



Ron Bauer

Partner, Black Sheep Ventures

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Ron Bauer is a dynamic Venture Capitalist with extensive and broad international Private Equity investment experience focusing on emerging growth opportunities and rapid development, specifically within eSports, Gaming, Life Sciences, Blockchain Technology, MedTech and FinTech.

Ron has a proven track record of building start up ventures from early stage seed funding to exit. He has been an active investor in numerous companies that have completed private trade sales and mergers into larger public companies.

Ron has over 20 years experience working closely with international financial institutions that range from High Net Worth Investors, Venture Capital Funds, Private Equity Firms, Private Banks, Family Offices and Brokerage firms.

He is a Financial Engineer with over 20 years of Capital Markets experience and the ability to adapt his skillset to a wide array of sectors as market conditions change. He has a wealth of close personal relationships and a vast network of contacts globally which allows him to guide and mentor his portfolio companies.

Ron's interest in the stock market and early stage growth companies began at the age of 15, while most kids his age were reading comic books and playing sports, Ron was reading the Canadian Financial Magazines. At the age of 16, he entered a city wide stock trading tournament, this fascination, combined with careful research, led him to invest heavily into Dia Met Minerals, a junior diamond company that eventually discovered a diamond mine and sold for over \$1 Billion and kick started Ron's fascination with the stock market and early growth companies.

Ron sits on the Board of Directors and is a Senior Advisor of numerous portfolio companies which include eSports Lab PLC and Pari Match Africa PLC

Ron has an MBA from the University of Cambridge's Judge Business School in the United Kingdom.

Ron is a Partner of Santa Monica and London based Black Sheep Ventures, an eSports, Gaming and Blockchain Technology VC firm.

How did you get started in this business? What inspired you to start this business?

My first job after moving to London was marketing hedge fund unit trusts to British Expat's living in Europe and who were able to take advantage of not having to pay tax on their world wide income. Through this job I became acquainted with a CEO of an early stage growth company looking to raise money in Europe for his California Tech Company that was publicly traded at the time. They offered me a job to come and work for them in California as a fundraiser to assist them in closing their financing. I was successful in helping them and through that relationship I decided to set up my own business in London to assist other public companies from Canada and the USA.

A little over one year into this venture I realized that it would be more profitable starting up my own deals or sitting on the other side of the table. I felt that running my own companies or assisting entrepreneurs in growing their businesses from an operational stand point would prove to be more lucrative for me.

How do you make money?

People always assume I make a lot of money and very fast but the Venture Capitalist cycle that I am involved

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People always assume I make a lot of money and very fast but the venture capitalist cycle that I am involved in is a slow burning process that takes years. From when I start up a company or invest in an existing one until an exit takes place either through an Initial Public Offering (IPO), a Reverse Take Over (RTO) into an existing Public Company or a Trade Sale or Merger to a larger Public Company for shares or cash, a long period of time passes, it could take anywhere from 3 to 5 years, sometimes longer, before I receive any payback on my investment or make a profit.

It is a very rewarding process because I usually invest at the ground level or I help create the business and build the operational team and board of directors or advisory board but this process is a time consuming process and there are no set hours such as in a 9 to 5 job. I work 7 days a week, usually more than 14 hours a day at different intervals and I am always thinking about the companies I am involved in and how to guide them to success.

I make money by either selling shares on the open market, or by a merger of the company into a larger and more liquid public company receiving shares in return that I can sell or I sell the business for cash which is received on closing. So there is no income or consulting fees, no guaranteed income, I receive capital gains from the sale of shares.

I may have one year an amazing year which compensates me for two or three years where I am in the company building phase and do not have any revenue coming in from the sale of shares.

So my aim is to invest at 1 and sell at 10 or 20 but these days those ratios are usually invest at 1, take a lot of risk, work extremely hard to achieve success for your portfolio companies and sell shares or the company at 3 or 4 or 5 x investment many years later.

