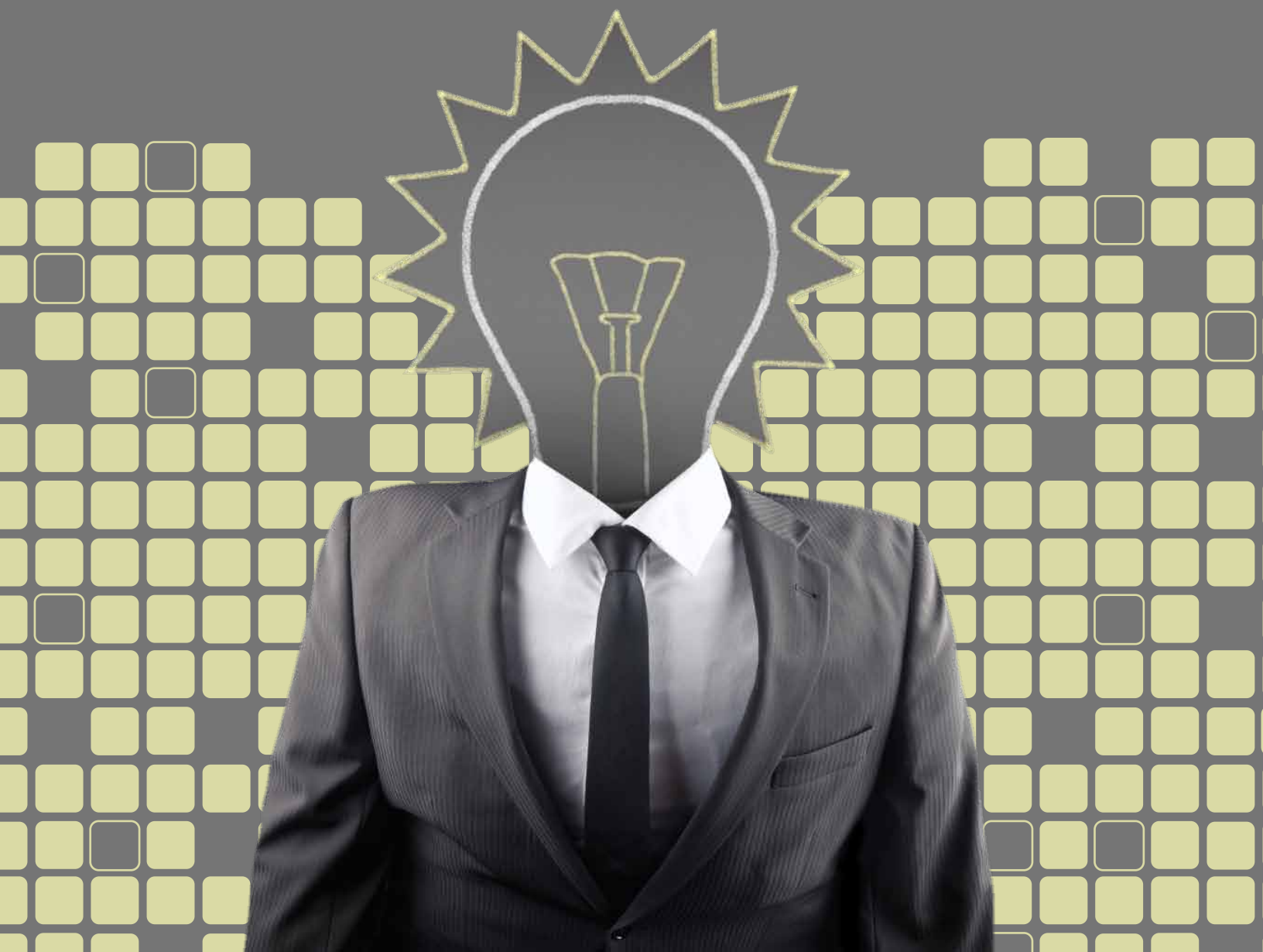


ALTERNATIVE
LatinInvestor

LatAm Technology:
The Startup Revolution





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Letter From the Editor

Last April, at an Americas Society/Council of the Americas event in Buenos Aires featuring speakers from the Argentine political, economic and business communities, 5 highly successful entrepreneurs spoke on a panel devoted to the entrepreneurial ecosystem in Argentina and LatAm. Their conversation was the most engaging part of the afternoon, and the figure they cut was telling. Sandwiched between well-rehearsed rhetorical performances by government functionaries, the entrepreneurs' relaxed but earnest, spontaneous but insightful conversation was refreshing and inspiring. And their message was — in our opinion — more important to the region's future than the latest reassurances from the newly minted head of YPF.

Andy Freire, Marcos Galperin, Santiago Bilinkis, Martin Migoya, Gonzalo Costa — all of them spoke about their successes, but also about the challenges they faced as entrepreneurs during the 1990s, a time when seed capital was elusive, mentors absent and the word “entrepreneur” barely in use. Whether launching MercadoLibre, Globant or Officenet, their initial successes relied on support from “family, friends and fools,” as well as a fair share of maverick, do-it-yourself attitude on their part.

As those 5 luminaries made clear that day, however, things have changed dramatically in recent years, and those changes are what we aim to describe and analyze in this report. What we've seen in the last decade, and increasingly in the last few years, is a confluence of factors — some macroeconomic, some microeconomic, some fortuitous but many of them deliberate — turn a region where entrepreneurial spirit and tech talent are endemic into a sustainable source of top global tech companies.

This report gives a panorama of a paradigm shift in the making, as LatAm begins to flex its technological muscles and flaunt its market savvy, giving tech-focused investors around the globe a new generation of high-return possibilities.

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Introduction: The LatAm Startup Revolution

Long a home to world-class tech talent, Latin America established itself as an important player in the software development and consumer internet industries in the mid- to late 1990s. During that first web boom, a handful of entrepreneurs, mostly from Argentina, founded companies that soon became major regional and global names. But even as some investors in that first wave took in healthy returns, LatAm tech would not present a viable investment focus for the next decade, with few global firms maintaining a presence in the sector.

That story has changed in the last few years, however, as major tech-focused VC and mid-stage private equity firms from around the world have moved into LatAm, no longer eyeing a few “diamonds in the rough,” but a long-term, sustainable play.

“We’re at the beginning of a new wave of investment in the region, with VC funds like Redpoint devoted specifically to Brazil,” says Pablo Larguía, a veteran Argentine entrepreneur and founder of La Red Innova (see box on page 7). “You also see companies like Dropbox and Twitter opening offices in the region, alongside the rise in entrepreneurs coming from Europe and the US.”

These entrepreneurs, companies and firms are attracted by characteristics of the LatAm market that are familiar to investors who have allocated to the region over the last half-decade. They include a swelling consumer middle and upper-middle class with rising purchasing power; maturing capital markets that allow for better fundraising and exiting options; and, by and

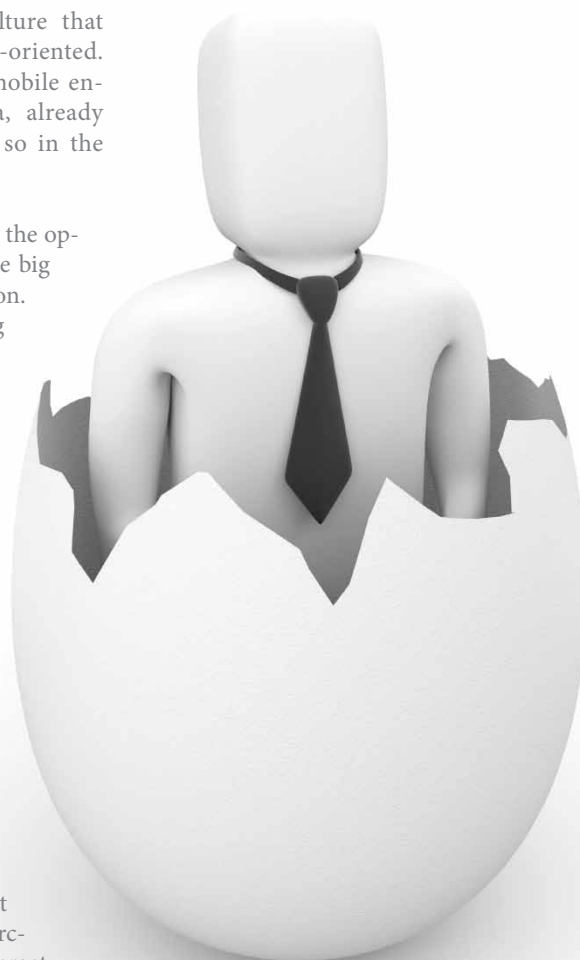
large, stable political and macroeconomic climates, particularly in Mexico and the emerging Andean region.

