PITCHIT FINTECH STARTUPS PODCAST NO. 82-MARCOS FERNANDEZ

(music)

Todd Anderson: On today's pod, I'm joined by Marcos Fernandez, Managing Partner of Fiat Ventures. Fiat Ventures is an emerging VC focused on supporting and growing the next generation of market leading early-stage companies in the fintech space and, you know, I think it's really a fascinating time in fintech. One the one hand, you have a lot of bad news, and a lot of that bad news has to do with layoffs which are, you know, seemingly happening every single day, but on the other hand, you have these great stories of growth and excitement across fintech.

Marcos and I delve deep into, you know, kind of where he thinks and where Fiat sees fintech and how it sits today, what early-stage founders should think about when it comes to capital and when to raise, when to go to investors, the precarious position that crypto's currently in, the lack of diversity across the fintech ecosystem and how some of that could change, operator adverse investor, the Las Vegas Raiders and much, much more.

A couple of short PSAs before we get to the episode. We're still accepting applications for PItchIt at Fintech Nexus USA, just check out fintechnexus.com for details, the link to the application site will be in the show notes.

Also, if you want to sponsor an episode, come on as a guest or sponsor one of our many digital or in-person offerings. Please reach out anytime todd t-o-d-d@fintechnexus.com and don't forget Fintech Nexus USA 2023 coming up May 10th and 11th.

Now, without further ado, I present to you Marcos Fernandez, Managing Partner of Fiat Ventures. I hope you all enjoy the show.

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Hey, Marcos, how are you, welcome to the podcast.

Marcos Fernandez: I'm doing great, thanks for having me on, Todd, pleasure to be on.

Todd: Of course. So, tell the audience a little bit about yourself and while doing that, you know, tell us a little bit about Fiat Ventures.

Marcos: A little bit about myself, you know, I grew up in El Paso, Texas where you don't hear the words venture capital very often, but was very fortunate to, you know, yeah, had a lot of mentors in my personal life and got to make my way into the venture space. You know, long story short, started as a management consultant after undergrad, went and got an MBA from UT Austin where I was very lucky to have a classmate of mine who was just starting off in this world of fintech and this was back in 2014 and I went to visit the company she's at and that was SoFi. At that time, you know, 40/50 people in a room trying to figure out seed and monetary financing and I did everything I could to keep my foot in that door, like anything else in my life.

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So, got to launch a bunch of products at SoFi, moved over to Ripple in the cross-border payments and crypto space, but outside of my day job I was always, you know, advising and investing in early-stage companies and that's really what led to Fiat Ventures. So, Drew and Alex, my two partners, they started a consultancy a few years before I joined and with that they asked me for contractual rights to invest and getting some of the tasks to information and building deep relationships with them. So, we decided instead to take in those rights to invest and access and taking them to other VCs that could then enhance the relationships we were building, we were going to drive and understand and start our own so we did that just about two years ago.

Fast forward to today, we've been able to back 25 great teams and founders, we worked with over a hundred clients on the consulting side and that's really what we do at Fiat Ventures, it's not just write a check and then step into the background and send a couple of emails, it's hands-on support for teams and founders as former operators and priding ourselves in being operators too today.

Todd: Quickly before we get into some of the companies that you guys have backed, how'd you come to the name Fiat Ventures? Is it a play with crypto in some way and kind of the Fiat programmable money, how'd you come to the name Fiat?

Marcos: It's really funny that you say that because when I was at Ripple, fiat was a four-letter word (Todd laughs) and so people are like, oh, so you don't invest in Web3 and the crypto space, we're like, no, no, that's not it. So, Drew and Alex actually met at UC Berkeley when they were doing a project together, they were able to….I mean, Drew played football and Alex was an equipment manager. They say Drew's like…I didn't play it out like we had a lot of times we talked business and so Fiat lacks the model or the slogan for UC Berkeley, it means let there be light and so starting their growth consultancy let's do like a little bit of a nod towards UC Berkeley and over time we continued to roll out new lines of business under the Fiat umbrella and that's kind of stuck on ever since. But now we are fans of both the traditional fiat currency and the evolving cryptocurrency space.

