Nothing Ventured, Nothing Gained

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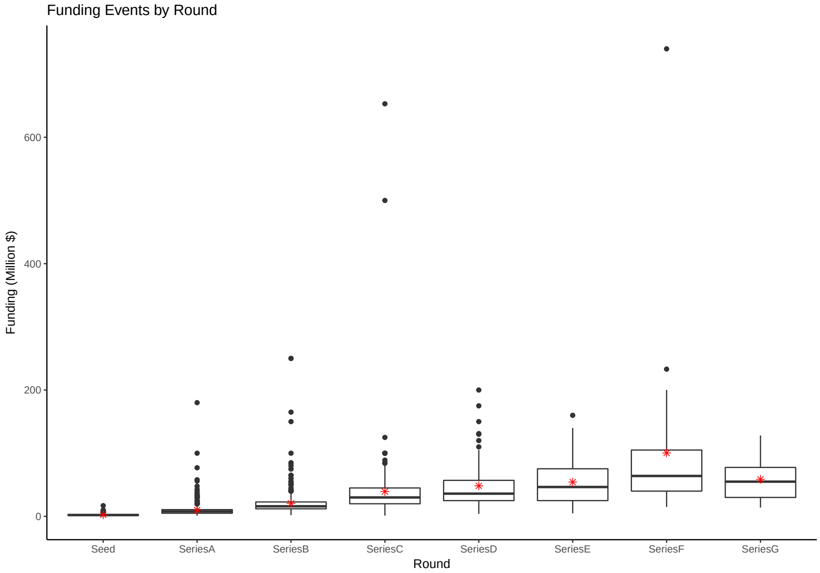
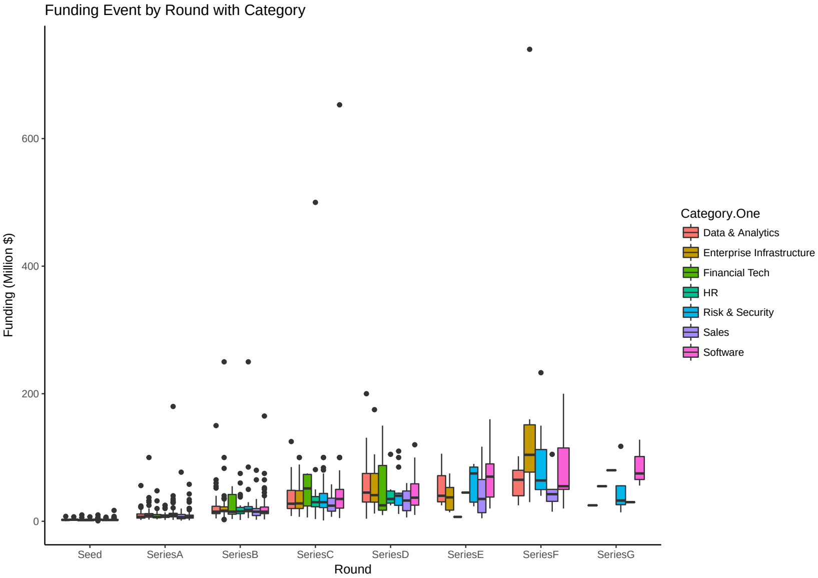
Why Does Anything Matter?

- Venture Capital Overview
- Problem
- Questions
  - What can we learn about the venture market?
  - How much do companies raise at a time?
  - Is there sampling bias?
- Prior Knowledge
  - Startups raise money approximately every 18-24 months
  - Successful companies usually IPO after series C before series G
  - Late stage companies have successfully raised public money through institutional investors

