

# How can Venture Capital be Regenerative with Alessa Berg from Top Tier Impact

Key Learnings

## Explore the Full Range of Financing Instruments

It's essential to **understand the type of company you're building and be clear on your purpose before deciding how to fund your business**. The kind of capital should support your vision to avoid mismatches and limitations in the long run. A broader **understanding of funding is crucial**; regenerative business founders should **consider not only VC but also other viable options such as local debt instruments, government-backed credits, and blended finance**.

## Whether VC Aligns with Regeneration Depends on Structure

No economic system or instrument is inherently best for regeneration; **what matters is how values and incentives are aligned**. There's a **growing diversity in the funding space**, which allows founders to prioritise funds whose investment thesis resonates with their mission. **While traditional VC funds follow the "power law" approach**, where a few big wins drive returns, **alternative funds** opt out of this high-risk/high-return model and **work with more realistic return targets and timelines**.

## Local Ecosystems as an Entry Point for Regeneration

**Global supply chains make regenerative models fundamentally challenging**, and not always straightforward. Regenerative business often requires localised operations, context-specific knowledge, and collaboration across diverse stakeholders, which is difficult to achieve at a global level. **As a first step, familiarise yourself with your local ecosystem to understand what support is available**. Local ecosystems are entry points for networking and accessing valuable resources, including funding opportunities.

## Match Fundraising Timing to Venture Type and Stage

**Not all startups need funding at the same stage**. For market-ready solutions with a low barrier to entry, it's often best to focus on validating demand first, and external financing might not be essential at that point. Deep tech or research-based ventures often require capital earlier; however, support from universities or research ecosystems may help cover the early stages. **Each round of funding brings commitments, and it's essential to be deliberate about when and why you take that step**.

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