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# MVCA

MICHIGAN VENTURE  
CAPITAL ASSOCIATION



# 2020

ANNUAL RESEARCH REPORT



**MVCA**  
MICHIGAN VENTURE  
CAPITAL ASSOCIATION

[www.michiganvca.org](http://www.michiganvca.org) • @MichiganVCA   

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## Hello,

In 2002, Michigan Venture Capital Association (MVCA) was founded with the goal of supporting the state's investors and entrepreneurs in driving the growth of our economy. In particular, our aim has been to work with these individuals and organizations in an effort to increase the amount of capital available to fuel the success of businesses.

Now, nearly 20 years after that founding, we are excited to present the 2020 MVCA Research Report, which documents the continued achievements made by Michigan in this regard.



Over the years, our research has consistently found that Michigan capital invested in Michigan startups brings us significantly more capital from out of state. Last year, this cycle of growth reached new heights, with every Michigan \$1 invested attracting nearly \$50 from out-of-state sources. Other findings point to the successes of our businesses and investors as well. Entrepreneurial and investment activity has been strong across a range of sectors, demonstrating the robustness and health of Michigan's economy. Additionally, the number of startups in our state has increased by 39%, while the amount of capital invested in startups has increased by a staggering 913%. Capital is that key ingredient in a recipe for economic growth and innovation, and so this data highlights that the State of Michigan maintains a positive trajectory; in fact, our research indicates that we are outpacing the growth of other states as we are ahead of national trends on many key metrics.

While Michigan's economic development has indeed been remarkable, it is important to note that there is still work to be done if we wish to sustain our creation of jobs and generation of innovative ideas. Looking forward to the next two years, our research suggests that \$1.2 billion of additional venture capital will be required to adequately fund the growth of Michigan's 144 startup companies. Our entrepreneurs and investors have achieved much, but we must all consider what we as a community can do to continue promoting the strength, vibrancy, and progress of our state.

Ultimately, this report serves as both a celebration of the significant strides made by Michigan in the last year, as well as a starting point for us to plan the actions necessary to maintain our pace of success. It is, therefore, our pleasure to share with you the key trends in Michigan's entrepreneurial and investment community.

Sincerely,

Michael Gross  
Chairman of the MVCA Board of Directors  
Managing Director, Beringea



CULTIVATE GROWTH. SUCCESS BY DESIGN.

# WE PUT THE RIGHT PEOPLE IN THE RIGHT SEAT

WE ARE A **TALENT MATCHMAKING** COMPANY

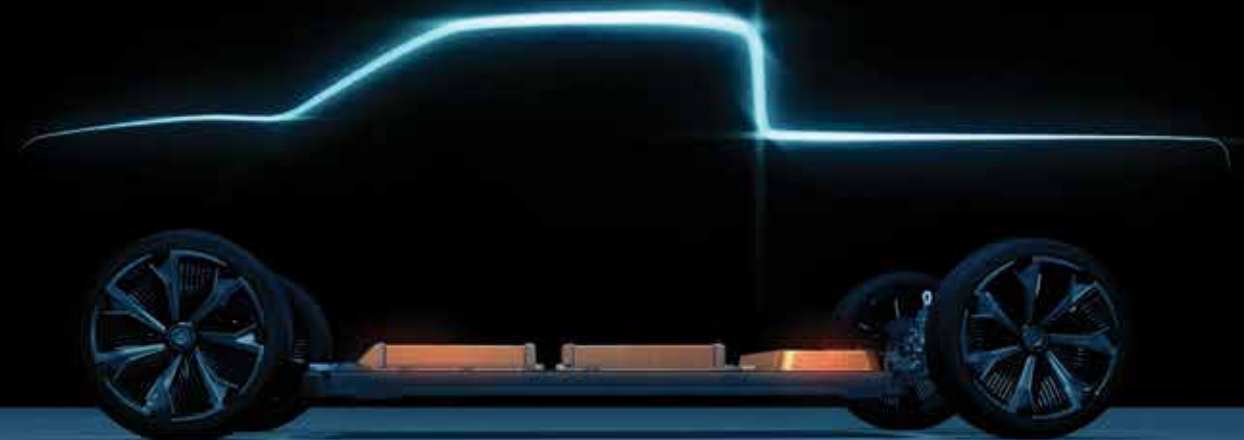
We know what it takes to develop software, launch products and build a company. That's why we're not in the business of just filling a requirement. Instead, we take time to understand your vision, constraints and growth plans so we can support you along the way. This business model is also reflected in our pricing and payment strategies to provide the flexibility you need to match your funding rounds. Our fees and payment terms are incredibly flexible and tailored to each startup as we understand the roadblocks you're faced with in addition to the level of value cash and talent holds. Contact us and find out more at [www.gdii.com](http://www.gdii.com)



SCAN ME

## CHARGING INTO MICHIGAN'S FUTURE

General Motors is designing the next generation of transportation with a vision for an all-electric future. GM Ventures is proud to be a member of the Michigan Venture Capital Association and supports those who invest in driving innovation. Together, we can create economic opportunities for our state, its residents and our members.



# BERINGEA

We salute the Michigan venture capital community on its exceptional year, as well as the many MVCA members who volunteer their time and talents to support our state's entrepreneurial ecosystem.



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*A transatlantic venture capital firm supporting rapidly growing companies*

**PLYMOUTH**  
GROWTH

Smart. Proven. Growth.

## Differentiated Growth Capital for Midwest Tech Companies



### Business

B2B software  
Tech-enabled services  
Midwest presence



### Financial

\$3-8MM+ revenue  
High growth  
Clear growth catalysts



### Structure

Flexible growth equity  
Minority ownership  
Active board role

**bodman**  
ATTORNEYS & COUNSELORS

Bodman's Emerging Companies and Venture Capital team helps choose the optimal business structure for the organization, negotiate equity or debt financing for companies or investors, handle concerns related to employees and independent contractors, and craft an intellectual property strategy that protects the company's assets as it conducts business on a day-to-day basis.



PROUD TO SUPPORT THE

**MICHIGAN VENTURE CAPITAL ASSOCIATION**

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## 2020 MVCA Board of Directors and Staff

### Executive Committee

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BERINGEA

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Jeff Rinvelt  
RENAISSANCE VENTURE  
CAPITAL

#### TREASURER

Doug Neal  
ELAB VENTURES

#### IMMEDIATE PAST CHAIRMAN

Tom Shehab, M.D.  
ARBORETUM VENTURES

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Adrian Fortino  
MERCURY FUND

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Jon Lauckner  
GM VENTURES

Fredrick Molnar  
MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

Kim Pasquino  
WAKESTREAM VENTURES

Evan Ufer  
PLYMOUTH GROWTH

### Staff

EXECUTIVE DIRECTOR  
Ara Topouzian

ASSOCIATE DIRECTOR  
Angela Heflin



# 2020

26

Venture  
Capital Firms

144

Venture-  
Backed  
Companies  
in Michigan

\$2.0B

Venture Capital  
Invested  
in 71 Michigan  
Startups in 2019



## Impact by the Numbers

A SNAPSHOT OF  
MICHIGAN'S GROWING  
ENTREPRENEURIAL AND  
INVESTMENT  
COMMUNITY:

For every **\$1 INVESTED** in a  
Michigan Startup by a Michigan-  
Based Venture Capital Firm,  
**\$45.71 OF INVESTMENT**  
is attracted from  
outside of Michigan



80

Venture  
Capital  
Professionals

\$4.3B

Total Capital  
Under  
Management

\$73.6M

Angel Capital  
Invested  
in 106 Michigan  
Startups in 2019

542

Venture  
Firms from  
Outside of  
Michigan  
have Invested  
in Michigan-  
based Startups

1,322

Angel Investors



## Michigan's Investment Pipeline

Michigan's university funds, economic development funds and angel investors play a critical role in building the entrepreneurial community by providing access to capital and mentorship for startup companies at their earliest stages of development. Additionally, these funds offer a pipeline of investment opportunities for the state's venture capital investors.

