☑ X@ ILYA STREBULAEV

FOLLOW FOR INSIGHTS ON VENTURE MINDSET, STARTUPS, AND INNOVATION

Stanford GSB Professor

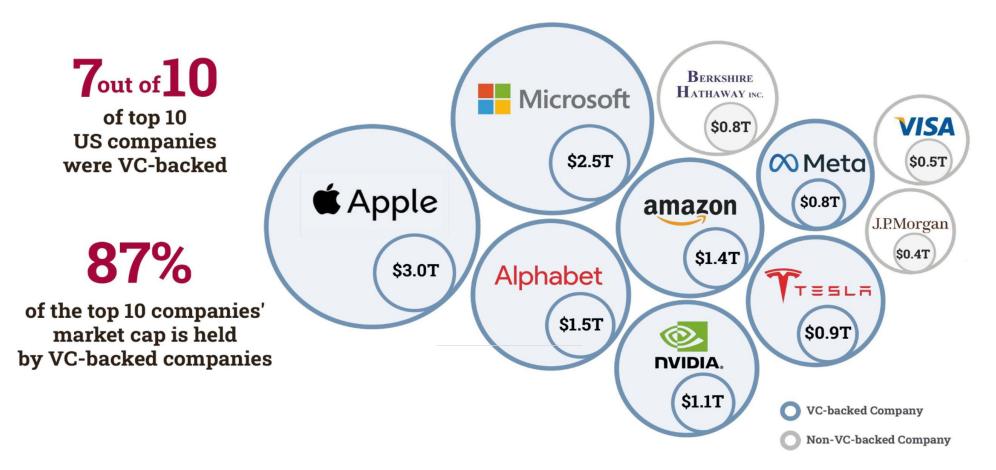
THE VENTURE MINDSET AND THE ERA OF DISRUPTION

ILYA STREBULAEV Stanford Graduate School of Business

March 6, 2025



Top 7 US companies are VC-backed



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.

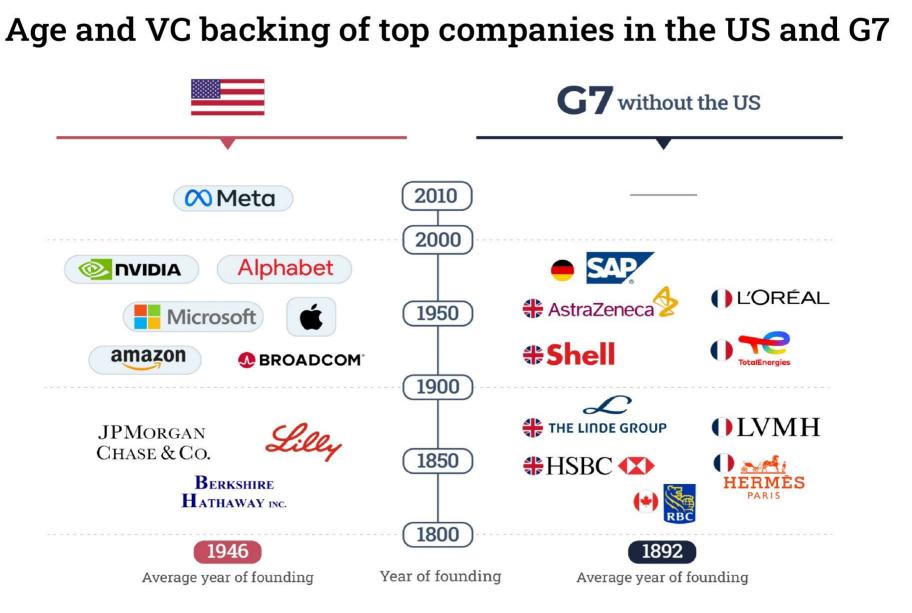
SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (07/2023)

