

Arlan Hamilton: I'm Arlan Hamilton. I'm a venture capitalist, and this is Your First Million. I started my fund, Backstage Capital, from the ground up while I was on food stamps. I have now invested in more than 100 companies led by women, people of color, and LGBT founders. After having raised more than \$10 million, people often ask me how I did it. I created this podcast so I could tell you my story, and so that together we could go on a journey and speak with some of the most successful people in the world from all backgrounds and walks of life to learn how they got their first million. Who knows, maybe I'll reach my first million in personal capital while I'm recording this series. There's only one way to find out. This episode is brought to you by Digital Ocean. Let's go.

Arlan Hamilton: Wow, can I just say how ecstatic I am about the overwhelming feedback I have received since launching Your First Million just a few days ago? This is episode four. We dropped the first three episodes just a few days ago across all platforms, and you all have just been amazing. I just want to give you all a shout out for listening, for taking notes, for quoting, getting back. It looks like you have enjoyed Dr. Pamela Jolly, Amy Griffin, and Liz Fong-Jones as much as I have enjoyed talking to them. Major gems, major keys. If you missed it the first time, don't worry about it, you can go back, listen anytime. Listen anytime and just get these gems. Listen more than once. Definitely share with your friends. Keep writing those reviews, keep subscribing. Really appreciate all of that.

Arlan Hamilton: You know, this is for you all. This is a passion project of mine. It's something I thought about almost a year ago, and I just thought, "Man, how cool it would be to be able to do this?" I'm so excited that I was able to make the time work out and do this. I've recorded a few episodes, so there are definitely some more in the pipeline. We're going to drop an episode every weekend now that we have the first three up. This episode four will be followed by episode five. That's how it works. Right? Every weekend you can get more content. As long as you all keep listening, I'll keep cranking these out.

Arlan Hamilton: I'm having an amazing time with this. It's almost like, therapeutic. I have a day job, a gig. It's the most fulfilling job, career I've ever had in my life at 38. I am the founder Backstage Capital, which is a venture fund, I'm the co-founder of Backstage Studio, which is a venture lab, studio that creates products. We have about 25 employees across two countries and several cities. That's what I do all day. I mean, I spend all of my energy and all of my time there, and I think of this podcast as an extension of that for sure, but it really is more of a hobby and more of a passion project. To get this incredible feedback already just in the first few days is blowing my mind, and I appreciate you all with all my heart. I really, really do.

Arlan Hamilton: I am stoked about episode four, let's talk about it. A few days ago, I was in London. I sat down with my good friend Sophia Bendz. She's become a good friend over the past few months. Let me talk to you about her a little bit. She's a Swedish investor. She is an angel investor and a venture investor. This year, she was named one of the most powerful businesswomen in the Nordics, in all of

the Nordics. She was one of the very first employees and executives at Spotify. She helped build the company to what it is today. She's also a partner at Atomico, which is a multimillion dollar venture fund that invests across the UK and Europe.

Arlan Hamilton: At Atomico, she pioneered this program called the Angel Program, which gives 12 budding angel investors 100k to invest in other founders. You can imagine this sort of scout program that she's put together has resulted in an amazing amount of diversity from the ground floor, because of the intention behind it and because of her really having that intention from the moment go. That's one of the things I'm most excited for you to hear about. She just wrote this amazing Medium post about it too, I would search that. If you like this interview, remember to go back and search that Medium post that she wrote about the Angel Program, because it's about angel investing in general.

Arlan Hamilton: She's been for Backstage, for the fund that I just described to you that I manage and work on, work with, she has been an incredible supporter. She is an investor in one of our funds through Atomico, and has been championing us there and elsewhere like no other. Personally, she does the exact same thing. She goes above and beyond every measure possible that I can think of, and she seeks zero credit for it. I just want to highlight that about her, because I think you can do really well, as you'll understand she has done, and be a really good person.

Arlan Hamilton: This is what she does. She does this for me, she does this for Backstage, and she's done this for dozens if not hundreds of founders and companies over the past few years. She's one of the nicest, most thoughtful people I've encountered in tech and in venture, and I'm so happy to get to share this conversation with you from London that we just sat down a few days ago to record. I hope that you enjoy it. If you have any questions for me or for her, just get in touch on Twitter, Arlan was here, A-R-L-A-N was here. Let me know what you're thinking, let's talk about it. I'll see you on the other side of this. Enjoy.

Sophia Bendz: My name is Sophia Bendz. I'm an investment partner at Atomico.

Arlan Hamilton: Great. When people ask you what your occupation is, what do you do? If you're in LA, the question you're going to be asked all the time, "So, what do you do?" What do you say to people?

Sophia Bendz: That I tell them that I'm an investment partner at VC firm Atomico, and that I'm also an active angel investor.

Arlan Hamilton: How long have you been at Atomico?

Sophia Bendz: It's three and a half years now.

Arlan Hamilton: You're a partner there?

Sophia Bendz: Yes.

Arlan Hamilton: What does that mean? What does that mean to be an investment partner at a fund?

Sophia Bendz: For me, it means that I get to have one of the most exciting jobs ever. Meaning, that I meet people that are on a mission to change the world, many of them for the better. Meaning, entrepreneurs that have started a company that are very excited about what they're doing and they have big plans and bold visions, and they are looking for capital to help them move even faster.