### UNIVERSITY AND ECONOMIC DEVELOPMENT-RELATED FUNDS

Biosciences Research & Commercialization Center (WMU)  
 Invest Michigan  
 Michigan Biomedical Venture Fund (UM)  
 Red Cedar Ventures (MSU)

### ANGEL ORGANIZATIONS

Individual Angel Investors  
 Ann Arbor Angels  
 BELLE Michigan

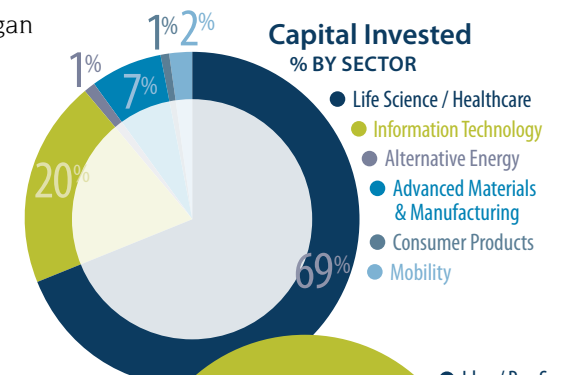
BlueWater Angels Investment Network  
 Capital Community Angels Investors  
 Detroit Regional Angels  
 Grand Angels  
 Harvard Angels  
 Innovation Shore Angels Network  
 Ka-Zoo Angels  
 Michigan Angel Fund  
 Muskegon Angels  
 Northern Michigan Angels  
 Woodward Angels



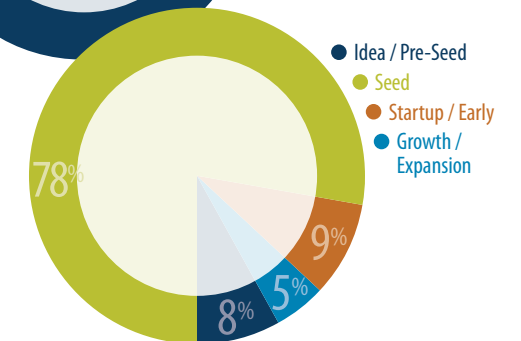
## University and Economic Development-Related Funds

- Total funds under management of university and economic development-related funds in Michigan in 2019 was \$46.2 million, a decrease of 2% from the prior year.
- Out of the total \$46.2 million under management in Michigan, 79% of the capital has already been invested into companies, 16% is reserved for follow-on investment into existing companies and 5% is available for new startups seeking funding.
- Capital available for new investments in 2019 was \$2.3 million, a decrease of 22% from the prior year.
- In Michigan, 37 startups received more than \$3.4 million from university and economic development-related funds in 2019.

- There are 110 startup companies in Michigan that are gaining traction with the support of these funds. While economic development and university funds support a variety of sectors, the life science and information technology sectors are the focus of capital development. Unsurprisingly, this is similar to the activity in later venture capital rounds of financing.

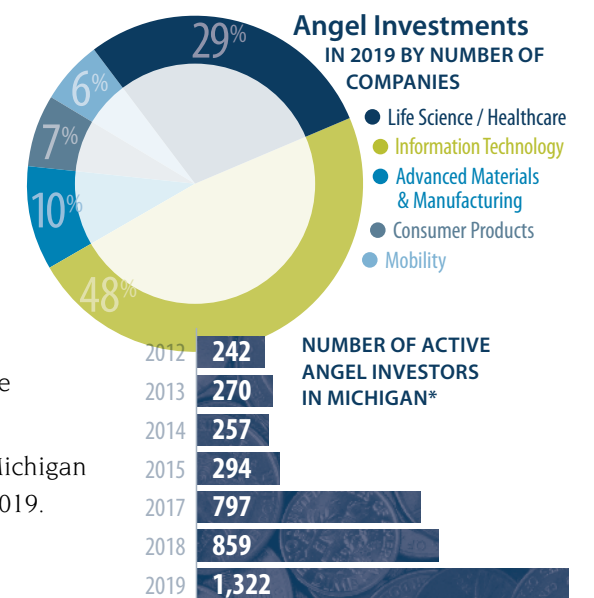


- 78% of total capital from Michigan university and economic development-related funds is invested in companies that are in the seed stage. Companies in this stage are developing prototypes and identifying customers. Typically, these companies have investment from founders, family, friends, and perhaps angel investors, and are preparing to raise venture capital as well.



## Angel Investors<sup>1</sup>

- In Michigan, 106 startups raised over \$73.6 million from angel investors in 2019.
- Information technology companies made up nearly half of the companies receiving angel investment in 2019.
- In 2019, Michigan had 1,322 angel investors, a 415% increase over the course of the last five years. These investors either invested individually or alongside others in one of the state's 13 angel groups.
- There are 958 people employed at the 106 Michigan startups that received angel investment in 2019.



Source: <sup>1</sup>2019 Michigan Angel Community Research Report  
 \*Data not available for 2016

# Venture Capital in Michigan

## An Analysis of Michigan's Venture Capital Activity

There are 26 private venture firms operating in Michigan. Of the 26 venture firms, 20 are headquartered in Michigan and an additional six are headquartered elsewhere with a Michigan office. In addition to venture firms, there are two fund of funds and five corporate venture funds in Michigan. Altogether, these firms employ a total of 107 investment professionals in the state.



### MICHIGAN-BASED VENTURE CAPITAL FIRMS

- Arboretum Ventures
- Augment Ventures
- Beringea
- BioStar Ventures
- Detroit Venture Partners
- eLab Ventures
- Fontinalis Partners
- Grand Ventures
- Hopen Life Science Ventures
- Huron River Ventures
- Invest Detroit Ventures
- Ludlow Ventures

- Michigan Accelerator Fund I
- Narrow Gauge Ventures
- North Coast Technology Investors
- Plymouth Growth
- RPM Ventures
- Tamarind Hill
- Tappan Hill
- Wakestream Ventures

### OUT-OF-STATE VENTURE CAPITAL FIRMS WITH A MICHIGAN PRESENCE

- Arsenal Venture Partners
- Baird Capital
- Draper Triangle Ventures
- Mercury Fund