How long did it take for you to become profitable?

This question is a difficult question to answer because the question should not be "How long did it take for you to become profitable?" but.... It should be "When did you start making money from these transactions?"

My first deal in which I invested in was profitable right away because I mitigated my risk by bringing in an investor at a higher valuation to my valuation. So if I invested at 1 my investor that I brought in invested at 2, so I was already ahead of the game and profitable. In the early years I had to keep my overheads down and my costs or expenses low enough to survive periods where I would not be making money because I was in a company building period.

I was very fortunate that through hard work, being in the right place at the right time, the right market conditions and a little bit of good fortune, all the stars were aligned for me at a very young age and I was profitable and making money from my 20's.

When you were starting out, was there ever a time you doubted it would work? If so, how did you handle that?

There were many situations where I lay in bed at night time and did not know how I would be able to survive if the risks I took on investments went against me. I have been through difficult situations in life and learned that through hard work, determination, kindness and positive attitude you can achieve whatever your mind wants to achieve.

I have been knocked down many times and had the door shut in my face on many occasions. The easiest thing would have been for me to raise my hands and give up but I continued to soldier on and work as hard as I can. What I noticed is that you do not have to be the smartest one in the room, or the luckiest one in the room or the bravest one in the room but if you are one of the hardest working people and most reliable one then when opportunity comes knocking on your door you are there to open that door and close that opportunity. That is my biggest secret to success, working harder than anyone else, 24/7/365, I am always working and always thinking about how to make magic happen. My partners and people I do businesses with know they can always reach me and I am always available for them at anytime, no matter where I am in the world or what time it is. I can be reached always anywhere.

I grew up in a very educated family and hard working family of immigrant parents. My parents came to Canada in their 20's with no money, only strong family values, the best education and the determination to work hard and succeed. They gave me the best upbringing I could ask for, the best education, they instilled discipline, family values and taught me the value of hard work and close friendship. My parents have friends all over the world. I know that wherever they go they can call up one of their friends and they are there for them always. This was a lesson I learned from an early age.

My parents also taught me to always respect and treat everyone the same. No matter who they are or what they have. One day someone is rich and the next day they are poor and vice versa. Treat everyone the same and never think you are better than others, maybe more fortunate but never better. I treat everyone with respect and with dignity always.

How did you find your company to invest in?

For about a year or two I was either assisting companies in raising capital or I was acting as a middle man introducing interesting companies to VC's that did what I do now. I worked closely with a group of VC's that would fund every deal I introduced and slowly they brought me into their inner circle to take on more responsibility in the M&A process. I was a fast learner and realized that I needed to go out on my own if I wanted to make serious money and not just have a good lifestyle. So I started looking for unique opportunities and through my network of contacts I looked at many businesses when one of them stood out from the rest and was introduced to me by a middle man that I had worked with in the past.

So you could say that I found my first investment opportunity through my own network really. That's when I realized the power of networking and communication within your own network of contacts.

I realized the importance of long term relationships and friendship. I learned this strong quality from my parents at an early age.

What is one marketing strategy (other than referrals) that you're using that works really well to generate new business?

All of my business comes to me either through relationships with people I have worked with in the past or from entrepreneurs of companies that I have invested in and also friendships with people that I know from all walks of life.

My one and only marketing strategy is to always give someone the time and opportunity to pitch you on a business or an investment. Never say no to anyone. Try and find even 10 or 15 minutes to hear someone out. I have had many meetings I took to satisfy my mother or a family friend or someone I know from school or someone's friend of a friend and that meeting I tried to cancel or not book turned into a multi million dollar plus opportunity.

I would need pages to start telling you about the companies I have been involved in that spawned out of these meetings I never wanted to take to begin with.

So have an open mind always and find time even when you don't want to.

What is the toughest decision you've had to make in the last few months?

