# Investing in remote-first businesses
## with Cédric Waldburger

**Maddie Duke**  00:00
Today I'm joined by founder and entrepreneur Cédric Waldburger, Cédric invests in early-stage SaaS and FinTech companies across Europe and the US through his venture capital firm Tomahawk.VC. We're talking to him today, not just in his role as an investor, but also as a passionate remote work advocate. Thanks a lot for joining us, Cédric. It's great to have you on *The State of Work*.

**Cédric Waldburger**  00:25
Thanks for having me. Maddie.

**Maddie Duke**  00:27
Before we dive into the topic of remote work, can you tell me a little bit about your background and what has led you to investing?

**Cédric Waldburger**  00:36
Yeah, of course, I started my first company 18 years ago, when I was just 14, besides school, it was basically a hobby that developed into a full-time startup when I was 14. And ever since I've been totally fascinated with the process of how to bring an idea to life and turn it into a sustainable business. And so I've done that a few times as an entrepreneur, as a founder, starting companies in Switzerland, in Germany, but also in the US and in Hong Kong. And then more recently, I left my last company, I left my operational role to focus 100% on supporting early-stage founders in my role as an investor at Tomahawk.VC.

**Maddie Duke**  01:20
Can I ask you what the first investment he made at age 14 was?

**Cédric Waldburger**  01:25
So the first company that I started when I was 14, was not, it was not an investment, it was a company that I started. And this was right around 2001/2002. And it was a web agency, so a very simple business. Basically, I was building websites for clients. But this was at a time when JavaScript was just up and coming CSS didn't really exist yet. So web technologies were still fairly new and that was a great business for me as someone that had spent a lot of time with computers and training and learning how to code as a young child. And then, as I said, it was more of a hobby that quickly turned into a company. Because I was building websites with a friend on the weekend anyway. And then suddenly, we had friends and family asking us;

couldn't we just build websites for them, and they pay us and, and that's how it started and then within a couple of years, turned into an actual business.

**Maddie Duke** 02:19
Wow, so entrepreneurial at such a young age, and combining a number of different skills. So you've got a background in developing.

**Cédric Waldburger** 02:28
I yeah, I started coding or I started to develop code early on, I think the first computer that my parents bought was a computer that you couldn't play any games on, I think it had like, four megabytes of RAM or something like that. So the next best thing to do with it was to start developing and figure out a way to teach this computer to do stuff. And that totally fascinating captured me from like, five/six years old on and spent a lot of time when I was not in school, spent a lot of time with that machine-building stuff. And then later on after starting my first company, I did study electrical engineering and computer science.

**Maddie Duke** 03:10
It sounds like you've been nonstop for your whole life. So you founded your venture capital firm, Tomahawk.VC in 2019, with the intention of investing in global-first companies, that is companies that set themselves up to function on a global level, right from the start. Can you tell us a little bit about why that is and also what you mean by a global first?

**Cédric Waldburger** 03:34
Yes, of course. I kind of had to start to work remotely for the first time 12 or 13 years ago when I was just when I was 20. And while I was building a company here in Switzerland, I also moved to the US for another project. And so back then we didn't have Slack, we didn't have a lot of the tools that allow us to work efficiently, remotely today. And back then it was really me getting up at all or odd hours during the night to fix server issues and everything. But what I realized is that now that I had kind of decoupled myself from one place that I had to work from, I had access to lots of inspiring people, I had a lot of freedom. And so for the past four years, I've always been thinking about how to build companies without having this one place that binds us to one geography. I've lived a very decentralized life. For many years, I've at some point owned no more than 64 things that all fit into my backpack and I was constantly travelling to be with the companies and where I felt I could produce the most value. And then at some point, when I started a company called Sendtask, which is a productivity tool, I thought maybe it's time to try this experiment and start a company that doesn't even have an office. It doesn't even have a physical workplace anymore, and that was back in 2016, and I realized it worked well so I decided to double down on it and thought a lot about the processes that are needed to make it work. For example, how do you efficiently hire once you have a talent pool? That's not just a few hundred or a few thousand people, but tens of thousands of people? What is the right process to deal with that? And with all the experiences that I had with that, that were so positive, I realized that I think the next big companies are going to be built global from the start. And so when we started to market VC, we decided to focus on entrepreneurs that set their company up

for global success from the beginning. And that doesn't mean they have to be just remote. It doesn't mean they cannot have an office. But it means they build a culture, from the start that works for employees at the office, as well as people that work remotely. It also means they think bigger than just their home market when they let's say when they think about their sales strategy. So they don't try to perfect their sales strategy for their home market, but they think about scaling themselves beyond that from the beginning.