Arlan Hamilton: A partner is someone who can write a check to a company.

Sophia Bendz: Yes.

Arlan Hamilton: Usually, right?

Sophia Bendz: Yeah.

Arlan Hamilton: Yeah. You have partner meetings every week, or how does that work?

Sophia Bendz: Yeah, we do.

Arlan Hamilton: Okay, that's cool. I know there's something kind of cool about when you were hired at Atomico. Which, by the way, Atomico is like, one of the largest funds in Europe and most well respected. What was interesting about when you were hired?

Sophia Bendz: I think it was really cool because I was eight months pregnant. I didn't really look for a job, but I met with Niklas Zennström and he offered me a job. At the time, that was a perfect match because I was expecting my second child. I had a few board positions and I did a lot of angel investing. He offered me a job that was called executive in residence, so that was not a full time every day job, but you could adjust it a bit to your situation. For me, that was a really good option and a great way to get to know and sort of feel upon how the world of the VC works.

Arlan Hamilton: Right.

Sophia Bendz: Test it out a bit, if you like. It's normally job that is given to people that are in between jobs, and mostly people that have been at a tech startup that has grown really fast and sort of taking some time off to think about what you want to do. I was definitely in that position and didn't really know if I wanted to be going back to do an operational role at a startup or if I wanted to venture into VC.

Arlan Hamilton: Right. Speaking of it, operational role, now I had to look it up because it was so, I never heard of this company before. You were at a little company called Spotify. Right? Just tiny little up start?

Sophia Bendz: Yes, that's correct. It's a music streaming service.

Arlan Hamilton: Yeah, that's fantastic. Tell me a little bit about today, what would you say? How many users would you say use Spotify on a daily basis?

Sophia Bendz: 100 million premium subscribers, 270 million monthly active users.

Arlan Hamilton: Yeah. When you think about it in that, it's one of the most well known companies in the world, has millions and millions and millions of users, certainly revenue, and then you think about, you go all the back, though, that it had to start somewhere. How did it start for you?

Sophia Bendz: For me, it started with me bumping into Martin Lorentzon, who is one of the co-founders of Spotify. This was 2006 and my older brother used to work for his first company called Tradedoubler. I met him at a birthday party, my brother's house. He told me about this music project that he was working on. He said he needed help with PR and he heard that I was really good at it.

Arlan Hamilton: What were you doing before this where people knew you were good at PR?

Sophia Bendz: I was at a PR firm called Prime PR.

Arlan Hamilton: Okay.

Sophia Bendz: Working with clients such as Ikea and SIS and actually Walt Disney. I helped them be called sort of marketing PR. It was not crisis communication, it was proactive communicative marketing PR, if you like.

Arlan Hamilton: This was 2006 and you already had quite an established role at this other place and worked with huge companies.

Sophia Bendz: Yeah, that was my dream job, actually. I had no plans to leave that job. I really felt like I was in my element and really enjoyed it.

Arlan Hamilton: Were you there at the time, when you bumped in?

Sophia Bendz: I was.

Arlan Hamilton: Really? I don't think I've heard that before.

Sophia Bendz: I was actually trying to convince Daniel and Martin that they should hire me as a consultant for one day per week. Then they were like, "Yeah, but it's probably going to be more work than one day per week, so you should come full time."

Arlan Hamilton: When did you decide that you would be there full time? What was that thing that made you know, "This is something I should probably dedicate more time to?"

Sophia Bendz: I think it was ... I did some thinking around it, definitely. It was not a given. But, they are very inspiring. We had one meeting. It started 4:00 in the afternoon, me, Daniel, and Martin. We sit down, it was supposed to be for one hour, but it ended up me walking out of the office 9:00 in the evening.

Arlan Hamilton: Wow.

Sophia Bendz: We had just been talking and brainstorming and laughing and having so much fun talking about what we could do with this product, and how we could market it and how we could communicate it. I left that meeting and then I was sold. I was super inspired and kind of felt like I was on a mission with them.

Arlan Hamilton: What were their stats like then? What were you looking at then?

Sophia Bendz: This was before we had a team and a product.

Arlan Hamilton: Before you had a product?

Sophia Bendz: Yeah, this was 2006 we met. Then I joined full time, I think I signed a contract in February or something. At that time, they had a product and a tech team in place. We were sitting in this little apartment in Stockholm.

Arlan Hamilton: The part that's just like, tripping me out is that you had this established, probably well paying gig. It was probably exciting and you knew you had a lot of life ahead of you and all that sort of thing. But, that had to take a lot of bravery. Do you think of that as a risk that you took or a brave act?

Sophia Bendz: I didn't at the time, but looking back, yes, I do. I think I got something that a lot of people got, but way later. At the time, the word streaming wasn't a word that we used, because this was before Netflix. Everybody was owning music or videos, or renting them. The word streaming wasn't used, so we had a big job in front of us in order to like, establish a new way of consuming music. I said to myself, "If I do this and the worst case scenario is that it will not work, and then I can always go back to being a communications consultant with that experience. I definitely felt like I was risking and it was an exciting adventure, but I also felt inspired by these two very visionary entrepreneurs.

Arlan Hamilton: Was the culture, you're from Sweden. Right?

Sophia Bendz: Yeah.

Arlan Hamilton: You're Swedish, and was it Stockholm that you were in?