Todd: Tell us about some of the companies that you guys have backed and where do you guys fall, early-stage, you know, seed, Series A, kind of tell us a little bit about how you guys invest and maybe some of the brands that you've invested in to date.

Marcos: So, typically we're investing at the earliest stages to the early-stage. What I mean by that is we'll answer at a pre-seed or a seed looking at really companies that have some sort of signs of product market fit or some sort of founder market fit dynamic that we felt comfortable backing them. We also, because we work with some later stage companies on the consulting side, we will do some co-investments in early growth stage as well so we've got a pretty wide palette for those that we participate in, but primarily, early stage is our sweet spot.

And the reason why is because we're able to work alongside these teams which sticks to 12 to 18 months before they get to that financing point and so we're not just at a data room or talking to a charismatic founder, we get to see the real world behind the scenes so our customers actually using these. What is competition doing in the market, what are the founder dynamics, are they able to recruit and retain good people and so that gives us a little bit of more conviction to invest across a wider array than what you've seen.

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As far as companies, you know, we've been really fortunate to invest both in the core of fintechs so where we get our background. So, Copper Banking, we led their Series A, the fastest growing in leading the team banking space, Splitero was another one we recently announced our Series A. A lot of people that are alternatives are tapping into their home equity, I saw you had HomePace on recently, that's the team that we've worked with on the consulting side well, Here that provides access to vacation rental property through fractional models so as little as $100 per share. So, really a lot of these companies that we look for are companies that are ultimately trying to break down the barriers of traditional finance using financial technology. So, what I mean by that is we're huge proponents of financial technology as a huge driver of financial mobility and inclusion and so not only do we like to back founders that feel that way, but they're building tools that provide that access over time.

And so, those are some examples of that, the last thing I'll mention is we also look at the peripheries of fintech so we talked a bit about crypto, but the intersection Web 2.0 and 3.0 from the fintech aspect, the intersections of healthcare with fintech, the intersections of Web 3 and future of work in climatetech with fintech. We're just huge believers that both embedded finance and the evolution of the space are going to create a market where everything under the sun will be a fintech and have some sort of fintech component over time. That's a whole different rabbit hole (Todd laughs), those are also spaces that we're actively investing in.

Todd: So, you guys have a, you know, a fairly good look at the market and where would you say fintech is today? You know, in the news we see every week and, especially the last six months, lots of layoffs, you know, the bank partnership, that model has now come under further scrutiny from regulators. You know, it feels like fintechs has been in a precarious position, FTX had the blow-up, and it feels like the government's now just taking the shovel to anything crypto related with some of their recent moves, is fintech in a good place today? What would you say in terms of where you guys sit and kind of the companies you talk to and, you know, the founders that you're close with?

Marcos: It's a great question, Todd, and it's one that we get asked a lot and we think about a lot. I think some of the terms people are using more directly is, you know, is fintech dead. And we say, like absolutely not, like we couldn't disagree more with that statement and here's why. In any market correction, typically those that we've seen in the dot com bust, the Great Recession that saw in 2008 to 2010, tech stocks in general are going to come back down to earth because people are now more focused on some of the core fundamentals of businesses so revenue drivers profitability.

Now, fintech as a whole when you look at that compared to other just tech stocks, as you look at like the NASDAQ composite, was already at a premium to everything else. So, what we're seeing right now in public markets and the impact that that's having on the private markets isn't necessarily a bad thing, it's a great thing because what it means is that people are kind of resettling everything and almost taking what I'd like to call an edgy sketch and shaking it out back on the fundamentals of business and business drivers. Now, here's what fintech is at the forefront of being able to work through these types of market receptions, one, fintech companies are closest to the money. So, we talk about go-to-market strategy, the other GTMs get the money, fintech companies are inherently closest to the revenue drivers, payments, transactions, processes, different ways that you can build some of these sustainable business models off of revenue and profitability.

