

Alex Konrad & Becca Szkutak

Forbes staff

Oversubscribed



The Cortado Ventures team with founder Nathaniel Harding, center. CORTADO VENTURES

At Oklahoma City-based Cortado Ventures, Nathaniel Harding knows that people might not expect the Sooner State to have a budding venture scene. The former founder of Antioch Energy says that he and Cortado co-founders David Woods and Mike Moradi got together in 2019 to pool their entrepreneurial experiences in a bid to help boost venture activity in the underfunded region — and have already seen the area transform. “Almost every week I speak to another person who has moved here to join, to start, or try to start their company,” Harding tells the Midas Touch. Cortado launched last year and ended up raising twice its expected capital in half the time they expected —all during Covid-19.

The backdrop: Momentum has bubbled in the region over the past few years as needed infrastructure has moved in. Entrepreneurship centers like StarSpace46, based in Oklahoma City, and 36 Degrees North, based in Tulsa, now offer coworking spaces, workshops and events for founders. State universities like Oklahoma State and the University of Oklahoma both have nationally ranked entrepreneurship programs, neither of which existed 20 years ago. “It’s all happened pretty quickly,” Harding says. “A lot of infrastructure and a lot of programs in place really focusing on the early stages and helping entrepreneurs. We want to be at the end of that pipeline.”

The fund: Cortado raised \$20 million to focus on pre-seed and seed companies based in Oklahoma. The emerging VC grabbed capital from high net-worth individuals and family offices, most of which are based in Oklahoma and have never invested in the asset class before. The firm plans to invest in about one company per month over the next few years and is saving half of the fund for follow-on rounds. Harding says they are finding great opportunities focused on some of the legacy industries in the state, like energy, supply chain and business services.

The bottom line: VC opportunities are growing in the state. Oklahoma just minted its first unicorn in 2020, fintech company Alkami Technologies, which hit a \$1.27 billion valuation after raising a \$140 million round last year (though the company moved some years ago to Plano, Texas). The state also recently passed legislation that will let Sooners deduct up to 60% of an equity investment into a tech company or startup as a way to help promote the diversification of the state’s economy. “This part of the country is often overlooked and underfunded,” says Harding. “There are some legacy industries here ripe for innovation and a lot of talent here to do it.”