Venture Capital has a disproportionally high impact

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



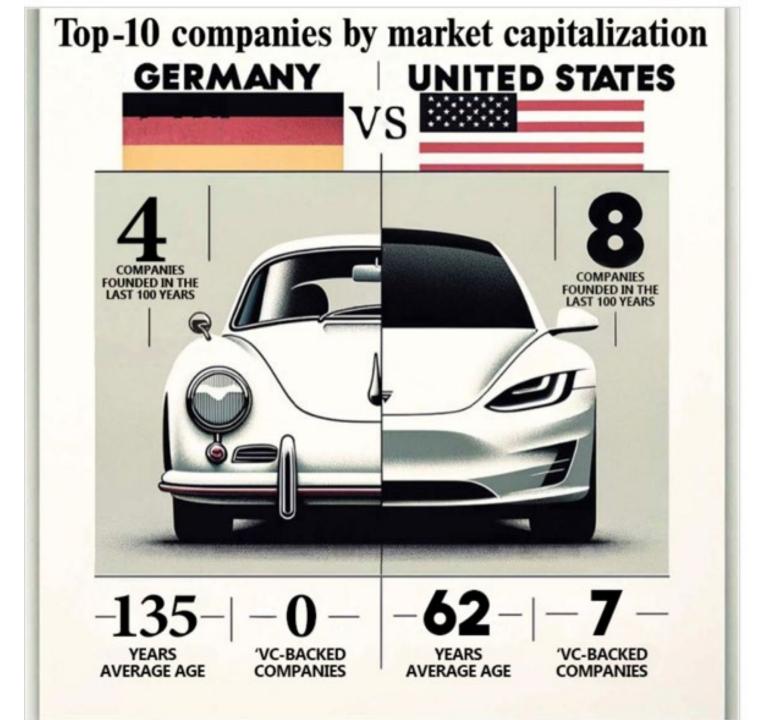




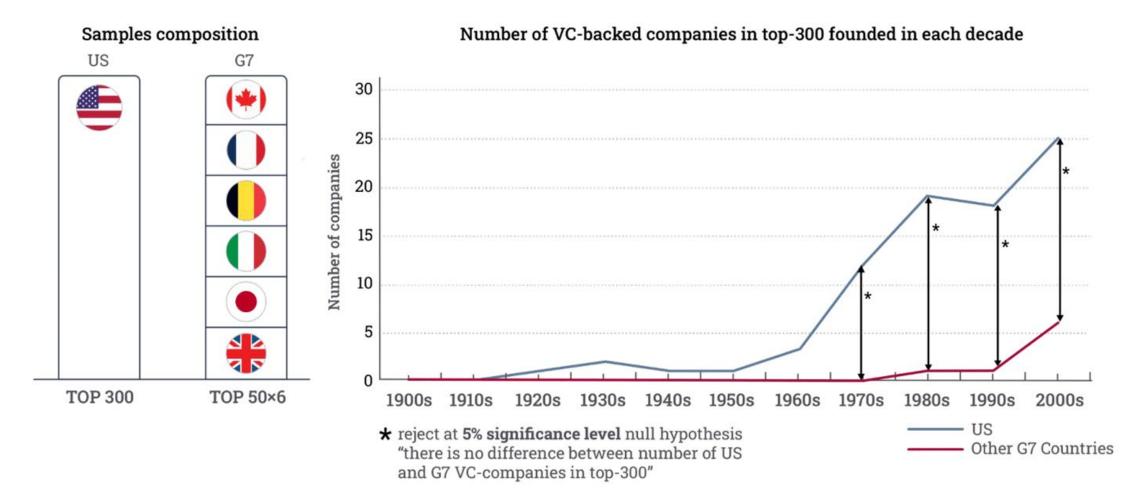
VC-backed companies

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)