**Maddie Duke**  06:05
Right so it's really what you discovered through your own experiences in remote work that's led you to become such a believer in global-first as an approach. Would there be a difference between remote first and global-first, in your view?

**Cédric Waldburger**  06:23
Yes, and no, I think there's a lot of similarities between the two terms. If I had to point at differences, I would say global first means more of the mindset, we don't really care if you have an office right now or not, or how many of your employees are working remotely versus are working with you in the office. So it's more of a mindset where remote first, to me sounds a lot like you have to prefer the remote option. I personally believe that there are businesses that lend themselves perfectly to having a fully distributed and remote team. And at the same time, there are businesses that profit a lot from having in-person meetings very often. For me, that's typically businesses where you got to be very creative over long periods of time, I still feel that creative conversations and creating things together is easier to do when you're in the same room and you have whiteboards available. Whereas other companies where it's more about execution, and there's not that much creativity involved, it's more of an execution play, I think can be perfectly done remotely, most of the time, as long as you create the right systems and processes for people to still get to know one another as people instead of just employees or coworkers.

**Maddie Duke**  07:43
That's a really important distinction to make, regardless of the setting, I think, and I'm really glad you mentioned it. Sticking with sort of the challenges of, of how to manage, you know, manage remote teams, based on your experience and what you've learned through the companies you've built and the companies you've invested in, What are your views on, what are the biggest challenges that management can have in shifting from a non remote to a remote workplace like trust and culture? How do you manage performance when your team might be distributed all around the world?

**Cédric Waldburger**  08:30
So when we first decided to start a company that was fully remote, of course, the biggest skepticism came around this question of how can you even build a company culture that works? How can you build trust in a fully remote setup, and understandably, right, before 2020 most people, in my circles, my friends, my family, they had never worked remotely for them. For the past so many decades, it was clear that you come to the office and while you're at the office,

that's when you work. And when you go home, you don't work, you're off. And these two phases, intermix a lot more when you're working remotely, right. And personally, I've always profited from that, especially when I was writing software, I realized that often I felt very productive, let's say from noon until midnight, but I wasn't necessarily productive in the morning. And then other days it was different. And being remote gives you a certain flexibility to adjust your work hours to when you feel most productive versus relaxed when you don't feel productive. And so I can see how this additional freedom can scare you at first, right? You don't have this control. As an employer as a colleague, you don't really see people working all the time, and it can drive you crazy if you're trying to keep tabs on all of your employees and figure out what they're working on every moment of the day. My management style is such that I try to really I tried to talk a lot, and think a lot, work a lot on the vision and why we're here and what it is that we're trying to achieve together, and have people come up with their own goals and their own KPIs to measure your own progress and report that rather than me trying to scale myself so much that I tell everyone what to do and what to do next once they finished a task. And one thing that, for me personally, is a key component to that, is you need to create touch points or moments when you see the other person as a as a human being with all its presets, and all its weaknesses and strengths and, and habits and routines and preferences, versus just an employee or a colleague that has a certain task queue. And the way we do it in Tomahawk, Tomahawk, by the way, is a fully distributed team as well, we don't have an office, we have people that work together over sour, the employee that's the furthest away from me sits in the Philippines. And then the person that sits the farthest from her is in Portugal, and I think it's some 5000 kilometers that they're apart from one another every single day. That the way we deal with that is twofold: number one, when there's a chance COVID has been tough this year. But when there's going to be a chance, we usually try to come together once or twice a year and spend a lot of time to work on what's next kind of develop our plans for the next 90 days or 180 days. And then second, now that that's not possible, we take a lot of time out of our day, to connect with one another and create memories. One thing that we do right now is about two or three times a week in our daily check in, which is usually 20/25 minutes, we come together. And we not only update each other on progress, but we also play a game together. And there's been so many fun games that I've discovered or discovered together in the last few months, from Geoguessr, and checkbox games and versions of Cards Against Humanity that we've played online. And it gives you these facets that are otherwise very hard to uncover. It gives you an idea of someone's humour, which I always find super important to understand. It gives you an idea of what TV shows someone likes and so on.

