

FOLLOW FOR INSIGHTS ON VENTURE MINDSET,  
STARTUPS, AND INNOVATION

Stanford GSB Professor

# THE VENTURE MINDSET AND THE ERA OF DISRUPTION

**ILYA STREBULAEV**

Stanford Graduate School of Business

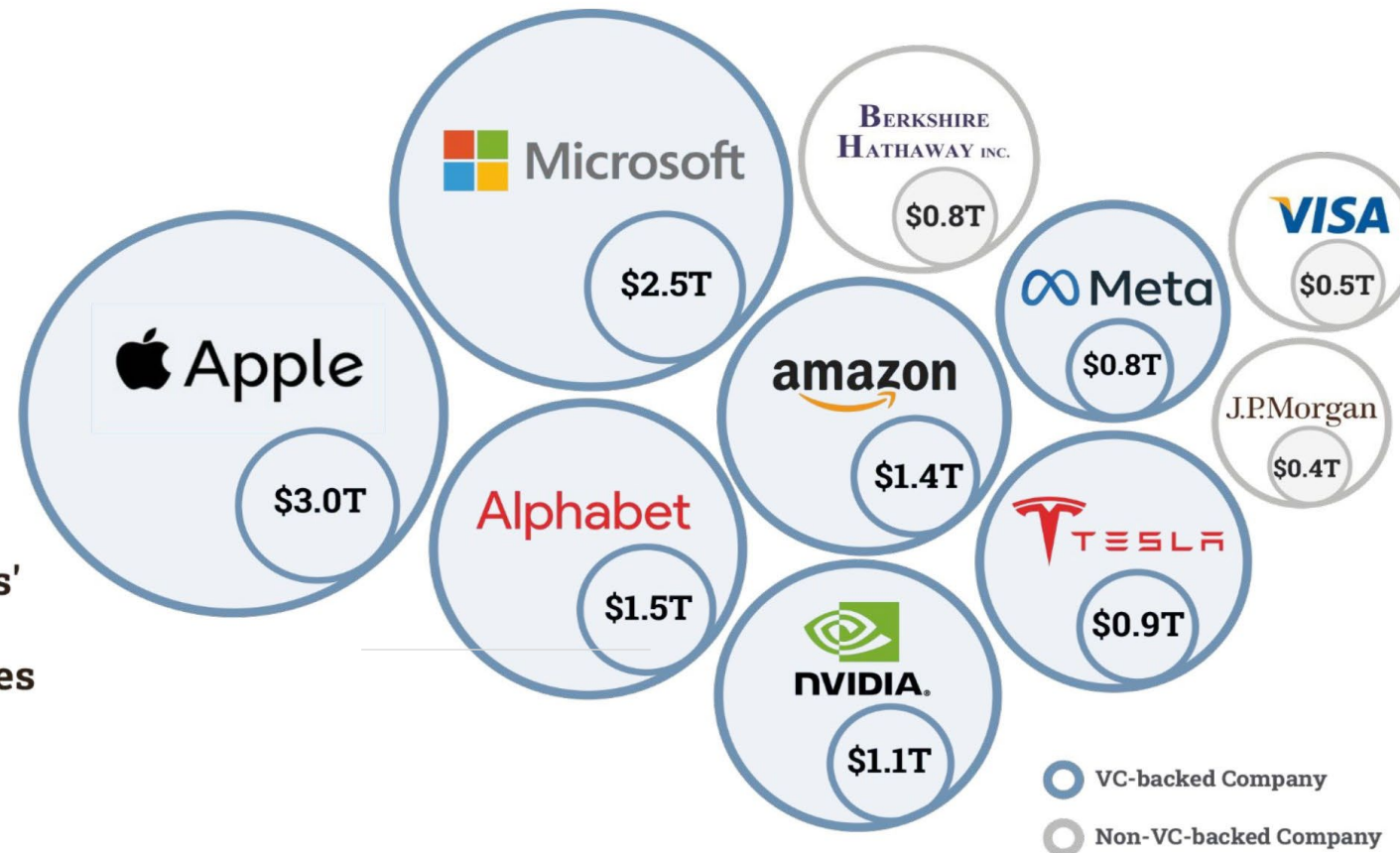
March 6, 2025



# Top 7 US companies are VC-backed

**7 out of 10**  
of top 10  
US companies  
were VC-backed

**87%**  
of the top 10 companies'  
market cap is held  
by VC-backed companies



The figure shows the market capitalization (in trillion dollars) of top-10 US publicly traded companies as of July 11, 2023. Circle sizes are proportionate to market capitalization. "VC-backed company" means that the company was funded by venture capital when it was privately owned prior to its public listing.

SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (07/2023)

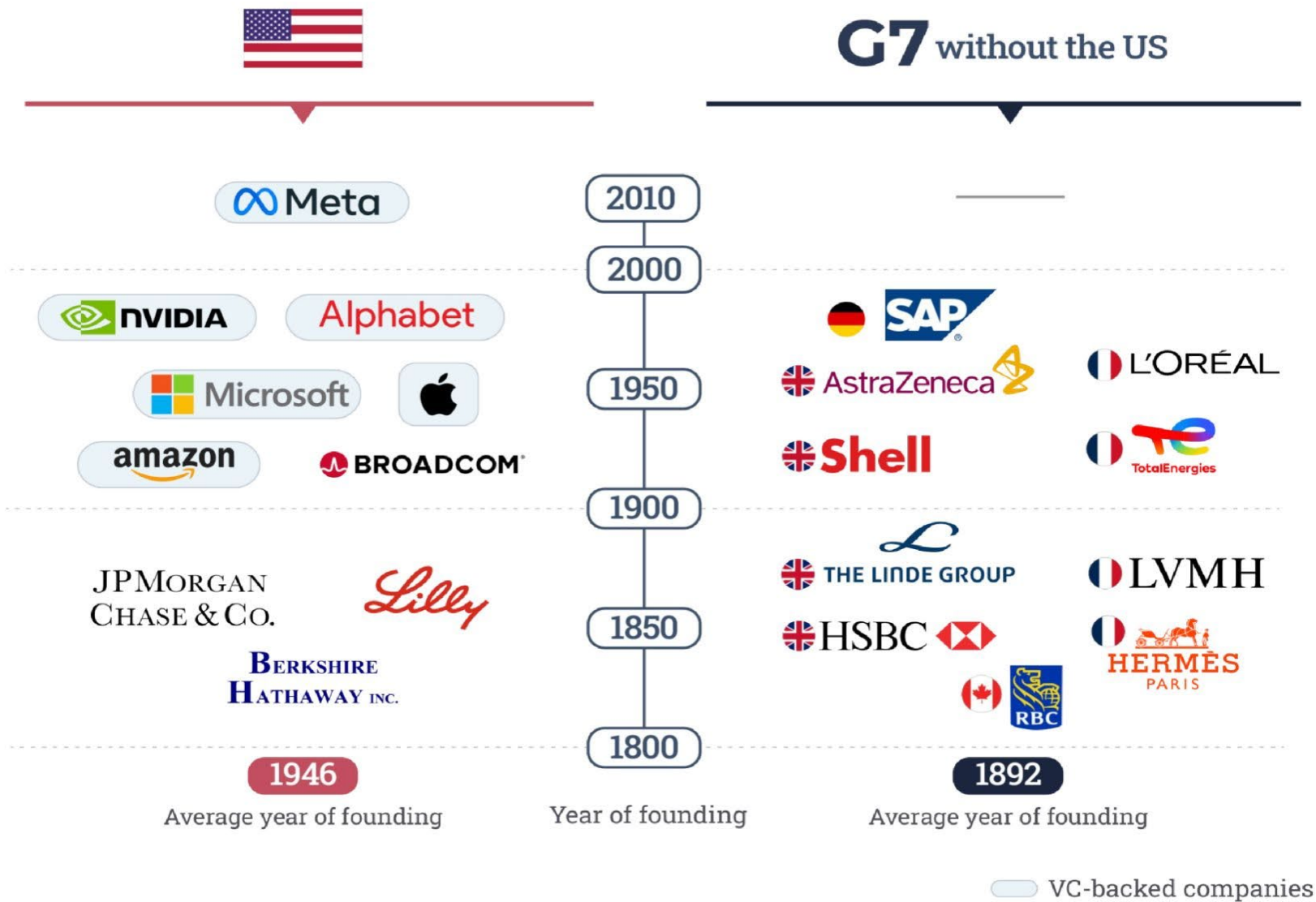
# Venture Capital has a disproportionately high impact

