



# Venture Capital and Tech Startups

*fueling the IT industry*

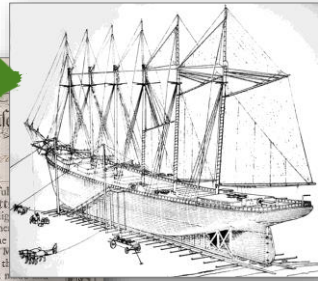
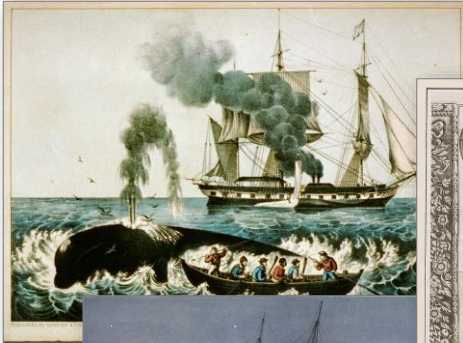
with Mark Campbell



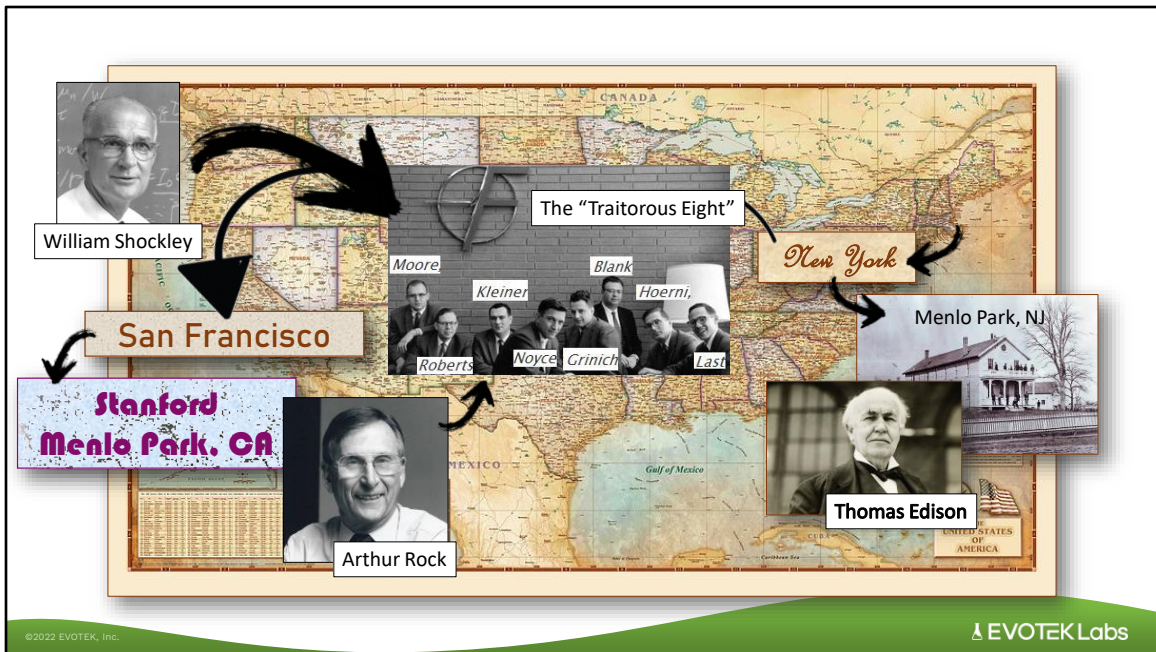
## Presenter



**Mark Campbell**  
Chief Innovation Officer, EVOTEK  
"IT INNOVATION" columnist, IEEE Computer



*We shall retain one in five  
barrels of that ye carry*



Arthur Rock – Fairchild, Intel, Apple

Traitorous 8 & Fairchildren

Gordon Moore – Moore’s Law, Founder of Intel

Sheldon Roberts – founded Amelco (Teledyne)

Eugene Kliener – founded Kliener Perkins Caufield Byers (“The more difficult the decision, the less it matters what you choose.”)