Venture capital <u>caused</u> all these changes

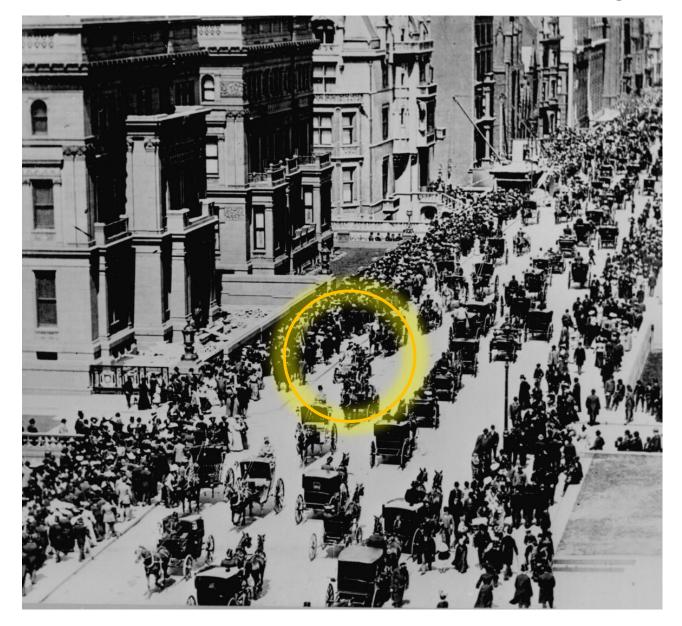


Blue line shows a number of VC-backed companies in the current top 300 public companies in the US founded in each decade. Red line shows the number of VC-backed companies among top 50 public companies in each of the six other G7 countries (Canada, France, Germany, Italy, Japan, and the UK) founded in 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.

SOURCE: Ilya Strebulaev, Venture Capital Initiative, Stanford Graduate School of Business (03/2024)

☑ X @ IlyaSTREBULAEV

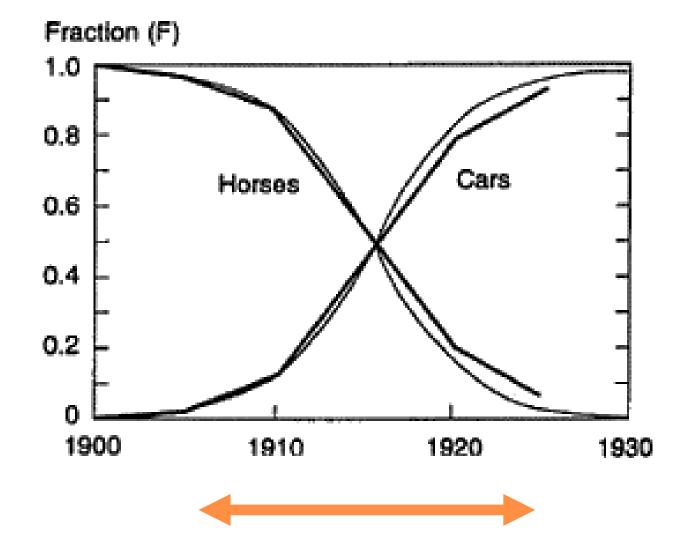
Easter Parade in New York City, 1900



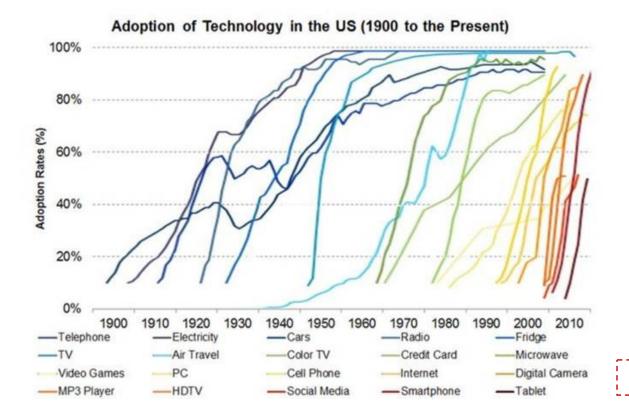
Easter Parade in New York City, 1913



It took one generation for cars to replace horses



Innovation moves faster than ever today



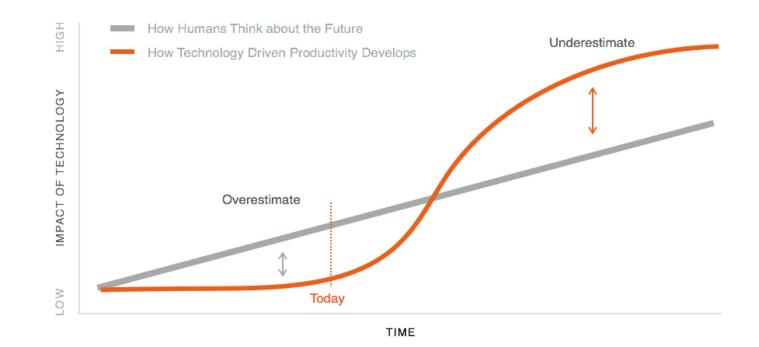
TIME TO REACH 1 MILLION USERS:



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"

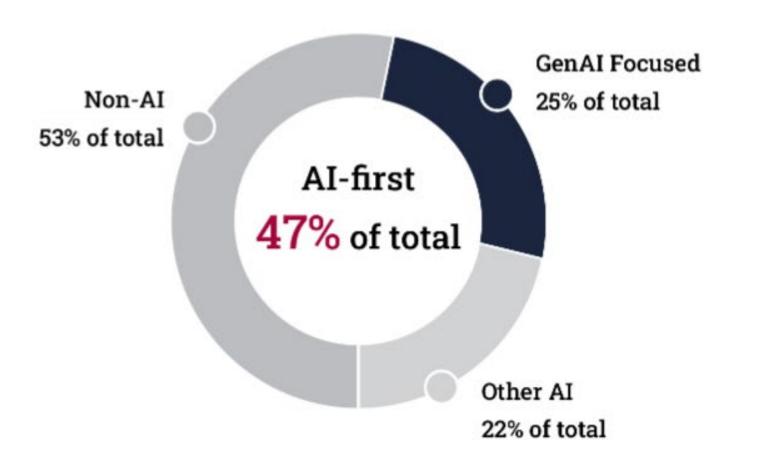
Roy Amara



Map of New US Unicorns (2024)

& HomeLight	Software	_	Real Estate	Manepiace	Bac	RESIDENT	Other	822		
2 INFINITE	Software	AL	Nin .	_		Gopengov GCGenessor	Software			
SARONIC	Hardware	AL	Defense	126			Life Sciences	Healthcare	505	
HUNTRESS	Software	AL	Cybenseourity	1.15		AI@LOS 310	Life Sciences	Healthcare	121	
Harvey	Software	AL	GenAl	828		SKILD /I	Software	AI	8.28	
W WEKA	Software	AL	Endneitructure	100		colossal*	Life Sciences	120		
xaira	Software	AI	Life Sciences	Healthcare	828	Aven	Software	Fintech	Real Estate	12:
cctanerender	Software	Fintsch	BRC			STORY	Software	IA	Fintech	Infrastructure Biocischuin ===
O Altruist	Software	Fintech	80			🚡 24M	Hardware	Energy	100	
growtherapy	Software	Marketplace	Healthcare	nac		EON	Software	Industrychae	101	
Cognition	Software	AI	GenAl	13		🔂 codeium	Software	Al	GenAl	802
nexamp	Hardware	Energy	1555			A chainguard	-	Cybersecurity	825	
MONAD	Software	Fintech	Infrastructure	Biockchain	Other 625	Kitewarks	Software	Cybersecurity	177	
LINK HEALTH	Software	Mericeplace	Healthcare	NOC .		Rentberry	Software	Fintech	Real Estate	Markeplace 820
n Farcaster	Software	Fintech	Infrastructure	B2C		Elise	Software	AJ	GenAl	12
coleatial Al'	Hardware	NI	failmtracture	UIII .		World Labs	Software	Al	GenAl	123
	Software	Fintech	Marketplace	Infrastructure	Blackchain 828	() Altana	Software	AI	828	
微 perplexity	Software	AL	GenAl	RIC.		Flip	Software	Matketplace	1,231	
CYERA	Software	AI	Cybeneourity	828			Citines			
C protocol	Software	Fintech	Cybersecutity	Blockchain	Han	-	Life Sciences	Healthcare	- 555	
together.ai	Sultivare	A	GenAI	โกโกรโรนตามห	1711	IntraBie	Hardware	Life Sciences	Healthcare	928
ninjaOne	Software	Other	575			BIERRA	Software	LA	GenAl	828
🗶 Zūm	Software	Marketplace	Other	RSB		Creatio	Soltware	AI	GmAJ	Infrastructure 828
Figure Al	Seltware	Hardware	AL	GenAl	000	speak	Software	LA	GenAl	820 10
x	Software	A	GenAl	1200		SYSTIMMUNE	Life Sciences	Healthcare	101	
QUANTINUUM	Software	Hardware	AL	Infrastructure	825	Writer	Software	LA	GenAl	Indrastructure 828
ensable	Software	Fintech	838			EvenUp	Software	٨J	Fintech	828
ום.חפד	Software	IA	Finnech	Infestructure	631	bugcrowd	Software	AI	Cybersecurity	123
ElevenLabs	Software	AI	GenAI	REC	100	turson	Software	LA	GenAl	820
ASCEND	Hardware	Energy	im (Redwood	Software	Fintech	Other	223
\lambda Lambda	Software	Hardware	AL	GenAl	Ininastructum 825	ssi	Software	LV I	GeesAJ	
	Software	.848				O AUDITBOARD	Software	Fintech	828	
Clear Street"	Software	Fintsch	828				Software	Hardware	Infrastructure	123
kin.	Software	Fintech	Beal Estate			ALIADA	Life Sciences	Healthcare	120	
CHOR Mines	Life Sciences	Healthcare	810			T Physical Intelligence	Software	IA	GenAl	123
NASUNI	Software	Infrastructure	- 600			sinimble	Software	Handware	#2h	0- <u>11-11-11-1</u> 1-11-11-11-11-11-11-11-11-11-
🖲 Tabular	Saftware	Infrastructure	-			e halcyon	Software	AI	Cybersecurity	10
Biogen	Life Sciences	Healthcare	50h			AyarLobs	Software	Handware	kinstexture	123
Motional	Software	AL	Other	128)	KALE	Life Sciences	Healthcare	828	
ProfoundBio	Life Sciences	Healthcare	em							