- MK Capital
- Venture Investors, LLC

### MICHIGAN-BASED VENTURE CAPITAL FUND OF FUNDS

- Renaissance Venture Capital
- Venture Michigan Fund

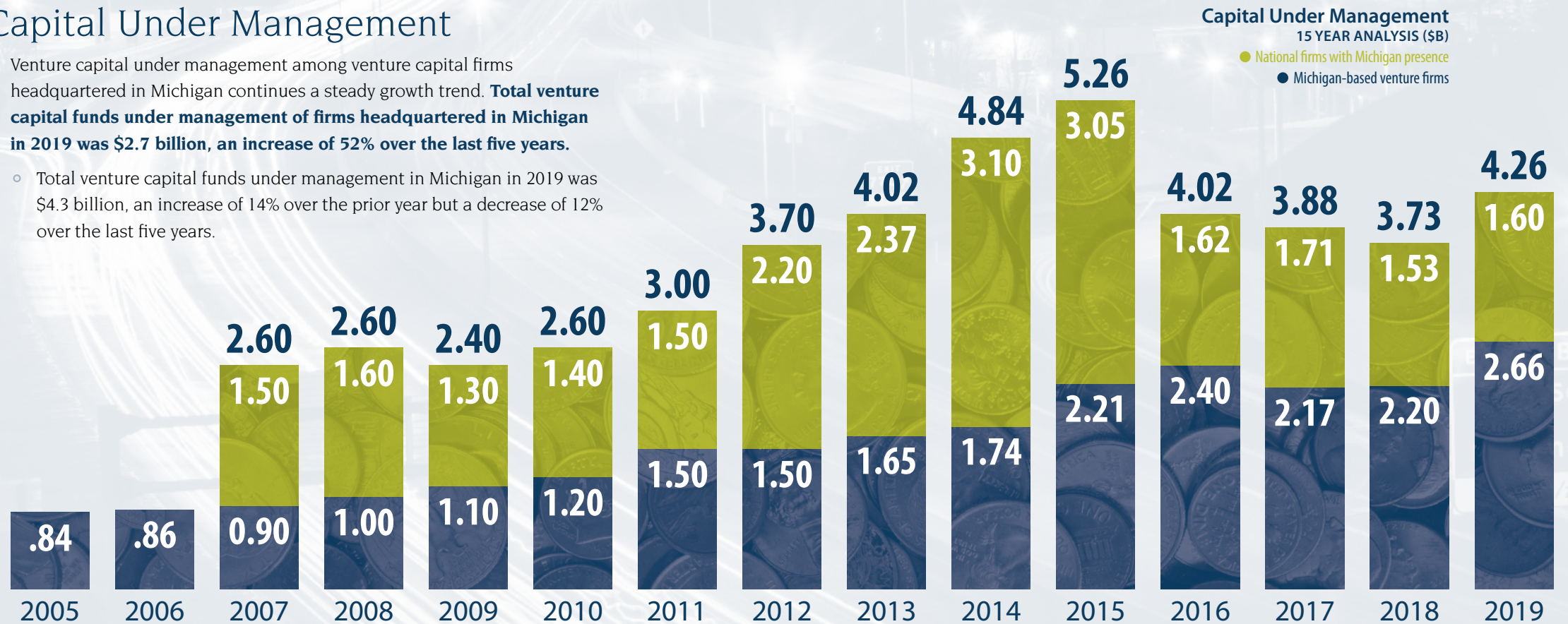
### MICHIGAN-BASED CORPORATE VENTURE FUNDS

- Dow Venture Capital
- Eighteen94 Capital
- General Motors Ventures
- Kelly Services
- Spectrum Health Ventures

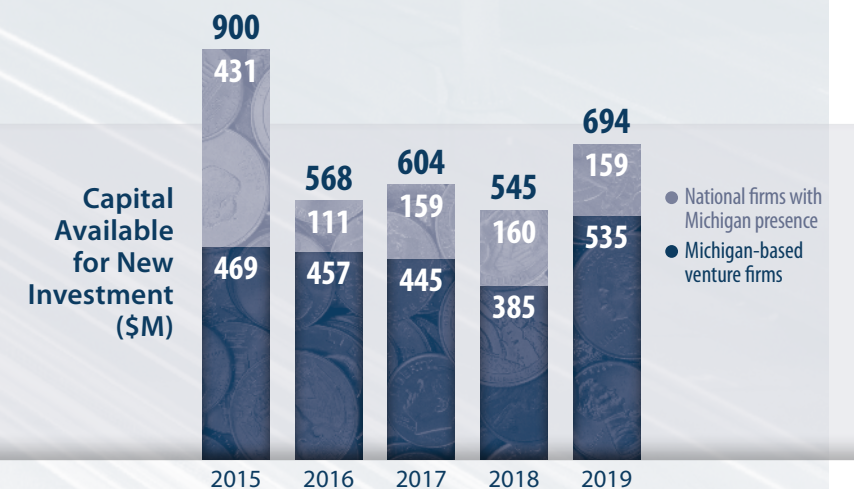
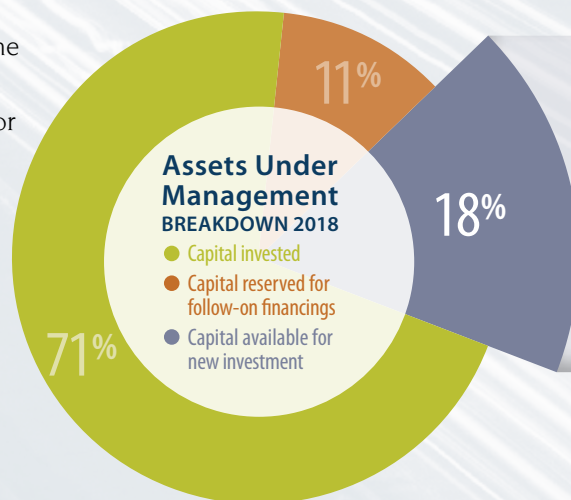


## Capital Under Management

- Venture capital under management among venture capital firms headquartered in Michigan continues a steady growth trend. **Total venture capital funds under management of firms headquartered in Michigan in 2019 was \$2.7 billion, an increase of 52% over the last five years.**
  - Total venture capital funds under management in Michigan in 2019 was \$4.3 billion, an increase of 14% over the prior year but a decrease of 12% over the last five years.



- Out of the total \$4.3 billion under management in Michigan, 71% of the capital has already been invested into companies. 11% is reserved for follow-on investments into existing companies and 18% is available for new startups seeking venture capital.
- Capital available for new investments in 2019 was \$694 million, a decrease of 21% over the last five years.
- Approximately \$396 million is reserved for follow-on financings for existing Michigan-based portfolio companies, a decrease of 2% from last year. **MVCA survey respondents estimate \$1.2 billion of additional venture capital will be required to adequately fund the growth of Michigan's 144 startup companies in the next two years.**