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Two, as far as fintech goes so I think we’re going to see another, you know, like Chime or Robinhood, probably not, but every business under the sun inherently needs to drive some sort of monetization strategy or revenue and it’s going to be those fintech businesses or embedded fintech businesses they’re going to help them do that and do that at scale. Now listen, there have been some bad actors as it relates to FTX and what you've mentioned, but ultimately the reason why that field wasn't the underlying technology, it was because there was some lack of human intervention in the middle, like it was really human error that drove that, and it wasn't what was happening behind the scenes.

And so, our perspective is this, now is the best time than ever before to invest in into the building core fintech products because the market is a little bit more sleepy, there is less hype, there is less competition and its founders and our network are really able to buckle down, extend out the runway to build through this. They're going to find themselves in a phenomenal position to accelerate out this broader market correction, somewhere at the house some the greatest companies at the last decade did through 2009, 2010 and 2011. And so, that's a long-winded answer for a simple question, but, no, fintech is not dead, in fact, we think now is the best time to participate in the ecosystem.

Todd: If I was an early-stage founder and either I picked up this episode or as an early stage founder myself, what advice would you give them if they were about to raise money, you know, would you tell them focus on a certain amount of metrics, focus on your path to profitability, kind of what would that advice look like today?

Marcos: Yeah, absolutely. I think you nailed it on the head right there. One is think about profitability and how to continue driving revenue 100%, like it's important that you're not only building out an ecosystem but growth at all cost has certainly been shifted over to profitability and revenue driving that. You don't want to cannibalize a market that you're building by doing that extremely, you need to show that you have a fundamental understanding of those revenue drivers, especially as you get closer to that growth stage.

So, as we're getting to a Series A and certainly a Series B which historically in today is always the most difficult round to raise, you want to be mindful of those metrics. Now on top of that, we're also looking for teams that know how to be scrappy, right, so if we get a deck and there's this incredible team that's been built around it, but to raising a seed, at first you think it's like wow, that's a lot of overhead to have in a company at this particular stage. So, you want to show that you know how to build a small team, I think it was from the Rightfoot episode where I think the term was a two-pizza party moment, you want to see people have this small but mighty team (garbled) that initial sign of product market fit.

And the other thing I recommend is being really mindful of the metrics that you want to raise at so even if you have the opportunity to raise higher, the goal isn't just to bring in capital, it's just to surround yourself with the best people at the table who can help get you to that next goal so really being mindful about the smart capital that you have at the table and thinking one or two rounds ahead. So, not just the metrics you have for this round does that leads you to sustainable growth of what you want to get to in that next round and the next round. It's no longer, I'm going to raise at the highest valuation cost so I can take on more capital and less dilution, it's thinking about people around my table with me and making sure that you're setting realistic expectations for yourself into that following round.

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Todd: Do you think, say the last decade plus the proliferation of some of the accelerators out there, you know, even the Tech Crunches of the world, even us, that have kind of glorified in a way the capital raising process that more teams today say, oh, I need to raise capital from VCs versus maybe, you referenced the Rightfoot episode or other founders that say hey, let's be scrappy, let's figure some things out and then when we need to raise or we need that rocket boost we go raise capital. It feels like companies in some ways think they have to raise money from outside investors when the reality is they don't necessarily always need to do that right away.

Marcos: That's right, especially in today's market, right. So, maybe two years ago when your competitors can go out there and raise capital we're going to be in a market, maybe you think your strategy, but in today's market where runways is the most important thing and you have time to build and really build those standard metrics, you don't need to. And there are a lot of folks who turn to venture capital that can provide that influx for you to be able to sustain and get through those particular parameters and milestones that you've set for yourself, it is something that we start to see a lot too, at least as it relates to raising capital. Founders need to realize that the fundraising process, it will certainly boom and low, but it's not something that you do and then you do it again in six months, it is constant and the best time to fundraise is right after you announce your last round.