**Maddie Duke** 12:17
Yep, that's great. I think many of those tips could be applied by anyone in a management position, whether remote or not, a collaborative approach to setting goals and benchmarks and setting the vision. And then also, yeah, really getting to know your team members and developing a culture in that really active and collaborative way as well. What are some tools and processes you use to make a remote team or distributed team work efficiently?

**Cédric Waldburger**  12:53
So I believe that whatever can be communicated asynchronously should be communicated asynchronously. What that means, for example, our daily check-ins, or our stand-ups, we do asynchronously, we've built a Slack integration that asks all of us in the morning in our respective time zones. "How do you feel today?", which I think is a very important question. And we don't allow or we don't encourage people to say just good or great. You have to be specific. So say I feel I'm feeling energized, or I feel disappointed or whatever so that we get an idea of like, how is everyone feeling? And then two questions. What have you done since yesterday that you didn't mention yesterday? What are you going to work on today, and is anything blocking you so that we have the most important bits out of the way that share a common Slack channel. And that's how we stay up-to-date asynchronously. So Slack is a big part of how we work together. And then we use Sumo Logic for our video check-ins. We know we use Notion as our second brain. So we have a pretty extensive Wiki. That's another thing that I've learned over the years is that the key to making a remote team work efficiently is to document everything from the beginning. When I built previous companies that still had an office, what I realized is you could scale to five or 10 or maybe 15 people without documenting much. But then it will create a lot of depth because I think once you have 20-30 people, you need to have the documentation ready to onboard new joiners. And with the remote team, it's just much earlier, I feel that even after three or four people, what I feel is you got to document almost everything. But then it also helps you scale much quicker and more efficiently later on.

**Maddie Duke**  14:42
Right. So everything you've been talking about, you know this, having the right things in place this human-centered approach to managing a team and having all these really valuable tools in place, being prepared with documenting things and how you're going to communicate - asynchronous communication opportunities... is this the sort of structure and mindset that you're Is this the kind of preparation that you'd expect a global first company to have in place? Is that what you're looking for when you assess whether you're investing in a certain company or not.

**Cédric Waldburger**  15:19
So I don't get in the way of tactical decisions. Typically, I believe in investing in great founders and then letting them do their work and just being on the sideline, coaching them and supporting them. But I wouldn't want to get involved in tactical decisions. And I also realize everyone has a slightly different leadership style. And the key thing is to figure out what works for oneself instead of trying to impose something on someone else. But when we do look at founders, we typically look at three dimensions, execution, clarity, and empathy. And so that last part, empathy, I think, is an important one. I truly believe that especially in a decentralized or district distributed team, it's important that people want to follow you and not just aren't just motivated by extrinsic motivations, but they truly believe in the mission that you're solving together. And so I think it's an important component to have enough empathy to also through the distance and through these many layers of tools and technologies that stand between you to have a good idea of how everyone on the team is feeling and to react to it, if needed.

**Maddie Duke**  16:33
Empathy, that's really good to hear and really goes hand in hand with what you mentioned earlier about viewing your team as people and not just employees or colleagues. Is there anything else that you look for in a startup or a founding team, aside from these qualities,

**Cédric Waldburger**  16:49
So the characteristics that we look for when we look at companies is, so first, we invest in two sectors. One is to business models, one is B2B SaaS, so business software-as-a-subscription models, and then second, decentralized finance. Because I believe so the last company that I helped build is a decentralized infrastructure protocol. And I truly believe that that's where the next big revolution is going to happen in decentralized applications, and I think finance applications are going to be the first ones to really scale. So that's one thing then be invest very early at pre-seed, seed and Series A most of our investments somewhere between pre-seed and seed. And so what we look for at those stages is, typically a pre-seed, we want to see a very strong founding team, if the right background that is very passionate about the project, and has the right skill set, but also is doing this at the right time. And then at seed stage, we look for in addition to that, we also want to see some paid pilots, we want to get clear feedback from some test customers to get a better idea of is this really hitting the market at the right time? Is there going to be a chance that this will go through the roof in the next five to 10 days? Or is this more of a feature and maybe a bit ahead of its time?

