

Meet the husband-and-wife team that run AngelPad, the exclusive startup accelerator whose early bet on Postmates just led to a \$2.65 billion Uber acquisition

Troy Wolverton Jul 21, 2020, 3:27 PM



AngelPad was one of the earliest accelerators — companies that help founders get their startups up and running — and is still going strong a decade later.

Although it's less well known than some of its peers, AngelPad has had repeated successes and just scored a big hit when Postmates, one of its earliest startups, agreed earlier this month to be acquired by Uber for \$2.7 billion.

Unlike other accelerators, AngelPad has largely stayed true to the original vision of its founders, Carine Magescas and Thomas Korte; they still run its programs and mentor its startups.

Magescas and Korte still enjoy working with founders and helping build solid companies.

When Gautam Narang and his cofounders were launching Gatik three years ago, they knew they wanted to jumpstart their autonomous vehicle startup by going through an accelerator program.

They also knew just which one they wanted to join — AngelPad.

Accelerator programs offer aspiring founders a way to turn their ideas into nascent businesses. Although there are many of them now, AngelPad was among the first. And unlike some of its more well-known peers, such as 500 Startups and Y Combinator, AngelPad has stayed close to its roots and largely under the radar. It's still run by the same two people, and it still only accepts a small group of companies into each of its accelerator groups.

Narang and his team were lucky; they were among the few that got into AngelPad's program. And they got out of it just what they hoped

— a boost for their company. Since completing the accelerator program in early 2018, Gatik has raised a seed and a Series A round and last year signed a long-term deal with Walmart to have its self-driving delivery trucks transport grocery products from the retail giant's warehouses to its retail stores.

"A big part of Gatik's success to date is because of AngelPad," said Narang, the startup's CEO. He continued: "AngelPad ... played a huge role in every way."

AngelPad's founders like working with entrepreneurs

Accelerator programs have become increasingly popular over the last 10 to 15 years. They offer aspiring founders coaching and mentorship; guidance on fundraising, marketing, and product development; peer support; and often the first cash investment the founders' see. In exchange, the accelerator firm typically gets a small stake in entrepreneurs' nascent startups.

The programs typically offer sessions several times for groups or cohorts of startups. At the end of each session, the programs usually try to connect founders with early-stage investors.

Some of the most prominent startups of recent years graduated from accelerator programs. Among them: Airbnb, DoorDash, Stripe, SendGrid, PillPack, and Grab. AngelPad has its own prominent alumni, including Iterable, Buffer, Sensor Tower, and Postmates, the food delivery company [that announced earlier this month a deal to be acquired by Uber](#).

Thomas Korte and Carine Magescas — a husband and wife team — launched AngelPad in 2010. Each had a background in tech. Korte had worked in product development at Google, helping with the launches of its advertising product and Google Maps. Magescas, meanwhile, had worked for a series of startups, managing marketing, project management, and strategic partnership teams.

Both considered themselves entrepreneurs. Magescas had founded an ecommerce startup in the early 2000s, and Korte was part of the founding team at a startup in the late 1990s. They thought about getting into angel investing, but both wanted to be more hands-on.

"We get joy out of working with the founders early on and figuring out what the company is, and kind of get them to the start, rather than just being financial investors," Korte told Business Insider in an interview last week. "That was core idea behind it."

Korte and Magescas still work one-on-one with their founders

While many other accelerators have supersized over the last decade, taking in larger and larger classes and expanding to new locations, Korte and Magescas have largely stayed close to their original vision. They still run AngelPad and its programs themselves. They limit each group — which they convene one to two times a year — to about 20 companies, and work directly with the founders they admit to their program over each 10- to 12-week session.

They offer each of their founders the same basic deal — \$120,000 for a 7% stake in their companies. But they pride themselves on tailoring their advice to each founders' needs.

Korte and Magescas don't review their startups' software code. But they can and do help them with just about everything else. They help the entrepreneurs figure out what market they should pursue and how to tailor their product for that market. They help them lay out a strategic vision for where they want to be in the future. They prepare them for meeting with investors.

Their goal is to get the founders set not just for their first financing round, but for the long term.

"It's a very intense experience, where they spend a lot of time with us trying to figure out the very earliest stages of their companies," Korte said.

He and Magescas have different strengths, said Gatik's Narang. Korte's the visionary, helping founders to think and see how their markets and products will develop years into the future, he said. Magescas, meanwhile, is a master strategist and negotiator, he said. She's excellent understanding the motivations and interests of particular investors and figuring out which would make good board members and which should lead financing rounds, Narang said.

"They have very complementary strengths," he said.

AngelPad favors self-starters

As might be expected, Korte and Magescas are very selective about the companies and founders they admit to their program. They look for smart and driven teams that are focusing on big markets with innovative products or ideas. The teams have to include someone who is doing the coding or building, if not the CEO, then a technical cofounder. They also have to already have built something, typically a prototype they can use to show off their idea.

