metaverse is considered to be the next evolution of the internet. A convergence of our physical & digital lives, creating a unified, community where we can work, play, relax, transact & socialize. For organizations, it's a massive opportunity to expand and deepen customer relationships, and allows them to engage with new and existing customers in ways they couldn't imagine before. FIs can build relationships at a time when banking has become commoditized, and deep emotional relationships have eroded.

The metaverse offers immersive experiences that have the potential to put humanity back into the conversation in ways that would simply not be possible with app notifications, text messages, emails, or even phone calls. It promises to remove the barriers and challenges between today's 2D digital platforms and reinvent how data is used across digital experiences. It will radically change the landscape of how brands interact with customers and what they can offer.

Are people actually using it?

The biggest reason people want to join the metaverse is to experience things they can't in the physical world, and it is not surprising to note that most of its users today are young males under 20. However, this is changing. By 2026, Gartner predicts that 25% of people in North America will spend over an hour a day in the metaverse.

They also state that 30% of organizations in the world will have products and services ready for the metaverse. The biggest risk people see is around the tracking and misuse of personal data.

While these are early days, the metaverse is quickly becoming a trillion-dollar industry and is evolving rapidly. It's reminiscent of when the iPhone first came out in 2007. No one had any idea that it would change the world and that Apple would sell 1.7 billion iPhones since its launch. And now it seems we're facing a similar trajectory with the metaverse. In fact, 74% of internet users would join or consider joining the metaverse, according to Statista. Yet most organizations don't have a metaverse strategy, nor do they know where to begin. Those that don't act now will find themselves lightyears behind.

Welcome to OpenDome

OpenDome is a fully secure & immersive way for individuals to learn, play, & transact with their personal financial ecosystem, augmenting the digital with real, & creating a high-touch banking experience they have never experienced anywhere else. Built off of Flybits' Experience Studio platform, it empowers bank's to connect proprietary data with data from partners and third parties, as well contextual data, including location and the weather.

The insights that emerge from the data are then transformed into personalized, templated, consent-based experiences that serve every customer uniquely.



Open banking and the emergence of cross-industry data ecosystems

Open banking will have a significant impact on consumers and the financial services ecosystem. While it's taking root across the world in countries like Australia and the UK, the Canadian Government is currently considering the best way to enable its safe introduction. Financial institutions should view open banking as an opportunity, not a threat. In fact, it will transform the financial industry, as fintechs and other organizations will be able to introduce innovative products and services based on open access to data.

With open banking, your bank securely shares your financial data with a fintech on your behalf, using a secured online channel. This can open up its customers to cross-industry experiences, with its bank acting as a central data trust hub.

Consumers can benefit from access to a wider range of useful, competitive, and consumer-friendly financial and lifestyle products and services all in one place, that meets an individual's needs, with quick and easy access to personalized experiences that improve their financial health and wellbeing.



In an open banking environment, the bank acts as the trusted data custodian in privacy preserving data ecosystem offering consumer experiences that go beyond banking.

With Flybits Experience Studio, organizations can move beyond 2D mobile experiences with a render kit. The same data engine is instead connected to an enterprise metaverse using privacy-preserved data, where a customer can use open banking to share data across organizations. This enables experience designers to build templated immersive banking experiences, based on what their customers need, that can be accessed on mobile, desktop, or with a headset.

The concept of personalization using data is not new. What has changed, is the ability to use data in new ways. Ownership of data, the portability of data, and even how we explain things to people using data have changed. At Flybits, we tell our customers that data is the new asset class and trust the new currency. Customers now have a say in how they want their data used. We've built a way for cross-industry experiences to take place that requires the consent of the consumer.

In the metaverse, this experience can be highly engaging and interactive. For example, we can bring together an individual's full financial ecosystem so they can make better decisions that improve their lives, from everyday banking tools to personalized financial advice, to virtual wealth planning.

These curated experiences position a bank as the gateway to delivering relevant product recommendations, special loan offers, interactive home-buying tools, and gamified experiences that improve financial literacy, onboarding, loyalty, and redemption.

The metaverse is a great fabric to bring a lot of data assets together and, based on the permission of the user, render an experience that is very different from what we used to see. Many organizations of the future will be on how useful they can leverage data network effects to turn data into valuable experiences that truly build trust.



