



PETCARE INNOVATION EUROPE

3-4 May | Berlin

Q&A with Eli Hasson, Investor,
Phil Ventures



What are the areas you are focusing on investing in 2023?

In the coming year, we aim to focus on products and solutions that directly address the most pressing challenges of our industry

How to make veterinary care more accessible?

With the phenomenal growth of pet adoption, we still see that the cost and complexity of veterinary care is a major obstacle. We are looking for solutions in insurance, televet, home diagnostics, AI-based expert advice, and basically anything that can bridge the gap between pet parents and quality health care.

How to create a holistic experience for young pet parents?

We are facing a new, digital-native generation of pet parents that expects the parenting experience to be as seamless as any other aspect of their (digital) lives. The industry struggles here, and I am looking for start-ups that provide elements of that holistic experience – a tighter integration of health, services & retail; subscription services; community-building tools; healthy lifestyle promoting apps; one-stop-shop marketplaces; etc.

How to deal with the vet shortage & burnout?

This is a major challenge – there is a global shortage of veterinary professionals. Vets are facing a rapidly changing commercial landscape (with the fast consolidation of vet clinic networks), customers dealing with raising costs, outdated tools, unreasonable

administrative burden, and more. We are looking for vet recruitment & retention tools, solutions that streamline the clinic workflow, products that enable data-sharing – both with the pet parents and with specialists, and anything that will help vets focus on the work that they love – caring for animals.

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How to get better data?

We must remember that the number 1 challenge in pet care is the fact that our beloved pets cannot talk to us and express their needs, pains and anxieties. The need for products and solutions that gather (reliable) data, analyse it in context, and provide actionable insights – is stronger than ever.

How can start-ups make their brands stand out to investors?

Venture investors are primarily managing risk, and the #1 risk for early-stage investors is product-market fit. In later stages we address additional risks – such as execution ability, competition, business-model robustness, etc. Therefore – the best way that start-ups can address the product-market fit question is to build an MVP and test it in a real-life situation. A start-up that can reliably show that their product addresses a real need, and

that customers are willing to engage over time – will stand out to investors.

What is the most important thing to you for start-ups to include in their pitch?

When reviewing start-up pitches, I always look for these elements:

Is there a real need – and can my product reasonably address it?

As mentioned before – product-market fit is the number 1 question for the early-stage investor. We need to be convinced that there is a real pain.

What are the alternative ways to solve that pain? What's wrong with them?

There are always alternatives, and the most important aspect here is to see that the founders have not overlooked/ignored them.

Does the current team have all the necessary skills for the next phase?

If the founders don't have the needed skills (as is often the case) – are they aware of that and have a plan to address that?

Is there a reasonable path to fast growth?

Let's not forget that venture investors are looking for ultra-fast growth. A "nice business" could be a great investment for "friends & family" but not for VCs. The founders must show that they have a plan to scale rapidly.

What is the most exciting investment you have seen recently?

In the past months we have been focused internally, with several follow-up investments in our portfolio companies. I am most excited that we are finally seeing the first products hit the market, the positive reaction to these products, and the satisfying results of many months of hard work.

How do you see investment being impacted over the next 12 months as a result of changes in the economy?

The world has certainly changed in the past year... And we have no reason to assume that this will not continue for at least an additional year.

When looking at the early-stage landscape – we see that the need for innovative solutions has not abated; the target market is still growing very robustly; there is no shortage of great ideas and talented founders. The biggest change is in the availability of capital. This affects very strongly young start-ups before their first significant capital raise, and companies that raised a modest seed round – assuming that more capital would be available within months. These companies are now in distress and must adapt quickly to the new situation. The companies that will thrive in this situation are the ones that make the necessary adaptations in their spending patterns (even at the cost of slowing down progress), and the ones that have developed trust with their existing investors (who are often the only source of additional capital).

What are you most looking forward to at Petcare Innovation Europe?

I think that the European start-up scene is super-exciting. I am looking forward to meet as many founders as possible, and I'm sure that I will be surprised to see products and solutions in new areas that I've never even thought about. This is what makes my work so much fun!

Want to hear more from Eli? Connect with him in Berlin as he discusses the future of investment in the petcare market with Digitalis Ventures, Five Season Ventures and Verinvest.

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