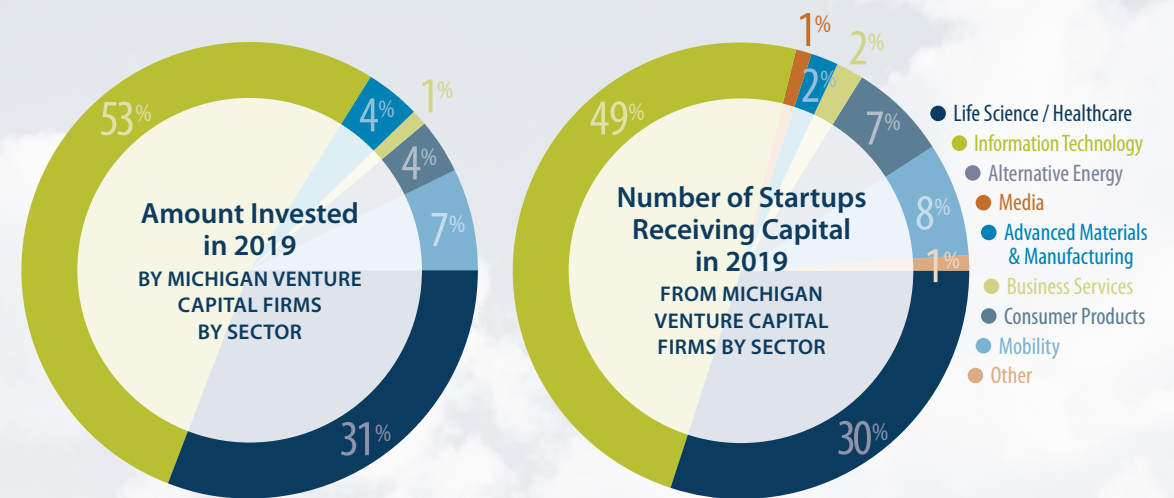
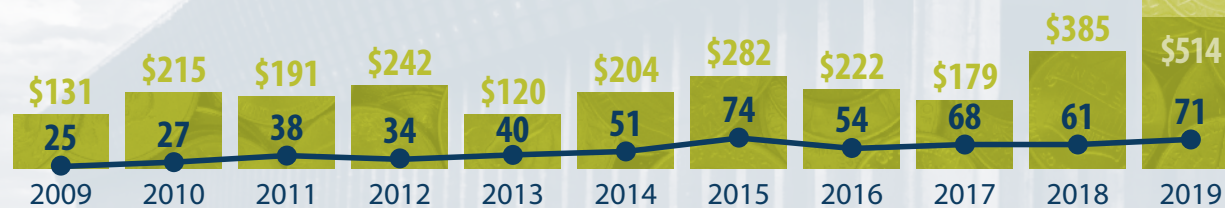
# 2019 Venture Investment Activity

Strong Michigan venture firms are a critical factor in the success of Michigan startups. With Michigan venture investors backing 97% of all Michigan venture-funded startups, our state's entrepreneurial economy hinges on our ability to consistently provide high-growth, high-potential companies with access to capital.

- In Michigan, 71 startups received more than **\$2.06 billion** in venture capital investment in 2019; this is a 39% increase in the number of startups and a 913% increase in the amount of capital over the last five years.
  - Excluding Rivian (see Rivian's profile on the right), **70 startups received more than \$514 million in venture capital investment in 2019. This is a staggering 152% increase in the amount of venture capital invested in startups over the last five years.**

## Annual Venture Capital Investment in Michigan

- Amount of venture capital Michigan startups are receiving (in millions)
- Number of Michigan startups receiving venture capital investment each year



- There are **144 venture-backed startup companies in Michigan**, an increase of 12% over the last five years. Startup companies move Michigan forward economically by attracting and hiring talent in the state and securing out-of-state capital investment.
- While Michigan venture funds invest in a wide variety of sectors, the life science and information technology sectors continued to be the focus of capital deployment in 2019. Of the startups that received venture funding from Michigan venture capital firms in 2019, 30% were life science companies and 49% were information technology companies.

RIVIAN is a Plymouth-based mobility company founded by Robert J. Scaringe. This automotive technology company develops products and services to advance the shift to sustainable mobility. Rivian believes there is a more responsible way to explore the world and are determined to make the transition to sustainable transportation an exciting one. In their mission of keeping the world adventurous forever, Rivian designed their emissions-free Electric Adventure Vehicles to challenge what's possible. **In 2019, the company raised \$1.55 billion from global corporations Ford Motor Company, Amazon, and Cox Automotive.** Later in the year, they raised an additional \$1.3 billion in a private equity round.

### ADVANCED MATERIALS AND MANUFACTURING

Orbion Space Technology

### ALTERNATIVE ENERGY

Movellus

### BUSINESS SERVICES

86 Repairs  
Impact Analytical

### CONSUMER PRODUCTS

Ash & Erie

Banza  
Bloomscape  
Inductive Intelligence  
URBANEER

### INFORMATION TECHNOLOGY

Above the Treeline  
Airspace Link  
Amplifinity  
Assemble  
Autobooks  
Clic  
DeepHow  
Dynamo Metrics  
Equal Health

Everdays  
FarmLogs  
FreightRoll  
Give and Take  
HealthBridge  
Financial  
Larky  
LLamasoft  
MaxOne  
MemryX  
MySwimPro  
Pixel Velocity  
Pocketnest  
Ripple Science  
Shoptelligence

Sight Machine  
Signal Advisors USA  
SkySync  
Sportsman Tracker  
ToDoolie  
VNN  
Voxel51  
Waymark

**LIFE SCIENCE / HEALTHCARE**  
3T Medical  
Ablative Solutions  
Akadeum Life Sciences  
Alerje  
ArborMetrix

BlueWillow Biologics  
Celsee  
Critical Care Diagnostics  
Delphinus Medical Technologies  
EVOO Therapeutics  
Fifth Eye  
Functional Fluidics  
GreenMark Biomedical  
HistoSonics  
Magnesium Development Company  
Metabolic Solutions Development Company  
New Vital Signs

Ocuphire Pharma  
PreDxion Bio  
Seraph Biosciences  
SkySpecs  
Strata Oncology  
Swift Biosciences  
TheraB Medical  
Vestaron  
Workit Health

**MOBILITY**  
FreshCar  
May Mobility  
Refraction  
Rivian  
Traxen





## 2019 Highlights

Michigan's entrepreneurial and investment community saw a great deal of success over the course of 2019. Key capital events and significant investment milestones helped to fuel the growth of businesses in the state, enabling those companies to continue producing groundbreaking solutions in their respective sectors. Meanwhile, emerging organizations engaged with businesses like this to help them connect to their local communities. Here are just a few of the firms, companies, and organizations that are contributing to Michigan's development:

**Ann Arbor Area Community Foundation (AAACF)** is an Ann Arbor-based public charity that aims to enrich its community by distributing millions of dollars annually in grants and scholarships. This past year, AAACF launched the Ann Arbor Entrepreneurs Fund (A2EF), a resource designed to connect local high-growth entrepreneurs to each other and the community. Over the next three years, A2EF will develop into a learning and networking hub that aims to raise the visibility of local entrepreneurs, engage founders and their staff with the community, and attract talent to the Ann Arbor area.

**Arboretum Ventures** is an Ann Arbor-based venture capital firm that fosters partnerships with companies in the life science sector. In 2019, Arboretum Ventures raised a \$250 million fund, the largest fund raised in Michigan's history and surpassing the firm's previous \$220 million fund raised in 2015. Since its founding in 2002, Arboretum Ventures has raised a total of \$700 million over five funds to advance technologies in the life sciences sector.

**Bloomscape** is a Detroit and Spring Lake-based consumer products company founded by Justin Mast that delivers plants directly from the greenhouse to the consumer. The company has received investment from multiple Michigan investors, including Detroit Venture Partners, ID Ventures, Invest Michigan and Ludlow Ventures, and recently raised a Series A financing round of \$7.5 million. Bloomscape currently employs 19 people and has plans to grow its team, increase greenhouse processing facilities nationwide, and expand the variety of plants available.

**Censys** is an Ann Arbor-based information technology company founded by David Adrian, David Corcoran, J. Alex Halderman and Zakir Durumeric that provides continuous digital asset tracking and detection. The company has received investment from Michigan entrepreneurs and investors Dug Song and Jon Oberheide. Censys currently employs 32 people and serves over 50 customers. The company plans to expand its revenue by selling to enterprise and government markets around the world.