The 2024 US Unicorn Class



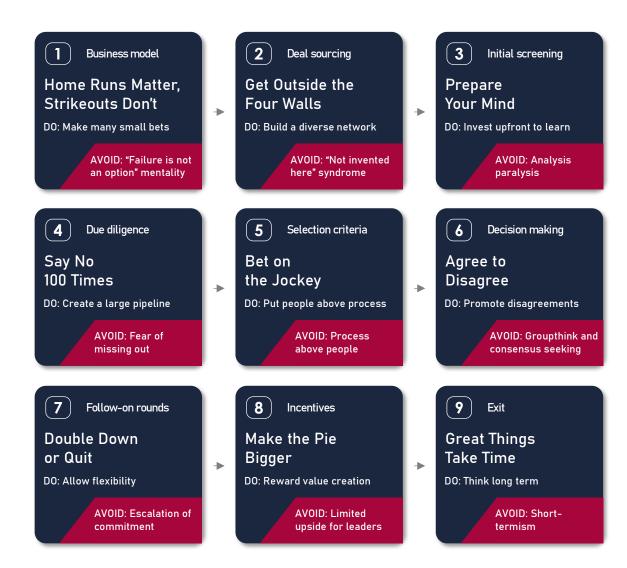


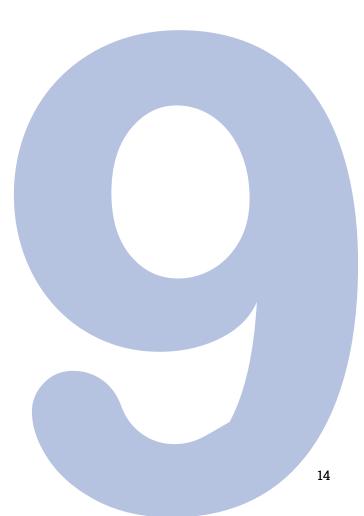


AI Companies

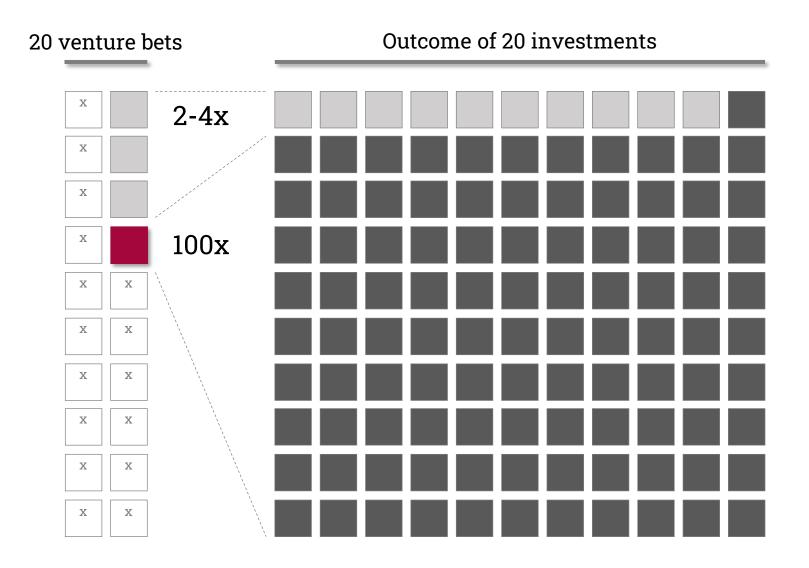
O IlyaSTREBULAEV
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O