In addition, there are some key factors that the consumer web and mobile sectors are able to leverage more than others, including world-class, affordable tech talent and a pan-regional culture that is intensely social and mobile-oriented. Sectors such as e-commerce, mobile entertainment and social media, already booming, will continue to do so in the coming years.

While these trends are incipient, the opportunity is no secret, with some big names already joining the action. “The ‘smart money’ is coming from some interesting US funds that have begun coming into LatAm and are having their pick of the litter,” says Faquity Diaz Cala, President and CEO of Tres Mares, a Miami-based holding company focused on innovative tech (among other sectors) in LatAm (see box on page 5).

Accel Partners, Valar Ventures, Intel Capital, Insight Venture Partners and Sequoia Capital are just a few of the major US VC firms that have invested in LatAm tech companies. DFJ, an important Silicon Valley firm, has joined forces with FIR Capital in Brazil to target early-stage companies in the region, while Redpoint has joined with e-ventures

to launch a VC fund focused on Brazil. Meanwhile, 500 Startups, a Silicon Valley seed fund and business incubator founded by the energetic angel investor Dave McClure, has been increasingly aggressive in LatAm, recently acquiring a Mexican coun-



terpart, Mexican.VC. And J.P. Morgan has invested US\$45 million in the Brazilian online shoe and fashion retailer Dafiti, an indication of the expected growth in the region's e-commerce sector.

Yet these US and European firms are not the only ones making deals; many of the most important tech-oriented VC players at work in LatAm are homegrown, often founded by entrepreneurs who made it big during the first internet boom of the late '90s and are now reinvesting their money in a new generation of talented entrepreneurs. These include Argentina's Kaszek Ventures, Aconcagua Ventures, CAP Ventures and Quasar Ventures; Brazil's Ideias-net, Monashees Capital and Mountain do Brazil; Chile's Aurus Capital and Austral

Capital; and Mexico's Latin Idea and Alta Ventures Mexico, to name only a few of the region's top firms.

Major tech-sector companies are playing a direct role, as well. A few years ago, the Spanish telecom giant Telefonica founded Wayra, a tech-focused seed fund and start-up incubator that's now present in several countries around the region. More recently, Telefonica launched a US\$378 million VC fund called Amerigo, devoted to Spanish and LatAm early-stage companies.

Alongside the propitious economic indicators, there is another factor fundamentally important to global VC investors: the improvement of the region's entrepreneurial ecosystems. Over the past decade, and es-

pecially in the last 2 or 3 years, both the public and private sectors have begun supplying the financial, professional and educational resources needed to take LatAm's undeniable talent to the next level.

The most important and highly regarded of these players is Endeavor Global, which has discovered and developed some of the region's top talent for over a decade, and which recently launched its innovative Catalyst fund. In recent years, Endeavor has been joined by a new crop of supportive seed funds, incubators and accelerators, such as NXTP Labs in Buenos Aires, Start-up Chile in Santiago, and 21212 Digital Accelerator in Rio.

The cliché has become that these countries are racing to create the "Silicon Valley of LatAm," implicitly with the hope that the next Mark Zuckerberg or Jack Dorsey will emerge from the region's young, geeky ranks. Of course, that has already happened in recent years, if not quite on the Zuckerbergian scale, with Brazil's Mike Krieger co-founding Instagram and Colombia's Andres Barreto founding a series of highly successful companies, notably Grooveshark (the region's answer to Spotify and Pandora). But generally, the idea that the region, in spite of its amassed wealth and strong tech and academic tradition, could create a LatAm Silicon Valley anytime soon is probably wishful thinking.

"I don't think what they have in Silicon Valley can be replicated anywhere in the world," says Gonzalo Costa, a co-founder of NXTP Labs and one of the most influential players in the tech startup seed-funding scene. "But still, there are amazing opportunities for early-stage investing in the region, portfolios with potential returns of between 10x and 20x on investment." He notes, too, that the occasional "100x" investment is in the realm of possibility.

A key question arises, then: What kinds of companies will reap these returns in the coming years?

For the last 10 to 15 years, there's been a fairly straightforward answer: the LatAm companies with the most high-return potential are those that "copycat" or "tropicalize" proven business models from the US and Europe. MercadoLibre was the prototype for this kind of strategy, and remains the example par excellence of its success; but examples abound, and it clearly remains the No. 1 strategy for entrepreneurs and investors in the region.

Tres Mares Group

Tres Mares Group is a Miami-based holding company with investments throughout the LatAm region. Founded in the 1990s, it began by investing in LatAm airlines before diversifying into other sectors. Now it seeks innovative companies at all levels, often investing alongside regional investors, including funds and angel investors.

As Faquiry Diaz Cala, the firm's CEO and President, explains, Tres Mares prefers to be early-stage strategic investors when they can add value and, at the same time, follow up on the investments from Seed to C round. "The companies we look for should be in the post-accelerator phase. The team has been formed, the business model is solid, and now they are seeking value-add investors who can add seed funding, take them into Series A, and be there as a follow-up investor for B and C."

Mr. Diaz Cala sees opportunities surrounding the growing middle class in the region, especially with the acceleration and broadening of financial services. He also sees some pockets of pure tech innovation, with teams out of Brazil or Argentina who have innovative property in the tech space and now need a pan-regional market or entry into the US while based in Miami. And while much of the internet- and mobile-related investment in the region is in software-based products, he notes that there are pockets of hardware development as well, such as handheld device manufacturers in Colombia who are developing tablets specifically for the health care sector. He also points to the newest venture of yet another veteran Argentine entrepreneur, Tiburcio de la Carcova, who has set up a massive hardware hacking operation in Santiago, Chile, called Santiago MakerSpace.

Tres Mares is also committed to fostering entrepreneurship, Mr. Diaz Cala says, supporting InnovateMIA, a week of events highlighting the best of Miami's startup, tech and creative scenes alongside cutting-edge international organizations, ending with the Florida International University's Americas Venture Capital Conference (AVCC). Indeed, he believes the Miami startup and entrepreneurial scene will be a major force in LatAm tech in the coming years, with companies migrating there and setting up headquarters, as Open English has done.

"I think South Florida is the smartest hub to take your company to after graduating from Startup Chile or iNNpuls Colombia," he says. "From here, it's much easier to go US Hispanic and/or pan-regional LatAm."

But increasingly, investors are seeing opportunities in another kind of LatAm company: those with truly innovative products, service and business plans that can be taken regionally and exported globally. Leveraging LatAm's affordable tech talent and improving entrepreneurial know-how and resources, these companies are creating world-class value propositions, and their mounting numbers suggest a paradigm shift. No longer is this a story of merely "copycatting" Silicon Valley's products and business models, but

creating truly original companies that can be models for the world — both "developed" and "developing" — reaping high returns for the investors who make it possible.

Delving into the origins and current state of the LatAm tech sector, and particularly the consumer internet and mobile spaces, this report will explore the divide between "copycats" and homegrown innovation in more detail, as well as other essential questions, including which sec-

tors, markets and entrepreneurial ecosystems offer the best investment opportunities. Ultimately, the report aims to educate prospective investors and facilitate contact with the most important players in the sector by providing key information (including a directory, appended to the report) and, at the same time, elaborating on the story, traced so far, of why this opportunity promises to be one of the most fertile in LatAm for the foreseeable future.

Origins: Like It's 1999

In the early stages of the global web boom in the mid- and late 1990s, the commercial possibilities of the internet gave a handful of tech-savvy entrepreneurs in LatAm the ability to develop simple ideas, take them global, attract serious investment and make their millions. The most prominent among them were from Argentina.