"Just to see, what can you get done in the first six months? What can you get done while you're maybe still at a job?" Korte said. "It says a lot about you as a founder if you're starting or if you're waiting for investors to give you money to start."

That said, he and Magescas are open about where the founding teams come from and what industries they're operating in. Many of their startups have been based in the Bay Area, but they've also had ones based in other parts of the country and in Europe. And they've included in their program companies ranging from DroneDeploy, which is developing software for unmanned flying vehicles to Zum, which has built a ride-hailing service for transporting kids. They don't typically fund consumer-focused startups, but they will on occasion.

They do rule out certain kinds of startups, though: those that compete directly against companies they've already backed. That's something other accelerators — which can work with dozens or even hundreds of companies a year — can't promise.

"We feel very strongly about [that]," Magescas said.

Magescas and Korte are betting on the future

By its very nature, running an accelerator, particularly the way Magescas and Korte do it, involves making bets on the future. Companies that they bring into AngelPad may be a year or two from getting seed funding, potentially four years away from getting their A

round, and 10 years away from going public or being acquired. That forces Korte and Magescas to constantly be thinking about how business and technology will evolve and about the frustrations faced by businesses that new technology could address. It also means being hyper-attuned to the latest potential trends.

That was easier a decade ago, Korte said. It was pretty easy to tell then that smartphones were going to spark a revolution in the tech industry spurring demand for all sorts of applications that could take advantage of their capabilities and inherent mobility. Forecasting out into the future is harder today, he said.

"It's more art than science, for sure," Korte said. "It's trying to understand," he continued, "what do we do today that we could possibly do differently in the future and are there technologies that are going to make it easier, faster, cheaper, less painful, more joyous and how can we get there."

But, he added, "Sometimes it's just a hunch."

Postmates was a good bet, but not the only one

In a way, Postmates was one of those hunches. Magescas and Korte included Bastian Lehmann, its cofounder, in AngelPad's first session. He wasn't yet working on Postmates, but instead was developing a service called Curated.by that allowed users to compile social media posts. Magescas and Korte liked the service, seeing it as a way for everyday people to navigate the chaos of Twitter.

But they liked Lehmann even more, seeing in him something of themselves. Both Magescas and Korte are, like Lehmann, immigrants to the US who came to the country hoping to break into the tech industry. He, like them, seemed determined to succeed.

So, when Curated.by failed and Lehmann started working on his second startups, which became Postmates, Magescas and Korte backed him as part of AngelPad's second session.

"He was driven," Magescas said. "I knew he would not give up."

Postmates wasn't the only hunch they've had that paid off. In addition to the food delivery company, they've had a series of successful exits. In 2013, just three years after AngelPad's first class, [Twitter acquired MoPub](#), which had been through the accelerator. That deal was nominally for \$350 million in stock, but ended up being much more than that after Twitter went public later that year and its share price soared.

More recently, Vungle, another one of its portfolio companies, [was acquired by Blackstone in a \\$750 million deal](#). Numerous other startups it backed were acquired for \$100 million or more, Korte said.

Magescas and Korte ditched their demo day

While AngelPad has largely stayed true to its roots, Korte and Magescas have evolved the program over time. They launched AngelPad in San Francisco. Later they opened up a New York office and hosted sessions there, while still taking field trips with their founders to Silicon Valley. Last year, they closed the New York office and plan to host future sessions again on the West Coast.

Many accelerators finish each program with a demo day, in which graduating companies make presentations to rooms full of potential investors, peers, and members of the press. AngelPad did that too for years. But two years ago, Magescas and Korte decided to do away with their demo day. In its place, they arranged to have their graduating companies meet one-on-one with investors, and tried to ensure that those investors were well-suited for the companies with which they were meeting.

Gatik was in the first batch of AngelPad companies that had an investor day instead of a demo day, and Narang loved it. The one-on-one sessions led to several serious follow-up meetings.

Narang has no regrets about taking part in AngelPad. Not only did Magescas and Korte introduce him and his team to potential backers, but the couple helped coach them before and after each investor meeting. AngelPad was also the first investor to commit to investing in both its seed and A rounds, helping validate the company for other backers, he said. To this day, Narang still talks frequently with Magescas and Korte.

"The advice that we got from Thomas and Carine during our time and after our time at AngelPad, we use it every day — even today," Narang said.

Got a tip about a startup or the venture industry? Contact Troy Wolverton via email at twolverton@businessinsider.com, message him on Twitter [@troywolv](https://twitter.com/troywolv), or send him a secure message through Signal at 415.515.5594. You can also [contact Business Insider securely via SecureDrop](#).

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