Sophia Bendz: Yes.

Arlan Hamilton: Is the culture generally "sure everything's exciting right now." Did it have that vibe to it, or were a lot of people more traditional and not really understanding startups and their value yet?

Sophia Bendz: At that time, we didn't really have what we call a startup community. There were a few startups, but it wasn't at all established or built out the way it is today. We didn't even talk about it as a startup. We normally hosted, like, after work beers at the Spotify office on Fridays. That was the informal sort of meet up for people in the tech world in Stockholm at the time, at least in my view. Today, it's a whole different energy and culture around it, because we have so many role models. There's been so many big companies coming out of Sweden. Many of the students that we meet today, they are excited and they want to be entrepreneurs. That was not the case back then.

Arlan Hamilton: What do you think was the magic ingredient? Because, we'll talk a little bit more about your exact role, but in general, what do you think the magic ingredient to making Spotify and other companies out of the same region so successful?

Sophia Bendz: Oh, I think it's a lot of different factors, but one of them I think is that we have the social welfare system. It's easier, I think, for people to take risks and try starting a company and see if it flies, without risking your health insurance or your whole life on the line.

Arlan Hamilton: Interesting, yeah.

Sophia Bendz: I reflected upon it when I lived in New York and I met founders, and I felt like they were coming from a very strong ambition, but sometimes based on fear of failure. They were doing it on kind of life and death, almost. While, some of the entrepreneurs that I met in Sweden, they were doing it because they saw a problem and they had the tools and the means and the capabilities of trying to solve it. They were building things and doing this alongside other jobs, or they didn't need to risk as much in order to try to start a company.

Arlan Hamilton: I oftentimes think about replicating that in other models that give people those wings, and doing that for black and brown founders. Because we, it's just multiple times a risk that we take because of different reasons, in the US I'm talking. One of my fantasies, dreams, whatever, is like, walking into a campus or something that has just people from all ages, all backgrounds, and they're underrepresented, but hopefully they're not underrepresented at this place, and they're just given the tools. That's why we started with the accelerator across four cities, but that's the bigger picture. Because, I believe that that is

exactly what needs to happen. It's almost like basic income for entrepreneurs. If that was not your day to day problem, speaking from experience, if that was not your day to day problem, what could you accomplish?

Sophia Bendz: Exactly.

Arlan Hamilton: You feel like that was what was going on in Sweden at the time.

Sophia Bendz: Yes.

Arlan Hamilton: That's amazing. I think I'll do some more research about.

Sophia Bendz: Yeah, let's keep on talking about it.

Arlan Hamilton: I know you all have great insurance and all that. I mean, you're taxed like crazy. Right? Your tax are just off the charts, but it's put to good use, apparently.

Sophia Bendz: Yeah. I mean, I looked at it from a different point of view after being abroad for five years. Yes, we pay a lot of tax, but actually, I didn't pay much more than I paid in the US. But in Sweden, we have free education system and healthcare and schools and nurseries. I think it's a great place to raise a family and have a great work/life balance.

Arlan Hamilton: Let's talk about those years in New York. Did you immediately, after meeting on the street in Stockholm and then having the five hour meeting, it took them a few months to convince you to stay on full contract. Did you immediately then go to New York? What was the purpose of being in New York?

Sophia Bendz: No, so, I didn't immediately go. I joined 2007 and I think I moved to the US in 2010. The first years, I was focused on launching the product in Europe in the Nordic region, and then in the UK. Learned a lot from that and had a lot of fun. Then, when we launched in the US, I was able to take those learnings and do it all over again, but in a much bigger market. For me, it was a fantastic project, but also stressful because it was a bit of a make it or break it deal for us. The US market, it was very important and we fought hard to get the licensing deals done. It was more difficult than to get the licensing deals done for the Nordic region.

Arlan Hamilton: Yeah, I bet. I bet it was. Because this is about making personal money, and money to me is not as important as the options that it gives you. That's what it is based on. Can you remember a time in those first three years or so before you went to New York, can you remember a time when you felt like, "This is pretty cool gig, I'm going to be around for a while"? Did you ever feel that, sort of?

Sophia Bendz: Very much so. I felt like it was my baby. I invested my whole heart and soul into that company. I felt like I labored it. I talk about Spotify as we still sometimes.

Arlan Hamilton: Yeah.

Sophia Bendz: I definitely have my heart in that place, and I have so many good memories and so many fantastic relationships with the people that I worked with.

Arlan Hamilton: Yeah.

Sophia Bendz: For me, it's been one of the best journeys ever. I was extremely passionate about building the Spotify brand. I wanted to communicate to the audience what we were doing, but in an easy to understand way. Like, all of the developers, they were so smart and so brilliant at solving this difficult issue, but when asking them about what we were doing, they wanted to talk about the number of encryption layers, etc, and all the technical stuff that they had built. I saw it as my job to explain to a person on the street what is it that we build, what problem are you solving, how can I use it, and what role do you, Spotify, play in my life. Today, when we have over 200 million people using that service on a daily basis-

Arlan Hamilton: You said we.

Sophia Bendz: Yeah. I did it again, yeah.

Arlan Hamilton: That's cool.

Sophia Bendz: Yeah, I have my heart there, but that's okay.

Arlan Hamilton: Yeah. You were basically the first executive in charge of the marketing of what Spotify is today.