VC-BACKED COMPANIES AS A PERCENTAGE OF PUBLIC U.S. COMPANIES FOUNDED SINCE 1979

**50%** Total  
Number

**92%** Research &  
Development

# Age and VC backing of top companies in the US and G7



Data is presented for the top 10 companies by market capitalization as of June 8, 2024 in the US (left) and the remaining six G7 countries (right). In cases of mergers and acquisitions, the founding year is determined by the main acquiring party, or by the older of the two companies in the case of a merger of equals. SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (07/2024)

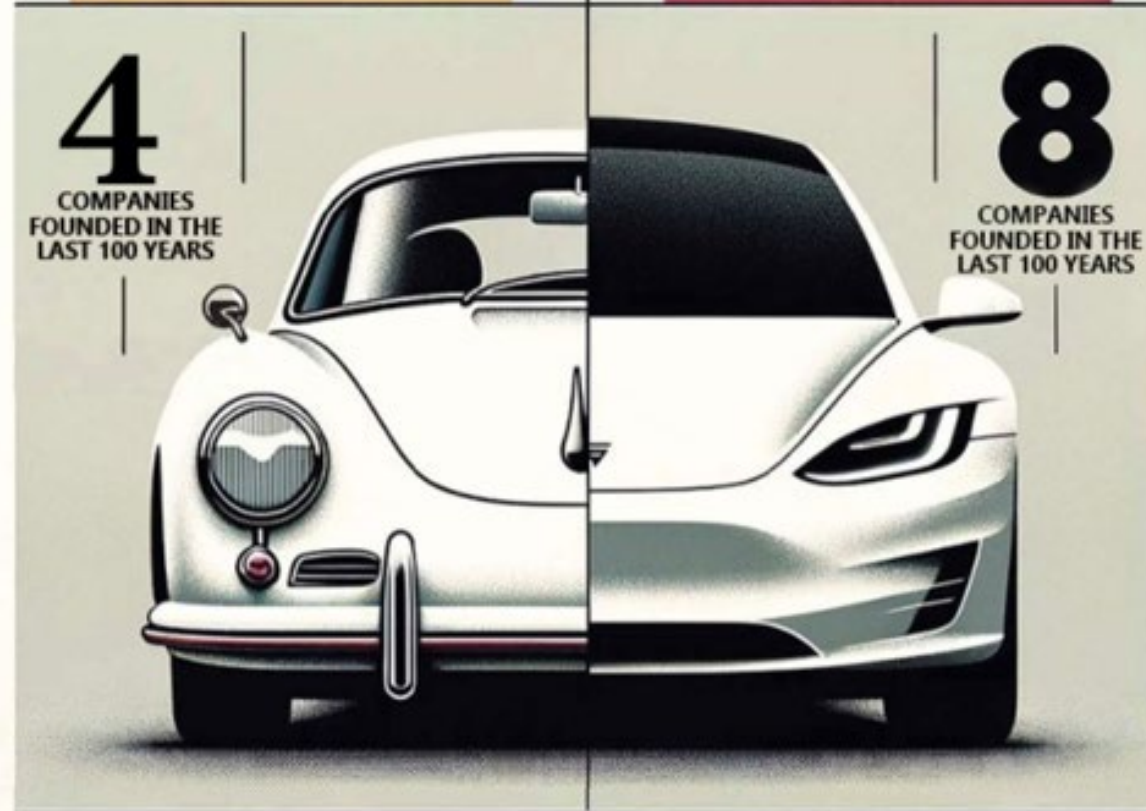
# Top-10 companies by market capitalization

**GERMANY**



VS

**UNITED STATES**



**4**

COMPANIES  
FOUNDED IN THE  
LAST 100 YEARS

**8**

COMPANIES  
FOUNDED IN THE  
LAST 100 YEARS

**135**

YEARS  
AVERAGE AGE

**0**

'VC-BACKED  
COMPANIES

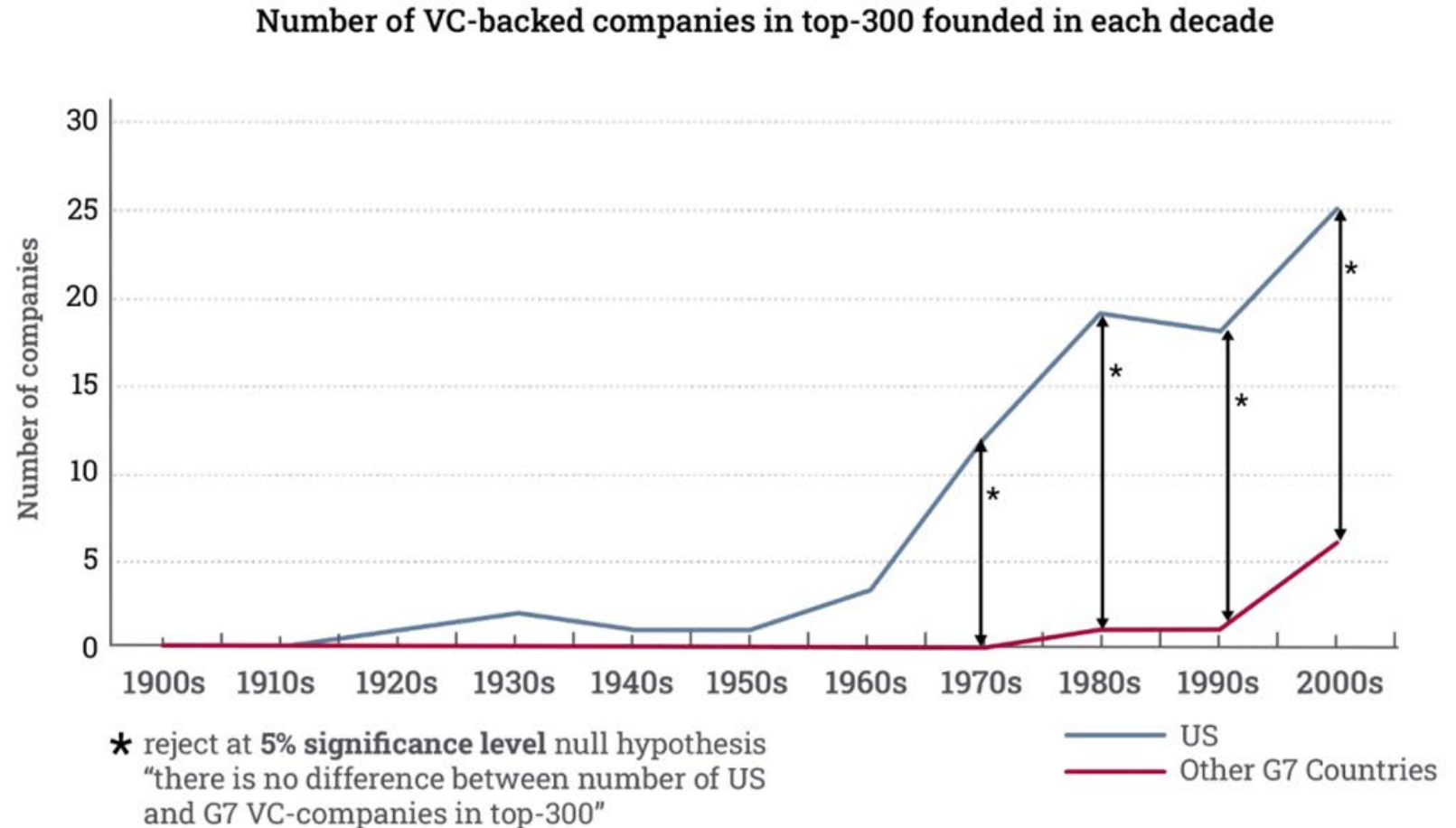
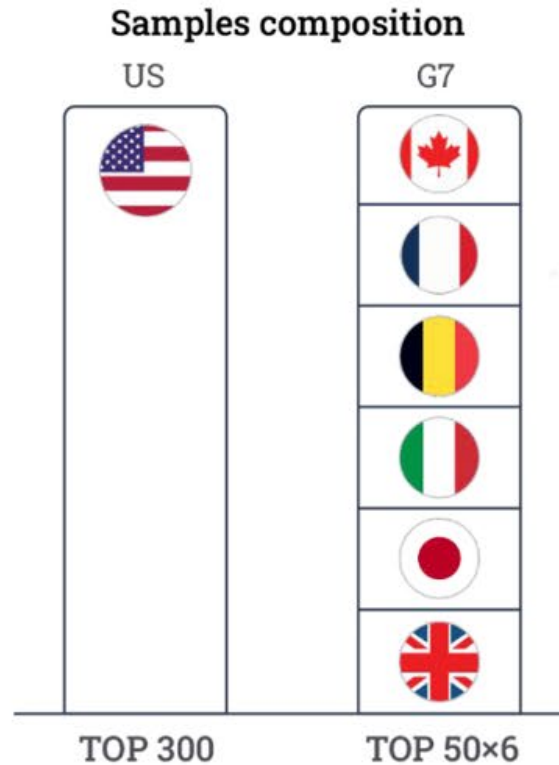
**62**