LEARNINGS

OVER EARNINGS

In most cases, entrepreneurs choose their latest venture deliberately. Vaughn DiMarco's journey to his second venture, X Machina AI, was more gradual and required a bit of experimentation.

Written By
BRITTANY HAMBELTON

After winding down his first startup, he decided he wanted to build on some of the analytical skills he picked up studying engineering and dive deeper into the world of data.

He had a few one-off contracts, which eventually evolved into a data science consulting business.

From there, he iterated through a few products before participating in Next AI in 2018. "Coming out of Next AI, I decided that I wanted to skip the zero-to-one process and started looking for a bootstrapped product that already had traction AND that someone was looking to sell," he says.

"This was the early days of the product hunt and indie hacker movement, but there were a few marketplaces starting to get traction."



▲
VAUGHN DIMARCO

VP Growth & Value Creation, XMachina AI

Next AI, 2019

XMACHINA AI GROUP INC. ANNOUNCES FILING OF PRELIMINARY NON-OFFERING PROSPECTUS AND LISTING APPLICATION.

XMachina AI Group Inc. (formerly, 1210352 B.C. Ltd, the "Company") is pleased to announce that it has filed and received a receipt from the British Columbia Securities Commission (the "BCSC") for its preliminary non-offering prospectus dated November 22, 2022.

[> READ MORE](#)



MONTREAL

Vaughn and his co-founders at the Next AI office in 2019.

After looking through hundreds of listings, DiMarco came across a micro SaaS at the intersection of crypto and data that had potential and decided to pull the trigger. This investment paid itself back within 12 months. In the meantime, he took a role as Investment Director at INVEST-AI, a \$30M fund supported by the Quebec government. He did technical and business due diligence on over 200 companies, resulting in more than 50 deals.

His company was later acquired by X Machina AI and was the catalyst that resulted in DiMarco joining as a founding member of the team at X Machina. "I really bought into the reality that a large segment of the startup market is growing 20% to 80% annually. Unlike SaaS, AI companies often have more service than recurring revenues. Often that is not enough to justify venture capital, but it can still be enough to build a solid \$100M business within a decade" he says. "Our mission is to address this funding gap, particularly for AI companies." There has been a learning curve with his

second venture. X Machina has been a much different beast than any venture DiMarco was accustomed to, but his time at INVEST-AI was invaluable. X-Machina will go public to access more affordable capital and liquidity for the entrepreneurs and businesses they acquire.

On a more personal level, not much has changed for DiMarco from his first venture to his second. He's still just as motivated to build something huge, and with X Machina, he and his business partners have found a model that can scale massively.

So how can you maximize your odds of success if you're early on your entrepreneurial journey? DiMarco says when starting out, you should be looking to do things that are a great learning experience and prioritize that over profitability. "Your first act should focus on maximizing learnings over earnings" he says. "It's a marathon, not a sprint." He recommends that entrepreneurs look for good co-founders. It can take some time (and some trial and error) to find the right

person or people, but he firmly believes when you finally find a partner who's the right fit, it will have been worth the struggle. "In my first venture, I tried to go at it alone," he says. "I probably would have gotten much further along with good co-founders. It's incredible how much of a difference great co-founders make."

Finally, DiMarco recommends focusing on what you're good at and growing from there. This applies as much to you as an individual as it does to the core competencies of your business.

With the current trajectory of X Machina, it is unlikely we'll be hearing about a third venture from DiMarco for some time. That, of course, doesn't mean we never will. "For now, I'm laser-focused on solving the funding gap for the expanding segment of incremental growth companies using AI" he says. "That probably won't take an entire lifetime... one day, I will definitely start something else."

LESSONS FROM SERIAL ENTREPRENEURS

"I'm a big fan of the Farnam Street blog (www.fs.blog) & podcast (The Knowledge Project).

Shane has done a fantastic job detailing mental models and interviewing subject matter experts in various areas."



