Venture Capital Trends

Host: Hanish Patel, User Friendly host and Digital Transformation leader, Deloitte Consulting LLP

Guests: Arif Janmohamed, partner at Lightspeed Venture Partners, and Heather Gates, national emerging growth company business leader at Deloitte.

Hanish Patel:
The venture capital, also known as VC industry, has seen many changes over the years, but amidst the global pandemic and economic recession, as well as social, political, and racial turmoil, it, like others, experienced an unprecedented 2020. Having passed the halfway point of 2021, the industry continues to grow and is setting the stage for another consecutive record-setting year. Today, we'll discuss the state of the VC industry, from IPOs, that's initial public offerings, and SPACs, special purpose acquisition companies, to traditional and nontraditional investors and the impact on startups.

In addition, we'll explore how the industry is making progress toward achieving greater gender, racial, and ethnic diversity, and what the path ahead might bring. Joining me today to share their thoughts on venture capital trends and the impact on startups is Arif Janmohamed, partner at Lightspeed Venture Partners, and Heather Gates, national emerging growth company business leader at Deloitte. Arif, Heather, welcome to the show.

Heather Gates:
Thank you.

Arif Janmohamed:
Thank you. It's great to be here.

Heather Gates:
Great to join you today.

Hanish Patel:
Brilliant. So let's get started with a bit more of a general definition around those terms that I mentioned earlier. And for our listeners who may be unfamiliar, can you

give us your definition of what a venture capitalist is and then follow up with what really is the state of the current venture capitalist industry as well?

Heather Gates:
Sure. I'll go ahead and jump in with what a venture capitalist is. And really the role of a VC is to invest in new and growing businesses that have a fairly realistic potential for high growth and profits. The interesting thing about this ecosystem is that the money that's used to invest comes from a variety of sources, including pension funds, endowments, corporations, wealthy investors, et cetera.

So it's really taking money from a variety of institutions and using the intellect and highly honed business skills of identifying great opportunities for the future. So I would say having known Arif and many others in the industry, that the average intelligence tends to be way above average in this industry and a lot of really smart people analyzing business trends.

Arif Janmohamed:
Heather, I really need to get my wife to listen to this because I don't know if she would agree with that statement, but (laughing).

Heather Gates:
I was gonna add that many venture capitalists usually know it as well, so that is the one downside. Just an amazing ecosystem that I've had the joy of watching over 30 years and just seeing incredible changes in our world, frankly.

Arif Janmohamed:
I'll chime in here just first as a way of introduction and maybe level-setting. On a personal note, I've been in the VC industry for over 13 years, having joined Lightspeed just after the financial crash of 2008, which was an interesting time, to say the least, to join the venture capital industry. And that's actually when I got to know Heather and developed a relationship with Deloitte.

But, taking a step back, Lightspeed is a global multi-stage firm, and what that means is if you think about venture capital, there's various stages of venture capital. There's extremely early stage investing, some people call it seed or pre-seed investing, there's early stage investing, which is institutional series A, and then there's later stage. And if you sort of segment each of those stages, the earliest stages can be behind one or two founders who may not have even written a business plan, who may not have a PowerPoint presentation, who may have not even built a product.

It's really a bet on a person or a set of people, their vision for the future, and their ability to tackle that vision and change the world. At the later stages, what we call series B or series D or series F and beyond, these are companies that are still very early by public standards, meaning they're still private, they're still growing very rapidly, they're probably still losing money, but they're growing rapidly and they need capital to invest in product, in people, in marketing, and go to market. And venture capitalists play a role across various stages of the spectrum, whether it's at the earliest stages when it's investing behind a founder or a set of founders and their dream, or the later stage is pre-IPO, when a company might be in the tens of millions of revenue, but it's still scaling very rapidly and still needs capital to invest behind that company's growth.

Lightspeed invests across the globe. We have offices in the US. I'm in Silicon Valley right now, but we've got offices in Israel, India, China, and the UK, and we invest across all stages. I personally focus on the earliest stages. I love to partner with founders when they've really just come up with their vision for the next 10 years and when they haven't necessarily even written a line of code, but that's not to say that Lightspeed doesn't invest at the later stages. And we have a set of growth funds that can support founders and companies through the various life cycles of their company.

