



MICHIGAN VENTURE CAPITAL

2016 Annual Research Report





**SOME ECONOMIC ENGINES
ARE MORE FUN THAN OTHERS.**

GM Ventures is proud to support the Michigan venture capital community and recognizes the economic growth potential it provides the state of Michigan.

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MGCS MICHIGAN GROWTH CAPITAL SYMPOSIUM



The MGCS is the Midwest's premier showcase that brings the latest technology and emerging innovations to the investment community. This year marks the 35th edition of the MGCS, which has seen continued success made possible by your support. Thank you!

www.MichiganGCS.com



“The only thing that gives an organization a competitive edge is what it knows, how it uses what it knows, and how fast it can know something.”

Larry Prusak



Dear Readers

The Michigan Venture Capital Association (MVCA) is pleased to present the 2016 MVCA Research Report, the authoritative study providing in-depth analysis of entrepreneurial and investment activity in the state. Our report, comparing 15 years' worth of data contributed by 100+ member organizations, shows steady and consistent growth of the venture and angel capital industry in Michigan, in many cases outpacing national trends. Venture capital firms and angel investors in Michigan have firmly established their role in jump-starting and sustaining Michigan's economic recovery and they continue to build on the momentum needed to create more companies and new jobs in Michigan.

The number of venture capital firms headquartered in Michigan, their total capital under management, and number of venture capital investments made in Michigan has doubled and in some cases tripled in the last five years. Nationally, these numbers have decreased. Michigan-based venture capital firms have more capital under management than ever before: \$2.2 billion, a 47% increase in capital used to power Michigan's entrepreneurial economy. Michigan venture investors have financed nearly all 141 venture-backed companies in Michigan. They're a crucial piece of almost every early-stage deal done in the state, and a critical funding source for entrepreneurs launching high growth, high potential businesses.

Our angel investment community has also grown substantially, as nine angel groups in Michigan were comprised of 294 investors, a 59% increase in angel participation in the last five years, with a tenth angel group in formation. Angel groups invested more than \$16 million in Michigan startups in 2015, and Michigan's Grand Angels was listed among the three most active angel groups in the country.

Because overcoming race, gender, or sexual orientation biases is certain to make us better investors and more successful entrepreneurs, this year, MVCA continued its look at the impact of diversity in the entrepreneurial and investment landscape with the MVCA Diversity Study. Working in collaboration with the University of Michigan Law School, the study revealed that Michigan is seeing success and profits from teams led by people of color, LGBTQ and female professionals within the entrepreneurial and investment landscape, but statewide data suggests companies led by underrepresented groups may be systemically underfunded and there is still plenty of work to do.

The 2016 MVCA Research Report makes clear venture and angel investors are integral to Michigan's ability to continue its economic comeback. With that momentum behind us, we look forward to fulfilling our organization's important mission: to grow and sustain a vibrant venture capital community in Michigan.

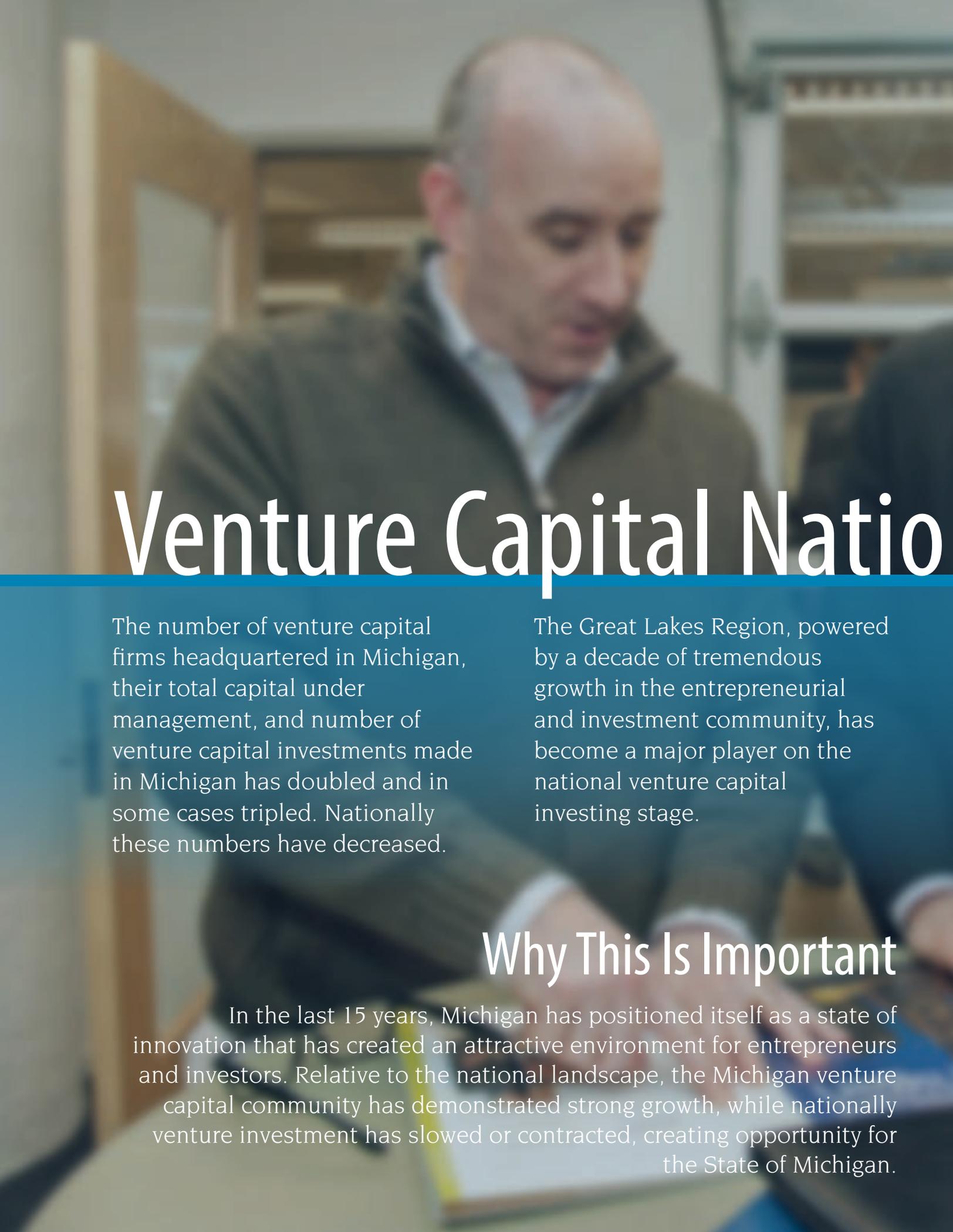
All the best,



Maureen Miller Brosnan

Maureen Miller Brosnan
Executive Director





Venture Capital Natio

The number of venture capital firms headquartered in Michigan, their total capital under management, and number of venture capital investments made in Michigan has doubled and in some cases tripled. Nationally these numbers have decreased.

The Great Lakes Region, powered by a decade of tremendous growth in the entrepreneurial and investment community, has become a major player on the national venture capital investing stage.

Why This Is Important

In the last 15 years, Michigan has positioned itself as a state of innovation that has created an attractive environment for entrepreneurs and investors. Relative to the national landscape, the Michigan venture capital community has demonstrated strong growth, while nationally venture investment has slowed or contracted, creating opportunity for the State of Michigan.

“We’re thrilled to see the strides Michigan has made in establishing itself and the Great Lakes Region as a place where venture capital firms and startups can flourish. By all measures, Michigan stands out as prime location for innovation to thrive.”

Bobby Franklin President & CEO, National Venture Capital Association

nally

The Great Lakes Region had a series of nationally recognized fundraising successes last year, among them a \$220 million fund, the largest in Michigan history.

Venture Capital Nationally

Nationally, Michigan ranks 18th in venture capital invested as a result of the emphasis the state has placed on entrepreneurship over the past 15 years. As venture investment contracts nationally this presents a great opportunity for Michigan to attract capital and further grow the entrepreneurial economy.



In the last 15 years, the number of venture capital firms in Michigan has grown by 257% while decreasing by 14% nationally.