O

Nine key principles of the Venture Mindset





For Success to Strike, Embrace Failure



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



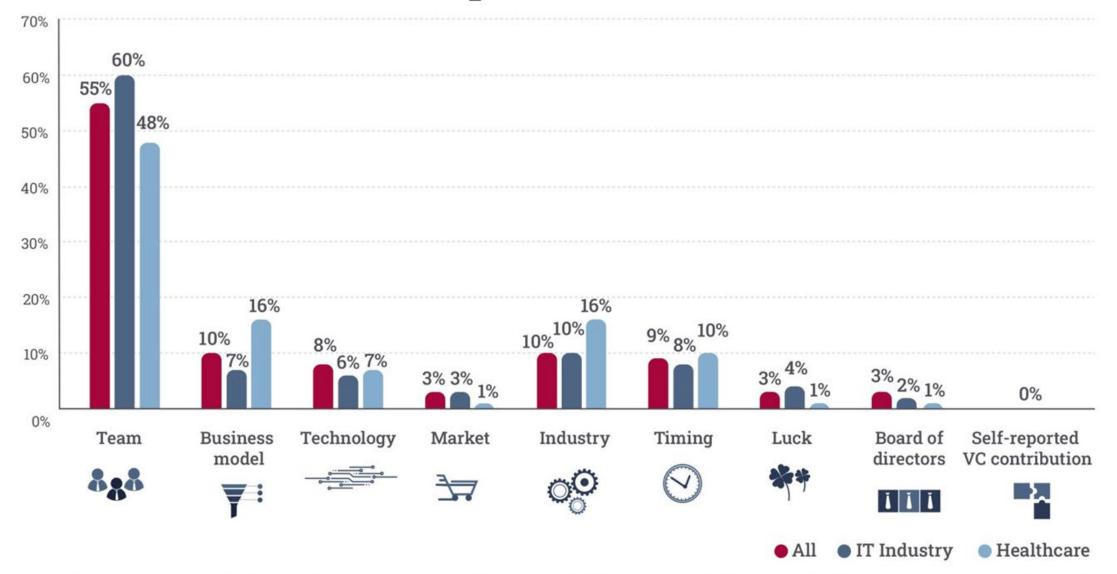
"Jockey"

- Founders
- Startup employees

"Horse"

