

FUND FINANCE FRIDAY

Women in Fund Finance: Trends in Venture Capital

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Women in Fund Finance this week hosted “Trends in Venture Capital,” a virtual event that looked at the highly creative, high-demand, and ever-evolving world of venture capital. The panel consisted of four distinguished industry leaders: Sarah Anderson, a Partner and founder at Vault Fund; Zack Ellison, Managing General Partner at Applied Real Intelligence; Veronica Juarez, Scout at Lightspeed Venture Partners; and Tim Schigel, Managing Partner at Refinery Ventures. Laura Hope, Head of the Financial Institutions Group, The Americas at DBS Bank, moderated this lively discussion aimed at demystifying the VC world.

This wide-ranging and interesting discussion covered everything from trends to investment opportunities to diversity and inclusion initiatives in the venture space. The panel also discussed how the venture world can do good and serve underprivileged communities while earning healthy returns. The conversation also helped to demystify certain terms in the venture vernacular.

Sarah explained the role of a venture studio and how they foster growth of early-stage companies.

Zack explained how venture debt is an often misunderstood strategy and tool that founders can use to fund their business. He discussed how venture debt can be a non-dilutive fundraising option for founders. From the investor side, he said that venture debt is an opportunity for outsized returns. In this view, it provides investors with the best risk-adjusted returns for any alternative investment class out there, including PE, real estate and other asset classes.

Veronica and Tim brought great perspectives about how investors can work better and more effectively with the companies they invest in. Veronica’s advice seems obvious but it is probably something more investors should heed: investors should ask the company what it needs. No one knows better what the company needs than the company itself. Tim noted that a board is typically composed following an investment. He said there is great value for investors, board members, and entrepreneurs to spend more time together to gain alignment to better achieve their goals.

The conversation next touched on how the venture community can create access and opportunity for low-income and vulnerable communities. This can take many forms. Veronica stressed the importance of investing in companies that make the lives of low-income individuals better or increase their quality of life and how this is a very broad and flexible concept.

The panel also talked about how the venture community can and should create access for low-income founders. The panel also touched on access to capital for women and minority founders. A number of the panelists discussed how they are helping to democratize access to early-stage capital. Sarah explained how studios provide a shared services model and, in that forum, women and minorities have a better pathway to get to scale and engagement on their ideas.

Finally, the panel touched on cryptocurrency and rounded out the discussion with their predictions for the future. Specifically, they looked at whether there is going to be softening in this market, which has been going strong for many years.