Sophia Bendz: Yeah. I remember my first business card, it said marketing and communications, so I was that department.

Arlan Hamilton: Were there any like, tough things that happened? Did y'all make mistakes and you had to go out and do a little press conference type of, like, "Yeah, we messed up." You don't have to say what it was if it was, because it's in the past, but did that happen? Did you ever feel that pressure?

Sophia Bendz: Yeah, it happened a lot. I think a lot of the things that a press team works on are things that are not actually ending up in the press. It is dealing with things that, giving people the right information and avoiding potential crises. Yes, there was a lot of interesting situations that happened.

Arlan Hamilton: I want to ask you, was it ever about the money? Was the role ever for you like, "Wow, this could be a huge life changing event"? Because, at some point you had to realize, "Okay, we have now millions of people listening and paying attention and there's all this money coming in. Maybe we'll go public one day or

maybe something will happen." Did you ever think about it that way? Or, were you just so ...

Sophia Bendz: I mean, it felt always that it was an extreme inbound interest around us. People were curious, and we got offers to be bought by companies, etc. There were always this excitement around us. For me, I negotiated and I got access to an option program in the early days. I was young, I didn't really know what that actually meant or what it was, but I was lucky to have people in my surrounding that advised me to go for it and ask for a portion of the option pool. I'm very lucky that I did, so I had that. Obviously, doing some math, you can understand that this has the potential to become a great financial outcome. But, I was more excited about building something that resonated with millions of people. I was more excited about the team and the journey we were on, and I was super busy. I felt like I never had time to think about it. We were a bit scared and paranoid about the competition, so we never took anything for granted.

Arlan Hamilton: Yeah, well, I hope this podcast is for many people, they can take notes with each episode and kind of think about for themselves. I can say one of the things that I'm getting from this is like, you don't necessarily go after things based on how much money you can make from it. Because, a lot of things that I think will make money, end up not making money. Then, the things that I follow my passion, I follow the calling in the case of Backstage, all of that is where things really play out better.

Sophia Bendz: I agree, and I think for me, I never had the dream or even the desire to make tons of money. That was not what I was thinking about as a younger kid. Maybe it is because coming from Sweden, you have what you need and you feel like there is a security in the system in a way. I just wanted to have enough money so I could live a healthy and good life. But, I never sort of had as a goal to become a multimillionaire. But, the startup world has made a few people very wealthy, which is an interesting phenomenon. But for me, that was not the driving force at all.

Arlan Hamilton: Do you want to talk a little bit more about the options? Because I think what you mean is, at a startup at least, sometimes you're offered more salary for fewer options or no options, and then sometimes you're offered a lot of equity and a much smaller paycheck.

Sophia Bendz: Yes.

Arlan Hamilton: Some people, for whatever reason, it could be that they just can't live off of less, so they take that. Or, they just think, "Well, why would I bet on something that may or may not happen one day?" In some cases, that never does materialize into anything. I remember my mom told me once she was laid off because one of these companies she worked, they came in and they said, "You can take all of your options and use them as wallpaper," they told her that, the whole company. Sometimes it doesn't work out.

Sophia Bendz: Yes.

Arlan Hamilton: What would be your, I mean, you have a very specific experience with this, so you hit pay dirt. Right? What would you say for people who, maybe they were working at one to three different tech companies, they are faced with it. They're an engineer, they're in marketing, they're in sales. They are given the option for options. You have a ...

Sophia Bendz: Yeah. My recommendation would be, if you believe in the company and the team and that the product or service that you're building is adding true value to the end user, definitely go for options if you can afford it. Because I think if you're part of building something and you are taking a risk by joining that company before they have proven themselves to the rest of the world, it's fair that you get a piece of the pie after having built it and taking it from A to B.

Arlan Hamilton: Then, I think most people know what happened with Spotify. It kind of did all right for itself. There is an entire episode that we can go into one day where we talk about how you took Spotify from what it was to what it is today. I mean, do you say that? Because, you're very like, modest person. You don't go around boasting, like I want to yell behind you, be your hype girl behind you. Do you ever just say, because you're just so calm about. You're like, "Yeah, I was at Spotify." But no, you weren't at Spotify. You understand that you were one of the people who made Spotify blow up globally.

Sophia Bendz: It was a team effort.

Arlan Hamilton: I'm sure it was. I'll never get her to say that it was anything but. I'm sure it was, obviously. I think that it's kind of cool, you're definitely a role model for a lot of people because you're a woman and that already just sets you up for being a role model, but you did something. I mean, Spotify, it's fair to say that Spotify could have been a different company or had a different outcome if they had not seen you walking across the street. What will you say? What will you admit to having done for them?

Sophia Bendz: I think, yes, at that time there were other music streaming services. We had something called [Spire Frog 00:25:49], we had Rhapsody, we had Pandora, we had Grooveshark. But yes, I think Spotify kind of won that race and when I was working there, we were so busy building, I did never kind of relaxed and say, "Yay, we won." We were always busy, busy, busy. But now, looking back, I think what I contributed with was early on, waving the flag on why it's important to build a strong consumer brand and how we do it, and then be the guard of that brand and make sure that we are navigating after sort of the soul of the company and staying true to ourselves when growing really fast. I think that comes from lots of love and passion for both the team, but also the product and how we wanted to bring value to people's lives.