The toughest decision I have had to make in the last few months is to focus my efforts on my expanding business which takes me across the world almost half of my time. It is heart wrenching and difficult to leave my wonderful wife and two young boys every week for 4 or 5 days to work hard on these ventures. I try and convince myself that it is only a short term phase of a year or two before I will need to travel less but I feel like I am missing so much of their lives.

I am trying to balance my work and home life by staying at home one week and travelling the next week as well as never being away over the weekend but it is proving challenging at times.

What do you think it is that makes you successful?

I think I am successful because I am focused, driven, charismatic and determined in what I do. I am a hard working individual who does not stop until a task or a goal is achieved or completed to my best effort. I have always been a closer. I will find a way to make magic happen. I do not give up ever and I keep going always. I love what I do and that is the most important thing.

I have been able to adapt myself almost like a chameleon to its surroundings. I have always been focused and skilled as a sort of financial engineer in the capital markets specializing in listing companies and M&A to do with Public Companies. I have been fortunate to be able to adapt myself from the Oil & Gas and Mining Sectors into the Gaming, eSports, Technology and Biotech Sectors also seamlessly. This has allowed me to mitigate risk and open up a plethora of opportunities for myself these past years.

What has been your most satisfying moment in business?

My most satisfying moment in business has been watching one of the companies my wife and I invested in, Hemogenyx Pharmaceuticals PLC, complete an IPO on the London Stock Exchange and press the button to open its first day of trading. This was an experience I will not forget and I thank Dr. Sandler and his wife, Alexis, the founders of the company for inviting me to this important event. I will always remember Dr. Sandler personally thanking my partners and I for taking a chance on his company and investing in his business in its early days when he struggled to raise capital. I can't explain the satisfaction in hearing him thank us for supporting his growth.

What does the future hold for your business? What are you most excited about?

The future looks very bright for my business and the portfolio of companies I am invested in. I am very optimistic on the Gaming, eSports and Technology sectors just as I am on the Biotech sector as well.

I am involved in some world class biotech companies with Stanford and Oxford as well as some Gaming companies with legendary entrepreneurs like Nolan Bushnell, the founder of Atari and Chuck E Cheese.

What business books have inspired you?

I recently read this summer the book that my business partner and mentor, Nolan Bushnell, wrote called, "Finding the Next Steve Jobs: How to Find, Keep, and Nurture Talent by Nolan Bushnell". Not only was the book entertaining but the insight and advice Nolan gives is second to none. I enjoyed the book so much I have gifted probably 10 copies to close friends and family.

I am very fortunate to have found Nolan at this stage of my life. I am in my 40's now and starting a new chapter in my business life which allows me to adapt myself to sectors that interest me and more importantly work with people I actually enjoy working with. I can afford to say NO and turn down opportunities even if they will make me money. Life is too short and time is passing faster than before. So I have decided to now have a little more fun and only work with friends or people that I want to work with. If someone gives me a bad feeling or I don't like them I will walk away and turn down the deal. I have been working two weeks a month very closely with Nolan Bushnell and his family, who are all amazing and have welcomed me with open arms into their lives as my family has welcomed them in as well. Nolan Bushnell and I have set up a boutique Venture Capital firm that focused on eSports, Gaming and Blockchain Technology. In a matter of less than a year we have funded and created a strong portfolio of 7 start up companies at different stages of the life cycle but all very exciting in their own way. I have never had so much fun in my life and every day is a pleasure working with Nolan and his family.

What recent purchase you have made that's helped with your business?

A recent purchase I have made that has helped with my business is a set of limited edition Moleskine journals. I have reached the age where even I have to admit I have too much information in my brain and too much going on to remember every single detail or item. I am also trying to not be a slave to technology and use my phone for every little thing. So I like to write down notes and plans. I use my Moleskine journals every day and keep always one or two of them with me to take notes or write down "to do lists". I always have people to call or email and things to do or pay for, so this allows me to stay on top and not forget anything anymore.

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