

**Episode 266****Matt Allen**

Head of Capital & New Markets, Tractor Ventures

Matt Allen on Sustainable Startup Funding, Angel Investing and Smarter Capital Strategies

In this episode of the [DevReady Podcast](#), host [Andrew Romeo](#) speaks with [Matt Allen](#), Head of Capital & New Markets at [Tractor Ventures](#), about building sustainable startups, navigating investment options and leveraging non-dilutive funding to scale responsibly. Matt shares his evolution from software engineer to angel investor and venture leader, exploring how modern AI-driven tools have reshaped his technical and financial perspective. He reveals how Tractor Ventures is helping founders grow without losing equity or control, redefining how startups fund long-term success.

Matt began his career as a self-taught software developer in Sydney, running startups and a hosting company before moving into tech recruitment and later joining Amazon Web Services (AWS). At AWS, he supported founders through the startup and venture capital ecosystem, helping them scale with cloud infrastructure and early-stage resources. His entrepreneurial mindset, however, led him away from corporate life and towards creating something new, a journey that would ultimately lead to Tractor Ventures.

Matt shares how his first successful investment in Xero gave him the foundation to become an angel investor, backing startups that built tools for developers. By connecting with startup communities and Blackbird Ventures, he learned that angel investing is about conviction, people and execution, not just technology or spreadsheets. He also realised that sustainable growth comes from founders who understand their customers deeply and can sell beyond their network, not from chasing “unicorn” valuations.

Inspired by his time at AWS, Matt saw a gap for tech founders running profitable businesses that weren't eligible for venture capital or bank loans. Tractor Ventures was built to bridge that funding gap, providing revenue-based, non-dilutive financing to founders with recurring income and high gross margins. Matt explains how Tractor's credit engine analyses real business data to lend responsibly, helping founders scale without sacrificing ownership or personal assets. This model creates a new category of funding that sits between equity and traditional debt.

Matt and Andrew discuss when startups should consider debt financing versus equity investment. Debt suits businesses with proven, predictable revenue streams, while equity is better for companies seeking rapid expansion in large markets. Matt advises founders to view customer revenue as the best source of capital, followed by grants and borrowing, since selling equity often dilutes ownership and slows growth. The key, he says, is building a profitable, sustainable business before chasing external capital.

Modern founders, Matt explains, can blend debt and equity to fuel growth without over-reliance on either. Raising equity can take months and distract teams from building products or generating revenue, whereas private credit or revenue-based finance offers faster, flexible solutions. Matt urges founders to calculate the true cost of capital, considering how each choice affects control, growth speed and long-term outcomes.

In closing, Matt highlights how interest rates directly influence startup funding cycles. When rates are low, investors chase higher returns through startups; when rates rise, safer investments like term deposits become more appealing, drying up venture capital. This affects both investor sentiment and founder confidence, reducing risk appetite across the ecosystem. Matt's insights reveal how macroeconomic factors shape access to capital and underline the importance of resilient, adaptable business models.

Topics Covered

- Matt Allen's career journey
- The evolution of Tractor Ventures
- AI and modern development tools
- Lessons from angel investing
- Debt vs equity funding
- Blending capital strategies
- Founder-led sales and sustainable growth
- Interest rates and market trends
- Building resilient startups
- The future of startup funding

Important Time Stamps

- Why This Investor Went Back to Coding (0:06 – 3:55)
- The Developer Who Gave Up Coding to Empower Startups (3:56 – 10:48)
- How a Bet on Xero Kickstarted Matt's Angel Investing Journey (10:49 – 15:06)
- The Truth About Angel Investing: It's All About People (15:07 – 20:16)
- How Tractor Ventures Helps Founders Grow Without Giving Up Equity (20:17 – 29:05)
- Debt vs Equity: The Smarter Way to Fund Startup Growth (29:06 – 36:58)
- Matt Allen: Stop Selling Shares, Start Growing Your Business (38:59 – 40:54)
- Why High Interest Rates Cool Down Innovation (40:55 – 44:13)

Useful Links[Matt Allen | LinkedIn](#)[Tractor Ventures | LinkedIn](#)[Tractor Ventures | Website](#)**Listen & Subscribe** YouTube: <https://youtu.be/-VVa9t5JAXc> Spotify: <https://open.spotify.com/episode/0ZKo0sT4jGuw0g7Xh7lhF8?si=8a13ae520a544f0b> Apple Podcasts: <https://podcasts.apple.com/us/podcast/matt-allen-on-sustainable-startup-funding-angel-investing/id1497226071?i=1000736305289>