YEARS  
AVERAGE AGE

**7**

'VC-BACKED  
COMPANIES

# Venture capital caused all these changes



Blue line shows a number of VC-backed companies in the current top 300 public companies in the US founded in each decade. Red line shows the number of VC-backed companies among top 50 public companies in each of the six other G7 countries (Canada, France, Germany, Italy, Japan, and the UK) founded in each decade. We consider a company to be VC-backed only if it was financed in its early stage by a VC fund. In particular, we exclude companies that received financing from VC funds only at later stages, as well as companies that received funding only from private equity funds. We define a VC fund as a fund managed by either an institutional VC firm or a corporate VC arm of an established company.

# Easter Parade in New York City, 1900

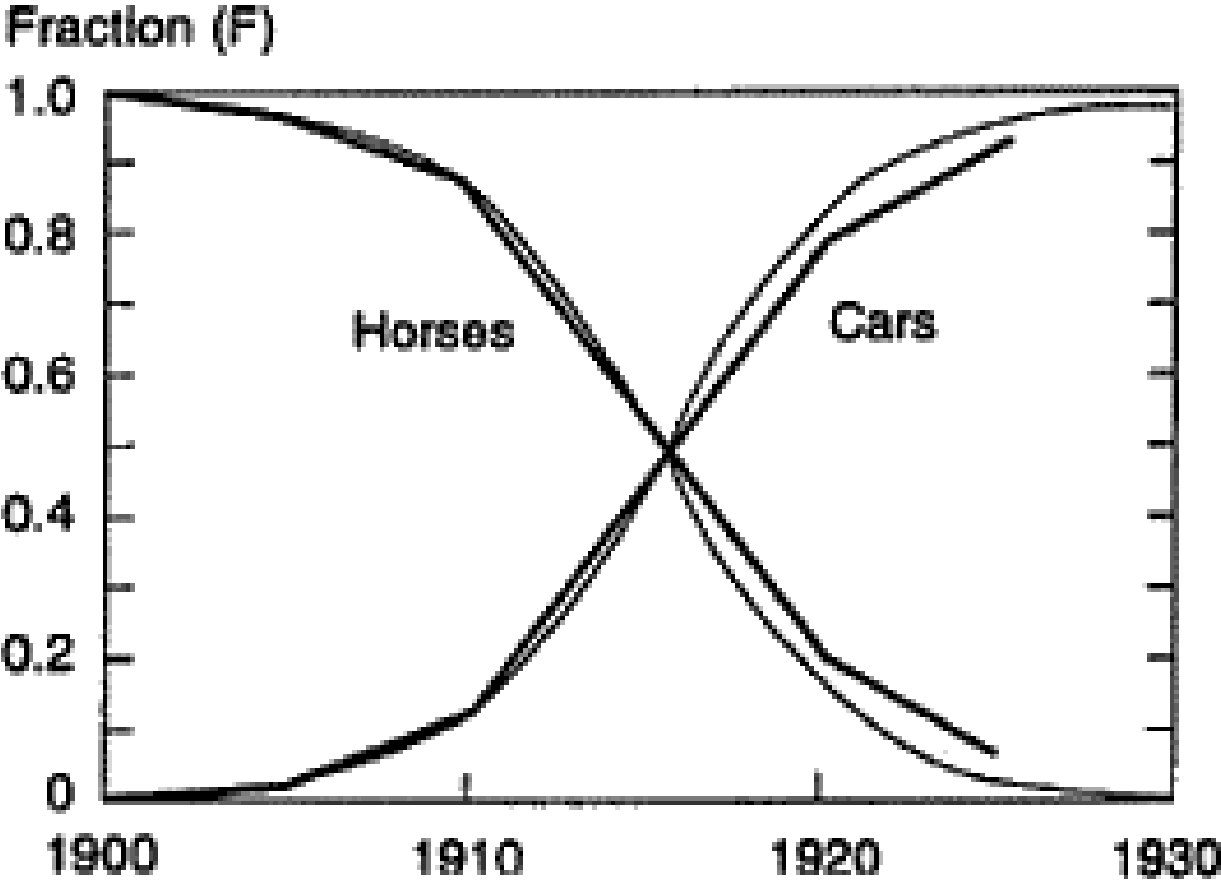


# Easter Parade in New York City, 1913

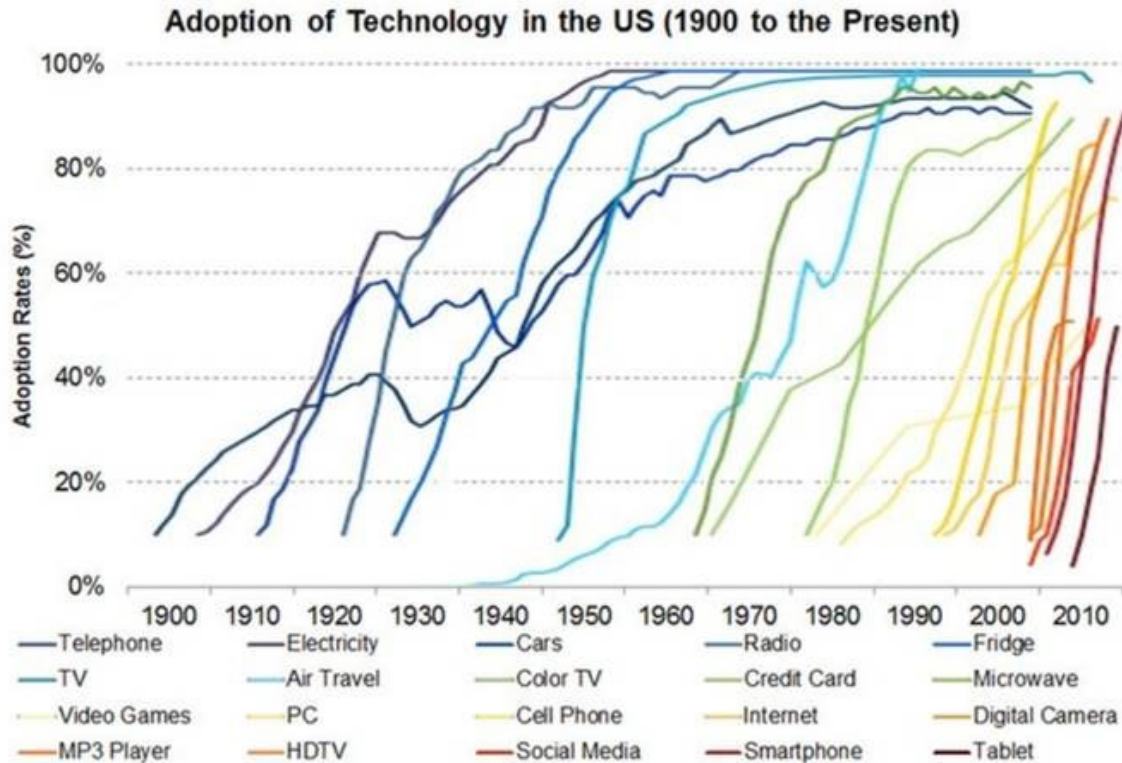




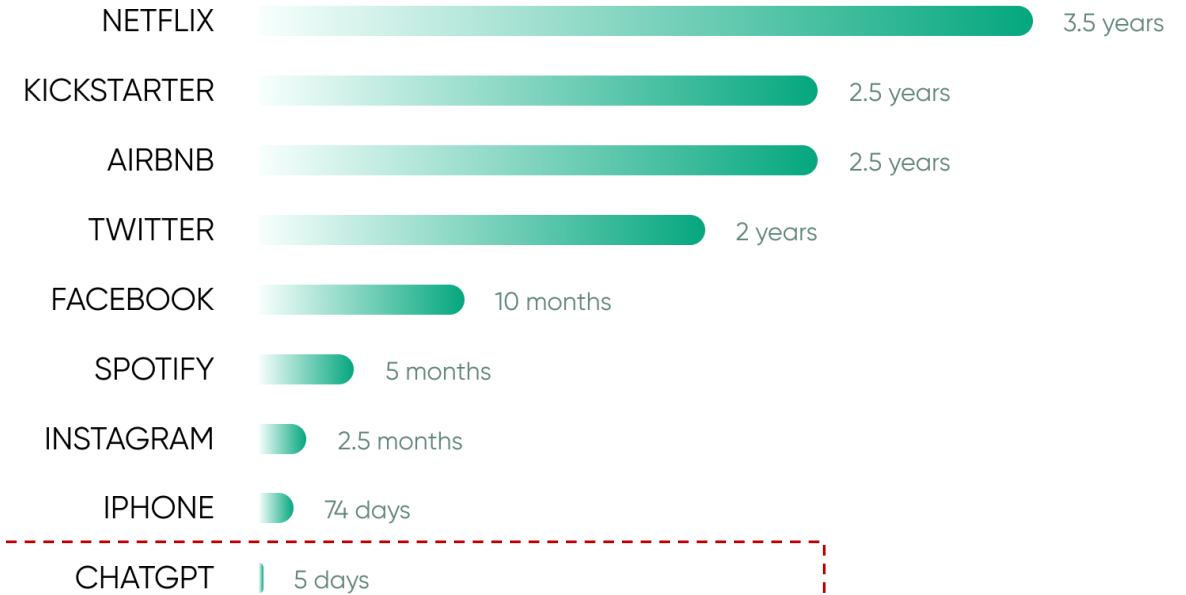
# It took one generation for cars to replace horses



# Innovation moves faster than ever today



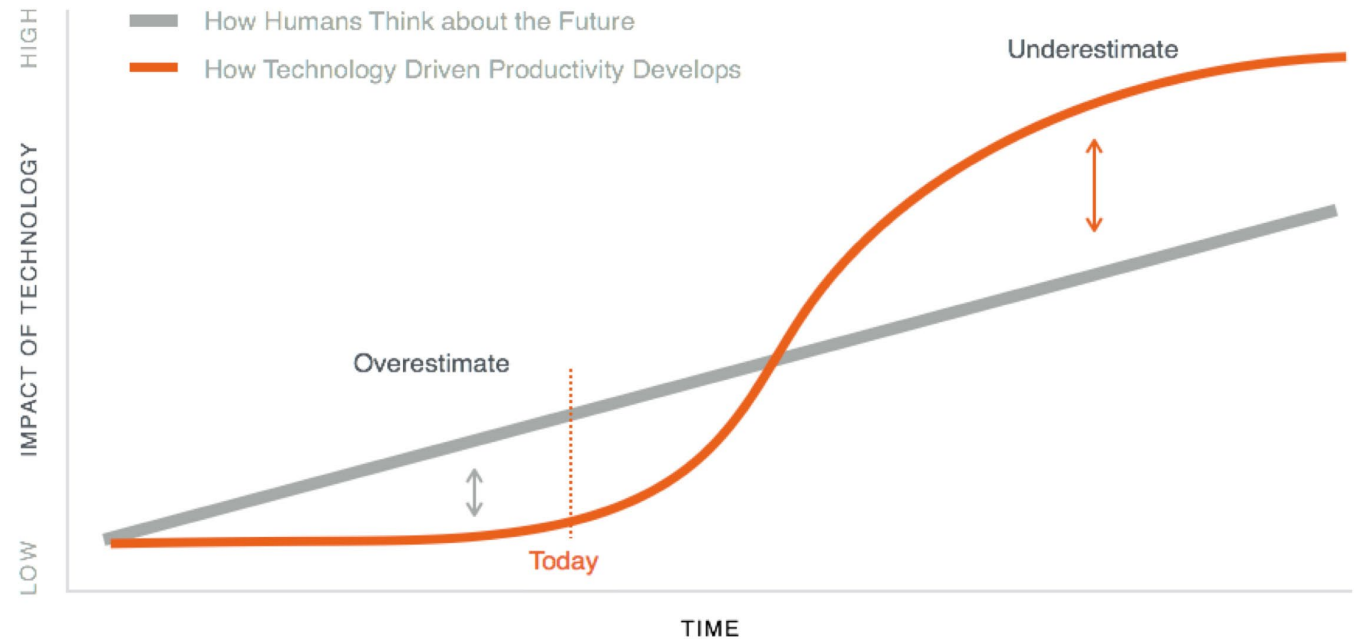
## TIME TO REACH 1 MILLION USERS:



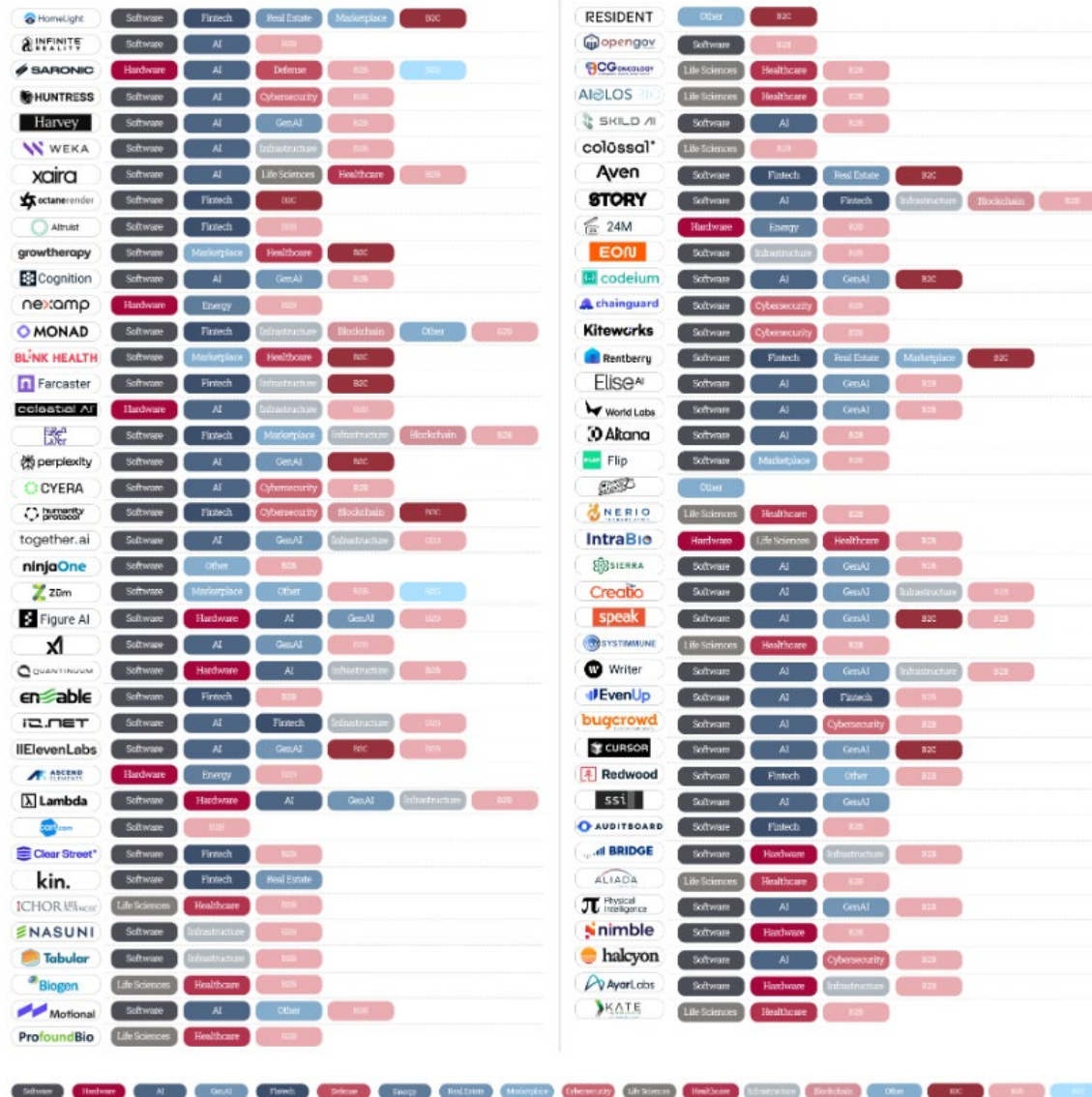
# The Most Important Lesson in Innovation