DAVID JAMIESON
Partner, Emerging & High-Growth
Companies, Osler

CONVERSATIONS WITH LEADERSHIP VOLUNTEERS:



Q&A WITH DAVID JAMIESON

David is a partner in Osler's Emerging and High Growth Companies Practice Group in Toronto. His practice focuses on corporate finance, M&A and general corporate/commercial matters, with an emphasis on venture capital, growth equity and private equity funds and strategic acquirors. David plays a central role in Osler's relationships with Next Canada, Creative Destruction Lab, and the C100.

Interview By
JASKARAN CHAUHAN

WHAT MOTIVATED YOU TO STEP INTO THE WORLD OF WORKING WITH EARLY-STAGE TECH COMPANIES? WHAT IS IT ABOUT YOUR PRACTICE THAT YOU FIND REWARDING?

Largely by chance, I was exposed to early-stage company work as a result of the corporate lawyers I started working with at the earliest stages of my career. At the time, Osler's emerging and high-growth companies practice was in its infancy. It didn't take long to realize how fulfilling it was to build friendships with founders who create incredible companies and foster trusting relationships with investors mentoring and funding their activities. Working with talented people who help drive a significant part of Canada's economic and employment engine, and building lasting relationships with founders by advising them on their most important decisions throughout their growth trajectory, is a very rewarding part of my role. Nothing beats the "thanks" you get from a client after closing a transaction, no matter whether the transaction was a pre-seed funding round or a meaningful exit.

HOW LONG HAVE YOU BEEN INVOLVED WITH NEXT CANADA, AND HOW HAS THE ORGANIZATION IMPACTED YOUR CAREER?

Just over ten years ago, I was given the opportunity to work with that year's cohort of Next36 companies. In fact, one of the first companies in the tech ecosystem I advised (Kira Talent) actually came out of Osler's relationship with Next. As I reflect on that part of my career, it is clear that Next enabled me to play an active role in Canada's tech ecosystem beyond simply acting as a lawyer. So many of the professional friendships I've made stem from my involvement with Next, including with its staff, mentor/investor/academic network and founders. Next has played a pivotal role in making me a more well-rounded legal and business advisor.

WHAT ADVICE DO YOU HAVE FOR FOUNDERS NAVIGATING THE CHOPPY WATERS AHEAD?

Given the current levels of economic uncertainty, most companies are "heads-down" and carefully managing their spending. Many companies are taking money on available terms to weather the storm (i.e. looking for "fair" terms and being mindful not to be too "greedy"), thereby prioritizing runway and ensuring a comfortable buffer. Make sure to consider all available non-dilutive sources of funding. In this environment, finding creative bridge alternatives suiting the needs of both the companies and the investors helps ensure funds are secured. I would encourage all founders to familiarize themselves with available investment instruments and develop a solid understanding of potential dilution and "predatory" terms, particularly in this shifting market. Trusting advisors and mentors are increasingly important during these times. I also suggest learning as much as possible about your prospective investor partners, as you will likely be working alongside one another through thick and thin for years to come (including by speaking to their other portfolio companies).

WHAT ARE SOME HELPFUL TIPS YOU HAVE FOR FOUNDERS SETTING UP THEIR BUSINESSES?

As you build your tech business, ensuring IP chain-of-title with your company will be paramount to potential investors and acquirers. Make sure that each person working with or engaged by the company signs a robust IP assignment and confidentiality agreement. For those companies that have multiple founders, on the theory that founder equity is "sweat equity", institute vesting arrangements (typically 4 years with a one year cliff) to ensure alignment and long-term incentive as between the company's founders, and to avoid a situation where a former founder retains a significant equity stake in the business without having "sweated" for it. Finally, a strong management/founder team with internal technical ability goes a long way. When seeking investment from third-party investors, a founder team that is 100% dedicated to the company (as opposed to part-time founders) is key.

Can you share some guidance on how to prepare for dealing with investors?

Gaining an appreciation for how the investment process unfolds (and how long it takes to materialize) will help prepare you. It always takes longer than you think to close a funding round. Regarding priced rounds, ensure you give yourself enough lead time and budget at least six months from when you start sharing your deck with investors. When approaching investors, it is most effective via "warm" intros, so do your best to tap your network (your advisors can benefit from that). When connecting with investors, ensure you are well-researched to make the most of your meeting (understand the types/stages of companies they invest in, the cheque sizes they write and whether they are actively deploying money, etc.).