- Business Model
- Product
- Technology
- Market

Startup failure factors



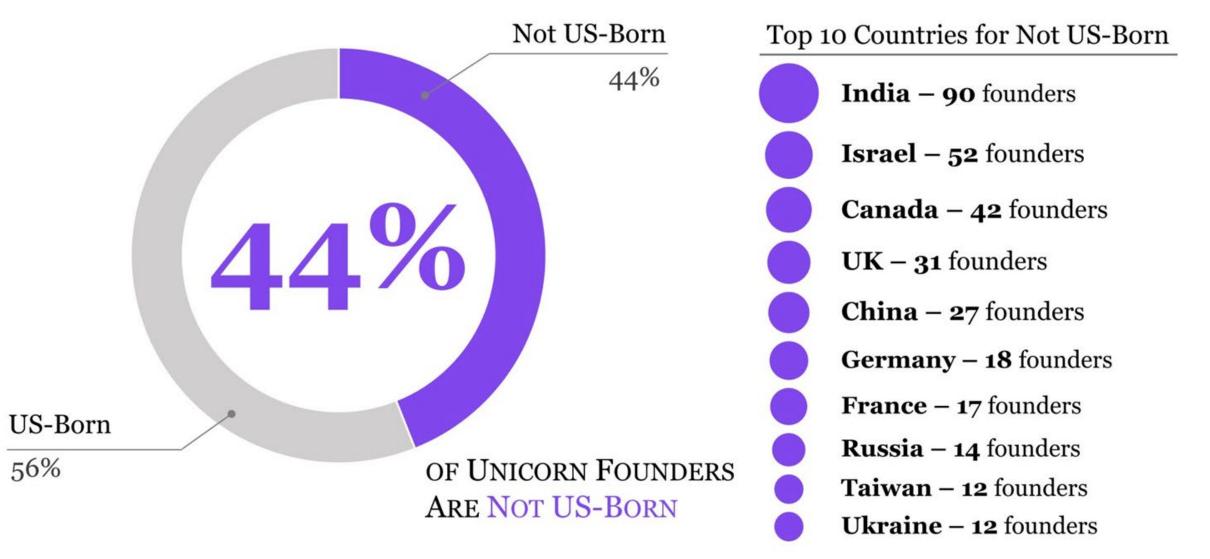
Data covers results of the major survey of VCs, In one of the questions, we examined the key reasons behind startup failures. For this question, full response was received from 511 VCs, including 120 specializing solely in the IT industry and 78 in the Healthcare sector. Percentages represent the share 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).

[] X @ IlyaSTREBULAEV []

WHERE WERE UNICORN FOUNDERS BORN?

Number of Founders = 1078 Number of Unicorns = 500

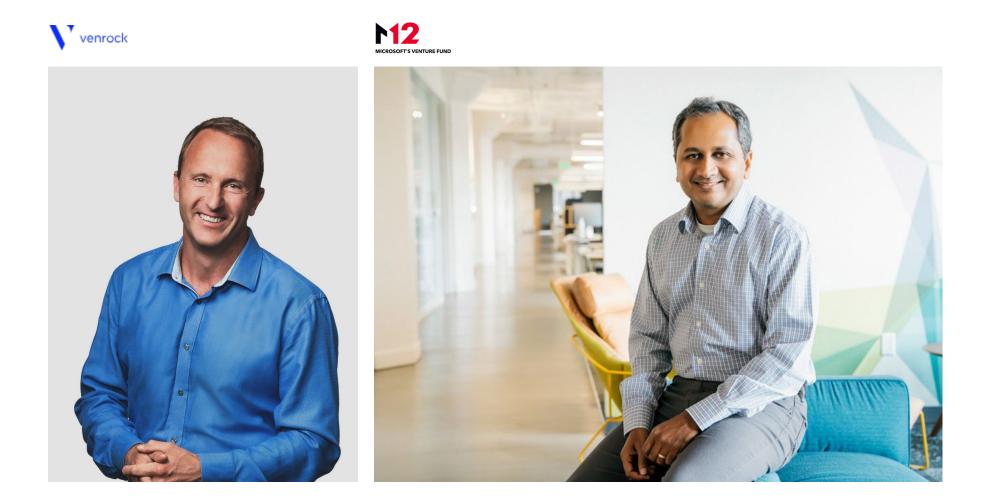


Data covers 531 US companies that became unicorns between 1997 – 2019.