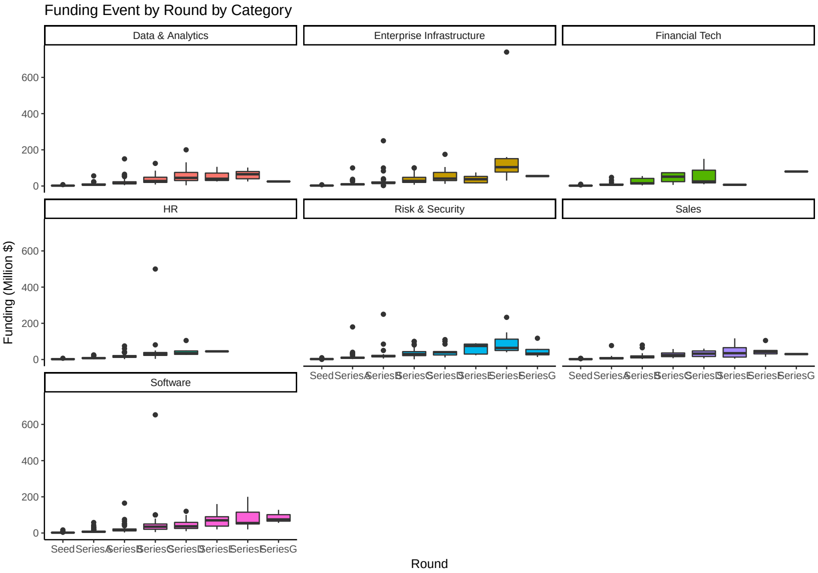
Exploring the Data



Exploring by Category



Compare Categories



Let's Make Fun of Startups

"We are building the world's first artificial intelligence that understands the meaning of content."

- Post-Quantum - UK
- PeopleDoc - US
- Illusive Networks - IS
- Teambition - CH
- Speex - GE

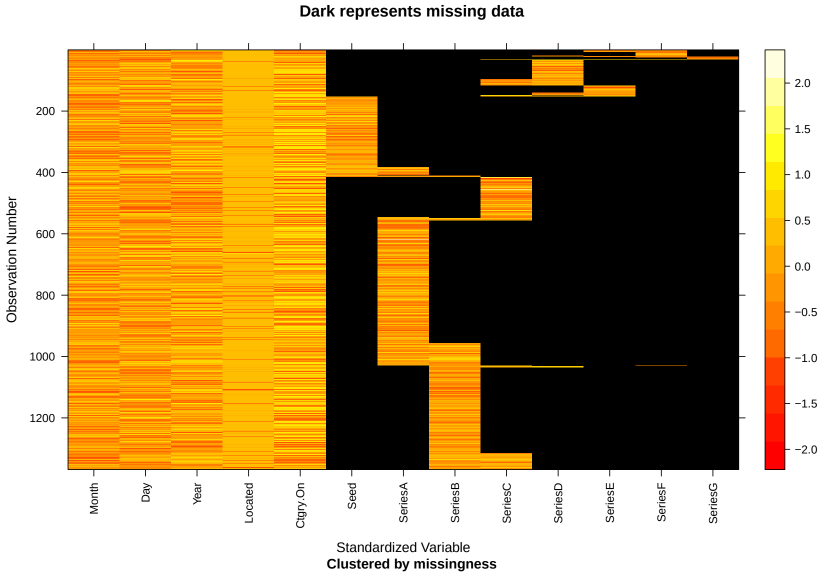
Reverse Anna Karenina Problem

See minutes:19, seconds: 31 for an explanation of this effect.

