

IF Ventures Launches Angel Investment Opportunities for the Region's Companies



Babst Calland Shareholder and Board Chair Chris Farmakis and Mike Matesic, President and CEO of Idea Foundry partner to form IF Ventures Angel Investment Club.

By Daniel Bates, Contributing Writer

In a new partnership between Pittsburgh-based global investor Idea Foundry and law firm Babst Calland, IF Ventures held its inaugural angel investment opportunities event recently. IF Ventures aims to fill a critical investment gap in the Pittsburgh region.

The partnership between the two firms is a natural fit as they have worked together for 15 years, starting and growing new companies, President and CEO of Idea Foundry Mike Matesic told the Pittsburgh Business Times. This new initiative capitalizes on the strengths of both firms to attract investors to raise capital to advance high potential, emerging growth stage companies from various types of industries throughout the Pittsburgh region.

“Idea Foundry is focusing on sourcing the deals, doing the initial vetting, and bringing them forward,” Matesic said. “Chris Farmakis and his team at Babst Calland are working with the investors to help attract the new investors to the program...Chris’ business skills coupled with his legal experience will kick in when we start to put the deals together.”

The initiative uses 20 years of lessons learned – from Idea Foundry’s helping to launch more than 250 companies – to reduce the challenges that commonly occur when

bringing companies together, Matesic said. The most common challenge is the mismatched expectations that occur when a company presents itself as being more mature than it actually is, causing a potential investor to realize that achieving success will take more money than initially thought.

Babst Calland Shareholder and Board Chairman Chris Farmakis explained how IF Ventures does the “prework” of vetting and evaluating companies for those looking to invest – something, he said that can be a “risky and speculative venture.”

“IF Ventures is a group of investors who are serial investors in the region, business owners and just smart people who are involved and engaged in the community,” he said.

And the partnership brings to the investment group only those companies who meet certain criteria, including proven, protected and patented technology, revenue stream and a strong management team, Farmakis said.

“For our inaugural event, we actually vetted more than 40 companies and only presented five of them to the investment group,” he said, adding the process saves the prospective investors time from having to do the vetting themselves.

From an economic development perspective, this new partnership is important to the Pittsburgh region as it continues to grow and develop additional investment opportunities with a capital base that needs to expand accordingly, Matesic said.

“Anything that attracts additional investors with additional investment to companies will help the region broadly, and it couldn’t be timelier,” he said.

The goal of IF Ventures, Farmakis continued, is to fill the gap that is often left between early stages of investment and when the company matures in the private equity space – two areas that the Pittsburgh investment community supports “fairly well.”

“But in that middle space, the angel space in which we are engaging, companies oftentimes run out of money, or they run out of steam, and there are fewer interim stage investors to help them to get to that next stage,” he said.

There are still opportunities for additional investors to get involved in the IF Ventures pool of investors. Both traditional and high tech or innovation companies are eligible for consideration in this program, Matesic said.

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