"Back in the '90s, there were many start-ups born in Argentina," says Mr. Costa, of NXTP Labs (see box on page 15), who left Argentina around that time to live in the US, working in investment banking and private equity for Santander and GE Capital. "The formula was to have a founding team from Argentina and use Brazil or some other region as the main market."

But, he explains, while these entrepreneurs and companies put LatAm on the global software and internet map, the initial wave didn't last, as the ecosystem wasn't in place to support it. "It didn't make sense to throw that much money at such young teams, people who had no experience managing or founding companies," Mr. Costa says.

Consequently, the Argentine/LatAm dotcom bubble burst, the first cycle being a sort of compressed and smaller version of the United States', yielding only a handful of successful exits or sustainable companies, and a small cast of seasoned entrepreneurs and angel investors.

Some noteworthy examples — all of whom are still major players in the space — include:

"It didn't make sense to throw that much money at such young teams, people who had no experience managing or founding companies," Mr. Costa says.

- Marcos Galperin, who started and grew MercadoLibre into a regional and global behemoth, making it perhaps the greatest success story of the era;
- Andy Freire, who founded Officenet, the Staples of LatAm, and later sold it to Staples;
- Wences Casares, founder, in the '90s, of Patagon, an online brokerage firm that he sold to Santander;
- Martin Migoya, a co-founder (and still CEO) of Globant, a major software product and service provider to international companies;
- Emiliano Kargieman and Jonathan Altszul, co-founders of CORE, a major network security provider to international companies and governments.



La Red Innova

Pablo Larguía is a highly successful Argentine internet entrepreneur from the generation between those of the 1990s and the new crop emerging today. Early last decade, at the ripe age of 26, he sold Bumeran, the largest online recruitment company in the Spanish-speaking market, to Telefonica, before founding Weemba, an innovative lending negotiations platform operating in the US, Spain and Argentina.

Like many of his Argentine entrepreneurial peers, he then turned around and invested in the ecosystem itself, founding La Red Innova, an organization that hosts conferences to educate LatAm entrepreneurs and connect them with global investors. Beginning in Madrid, La Red Innova now has Sao Paulo and New York conferences as well, with attendance at each event doubling every year.

More recently, La Red Innova introduced Redguru, a talent network connecting LatAm tech talent with global companies.

Regrouping

Like their US counterparts, many of that first generation of LatAm internet and software entrepreneurs would reinvest in the sector and become integrally involved in the second boom cycle a half-decade later. Indeed, much of what has happened over the last decade – and much of what is happening today – is thanks to what these pioneer LatAm internet entrepreneurs did to pave the way for the next generation.

Many went to the US, either settling there or bringing back models to emulate. Mr. Caseres, for example, founded several other companies, including the digital wallet provider Lemon.com, and settled in Palo Alto, Calif., where he has been instrumen-

tal in developing ties between Silicon Valley and LatAm.

Emiliano Kargieman took a more unorthodox path. After co-founding Aconcagua Ventures, one of a handful of important tech-focused VC funds in the region, he visited a satellite factory in the US, decided that that would be his own next venture, and, after completing a NASA course at Singularity University, founded Satellogic, a bold attempt to make Argentina a leader in satellite technology and a primary example of the region's ambitions in high-tech.

For his part, Mr. Freire moved to the US and, he says, “learned something interest-

ing.” First, he discovered that he could start a business in the US while using highly talented and affordable Argentine programmers for back-office services, as he did with his company Axialent, a human resources consultancy for large companies worldwide.

Second, Mr. Freire discovered that what he had done with Officenet – taking a business model that had been proven in the US and applying it to the LatAm market – was a viable, long-term strategy for LatAm. Moving back to Argentina, and as a founding partner of Quasar Ventures, he would pursue this strategy with a series of successful companies, most notably with Restorando.

The Next Wave

With their initial successes and subsequent moves, these entrepreneurs laid the foundation for the second wave of tech entrepreneurs that began in the latter half of last decade, providing a template for suc-

cessful investment and entrepreneurship in the LatAm software and internet spaces. According to this template, the best opportunities are in homegrown software companies with global clientele, and internet

and mobile companies oriented toward the rising LatAm consumer — almost always with a business plan copied from abroad and tweaked to meet local conditions.

Software and Game Development

LatAm's software development and SaaS (software as a service) prowess was established with companies like Globant and CORE, among others. They showed that LatAm and Argentina in particular had the talent to provide products and services to the most demanding customers in the world.

That hasn't changed; if anything, it has spread around the region, with Brazilian and Chilean companies joining in. Some

prominent recent examples include Junar, an "open data" platform provider founded in Chile that has quickly arrived on the data economy tech scene, impressing at its San Francisco unveiling and attracting investment from Aurus Capital and Austral Capital, 2 major Chilean VC firms; and Zauber, an Argentina-based software boutique and lab that counts Coca-Cola, JWT and Al Jazeera among its clients and has also been involved in several LatAm startups. It recently received US\$700,000

from Ax Ventures, an Argentine investment manager.

Then there is AwayFind, which has developed a cutting-edge way to organize email. Based in San Francisco with back-office operations in Buenos Aires, it recently closed a seed round with investments from 500 Startups and the Argentine firm CAP ventures, among others.

High Tech & Life Sciences

Though this report focuses on the software and consumer internet/mobile spaces, there are also increasing investment opportunities in high tech and life sciences, including the application of IT and software development to these fields.

"There are a handful of extremely high-tech sectors in LatAm doing everything from aerospace to biogenetics," says Michael Nicklas, of the Brazilian VC firm Ideiasnet. "Brazil in particular has extremely strong pockets of high-level academic research, both pure and applied, though it often doesn't cross over into business." He notes that Brazil is a global leader in biofuels, soil sciences, agricultural sciences and energy-related technologies, including deep-sea oil and gas drilling, all of which have been attracting massive investment for R&D.

Burrill & Company, a VC and PE firm from San Francisco with offices in Rio, recently launched 2 investment funds focused on life sciences in LatAm, one focused on Brazil and one on Chile.

Many of the region's top companies in these spaces are focused on sectors where the region has traditionally been a global leader. Two examples, each with global relevance and ambitions, are Aguamarina, a Chilean company that applies biotech to mining, and Solapa4, an Argentine company that provides cloud-based SaaS (software as service) to farmers for gathering and sharing agricultural data.



Standing on the Shoulders...

Most of the investment in the LatAm tech sector in recent years, however, has focused on consumer-oriented internet and mobile development, where innovation and company creation are generally easier and cheaper.

As Michael Nicklas, an American entrepreneur who joined the Brazilian VC firm Ideiasnet (see box on page 10) explains: “In venture capital around the world, we saw a lot of money that tried to go into biotech

and alternative energy, which are both capital-intensive but have trouble generating returns. What’s attractive about the internet is that the platform is just getting larger, with lots of room for niche products, and it doesn’t cost a lot to test something because it’s basically software. You can get a handful of developers together for 6 months or a year and launch something fairly easily.”

In this respect, the development of the sector mirrors a global pattern. “In the US,

most of the development in the last 5 years hasn’t been tech innovation but business model innovation and implementation. Even Google and Yahoo are mostly building on established infrastructure.”

Other examples abound. Groupon is essentially a clever business model that became an enormous success, as has its Brazilian “copycat,” Peixe Urbano, which has received investment from Tiger Global, Benchmark, General Catalyst and Brazil’s Monashees Capital.

The Consumer Middle Class

Companies in the consumer space are best able to leverage one of the defining stories in the region: the growing ranks of the middle class. This emergence, for the past half-decade, has been a major factor for alternative asset investors across the region, from Brazil to Peru to Mexico. A recent LAVCA/ Council of the Americas panel, held in New York last November, was devoted specifically to what this growing, widespread purchasing power means for private equity investors in the region. The panel, moderated by LAVCA's Cate Ambrose, discussed

opportunities in the tech sector at length; one of the panelists was Nnamdi Okke, from Insight Venture Partners, one of the most prominent players in tech VC in Brazil, with investments in such high-profile success stories as Kabum!, an online consumer electronics retailer, and Elo7, a Brazilian version of Etsy.

Many of the consumer-driven opportunities in the region's tech sector revolve around e-commerce, financial services, online entertainment, and all things mobile

and social. "Social media consumption in the region is huge," says Mr. Diaz Cala, of Tres Mares Group Inc. "This is a great reflection of how social these cultures are."