In the last 15 years, the total capital under management at venture firms headquartered in Michigan has grown by 325% while decreasing by 37% nationally.



In the last 15 years, the total number of venture capital investments in Michigan has grown by 145% while decreasing by 5% nationally.

NATIONAL VENTURE CAPITAL STATISTICS²

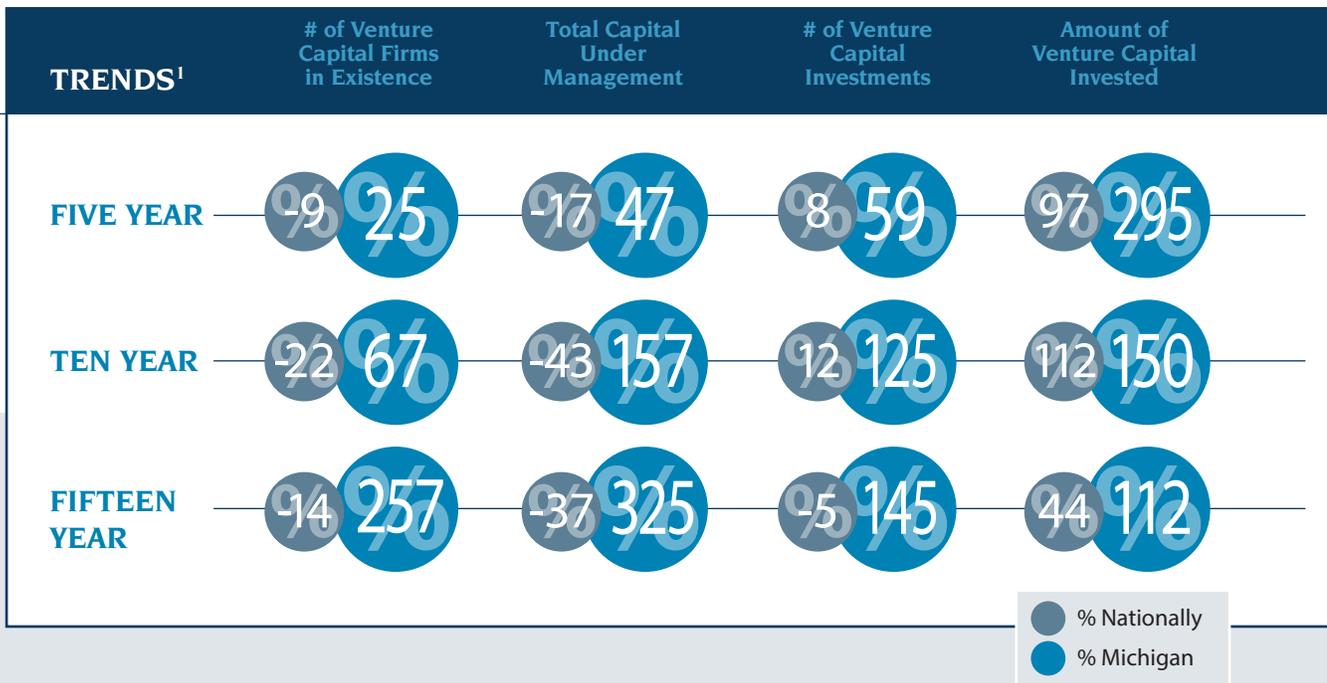
	2001	2002	2003	2004	2005
# of Venture Capital Firms in Existence	923	921	951	985	1009
Total Capital Under Management (\$B)	\$262.0	\$262.3	\$263.9	\$271.1	\$278.2
Avg. Venture Capital Under Management per Firm (\$M)	\$283.9	\$284.8	\$277.5	\$275.2	\$275.7
Avg. Venture Capital Fund Size (\$M)	\$141.5	\$142.9	\$147.6	\$150.4	\$157.7
# of Venture Capital Investments	4,596	3,217	3,037	3,236	3,302
Venture Capital Investment (\$M)	\$40,939	\$22,203	\$19,682	\$22,852	\$23,245

MICHIGAN VENTURE CAPITAL STATISTICS¹

	2001	2002	2003	2004	2005
# of Venture Capital Firms in Existence	7	9	11	13	15
Total Capital Under Management (\$B)	\$0.52	\$0.54	\$0.60	\$0.79	\$0.84
Avg. Venture Capital Under Management per Firm (\$M)					
Avg. Venture Capital Fund Size (\$M)					
# of Venture Capital Investments	22	27	18	17	21
Amount of Venture Capital Invested (\$M)	\$155	\$109	\$95	\$134	\$93

¹ Combined data from MVCA and NVCA; MVCA data represents firms headquartered in Michigan

² National Venture Capital Association



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1022	1016	886	823	853	881	883	874	803	798
\$288.9	\$264.3	\$206.3	\$179.7	\$184.7	\$199.3	\$200.2	\$192.9	\$156.5	\$165.3
\$282.7	\$260.1	\$232.8	\$218.0	\$216.5	\$226.2	\$226.7	\$220.7	\$194.9	\$207.1
\$168.4	\$165.3	\$150.6	\$146.0	\$144.5	\$149.3	\$150.1	\$144.9	\$129.8	\$135.0
3,896	4,233	4,206	3,170	3,677	4,050	3,991	4,295	4,442	4,380
\$27,865	\$32,105	\$30,436	\$20,334	\$23,530	\$29,908	\$27,663	\$30,305	\$50,843	\$59,066

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
15	15	15	16	19	20	20	23	26	25
\$0.86	\$0.90	\$1.00	\$1.10	\$1.20	\$1.50	\$1.50	\$1.60	\$1.70	\$2.20
				\$74	\$75	\$75	\$72	\$67	\$88
				\$40	\$41	\$43	\$42	\$38	\$45
24	23	46	37	31	34	52	74	51	54
\$131	\$107	\$217	\$183	\$144	\$83	\$246	\$111	\$224	\$328

Venture Capital in the Great Lakes Region

The Great Lakes Region, powered by a decade of tremendous growth in the entrepreneurial and investment community, has become a major player on the national venture capital investing stage. Within the region, Michigan's ongoing efforts to support its angel and venture capital community has led to its prominent role in the region's success.



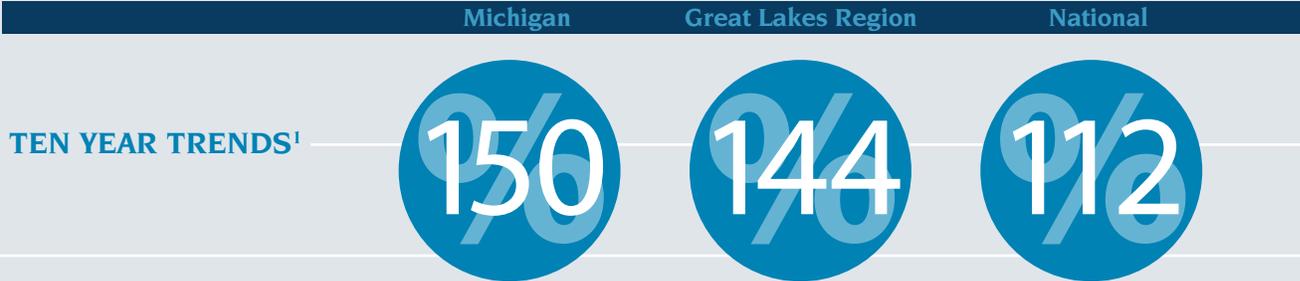
In the last 10 years, the amount of venture capital startups are receiving in the Great Lakes Region has grown by 144% compared to 112% nationally. Michigan has grown by 150%.