**Ferris Wheel** is a Flint-based hub for entrepreneurs and innovators who seek a modern and collaborative office environment. The hub is designed to promote the exchange of information, ideas and resources within an accessible and high-energy workspace. Ferris Wheel also engages in grassroots outreach efforts to promote entrepreneurial education in the community. In 2019, Ferris Wheel achieved 92% occupancy.

**Grand Ventures** is a Grand Rapids-based venture capital firm that fosters partnerships with companies in the information technology sector. In 2019, Grand Ventures raised its first fund, a \$28 million fund focused on seed and early-stage software-as-a-service (SaaS) companies making them one of the largest debut funds in the Midwest. Since its founding in 2017, Grand Ventures has made 7 investments and expects to fuel the growth of up to 20 information technology companies.

**HistoSonics** is an Ann-Arbor based life science company that has developed a non-invasive robotic platform and innovative sonic beam therapies. In 2019, the company secured a Series C financing of \$58 million. The growing company has received investment from Michigan-based investors, including Venture Investors and Grand Angels, among others. With support from its partners, HistoSonics currently employs 35 people. The company's platform delivers personalized, tissue-specific treatments with unparalleled precision and control.

**Orbion Space Technology** is a Houghton-based advanced materials and manufacturing company founded by Jason Sommerville and Brad King that develops and manufactures satellite propulsion systems. The company has received investment from multiple Michigan investors, including Wakestream Ventures, Invest Michigan, and ID Ventures. Orbion currently employs 10 people and plans to double their workforce over the next two years.

**StockX** is a Detroit-based technology company that enables the buying and selling of high-demand consumer products. In 2019, the company secured a record-breaking Series C funding round of \$110 million, the largest venture capital raise in Michigan's history. The company received investment from Michigan investors, including Detroit Venture Partners, world-renown rapper Eminem, and angel investor Jonathon Triest, among others. With support from its partners, StockX currently employs 800 people globally, 500 of whom are based in Detroit. The company is now valued at \$1 billion and plans to extend its international reach by diversifying product categories and establishing more physical locations in key markets around the world.

**Venture Investors** is an Ann Arbor-based venture capital firm that fosters partnerships with companies in the life science sector. In 2019, Venture Investors raised a \$75 million fund to support the development and commercialization of medical breakthroughs. Founded in 1982, Venture Investors is one of the oldest venture capital funds in Michigan. Venture Investors has raised a total of \$275 million over six funds, investing \$54 million in Michigan-based companies.





## Diversity in Michigan's Entrepreneurial & Investment Community

Michigan, along with the rest of the nation, is seeing success and profits from diverse professionals within the entrepreneurial and investment landscape. However, statewide funding data indicates that companies led by underrepresented groups are systemically underfunded.

## Total Capital Invested in Michigan

In Michigan, 71 startups received over \$2.1 billion from venture capital firms in 2019. Of that, \$146 million was invested in 22 Michigan startup companies led by a CEO who is a member of an underrepresented group.

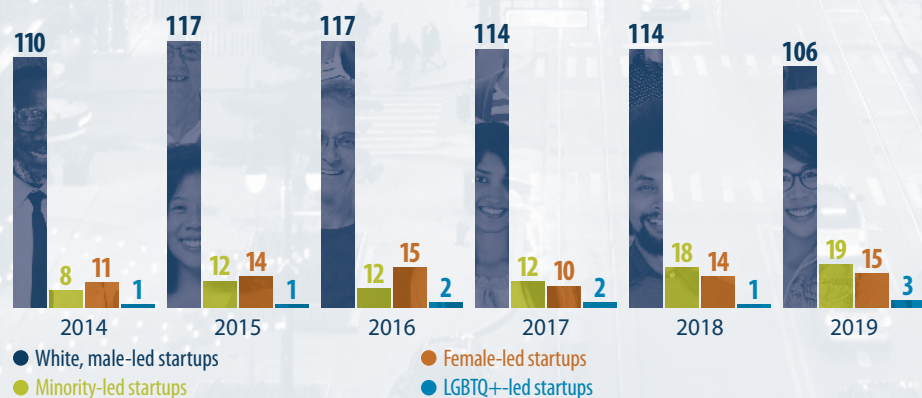
- \$29.4 million invested in female-led startups.
- \$109.2 million invested in racial minority-led startups. *Over the past five years, there has been nearly a 30x increase in the amount invested in minority-led startups which mirrors fundraising trends in the Michigan entrepreneurial community overall. In the last year, significant rounds were raised by Clinc, Llamasoft, Ocuphire Pharma and Movellus among others which attributed to the sharp increase in this subset of the data.*
- \$7.6 million invested in LGBTQ+-led startups.



## Diversity in Michigan's Entrepreneurial Community\*

There are currently 144 venture-backed startup companies in Michigan.

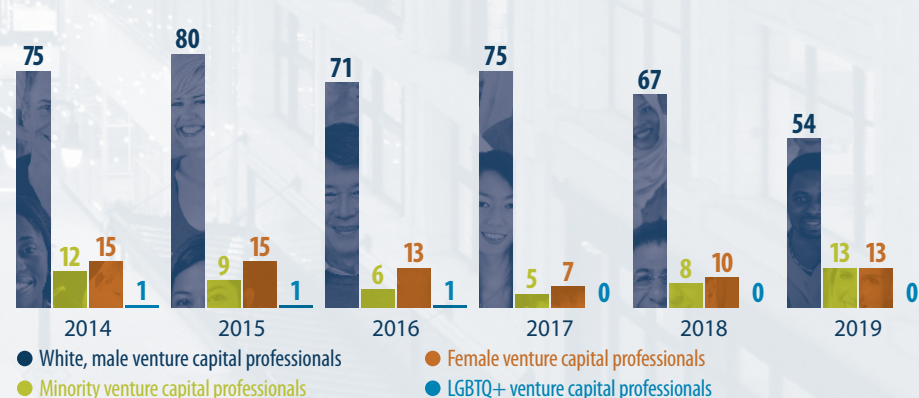
- 13% of Michigan venture-backed startups were led by a CEO who is a racial minority, compared to 5.6% of CEOs of Fortune 500 companies nationally.<sup>1</sup> 39% of the U.S. population are racial minorities.<sup>2</sup> *Since the start of this research in 2014, there has been a 138% increase in the number of racial minority-led startups in Michigan.*
- 10% of Michigan venture-backed startups were led by a female CEO, compared to 7.2% of CEOs of Fortune 500 companies nationally.<sup>1</sup> 50% of the U.S. population are female.<sup>2</sup>
- 2% of Michigan venture-backed startups were led by a CEO who identifies as LGBTQ+. 5% of the U.S. population identifies as LGBTQ+.<sup>3</sup>



## Diversity in Michigan's Venture Capital Community\*

There are currently 80 venture capital professionals in Michigan.