Indeed, of the top 10 markets for time spent on social networking sites, 5 are in Latin America. Brazil is the second-largest market for Facebook, Twitter and FourSquare. And e-commerce sales are expected to approach US\$70 billion in the region this year, up 50-fold from 2003, with Brazil, Mexico, the Caribbean and Argentina as the region's top e-commerce markets.

Many of the consumer-driven opportunities in the region's tech sector revolve around e-commerce, financial services, online entertainment, and all things mobile and social. "Social media consumption in the region is huge," says Mr. Diaz Cala, of Tres Mares Group Inc.

Some noteworthy companies in these consumer spaces include ComparaOnline, a Chilean price-comparison site that includes Argentina's Kaszek Ventures among its early investors; HUNT, the first mobile advertising network focused on Latin America; and Hotel Urbano, the leading Brazilian site for travel booking. The education sector is also growing immensely, with online education companies such as Veduca (see box on next page), which received early-stage investments from 500 Startups and Mountain do Brasil, and OpenEnglish, which received a US\$43 million investment from Insight.

Mutual Exchange

Michael Nicklas is a prominent example of how the entrepreneurial migration between the US and LatAm tech scenes has gone both ways. In the middle of last decade, he was one of several successful US entrepreneurs who saw LatAm as a market of the future, and who decided to bring their experience southward and leverage it in a high-growth environment.

After a successful entrepreneurial career in New York's "Silicon Alley," working for such companies as Viacom and Univision before founding 2 software startups, The Gryphon Group and Thirst, Mr. Nicklas visited Brazil and was attracted, he says, by 2 key factors: "a dynamic hacker community with a very solid reputation, and a significant early-adopter community, meaning a pool of people willing and able to adopt your software and use it."

So he stuck around. In 2008, he founded SocialSmart, focusing on early-stage software development in LatAm with an emphasis on Brazil. He then joined Ideiasnet, an established VC group with a portfolio of 11 companies and offices in Rio and Sao Paulo. Originally funded by Brazil's first super angel in 1999, Ideiasnet later went public and currently raises capital through private placements and issuing shares.

One of the firm's major successes of late was the sale of Netmovies, a Netflix copycat, to Tiger Global. Companies currently in the firm's portfolio include Moip, Amo Muito and Officer Distribuidora, among others.

Mr. Nicklas's areas of expertise are media, telecom, internet development, mobile development, health care tech and education tech, all of which are high-potential sub-sectors in Brazil and the region.

Veduca

Online education is one of the top sectors for investment in Brazil, as evidenced by a recent crop of globally attractive companies. Among them is Veduca, a MOOC (massive open online course) provider that recently received investment from 500 Startups and Mountain do Brasil.

Veduca is the brainchild of Carlos Souza, a Brazilian aeronautical engineer who worked for several years in investment for Procter & Gamble. When he left his job to search for a way to have a greater social impact, he began studying business plans from abroad and discovered the emerging world of MOOC, which had been pioneered in the US by institutions such as MIT and Stanford and companies such as Coursera and Udacity.

Gathering together a 4-person team, he co-founded Veduca in late 2011 and launched in March 2012, quickly discovering that he'd entered a massive market. Veduca received over 1 million visitors and 5 million page views in its first 8 months, forming partnerships with 13 of the top universities in the world. Currently it offers 5,000 higher-education courses in 21 fields of knowledge. Courses are free and revenue comes from partnerships with booksellers and other educational content providers.

"But my favorite number," Mr. Souza says, "is zero. Zero advertising. It proves that there's very high demand for top-quality education in Brazil."

Indeed, Brazil's massive and growing middle class does not have the access to higher education that is so common in the US and elsewhere. And though there has been innovation and investment in the education space in Brazil, very little of it has been focused on higher education specifically.

"In Brazil there are some players, but all of them are playing the K-12 segment or niche with specialized content for low-level qualifications."

Few have tackled higher education largely because it is a daunting task. "To get the job done right requires a huge effort. But it's the right thing to do, and now that we're doing it, people are looking."

Veduca has learned a great deal from its predecessors, Mr. Souza says. "There's such a focus on higher education in the US, so we benchmarked a lot of competitors in order to build our platform: Udacity, Coursera and others; and not only direct-to-consumer platforms but B2B platform providers such as Blackboard."

Though it has quickly built a large store of content, Veduca is also developing other aspects of the user experience, including peer-to-peer interaction capabilities and a pop quiz mechanism to accompany lectures.

"One thing we learned from Coursera, Udacity and all key players in US," Mr. Souza says, "is that peer-to-peer interaction and collaboration is very important. It helps learning, and because of these new technologies, it's possible."

Veduca has also developed a unique technology to search keywords within audiovisual recordings, as well as a technology to recognize keywords in texts and automatically bring up relevant video lectures.

The company is only at the very beginning of its growth process, Mr Souza says. "What we have now is minimum viable product, but we'll soon be launching a renewed website after raising the investment. Then, after building Veduca 2.0, we want to expand to Spanish-speaking markets.

"Our key objective is to prove the business model of selling courses. The second objective is to start bringing Veduca to other emerging markets. That's very important to us because we want to bring education to the countries that need it most."

Tropicalizing

With the notable exception of OpenEnglish, these companies are, by and large, copycats of American originals. Most investors in the space still see greater opportunities in “tropicalization” – or importing and tweaking proven foreign business models for the LatAm market – than in developing new ideas and exporting them abroad.

“People usually take geographic risk or sector risk,” Mr. Freire explains, drawing on his experience with Officenet, Restorando and other companies. “Building something in LatAm that hasn’t been built yet, unless you really plan to take it global, is too risky. My sense is that you should either build something in the US that hasn’t existed, or build something in LatAm that already exists.”

Investors generally refer to these

“Building something in LatAm that hasn’t been built yet, unless you really plan to take it global, is too risky.”

opportunities as “regional arbitrage” or “geo-arbitrage,” agreeing with Mr. Freire that they are precisely what makes LatAm

so attractive right now.

“Latin America is paradise,” Mr. Freire explains, “in the sense that we can see the near future simply by looking at the US and filling the gap. In a way, the future is already written. So even though Latin America is running behind, that’s actually a luxury. That’s the opportunity.”

Looking specifically at Brazil, Mr. Nicklas, of Ideaisnet, points to horizontal commerce as an example of a niche sector that has yet to develop in LatAm.

“The bulk of investors in the internet space are less interested in early-stage investing and exporting to the rest of the world than in finding arbitrage opportunities within the Brazilian domestic market,” he says. “They’re taking advantage of the fact that there tends to be a time-lag between products and services emerging in the US and Europe and their full-on adoption and spread down here. Horizontal commerce has been a big deal in the US and Europe, with all kinds of niches developing, but we haven’t seen it down here.”

Mr. Largaia, of La Red Innova, believes that the companies with the best chance of tropicalizing a US concept are those in sectors where a local presence gives them a leg up. “The kind of business models that are really working,” he says, “are copycat e-commerce models that need local operations and logistics, where local execution capabilities really make a difference.”



Finding Its Voice

In spite of the emphasis on “tropicalization” and copycat companies, some experts see better opportunities coming from truly innovative companies that develop original products and/or business models and bring them regional or global. “Most of these companies we see now are basically tropicalizing global concepts and taking them to LatAm,” says Mr. Diaz Cala, of Tres Mares. “There are fewer great companies creating their own innovative products and services, and those are going to be the Holy Grail out there.”

So far, the examples of such companies in the internet and mobile space are, like

their US counterparts, usually founded on ingenious business models that build on — and define a new niche within — the existing platform; they develop quickly and cheaply, but offer opportunities for huge growth and returns on investment. Some examples include the Mexican companies Capptalog, which allows customers to create customized shopping catalogs with their mobile devices, and ShopInterest, which allows Pinterest users to create their own online stores. They are 2 of the 16 companies that have received investment from Silicon Valley’s 500 Startups.

Two other examples are the Argentine companies Three Melons and WeHostels. Three Melons, which creates online and mobile games with a social component, is a prime example of how the “Palermo Valley” gaming development shops are starting to produce their own companies with large ambitions. WeHostels, meanwhile, is one of the top success stories to emerge from the Buenos Aires-based accelerator NXTP Labs (see box on page 13) its hostel-book- ing social app already a major player in the travel innovation movement.