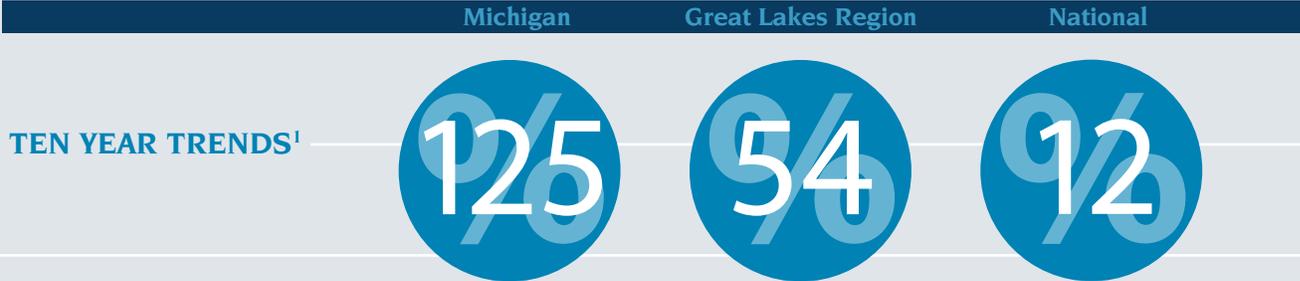
In the last 10 years, the number of companies receiving investment in the Great Lakes Region has grown by 54% compared to 12% nationally. Michigan has grown by 125%.



The Great Lakes Region has been one of the fastest growing venture capital investment regions in the country, with venture investment in Michigan increasing by 150% in the last ten years.



The number of venture capital investments made has grown significantly in Michigan and in the Great Lakes Region during periods when national venture capital activity growth was slowing or contracting.



¹National Venture Capital Association

We can attribute the rising profile of venture investing in the Great Lakes Region to a series of nationally recognized successes.

- The Great Lakes venture community has celebrated several fundraising milestones. Michigan-based Arboretum Ventures raised a record \$220 million fund, the largest in Michigan history; Drive Capital in Ohio closed its \$250 million fund, the second-largest inaugural fund raised in the country last year.
- Significant financings were achieved by Great Lakes venture-backed companies. In total, nearly \$2 billion of new venture capital was invested in Great Lakes Region companies in 2015.

The Great Lakes Region continues to launch and grow companies that can thrive nationally, supported by local venture firms whose investment activity has gained the region national prominence. Even as the region outpaces the nation in growth in these areas, the region must sustain this momentum in order to secure the long-term viability of a robust entrepreneurial community.



Venture Capital in Mic

Michigan-based venture capital firms have more capital under management than ever before: \$2.2 billion, an 47% increase in capital used to power Michigan's entrepreneurial economy in the last five years.

There are 36 venture firms with an office or headquarters in Michigan. This is a 33% increase in the last five years.

In 2015, venture capital firms with a presence in Michigan targeted a fundraising goal of \$599 million. The total amount raised in 2015 was \$389 million, 35% less than targeted.

Seventy-four companies in Michigan received more than \$282M from Michigan venture capital firms in 2015. This is a 48% increase in the last five years.

Why This Is Important

Venture investors have firmly established their role in jump-starting and sustaining Michigan's economic recovery and they continue to build on the momentum of the last five years to create more companies and new jobs in Michigan.

“Michigan’s economic comeback continues as a result of significant investment in bright ideas coming from brilliant minds right here in Michigan. Michigan’s venture and angel investors are going to keep doing their part to keep the momentum going.”

Maureen Miller Brosnan Executive Director, Michigan Venture Capital Association

higan

Michigan venture investors finance nearly every Michigan venture-funded startup. They’re a crucial piece of almost every early-stage deal done in the state.

There are currently 141 venture-backed companies in Michigan, a 48% increase in the last 5 years.

Every \$1 invested in a Michigan startup by a Michigan venture capital firm attracts \$4.31 of investment from outside of Michigan.

Michigan's Venture Capital Firms

There are 36 private venture firms operating in Michigan. Twenty-five are headquartered in Michigan and an additional 11 are headquartered elsewhere with a Michigan office. There are also two funds-of-funds and two corporate venture funds in Michigan. Taken together, these firms employ a total of 143 investment professionals in Michigan.



VENTURE CAPITAL FIRMS HEADQUARTERED IN MICHIGAN

- Apjohn Ventures
- Arbor Partners
- Arboretum Ventures
- Augment Ventures
- Beringea
- BioStar Ventures
- Cascade Partners*
- Detroit Innovate
- Detroit Venture Partners
- EDF Ventures*
- First Step Fund
- Fontinalis Partners
- Hopen Life Science Ventures
- Huron River Ventures
- IncWell
- Ludlow Ventures
- Michigan Accelerator Fund I
- Michigan eLab
- North Coast Technology Investors
- Plymouth Ventures
- Resonant Venture Partners
- RPM Ventures
- Start Garden
- TGap Ventures
- Wolverine Venture Fund*

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

- Arsenal Venture Partners
- Baird Capital
- Cultivian Sandbox Ventures
- Draper Triangle Ventures
- Early Stage Partners
- Flagship Ventures*
- Mercury Fund
- MK Capital
- Open Prairie Ventures*
- Three Leaf Ventures **New in 2015**
- Venture Investors

MICHIGAN-BASED VENTURE CAPITAL FUND OF FUNDS

- Renaissance Venture Capital Fund
- Venture Michigan Fund

CORPORATE VENTURE FUNDS

- Dow Venture Capital
- GM Ventures

* Did not submit survey for 2016 MVCA Research Report

Capital Under Management

Venture capital under management in Michigan continues a steady growth trend.



Last year, Michigan-based venture capital firms had \$2.2 billion in capital under management, an increase of 47% in the last five years.

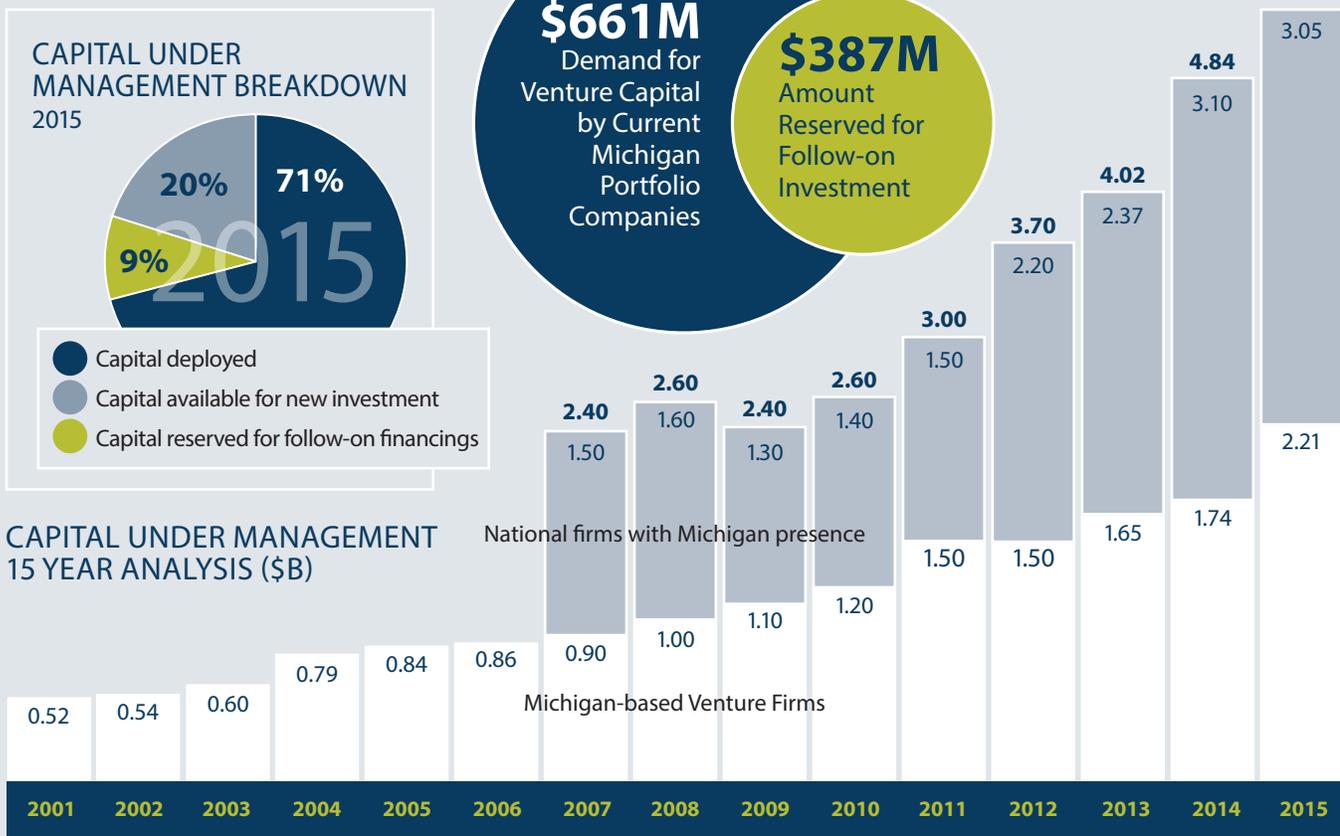


Venture capital firms estimate Michigan portfolio companies will need \$661M over the next two years, a sharp contrast to the \$387M available for follow-on investment.