**Maddie Duke**  18:10
And so in terms of different ideas and new products/innovations is there any particular idea that you'd like to see from a new startup, especially at this time after 2020 and, you know, this big acceleration of companies that have had to quickly shift online is there anything you any other area that you see as a big opportunity for a new idea.

**Cédric Waldburger**  18:34
So we invested in companies and tools that supported remote work before Covid. But of course, this year, it's become clear to everyone that remote work is here to stay, and that we all need better tools to collaborate over distance. So there's definitely been a huge trend. There are companies like hopping that have raised gigantic rounds within the last few months. So there's definitely a very big trend. And I think that's only going to continue and that's one area that we're super bullish on or where we are very interested to look at any new ideas that come to market. On the other hand, I think there are lots of areas that need disruption. Still, I think FinTech we're still at 20% of all the solutions that need to exist one day. I do keep this list of business ideas and companies that I think need to exist in this world. But sometimes it's very hard for me to not jump back into the founder seat and, and start companies myself. And I remind myself that there are people out there that are much better suited to approach these but I'm working on making these public on our website so that if someone is looking for business ideas or something to sink their teeth into, they have a place to go and start a conversation with us.

**Maddie Duke**  19:50
We'll have to keep an eye out for that. And so if I'm right you're also hosting a jam session for new founders to share their ideas. Could you tell us a little bit more about that?

**Cédric Waldburger**  20:02
Yeah, of course, we called this startup jam session. And the idea came up when I started my first company, I was still at university or even before university. And then as I was going through university, I realized that there are so many questions that I don't have an answer to. And I didn't have anyone to ask. And at the same time, I didn't want to go to pitch events. Because I was not looking to raise money, I was not looking to put myself on stage, I was just looking for like-minded people to brainstorm some ideas. And so now that we started to market, we see I thought about what can I give back? Or what can we do to help people that are in a similar situation? And so we came up with this concept of startup jam sessions, we typically do them at universities, right now we do them online. But in the past, we've also had offline events. And the concept is fairly simple. We try to get about 30 people together that are interested in either starting their own business or have already started or are just about to start their business. And we get a mix of technical talent and graphic design, or designers in general and business people. And we put them in a room with five to six mentors, and the mentor could be anyone from an experienced investor, to a founder to someone that comes from academia. And then in 20-minute jam sessions, we pair five to six students or founders to be together with one mentor, and the mentor's role is just to keep the conversation going. And so someone will start by pitching their idea. And then the others join in. And they jam, we call it jamming, as in like the musical jam sessions, where they build on top of one another's ideas. So they, they break them down, they put them together again, they add an element, they take one away. And we've seen that as a, it's really fun like I really enjoy going there as well, and jamming with other people. And it's fun, we've been running these for about 12 months now. And there are three startups that have emerged from it already. That is a few more pairs of co-founders that have met at this at the jam session. And so I think it's really, it's a really fun and simple lean event for people to get to talk to one another. One thing that I that I find is great about it is that everyone gets to chat and everyone gets to interact with others, you probably meet 15 to 20 people that one evening, whereas if you go to a regular pitch event or some other startup event, typically it's one or two, or maybe five people talking on stage and theatres are listening. And I just, I've always personally always find it so much more satisfying to participate and create together, rather than just to listen and copy or just to take information in instead of building on top of one another.

**Maddie Duke**  22:51
It sounds like a great opportunity for potential future founders to really cut their teeth on that kind of environment and to discuss their ideas and get them pitch-ready. And yeah, give them a chance to find out those things that you mentioned yourself like not not knowing who to ask or not knowing maybe what investors expect from founders gives people a middle ground to explore that. So that's great, we'll have to add the information to our show notes,

**Cédric Waldburger** 23:20
Of course.

**Maddie Duke** 23:22
And so as you do have that experience yourself of being in the founder's seat, would you have tips for people who are going through funding rounds or about to go through funding rounds, someone's at the stage of pitching their ideas, and they may be feeling the pressure a bit. What would your advice be to those people?