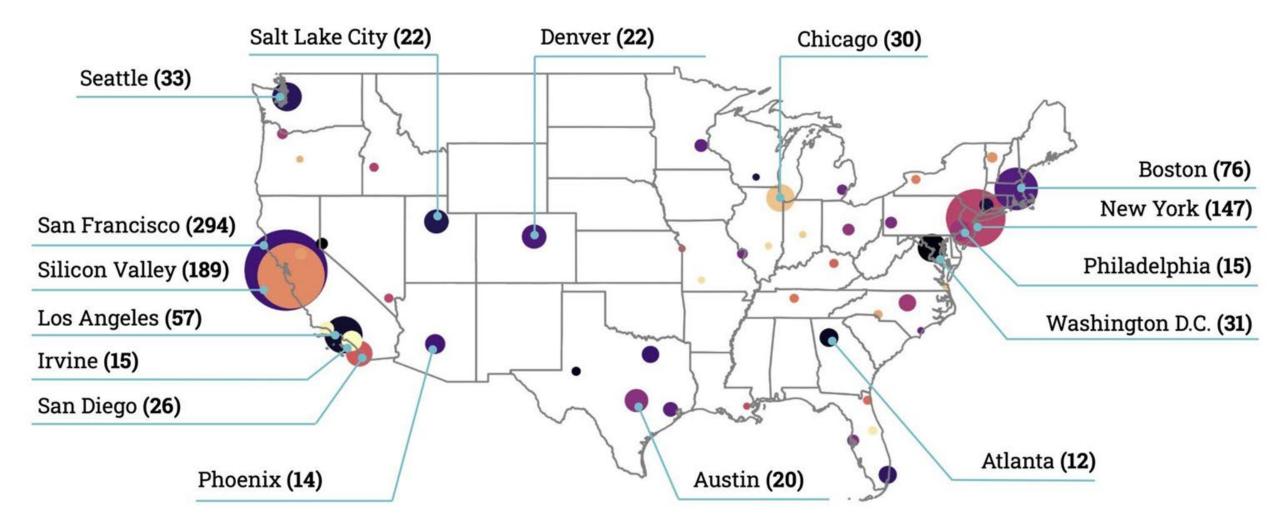
Source: ILYA STREBULAEV, VENTURE CAPITAL INITIATIVE, STANFORD GRADUATE SCHOOL OF BUSINESS (01/2022)



Agree to disagree Conviction beats consensus



Unicorn clusters in the US

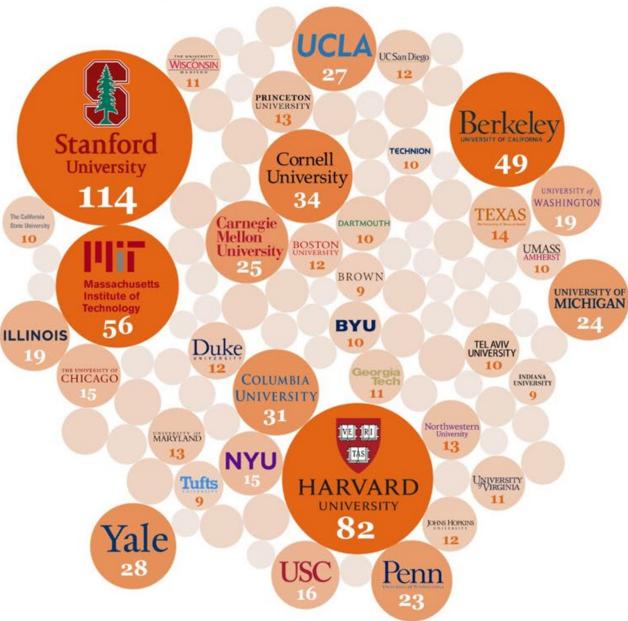


Data covers 1,110 US-based VC-backed companies that became unicorns between 1997-2021. The figure shows the current headquarters of the sample companies.

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

🖁 @ Ilya STREBULAEV

UNIVERSITIES AND UNICORNS



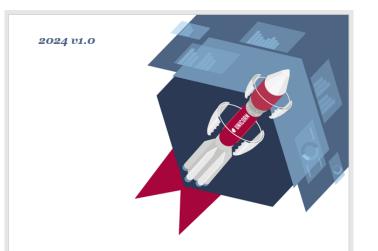
Values show the number of unicorns in which a founder/co-founder is a graduate or faculty/staff member of this university. Data covers 531 US companies that became unicorns between 1997-2019.

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

2-8 9-15 16-24 25-34 35+

Number of Founders = 1263 Number of Unicorns = 521

More data and insights in the Unicorn Report



What It Takes to Build a Unicorn

All facts and insights in one place

Ilya A. Strebulaev

David S. Lobel Professor of Private Equity Professor of Finance Founder and Director, Venture Capital Initiative Graduate School of Business Stanford University

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

"Unicorn Report" by Stanford Professor Ilya Strebulaev offers a datadriven 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

As a Patreon supporter, you'll receive:

- Full access to the digital book
- Regular updates as new data becomes available
- · Opportunity to suggest topics for future research

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