Hanish, I think you asked the question around, what is the state of the venture capital industry? I'd say it's robust. Over the last couple of years, it's accelerated as a number of LPs, limited partners, have recognized that this asset class actually can drive outsize returns. When you get it right, you can make a lot of money in venture capital and for your investors. And what I mean by that is when you're investing behind a set of founders, either at the earliest stages, or even as they're growing, there is still multiples of capital that can be made over a long period of time.

We take a very long horizon when we think about venture capital. In fact, when I partner with a founder, I think about what it would be like to be working with that founder 10 years, 12 years from now. So it very much is a long-term point of view around company building and industry change. What's happened over the last few years, as I mentioned, is a lot of capital has really come into the market, whether it's at the earliest stages, and it might be individuals that are doing angel investing, it might be seed funds, it might be early stage funds, or it might be growth stage funds, or it might be multi-stage funds.

And actually, I'd say the venture capital industry has gone more global as the pandemic has really shined the light on the fact that great innovation can happen anywhere in the world and phenomenal companies worth in the billions or tens of billions of dollars over a period of time can actually be built, not just in Silicon Valley, not just in the United States but on a global basis.

Heather Gates:
Hey, Arif, if I could just chime in with some support with statistics. We've been looking at funding dollars just in the first half of 2021, which has been—2020 was an all-time high year in terms of dollars invested in

venture and through the middle of the year, we're almost beyond all of 2020 investing. So $140 billion was invested just in the first half of 2021. If you look at that globally to support what you just said, there was $288 billion invested globally. And I think that relationship between global and US has never been as robust as it is today. So that's definitely a solid trend there.

Arif Janmohamed:
Yeah, absolutely. And what's really exciting is geographies like India and China have come online over the last 10 or 15 years. And what I mean by that is in India, for example, the amount of people today that are coming online from a mobile phone basis and interacting with the globe is growing rapidly, and so we're seeing the digitization of India.

China went through this similarly about five or six years ago, and that created a huge amount of value, and now we're seeing that same trend extended to other places like Southeast Asia, like the Middle East, like Africa, like Latin America, and so great business models that were potentially pioneered here in the US or in places like Japan and Korea are actually starting to take place around the world. And there's growing realization that as these hundreds of millions or billions of people now come online and start to transact online, communicate online, that they're amazing businesses that can be built.

But going back, Heather, to the statistics that you talked about, one of the reasons that I think there's been so much excitement about this asset class is if you look at the IPO market, the initial public offering market, the public markets, the NASDAQ, and the S&P 500, for the first time ever, we're seeing startups that were started 10 years ago now being worth in the tens of billions, or even sometimes the hundreds of billions. And so that really paints a picture of what can be, when things go right, what can a company be worth? And so even if you're investing at, I don't know, $500 million valuation or a billion dollars valuation, you can still make 10, 20, or even in some cases a hundred times your money if you're patient and if you pick the right company.

Heather Gates:
Again, to support that, we basically had seen several decades of public market shrinkage in terms of number of public companies on the exchanges. It was just challenging to get public and the support and the infrastructure needed was a lot, and there was a lot of private equity money, which extended the amount of time that companies could remain private. So in the past year or so, and again, just focusing on the first half of 2021, 410 companies went public just on NASDAQ. That is an all-time record.

And I, again, exposing my age here, but I was a young investment banker during the 1990s heyday, and we've so far surpassed those records. And part of that makes me nervous, but that 410 doesn't even include the New York Stock Exchange. And a lot of that activity has been spurred by these special acquisition companies, but still traditional IPOs on the rise and to a way lesser degree direct listings, but it's just been a phenomenal and a way for people to reap the returns on their investments, which had been a little bit more difficult in the past.

Hanish Patel:
So firstly, Heather, thank you for that overview of the industry, but I wanna ask here, given where you both talked about how it's just been a phenomenal prior year, a record-setting year, Arif, you mentioned the digitization of China, of India, and it seems like phenomenal opportunity in the VC space and for startups, but there must be some challenges. And what are the ones that they're facing? I know, Heather, you touched upon one, but I'd love to know more about maybe some of the challenges they're facing in the current landscape, and how does that compare to, say, enterprise companies faring in the current pandemic world that we're living in?

Arif Janmohamed:
Well, you're right, it's not all up and to the right, and one of the stark truths about the venture capital industry is not every company will make it. In fact, there's quite high mortality in venture capital among startups, because it is extremely hard to

start a company from scratch and to build it into a sustainable long-term company. Again, those companies that make it, they reap the rewards and they can be very, very highly valued if they're in the right market, if they're growing at a very high pace, but unfortunately not every company does make it.