“We tend to **overestimate** the effect of a technology in the short run and **underestimate** the effect in the long run”

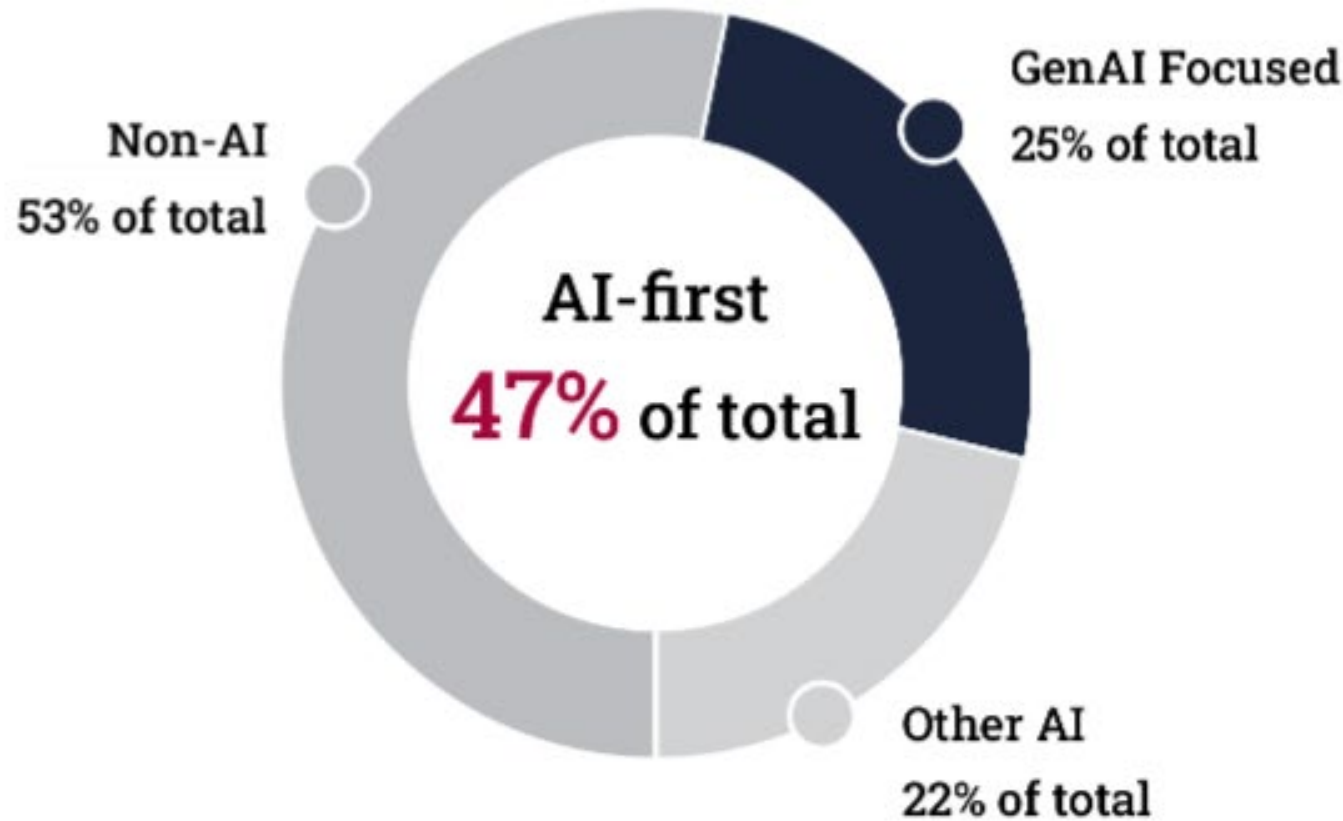
Roy Amara



# Map of New US Unicorns (2024)



# The 2024 US Unicorn Class



79

New Unicorns

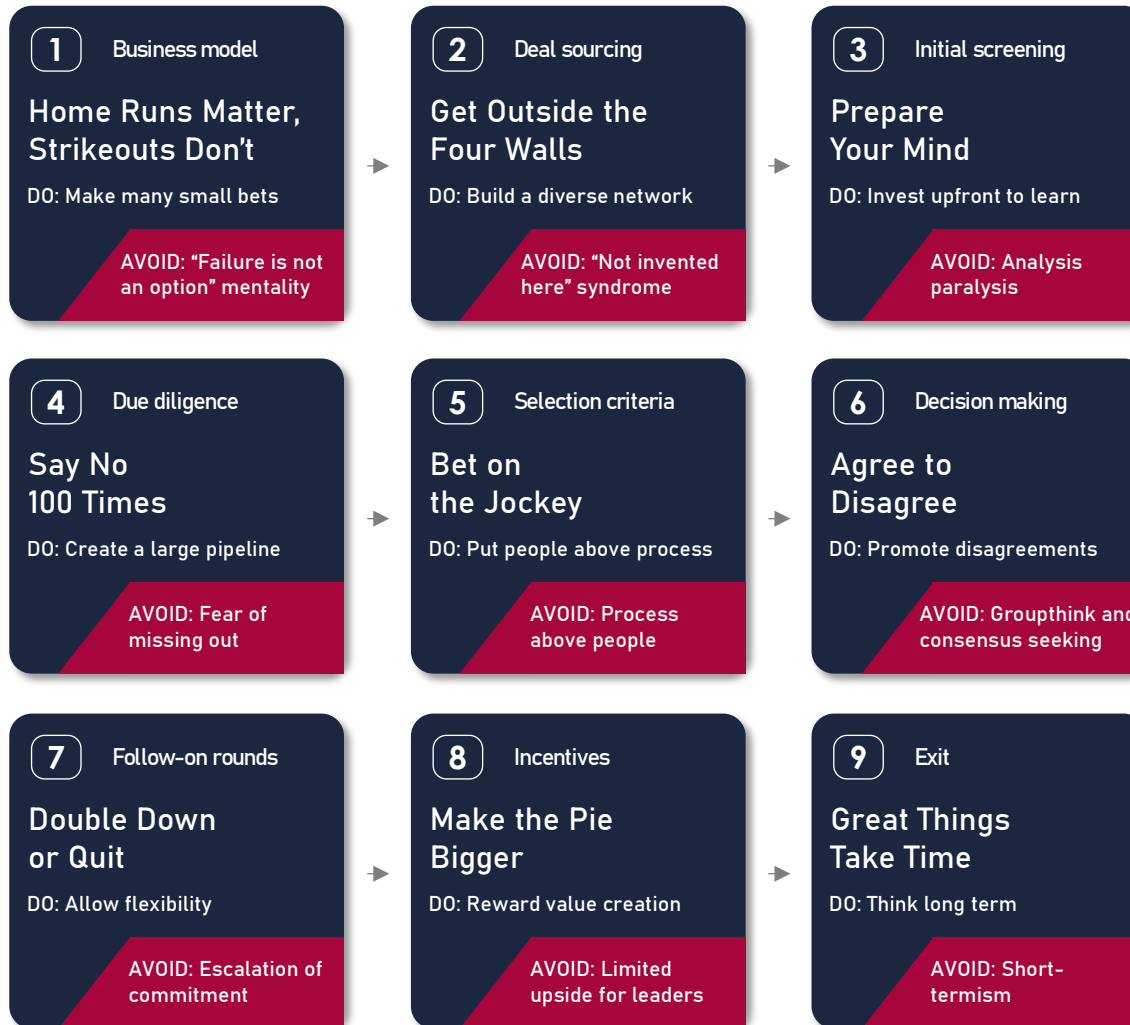
37

AI Companies

20

GenAI Focused

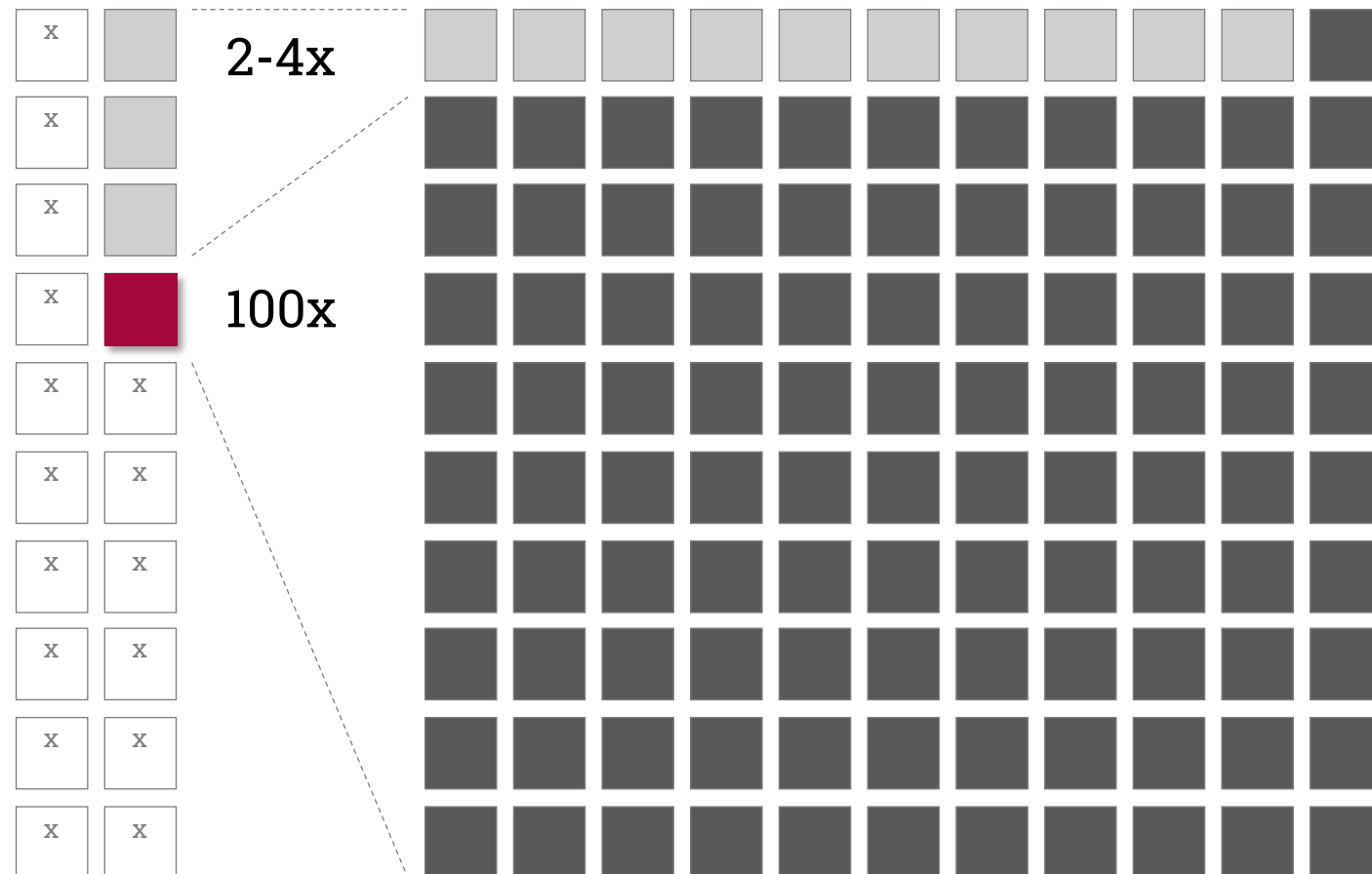
# Nine key principles of the Venture Mindset



# For Success to Strike, Embrace Failure

20 venture bets