And so, founders who want to take on venture capital need to realize, frankly, it's a more difficult market than ever before, but it's something that investors want to be along for the ride. It's okay to find out what your weaknesses are and people want to be able to see how you attack and how you approach things over a long time. So, the founders that typically have the most difficult time doing so are the ones who wait until their hands are out ready to take in capital to start having those discussions. The best ones are the ones that bring you along for the ride and re-engage with people even if they've passed on previous rounds. So, again, longer answer for a simple question, but, no, you don't have to but if you choose to go down that path just know that it's going to be a permanent part of your job moving forward.

Todd: You know, we've referenced crypto a little bit, thus far, you mentioned your time at Ripple, you put out an interesting blog post in September on the Fiat website so I guess quick question, but then obviously longer to that as well, A) are you still a believer in blockchain-based applications for financial services and B) where do you think that market is today. I mean, it's obviously been hammered in the last six months, but it's also been hammered in many ways because of dumb or criminal people decisions and not necessarily technology decisions yet I don't know if regulators and legislators know that full nuance as we sit here today.

Marcos: Great question, great topic, short answer is absolutely. I'm as optimistic about the underlying technology and applications than I ever have before and there's (garbled), this is now the third crypto boom and low and then winter that I've been able to see firsthand. In all of them, as it booms everyone's like, I told you so, I knew this was going to the future, I'm going to put as much money as I can into it and that's always a dangerous time to be, you know, investing when everyone else is saying the same thing. And then the low hits and everyone says, I told you this is a scam, this is going to zero, you should have listened to the likes of the Jamie Dimons of the world.

And then you hit the winter and I think people mistake like the winter isn't when the price goes down, it's when there's inactivity in the market for a sustainable period of time which is typically like two to

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three years in crypto, sometimes even shorter. But it's in that time and that's the time that I think we're in right now or getting close to as the market kind of resettles on crypto when the best companies are founded. Like in the last crypto winter that's really when we saw DeFi take off with the companies that were building around the NFT space that saw a lot of initial adoption and that's where you see a lot of foundations.

The one prior to that, that's where a lot of exchanges and global exchanges were able to build their infrastructure, blockchain analytics firms like Chainalysis and Elliptic came out of that one and before that those were, you know, the next web crypto 2.0 projects the Ethereums, the Ripples, the Stellars, the Polkadots of the world came out of that one. So, short answer is no, but what I can say is I don't know what's going to be the breakthrough on the next one. All I know is that there's going to be some sort of advancements, whether it's related to broadband technology, whether it's related to quantum computing or the emergence of metaverse type environment that actually is viable for adoption or something else that we can't foresee.

I think people, they far estimate how quickly it takes, people see this vision of where we can be with digital assets and they expect for us to be there in six months or in one year and it takes time to build out the fundamentals here, but they underestimate the total impact that it's going to have on our world. This is the same thing as think about the adoption of Internet or the adoption of 3G or the adoption of social media networks. We are impatient inherently to want to get to that Utopia and state that we foresee, but the overall impacts tend to have a huge impact on our lives than we ever previously think. So, that's how I feel about crypto, I could take up a whole podcast, but, yeah, I am still very much optimistic and I'm excited to see what gets built in the next wave.

Todd: On that last point that you made related to people think the world's going to change in six months, do you think some in the crypto industry and the biggest cheerleaders at times to themselves did the industry disservice by talking about how quickly this might happen. It feels like there was more overindulgence in oh, this is going to eliminate banking or is this going to change how we deal with money in the next two or three years when the reality, like you mentioned the Internet and others, everything takes a generation, it's never overnight. I feel like they in part, they did themselves a disservice and then obviously some of the biggest names blew up, but, you know, I think there was some over thinking on that side as well.