And so one of the byproducts of a lot of venture capital chasing relatively small amount of companies being funded is you could have a lot of competition in markets, you could have a lot of companies, startups, competing for the same end dollar, whether it's on the consumer side and that consumers' ability to transact, or you could have enterprise companies competing for the same end customers.

And so, that can potentially depress prices, it can potentially create confusion among customers, it could also create a lot of competition for VC dollars, but also for talent, because ultimately there's a limitation of talent on a global basis. So there are challenges, but at the same time, I remain extremely optimistic because as we digitize more and more, as we go through in the enterprise side what we call the digital transformation of the enterprise, there's an incredible amount of opportunity ahead of us to really change the way that we all work, the way that we transact and the way we communicate together.

Heather Gates:
Yeah, I would totally agree. And the first thing that comes to my mind is the war for talent. We see it across our businesses, in our companies, and we've spent a lot of time thinking about the future of work and what that looks like. And I think we're on the precipice of figuring out what does work look like going forward. And what's fascinating as I look at a lot of the startups that we've worked with over the years, many of them have been virtual for quite some time. So I think when the pandemic came across and impacted a lot of companies that were always in-person with meetings and on airplanes, et cetera, they were very well equipped to immediately go to a virtual world because they were already there.

So I think that's a great advantage. I do think that providing that flexibility is also gonna be a competitive advantage for talent, but there is just limited supply. We spend a lot of time with the finance function. I can't tell you how many companies are looking for qualified finance people, because going from a private enterprise to a public company requires a level of knowledge and understanding and savvy that is limited in supply.

Arif Janmohamed:
Hanish, you touched on the question of how enterprise funding or enterprise startups have fared in this new world, and the new world is specifically that of post-COVID. And I'll say last March, March of 2020, was a very difficult year because there was so much uncertainty about what the coming year would hold. The venture capital industry really didn't have a strong perspective. And I'd say those enterprise companies that were on the right side of history, and I'll touch on that in a second, but those companies that were on the right side of history have fared extremely well.

And what do I mean by the right side of history? It's those companies that are cloud first, those companies that are digital first, those companies that really facilitate things like Heather talked about, which is, remote collaboration, remote work, global workforces, but more specifically that facilitate digital transformation. Last April, Satya Nadella, the CEO of Microsoft, said on an earnings call, three years of digital transformation in the enterprise have happened in less than a month. I mean, it was just dramatic how the IT industry had to completely pivot and transform itself in order to remain competitive and to compete in what suddenly became a global first remote first world. And the beneficiaries of that were startups that really facilitated the digital transformation. And so enterprise companies that were cloud first, that really rode the world of transformation to cloud and SAS, those companies over the last year have just seen increased growth. They've seen increased spending, increased pull from customers, and you see that in the public markets with companies but also in the private markets where we've got a large number of portfolio companies that are just both SAS or security first taking advantage of this shift to the cloud.

Couple of examples of this. Netskope is a cloud security company that recently raised about $300 million at a seven and a half billion dollar valuation. Lightspeed's been with them since 2013, we were early investors in them and have really seen this company grow over the last nine years, but more specifically accelerate over the last year, as companies have moved from buying hardware to really buying security in the cloud.

Another example is a company called Moveworks, which has built a conversational AI chatbot that resolves employee help desk and service desk issues. And as companies have really adopted things to communicate remotely, Moveworks has really benefited from that because they can resolve things like, "Hey, my password needs to be reset," or "My VPN doesn't work," or the sort of things that typically you'd have to sit on the phone for 45 minutes and wait for an agent to fix, you can now do in 60 seconds or less by a chat. These are just two examples of startups that are really taking advantage of and benefiting from this rapid digital transformation that I talked about.

Hanish Patel:
Arif and Heather, you're talking about some of the things that, let's say, have been on the right side of history and some of the choices have been in the cloud, AI, digital first space. And one of the things that actually stuck out to me in one of our recent Deloitte surveys, Heather, was just around startups in tech, media, and telecom, and they're more likely to pursue an acquisition by another company, followed by an IPO as a second most common exit strategy. And given what you've just said earlier, Arif, Heather, what kind of trends are you also seeing across TMT and how has this impacted the decision-making in VCs and startups themselves?