Outcome of 20 investments



# VCS chase “outliers” and ignore failures



“If you invest in something that doesn’t work, you lose 1x your money. If you miss Google, **you lose 10,000x your money.**”

Bill Gurley, Benchmark



“Errors of **omission** are much bigger than errors of **commission.**”

Alex Rampell, a16z



# Bet on the Jockey



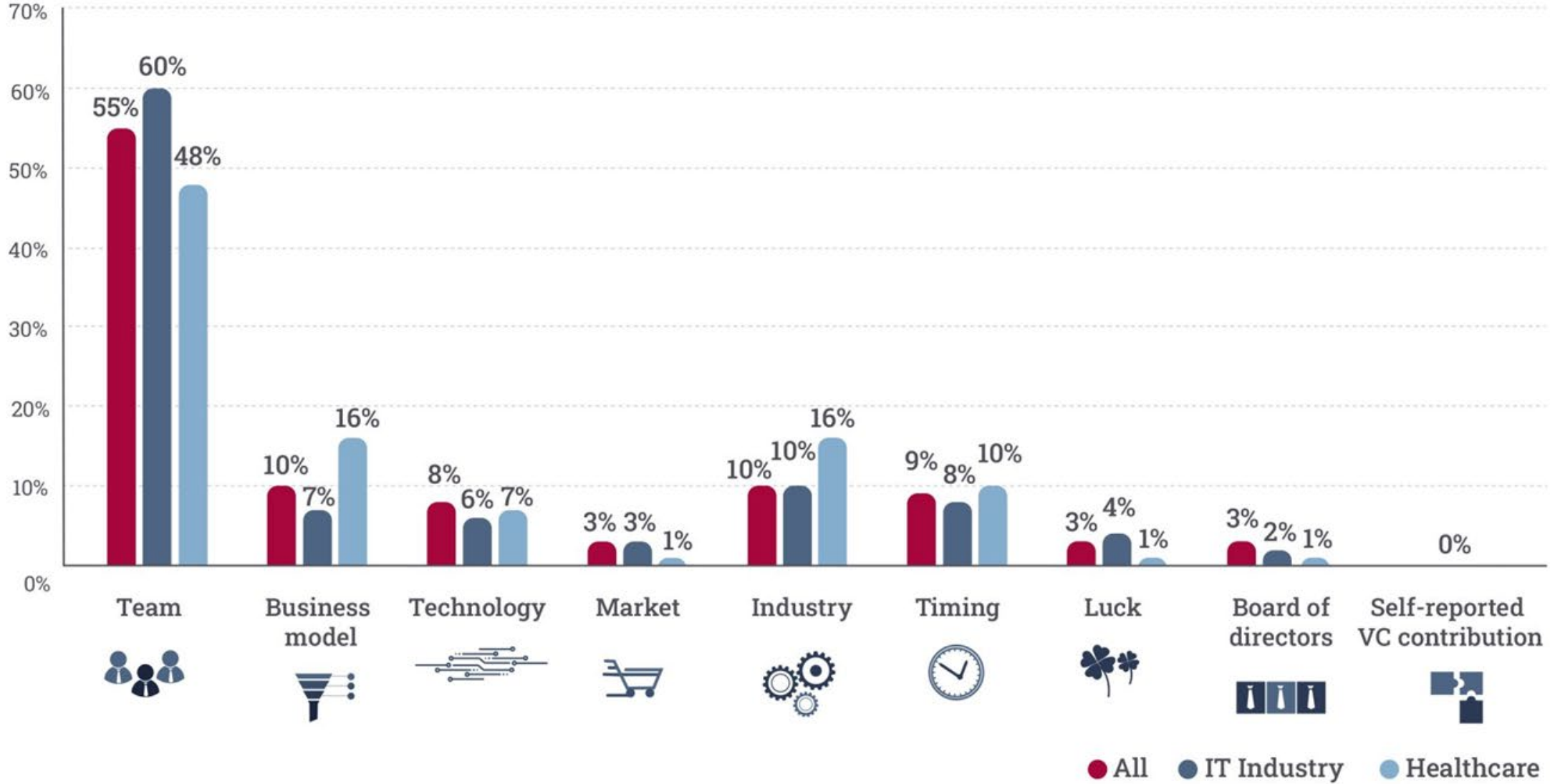
## “Jockey”