**Cédric Waldburger** 23:42
Hmm. Wow, that's a very broad question, because there's so many things that come to mind. Well, one thing that comes to mind is I, I believe that it's sometimes hard, especially when you go out and you raise your first round, it's so hard to understand what is best practice? How should I approach this? What does the person on the other end think? And one mission that I'm on is to make the space a lot more transparent. So one thing that I do is I produce YouTube videos, once or twice a week, where I try to answer these questions, everything from how do I value my startup to how do I choose which investor to go with to what are the most important terms in a term sheet? Because I think that information needs to exist and it needs to be out there. But it's very hard to find right now. So if I could only say one thing, it would probably be go over to that YouTube channel and see if that question is already answered. But maybe to give you an anecdote here; one thing that one question that comes up often is, especially for someone that's in a corporate environment is how do I make the jump? How like, I've always thought I should dabble in entrepreneurship, and I've always had this interest to start my own company. But how do I actually make the jump? How do I go about it and I think there's just Three steps that you should consider. Number one, test it and keep your job when you're doing that. Still think about how you can test it and share the idea with as many people as possible, get feedback, refine it, then second, try to find teammates, co-founders. At the beginning, I think there's often an instinct to be greedy and think, oh, I should not share this with others. And I should not give up equity. But I think it's so important to bring other people on, that can be on this roller coaster ride with you and make sure you get through the downs as well, not just the ups. And then third, once you do decide to go out and you found the team, then go all in, don't don't reduce your job to just 40% and then work three on the startup three days a week, but really go on it all in because it will take all of you to get this off the ground, I think getting started is the hardest part, getting to that initial traction, building the initial product, putting that out there getting initial customers. That's incredibly hard. It's also incredibly fun, but it's hard. And it will require all your attention and time.

**Maddie Duke** 26:13
That's... yeah, that's great advice. And I mean, your YouTube channel is a wonderful resource. And I think another thing we'll add to our show notes, for our listeners, please head to our website, check out our show notes. Or we just go to YouTube and look for Cédric Waldburger., there's a lot of great information there for potential founders and some other really interesting stuff. In fact, you also have a couple of videos you mentioned earlier about having I think 64

belongings at one point and you talk a bit about your life as an essentialist on your YouTube channel. So I thought I might ask you a little bit about that.

**Cédric Waldburger** 26:51
So I used to live with no more than 64 things and didn't have a home for just over three years between 2016 and 2019 and was constantly on the road. For some years, I was on 120 plus flights. So it really didn't make sense for me to have a home base. But then in 2019, as I set up Tomahawk I also decided to base myself out of Switzerland, I didn't want to travel as much anymore. And so I got to a place again, now my personal possessions are still around 60, maybe even a little less. But then, right now I also possess a bed and a table and a few chairs and a bit of cutlery. So I don't actually have the exact number because even though at the beginning, the number of was very important for me because it was so it was my fitness function, right I that that's what I optimized for I was interested in, if I can only own one pair of pants, which pants would it be and then kind of went through the thought process of giving everything else away same shoes and everything. But I don't think the number is that important. For me, minimalism or essentialism has always been a tool to a) being happy and second, being able to focus on what I really think is important in life. And for me, it's deconstructing this process of how do you bring an idea to life? Now, essentialism for me, or why do I not like the term minimalism so much? I think minimalism means less is more or less is better. And I don't subscribe to that. I think if someone really enjoys reading books, as in physical books, and has a library at home, and it brings them a lot of joy, to look at this library and think back on what they've learned from these books, I think there's absolutely nothing wrong with that. Essentialism for me means to focus on what's essential, and consequently, leaving everything else away. And that's the standard that I want to hold myself to is make very clear, sometimes extreme decisions to always focus on what's absolutely essential, and leave everything away. Everything else away, so that I can be 100% focused on what I want to do with my life and not be distracted with maintaining a ton of stuff in my life.