Robert Noyce – founded Intel, visionary

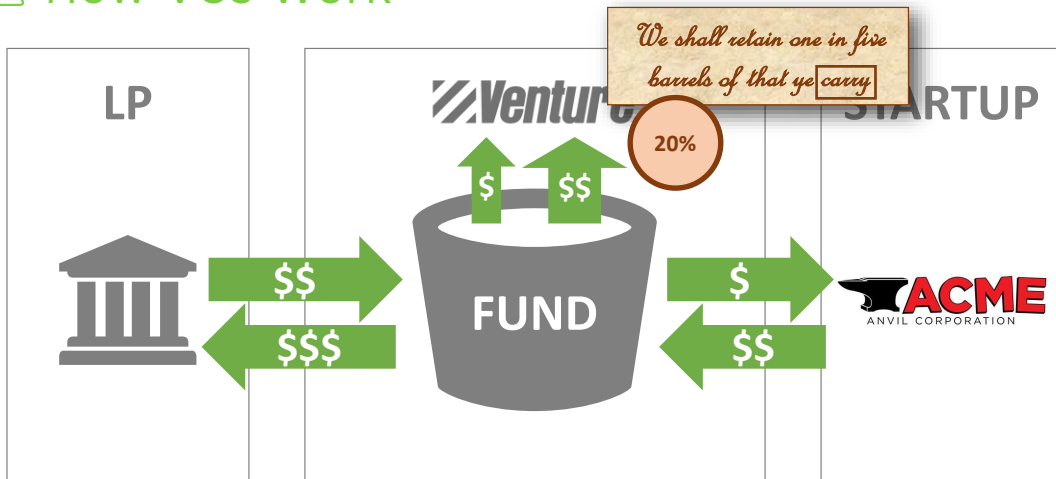
Victor Grinich – CEO of Identronix (RFID in 1978) – now Datalogic

Julius Blank – later developed non-volatile memory at Xicor

Jean Hoerni – Co-Invented IC – Started Amelco (no Teledyne), founded Union Carbide Electronics

Jay Last – Amelco (Teledyne)

## How VCs Work



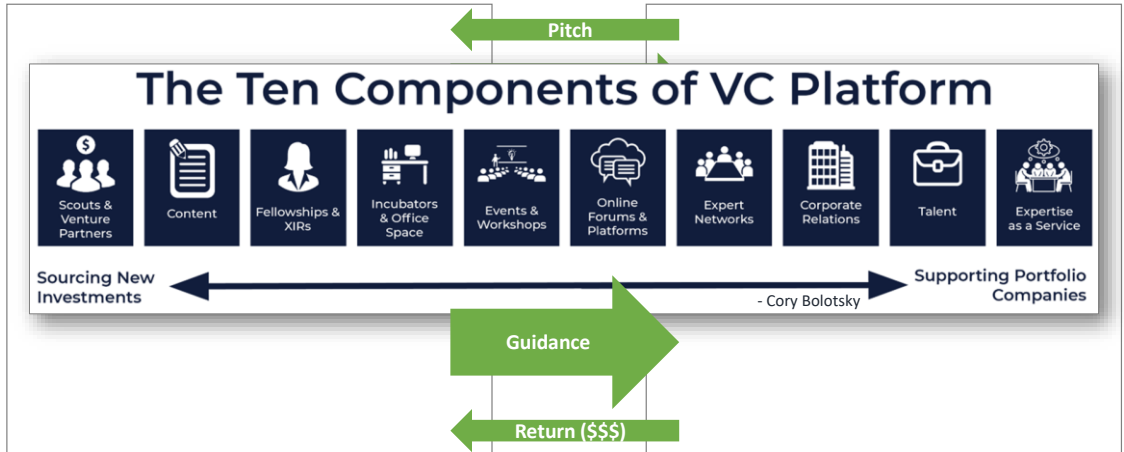
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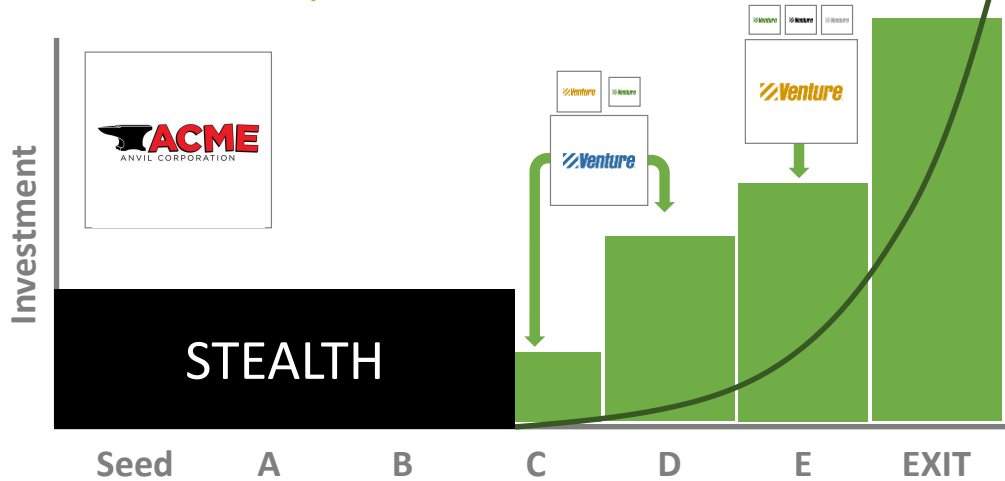
### Sequoia (Jim Goetz)