“Forefront of the Emerging World”

These are only a few of the LatAm companies that have created new products, services or business models with the aim of taking them global, reversing the customary vector of influence between emerging and developed markets. For Raul Rivera, one of the most instrumental figures in the Chilean entrepreneurial ecosystem (see box on page 15), the increasing inventiveness of LatAm companies is a product of necessity,

as the region’s middle class is far from being a carbon copy of the middle classes in the US and Europe.

“There is a huge emerging middle class,” he says, “plus the existing middle class which is getting wealthier, and demand is rising. But it’s not necessarily for what they have in the US. People are having to develop new and unique solutions.”

These unique solutions will be relevant elsewhere, he says. “Interesting things are happening in LatAm, and it’s at the forefront of the emerging world. Whatever questions are being asked and answered here will likely lead to things you can roll out in other parts of the emerging world down the road, or even in the US.”

Ecosystemic Strength

In addition to the market factors that have made the LatAm consumer tech sector so attractive to global investors, another important development has enhanced the play: the radical improvement in the entrepreneurial ecosystems of every major country in the region. This improvement is due

largely to the efforts of successful entrepreneurs of the previous generation, who are giving their successors mentorship, access to capital and other resources they lacked.

“At university, over 20 years ago, I’d never heard the word ‘entrepreneur,’” says Mr.

Freire. “Universities were educating employees, not future employers. And when I began Officenet, there was no support whatsoever. People thought I was nuts.”

The situation — everyone agrees — has changed dramatically. A fresh generation

of Latin America's brightest are embracing entrepreneurship as a viable life and career path, and they're being greeted by conditions more conducive to success – and, equally important, more accepting of failure.

"The ecosystem around the region, though still young, is much more solid than back then," Mr. Costa says in sum. "There's an

"Universities were educating employees, not future employers. And when I began Officenet, there was no support whatsoever. People thought I was nuts."

incipient VC community, a cast of angel investors and many supportive organizations. Today, it's very feasible for a team with very little money to prove an idea and transform it into a minimally viable product. And if they prove something in the market, they won't have much trouble raising money."

The Brazil Question

While there is a consensus that the LatAm commercial tech sector represents a huge opportunity for investors, there is disagreement over where exactly the best opportunities lie. This disagreement is familiar to alternative asset investors in the region, who in recent years have questioned Brazil's economic stability, and specifically whether Brazil's economy was in a "bubble" cycle or if the size and strength of its domestic market and internal demand will be able to absorb any shocks from inside or out.

We see the same disagreement in this space, with some seeing Brazil's domestic market as offering the best opportunities in the region (it has over 85 million internet users and over 250 million mobile phones) and others viewing it as unstable and overpriced, with better opportunities emerging in the Andean countries and Mexico.

"If I were investing in LatAm, I would focus on Brazil," says Pablo Larguía, of La Red Innova. "The other markets are small, and it's curious that even a big market like Mexico has such an underdeveloped internet scene compared to Brazil's. Brazilians use e-commerce a lot, they're willing to use their credit cards, and they're a very social population. So I would recommend going to Brazil first and seeing what industries are booming, seeing what people really need." He observes that online education is one of several sectors that will see huge growth.

Faquiry Diaz Cala, or Tres Mares, represents the other camp. "Investors will regret it after the World Cup and the 2016 Olympics," he says. "People think Brazil is the only space, but today you have Mexico, right next to US, with a huge middle class that's growing. You have Colombia, which is doing everything right, and Chile, where the government sector is so supportive of startups. You see opportunities outside Brazil and valuations that are far more realistic and reflect better risk-reward. In Brazil, you're paying exit-level multiples to enter an investment, and that typically does not end well."

The Endeavor Effect

No organization has done more to foster the region's entrepreneurial ecosystem than Endeavor, a global foundation devoted to supporting entrepreneurship in emerging markets by, among other things, selecting and incubating top-level talent. Indeed, many of the successful entrepreneurs of the 1990s were tapped for Endeavor's support back then, and some of them, in turn, have remained in the organization in senior positions.

"It's helped develop an ecosystem of trust," says Mr. Freire of the organization, of which

he is the Chairman in Argentina. "Entrepreneurs have the confidence to take the leap without knowing how much water is in the pool. When we set a date for a conference in Rosario or Cordoba or even Chaco," he adds (the latter Argentine province being one of the poorest regions in the Southern Cone), "there are thousands of people signing up. There's thirst for mentors, for tools, and it's happening more and more."

An important, recent move by Endeavor was the creation of Catalyst, an investment pool used for co-investing in Endeavor

company fundraising rounds, leveraging those companies' growth to fund Endeavor and its future investments. The Endeavor Catalyst website shows an infographic with its notional IRR at 48% between 1998 and 2010, far outstripping US and European benchmarks.

NXTP Labs

NXTP Labs has quickly emerged as one of the top accelerators and seed funds in the region. Founded by Ariel Arrieta and Gonzalo Costa, 2 seasoned Argentine angel investors, along with 3 other partners, NXTP Labs targets tech startups in Spanish-speaking LatAm. It invests US\$25,000 in each company it selects, providing mentorship, networks and other support in exchange for small equity stakes (generally of between 2% and 10%).

It was inspired by the models of Y Combinator and TechStars, 2 highly successful Silicon Valley seed funds and accelerators. Mr. Costa explains that, after several years in the angel investment scene in LatAm, he and Mr. Arrieta realized that the model of providing seed funding along with mentorship and other resources offered a more sustainable opportunity for investors and startups alike.

"If you hit a home run with angel investing," he says, "you may get 100x on investment, but it's not fully scalable, because founders usually need time and attention in addition to money."

With NXTP Labs, investors contribute mentoring services and networking resources and get exposure to a portfolio of companies that Mr. Costa estimates will garner returns of 10x or 15x, with the possibility of isolated cases of much larger growth. So far, NXTP Labs has invested in 60 companies, with plans to invest in 300. It is currently raising US\$20 million for future investments, including follow-up investments.

Mr. Costa says that about 70% of the companies invested in so far are "copycats" with regional potential, while the rest have global aspirations from the get-go. An example of the latter is WeHostels (formerly known as InBed.me), which graduated from NXTP Labs, multiplying its original valuation several times in its first year, and recently went to the US, raised US\$1.2 million in 6 months, and is now raising a Series A of US\$4 million.

For a company like WeHostels that has so much potential in the US and abroad, the NXTP Labs network is invaluable. "Every time a company from our portfolio is thinking of going to the US or exploring other markets," Mr. Costa says, "we make sure we have an investor in that region to give insight."

He adds that, in addition to their business, investment and incubation models, the Silicon Valley predecessors have inspired NXTP Labs with their collaborative approach to building an ecosystem.

"One of TechStars's mottos is 'Give first,' and we try to follow that model," he explains. "We want to be collaborative even if we don't get anything directly in return. We know that we, like everyone, need a better ecosystem."

The Rise of the Accelerator

Endeavor is no longer alone. In recent years, both private and public sector players – including governments, universities, multinational tech giants, and angel and VC

investors – have been establishing accelerators and incubators around the region, where young entrepreneurs can develop their business plans with ample resources

and mentorship. It is primarily from these programs that the region's top young businesses are emerging.

Telefonica's Wayra

The Spanish telecom giant Telefonica is one of the most active players in this space. Its Wayra accelerator program and seed fund

is present in several countries throughout the region, including Argentina, Brazil, Chile, Peru, Venezuela, Colombia

and Mexico. The company also recently launched a VC fund, called Amerigo, devoted to the LatAm tech sector.

Raul Rivera and ASELA

Chile has done more than any other country in the region to establish a fertile ecosystem for its entrepreneurs. Its government and public sector have been very active, setting an example to be followed by other governments, particularly those of Mexico, Colombia and Peru, and its private sector has been active as well, with organizations such as Fundacion Chile, Foro Innovacion and the Asociacion de Emprendedores de Chile (ACECH) among the most important players.