**Maddie Duke** 29:08
Interesting. I can't help but think I'd struggle a little bit but who knows, maybe I should give it a go. Now as someone who used to travel a lot and work from places all around the world, I think you said something like 120 flights a year? And you've obviously had this experience of the digital nomad lifestyle, as they say, and, you know, living out of a suitcase and traveling all around the world. Now we're obviously at a unique point in time - in history, let's say - and I wanted to ask what your advice would be to those people who aspire to or used to have that kind of lifestyle as well? How would you suggest dealing with the challenges that people are facing now that they are stuck at home, maybe feeling a little bit more isolated and not able to travel the world.

**Cédric Waldburger** 30:13
So I always challenge myself to make the best out of whatever reality I'm in. Right. And I think when COVID arrived, you could, you could make a decision to either think about all the bad stuff that comes with it and and how this is terrible. Or you could think about what opportunities this

brings, and how it can change your life for the better. And so I'm generally in the second camp where I always try to see everything that life throws at me every challenge, I see it as an opportunity to grow. And similar with COVID. For me, it's been a, it's been a great year, I, instead of traveling internationally, I travel a lot within Switzerland. And I got to know and see a lot of places that I hadn't discovered before and realized how diverse Switzerland is. And I think for someone in a similar position that used to travel a lot and really enjoyed seeing a different country every few weeks, I would say try, try to explore what's near what's more close, I think, especially within the EU, we can still travel, if we adhere to certain restrictions and if we get tested. I certainly wouldn't recommend traveling to a different country, every other week. But I think if you've always wanted to live in a country where you don't speak the language, then I think there's a great, it might be a good time to do that and just go there and spend all the time that otherwise you would have been out eating at restaurants, to either learn a language at home or start cooking or find another way to improve your life. So, I think the world has changed, but also it will always continue to change. And some of these changes are a bit more apparent than others. And in the end, it all comes down to what we make with these changes and how we interact with the challenges that we face.

**Maddie Duke** 32:10
For sure. And I think yeah, we're obviously still yet to see how things will develop and change and it can maybe be an exciting time.

**Cédric Waldburger** 32:20
Yeah, like, like one example that comes to mind is a few friends in the US that used to live in New York or San Francisco or LA, places that typically come with a pretty high rent and they had to live there because their employer was close by they they either worked in the Bay Area or in Manhattan. And now they move back to be with their families somewhere in the Midwest or in Florida or wherever it may be, and are able to see and see that they can still collaborate and be very valuable to the company from afar. I think that's something that's going to shift the landscape in the future, I think it's going to be an important change that's not going to be totally reworked. Of course, a lot of people aren't going to move back and go back to the office one day. But I think there's also a new reality where we've learned that we can collaborate so well. And if we can all have an environment that makes us happy, and that is beneficial for our mental and physical health. That is a huge benefit to the company overall as well for, for me as an employee. That's a benefit that I bring to the table, not a downside anymore. I feel two years ago, when you wanted to work remotely, in a lot of the bigger corporations, that was a bit of a tough point to negotiate, or something you have to negotiate. And I think going forward too, can be something that is a skill of something that you bring to the table.

**Maddie Duke** 33:46
Yeah, for sure. And whether you're working from home or working from a different country, it's definitely becoming more and more accepted and more possible. Although the digital nomad lifestyle might be a little harder in the current climate. But whether it's from home or elsewhere, people are discovering that it is possible to be productive when you're not sitting next to your

colleagues. I think you just have to adapt a bit and develop some new skills and maybe confront your own blocks, like you mentioned, checking in with your team about, you know, what's blocking you. And I think that's a really good point because people do function very differently. And they have different learning styles, different strengths, different triggers that cause procrastination, or things going on in their personal lives that may be now intertwined with their work life. I think it's probably partly to, you know, partly about developing some new skills and working out the way you work in this remote environment and in a new context. So it's quite interesting to really like to see how everyone's dealing, you know, with this on a large scale.