Heather Gates:
That's a wonderful and very loaded question (laughing) which I will attempt to (laughing) to answer. So a couple of things. First of all, we do several things in the technology, media and telecom industry really to better understand trends and also support the community. Many of you probably are aware of our Fast 500 program where we really honor the fastest growing companies on an annual basis, but we also launched a survey this past year in 2020 to gain a better understanding around a lot of things. Some of those were equity instruments, intentionality around going public versus acquisitions.

If you look historically, an acquisition or an M&A transaction has long been the, at least in terms of numbers of companies, the predominant exit, because as Arif articulated, not every one of these companies is a rocket ship that's gonna go public. So I would say that that finding was not necessarily unique, but what was unique was the percentage of companies that were pursuing an IPO, which was much higher than in prior years.

And again, I think that's indicative of several things, the public markets being open, the trends with these special purpose acquisition companies, that whole landscape has completely changed in the past 18 months. And so I think our survey results reflected a lot of those things. I would encourage people to check out the survey because it does touch on a lot of benchmarking data that can be helpful for startups in the market.

Arif Janmohamed:
Well, one thing that I'd add as someone who's made his career as an enterprise investor and one of the things that I've noticed over the last decade is when I joined Lightspeed 13 years ago, the buyer for enterprise technologies was very much centralized at the top. It was a top-down sale to a CIO, chief information officer. It was typically sold into IT and it was a relatively long sales cycle. And therefore created a certain amount of bottleneck in terms of how fast and quickly you could sell and to whom you could sell.

Now, you can still get very, very large sales price out of selling to a CIO or IT, but there was a relatively smaller market size in TMT than there is today. And what I mean by that is what's happened over the last decade is the buyer profile has changed for enterprise software, as well as enterprise infrastructure. Specifically, departmental sales are much more common and even individual sales are much more common.

And so companies can actually market directly to the user, whether that user is a developer, whether that user is a salesperson, whether that user is a marketer, whether that user is a customer success person, that individual can buy a piece of software for 50 bucks, $75, a $100, and then that product can actually expand throughout the organization to the department and then eventually up through the CIO. And so what that has done is it's created a massive increase in addressable market size for enterprise companies, which therefore has translated into some of these very, very large potential exits, both at the IPO level or for very large companies to go and purchase some of these smaller companies to expand their potential plans.

Heather Gates:
That's a great point. We talk about that being the wedge, you get a certain department that falls in love with your software, and at some point purchasing says, "Oh my gosh, we're writing checks to whomever, maybe we need to take a look at this." And it kind of elevates up as opposed to exactly what you said, Arif, top-down approach. So fascinating transition with that.

Hanish Patel:
So with that buyer profile evolving, in parallel how have startups evolved over the last few years? And what might that look like when we're finally out of this pandemic at some point?

Arif Janmohamed:
Yeah, that's a great question. I mean, there's a certain term called PLG, product led growth, which is becoming more popular with modern startups, which is specifically that your product really is the tip of the spear for selling. So rather than having a salesperson start a conversation with a buyer like a CIO or a head of engineering, your product speaks for itself and it's marketed over the web and through communities, and then it's the end users that pull your product into the organization.

And then you complement that with the top-down sale, with the number of salespeople who go and complement and complete and increase the sales process for these PLG-led companies. That's one example of how startups are adapting. The other way that companies are adapting is—Heather touched on this earlier, I touched on it too—this war for talent has just become very acute, and as a result of modern tools, companies are realizing, startups are realizing that they no longer need to be headquartered in one spot, whether it's Silicon Valley, New York, LA, Seattle, UK, et cetera, they can actually have their engineering talent, their sales talent, their marketing talent globally, and people can actually get work done very efficiently from their living rooms or bedrooms or backyards.

Heather Gates:
Yeah, totally agree with that. I think there's been a few studies out that a couple of companies had tested out a four-day virtual workweek versus the traditional five-day in office and productivity went up something like 40%. So, interesting dynamics. I think a lot of us feel the burnout from that dynamic, but definitely an adaptation, and again, we've seen a lot of companies moving, like you say, from the coast towards the middle of the country, where there are great universities, great talent, and at a much more reasonable cost.

Arif Janmohamed:
I don't think we're gonna be fully remote. Maybe I'll take a controversial position here, but to your point, Heather, people wanna see each other and people wanna work together and they wanna get together. I've actually been going to a few board meetings in person, and I have to tell you, after a year of doing board meetings from my bedroom, it was probably the best interactions that I've had with the management teams and my fellow board members, because people's phones were down, people were highly engaged. When you can make eye contact, there's something special about that. And I strongly believe that as America and the world continues to increase vaccinations and hopefully we start to emerge from this pandemic that we'll see a hybrid world emerge, and I'm already seeing this through the lens of a portfolio company called TripActions, which is a corporate travel management company. And their data would show that travel among their customer base support of 3,000 customers, customer bookings are up 60%, month over month.