Raul Rivera Andueza has been one of the integral figures in this process. A former partner at Boston Consulting Group, he lived in the US for years, opened offices for the firm around the world and counted the Mexican multinational company Cemex as one of his clients. In 2000, he left BCG and, in a series of joint ventures with Cemex, co-founded a handful of tech-sector companies, including TMX Corp., currently one of the top 20 TEMs (telecom expense management companies) in the world.

Returning to Chile, he entered the burgeoning entrepreneurial scene and oversaw a large, multiparty effort to establish a comprehensive strategy for fostering the ecosystem. This resulted in the creation of ForInnovacion, as well as related projects such as NuevaMente, which focuses on re-entrepreneurship, and the Avoni Awards, given to Chile's top innovators.

"The idea was to make heroes out of people who were innovating," he says of the Avoni Awards, "so that others could look at them and say, 'Gee, we can do interesting, world-class stuff in Chile,' and follow their example."

Last year, with Startup Chile founder Nicolas Shea, Mr. Rivera founded ASECH as an effort to bring Chile's entrepreneurial scene together. "We want to be the voice of Chilean entrepreneurs in Chile," he says of the organization's ambitions. "Notary publics, big business, utilities, they all have a lobbying arm, but entrepreneurs needed someone to speak up."

Beginning with 40 founding members, ASECH has grown far beyond expectations, currently including over 1,700 members after only a year. Mr. Rivera and Mr. Shea are now developing similar associations in other LatAm countries, as well as a planned regional network, to be called ASELA (Asociacion de Emprendedores de Latinoamerica).

Mr. Rivera wants ASELA to be the top point of contact for investors to find talent in the region. "If investors are interested in seed capital or growth," Mr. Rivera says, "ASELA is made for them. We're putting things together so that there will hardly be a better window for finding interesting prospects."

Argentina

The most prominent and important accelerator and seed fund in Argentina, alongside Wayra, is Mr. Costa's NXTP Labs, which he co-founded with 4 other seasoned Argentine entrepreneurs and angel investors (see box on page 15). Other important

programs include Nave, a startup contest and incubator run by the Center for Entrepreneurship at IAE Business School, one of the top business schools in LatAm and part of the Universidad del Austral, in Pilar (just outside the city of Buenos Aires). The

Center was founded by Silvia Carbonelli, an important angel investor and successful serial entrepreneur in her own right. The young entrepreneur Vanessa Kolodziej's BA Accelerator is another new and exciting program out of Buenos Aires.

Brazil

Brazil has more accelerators and incubators than any other country in the region; indeed, there seems to be a new one popping up every month. The most prominent,

thus far, is 21212 Digital Accelerator, whose name combines the area codes of New York and Rio, and which gives its participants an ample Brazil/US network, among other re-

sources. Papaya Ventures and Startup Rio are other important examples. Several others are listed in our directory.

Chile

Chile boasts the most well-known accelerator program in the region, Startup-Chile. It was launched 2 years ago by Nicolas Shea, a serial entrepreneur who, after launching SUP, went on to found Cumplo, an ambitious and potentially revolutionary crowd-funding platform. Startup-Chile, which has attracted significant press coverage in recent months, including from the Economist and Forbes, is unusual among LatAm accelerators in that it is government-funded,

specifically by the government organization Corfo, one of whose main charges is to foment innovation and domestic investment in Chile.

Around 100 startups are accepted into Startup Chile twice a year, with each receiving US\$40,000 and ample support in the form of office space, educational seminars, networking sessions and more. The entrepreneurs are, in turn, compelled to invest

time and energy back into the community, performing a wide array of activities to inspire and support local entrepreneurship in Chile.

There are incubators and entrepreneurship centers within almost every university in Chile, most of them working in some kind of partnership with Corfo. A prominent example is Incuba UC, part of the Universidad Catolica.

Colombia

One of the most promising of the region's markets for global investors, Colombia came relatively late to the contemporary entrepreneurial game. But some high-profile accelerators have emerged, notably Socialatom Ventures, founded by the young

star of the Colombian tech startup scene, Andres Barreto, with the participation of the American entrepreneur and venture capitalist Alan Colmenares. Mr. Colmenares has spearheaded 2 other important accelerators: Tayrona Ventures and the

Foundation Society. Colombian President Juan Manuel Santos has displayed his seriousness by vowing to invest US\$30 million of government funds in tech companies via the government program iNNpulsa Colombia.

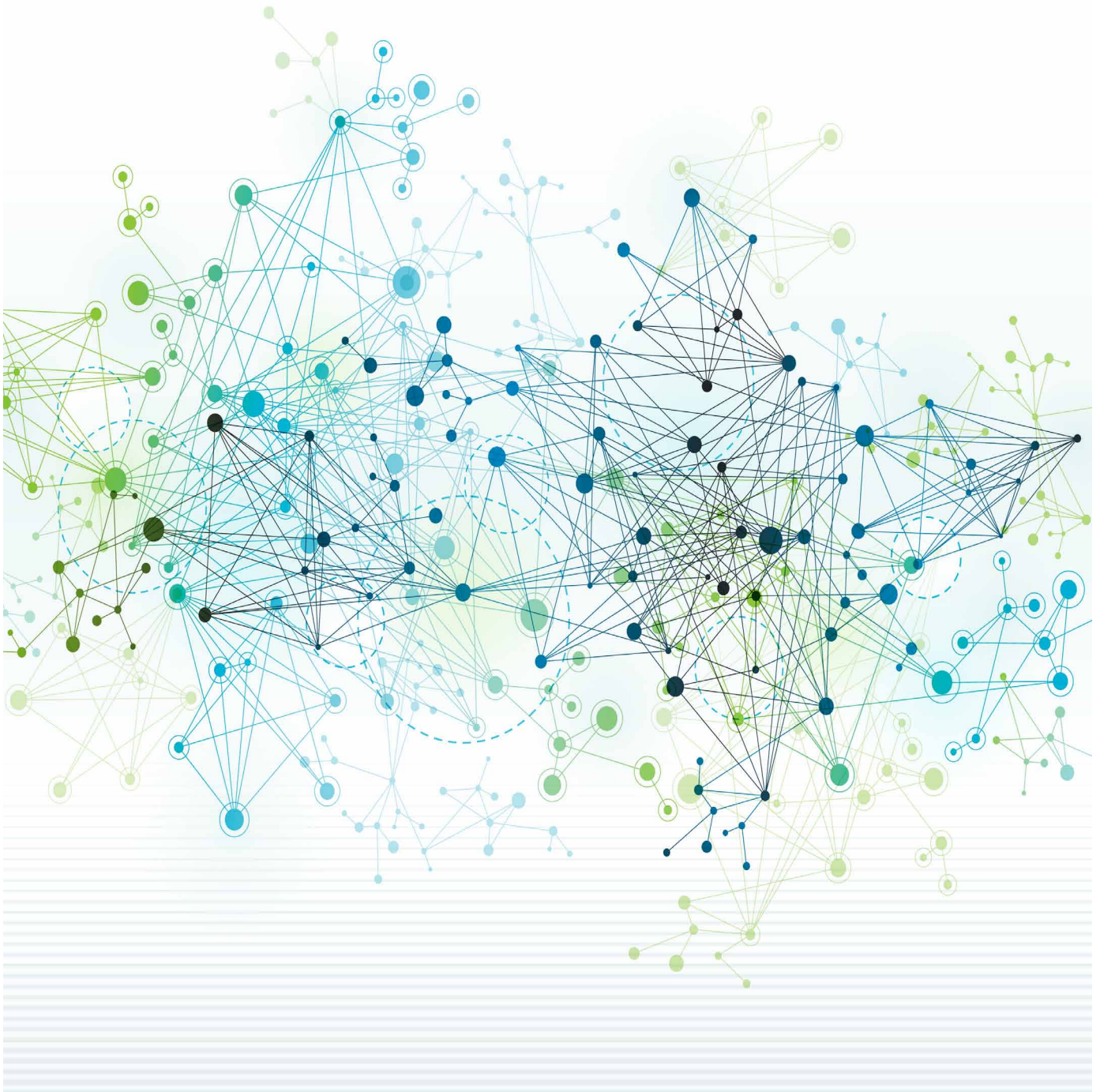
STRATEGY CORPORATE CHALLENGE
MARKETING TACTIC DEVELOPMENT
GROWTH PROJECT MISSION RESEARCH
SUCCESS CREATIVITY PROBLEM
MANAGEMENT IDEAS
INNOVATION
INSPIRATION FUTURE VISION
ANALYSIS BUSINESS SOLUTION
DEADLINE PLANNING TARGETS
RESEARCH QUALITY PROCESS

Mexico

Finally there is Mexico, which, though still behind Argentina and Brazil in terms of high-level tech entrepreneurship and entrepreneurial ecosystem, is quickly catching up. Indeed, many North American investors are attracted to Mexico most of

all, not only because of its proximity to Silicon Valley, but because of the macro-economic indicators, financial stability and loosening-up of institutional money that has nourished the PE and VC spaces over the last few years. The 3 most prominent

accelerators and seed funding programs in Mexico – again, alongside Wayra – include Mexican.VC, Startup Factory and Startup Weekend Mexico.



