

## The story of two women who've raised more than \$6 million to start their own 'fem tech' company for women and children's health



- Tammi Jantzen is the cofounder of Astarte Medical, a precision medicine company that utilizes software and predictive analytics to improve health outcomes during the first 1,000 days of life.
- Jantzen prides herself on being part of a female-led cofounding team and has become very acutely aware of the specific challenges involved in fundraising for female founders.

- She shared her experience transitioning from CFO in venture capital to entrepreneur, as well as pitching investors on "fem tech."
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[Tammi Jantzen](#) grew up in a small Wisconsin college town and started her professional life as an accountant working for a publishing company, which was later acquired by McGraw Hill. After the acquisition, McGraw Hill let go of all the accountants and offered Jantzen a job in New York City.

A year after the move, Jantzen realized her passions were leading her elsewhere. She fell into venture capital around 1998 after a VC client of her husband's, a residential contractor, talked about how their fund was looking for a CFO. Soon enough, the fund offered Jantzen the job, and the rest is history.

With nearly two decades of experience in venture, Jantzen made the bold transition to entrepreneur and cofounded [Astarte Medical](#), a precision medicine company that utilizes software and predictive analytics to improve health outcomes during the first 1,000 days of life, with an initial focus on preterm infants.

Jantzen prides herself on being part of a female-led cofounding team for Astarte Medical and has become very acutely aware of the specific challenges involved in fundraising for female founders.

She joined us to speak about her fundraising experience as a cofounder of a startup, combining her former experience and perspective as GP of a fund tackling a complex, significant problem from two different angles.

## Learning by doing

There are few industries in which learning is so closely tied to "figuring it out along the way" than venture capital. Having an intimate understanding of the financial mechanics behind investment transactions is often the only

prerequisite to becoming a successful venture capitalist — the rest must be learned through a wide variety of good and bad deals.

"Prior to becoming immersed in the VC world, I had only heard about venture capital," noted Jantzen. "I didn't know much about it, and I learned from just doing."

The fund Jantzen joined was a \$45 million regional fund and had already made a couple of investments. As the fund was preparing to raise a second fund, one of their LP's presented an opportunity to join him in a \$150 million fund called Battelle Ventures. Jantzen was a founding member of Battelle Ventures in 2003 as CFO and saw the fund grow to \$250 million under management. Battelle Ventures was an early-stage fund focused largely on healthcare, energy, and homeland security.

"Battelle Ventures only had a single LP, so there were unique aspects to our mandate and operations as a result," commented Jantzen.

During her time at the first fund, Jantzen met Tracy Warren. After Battelle Ventures chose not to pursue a second venture fund, Jantzen and Warren joined to start their own fund, Astarte Ventures. It was the first fund focused exclusively on women's and children's health.

"Fem tech wasn't coined yet," said Jantzen. "We saw an enormous opportunity to add value to an underserved market. Prospective fund investors told us to go out and prove the market actually exists. We took a bet and it paid off. We helped validate the space and proved that our small fund would actually make money."

Jantzen and Warren put their own money to work, investing under Astarte Ventures. In the course of their work, they spent a lot of time visiting women's and children's hospitals around the country. That's where they met Katherine Gregory, RN, PhD at Brigham and Women's Hospital. Jantzen and Warren were intrigued by Gregory and her research.

"Kate Gregory was clearly a rockstar," said Jantzen. "She was working on some phenomenal research on preterm infant microbiome and gut health. She had a unique background having hands-on clinical experience as a nurse alongside stellar academic and research credentials. At the time, we didn't know what the product would be, but we knew it was worth the time and energy to figure it out. This initial meeting with her prompted our entrepreneurial shift and led to the founding of Astarte Medical in 2016."

## Starting to fundraise

Astarte Medical has raised over \$6 million, with \$1.4 million coming from Jantzen and Warren personally. Astarte Ventures funded the initial seed round, which funded the BabyBiome Study in Gregory's lab at Brigham and Women's Hospital. The company also received seed capital from Ben Franklin Technology Partners, who invested alongside the founders' capital based on the strength of the team while the concept was still forming a business. In October 2017, having formulated a solid plan and developed an initial product, Astarte Medical went out to officially raise its Series A. However, fundraising for these experienced investors-turned-entrepreneurs was not without its challenges.

"Having spent so much time in early-stage investing, we went into this thinking we knew exactly what we needed to do to win over investors. The process of raising capital took longer than we ever thought," said Jantzen. "It was actually really frustrating. VCs and even many of the angel groups said two things: 'It's really interesting what you are doing, but you are a little too early, so come back to us when you have revenue.'"

She added: "One of the most frustrating lessons of fundraising was spending too much time entertaining the wrong investors. We spent an incredible amount of time in diligence with some, who when asking about exit strategy and corporate development specifically asked if our female-led team could handle it. One group even asked if we had any men on the team. There we

were with a life-changing company, a functional business model, and an experienced team, and we're being asked if we had male supervision."