- 16% of venture capital professionals in Michigan are racial minorities, compared to 24% of venture capital professionals nationally.<sup>4</sup> 39% of the U.S. population are racial minorities.<sup>2</sup>
- 16% of venture capital professionals in Michigan are female, compared to 21% of venture capital professionals nationally.<sup>4</sup> 50% of the U.S. population are female.<sup>2</sup>
- None of the venture capital professionals in Michigan identify as LGBTQ+. 5% of the U.S. population identifies as LGBTQ+.<sup>3</sup>



\*If an individual falls into multiple categories, the total may be greater than 100%  
 Source: <sup>1</sup>Fortune <sup>2</sup>United States Census Bureau <sup>3</sup>Gallup <sup>4</sup>NVCA-Deloitte Human Capital Survey

# Attracting Capital to MICHIGAN

MICHIGAN'S VENTURE CAPITAL COMMUNITY PLAYS A CRITICAL ROLE IN ATTRACTING AND LEVERAGING OUTSIDE INVESTMENT CAPITAL. LOCAL FIRMS ARE OFTEN THE FIRST TO IDENTIFY STRONG MICHIGAN-BASED INVESTMENT OPPORTUNITIES AND CAN THEN PROVIDE DEAL LEADERSHIP.

144

There are **144 venture-backed startup companies in Michigan**, an increase of 12% over the last five years, that are strengthening Michigan's economy by attracting and hiring talent in the state.

\$1.21B

An estimated **\$1.21 billion of additional venture capital** will be required to adequately fund the growth of Michigan's 144 startup companies in the next two years.

\$396M

An estimated **\$396 million is reserved for follow-on financing** into existing portfolio companies across the United States.

\$45.71

For every **\$1** invested in a Michigan startup by a Michigan-based venture capital firm, **\$45.71** of investment is attracted from outside of Michigan.

542

**542 venture capital firms from outside of Michigan** have invested in Michigan-based startups.

2%

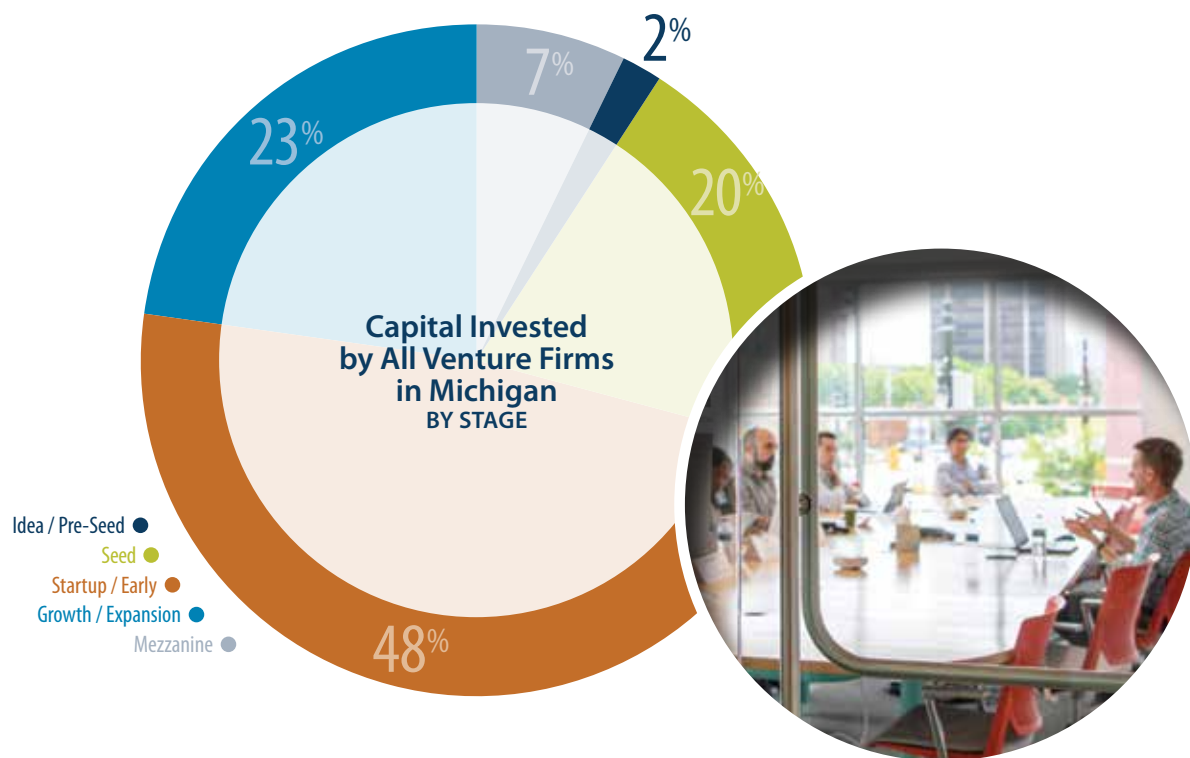
Michigan venture capital firms contributed **2%** of the total capital invested in Michigan startups in the last year. The remaining investments came from venture capital funds outside of Michigan.

# Diversifying Michigan's Economy

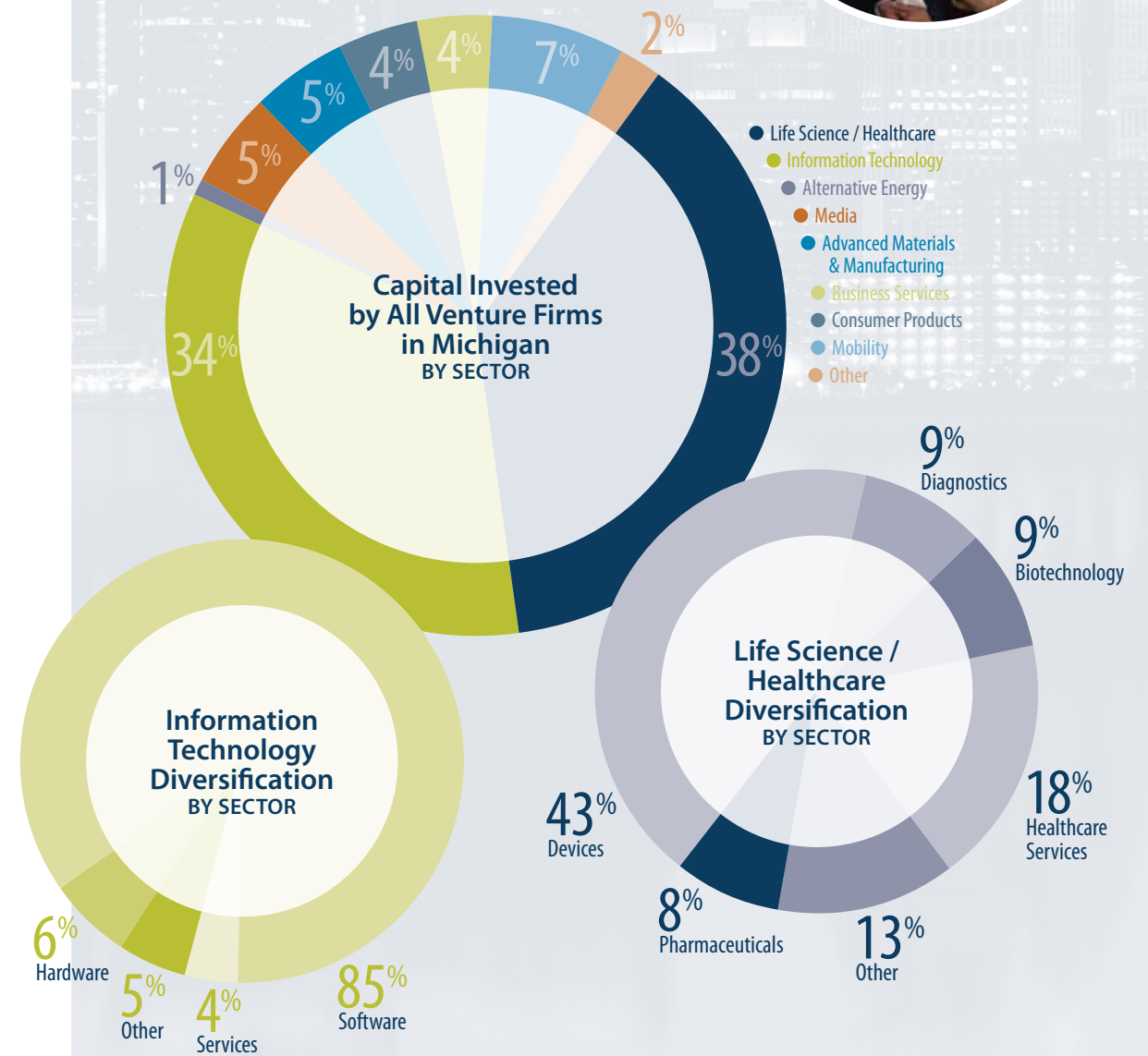
Venture capital investors in Michigan support startup companies across a wide variety of sectors, stages and backgrounds, resulting in a robust and diversified economy in the state.