So people are realizing that the moment that their competitor closes a deal in person, that they need to actually start closing deals in person. And they strongly believe that nothing beats meeting face-to-face, especially for very highly critical or high values deals.

Hanish Patel:
I wanna stick with our talent topic here that both of you have mentioned, and in line with, Arif, you've also mentioned that the global nature of, one, the industry and how startups are looking. Surely one would argue then that with the way the VC industry is going, the way startups are going, that's got to be making at least a dent and good progress into achieving greater, I'll call it, gender, racial, and ethnic diversity, but at the same token, some may argue that the pace has been too slow and maybe uneven across the diversity demographics. So to that point, Heather, I'd love you to start with and see what you think around and what you're seeing around DEI and VCs in particular.

Heather Gates:
A great question and certainly an area that's received an incredible amount of attention, particularly in the past year, nine months. So one of the things Deloitte does with the National Venture Capital Association and Venture Forward Organizations, and we did our third biannual survey in which we launched the results in March of this year. And, on the one hand, yes, we are making progress, and the great news is that particularly when it comes to female investment professionals, the percentages have gone up materially over the three years we did a survey in 2016, 2018, and 2020, with 23% of the investment professionals being female. So making really serious progress there. Unfortunately we're not seeing, at least at the date of our survey, so I'm really hoping that our next survey will show more material change, but very modest change with respect to black professionals, with 4% being the overall workforce and the same 4% investment professionals, and then Hispanics at 7% of the workforce, with 4% of investment professionals.

All of this to say, some changes are happening. They are slow, and when you form a fund and, Arif, maybe you can comment on the dynamics of fund formation, but you basically have a group of general partners that limited partners are trusting to invest their monies into companies, and the fund lives are 10 years. It's not like you flip out GPs every other year and you can really change that dynamic.

So part of it is just the nature of the industry, but the most important thing that we found, and we found this in the last two surveys, is that firms that have a specific diversity or inclusion strategy, or both of them, had a much greater percentage of women and black investment professionals than those without. And so it was at least 25% higher. So I would say intentionality and a purposeful focus in this area is what's critical to change. I've done a variety of webcasts recently around the topic. I do feel that change is happening. You're seeing a lot more really interesting funds being developed—Black VC, Harlem Capital, LatinX Funds. So I do think our next survey will show more substantial change, but it's going in the right direction, it's just a little slow.

Arif Janmohamed:
Heather, you mentioned intentionality, and I agree with that. If you don't shine a light on it, you can't fix it. Here at Lightspeed, we've had an internal DEI team working for the last four years with the goal of diversity, diversifying Lightspeed and our broader ecosystem. We measure who has a seat at the table and who is missing, and really over the last four years, females have founded 33% of the consumer companies we funded and female investor partners here at Lightspeed now make up close to one-third of investment professionals at our firm.

Now, we also recognize that we still have a long way to go, and that diversity means so much more than gender. We've also launched a few interesting programs. Our Lightspeed Scouts program is focused on identifying and encouraging young investors from underrepresented minority communities, and this year Lightspeed has provided funding and guidance for more than 40 angel investors from diverse backgrounds, half of them women. So, we're trying to do our small part here too.

Hanish Patel:
In terms of that progress, I'm hoping that the changes and the evolution that both of you have mentioned will continue to help with those record-breaking years that we're experiencing. And last year being so strong for SPACs, as you mentioned, those special purpose acquisition companies around IPOs, and already 2021 is looking like a record. But, Heather, one of the things that dawned on me and would be great to know, what's different between a SPAC and how is it different from, say, a traditional IPO that we're used to hearing and knowing about?

Heather Gates:
So a traditional initial public offering would be your normal, I would say, venture-backed company that has grown, they've gotten to scale, they're at a place where profitability is at least within sight and the way to get there, if they're not already there, is certainly evident. Investment bankers and parties involved can see there would be public company demand. A special purpose acquisition entity is a little different and what's different is that an entity is set up with cash that's invested from a variety of resources. It can be VCs, it can be individuals, et cetera, but amount of monies are raised, and then a private placement memorandum is put together such that a specific investment theme is highlighted, and the purpose of that entity is to find and acquire companies to put or merge into that public company shell, and therefore become a public entity through this acquisition process.

