**How to find your next VC**

Welcome back to The TechCrunch Exchange,***[a](https://crunchbase.com/person/chris-dean" \t "_blank)***weekly startups-and-markets newsletter. It’s broadly based on [the daily column that appears on Extra Crunch](https://techcrunch.com/tag/the-exchange/), but free, and made for your weekend reading. Want it in your inbox every Saturday? Subscribe *[here](https://techcrunch.com/newsletters)*.

Ready? Let’s talk money, startups and spicy IPO rumors.

Welcome to the depths of December, a time in which the news cycle should be slowing down. Instead it’s accelerating, giving me the firm worry that our holiday cycle is going to be mostly work this year.

Regardless, we have no time for my usual bullshitting, so let’s get right to work.**First up: How to find your next venture capitalist.**

There’s a VC firm called [New Stack](https://www.newstack.vc/) that focuses on leading first institutional rounds into startups that are not based in San Francisco and New York. As you can imagine, part of its job is helping its portfolio companies — [here](https://www.newstack.vc/" \l "portfolio), in case you wanted to peek — find their next investor.

So, New Stack’s Nate Pierotti tells The Exchange, his team crafts next-round plans with their portfolio companies so that the startups can avoid wasting time when they go out to raise a new round. Per Pierotti, these plans are popular with both founders and VCs alike.

A bit ago New Stack asked around 400 founders what their venture pain points are, an exercise that I presume many VCs execute to better understand their market. Something that came out of the study was that many founders wanted help finding their next investor.

In light of the results, New Stack decided to help, putting together a public version of their next-round tool. It’s called Venture Rank, and [you can check it out here](https://www.vc-rank.com/). If you tell it about your startup, it will suggest some funds to talk to, with over 1,700 in its database.

Why bring all this up? Aside from always looking for an excuse to cover Midwest startup activity, we spend a lot of time in this newsletter talking about companies busy leaving their venture capital days behind them. Here was a chance to talk about a resource that founders still in the venture mix can actually use.

The Exchange: **Not** just public SaaS multiples!

## Market Notes, Market News

I presume that by now you are caught up on all things **[DoorDash](https://crunchbase.com/organization/doordash" \t "_blank)** IPO ([pricing](https://techcrunch.com/2020/12/08/doordash-ipo-pricing/), [trading](https://techcrunch.com/2020/12/09/doordash-c3-ai-skyrocket-in-public-market-debuts/), [the future](https://techcrunch.com/2020/12/09/how-doordash-and-c3-ai-can-defend-their-red-hot-ipo-valuatons/)), C3.ai ([pricing](https://techcrunch.com/2020/12/07/the-ipo-market-looks-hot-as-airbnb-and-c3-ai-raise-price-targets/), [trading](https://techcrunch.com/2020/12/09/how-doordash-and-c3-ai-can-defend-their-red-hot-ipo-valuatons/), [the future](https://techcrunch.com/2020/12/09/how-doordash-and-c3-ai-can-defend-their-red-hot-ipo-valuatons)), and Airbnb ([pricing](https://techcrunch.com/2020/12/09/airbnb-said-to-price-ipo-between-67-and-68/), [trading](https://techcrunch.com/2020/12/10/airbnbs-first-day-pop-caps-off-a-stellar-week-for-tech-ipos/)). What follows presumes you are read-up.

To kick off Market Notes this weeks, some Market News: [Braze](https://www.braze.com/) has grown 60% during the first three quarters of its fiscal year.

Sadly, while the New York-based customer engagement software startup joined the $100 million ARR club [just under a year ago](https://techcrunch.com/2019/12/13/the-newest-members-of-the-100m-arr-club/), we can’t just say that it’s at $160 million ARR today. Why not? The company has moved to counting GAAP revenue instead of ARR, so its growth number doesn’t correspond to the old metric.

And the time period for the 60% figure ran from February 2020 through October (it’s common for SaaS companies to start their fiscal year after January so that their fourth quarters don’t wrap up right after Christmas). But I *would not* be surprised if **[Braze](https://crunchbase.com/organization/braze" \t "_blank)** was at an ARR mark of $160 million or more.

According to its CEO, Bill Magnuson, the company has not raised funds since its October 2018-era Series E worth $80 million. The startup has been growing quickly, without the need to take on more capital to fund its growth.

What impact has COVID-19 had on the company? Magnuson said that Braze was probably ahead of its pre-COVID plan, but that it has re-forecasted on a rolling basis this year as the economy has changed. On the customer front, the CEO said that growth may have been similar without COVID, but different. He used an analogy of a balloon, COVID squeezed some parts of the balloon — market sectors in our analogy — but also enlarged some other parts of the balloon at the same time. Same balloon volume post-COVID, but a different market shape.

Is the move to GAAP indicative of a move towards an IPO? Not really, Magnuson said. Braze likes to compare its results to those of other companies to see how it can improve and where, he added, so having standard metrics helps.

But let’s be clear: Braze is big enough to go public, doesn’t burn that much money, and is watching companies go out at nigh-comical multiples. Surely the temptation is there.