Venture capital firms with a presence in Michigan have already deployed 71% of their capital under management. Only 20% is available for new investments.

About \$387 million is reserved for follow-on investment for existing Michigan-based portfolio companies, an increase of 260% from last year. MVCA survey respondents estimated actual follow-on demand by existing Michigan portfolio companies over the next two years will approach \$661 million, reflecting the need for additional funds to help Michigan's many venture-backed companies succeed.



2015 Venture Investment Activity

Strong Michigan venture firms are a critical factor in the success of Michigan startups. With Michigan venture investors backing nearly every Michigan venture-funded startup, the health of our state's entrepreneurial economy hinges on our ability to provide capital to our high-growth, high potential companies.



There are currently 141 venture-backed companies in Michigan, an 48% increase in the last 5 years

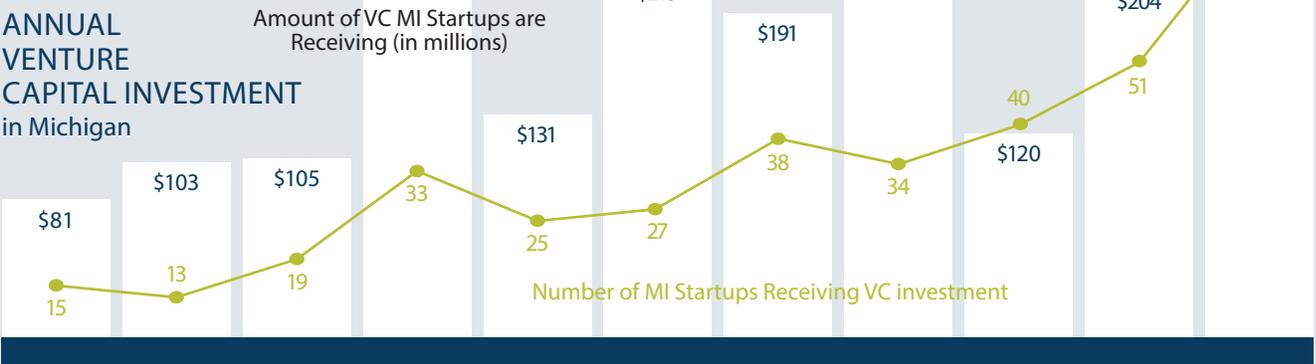


74 companies in Michigan received more than \$282M from Michigan venture capital firms in 2015. This is an 48% increase in the last 5 years.

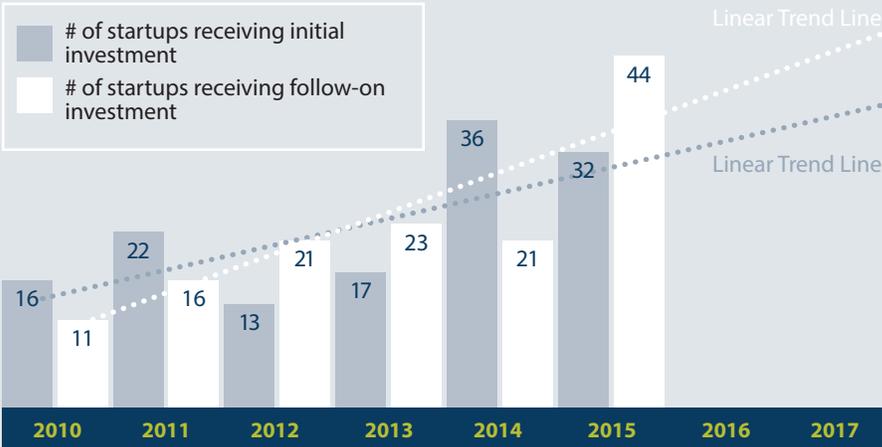
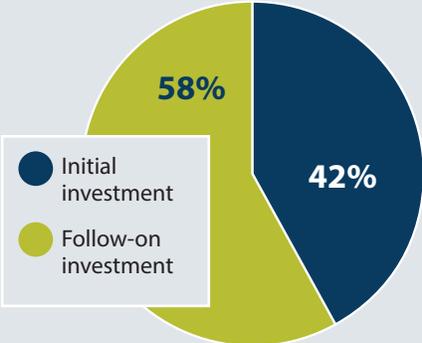


Michigan venture investors finance nearly all Michigan venture-funded startups.

In Michigan 74 startups received more than \$282.5 million from venture capital firms in 2015. This is a 48% increase in the last five years (and a 174% increase in the last ten years!). There are now 141 venture-backed companies growing and hiring in Michigan, an increase of 48% in the last five years.

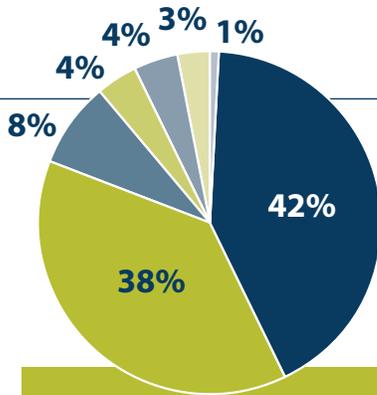


In 2015, 32 startups received venture capital funding for the first time, while an additional 44 companies received continued support from a Michigan venture capital firm.

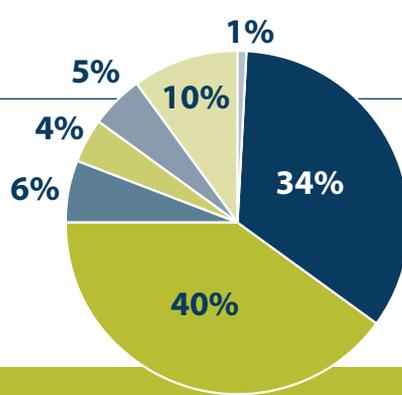


This year, the rate of growth in companies receiving follow-on investment is higher than the rate of growth of companies receiving initial investment.

Amount Invested by Michigan Venture Capital Firms BY SECTOR



Number of Startups Receiving Capital from Michigan Venture Capital Firms BY SECTOR



While Michigan venture funds invest in a wide variety of sectors, the life science and information technology sectors continued to be the main focus of capital deployment in 2015. Thirty-four percent of the startups that received venture capital funding from Michigan venture capital firms were life science companies. Forty percent of the companies that received venture capital funding in 2015 were information technology companies.

In 2015, most investments made by firms were in Series A rounds followed by transactions in Seed rounds and Series B rounds.