- Founders
- Startup employees

## “Horse”

- Business Model
- Product
- Technology
- Market

# Startup failure factors

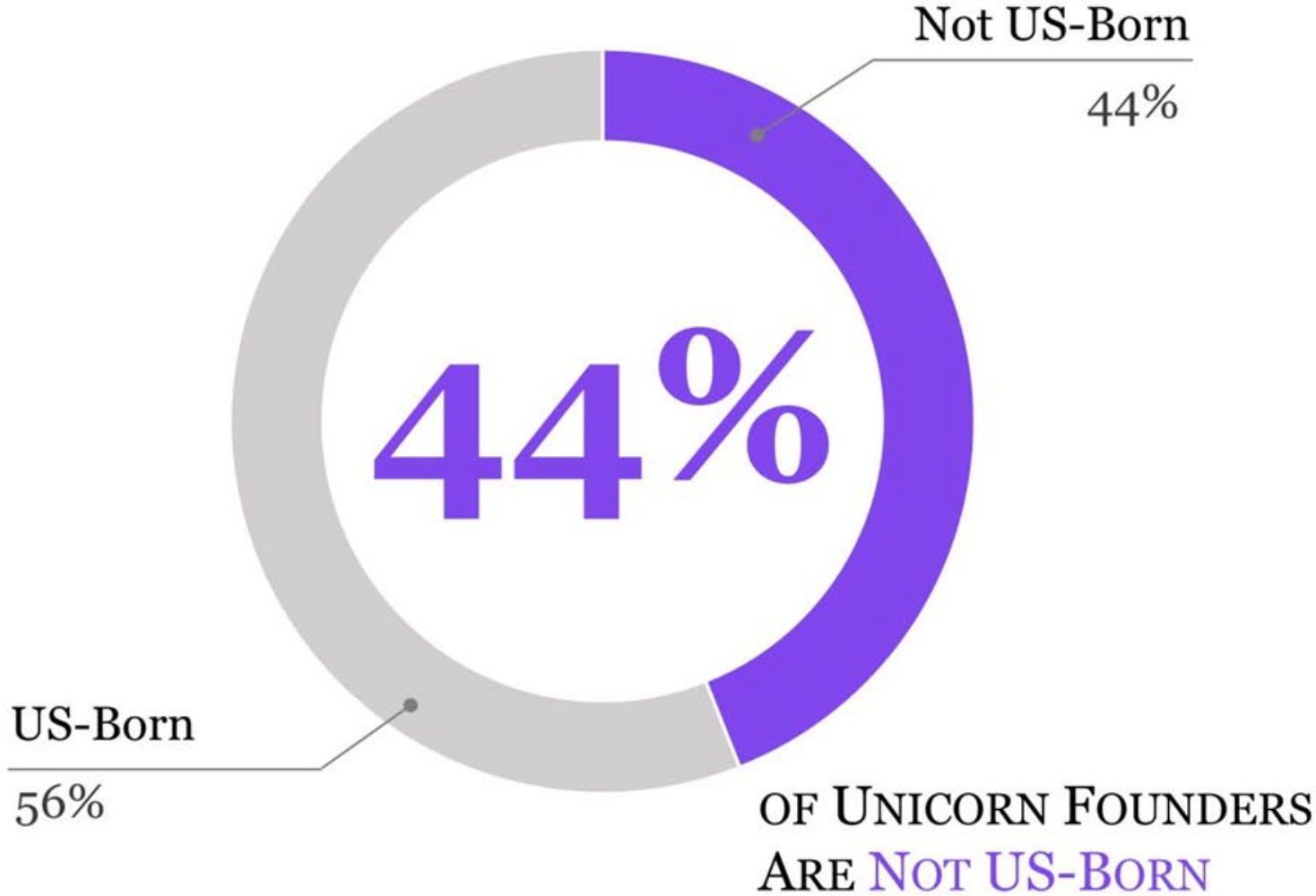


Data covers results of the major survey of VCs, in one of the questions, we examined the key reasons behind startup failures. For this question, full response was received from 511 VCs, including 120 specializing solely in the IT industry and 78 in the Healthcare sector. Percentages represent the share of survey participants who believe that this factor of failure is the most significant of all. All percentages have been rounded.

SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (02/2024); Gompers, Gornall, Kaplan, and Strebulaev (2020).

# WHERE WERE UNICORN FOUNDERS BORN?

Number of Founders = 1078  
Number of Unicorns = 500



## Top 10 Countries for Not US-Born

- **India** – 90 founders
- **Israel** – 52 founders
- **Canada** – 42 founders
- **UK** – 31 founders
- **China** – 27 founders
- **Germany** – 18 founders
- **France** – 17 founders
- **Russia** – 14 founders
- **Taiwan** – 12 founders
- **Ukraine** – 12 founders

Data covers 531 US companies that became unicorns between 1997 – 2019.

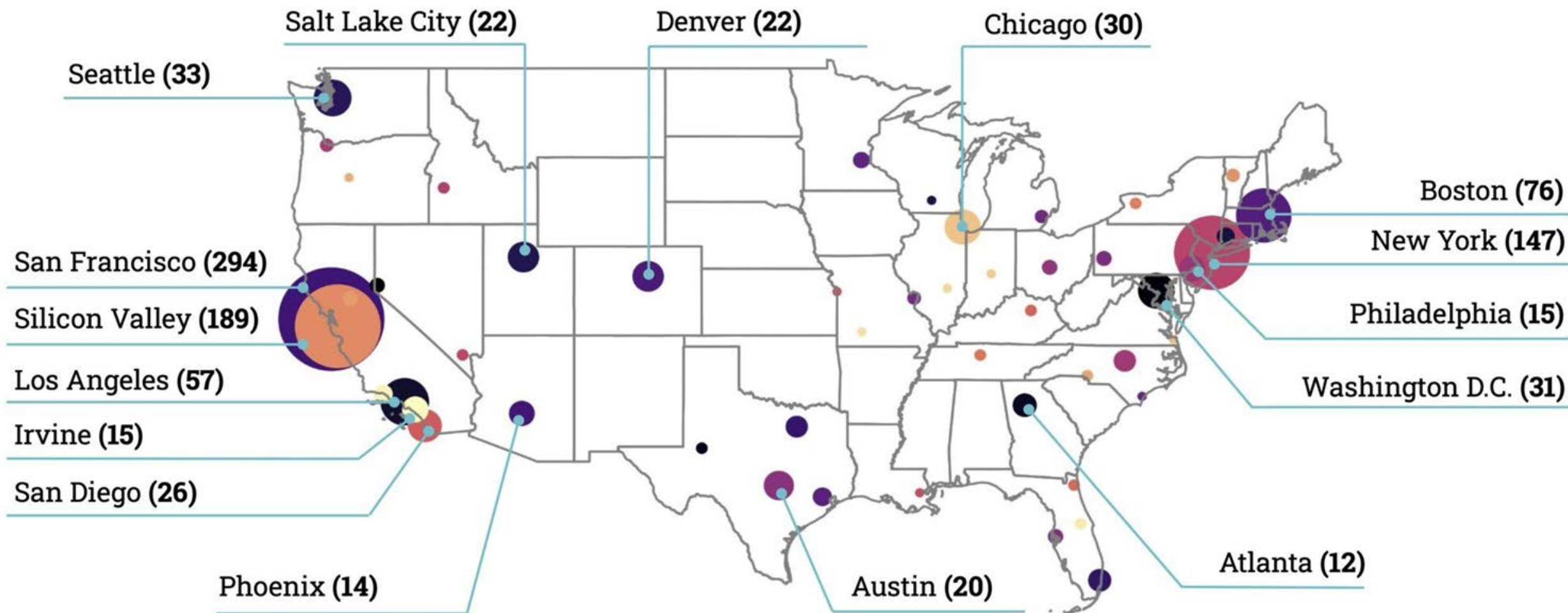
Source: ILYA STREBULAEV, VENTURE CAPITAL INITIATIVE, STANFORD GRADUATE SCHOOL OF BUSINESS (01/2022)