- Invested in Facebook (with Reif Hoffman, Greylock)
- Invested in YouTube (\$1.65B exit) = \$200M Carry
- Invested \$60 million in WhatsApp and made \$3B (50x) = \$588M Carry

# 🔬 How Startups Work with VCs



## 🧪 How Startup Work with VCs



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Seed – Family & Friends

A – Development (MVP), IP, Alphas

B – Refinement (A/B Testing), Betas, Hiring

C – General Availability (GA), Sales, Channel, Regional Scaling

D – Global Scaling, Marketing

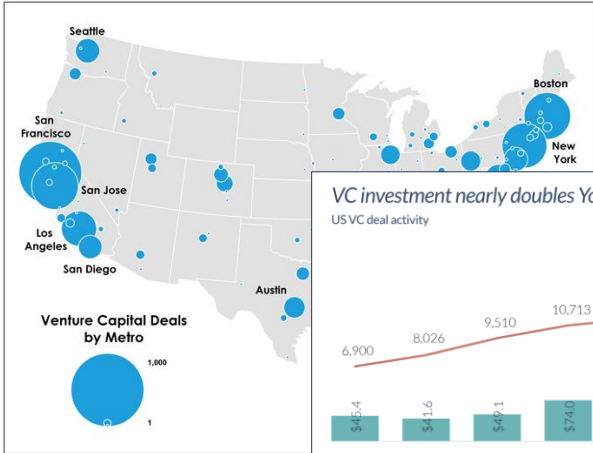
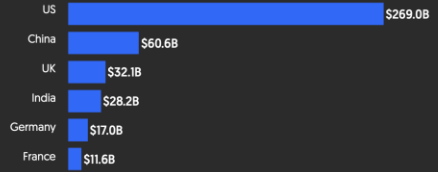
Growth – E Round and Beyond

Exit – Bankruptcy, IPO, PE, Acquisition, Grow Big & Buy Back

# Where is VC Funding

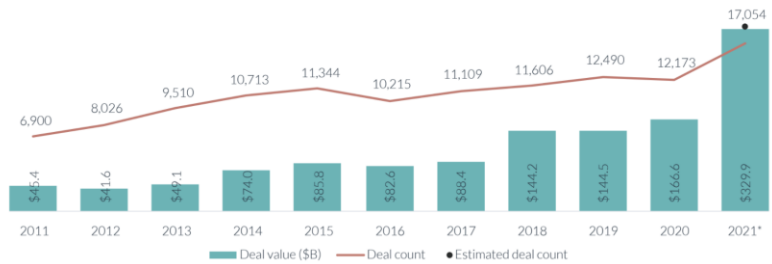
## Largest Global Markets For Venture Funding (Past 12 Months)