74 MICHIGAN STARTUPS RECEIVED VENTURE CAPITAL INVESTMENT IN 2015

Advanced Materials and Manufacturing

- ArborLight
- PicoSpray

Business Services

- Lynx Network Group
- Service.com

Consumer Products

- Oxx
- Sentinel
- Stratos

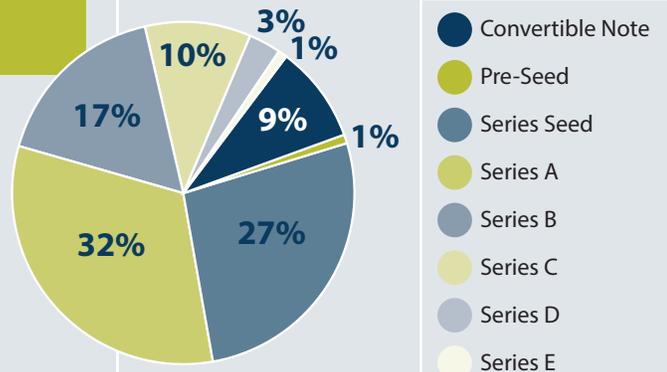
Information Technology

- 365 Retail Markets
- AdAdapted
- Alsentis
- AMF Nano
- Amplifinity
- Are You a Human
- Benefit
- Blue Medora
- Boost Up
- Clinic
- Cosmos Labs
- Deepfield Networks
- GAPro
- Gingkotree
- Grand Circus
- GuardHat
- HT Mobile Apps
- IDV Solutions

- iRule
- Larky
- Level Eleven
- Local Orbit
- MakerOS
- MyFab5
- Nutshell
- OwnThePlay
- Passage
- PawnGuru
- Quikly
- Sight Machine
- SkySpecs
- SocialProof
- Sportsman Tracker
- Techstars Mobility
- TowerSec
- UpTo
- Varsity News Network
- Virta Labs
- XanEdu Publishing
- Zipments Corp

Life Science / Healthcare

- Ablative Solutions
- Akadeum
- Algal Scientific Corporation
- ArborMetrix
- Celsee (fka Denovo Sciences)
- CytoPherx
- Delphinus Medical Technologies



- Gemphire
- Genomenon
- HistoSonics
- Meditory
- Millendo
- MSDC
- NanoBio
- nanoRETE
- NeuMoDx Molecular
- Resonant Therapeutics
- RespondWell
- Strata
- Swift Biosciences
- Tangent Medical
- Tissue Regeneration Systems
- Tolera

Media

- Programax

Other

- Accio Energy
- Pixel Velocity
- Sakti3

Attracting Capital to Michigan

Michigan venture firms are often the first to identify strong Michigan-based investment opportunities and can then provide deal leadership and connections to potential out-of-state syndicate partners.



Every \$1 invested in a Michigan startup by a Michigan venture capital firm attracts \$4.31 of investment from outside of Michigan

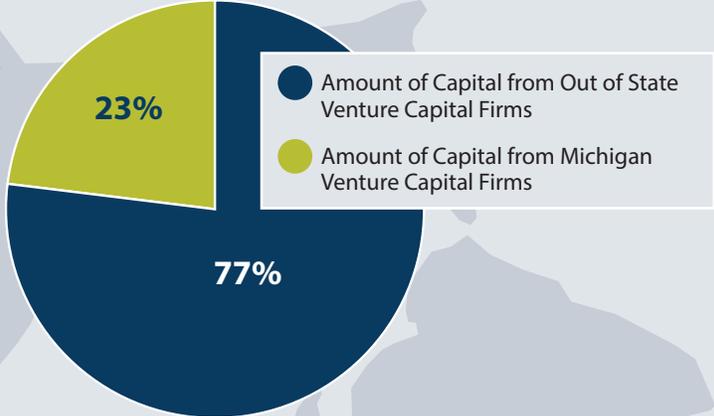


Michigan venture capital firms contributed 23% of the total capital invested in Michigan startups in the last year. The remaining investment came from venture capital firms outside of Michigan, illustrating the importance of attracting investors from beyond the state's borders.

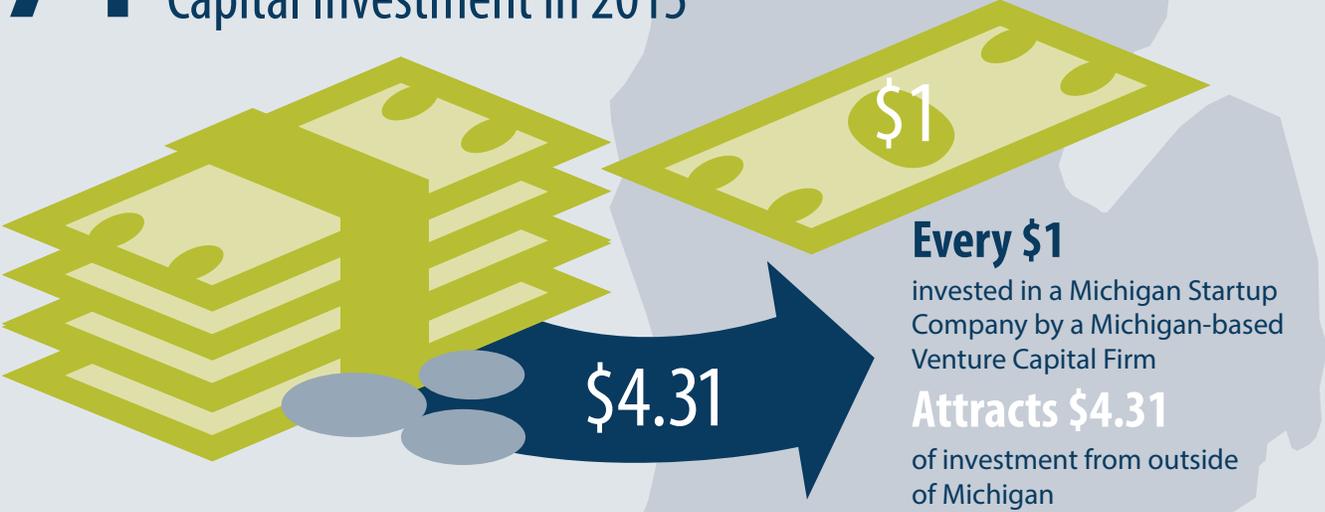


317 venture capital firms from outside of Michigan have invested in startups in Michigan.

CAPITAL RAISED BY MICHIGAN STARTUPS 2015



74 Michigan Startups Received Venture Capital Investment in 2015

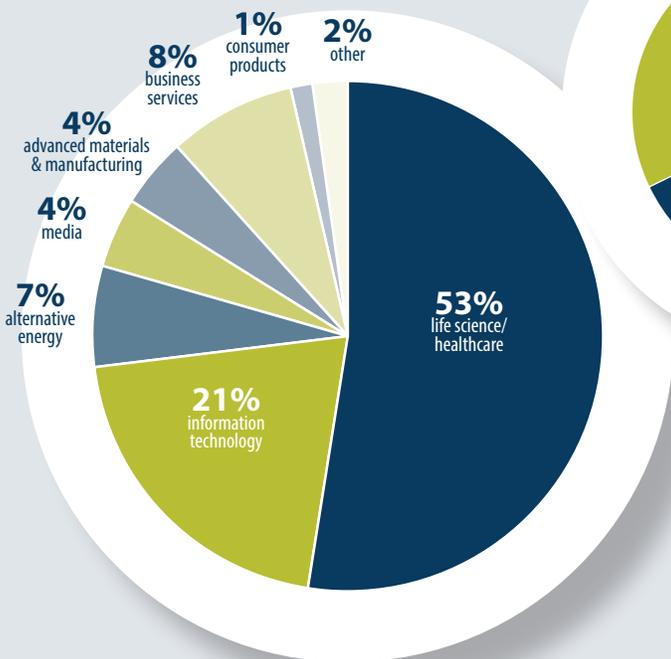


Diversifying Michigan's Economy

As Michigan's venture capital community has expanded and matured, both its sector focus and preferred stage of investment has become increasingly diverse. This variety in stage and focus is an indication of the number of investment opportunities available in Michigan and points to the potential for continued expansion of venture capital in the state.

SECTOR DIVERSIFICATION ANALYSIS

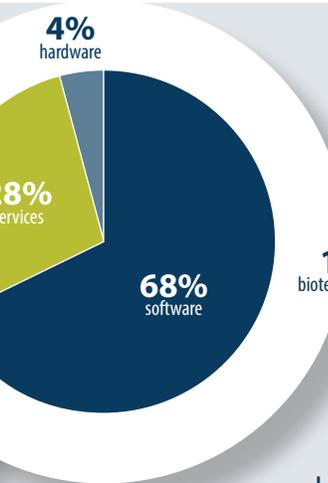
by dollars invested



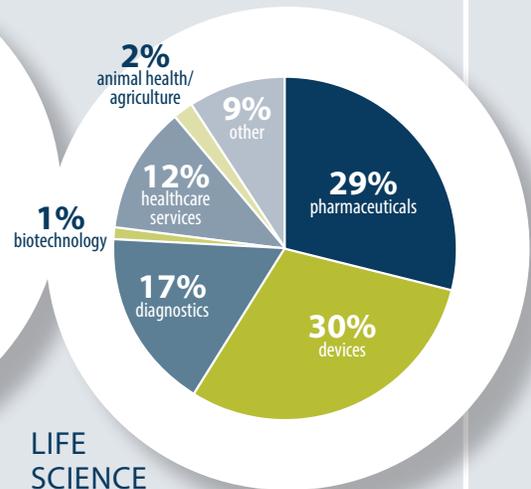
CAPITAL DEPLOYED BY ALL VENTURE FIRMS IN MICHIGAN

INVESTMENT BY MICHIGAN VENTURE CAPITAL FIRMS

- While Michigan venture funds are investing in a variety of sectors, the life science sector continues to be the main focus of capital deployment. Nearly 60% of life science investment has been in pharmaceutical and medical device startups.
- The information technology sector was 21% of total capital invested in 2015, a 18% increase over the prior year. Software companies accounted for nearly 70% of all investments made in the information technology sector.