Arlan Hamilton: I want to spend the last part of the conversation talking about now the investment work that you do now as an angel, I think is actually really, really exciting. I want to talk about that. But, before I do, you know, you said earlier that you kind of, being Swedish, you kind of have things set up for you. What did you call it? Social ...

Sophia Bendz: Welfare system.

Arlan Hamilton: Social welfare system.

Sophia Bendz: Yeah.

Arlan Hamilton: How do you drive yourself when you grow up ... Not just you, but other people. How do you think, now that you've been out in the world and you've seen so many different types of people, how do you say, "Well, I'm not just going to rest on this"?

Sophia Bendz: Yeah, and I hope this doesn't sound pretentious, but I think once you don't need to be worried about next month's paycheck, you have the luxury to think about even bigger problems. I think a lot of the entrepreneurs that I meet from the Nordic region, they have a lot of mission driven companies that are looking to solve some of the biggest problems out there. I think after you have sort of secured your own situation, then you want to give back and help society, and therefore create companies that can either help reduce food waste or come up with materials that are reducing plastic, or other companies that are adding good value for society.

Arlan Hamilton: I'm really excited about our sponsors for this episode, Digital Ocean. I spoke at their employee lunch a few months ago in New York City at their headquarters, and I was just blown away by their team, by their diversity in the room, by their community that they've built, the curiosity of thought there. It was really, really fun and they are some really cool people. When we partnered to sponsor and launch this podcast, I was stoked. Let me tell you a little bit about what they are and who they are, and what they're offering us.

Arlan Hamilton: Digital Ocean is a cloud platform that makes it easy for startups to launch high performance modern apps and websites with simple, predictable pricing. No gotcha pricing. And, a UX that developers around the world love. You can stop worrying about your cloud hosting and storage bills, and have more time to just focus on your business. We all need more time.

Arlan Hamilton: That's not all. They want to make it even easier for new businesses to launch apps in the cloud. If you're a startup, don't miss out on applying for their incredible hatch incubator program. Over 2,000 startups in Digital Ocean's hatch have received amazing perks, like a year's worth of free cloud infrastructure credits, special events, prioritized support, technical training, and more. Learn

more about Digital Ocean's global startup community and apply for hatch at do.co/backstage. That's do.co/backstage.

Arlan Hamilton: It's a few years later. Would you say that, and you can answer however you like. Would you say that you made your first million when Spotify went public?

Sophia Bendz: Yeah, that's fair.

Arlan Hamilton: Yeah, I mean, there's different ways to measure it. Right?

Sophia Bendz: Yeah.

Arlan Hamilton: Like, if we really looked at it, I've already made my first million, but I don't look at it as I have. When Spotify went public, you got some money, little bit of money.

Sophia Bendz: I sold some Spotify shares.

Arlan Hamilton: Yeah, you got a little change. I think the coolest part is what you've been doing with it. Like, I can say from first hand experience that you are what I like to think that I am, which is a catalyst. There is just so much value in that. What was that conscious decision that you made, and when was that? Like, "I'm going to angel invest. I'm going to be very specific. I'm going to be intentional. It's going to be about something." Because, you could have just kept that money and just stacked it for yourself, got a cool car, got a cool like, 300 pairs of shoes. Not that there's anything wrong with that. That's your money, you could do whatever you want with it.

Sophia Bendz: No, true. One friend of mine, she said, "Now, worked so hard for so many years, and now you finally have the money. Why are you investing in another super high risk startup? Why aren't you just sort of buying a big house without the mortgage and getting that car?" But I think for me, I want to put my money where my mouth is, and I want to put my money where I find it to be interesting. I think buying a big house and sit in it, that's not my version of fun.

Arlan Hamilton: No.

Sophia Bendz: I think I want to be a part of making change and I want to be part of positive relationships and projects and settings. Yes, I have been angel investing and I think it's one of the most fun and interesting things you can do. For me, it is about being in a context where I get to be privileged in one way because I can share my learnings and give back. That is giving me purpose and meaning, which is a beautiful place to be in.

Sophia Bendz: But I'm also, on top of that, learning from some of the best and most exciting entrepreneurs out there. If I would just have my money in the bank or in a

house, it would be static. I wouldn't learn from the house. But, putting it into young, driven, exciting, smart, beautiful human beings that are creating things with it and seeing it grow, that is extremely satisfying and inspiring.

Arlan Hamilton: How many investments that were angel investments do you think you've made?

Sophia Bendz: We calculated it, or counted it. It's 34.

Arlan Hamilton: 34.

Sophia Bendz: Yep.

Arlan Hamilton: Starting when, when did you make your first one?

Sophia Bendz: The first one was actually when I was still at Spotify. It was a person who I used to work with who started his own company. I knew he was really talented, and that was probably 2012.

Arlan Hamilton: Okay. Then, was it far after that that you did another? Did you get addicted to it really fast or did you wait a while?

Sophia Bendz: No, I waited a while. Also, because I hadn't sold my Spotify shares back then, so I wasn't really liquid enough to do it on a scale.

Arlan Hamilton: Yeah.

Sophia Bendz: But, that kind of I think spread. Then I helped him a bit.

Arlan Hamilton: I'm going to read between the lines because I know you enough to know that that probably did really well. Like, that company or the second company. If you were saying, "Yeah, it was nice, it was good," then it's probably like, it's slack, okay, it's slack.