**Cédric Waldburger**  34:59
Yeah. is exactly as you say, I think everyone reacts a bit differently. And everyone has their own way of dealing with these challenges. Like for me, it's not, it's never been hard to work from home and be as focused as if I was in an office just because I think I've been doing it for so long and I and work is a big passion of mine. But then if if someone is facing the challenge of not being able to quick to easily differentiate between what am I at work and when I my off work, I would say try, try different things, either rent a room nearby and go work there or create a separate room in your home if you if you haven't a spare room and set that up as your office and strictly work while you're in there. And then take the time off if you leave. Other tips are more simple, like, dress up for work, like wear a shirt and wear dress pants while you work. And then switch back to your sweatpants when you're off. Or even have someone in your surrounding as your accountability partner. Ask your wife or partner or kids or friends to clock you and remind you if you're spending too much time doing something else that you shouldn't be doing.

**Maddie Duke**  36:18
Absolutely. So it does raise an interesting question as well about how much remote employers will do for their teams that are distributed, like whether they'll have an allocated fund that goes towards a home office setup, or if someone doesn't have if someone's living in a studio apartment, and they can't separate their office from their bedroom, like does the employer then fund a coworking space for that person? Or what's your take on that?

**Cédric Waldburger**  36:48
Yeah, so. So the startups that we invest in, but also Tomahawk itself, for us, the team is the biggest asset, right? And it's also the biggest cost. So for us, it doesn't make sense to save on work equipment. And if we can make the person more productive, so I tell I tell all my employees and we have this conversation with the portfolio founders as well, I think you want to create an environment, your job as the CEO is to create an environment where your team can do their best work, where they can be highly efficient, highly effective, and highly productive. And so for us, we make sure people have good laptops, they have a second screen, if they want to use a second screen, they can go to a co-working space, even if it's just one or two days a week, I always recommend people to get a gym membership as well. So they work out frequently. It's something that I've seen with myself since I live and work at the same place, I don't spend these like 30 minutes commuting somewhere throughout the day. And it does have an impact on me if I don't get enough fresh air if you don't get enough movement that does have

an impact on my physical condition, but also my mental condition. So I think it's, it's all about creating a place where these challenges can be mentioned, and then figuring out a solution that works for everyone.

**Maddie Duke**  38:11
Yeah, creating an environment or a culture that's a safe space to say these to raise these issues. And for people to say, Hey, I am kind of struggling with this, can we do this or this? You know, to fix it?

**Cédric Waldburger**  38:23
Yeah. One thing that I always find fun is, or a fun challenge is to find something that you all have in common, that is not work related. So to give you an example, it could be a certain type of sport that we all like to play, or it could be a TV show that we all follow, or it could be a certain activity like in a previous company, we all liked solving riddles. And so every week someone else brought a riddle to the team and the rest of the team tried to solve it within 20 or 30 minutes in the Friday call, or in this current team at Tomahawk we all really like the TV show Archer and the humor of Archer. And so our Wiki is full with references to Archer. And I think it's these kind of similarities, these commonalities between the team that have nothing to do with work that allows you to connect on a different level. And it's not easy finding those especially if you're not sitting together at lunch or dinner and you just chat about God and the world. But I think to all the CEOs and team leaders out there, I think it's a fun challenge to try and figure out what those commonalities are.

**Maddie Duke**  39:34
Yeah, those things can make a big difference on how people feel when they're relating to their colleagues, for sure. Are there any negatives to remote work or things that you feel are big challenges that need to be taken carefully.

**Cédric Waldburger**  39:49
I think there's nothing more important than having a good working internet connection. I think being able to see one another and being able to talk to one another without interruptions makes all difference. If someone is on a spotty connection, it ruins the vibe for everyone in the team. So that's one thing we always like to point out. And of course, there's days where something happens. And then of course, no one's at fault. But I think you want to set yourself up for success by getting a great internet connection and good equipment. And maybe your employer can help with that. Right. But I think it's, it's everyone's responsibility to make sure they are well heard. And they can see and hear everyone else. I think having the camera on makes a huge difference for most of these calls, because it just gives us so much extra information, how present someone is, what's on their mind how they're feeling right now. So that's extremely important, I'd say that's a negative in the sense that there's still lots of places where a great connection is not a given. And internet access is not as democratized as we sometimes like to think. And it's not as cheap as it is in the Western world. So that'd be one negative. Other than that, I think it's that the trap, or the critical part is to not try and replicate everything that you do

offline, but to rethink them in an online world and environment. So, there's certain things that you just cannot transfer into the online work environment. But then there's also lots of things that you can do in the online environment that you could never do in the offline environment, like playing some of these games together, or making sure everyone works when they're most productive. So I think it's all about thinking about what the strengths are, and the weaknesses are and then focusing on the pros.