Marcos: I don't think you're wrong, right, a lot of those founders and teams, they see the vision of what can happen and they want to share that vision with others to get them excited. Now, some of that is what the best intentions in mind and unfortunately, some of that is malicious, like especially we saw like the ICO boom of 2017 into 2018, people were just trying to sell a vision to make a quick buck and then ultimately just run off with cash, but there are others who truly see. Policies can fundamentally change a lot of broken systems, you know, here in the US we are very fortunate to have access to the US dollar into a banking system that is certainly flawed, but has a lot of trust in there, like if I put my money in a Wells Fargo or Chase or BofA account, I know it's going to be there tomorrow. In other countries, unfortunately, they're not as lucky and I think that's when they turn to things like cryptocurrency to be able to see a little bit more stability.

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Now, you can imagine what that's like, at the end of the day, human beings are flawed, like we are flawed in some ways that we intend and some we don't. Unfortunately, that's led to some of the biggest explosions in the crypto space since the Mt. Gox era.

Todd: Yeah.

Marcos: And, unfortunately, it'll probably continue over time and so that's why it's important that regulators can see this happening and can hopefully step in a little bit more without stifling innovation and that's the way is the tough balance of wanting to provide protection to consumers without creating so many protections where you can't grow organically and therefore you're giving maybe some of your biggest global competitors an edge on this new and emerging technology. So, again, that's a whole different podcast in itself (Todd laughs).

Todd: The regulators, to be frank, Bernie Madoff wasn't in crypto, I mean, he was in traditional finance so bad actors can proliferate no matter what the industry is, and I think it's incumbent upon both the crypto and regulators to ensure that they work together to both understand one another. And I think sometimes there has been a bit of a standoffish between the two, but, hopefully, that starts to change during this winter.

I want to shift a little bit, you know, you've obviously been on both the operating and the investing side of the table in fintech. You know, fintech has talked about this promise of kind of delivering financial services in a fairer, in a lower cost way, you know, how would you characterize where fintech is today on that vision and what more can the industry do to kind of get to that state because to me, it feels like the tools have been created but they haven't been leveraged by the population that probably needs it the most.

Marcos: Yeah, absolutely. It's important to call out the, and I mentioned before, financial technology truly is the greatest tool in enabling financial mobility in financial asset. I was talking with our, spoken about this, but it's more than just like an education piece, right, going to class and providing educational tools. It's actually providing those products and services and putting them in the hands of consumers that need them both or need them most so that they have time to be able to learn from that. It's not like coo, I did this online course or invested in this app, it's truly like a generational-to-generational type of change that needs to take place.

Now, the first wave of fintech, like a lot of financial institutions, was focused on the highest margin type of consumer which in the United States is predominantly one type of demographic so the top ten in the US. I know when I was at SoFi that's where we're focused on “Henrys,” High Energy Not Rich Yet. That wasn't because of any particular reason, it's just because that's where the highest margins are, but I feel very touched as do my co-founders, Alex and Drew, that there's a huge demographic that has largely been missed. And so that's where we focus a lot of our time on over the last several years and working with teams and founders who want to back those types of problems.

Here's the reality, unfortunately, where we are today is that the large amount of our allocators so investors in venture capital funds, a large amount of that allocation goes towards a particular type of investors, largely white Caucasian men. There's nothing wrong with that, I mean, it's not like if you are a white male that you like lead this (garbled), it's still very difficult to do what we all do, but that in turn

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trickles down to the founders who are then backed and therefore the communities that they serve. And so, what we like to talk about isn't necessarily that we're an impact funder that, you know, we have a particular diversity mandate. It's that because we grew up in these environments, different cultures and the underrepresented populations in the US, we are looking at problems differently because we come from that and that's ultimately how you're going to solve this in the long run is allocators who are providing capital for folks like ourselves.

