

## Period of reset is positive development for venture industry

MARCH 29, 2023 3 MIN READ

# PENDER VENTURES



*Maria Pacella is the founder and managing partner of Vancouver-based Pender Ventures, a venture capital company that invests in B2B software and healthtech startups in Canada and across North America. Osler spoke with Maria about her views on the current market and what kind of companies Pender is looking to invest in over the next year and beyond.*

**Q:** What are Pender Ventures' goals for 2023? Where are you seeing some positive developments?

**Maria Pacella:** For 2023, the team is focused on continuing to support our portfolio companies in the management and scale of their businesses in this current challenging economic environment. We intend to continue our disciplined approach to investing in businesses at the early product/market fit stage, making two-to-three investments per year.

We recently announced the first close of our second fund, so we are aiming to finish up fundraising for that fund this year. We are looking for aligned investors (LPs) that believe responsible investing and diversity can drive superior returns. Investors that understand that while innovation is always a great thing to invest in, it is a particularly opportune time to be allocating to this asset class with valuations and terms being reset in the current environment.

We see this reset of valuations and expectations, although tough in the short-term, as a positive development for the venture industry for the longer term. Refocusing on growing profitably versus growth at all costs because capital was plentiful and cheap, means that a greater number of real businesses and products will be created in the coming years.

## **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 when it comes to companies to invest in this year (from both a founder and industry perspective)?

**Maria Pacella:** We continue to believe that there will be great investment opportunities in healthtech. When there are significant problems in an industry, and I think we have all experienced challenges in healthcare, innovation becomes necessary and speeds up the development of solutions. ChatGPT and OpenAI have released a wave of potential use cases for generative AI. The first generation of innovation is more horizontal in nature, and we think the next will be more vertical, built for a specific industry, and we are very excited about to see that come forward.

We look for founders who demonstrate strong leadership during these uncertain macro-economic times. This is when great leaders and great companies are born. We think that we could be in a similar time to the 2009-2012 period, when there was tremendous generation of technology companies. We are very excited about what companies will be born in the years ahead.

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

**Maria Pacella:** We view our relationship with Osler as a partnership. The firm's experience and knowledge across a range of areas has been of huge value to us. Relationships are based on working with great people, and many of the folks we know at Osler are people who we have worked with over many years. In many areas, like fund formation and transaction work, the team's and Osler's reputation is Canada wide, and well earned!

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

**Maria Pacella:** Focus on business fundamentals. Whether that is optimizing your unit economics or thinking through your capital allocation strategy (ie. investing what amount in what area and what return to expect from that), now is the time to really understand and improve your fundamentals. With that good things will come. Great employees will want to join; investors will want to invest, and/or buyers will come knocking.