Finishing the Job

In spite of the drastic improvement in the region's entrepreneurial scene and the long-term viability of its tech sector, the consensus is that the ecosystem is still young, particularly when viewed against Silicon Valley, Silicon Alley and other truly world-class models.

"I've seen more and more incubators, angel clubs and funds emerging," says Mr. Freire. "Have they really moved the needle? Not yet; there's still a long way to go. We've done a good job, but we need to multiply by a factor of 10."

For one thing, capital is still scarce, in spite of the emergence of LatAm funds and the entry of global funds into the market. "It's slowly changing," says Mr. Costa, "but there are still more opportunities than there is money finding those opportunities."

As is the case for private equity and other alternative asset classes, much depends on the allocations of local investors, including funds, family offices and high-net-worth individuals in the region.

"LatAm family offices need to begin educating themselves and have allocations in early stage, angel and super-angel investments," says Mr. Diaz Cala, pointing to the examples of Latin Idea and Mexico Ventures, where local Mexican families can be LPs in addition to being angel investors.

Mr. Rivera observes that the nature of many LatAm funds is at odds with the opportunities in this sector. "Traditionally in Latin America, people have wanted to make a buck either by being extremely prudent or extremely opportunistic – buy-

ing cheap and selling dear – but neither approach is right for this space," he says. "If you want to sniff out the opportunity, grab it and run, you may end up with an ugly duckling that never turns into a swan; or you may be lucky. But what you want to do is invest in many opportunities and run a proper portfolio. There aren't many funds doing that, and those who are have a leg up."

He adds that, in Chile, many of the funds entering this space want a warranty on their investment. "If other funds come in and cut to the chase, they'll have an advantage."

Getting Exposure

All of the experts ALI spoke to agreed that contacting the major players in this space is the best way to get exposure to the best deals in the region. "Find incubators, find early-stage funds, knock on Endeavor's door," says Mr. Freire. "Buying MercadoLibre shares isn't enough; it's already been arbitrated. You have to start earlier."

Mr. Costa says that interested parties will find ample help throughout the region.

"Entrepreneurial ecosystems in Latin America are becoming more collaborative, and I would guess that most of our peers would be willing to jump on a call and tell you what's going on, even if there's nothing in it for them. I know that we [at NXTTP Labs] are interested in building relationships with any investors who are even remotely interested in Latin America."

This report aimed to highlight some of the most prominent players at work in the sec-

tor, as well as give a sense of the sector's dynamics and opportunities. The following directory gives a more comprehensive (if still incomplete) list of these players – including seed funds, accelerators and VC funds.

VC Funds & Managers	About	About Link	Investments in LatAm	Other
Regional				
Endeavor Catalyst	A relatively new initiative from Endeavor Global, Catalyst is (according to its web page) an "innovative, passive investment pool that uses donated capital to co-invest in Endeavor Entrepreneur funding rounds in a neutral, rules-based process."	www.endeavor.org/model/catalyst	Minha Vida, Globant	
Amerigo (Telefonica)	Starting with US\$300 million, this "international network of technology venture capital funds" will invest in Spain, Chile, Brazil and Colombia.	www.telefonica.com/en/digital/html/venture_capital/amerigo.shtml		
Andean Region				
Promotora	Among other funds, the Colombian manager Promotora manages a US\$21 million VC fund focused on tech investments.	www.promotora.com.co		
Argentina				
Kaszek Ventures	Led by Nicolas Szekasy, MercadoLibre's former CFO, and Hernan Kazah, MercadoLibre's co-founder, Kaszek Ventures is one of the top LatAm venture capital firms investing in high-impact tech entrepreneurs.	info@kaszek.com	VivaReal, ComparaOnline.com, Restorando, Ke-kanto, OpenEnglish, among many others	
CAP Ventures	CAP Ventures is a Buenos Aires-based fund run by Ariel Muslera.		eHostels, AwayFind, HUNT Mobile Ads	
Quasar Ventures	Founded by Pablo Simon Casarino, Andry Freire and Santiago Bilinkis, Quasar invests in and fosters mostly "tropicalizing" companies in LatAm.	www.quasar-ventures.com/about.html	OfficeNet, Restorando, Coffice, Wanako	
Aconcagua Ventures	Founded by the former founders of CORE Systems, Jonathan Altszul and Emiliano Kargieman, Aconcagua focuses on investments in high tech in LatAm.	www.aconcaguaventures.com	Popego, Core Security Technologies, Containter Consultants & Systems	
Ax Ventures	Ax Ventures is the Argentine manager of the PYMAR Fund, a VCI sponsored by Fundación Empresa y Crecimiento (FEC) and the Multilateral Investment Fund (MIF), among other investors.	www.axventures.com/	Zauber, BioScience, Keclon, Cupoint	
Brazil				
Ideiasnet	Ideiasnet is a publicly held venture capital entity focused the Brazilian and LatAm tech sector.	www.ideiasnet.com.br	TecTotal, Amo Muito, MOIP, Officer, among many others	
FIR Capital	One of Brazil's largest and most important VC fund managers, FIR recently launched a Brazilian VC fund jointly with DFJ, a major Silicon Valley VC firm.	www.fircapital.com	Meantime, MyReks, among many others	
Mountain do Brasil	Mountain do Brasil is a seed and early-stage VC firm based in Sao Paulo that has been an integral part of the burgeoning Brazilian VC scene.	www.mountaindobrasil.com.br/index.php/about-us/	Veduca, OndaLocal, among others	

Monashees Capital	One of Brazil's most important VC firms, Monashees Capital focuses primarily on the internet and education sectors.	www.monashees.com.br	Viva Real, Peixe Urbano, Baby.com, among many others	
Trindade Investimentos	Trindade provides capital and strategic resources to companies mostly in the tech sector.	www.trindadeinvestimentos.com.br	Peela, Appies, boa-consulta.com	
Chile				
Austral Capital	Austral focuses on companies with innovative and highly scalable products or services in sectors where LatAm has a competitive advantage, such as tech and life sciences. Offices in Santiago and Palo Alto.	www.australcap.com/	Junar, Nimbic, among several others	
Aurus	Aurus focuses on the tech and life science sectors, investing in companies whose value proposition is immersed in attractive markets.	www.aurus.cl	Junar, Taggify, among several others	
Equitas Capital	With offices in Santiago as well as Vienna, Austria, Equitas focuses on Chile and the Andean region, including Colombia, Ecuador and Peru.	www.equitas.cl		
Fondo Copec UC	This VC fund was founded in 2008 by the Chilean energy and forestry company Copec and the Universidad Catolica, an important incubator of young businesses and entrepreneurs in Chile.	www.fondocopecuc.cl	Scopix, Atakama Labs, Sirve	
Mexico				
Latin Idea Ventures	Currently raising its 4th VC fund, Latin Idea targets mid- to later-stage venture companies for whom innovation and technology are crucial to their growth.	www.latinidea.com		
Investomex	Similar in model to some of the accelerators described below, Investomex invests in early-stage Mexican tech companies, mostly consumer-oriented.	www.investomex.com	Bandtastic, InstaDM, among several others	
IGNIA	A PE and VC firm focused on impact investing primarily in real estate, health care and financial services, IGNIA has made several important tech-related investments.	http://www.ignia.com.mx	Agua Natural, Barared, among others	
PC Capital	PC Capital is a Mexican PE firm that was selected to manage the Mexico Development Fund I, funded by the Multilateral Investment Fund, which is focused on VC investments in the education, financial services and retail services sectors.	www.pc-capital.com		
Alta Ventures Mexico	A major player in Mexico, Alta recently raised a US\$70 million VC fund targeting Mexican tech companies.	www.altaventures.com	Murally, Aeroprise, among many others	
U.S. & Europe				