- The life science sector continues to be the focus of capital deployment with 38% of total capital invested. Medical device startups accounted for 43% of all investment made in the life science sector.
- The information technology sector received 34% of total capital invested. Software companies accounted for 85% of all investments made in the information technology sector.
- 48% of total capital invested by Michigan venture capital firms is in companies that are in the startup/early stage. Companies in the startup/early stage have a developed product or service they are selling to a target market. These startups fund activities with venture capital and are starting to earn revenues from operations, but are not yet cash flow-positive.

## Stage Diversification Analysis BY DOLLARS INVESTED



## Sector Diversification Analysis BY DOLLARS INVESTED



## Fundraising Analysis

- In the last year, Michigan-based venture firms managed 61 funds, while out-of-state firms with Michigan offices managed 25 funds. Together, these 86 funds had 444 active portfolio companies, a 10% decrease from five years ago.
- The average venture capital fund size among Michigan-based firms is \$60 million. If out-of-state funds with a Michigan office are included, the average fund is \$68 million.

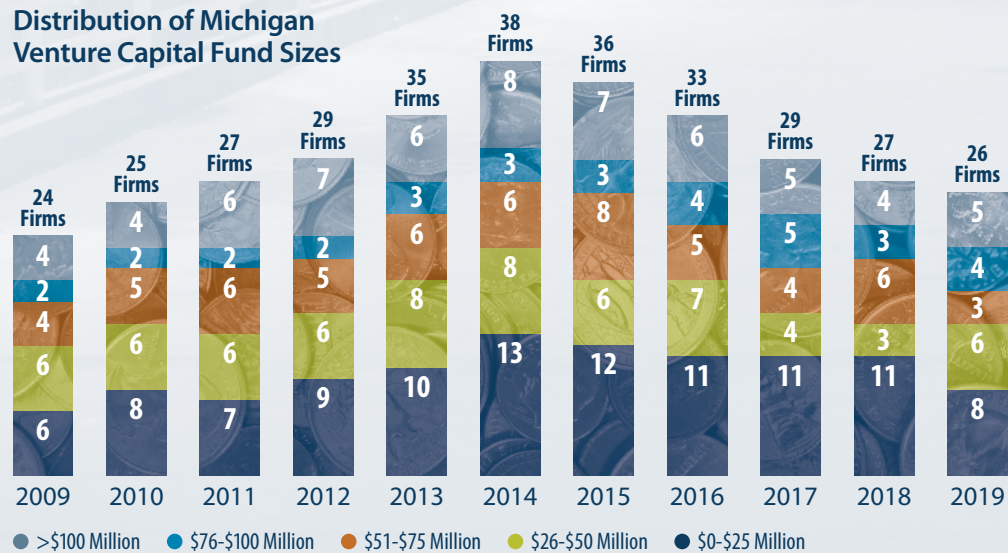
### Fundraising Targets

- In 2019, venture firms with a presence in Michigan were targeting to raise a total of \$722 million. The total amount reported to have been raised in 2019 was \$623 million, only 14% less than targeted.

### Venture Firm Experience

- There are 80 venture capital professionals living, working and investing in Michigan, a decrease of 30% from five years ago.
- Although the number of venture capital firms in Michigan has decreased, existing venture capital firms are finding success raising new funds and building a greater track record of investment in Michigan. **54% of venture capital firms in Michigan have managed three or more funds.**
  - Venture firms with headquarters in Michigan managed an average of 3 funds.
  - Venture firms with an office in Michigan but headquartered elsewhere managed an average of 4 funds.

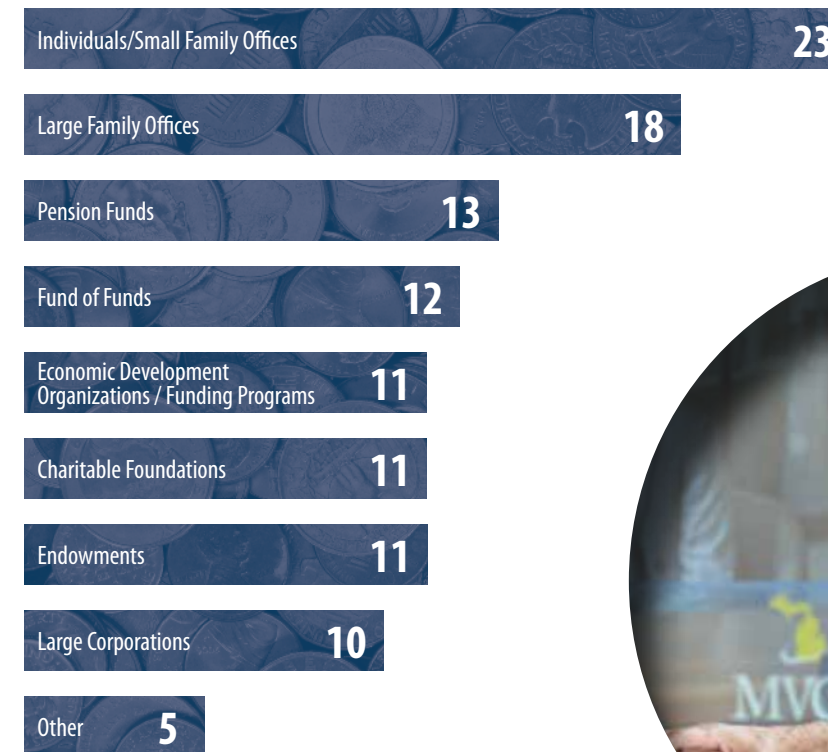
### Distribution of Michigan Venture Capital Fund Sizes



## Sources of Capital for Michigan Venture Firms

- 12 of the existing venture firms in Michigan are currently targeting to raise \$627 million in 2020. The average target fund size is just over \$92 million.
- The most common sources of capital for venture firms in Michigan are individuals, small family offices, large family offices, pension funds and fund of funds. This is a shift from the prior year, in which large corporate offices were a more common source of capital than pension funds.

### Popular Sources of Capital for the 26 Venture Firms in Michigan



# Michigan's Role in the National Landscape



Michigan is a leader of innovation and has successfully created an attractive environment for early-stage investing. In the last five years, Michigan's venture capital community has demonstrated strong growth in many key metrics, out-pacing the national venture capital landscape over the same time period.

