

## Advice to founders: manage cashflow prudently and find strategies to achieve efficiencies

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*Lise Birikundavyi is the co-founder and managing partner of BKR Capital, who along with Isaac Olowolafe, general partner, lead the first institutional, Black-led venture capital fund in Canada. Osler spoke with Lise about her views on the current market for funders and founders and what kind of companies BKR is looking to work with in the year ahead.*

**Q:** What are BKR's areas of focus for 2023? Where are you seeing some positive developments?

**Lise Birikundavyi:** Given the current economic landscape, we are doubling down on our portfolio support to ensure that our companies are well positioned to weather the economic conditions and come out stronger. This means supporting with operational needs, restructuring, and strategic connections amongst others.

We will continue to invest in world class Black-led technology startups with an eagle-eye focus on industries for which we are able to create extensive leverage and value through our

networks and linkages within the ecosystem. As we are about halfway into our targeted portfolio size, we want to continue investing in founders solving mass-market pain points, especially those capitalizing on the changing demographics and using technology to address the needs of the future consumers in industries such as fintech, proptech, edtech, future of work and others.

Lastly, we will continue our efforts around enabling a more diversified ecosystem through our VC fellowship program which educates an intimate cohort of Black professionals over a nine-month period on the fundamentals of Venture Capital.

## **Deal Points Report: Venture Capital Financings**

353 Osler financing deals valued at more than US\$6 billion from Seed to Series A through F. What are the deal terms?

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**Q:** What are you looking for in companies to invest in this year from both a founder and industry perspective?

**Lise Birikundavyi:** The world is undergoing a major demographic shift with slowing population growth, declining fertility rate and associated changes in population age structure leading to significant shifts in distribution of the world population. This shift will greatly impact future consumption patterns and needs around infrastructure, education and employment and we are looking for ambitious founders already thinking in that direction and focused on addressing today's big problems while keeping a close attention to the needs of tomorrow. We believe that the best companies are created during a downcycle, with high-conviction and more disciplined entrepreneurs.

**Q:** What has your experience been like working with Osler? How did you start working with the firm?

**Lise Birikundavyi:** We started working with Osler from the very beginning, for our fund formation, and then continued to do so for our transactions. The team supports us with legal due diligence as well as with the designing and reviewing of all legal documentation linked to our investments. Both Isaac (Isaac Olowolafe is general partner of BKR) and I had interacted with Osler in our past professional activities and knew about the quality of their service. As a first-time fund manager and as the first Black-led VC firm in Canada, it is important for us to surround ourselves with service providers who contribute to strengthening our credibility and who both understand and believe in our mission. We found Osler to be that partner for all the legal aspects of our business.

**Q:** What's your advice for founders right now?

**Lise Birikundavyi:** With VCs becoming more cautious about deploying funds, my advice to founders is to manage their cashflow more prudently and explore innovative strategies to achieve operational efficiency. These times call for companies to focus on the fundamentals of building a solid business: understanding and adapting to customer needs, as well as maintaining a good unit economics. However dim the current market conditions might be, it also presents opportunities for growth that founders should keep an eye on.

While fundraising will continue, the bar has been raised across all stages. Therefore, it is important that founders plan for enough runway to enable them to achieve the critical milestones that will command a higher valuation prior to raising again.