Despite vexations, the pieces started to come together in early 2018. Keiretsu Forum MidAtlantic would become the lead investor, and the term sheet was executed in February 2018. Astarte Medical got its final commitments in December, a full 10 months after the execution of the term sheet.

"We now realize that we set very unrealistic expectations on how much time and energy would be expended to raise this round of funding. We spent 80% of the time on 20% of the commitments," said Jantzen. "We spent too much time chasing small checks. In the final three months, the bulk of the money came in triggered by some uncommon avenues."

Astarte Medical participated in accelerators XRateHealth and Illumina Accelerator.

"Every accelerator helped add another critical piece to the puzzle," commented Jantzen. "XRateHealth helped refine the pitch, and much to our surprise, \$1 million of the \$5 million came as a direct result of our participation in XRateHealth. The Illumina Accelerator enabled us to sequence an unprecedented amount of data at a fraction of the cost, and provided dollar for dollar match funding. The match funding provided \$2 million of the \$5 million Series A round, which was a tremendous catalyst, enabling us to close our round slightly oversubscribed."

"This has been the hardest I've ever worked but, hands down, the most fun I've ever had," added Jantzen. "I think the coolest thing for me is that we are making a difference in the lives of infants and families, helping babies thrive. What better mission could there be? But it's not all about impact; we're building a solid, highly investable business. Closing our Series A was validation of our vision and opportunity, as well as our team."

# Takeaways as a GP and entrepreneur

As a general partner at a venture capital fund and a cofounder of a startup, Jantzen has a unique point of view of fundraising.

Sitting on the other side of the table as entrepreneurs, they gained an appreciation for all the founders that had come before them as investors for over 15 years.

"Looking back, 2018 was a challenging year while we were fundraising. With little gas in the tank, no one took a salary and the founders personally invested to bridge the company to closing," said Jantzen. "From a personal standpoint, it was a difficult year, but we wholeheartedly believed in our vision and knew we would persevere. Having a cofounder to lean on throughout the process was critical to our success. I couldn't imagine going through it as a lone founder."

"We were surprised that we didn't get more traction from female-founder-friendly investment groups that we thought would be excited about the opportunity," added Jantzen. "We were fortunate to have Astia Angels and NextAct Fund invest, but most early-stage VCs and many angel groups are very risk-averse. We found ourselves spending a lot of time entertaining potential investors that we shouldn't have given their biases and tire-kicking. There was one angel group we spent over a year in diligence with only to find that they couldn't pull an investment together. In retrospect, it turned out to be a blessing as not all money is good money. We are fortunate to have a syndicate of committed investors who share our vision and respect the experience and potential of this team."

The process of pitching a startup to dozens or even hundreds of investors is more of an artform that requires discipline and due diligence.

"We had over two hundred iterations of the pitch deck. We treated every investor pitch as a unique opportunity," she said.

Jantzen's largest frustrations were not knowing who was really serious and able to invest, investor indecisiveness, and lack of leadership within angel groups.

"If I had to boil the entire ten months of fundraising to three takeaways, I would say: focus initially only on folks that can lead the deal; your relationship with your investors is much like a marriage, so be selective with who you choose; and above all, be persistent. Stay focused on the business and the opportunity, continue to share your passion and vision, and the right investors will ultimately buy in," she said.

Through Astarte Medical's vision of improving outcomes in the first 1,000 days of life, Jantzen and team will have a meaningful and measurable impact on hundreds of thousands of infants and their families. Astarte Medical has already built the largest and most comprehensive dataset of preterm infant microbiome profiles and corresponding clinical data about both mom and baby.

"We started the company based on Kate's idea of using a 'calculator' that looks at microbial health risk factors of baby — gestational age at birth, how they are born, antibiotics administered, mom's health, how they are fed, and so on — and marries those factors with microbiome sequence data and outcomes," said Jantzen. "If we can connect all those factors together and identify which variables influence the establishment of the microbiome and how it changes during the course of the infant's stay in the neonatal intensive care unit, we can build predictive algorithms to risk stratify infants and provide predictive models on growth that can help clinicians make better-informed care decisions around nutrition, feeding, and the use of antibiotics and probiotics. With our dataset, we're developing MAGI, the Microbiome And Growth Indicator — a gut health profile."

Astarte Medical has also built NICUtrition, a feeding dashboard that simplifies the processes of documenting and logging feeding for preemies in the hospital. The more data it collects, the more powerful of an impact the data will be able to make in the future of personalized medicine.

"Zeroing in on the best way to feed every baby is going to be huge for ensuring health in the first 1,000 days of life starting from conception through age two," said Jantzen.

Jantzen is optimistic about the future, and as cofounder of a startup tackling major issues head-on and transitioning from GP of a fund aligned with her passions, Jantzen is thrilled to be in the space.

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