# Agree to disagree

## Conviction beats consensus



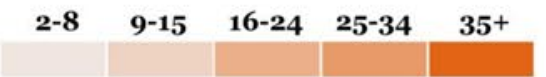
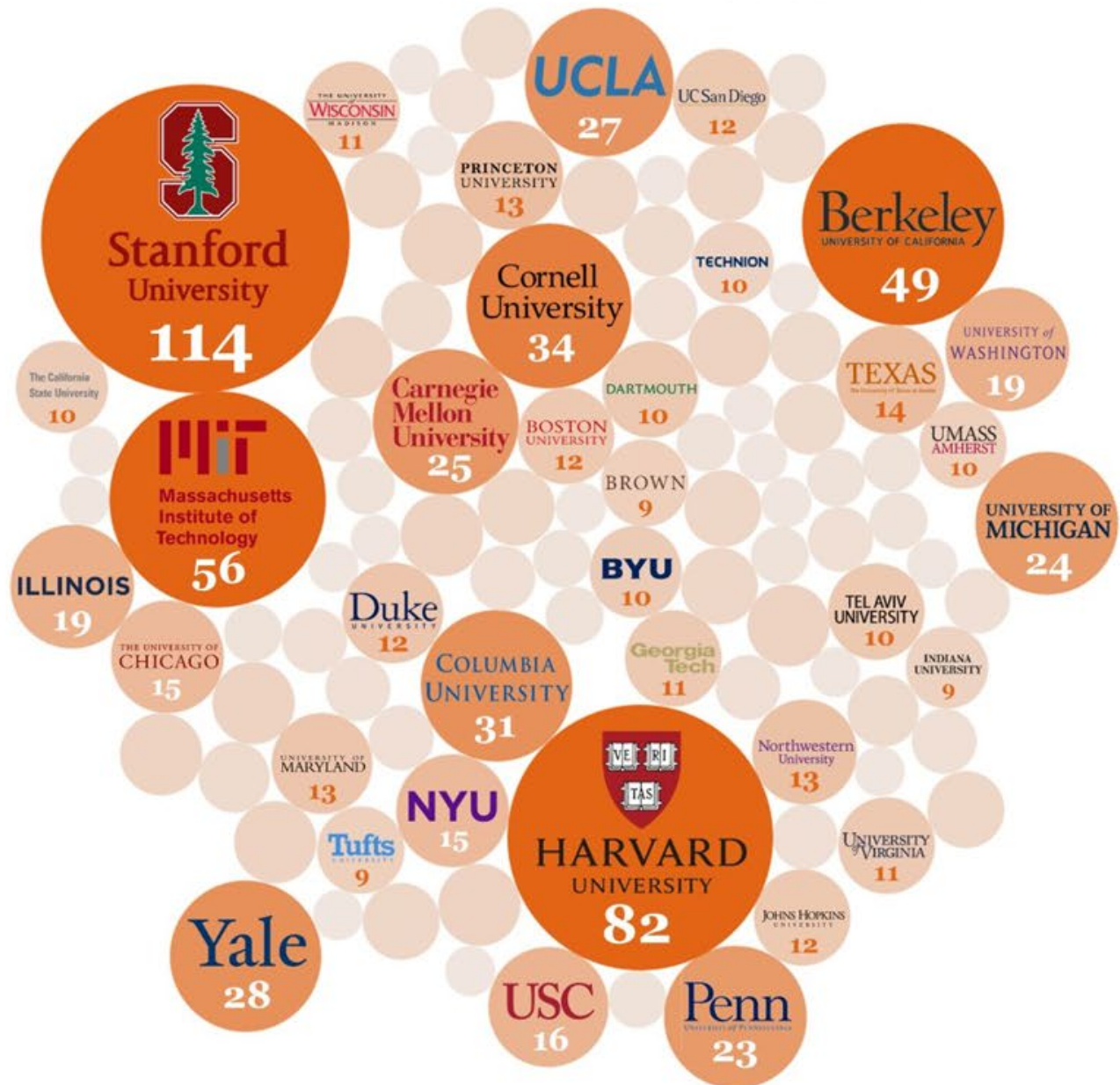
# Unicorn clusters in the US



Data covers 1,110 US-based VC-backed companies that became unicorns between 1997-2021. The figure shows the current headquarters of the sample companies.

SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (12/2022)

# UNIVERSITIES AND UNICORNS



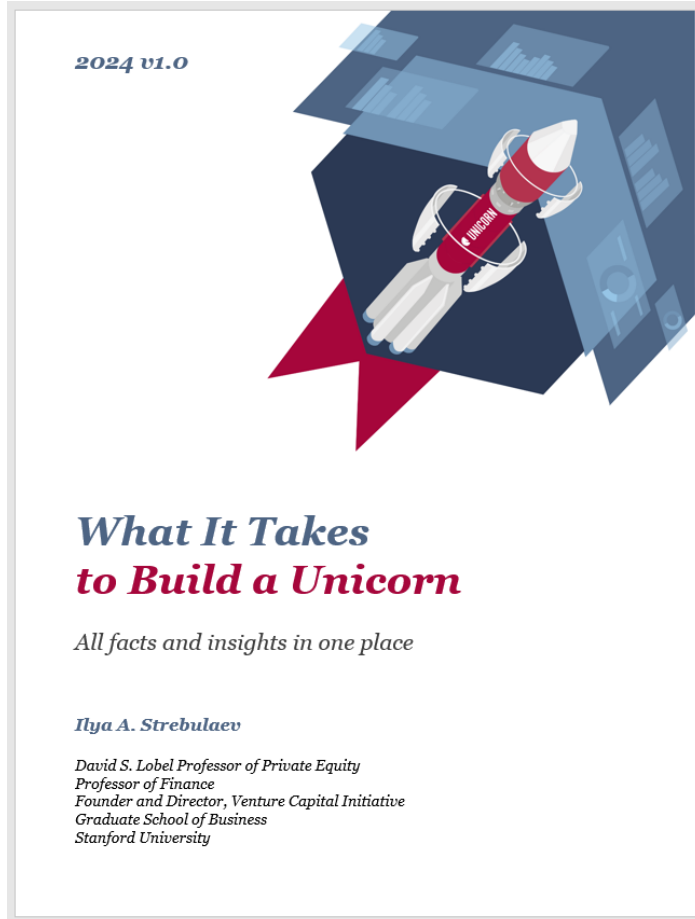
Number of Founders = 1263

Number of Unicorns = 521

Values show the number of unicorns in which a founder/co-founder is a graduate or faculty/staff member of this university. Data covers 531 US companies that became unicorns between 1997-2019.

Source: ILYA STREBULAEV, VENTURE CAPITAL INITIATIVE, STANFORD GRADUATE SCHOOL OF BUSINESS (11/2021)

# More data and insights in the Unicorn Report



## What It Takes to Build a Unicorn: All Facts and Insights in One Place

"Unicorn Report" by Stanford Professor Ilya Strebulaev offers a data-driven exploration of billion-dollar startups. Based on research of 1,200+ US unicorns, this digital book covers founding teams, geographical insights, and venture capital impact.

Contents include:

- Path to unicorn status
- Geographic distribution of US unicorns
- Founding team dynamics
- Profiles of unicorn founders
- Educational backgrounds
- Professional experiences of founders
- Industry analysis
- Impact of venture capital

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This is an evolving project, and your support helps drive continued research into the startup ecosystem. Join us in exploring the world of high-growth companies and the people behind them.

**SCAN ME** 👉



**ANY QUESTIONS?**  
**[ilyas1@stanford.edu](mailto:ilyas1@stanford.edu)**