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Alt-Funding Accelerator TinySeed Closes Second Fund of $25M Focused on Early-Stage SaaS

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MINNEAPOLIS, MN, UNITED STATES, March 11, 2021 /EINPresswire.com/ -- Alt-funding accelerator TinySeed is closing their second fund focused on early-stage SaaS, totalling more than $25M. The fund will invest in 100+ companies across North and South America over the next three years. Notable investors include Bloomberg Beta, Eric Ries, Patrick McKenzie, Steli Efti, and Rand Fishkin.

Amid a sea of “alternative” funding options, including a surge of revenue-based finance offerings and the recently shuttered Indie.vc, TinySeed has taken a different approach. They focus on early stage SaaS founders who want an alternative to the traditional “unicorn or bust” narrative.

“We expect a few of the successful TinySeed founders will go on to raise traditional venture capital, but most will not, relying instead on non-dilutive financing options like Pipe,” said TinySeed co-founder Rob Walling. “Our investment approach is unlike any we’ve seen among alternative funding options, and it resonates with founders who aren’t sure if they want to jump on the venture track, raise an angel round, be acquired, or grow a profitable company. We are unique in that we are supportive of all of those outcomes.”

TinySeed runs twice-yearly batches of 15-20 companies, and couples their year-long, remote accelerator with mentorship from SaaS luminaries like: Jason Fried, Hiten Shah, Laura Roeder, April Dunford, and more (full list here).

TinySeed is finalizing their third accelerator batch, pushing their portfolio north of 40 companies. Notable investments include SquadCast (podcast recording), Castos (podcast hosting), and ScrapingBee (web scraping).

“Investor appetite was very strong despite the pandemic,” said TinySeed co-founder Einar Vollset. “We had interest from a broad range of investors, including from outside your typical venture investor circles, and are very pleased with the more than 5x increase in size from our Fund 1”

TinySeed Fund 2 will be focused on companies based in the American timezone, but TinySeed is about to start fundraising for funds dedicated to the European and Asia-Pacific markets. “We expect to start a European program in late 2021 or early 2022, with an Asian program to follow soon thereafter.”

TinySeed’s investment thesis is that investing broadly into the earliest stages of SaaS — specifically, the set of B2B SaaS companies who are not necessarily reliant on traditional venture capital — can provide venture returns with less than venture risk. All while providing founders with a uniquely flexible option for early-stage funding and mentorship.

TinySeed was founded by Rob Walling and Einar Vollset. Rob is a serial entrepreneur and has started and sold multiple companies (most notably Drip in 2016) along with MicroConf, the largest conference for bootstrapped and mostly bootstrapped SaaS founders.

Einar is formerly the founder of reMail (Y Combinator W09, acquired in 2010) and AppAftercare (acquired in 2016) and is a Managing Partner at Discretion Capital, a technology-enabled investment bank.

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