There's usually a two-year, 24-month limit in terms of how long the funds can sit there before they would then get returned back to the investment community. So it's kind of a limited window of time to find a company that fits your investment theme and profile. So that's the high level.

In the past 18 months or so, the types of people that have set up these backs, well-known VCs, luminaries in the industry, they've jumped into this type of transaction, whereas historically it was very, very small amounts of money. So it's just the landscape has really shifted and the amount of money going into it has just gone through the roof.

Hanish Patel:
From your vantage point, given the amount of money, as Heather said, gone through the roof, what is the current outlook for SPAC transactions then?

Arif Janmohamed:
I'd say there's a short-term outlook and a long-term outlook. In the short-term outlook, there's been some choppiness in the market as specifically the SEC has been taking a very close look at some SPACs and the forward representations that they're making. Long-term, I think this is actually here to stay. I think it represents just yet another path for startups and their boards to consider, both from a financing perspective and from an exit perspective. And so I think longer term we'll see continued execution of SPACs for some great companies as they think about that as a means to go public.

Heather Gates:
Yup, totally agree.

Hanish Patel:
With all of that as a backdrop, a general question to the both of you in terms of just advice that you'd give to any companies considering going public.

Heather Gates:
I'll jump in with a couple of thoughts. And I think Arif hit on this before at the very beginning of our discussion. Venture investing and company building really should be built with the mindset of a long-term view. You think about a concept and how you're changing the world and truly adding value to the globe, the planet, people, companies, et cetera, it really needs to maintain that long-term perspective. And so I think founders, entrepreneurs, funders, all of us need to keep that long-term perspective in mind and knowing that, yes, the IPO window is open, there feels to be pressure to accelerate to going to that next level, but knowing that truly good companies will always be able to go public.

And the other thing I would just say is make sure you're really ready. Once you cross that barrier into the public markets, there's a lot of things that change. It's the ability for your competitors to see KPIs, you need to be able to forecast revenues, you need to have systems in place, then you're subject to controls testing and compliance. Get the help you need, but make sure you're ready when you embark upon this next phase.

Arif Janmohamed:
Yeah, really, really great points, Heather. I'd say from my perspective, an IPO is a financing event, it's not an exit event. It can also be used for marketing to really cement that company's brand as a stand-alone independent company, but it's not the only way to actually build a company. And given how much capital is available for growth stage great companies in the market, some companies are choosing to stay private longer so that they can operate in a way that public investors may not really understand in the short term, but where founders can make very long-term decisions.

With that said, I'd say that great companies can go public, and the scrutiny of public investors actually can help make those companies even better from a metrics perspective and from an operational perspective. And so I think as boards and founders think about the IPO market as a potential option, I think there's many things to weigh and balance.

Hanish Patel:
Perfect. And as we wrap up, any final thoughts from either of you, one, in terms of just where we are in the market around VCs as a whole, or maybe a bit more future forward looking in terms of where it's gonna be and certainly things to consider.

Heather Gates:
One thing I've learned after being in this industry for 30 years is predicting the future of the markets and where things will be kind of futile. But certainly the momentum seems to be continuing and positive and I'm optimistic about the future, both in venture and IPOs.

Arif Janmohamed:
Yeah, from my perspective, I'm excited. As an enterprise investor, there's never really been a better time to be an enterprise investor. There's great global talent tackling very big problems and attacking and disrupting massive, massive markets. It's

amazing the types of entrepreneurs that are coming up with phenomenal ideas that envision for the future. And it's just a privilege and honor to be part of this ecosystem and to have the honor to partner with some of these entrepreneurs. So I'm excited for the next decade.

Heather Gates:
Well said.

Hanish Patel:
As you've just heard over the course of this episode, there's been a lot of advancements in the VC space around startups, the evolution, and certainly even facing the last 18 months of a pandemic, they experienced some record-breaking year and even already in 2021, what we're seeing that already broken from the prior year.

And as Heather and Arif just mentioned, this is positive in the sense of optimistic in terms of where the market's going. So with that, I wanna take this opportunity to thank my guests today, Arif and Heather, really appreciate you sharing your perspective on the market and your experience in this space and for joining me on the pod. And until next time, happy listening.

Heather Gates:
Thank you.

Arif Janmohamed:
Thanks so much. This was fun.