Sophia Bendz: It's not slack. No, it's a great company called Tictail that was actually bought by Shopify earlier this year.

Arlan Hamilton: Oh, very cool, very cool. Did you have other events like that happen with some of your angel investments?

Sophia Bendz: Yeah. There was one company in New York that I invested in called Maple. They were bought by Deliveroo.

Arlan Hamilton: Okay.

Sophia Bendz: That means that I'm a shareholder in Deliveroo, which I'm happy about.

Arlan Hamilton: Yeah.

Sophia Bendz: I had another one called [Shim 00:34:02] that was bought by telemedicine company called [Khi 00:34:05] in the Nordic.

Arlan Hamilton: Okay.

Sophia Bendz: There's been a few exits.

Arlan Hamilton: Yeah, and that's exciting. It may have been the same person, but I saw one of your interviews, because believe it or not, I do prep in some ways. But, I saw one of your interviews and there was a guy on stage with you, and he just said that you, I think you put the first check in. Then I think you introduced him to all his investors. Then you helped with him with the first customer and the first hire. You left Spotify, when?

Sophia Bendz: 2014.

Arlan Hamilton: Okay, so it was then when you had a little bit more time to really focus on what your career as an angel investor would then be, or as an investor would be.

Sophia Bendz: Yeah. I actually started working together with a group of people called Beta Angels. That was a syndicate of angels that went together to do deals. I was scouting deals for them, and I kind of saw how it worked. That was a lot of fun and I learned a lot. Then, I continued from there, and then a few years later I met with Niklas and Atomico, and I thought it would be fun to also see how later stage investment are done by someone who's really good at it.

Arlan Hamilton: Yeah, and I should point out, you're super young and you did kind of start out the gate really early. There's so much more to do. Do you think you'd ever work at one of the companies you've invested in?

Sophia Bendz: Oh, yes.

Arlan Hamilton: So, you want to be an operator again, eventually?

Sophia Bendz: I mean, I joke about it with them because it kind of sometimes itches in my fingers to get back to being operational.

Arlan Hamilton: Well, I'm sure any of them would take you too, man.

Sophia Bendz: But, I think I'm having too much fun and I'm feel like I can scale up myself in the position where I'm now, which is really good.

Arlan Hamilton: Yeah.

Sophia Bendz: But now, when you say it like that, I agree. It was interesting that I started angel investing, and at the time, I didn't plan to, "All right, I'm going to do this so that can take me to a role in venture." I think now looking back, the way for me to enter the VC world is because I could show Niklas like, "Here's the list of investments that I've done," and they're not bad. I think, for me, that was a bit of a hacking my way through.

Arlan Hamilton: Yeah, absolutely.

Sophia Bendz: Yeah.

Arlan Hamilton: Yeah. I think about a couple of things come to mind. One is the syndicate that you talked about, being part of. Would you recommend that for people who are kind of in between? They don't necessarily want to make a career out of investing, but they have some means now.

Sophia Bendz: Yes, definitely.

Arlan Hamilton: Yeah.

Sophia Bendz: I think it's a very empowering way of spending your money. It's a great way to get started and sort of test and try out and see if it's something you like. You can use different platforms to sort of sort admin. Then I think there's also a lot of what we see as sort of dorm room funds at the universities that you can start with.

Arlan Hamilton: Yeah, sure.

Sophia Bendz: For me, it was a great way to get started and to get to know other people and learn the art [crosstalk 00:36:58].

Arlan Hamilton: Speaking of dorm room funds, there's a great ... Dorm room fund itself from First Round Capital, I'll give a shout out to them, I love their model. I'm really excited about HBCU.VC. They're at Historically Black Colleges and Universities, so I would encourage people to check into that and look into what they're doing, HBCU.VC. You know, I think there's very few things as fun as getting together with a few people who can make things happen, and just pouring that all into one founder that you really believe in and just seeing how far they can go. Today, I know that you have a lot of investments in women and that's very important, fem-tech is really high on your list of investments. When did that become so important to you?

Sophia Bendz: I think in the beginning, I was keen to just be involved. I did more investments and bigger tickets. Now, I feel like I have a pretty impressive inbound and many opportunities to be part of angel investment rounds. Therefore, I am a bit more picky. I want the money to be meaningful. I want the time and the relationships to be meaningful. I put up a few investment principles for myself, after looking

back at these eight years. I would love for me to be geographically close to the founder so I can meet up and sit down and have a talk and be there, present. It's a plus if it's a female led company, and if it's in health tech or fem-tech, because I think it's an exciting area that is very underserved.

Arlan Hamilton: We're both invested in O.School.

Sophia Bendz: Yes.

Arlan Hamilton: Which is fem-tech, but the proximity is different. What about that made you, against all odds, invest in them? Because, they're not based here.

Sophia Bendz: No, exactly, they're not based here. That's the ...

Arlan Hamilton: If it's something really compelling, you can make an exception.

Sophia Bendz: Exactly, and a founder that's so strong and inspiring. I love Andrea and she's on a mission that I find so important. I kind of couldn't resist it.

Arlan Hamilton: Yeah, we'll do a plug for O.School there.

Sophia Bendz: Yes, big shout out.