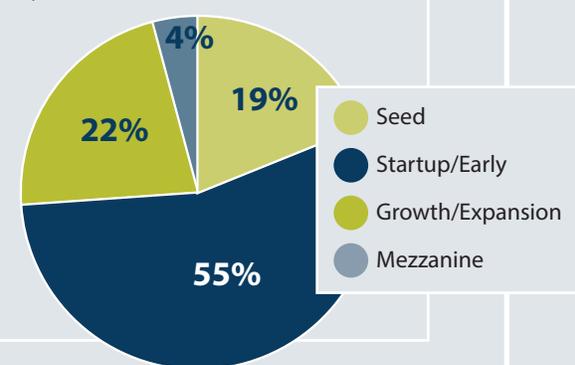
INFORMATION TECHNOLOGY



LIFE SCIENCE

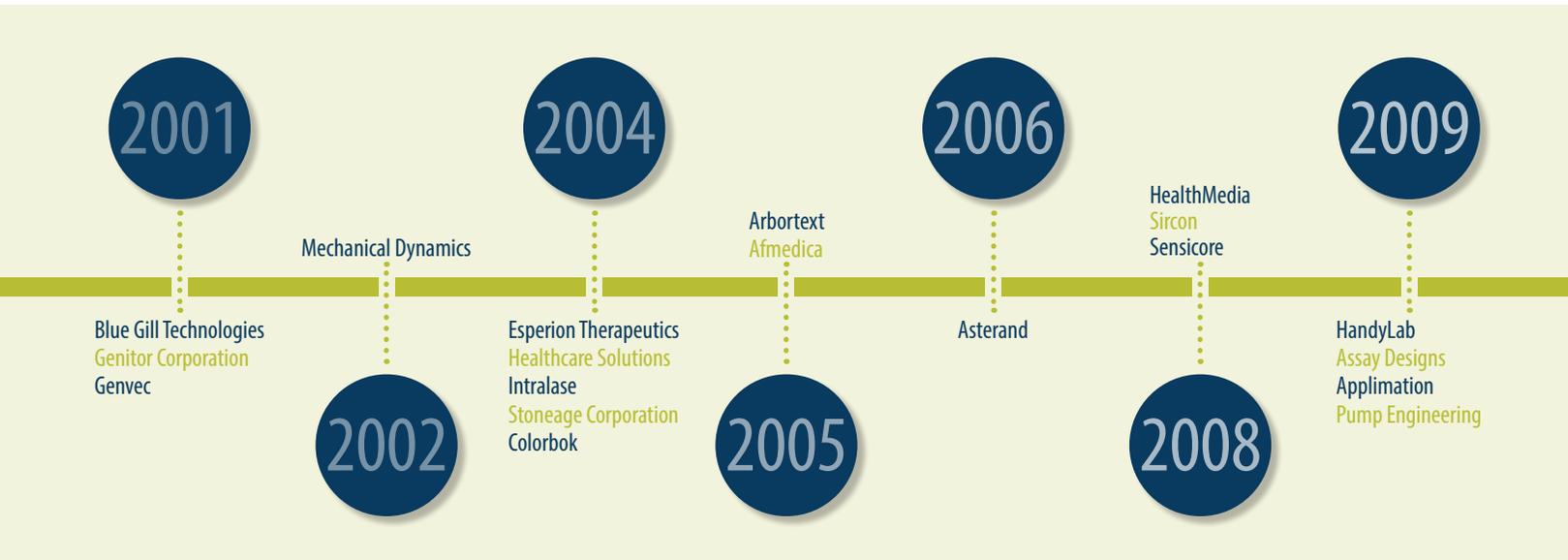
More than 55% of total capital managed by Michigan venture firms has been invested in the startup/early stage of a company's development, while 22% has been invested in the growth/expansion stage. Seed funding saw a 36% increase, while growth/expansion funding saw an 18% decrease over the prior year.

STAGE DIVERSIFICATION



Michigan's Venture Successes

A TIMELINE OF SIGNIFICANT MICHIGAN VENTURE-BACKED EXITS



2015 EXITS BY MICHIGAN VENTURE FIRMS

Advanced Materials & Manufacturing

Energetx Composites	Holland, MI	North Coast
Eagle River Homes	Leola, PA	Plymouth Ventures

Consumer Products

Cucumber Town	San Francisco, CA	Ludlow Ventures
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Information Technology

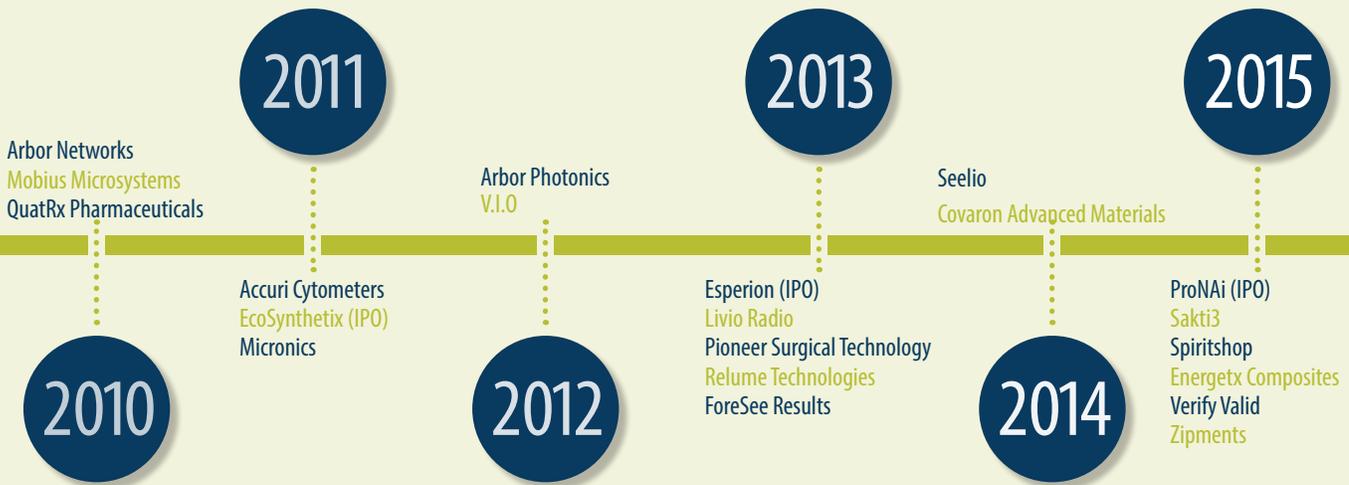
Intradiem	Alpharetta, GA	Arbor Partners
Coalfire	Denver, CO	Baird Capital
Speed Trap Holdings	England	Beringea
Spiritshop	Detroit, MI	Detroit Venture Partners
Sociocast	New York, New York	Detroit Venture Partners
Opsmatic	San Francisco, CA	Detroit Venture Partners
ParkMe, Inc.	Santa Monica, CA	Fontinalis Partners
Inside Social	Seattle, WA	IncWell
Junction Solutions	Denver, CO	MK Capital
DataPop	Los Angeles, CA	MK Capital
Orchestrate	Portland, Oregon	Resonant
Verify Valid	Grand Rapids, MI	StartGarden
Zipments	Grand Rapids, MI	StartGarden

Life Science / Healthcare

ProNAi	Plymouth, MI	Apjohn Ventures
Aptus Medical	Sunnyvale, CA	Arboretum Ventures
Centerre Healthcare Corp.	Franklin, TN	Baird Capital
Ellipse Technologies	Aliso Viejo, CA	BioStar
Cellation, Inc.	Eden Prairie, MN	Venture Investors

Other

Sakti3	Ann Arbor, MI	Beringea
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Michigan’s successes represent the impact venture firms, startups and leaders have made in establishing the Great Lakes Region as a nationally recognized venture capital community. Some of the community’s brightest success stories from 2015 included a record fundraise, a serial bio-tech entrepreneur leading a new venture, a fast-growing IT startup, and two venture investors at opposite ends of their career making a big impact.