## NATIONAL VENTURE CAPITAL STATISTICS<sup>1</sup>

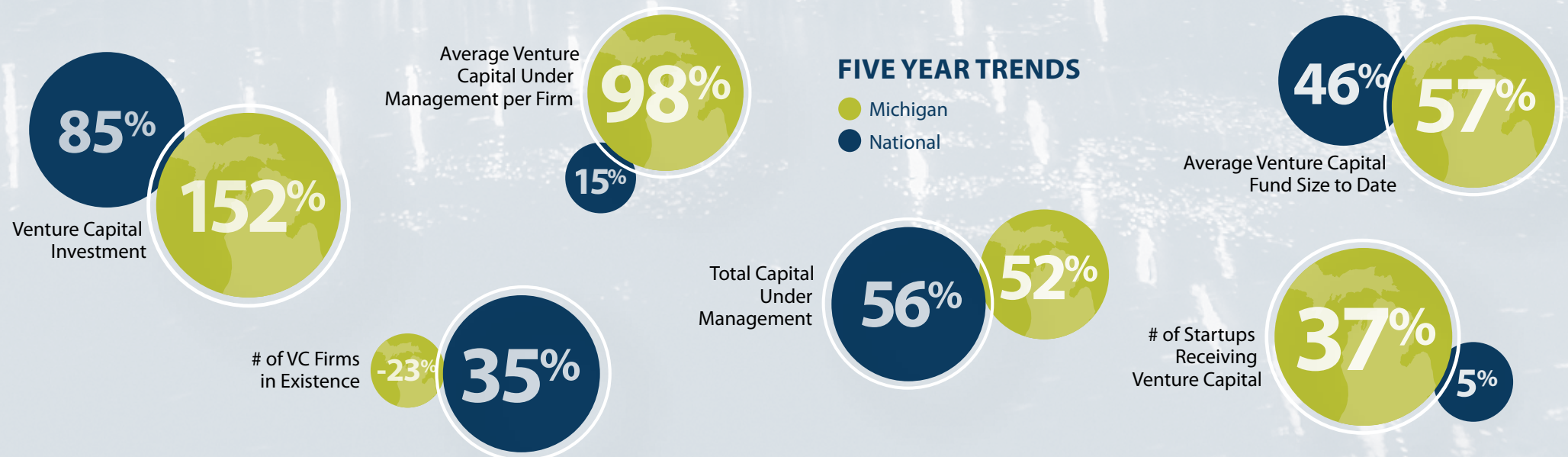
	2014	2015	2016	2017	2018	2019
Number of VC Firms in Existence	981	1,041	1,094	1,200	1,284	1,328
Total Capital Under Management (\$B)	\$285.5	\$315.6	\$334.4	\$347.1	\$425.1	\$444.3
Average Venture Capital Under Management per Firm (\$M)	\$291	\$303	\$306	\$289	\$331	\$335
Average Venture Capital Fund Size (\$M)	\$130	\$127	\$142	\$138	\$203	\$189
# of Startups Receiving Venture Capital	9,922	10,366	9,219	9,853	9,939	10,430
Venture Capital Investment (\$B)	\$72	\$83	\$78	\$87	\$142	\$133

Source: <sup>1</sup> National Venture Capital Association 2020 Yearbook

## MICHIGAN VENTURE CAPITAL STATISTICS\*

	2014	2015	2016	2017	2018	2019
Number of VC Firms in Existence	26	25	25	21	20	20
Total Capital Under Management (\$B)	\$1.7	\$2.2	\$2.4	\$2.2	\$2.2	\$2.7
Average Venture Capital Under Management per Firm (\$M)	\$67	\$88	\$96	\$103	\$110	\$133
Average Venture Capital Fund Size (\$M)	\$38	\$45	\$50	\$50	\$48	\$60
# of Startups Receiving Venture Capital**	51	74	54	68	61	70
Venture Capital Investment (\$M)**	\$204	\$282	\$222	\$179	\$385	\$514

\*Venture Capital Firms Headquartered in Michigan  
 \*\*Excluding Rivian investment in 2019 for this analysis





## About Michigan Venture Capital Association

# MVCA OVERVIEW

The MVCA Board of Directors and staff are dedicated to expanding opportunities for the growth of Michigan's entrepreneurial and investment community through the following programs, services, and publications:

### ADVOCACY

Core to MVCA's mission is serving as the statewide voice for Michigan's growing entrepreneurial and investment community. MVCA educates, advocates and communicates to legislators, the media and the general public regarding entrepreneurial investment opportunities, challenges and successes in Michigan.

### EVENTS

MVCA facilitates the development of a strong network within the Michigan entrepreneurial and investment community and builds connections with out-of-state angel and venture investors through targeted meetings and events.

### RESEARCH

MVCA distributes an annual research report that provides a comprehensive summary of venture capital investment activities across Michigan. MVCA works with the National Venture Capital Association, Pitchbook, the U.S. Census Bureau and the Angel Capital Association to provide information about Michigan's entrepreneurial and investment activities relative to national trends. The annual research report is the critical source of quantitative information used to unite the Michigan entrepreneurial and investment community in driving initiatives that encourage growth in the state.



### OUTREACH

MVCA broadens the reach of Michigan's entrepreneurial and investment community by building relationships and educating national partners on opportunities and trends in Michigan.

### PROGRAMS

MVCA provides program development assistance to Michigan's entrepreneurial and economic support organizations on matters targeting Michigan's talent and capital gaps. In this role, MVCA collaborates with organizations by facilitating research, providing direction and assembling feedback within the proposed programs' scope, aiming to help shape the ultimate goals and desired outcomes of these programs so that they best suit the identified needs of Michigan's entrepreneurial and investment community.

# GET CONNECTED with Michigan's Entrepreneurial & Investment Community

Check out the Michigan Entrepreneurial & Investment Landscape Guide and interactive Map on **MichiganVCA.org** — it connects people with the resources and organizations in Michigan to launch and grow their business!

Michigan Venture Capital Association fosters a collaborative entrepreneurial and investment community to help companies find capital, talent and research, creating more economic opportunities for everyone in the long run.



- 1 Find overviews, contact information, and investment criteria for angel groups and venture capital firms.
- 2 Identify programs offered, resources available, and company stages/sectors served by entrepreneurial support organizations and service providers.
- 3 Search by a specific region using the interactive *Landscape Map* online to find all these organizations PLUS startup companies!

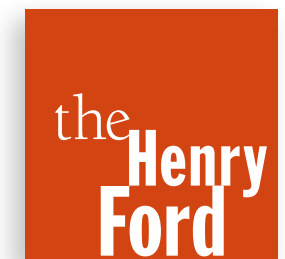
ACCESS THE INFORMATION ANYTIME, ANYWHERE:

[www.MichiganVCA.org](http://www.MichiganVCA.org)



# SAVE THE DATE

2020 MVCA Annual Awards Dinner



**NOVEMBER 10, 2020**

20900 Oakwood Blvd, Dearborn, MI.  
Digital invitation to follow.

[WWW.MICHIGANVCA.ORG](http://WWW.MICHIGANVCA.ORG)

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We are proud to serve Michigan's Entrepreneurial and Venture Capital Community.

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Research was conducted and developed by EntryPoint, LLC.