You know, Alex growing up in Stockton and Drew growing up in Oakland, we're then backing founders so 44% of the founders we've backed are from underrepresented backgrounds, not because we said that we would go out and do that for a particular margin, but because they then see the world in a very different place then build out solutions for that demographic. At the end of the day, that's going to build way more solutions to people who need those products and services at scale. And so I'll kind of pause there because that's a big, bold statement, but that's kind of how we see.... let's back the founders who have an inherent understanding of these problems not because it's the right thing to do, but you can also create some pretty remarkable businesses from that.

Todd: Do you think the bigger change to get more diversity, and to pick up on this point a little bit, is that, you know, the LPs ultimately need to change a little bit in how they either allocate or put conditions on their allocation and say hey, if a pension fund or an endowment or something is going money to a VC, hey, we need to see you guys put this type of money to work in these types of companies or these types of founders because, ultimately, if it's not coming from the higher ups in how you're raising capital or funds then very little is going to trickle down, as you mentioned.

Marcos: That's right. Yeah, you know, what actually is the problem is today, and it's getting better, and I'll call out there some incredible LPs and other fund managers who are solving this, what's happened today is this, a lot of the social issues that we had in 2019 through 2021 spurred people to want to set aside pools of capital towards impact funds or like diverse managers which is really, really helpful and starting to just get people off the ground. But still the vast majority of capital is going towards traditional venture capital funds, they aren't very well represented across the board, whether that's a demographic or gender affected there.

And so, where we're really going to see the change is when those larger allocations and portions start to go on to funds and firms who look at the world a little bit differently, and, again, it's not the, you know, we're out there saying like, here's a founder who's under represented and serving an underrepresented community, we will therefore give you a check. We're looking at founders who have an understanding of a large scope of the market, who has largely been uptodate and will finally, to a point, where it has been digitized enough so that you can provide fintech solutions for it and that, in turn, will produce returns.

And so, I think over the next, you know, three, four, five, six years as firms like ours are able to prove that doing good and performing well aren't mutually exclusive from each other, you know, you'll start to see these larger pools point to it. But, right now, unfortunately, Todd, sometimes we go like, great, it's great to meet you, Marcos, what about your diversity mandate and I'll tell them, we don't have one, we just invest in these incredible founders who see the world different. They're like, oh sorry, we have an impact fund, but we need a diversity mandate so we're like, look at our returns, look at the founders we

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backed, look at these incredible companies. There's a little bit of a friction point there, but, again, it's getting better almost every day.

Todd: Which side of the table do you prefer to sit on, the operating or the investing side of the table?

Marcos: It's easier to sit on the investing side, it is not easy, but it is easier. The operating side, we are consultants, and we advise our companies, it's very fortunate to be able to sit on both sides. I think sometimes people misunderstand the relationship between operator and investor. As an investor, we are the roadies, we are stepping up the stage for you, but, ultimately, the entrepreneurs and the operators are the rock stars, they are the ones supporting that heart and soul and to give ideas in these companies to bring them to life. And having been an operator, in many capacities you get to see that full time when an investor comes in with a fun idea.

Todd: On that point, do you think we've celebrated the big VC outperformer too much where it gives this classification that they're not, like you said, they're not the roadie and that the VC is really the driver where in reality, the operating company is still the, you know, is who is serving the consumer, serving the small business, but have we glorified the investor too much?

Marcos: I think so. In today's market, the pendulum has swung back over to the side of the investor where I think some people thinking like, I am greater than and we are huge proponents because we have been operators, that's not the case, like I'm not the first person to start a venture capital fund, in fact, I have a fund admin who does it for a bunch of people, a lawyer who does this for a bunch of people and the structures are there. It doesn't mean that it's easy but certainly it's not the same as being those founders. We bring a lot of empathy in that case because we're operators previously and we have this large consultancy. We can provide valuable feedback not just based on a whim or VC Twitter, but what we're staying with are actual companies in the market today and you're absolutely right, like we know our places in this ecosystem. It's just certainly like look at the best companies, but once we make an investment it's more than just a check, it's our time.