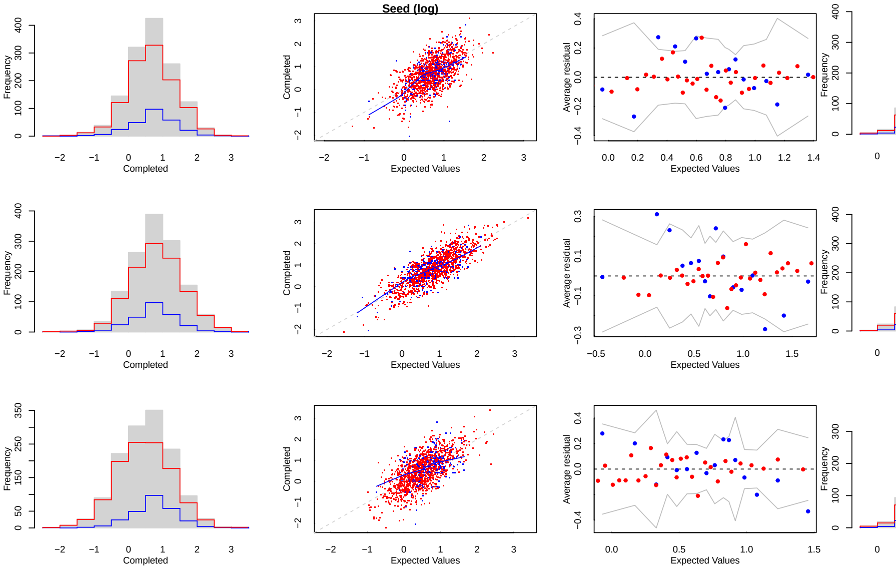
Dynamic Acyclic Graph

Missing Not at Random

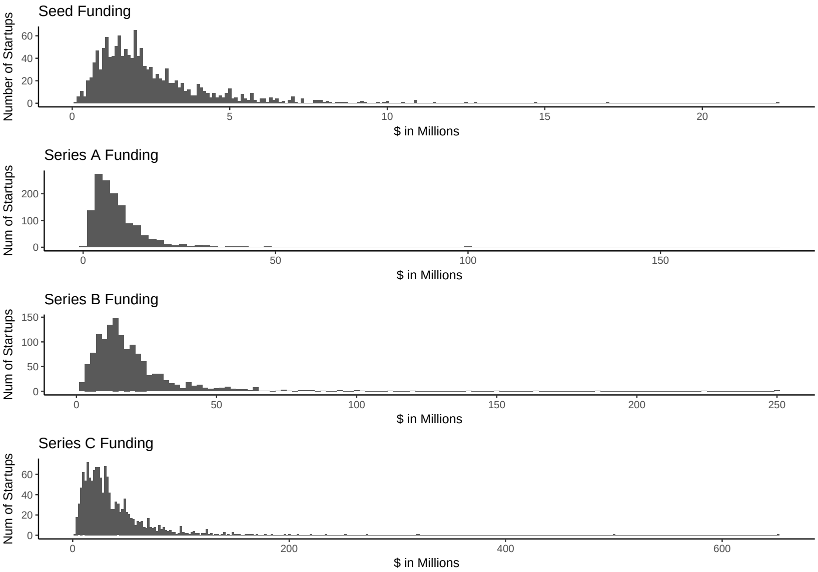
Missing Data Frame



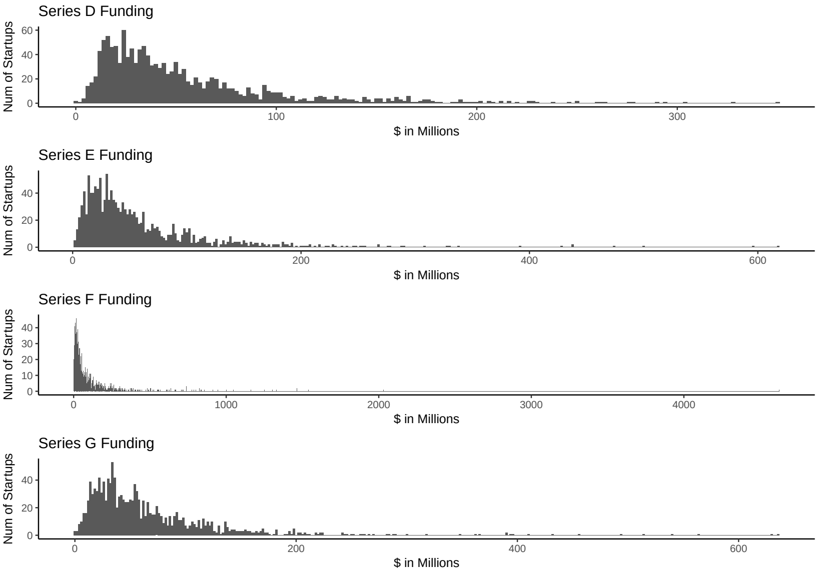
Imputation Checking



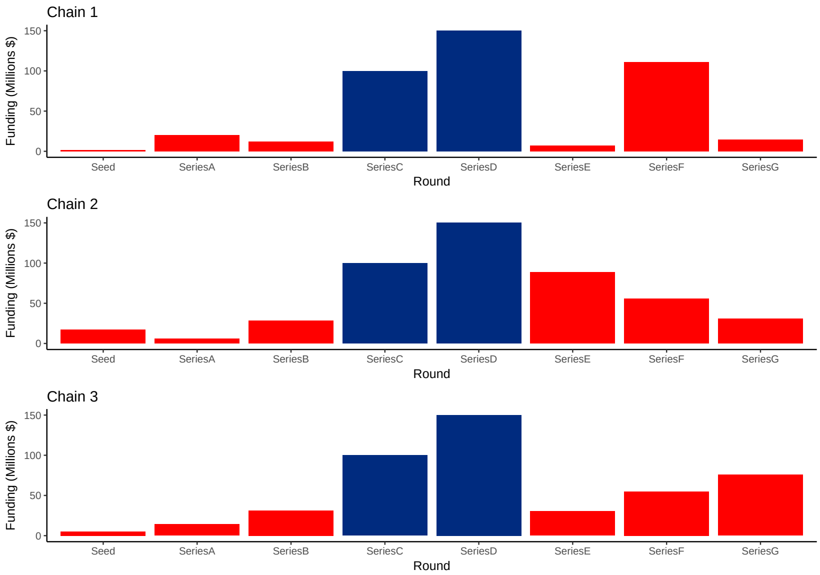
Rounds Histogram



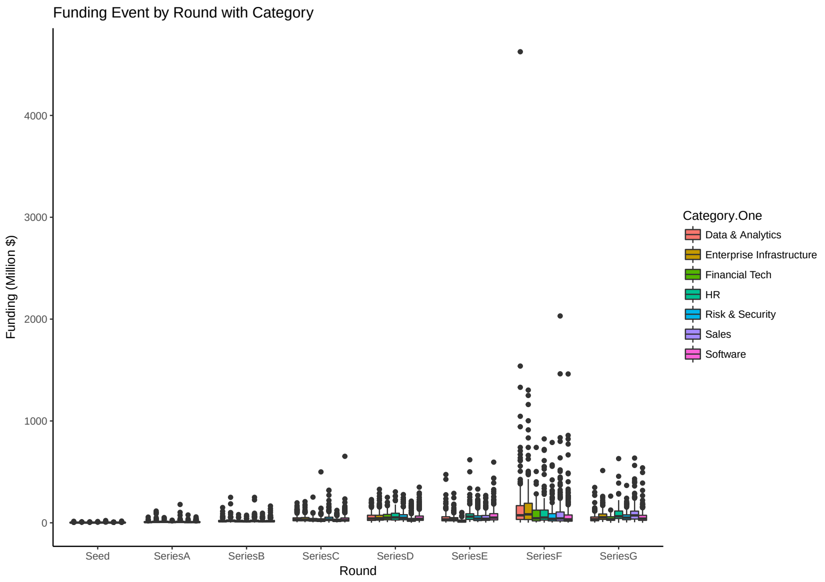
Rounds Continued



Specific Case - Stripe



Exploring Completed Data by Category



Conclusions

- Category
  - Enterprise Infrastructure and Risk & Security are the best funded
  - Financial technology has a shorter durating
- Imputation
  - Not perfect
  - Winners become apparent
  - High variance, bifurcation at late stage
- Stripe
  - IPO timer is ticking
  - Likely to go public in the next 18-36 months
  - Series A & C order of magnitude greater than previous round

Sources

1. Hall, Robert E. Woodward, Susan E. 2007. The Quantitative Economics of Venture Capital. Working Paper, The Department of Economics, Stanford University.
2. Blosser, Shawn. Woodward, Susan E. 2014 VC Index Calculation White Paper. Working Paper, Sand Hill Econometrics.

3. Thanks to Work Bench Venture Capital for compiling the data set.