Arlan Hamilton: Yeah. Now you're part of a fund that has hundreds of millions of dollars. You can make these bigger bets as a group, as a partnership. I know for sure that that takes you kind of all over the world. You're speaking everywhere and you're one of the busiest people, and busy not in a bad way. Like, you're actually working. A lot of people like to appear busy, but you're like, working. You have that. You have two children, which is awesome. Where do you think you're going next, and where would you like to go next? Not to say that you will be doing something different, but is it about scaling what you're already doing? What's that big picture for you?

Sophia Bendz: I think I want to do more of what I do now, and I want to do more deals and I want to be expanding the angel network, Angel Program that I'm running for Atomico. I want to inspire more women to become investment partners. I want to back more female founders and support them even more.

Arlan Hamilton: Why is it important for ... When you think about people not just in the tech world or venture world, people who are sort of waiting for their chance at bat, do you think that anyone can kind of make \$1 million no matter where they came from, no matter what kind of support they had? In a philosophical way, where do you think you stop blaming the past? Stop blaming, "Well, I didn't grow up with money." You're talking to someone who didn't. Right?

Sophia Bendz: Yeah, exactly, I was going to say you are the best example of someone who took charge of their own destiny.

Arlan Hamilton: True, it took me a long time, though, to figure that out. It took me a long time to stop blaming the past. How do you think about that, when you're just talking to people who are not necessarily in your industry?

Sophia Bendz: Yeah.

Arlan Hamilton: You know, main street.

Sophia Bendz: I mean, I have a respect for that, we come from different backgrounds and we have different tools and predictions.

Arlan Hamilton: This particular podcast, the audience is so interesting. There are going to be people who are in Atlanta or Detroit or like, South Texas who have, I mean, the furthest thing from they can imagine is working at Spotify or having \$1 million. They work at a grocery store, but what I'm trying to say is, I can have you on this show too. I can have that person on this show too one day.

Sophia Bendz: Yes.

Arlan Hamilton: I guess, you know, I want to instill in people that there's no one who can't do what you have done.

Sophia Bendz: No.

Arlan Hamilton: There's no one who is not allowed that path.

Sophia Bendz: That's so true, and I completely agree. But, I don't at the same time want to sit here and say, "Oh, everyone can do it," because I understand that I am privileged. I was born in one of the most equal countries in the world and we have a good healthcare system, etc. I understand it's different depending on your background. But, I also think it is up to all of us to kind of make our own future, and I think there are ways where we can learn and listen and observe. One thing that I love about the tech community is that it's very open. It's not excluding. I think we understand that, in order to create the best products we need diversity and we need to have teams that are representing different cultures and regions. I appreciate that with the tech community.

Arlan Hamilton: Yeah, and it's both what I have experienced and also what I hoped for, because it is not the case across the board in the tech community, but it's such a wonderful example of what it could be. The people who are getting it right and the regions who are getting it right, it's such a great place to aspire. You know what I've been trying to figure out?

Sophia Bendz: No, what?

Arlan Hamilton: This is going to be weird. This might not even make it on there because it's so weird. I've been trying to figure out like, what kind of music you like.

Sophia Bendz: Oh, interesting.

Arlan Hamilton: Yeah. Usually I can figure it out. With Spotify, you'd think there would be, like a ... What kind of music do you dig?

Sophia Bendz: Right now, I'm listening to the latest album of The National.

Arlan Hamilton: The National, okay.

Sophia Bendz: Yeah, really cool one. I love Swedish singer Lykke Li.

Arlan Hamilton: Yeah, yeah, "Just a little bit."

Sophia Bendz: Yeah, exactly, that's the one. Then I can sort of [inaudible 00:43:26] into deep techno and old classics. I'm very broad in my listening.

Arlan Hamilton: Deep techno and old, what's an old classic to you?

Sophia Bendz: That is right now, me and my daughter and son, but when we are going to daycare in the morning, she wants to listen to Stand By Me.

Arlan Hamilton: Yes, very good.

Sophia Bendz: She was very impressed when I told her that that song was around when even her grandma was young. She's like, "It's an old song."

Arlan Hamilton: That's good.

Sophia Bendz: But, it's still as good.

Arlan Hamilton: That's so cool.

Sophia Bendz: Yeah, we're singing along to Stand By Me in the mornings.

Arlan Hamilton: Okay. You like Beyonce?

Sophia Bendz: I love Beyonce.

Arlan Hamilton: Yeah, because you're human.

Sophia Bendz: I'm human and I need some of her power. She, through her music, gives me an energy that I need.

Arlan Hamilton: Yeah.

Sophia Bendz: And I love and I treasure. Thank you Beyonce for creating.

Arlan Hamilton: Thank you Beyonce, that's right. That's right. I want to talk to her. There's so much I want to say to her and talk to her about and ask her.

Sophia Bendz: Yeah.

Arlan Hamilton: Okay, that's good.

Sophia Bendz: Next episode, you'll get her.

Arlan Hamilton: On the next episode, Beyonce.

Sophia Bendz: This is good, we're putting it out there.

Arlan Hamilton: We'll see, you never know. I've said stuff out loud and it's come true.

Sophia Bendz: I know, we need to manifest.

Arlan Hamilton: We will see. All right, is there anything else you'd like to ... I hate when people ask me that, by the way. "Is there anything you'd like to say?" I don't know, I'm not interviewing myself. But, just in case because it's not live, like [crosstalk 00:44:42]

Sophia Bendz: One question, yeah.