We are in the trenches with them making sure that they can see success and we know workplaces at the end of the day, we can provide strong recommendations, but it's those founders and teams and operators who ultimately need to make those decisions for themselves. Now, there can be some edge cases to that, but that's another podcast, (Todd laughs) but yeah, like the founders are truly the drivers of innovation, we get to participate in it. I think that's one of the coolest things you can do and it's great to have the job that I do to be so close to it.

Todd: Best piece of advice you received either from a fellow investor or a founder?

Marcos: This was actually when I was thinking about joining Fiat and getting into VC. I'd always thought, Todd, that I was going to be an operator for 15/20 years and then go and join VC so when this opportunity presented itself, I remember talking to a friend of mine saying, this is coming out, this is what I want to do but do you think this is too early and he said Marcos, one is it's tough to break into this industry so you never know when that's going to happen and if you want to be in venture capital, be in venture capital, just go do that.

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So, the piece of advice in this is sometimes I think all of us try to plan out our lives, I want to do this and this and this and this to equal this. If you know you want to go to a particular place, if you know you want to found a company at some point or be in venture capital, just go do it because you might end up getting there and realize that maybe that wasn't where you want to be in the first place. Now, I feel fortunate this is exactly where I want to be, but that was probably the best piece of advice I received in the last several years, just go do it.

Todd: Do you have an investment regret that you can share?

Marcos: We love our children equally; I've got two kids so I actually do love them equally.

Todd: As do I, I have two kids and yes, I love them equally.

Marcos: Oh, nice (Todd laughs), yes, yes, we got that on the record, yes, yes. Yeah, you know, I won't say anything specifically, but we just closed out Fund One, we're still deploying out of it, like I've been an angel investor for about a decade, I've done, you know, over two dozen deals on the corp dev and BD side. It's very different once you're on the venture capital side when you think about portfolio construction reserves and all these things.

So, yeah, like I think we learned some early lessons in it, you know, maybe participating in some companies that were later stage than we should have at that time or how do you think about VC versus a split type of opportunity and where's that sweet spot for you. We made some phenomenal investments, but there's not a single co-investor or investment, but we do where we don't learn something new and we really try to like take away from that as possible so that's one. And I also bought a couple of Crafting NFTs (both laugh) in the last…I'm sure my wife will tell you like…..

Todd: Who hasn't done that?

Marcos: Yeah, yeah, if you ask her she'll tell you, yeah, there's a couple of NFTs you probably shouldn't buy, yeah.

Todd: We have just a few minutes left so I'd like to end a little bit lighter. Do you have a favorite book or the last book that you read.

Marcos: Yeah, maybe a little bit of both. The last book I read, I'm just finishing this, it's a biography on Bob Iger who's the CEO of Disney and the next one I've got up is "Shoe Dog" which is Phil Knight's from Nike. I love to read about other people in different industries and their concepts on leadership and how they pick themselves up. Listening to podcasts like this, it really helps you understand, it humanizes what it takes to get to those levels of success and what you want to build because I think we see brands and we think like oh, that's always been there, but I love learning about those little lessons along the way because you learn so much from others.

So, there's this one set that I'm reading right now by Tuckman, the one that I have next to my desk is "Secrets of Sand Hill Road," Scott Kupor who's the Managing Partner at Andreessen Horowitz, phenomenal read, you can read it front to back, I've got a ton of notes in there, any time I have a question about like anything from a term sheet to investment docs he breaks it down so wonderfully.

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So, if you're in venture capital or want to, that's always the book that I send to people because it's such a great read.

The last one I'll leave with you is "How to Make Friends and Influence People" by Dale Carnegie, the title sounds manipulative, but really the concepts of putting other people's chairs and thoughts in front of your own to build deep meaningful relationships, I read that every three years. "Brown Bear, Brown Bear, What Do You See?" is a popular one for my son and I so that's probably the one I'm reading… between that and the mixed-up community and for kids books, I probably read those about five times a night so….