ARBORETUM VENTURES

MVCA CAPITAL EVENT OF THE YEAR AWARD

Great Lakes Region venture firms are attracting the attention of a broad national investor base with ever-increasing fund sizes, but one Michigan firm’s 2015 fundraise broke state records, and within the Great Lakes Region it’s one of the top five largest funds raised. Ann Arbor-based healthcare venture investor Arboretum Ventures raised a staggering \$220 million for its Arboretum IV, L.P., which builds on the success of the firm’s previous healthcare-focused funds.

The firm’s longtime presence in Michigan, and its deep history of supporting startups in the region, has contributed to the nationally recognized prominence of the Great Lakes Region as a community of successful entrepreneurs and venture firms with substantial fundraising and capital deployment abilities.





MINA SOOCH

MVCA ENTREPRENEUR OF THE YEAR AWARD

As a serial bio-tech entrepreneur and venture capitalist, Mina Sooch's ability to translate her past experience into growing and nurturing multiple promising startups has resulted in the successful launch of two Michigan venture-backed businesses.

As president and CEO of cardiovascular drug company Gemphire Therapeutics, Sooch closed on a \$5M Series A round in 2015 and is currently working on a Series B round with local and nationally recognized venture investors. Prior to launching Gemphire, Sooch served as the CEO of ProNAi Therapeutics, a clinical-stage oncology company. At ProNAi, Sooch raised over \$70M in Series C and D financing from top tier institutional investors.

ADRIAN OHMER

MVCA UP AND COMING INVESTOR OF THE YEAR AWARD

For Adrian Ohmer, making an impact on the venture community in the Great Lakes Region has been a priority, and it's a task he's dedicated himself to with enthusiasm. As a principal at Detroit Innovate, he conducts company sourcing and evaluation, having led four deals for First Step Fund and Detroit Innovate Fund in the last two years. He has also used his position to mentor young companies by working closely with local accelerator programs, including those at TechStars Mobility and Desai Accelerator.

Ohmer has built relationships with organizations both inside and outside the Great Lakes Region, to help foster entrepreneurial growth and talent retention here. He co-founded the Venture Lab at the University of Michigan, to help bring law students interested in venture capital into the ecosystem for internships and mentoring. He successfully lured PowerMoves, a national pitch competition focused on minority entrepreneurs, to Detroit. The April 2015 event saw \$120,000 in prizes awarded to minority-led startups, most from Michigan. Ohmer has also partnered with his peers to ensure young venture professionals in Michigan can connect and grow their network efficiently. The "NextGen Michigan" young professionals group, which Ohmer helped establish in coordination with the MVCA and RPM's Josh Lin, brings the next generation of venture and startup professionals across the state together for networking events and education.





TOM PORTER

MVCA LIFETIME ACHIEVEMENT AWARD

As a pioneer in Michigan venture capital investing, Tom Porter has dedicated his thirty-year career to building the state's entrepreneurial ecosystem and guiding students and young professionals interested in joining the industry. His lasting impact on the Michigan venture community and his fundamental role in its creation and development earned Porter the 2015 MVCA Lifetime Achievement Award.

Porter helped shape venture capital and entrepreneurship in Michigan beginning in the 1980s, when organized early-stage investing was virtually non-existent. He co-founded EDF Ventures, an Ann Arbor venture capital firm; his investments resulted in three public offerings and numerous mergers that generated nearly \$1.4 billion in liquidity events for investors. Porter was also on the faculty at the University of Michigan's Ross School of Business, where he taught students about managing the growth of new ventures for more than 20 years. There, he founded and directed the Frankel Fund (now the Zell Lurie Fund), a student-run, seed stage investment fund.

Today, as Founder and General Partner of Trillium Ventures, Porter is still actively engaged with the Michigan venture community, both as an investor as well as an advisor to numerous funds and entrepreneurial support organizations. His fundamental role in building Michigan's venture community and his education and nurturing of the next generation of venture capital professionals and startups has left the entrepreneurial ecosystem in the Great Lakes Region richer for his participation.

DUO SECURITY

THE MVCA "100" AWARD

Ann Arbor-based Duo Security had a big year in 2015: the advanced security solutions provider well surpassed 100 employees in 2015 and raised a \$30 million Series C round to support that growth. Nationally recognized venture investors including Google Ventures, True Ventures, and Benchmark Capital and Michigan venture firm Resonant Venture Partners have supported the company on its dramatic growth trajectory, as Duo became the leading provider of two-factor authentication for clients like Facebook, NASA and Toyota.

Although Duo Security now boasts offices in Silicon Valley and London, its headquarters in Michigan remains an important part of the company's culture and identification. Rapidly growing companies like Duo Security have found the Great Lakes Region fertile ground for launching a business that can attract the capital needed in order to grow and thrive.



Fundraising Analysis

The 36 venture firms in Michigan estimate that funds needed for new investments, coupled with the need for follow on funding for their 141 Michigan-based portfolio companies, exceeds what is currently available. To encourage statewide business development, venture firms are actively fundraising to meet the demand for capital.



The number of venture professionals living, working and investing in Michigan has increased by 94% in the last five years.



The number of venture firms with an office or headquarters in Michigan has increased by 33% in the last five years.



In 2015, venture firms with a presence in Michigan stated a total fundraising goal of \$599M. The reported total amount raised by these firms in 2015 was \$389M, 35% less than targeted.

VENTURE FIRM ANALYSIS

- In the last year, Michigan-headquartered firms managed 50 funds, while out-of-state firms with Michigan offices managed 25 funds. Together, these 75 funds had over 526 active portfolio companies, a 57% increase in the last five years.
- There are 128 venture capital professionals living, working and investing in Michigan, an increase of 94% in the last five years.
- The average venture capital fund size among Michigan-based firms

is \$45 million. If out-of-state funds with a Michigan office are included, the average fund size is \$65 million.

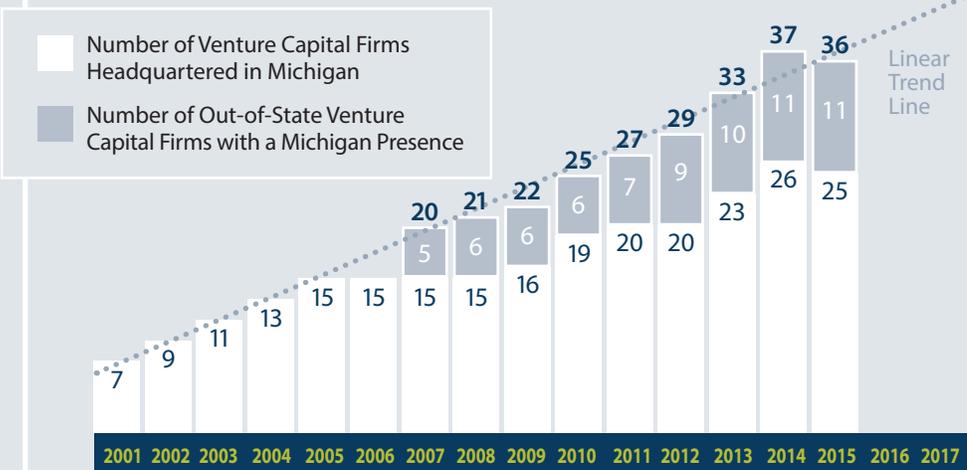
- In the last five years, Michigan has seen growth in the number of venture funds of all sizes. The largest increase is in the \$0-\$25 million range.
- For the first time since MVCA started tracking the number of venture firms with an office or headquarters in Michigan in 2001, the number of venture capital firms with a Michigan presence has decreased from the prior year.