Redpoint	Redpoint, a major global VC firm, recently launched a US\$130 million fund jointly with e.ventures focused on Brazil.	www.redpoint.com , rpev.com.br	Viajanet, OpenEnglish, Latin American Media Group, Minutos Seguros, among others	
Riverwood Capital	Riverwood Capital is a global PE and VC firm that's been active in LatAm; one of its founding partners is the Argentine Francisco Alvarez-Demalde.	www.riverwoodcapital.com		
Accel Partners	Accel Partners is a global venture and growth equity firm, managing over \$8.8 billion, that's been very active in emerging markets including, increasingly, LatAm.	www.accel.com		
Sequoia	A major global VC fund investing across sectors — including energy, finance, health care, internet, mobile, and tech — Sequoia Capital recently opened an office in Brazil and made its first LatAm investment, in the Uruguayan company Scannotech.	www.sequoiacap.com	Scannotech	
Tiger Global	Tiger Global Management is a New York-based global private equity and hedge fund manager that has been targeting VC investments in LatAm, particularly the consumer internet market in Brazil.		Peixe Urbano, NetMovies, Baby.com.br, BelezaWeb.com.br, among many others	
Valar Ventures	Valar Ventures is a San Francisco-based global venture capital firm, backed by Peter Thiel, that invests exclusively in transformative tech companies outside of the United States.	www.valarventures.com	Oppa, Descomplica	
Atomico	Founded by Skype co-founder Niklas Zennstrom, Atomico is a London-based international venture capital firm, with additional offices in Sao Paulo and Beijing, focusing exclusively on the tech sector.	www.atomico.com	BebeStore, Restorando, CinemaKi, Pedidos Ya, Connect Parts	
Intel Capital	Intel Capital, Intel's global investment organization, makes equity investments in innovative technology startups and companies worldwide, focusing on tech sectors including health, consumer internet, semiconductor manufacturing and cleantech.	www.intelcapital.com	Minha Vida	
Insight Venture Partners	Insight is a leading global private equity and venture capital firm that has raised more than \$5 billion and invested in more than 150 growth-stage software, e-commerce, internet, and data-services companies. It has been particularly active in Brazil in recent years.	www.insightpartners.com	Hotel Urbano, Despgar, Kabum!, OpenEnglish	
General Catalyst Partners	With offices in Palo Alto and Cambridge, MA, General Catalyst Partners is a venture capital firm that invests worldwide in tech-based companies.	www.generalcatalyst.com	Vostu, ViajaNet	

Benchmark Capital	Benchmark is a large, global VC firm focusing in social, mobile and cloud companies.	www.benchmark.com	Peixe Urbano	
General Atlantic	General Atlantic is a leading global growth equity firm providing capital and strategic support for growth companies.	www.generalatlantic.com	XP Investimentos, Linx, Decolar, among others	
Greenspring Associates	Greenspring is a global VC fund of funds that has invested in several of the funds mentioned here.	www.greenspringassociates.com		
Flybridge Capital	Flybridge Capital Partners is an early-stage venture capital firm with \$560 million under management, focused on consumer, energy, health care and information technology markets.	www.flybridge.com	MadeiraMadeira	
DFJ	DFJ is a major Silicon Valley VC investor that entered the LatAm market in partnership with the Brazilian VC firm FIR.	www.dfj.com		
Startup Seed Funds, Incubators & Accelerators				
Regional				
Wayra (Telefonica)	Wayra is Telefonica's startup incubator and accelerator. It's present all over LatAm, including Buenos Aires, Santiago, Lima, Bogota, Caracas, Mexico City and Sao Paulo.			
Endeavor	Endeavor Global is a foundation that fosters entrepreneurship in emerging markets by mentoring and investing in top talent. It's been a major force in growing the entrepreneur and startup ecosystem in LatAm.			
Founder Institute	Founded by Adeo Rossi in Silicon Valley, the Founder Institute aims to "globalize Silicon Valley." It entered LatAm via Colombia, where the American entrepreneur Alan Colmeranes helped establish it, and was scheduled to launch in Chile in late 2012.			
Argentina				
NXTP Labs	NXTP Labs is a Buenos Aires-based accelerator and seed fund investing in tech companies from around the region. (See the box on NXTP Labs in the main article on page 15.)	www.nxtplabs.com		
IAE Business School Entrepreneurship Center/ NAVES	IAE Business School, part of the Universidad del Austral in Pilar, Argentina, is one of the top business schools in LatAm, featuring an Entrepreneurship Center that offers classes and resources to entrepreneurs within the school and university. It also hosts NAVES, a business plan contest open to all Argentines, the winners of whom participate in an incubator program at the school.	www.iae.edu.ar/pi/centros/Entrepreneurship/Paginas/Entrepreneurship.aspx		

Buenos Aires Accelerator	Founded by the Argentine entrepreneur and "Palermo Valley" fixture Vanesa Kolodziej, Buenos Aires Accelerator is an exciting new project with a unique investment strategy.	www.baaccelerator.com		
Brazil				
21212 Digital Accelerator	Focused on digital companies, this accelerator — whose name combines the area codes of New York City and Rio — plugs its tech start-ups into US and Brazilian networks.	www.21212.com		
Papaya Ventures	Papaya Ventures is a "multi-thematic" accelerator where each cycle of the program focuses on a distinct theme based on current trends. (The first round's theme was "Mobile First.")	www.papayaventures.com		
Startup Rio	Launched by the Brazil-based angel investor network Tropical Angels, Startup Rio focuses on IT/digital, life sciences, greentech and social innovation.	www.startuprio.com		
Startup Farm	Organized by Instituto Inovação and supported by Microsoft and Brazil Innovators, Startup Farm is a monthlong accelerator and mentoring program.	www.startupfarm.com.br		
Aceleradora.net	Launched in 2008, Aceleradora.net aims to find and support startups from all over Brazil, beyond the ambits of Rio and Sao Paulo.	www.aceleradora.net		
Pipa	Pipa is a new accelerator focusing on businesses that promote sustainability and social inclusion.	www.pipa.vc		
Programa Locaweb Startup	Programa Locaweb is a partnership between the Brazilian company Locaweb and the Brazilian branch of Endeavor Global, whose aim is to find and support Brazil's top 3 startups.	www.programalocawebstartup.org		
Chile				
Startup Chile	Startup Chile is perhaps the region's most high-profile startup accelerator. Funded by the Chilean government, it invites about 200 startups per year, giving US\$40,000 while taking no equity stake.	www.startupchile.org		
EmprendeUC	EmprendeUC is a startup program at the Universidad Catolica, one of the major drivers in Chile's vibrant entrepreneurial scene.	www.redie.uc.cl/page/emprendeuc		
Colombia				
Socialatom Ventures	Socialatom Ventures is a new incubator/accelerator from Socialatom Group (co-founded by Andres Barreto, perhaps the most well-known and successful of Colombia's young entrepreneurs) and other collaborating companies and organizations, including the important Argentine accelerator NXT Labs.	www.atomaccelerator.com		

Tayrona Ventures	Tayrona is an accelerator founded by Alan Colmenares, an entrepreneur and investor from the US who's playing an integral role in the Colombian startup scene, and the founders of PagosOnline, a successful Colombian startup.	www.tayronaventures.com		
Apps.co	Apps.co is a business incubator initiative from the Colombian government's Ministry of Information and Communication Technology, focusing on mobile and software development.	www.apps.co		
Mexico				
Mexican.vc	A prominent seed funder and incubator in Mexico, Mexican.VC was recently acquired by 500 Startups.	www.mexican.vc		
Startup Factory	Based on the model of Y Combinator in the US, Startup Factory provides seed funding and development assistance to Mexican startups.	www.startupfactory.com.mx		
Startup Weekend	Sponsored by the Kauffman Foundation, Startup Weekend is a startup accelerator based in the US with 13 local chapters in Mexico.	www.startupweekend.mx		