And speaking of IPOs, let’s talk about a few. I got on the horn with a different players from the **[Airbnb](https://crunchbase.com/organization/airbnb" \t "_blank)** and DoorDash debuts this week, which I have condensed to their respective key points for today in the honor of space:

* **Why DoorDash’s CFO is bullish on post-pandemic consumer demand:** Talking to Prabir Adarkar was good fun as he is both voluble and limpid. That is an excellent combination in a person from which you hope to learn something. I wanted to know what DoorDash was thinking about post-pandemic demand for food delivery. I have a slightly pessimistic take. Adarkar, as you expected, is more bullish. After discussing how the company’s huge IPO will provide the company with a cushion as it looks to more deeply penetrate the food market, and expand into new verticals, we got around to the point. The CFO argued that once users have downloaded the DoorDash app and used it a few times, it’s very sticky. He expects that stickiness to persist even after COVID-19 is behind us. And, he added, more restaurants have joined in the last few months, so the service has itself improved. That could help keep users engaged when they are allowed outside.
* **Why Airbnb’s chief strategy officer (CSO) is bullish on post-pandemic consumer demand:** Nathan Blecharczyk, one of Airbnb’s founders and CSO, talked The Exchange through his company’s post-pandemic demand thesis. First, travel will return as soon as people are allowed to go outside. That’s good for Airbnb. And, he said, Zoom is not going away — people may take a long weekend in an Airbnb and work the Friday and relax during the weekend, for example. With international travel coming back, and a cultural shift toward remote work, Airbnb could wind up with a larger marker in 2021 than it had in 2019. We’ll see.
* **Sequoia partner Alfred Lin on this week’s IPO pricing and results:** Finally from our call log, an investor. Sequoia was in both DoorDash and Airbnb, with Lin on the board of each. We chatted a bit about the IPOs, a convo from which something stood out. Lin explained, in response to my questions about the extreme prices that some IPOs were commanding after their debuts, that Airbnb had been expensive during its private life, as well. You have to pay up sometimes for the standouts, the argument seemed to go. From a venture perspective, I vibe with the point. From a public investor perspective, I understand it less. But that’s why the stock market is fun.

Before we catch up on some small things, after I covered [OKR-focused Koan raising another $1 million](https://techcrunch.com/2020/12/10/okr-focused-koan-raises-1m-adds-free-tier/), OKR-focused [Ally.io](https://www.ally.io/) — [which I have written about before](https://news.crunchbase.com/news/ally-raises-15m-series-b-to-scale-its-okr-focused-service/) — reached out with some data on its growth. A sucker for such information, here’s the gist: Ally grew its revenues 3.3x in 2020, adding 500 customers in the process and seeing 145 expansions from existing customers. Ally cited a need for more planning tools for a hybrid (office and remote) working world as a driver of demand. Koan declared a similar situation as its impetus for releasing a free tier of its software.

The [OKR market was hot earlier this year](https://techcrunch.com/2020/01/21/why-is-everyone-making-okr-software/). I suppose it still is.

## Various and Sundry

Alright. In no particular order, here are some very interesting things from this week that I could not write whole posts about:

* Denver-based [Range Ventures](https://range.vc/) has put together a $23 million fund. Why do we care? It’s focused on Denver. I did not know that the Denver scene was mature enough to warrant its own firm. I suppose I am behind on this one.
* Brazilian software company [Intelipost](https://www.intelipost.com.br/en/) raised $32 million this week, led by Riverwood Capital. E-commerce and logistics are hot in 2020, and Intelipost does both. This is one to keep an eye on.
* Chicago’s [CarDr](https://cardr.com/) raised $5 million in what it calls “launch and seed funding” from Red Fort Capital. The startup uses AI to help its team execute car diagnostics — hence, calling itself Car Doctor. According to the company, it sells to consumers, dealers, and banks alike. And the startup has earmarked about 75% of its new capital for engineering expenses, which implies that it has lots more to build in the future (a good thing, mind.) On the economics front, the company told The Exchange that it has good margins, but that they work out to be slightly lower than some SaaS companies due to the cost of AI computing time. [We’ve written about that](https://techcrunch.com/2020/02/21/do-ai-startups-have-worse-economics-than-saas-shops/)!
* API-security focused [Salt Security](https://salt.security/) raised $30 million this week. I am a dork for all things API, so to see the API-security space raise this much in a single round caught my attention. Sequoia led the Series B. Salt raised a $20 million Series A in June. ([The trend of two rounds in 2020 continues](https://techcrunch.com/2020/12/08/skyflow-raises-17-5m-more-to-help-companies-protect-your-personal-data/)!)
* A startup named [Beyond Identity](https://www.beyondidentity.com/) raised $75 million this week. I am at a loss regarding what “passwordless” identity means, but I hope it works, as I constantly need to update my Okta password, which makes me sad.
* [Ada Ventures](https://www.adaventures.com/) [closed a $50 million fund](https://techcrunch.com/2020/12/08/ada-ventures-closes-first-fund-at-50m-investing-in-diverse-founders-tacking-societys-problems/). The European group intends “to invest in diverse founders tacking societal problems.” Hard to not be into that mission.