What does your ideal rest day look like?

Hanging out with my family (my wife, Emilie, and my 18-month-old, Sebastian) by heading to the local pool or park is always a good place to start. Heading up north, spending time on the water, and making dinner with friends (preparing sushi or smoking meats on the BGE are among my favourite) are often included as part of the perfect rest day!




COMMUNITY NEWS

NEXT CANADA COMMUNITY MAKING HEADLINES



**POWER AND PREDICTION:
LISTED ON THE FORBES
"10 BEST BUSINESS
BOOKS OF 2022"**

Next Canada Co-Founder
Ajay Agrawal



**FLASHFOOD RANKED #1
IN CLEAN TECHNOLOGY
FOR THE 2022 DELOITTE
TECHNOLOGY FAST 50™
AWARDS PROGRAM**

Next Founders 2018
Josh Domingues

THE GLOBE AND MAIL

4TH ANNUAL REPORT ON BUSINESS RANKING

CANADA'S TOP GROWING COMPANIES

**NEXT
ALUMNI
& HOW
THEY
RANKED
AMONGST THE 430
BUSINESSES ON
THE LIST:**



Next Founders, 2021

#14

PARTAKE
TED FLEMING

MANUFACTURES NON-ALCOHOLIC CRAFT BEER

2021 REVENUE: **\$10M - \$25M**
3-YEAR REVENUE GROWTH: **2,402%**

Next 36, 2012

#59

ADA
MIKE MURCHISON

DEVELOPS AUTOMATED CUSTOMER-SERVICE CHATBOTS

2021 REVENUE: **\$25M - \$50M**
3-YEAR REVENUE GROWTH: **764%**

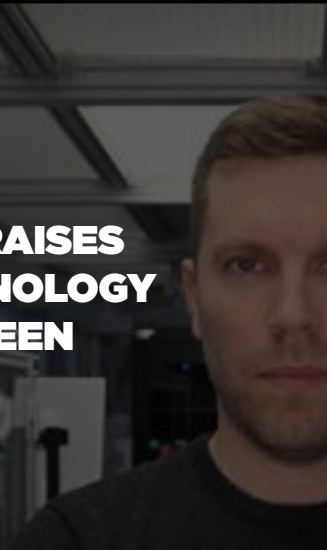
Next Founders, 2021

#62

HUNGERHUB
SARI ABDO

OFFERS FOOD DELIVERY TO OFFICES AND WORKPLACES

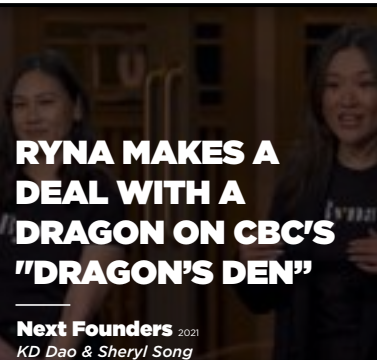
2021 REVENUE: **\$2M - \$5M**
3-YEAR REVENUE GROWTH: **744%**



**OTI LUMIONICS RAISES
\$55M FOR TECHNOLOGY
TO REMOVE SCREEN
OBSTRUCTIONS**

Next Founders 2014
Michael Helander

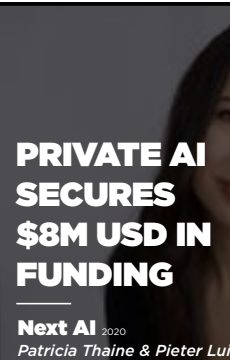
The money raised will be used both to take its technology into production v of partners and to develop a secondary line of operations of uninterrupted displays devices without the need for "notches".



**RYNA MAKES A
DEAL WITH A
DRAGON ON CBC'S
"DRAGON'S DEN"**

Next Founders 2021
KD Dao & Sheryl Song

KD Dao and Sheryl Song asked the Dragons for 500K for 5% of Ryna.



