

US Venture Capital Firms For Tech Startups

The VC market in the United States is perhaps more accessible for startups now than at any point in history. Due in part to the rise of tech startup incubators and angel investor networks, venture capitalists are spread all across the spectrum, working intently with early-stage companies to provide seed funding and injecting capital into established companies planning to go public.

At Walker Sands, we've worked with many of the portfolio companies listed here to formally announce rounds of funding or help them tell the stories that inevitably follow.

Ridge Ventures | San Francisco, CA

Early Stage

Focus: Information Technology, New Media, Healthcare

Total Capital: \$320 million

Notable Investments: Krux, Fastly, Minted, f5, IndieGoGo

Accel Partners | Palo Alto, CA

Early Stage/Mid Stage

Focus: Technology

Total Capital: \$8.8 billion

Notable Investments: Facebook, Groupon, Dropbox, Spotify, Rovio, Etsy, Baidu, Hootsuite, Slack

Adams Capital Management | Pittsburgh, PA

Early Stage

Early Stage/Mid Stage
Focus: Technology
Total Capital: \$8.8 billion
Notable Investments: Facebook, Groupon, Dropbox, Spotify, Rovio, Etsy, Baidu, Hootsuite, Slack

Adams Capital Management | Pittsburgh, PA
Early Stage
Focus: Applied Technology, Information Technology, Networking Infrastructure, Semiconductors
Total Capital: \$815 million
Notable Investments: DATAlegro, Dell, InSoft, Fotomoto, Landslide CRM

Adams Street Partners | Menlo Park, CA
All Stages
Focus: Consumer Internet, Software, Clean Tech, Medical Devices
Total Capital: \$1B+
Notable Investments: Ancestry.com, comScore, RetailMeNot, YouSendIt

Advanced Technology Ventures | Waltham, MA
Early Stage
Focus: IT, Healthcare, Clean Tech
Total Capital: \$1.8 billion
Notable Investments: AltaRock Energy, Liquid Engines, Handango, Nominum, CaliSolar

Alsop Louie Partners | San Francisco, CA
Early Stage
Focus: New Media, Gaming, SaaS, Cloud Infrastructure, Security, Mobile
Total Capital: \$98.6 million
Notable Investments: Gowalla, Justin.tv (now Twitch)

Andreesen Horowitz | Menlo Park, CA
All Stages
Focus: Internet Tech

Focus: New Media, Gaming, SaaS, Cloud Infrastructure, Security, Mobile

Total Capital: \$98.6 million

Notable Investments: Gowalla, Justin.tv (now Twitch)

Andreessen Horowitz | Menlo Park, CA

All Stages

Focus: Internet Tech

Total Capital: \$2.7 billion

Notable Investments: Facebook, Groupon, Zynga, Jawbone, Foursquare, Skype, Pinterest, Slack

Apex Venture Partners | Chicago, IL

Early Stage

Focus: Consumer/Business Technology Services, IT, Clean Tech

Total Capital: \$140 million (current fund)

Notable Investments: Analyte Health, Appolicious, Ifbyphone, SitterCity.com, Target Data, Trunk Club, Ifbyphone, BoomEnergy

ARCH Venture Partners | Chicago, IL

Early Stage

Focus: Life Sciences, Physical Sciences, IT

Total Capital: \$1.5 billion

Notable Investments: Teach.com, Classmates Online

Arthur Ventures | Fargo, ND and Minneapolis, MN

Early Stage

Focus: Software

Total Capital: \$65M

Notable Investments: Infusionsoft, Avalara, LeadPages, WhenIWork, TINYpulse

Atlas Venture | Cambridge, MA

Early Stage

Focus: Technology and Life Sciences

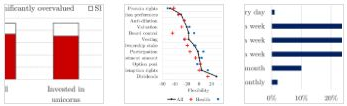
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How do venture capitalists make decisions? ☆

Paul A. Gompers ^{a, b}, Will Gornall ^{a, c}  , Steven N. Kaplan ^{d, b}, Ilya A. Strebulaev ^{e, b}

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Abstract

We survey 885 institutional venture capitalists (VCs) at 681 firms to learn how they make decisions. Using the framework in Kaplan and Strömberg (2001), we provide detailed information on VCs' practices in pre-investment screening (sourcing evaluating and selecting investments), in structuring investments, and in post-investment monitoring and advising. In selecting investments, VCs see the management team as somewhat more important than business-related characteristics such as product or technology although there is meaningful sectional variation across company stage and industry. VCs also attribute the ultimate investment success or failure more to the team than to the business. deal sourcing, deal selection, and post-investment value-added all contribute value creation, the VCs rate deal selection as the most important of the three. compare our results to those for chief financial officers (Graham and Harvey, 2001) and private equity investors (Gompers et al., 2016a).

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Keywords

Venture capital; Value creation; Capital structure; Entrepreneurship

JEL classification

G11; G24; G30; G32

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Venture Capitalist (VC)

REVIEWED BY AKHILESH GANTI | Updated Oct 15, 2019

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What Is a Venture Capitalist (VC)?

A venture capitalist (VC) is a private equity investor that provides capital to companies exhibiting high growth potential in exchange for an equity stake. This could be funding [startup](#) ventures or supporting small companies that wish to expand but do not have access to [equities markets](#). Venture capitalists are willing to risk investing in such companies because they can earn a massive return on their investments if these companies are a success. VCs experience high rates of



Who are Venture Capitalists?

Understanding Venture Capitalists

Venture capitalists are usually formed as limited partnerships ([LP](#)) where the partners invest in the VC fund. The fund normally has a committee that is tasked with making investment decisions. Once promising emerging growth companies have been identified, the pooled investor capital is deployed to fund these firms in exchange for a sizable stake of equity.

Contrary to public opinion, VCs do not normally fund startups from the onset. Rather, they seek to target firms that are at the stage where they are looking to commercialize their idea. The VC fund will buy a stake in these firms, nurture their growth and look to cash out with a substantial [return on investment](#) (ROI).

Well-known venture capitalists include Jim Breyer, an early Facebook ([FB](#)) investor, Peter Fenton, an investor in Twitter ([TWTR](#)), Peter Theil, the co-founder of PayPal ([PYPL](#)) and Facebook's first investor, Jeremy Levine, the largest investor in Pinterest, and Chris Sacca, an early investor in Twitter and ride-share company Uber.

Venture capitalists look for a strong management team, a large potential market and a unique product or service with a strong competitive advantage. They also



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look for opportunities in industries that they are familiar with, and the chance to own a large percentage of the company so that they can influence its direction.

KEY TAKEAWAYS

- A venture capitalist (VC) is an investor who provides capital to firms that exhibit high growth potential in exchange for an equity stake.
- VCs target firms that are at the stage where they are looking to commercialize their idea.
- Well-known venture capitalists include Jim Breyer, an early Facebook (FB) investor, and Peter Fenton, an investor in Twitter (TWTR).
- VCs experience high rates of failure due to the uncertainty that is involved with new and unproven companies.

History of Venture Capital

Some of the first venture capital firms in the U.S. started in the early to mid-1900s. Georges Doriot, a Frenchman who moved to the U.S. to get a business degree, became an instructor at Harvard's business school and worked at an investment bank. He went on to found what would be the first publicly owned venture capital firm, American Research and Development Corporation (ARDC). What made ARDC remarkable was that for the first time a startup could raise money from private sources other than from wealthy families. For a long time in the U.S., wealthy families such as the Rockefellers or Vanderbilts were the ones to fund startups or provide capital for growth. ARDC had millions in its account from educational institutions and businesses.



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