**Maddie Duke**  41:54
So you've reframed it again, to focus on what you can do in the situation that you're in, I love to hear it. Now, we've talked quite a bit about management styles and the employee/employer relationship. Just to go back to the topic of investing, what would you say your approach to your relationship with potential founders is?

**Cédric Waldburger**  42:15
Yeah, it's a similar dynamic, but I think it requires a few, a bit more fine tuning. Because when you hire someone, and it doesn't work out, it's fairly simple how to part ways. Typically, you can break up that relationship within a few months, if not weeks. But when we decide to invest, we're typically on the journey together for the next 10 years. That's the expectation when we invest. And so during this year, it's the first time that we've invested into companies, when we have never met the founders in person, we've had very little time of synchronous conversations, we've done a lot of asynchronous conversations, and it sometimes comes down to maybe three or four hours of synchronous chat after we make the decision to invest in a team and for them to accept us as their investor. And so I think to some degree, it brings us to the next level, on one hand, your relationship is not as there's not as many frequent checkpoints. Because once you're invested, maybe we check in with a portfolio founder once a week or once every two weeks. And we might deep dive for a day or two on a certain topic, but in general, it's a bit more slightly more loose collection. But at the same time, it's a very long term connection and a very long term partnership and journey together. And we've also been thinking about that one thing that we do is companies that we invest in now we sent them some presents. So there's at least some physical aspect if we cannot bring it to them in person, we of course plan to meet at some point in the future when this is all over. But it's also forced us to think a lot about our mental model of what is a good founder? And what is the expectation that we have and communicate that that was one of the reasons why we started that YouTube channel, but also why we've written extensively about not only what we expect, but also why we expect it and what the reasoning behind that is.

**Maddie Duke**  44:20
And so if I were, you know, a potential future founder, with a great idea, and I wanted to get in touch with you, Cédric, what would be the best way to get in touch with you or the team at Tomahawk?

**Cédric Waldburger**  44:34

Yeah, there's a few ways the best way probably is to get introduced by someone that we both know, could be another investor could be a founder, anyone that's in my network and in your network could make the introduction. You could come to one of our events, for example, the startup jam session, and then the most, the easiest way is to go on our website and apply and that's also where we read thought how to do application. So cold intros typically, or cold emails, inbound leads are typically a lot of work. And the success rate is very low. Meaning that we look at or in the past, we've looked at hundreds of applications, but we never ended up investing in one of the companies that came through that channel. Why? Because it's just hard to get culture fit if there's no intro or personal connection. And so we thought a lot about how to do that for the future. But we also didn't want to take it off our website. When I was an entrepreneur, for the first time, I didn't have the network to be introduced to investors. And so I would appreciate it if there was a way for me to get in touch with them without having to first build my network. One thing that we did is if you go to talk to that VC, you'll see a little button in the bottom right, that says apply now. And what that does is it starts an automated video interview. So we'll open a video where you'll see me and I'll ask you a few questions about your business and why you're working on this and what the biggest challenges are that you're facing now, but also in the next 12 months. And then it records that you record the video directly in the browser, you will later send you to a forum as well, where you can upload your pitch deck and some of that information. But the video is extremely important for us. Number one, it gives us so much more information than we could get from an email. We see the sparkle in your eyes, we get an idea of how, why you really started this how, how much are you invested in this idea and the solution that you're working on. And then also it gives us a ton of data points to just connect with you super quickly once we do reach out and we plan our first call. So that's just one way how we thought about finding great teams and connecting with them in this time of remote collaboration.

**Maddie Duke**  46:54

That's such a great idea like an asynchronous video chat, basically. Great. So yeah, I think we've covered everything and we can probably wrap up. So thanks so much for sharing your insights with us on *The State of Work*, Cédric, it's been wonderful having you on and wonderful talking to you.

**Cédric Waldburger**  47:13

Thanks for having me, Maddie.

Berlin, 09.02.2021