**PRIVATE AI
SECURES
\$8M USD IN
FUNDING**

Next AI 2020
Patricia Thaine & Pieter Lu

Investing to expand their Software"



with a number
oted, full-view

30 UNDER 30 NEXT ALUMNI SPOTLIGHT

MEET THE NEWEST FORBES 30 UNDER 30

10 ALUMNI, 6 VENTURES, 4 CATEGORIES.



Next AI, 2020
ARGENTUM
BOLIS IBRAHIM
SAGAR JAISWAL
MANUFACTURING & INDUSTRY



Next 36, 2018
VOICEFLOW
BRADEN REAM
MICHAEL HOOD
ANDREW LAWRENCE

ENTERPRISE TECHNOLOGY



Next 36, 2018
ERTHOS
NUHA SIDDIQUI
SOCIAL IMPACT



Next AI, 2020
NUPORT ROBOTICS
RAGHAVENDER SAHDEV

MANUFACTURING & INDUSTRY

Next 36, 2020
MOMENT ENERGY

EDWARD CHIANG
SUMREEN RATTAN

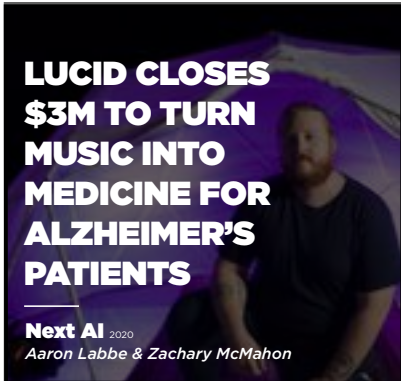
ENERGY



Next 36, 2021
FRIENDLIER
KAYLI DALE
SOCIAL IMPACT



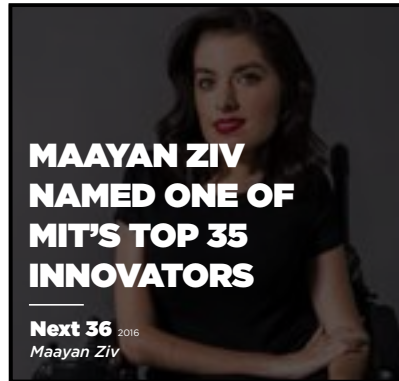
Privacy Layer for



LUCID CLOSES \$3M TO TURN MUSIC INTO MEDICINE FOR ALZHEIMER'S PATIENTS

Next AI 2020
Aaron Labbe & Zachary McMahon

Fueling clinical research & development of a prescription digital therapy



MAAYAN ZIV NAMED ONE OF MIT'S TOP 35 INNOVATORS

Next 36 2016
Maayan Ziv

The Innovators Under 35 contest is really about where technology is headed next.



GLÜXKIND WINS CES INNOVATION AWARD

Next AI 2022
XXX

Receiving the prestigious recognition for their smart stroller "Ella."

Next Founders, 2020
FURNISHR
MICHAEL VAN

#67

OFFERS FURNISHING AND INTERIOR DESIGN SERVICES

2021 REVENUE: **\$2M - \$5M**
3-YEAR REVENUE GROWTH: **684%**

Next Founders, 2016
BLUE J LEGAL **#145**
BENJAMIN ALARIE

AI SOFTWARE THAT PREDICT TAX & EMPLOYMENT LAW OUTCOMES

2021 REVENUE: **\$50M - \$75M**
3-YEAR REVENUE GROWTH: **320%**

Next Founders, 2015
SAMPLER **#225**
MARIE CHEVRIER

HELPS BRANDS DELIVER PRODUCT SAMPLES TO CONSUMERS

2021 REVENUE: **\$5M - \$10M**
3-YEAR REVENUE GROWTH: **175%**

Next 36, 2013
LUMENS **#254**
MICHAEL CHENG

TECH THAT HELPS BUSINESSES PRODUCE VIDEO CONTENT

2021 REVENUE: **\$5M - \$10M**
3-YEAR REVENUE GROWTH: **147%**

5G, WEB3, NFTs

AND OTHER THINGS WE
SHOULD REALLY KNOW ABOUT

SPRING 2023

NEXT

GRIT is a quarterly publication by NEXT Canada.

NEXT Canada's mission is to build a more prosperous and competitive Canada. We offer funding, mentorship, education and community to aspiring entrepreneurs across three programs (Next 36, Next Founders and Next AI) and two cities.