Based on disclosed rounds in Crunchbase as of October 29, 2021



### VC investment nearly doubles YoY

US VC deal activity

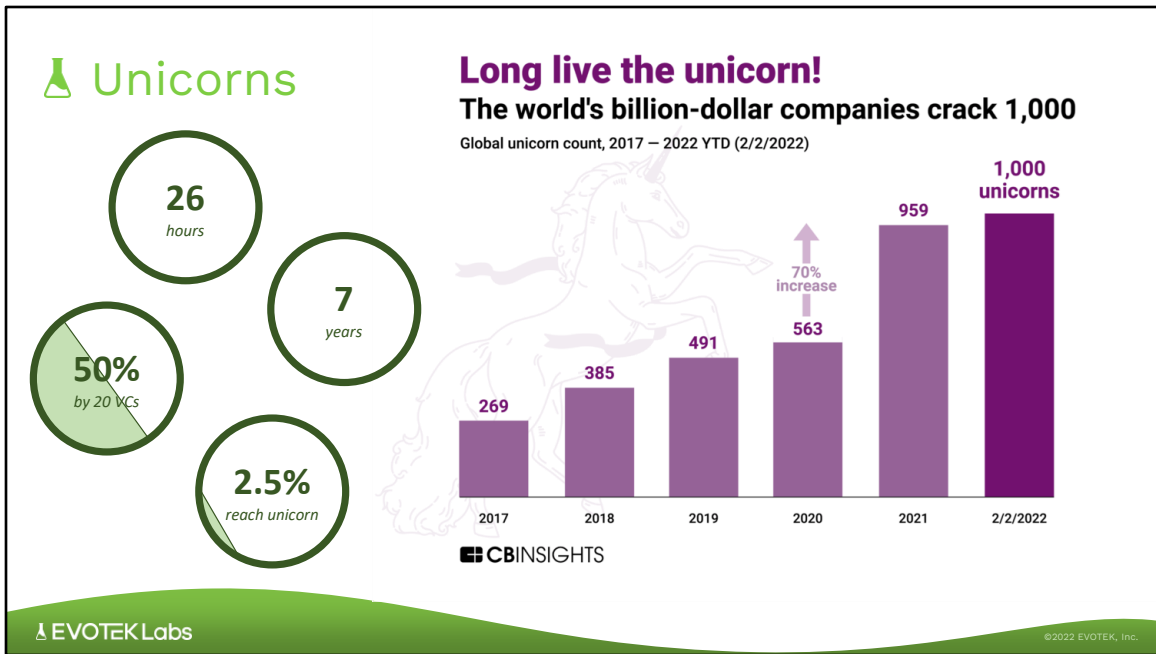


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**Top geographies:** The United States is home to the majority of unicorns (51%), followed by China (17%) and India (6%).



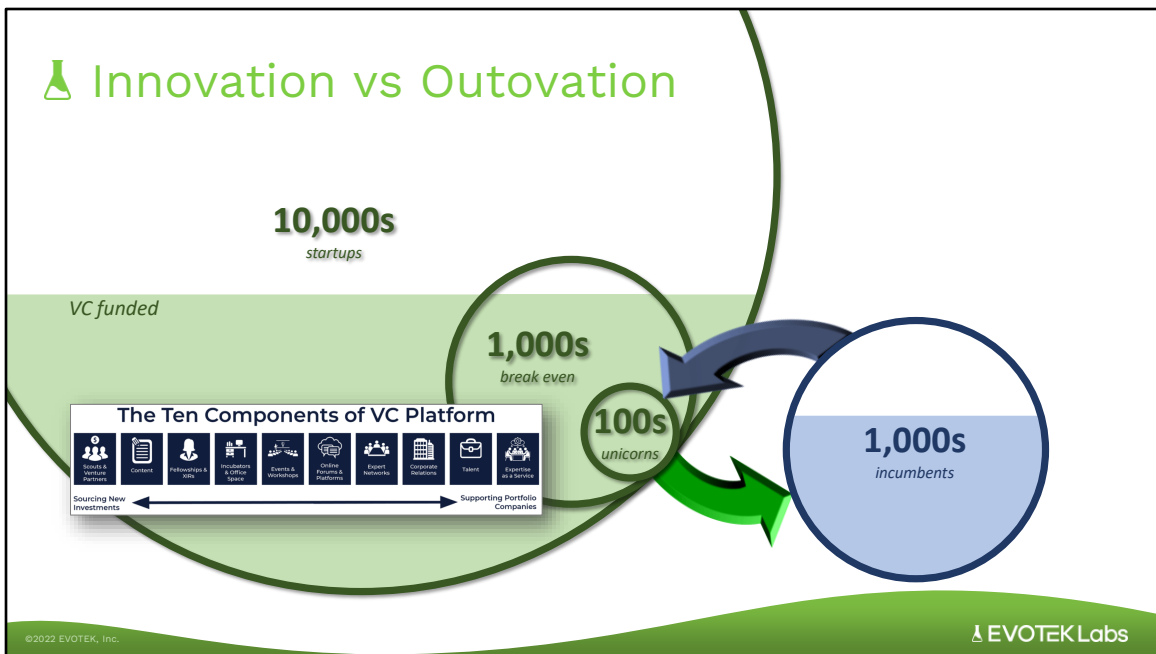


Affinity - <https://www.globenewswire.com/news-release/2022/01/25/2372637/0/en/Affinity-Finds-20-VC-Firms-Fund-Nearly-Half-of-All-Unicorns.html>

- Top categories:** Fintech is the largest category for unicorns, accounting for roughly 1 in every 5 unicorns (21%). It is followed by internet software & services (18%), then e-commerce & direct-to-consumer (11%).
- Valuation distribution:** Only two companies – [Bytedance](#) and [SpaceX](#) – have hit “hectocorn” status, with valuations of \$100B+. Another 46 companies boast decacorn (\$10B+) valuations, while roughly 31% of unicorns are valued at exactly \$1B.

<https://www.cbinsights.com/research-unicorn-companies>

## 🧪 Innovation vs Outovation



- Of the 10,000s of Enterprise Tech startups launched each year, the large minority are VC funded
- Of the 1,000s of startups up that break even each year, over 90% are VC funded
- Of the 100s of unicorns formed each year, with a few exceptions per decade, all are VC funded
- Of the 1,000s of incumbents most of their product offerings came directly from startup acquisition
- Each year dozens of unicorns displace or acquire incumbents

The VC/Startup combination is typically much more inventive, agile and cost effective than similar incumbent efforts

- Said another way, once a company becomes an incumbent, they typically stop doing or lose the Ten Components and rely on their own internal “expertise”.



thanks

*nothing ventured ... nothing gained*

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# How We Work with VCs