Todd: What do you do to unwind, clear your head?

Marcos: I get as far away from the screens as possible of any sort. So, my favorite things, I've got a little time so I'll take my son with me on a mountain bike ride, my daughter is almost four months so she's too young for this, but I go on hikes, anything outdoors where you're just far away from people and screens and I just think my career as swans, you know, you're just kind of out there. So, Saturday morning, chatting with my wife with the day off, that time off and it's just full of that immersion mode. You probably see this too, Todd, as you said you've got a couple of kids like nothing is better than… you can have the best day or the worst day in the world, they don't care, they just want you to read a book and so that's been the greatest thing for me.

Todd: Do you have a favorite sport or sport teams that you root for?

Marcos: I like outdoor sports, go skiing, mountain biking. Those such things I watch are like Red Bull TV is on a lot on the background for me and trying to get my kids into a lot of that. My favorite sports, however, has been the Oakland Raiders for a very long time which is a very difficult sports team to be a fan of (Todd laughs) so I always tell people, I may not know sports teams but you know I'm going to be loyal because if I'm still proudly rooting for the Oakland Raiders then you can bet that…….

Todd: Now, the Vegas Raiders.

Marcos: Yeah, that's right, I'm sorry, yeah, that's right, that's right, yeah. I got to go see their first game this year now. Yeah, it's better than O.co but it's still sad to see it out of the day.

Todd: Do you have a favorite vacation spot?

Marcos: My wife will have my head for saying this, there's a wonderful place called Calicos, it's just off the central coast of California, it's called like the last great beach town, it's been our go-to over the summer. It's not fancy, it's not like far, it's not destination, but we've got a beach house and I try to the best of my ability go offline for a week. Now that we've got kids, like we want to go the last couple, but especially last year as my son was….it's like the greatest family time ever, you know, burying your child in the sand and hanging out, that's become our happy place. Before that, it was Kirkwood in California which is a ski resort which is like my happy place, but I cannot break away from the family, at least at this stage until they start skiing a little bit more so, yeah, those are kind of like the happy places.

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Todd: Biggest inspiration, what inspires you?

Marcos: My Dad. Certainly, all of my parents and my family, but my Dad. My Dad grew up in Mexico until the 2nd grade and he was that dude who was working on farms, got himself an education and then made a really successful career for himself in financial services. I think about him, I think about my grandpa, his father who had to drop out of school on the 2nd grade to raise his brothers and sisters. What really inspires me is, you know, less than 2% of partners in venture capital are Hispanic and I've a very successful family from having immigrated from Mexico to the US.

But like no one in the community grew up and no one in my family had the opportunities we need today to get to the forefront of venture capital and this incredible American technologies. but these founders that I, like I mentioned, they're rock stars, they're some of the smartest, brightest, talented people I've ever met in my life. And so, that's what inspires me, it's my Dad, if I'm having a tough day and it's like 10:00 pm but I have a couple of more hours of work, I dig deep and that's what I think about it, how lucky I am to be in this position. So, it's not easy, there's a lot of 15,16, 17 hour-days but that's what inspires me to move forward, it's not just knowing how lucky I am to even be in this field so yeah, I've to say my Dad.

Todd: Well, Marcos, I appreciate your coming on the show and giving me a few minutes today. If someone wanted to reach out to you, wanted to reach out to Fiat, how can they do that?

Marcos: We welcome any inbound, you can do that at hello@fiat.vc, we do a lot of inbound that way or send me a note either via LinkedIn or email at marcos@fiat.vc, always welcome to tune in. Appreciate you having me on the program, Todd, and looking forward to keep in touch and continuing to listen to some of the great folks you have on, I appreciate the chance to be one of the few, maybe not the top 50% but at least I'm here.

Todd: I appreciate the kind words and thank you for your time. Continued success to you and the rest for the fund, hopefully, we'll get you back sometime in the future.

Marcos: Absolutely, I'd welcome that, thank you.

Todd: Thank you.

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