Arlan Hamilton: Yeah.

Sophia Bendz: You asked me what I see in the future. Tell me about, what are we looking at? What are the upcoming five years? What is the-

Arlan Hamilton: The upcoming five years, I kind of joke about being vain, but I actually think I'm a little vain, because when I think about the five years, the first thing that comes to mind is like, how it affects Backstage. You know? I just think we were just in this wonderful room full of very powerful women from all over the world and we're in London right now, and I was just listening to everyone speak. I thought, the world is so small. I just, in the last five years, figured that out, just through the fund, building Backstage.

Arlan Hamilton: The world is so small and it really is about just a couple of degrees of separation and asking. This is such an inflection point for us. I think things are about to

explode in a good way. There's like, all this bad stuff happening and it's scary and it's almost too much. But, I think there's going to be this revolution. I believe that Backstage and funds like it and people like it, and like I said, catalysts, I think we're all going to benefit from that.

Arlan Hamilton: In five years, in seven years, in 10 years, I believe I'm going to walk into rooms all over the country, and Silicon Valley being the pinnacle of that. First of all, it won't just be Silicon Valley. We'll say we'll be having these major conferences in Atlanta and New York and LA and Texas and all of that. But, I think I'm going to walk into these rooms and the people who have the power, the people who have become not gatekeepers but key makers, are going to be people of color, and there are going to be a lot of black people in powerful positions. I think it's going to be an interesting test for us, because we haven't been in that power before. What do we do with it? That's going to be really exciting for me.

Arlan Hamilton: I don't believe it'll take us 20 years, 50 years like some people think. Some people, they kind of give up. They throw their hands up and they're like, "It's going to take so long for us to be, for parity. It's going to take so long." I don't think so. I've seen how much has changed in three years and what it's taken is people being loud and screaming about it, and then doing it. You can only have so many conferences and so many think pieces. I think there's going to be major change and it's going to be raucous and it's going to be like, as Aisha Tyler said to me once, "It's going to be like punk rock." You know? It's just going to turn everything on its head. I also believe in five years I will have the largest collection of purple one suits, onesies, that will all be velour, I'm hoping.

Sophia Bendz: And purple sneakers to go with it.

Arlan Hamilton: Man, the purple sneakers is a given, it's a given. I just think it's going to take five years for me to like, incredibly rich. The reason that that's important, the only reason that's important is because it would have meant these founders that we've taken bets on are going to be the new normal. They're going to be the new guard. I just believe that with all my heart, and I know it's going to take that small amount of time.

Sophia Bendz: So do I.

Arlan Hamilton: I also think there's a lot of room for people to get in. If you're listening to this and you don't feel like you're part of it, it belongs to you, so come get it.

Sophia Bendz: Amen.

Arlan Hamilton: Yeah, it's yours.

Sophia Bendz: Yeah, I cannot wait to follow your journey.

Arlan Hamilton: Thank you. I hope that I have at least some sort of recurring small role on General Hospital. I hope.

Sophia Bendz: You're putting that out there.

Arlan Hamilton: You don't understand, it's the next step.

Sophia Bendz: It's going to happen.

Arlan Hamilton: I don't even have a doubt about it. It's going to happen.

Sophia Bendz: I don't doubt it for a second.

Arlan Hamilton: Going to be somebody, some judge. Someone said I should be an anesthesiologist. This is very weird. We're going to stop now. Okay, where can people find you? You're on Twitter?

Sophia Bendz: Yeah, look me up on Twitter, Facebook.

Arlan Hamilton: What's your name on Twitter?

Sophia Bendz: It's Sophia Bendz.

Arlan Hamilton: Can you spell that?

Sophia Bendz: S-O-P-H-I-A B-E-N-D-Zed.

Arlan Hamilton: Zed.

Sophia Bendz: Yes.

Arlan Hamilton: Very European. That's Z for y'all out there who don't speak the queen's English. Thank you so much for being here. Thanks for having like, sort of having tea with me in London.

Sophia Bendz: Oh, thank you so much for having me. It's been so much fun speaking to you.

Arlan Hamilton: I'm going to try not to fan girl.

Sophia Bendz: I am fan girling you, so.

Arlan Hamilton: All right, thank you.

Sophia Bendz: Thank you.

Arlan Hamilton: Hey, so I'd love to talk to you and keep the conversation going. Find me on Twitter and Instagram @arlanwashere. That's A-R-L-A-N was here. Stick around too, because I will let you know when my new book is going to be in pre-order. Now, that's coming out 2020, it'll be out as the real book, oh my goodness. You will be able to pre-order it most likely this year. Stay tuned, I'll let you know all about that on Twitter, on Instagram, and on this podcast.

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Arlan Hamilton: Yeah, these are the people you want to be talking to. You got aspiring founders, you've got in the trenches founders, you've got aspiring angel investors and active angel investors, you've also got venture capitalists, you've also got limited partners. Then you have people who are listening in to learn all about what all of that means. It's a really interesting group of people. Check it out. Thank you again Digital Ocean for sponsoring. Your First Million is produced and edited by Anna [Ikinawa 00:51:27], and senior producer Brian [Landers 00:51:29]. Additional audio mixing and mastering by Alfred Rook Hamilton. Additional production by [Chacho Valedéz 00:51:35]. Executive producer Arlan Hamilton.