

Seven takeaways from NewsCastic's \$350,000 funding

Jul 29, 2014



NewsCastic has garnered \$350,000 in series A funding from two investors, its first major funding outside of friends and family. Pictured are founders Chris Ortiz, Eric Paradis and Mahesh Bajaj.

News and entertainment site NewsCastic has been making social media waves with "listicles" — stories such as "10 things you see at every Isotopes game" or "7 things you can do in Albuquerque Old Town for free."

They're clickable, fun and easy-reading posts that are shared, and shared and shared across Facebook and Twitter — so far 3.5 million times.

The company has something else to share now: NewsCastic has garnered \$350,000 in series A funding from two investors, its first major funding outside of friends and family, the founders said Tuesday.

The news site, which is now in six cities, will use the new capital to expand to more cities, hire more writers and expand its platform to allow for more submissions and content.

The site is run by founders by [Eric Paradis](#), [Chris Ortiz](#) and [Mahesh Bajaj](#). A fourth is no longer with the firm.

"We were the digital team at ReelzChannel, and that's how we ended up out here," Paradis said. "My observation was that there was a lot of changes in how local stories were reaching viewers and readers. We decided to take a fresh look at new media and start factoring in social. We saw people at Reelz, and they were picking up views on YouTube. They were factoring that in. That was the growth, not the cable subscribers."

So, he said, the team decided to launch NewsCastic to capture newer readers, based off the BuzzFeed and other click-monster lite-news models of fun content sites.

Nearly 90 percent of the company's traffic comes from mobile devices, Ortiz said, "So, our posts have to be something that you can flip through while you're walking around, or easily," Ortiz said. "And they have to be good enough that people share it."

The site has grown, but to grow more the company needed the funding to take it to the next level.

The founders say they have seven takeaways to share about raising capital.

1. Quit your day job.

"We all had to quit," Ortiz said. "We realized that if we were going to do this, we needed to devote ourselves to it."

2. Don't settle.

The company pitched to accelerator programs across the country but didn't want to join just any program. The three set their sights high and joined the high-caliber Dreamit Ventures accelerator's first Austin, Texas, program. For a \$25,000 investment and six percent of the company, the original founders dove in.

"We took up in an apartment in Austin for 90 days; four guys, three bedrooms, with pizzas and microwave dinners," Ortiz said. "We went to bed late and woke up early and made it."

3. Not every plan goes as planned.

Though the company set its sights on getting funded after Dreamit, it didn't. It was part of the South By Southwest business pitch event in 2013, but it didn't get traction with investors at the time either.

"It was not a catalyst. But I do think this would have been a side project a lot longer without (Dreamit)," Paradis said.