VENTURE FIRM EXPERIENCE

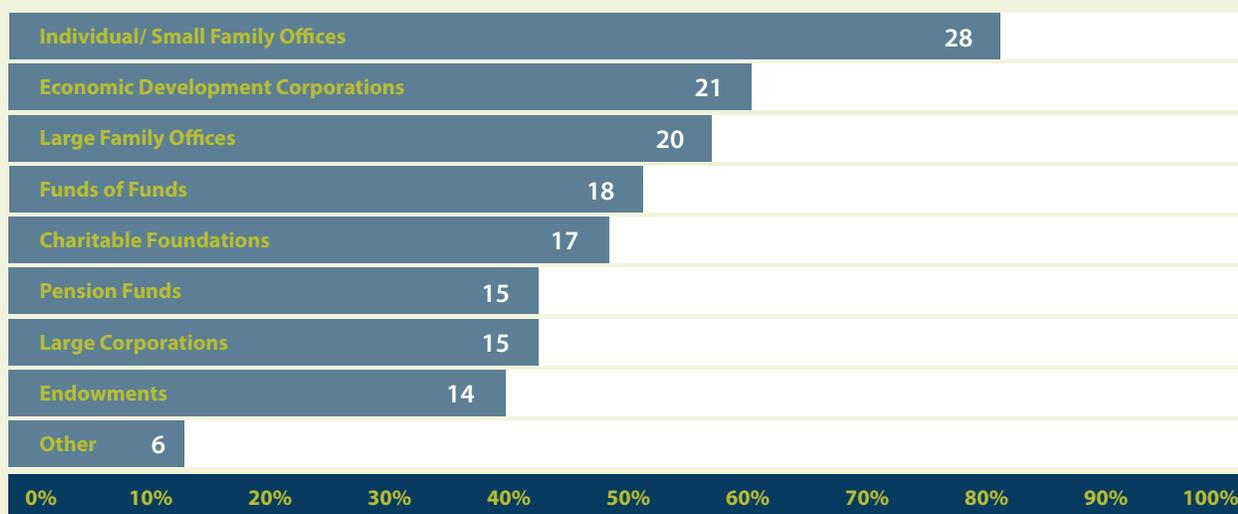
Most venture capital firms in Michigan have managed fewer than five funds, with the majority of venture capital firms having managed only two funds.

- Venture firms with headquarters in Michigan have managed an average of **2.5 funds**
- Venture firms with an office in Michigan but headquarters elsewhere have managed an average of **3.1 funds**



POPULAR SOURCES OF CAPITAL FOR THE 36 VENTURE FIRMS IN MICHIGAN

- Nine of the existing venture firms in Michigan are currently fundraising. The average target fund size is just over \$75 million.
- The 36 venture firms with a headquarters or office in Michigan each raise money from a variety of sources. The most common sources of capital for venture firms in Michigan are individuals, small family offices, economic development programs, and large family offices.
 - 80% of the 36 firms target individuals and small family offices.
 - 60% of the 36 firms look to economic development programs such as the Pure Michigan Venture Development Fund or the Accelerator Programs funded by the Michigan Economic Development Corporation.
 - 57% of the firms also target large family offices.



FUNDRAISING TARGETS

- In 2015, venture firms with a presence in Michigan stated a total fundraising goal of \$599 million. The reported total amount raised by these firms in 2015 was \$389 million, 35% less than targeted.
- One big Michigan fundraising success mitigated the state's total fundraising shortfall substantially. Arboretum surpassed their stated 2015 fundraising target by a large margin; as one of the biggest funds in the state, this made the target-to-actual funds raised ratio much smaller. Without Arboretum's oversubscription, venture firms with an office in Michigan missed their aggregate fundraising targets by over 60%.
- For the first time in its recorded history, MVCA experienced a drop in venture capital firm membership in 2016. Taken in tandem with the less-than-successful fundraising results in 2015, it could be an indication that venture firms are finding Michigan less hospitable to venture activity than other parts of the country. If venture firms aren't able to raise the capital they need to invest in Michigan, they may be forced to cease their investment activities in Michigan, creating a dire access-to-capital issue for startup companies in Michigan.





Study: Diversity in the Entrepreneur

Of the 128 venture professionals employed in Michigan, 28% are diverse. This is significantly higher than the industry's national diversity rates.

Venture capital firms with a Michigan presence invested \$282M in 74 Michigan-based companies during 2015, with just \$6.8M invested in 13 diverse Michigan-based portfolio companies.

Seventeen percent of the Michigan-headquartered portfolio companies were diverse.

Why This Is Important

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 suggests these companies led by underrepresented groups may be systemically underfunded. The industry could be more profitable in 2016 if it works to identify and overcome race, gender, and sexual orientation biases so the most capable venture professionals and startup executives rise to the surface.

“Diversity makes us better investors and more successful entrepreneurs. Why? Because teams with varied perspectives make better and more informed decisions. ALL communities are generating great founders.”

Kate D. Mitchell

Managing Director, Scale Venture Partners and Co-Chair, NVCA Diversity Taskforce

rial & Investment Landscape

Twelve of the 141 Michigan venture-backed companies (9%) had a minority CEO during 2015. This figure exceeds the 4% of Fortune 500 companies led by minority CEOs.

Fourteen of the 141 Michigan-based portfolio companies (10%) had a woman CEO during 2015. This exceeds other relevant national benchmarks.

Study: Diversity in the Michigan Entrepreneurial & Investment Landscape

The Michigan Venture Capital Association (MVCA) collaborated with Kyle Yarberry from the University of Michigan Law School to analyze MVCA's diversity data against other state- and nation-wide population, entrepreneurship, and venture capital statistics and trend data.

The lack of diversity among investors and entrepreneurs participating in the early-stage economy has become an issue too important to ignore. People from underrepresented groups (ie. people of color, women, or people who identify as LGBTQ) in positions of leadership bring valuable perspectives and strengths to an organization and give a team a myriad of competitive advantages. Michigan, along with the rest of the nation, is seeing success and profits from diverse professionals within the entrepreneurial and investment landscape, but much progress still needs to be made to achieve the benefits associated with a truly diverse community.

Venture capital firms with a Michigan presence held investments in 550 worldwide portfolio companies during 2015. Of these, 141 were headquartered in Michigan and 96 (18%) were led by people from underrepresented groups. Of the 141 Michigan-headquartered portfolio companies, 24 were diverse (17%).

WORLDWIDE PORTFOLIOS OF MICHIGAN VENTURE CAPITAL FIRMS



MICHIGAN PORTFOLIOS OF MICHIGAN VENTURE CAPITAL FIRMS



In 2014, MVCA began tracking diversity in the Michigan entrepreneurial ecosystem. Two years' worth of data shows diverse Michigan startups (led by a person from an underrepresented group) take a disproportionately low share of venture dollars but deliver financial results post-investment on par with their non-diverse peers.

"It's hard enough to start a company or find an entry into a career in venture capital, but it's especially hard when you don't see many other people of color, women, or out LGBTQ people there doing it successfully. So I encourage all of us to look out for these underrepresented professionals within our industry and try to mentor them. It's a risk others have taken on me, and it's a risk that all of us need to take in order to reach any true modicum of success, especially here in a state with a rich history of meaningful contributions by diverse populations."

Adrian Ohmer
Principal, Invest Detroit

In total, venture capital firms with a Michigan presence invested \$282M in 74 Michigan-based companies during 2015. Of this, \$6.8M (2%) was invested in 13 (18%) portfolio companies led by diverse CEOs.

The MVCA Diversity Study analyzed the 13 diverse portfolio companies and found there were:

- six minority-led startups that raised \$3.9M; meaning 8% of the minority-led startups raised just 1% from Michigan investors.
- nine women-led startups that raised \$4.5M; meaning 12% of the women-led startups raised just 2% from Michigan investors.

CAPITAL DEPLOYED IN MICHIGAN BY MICHIGAN VENTURE CAPITAL FIRMS



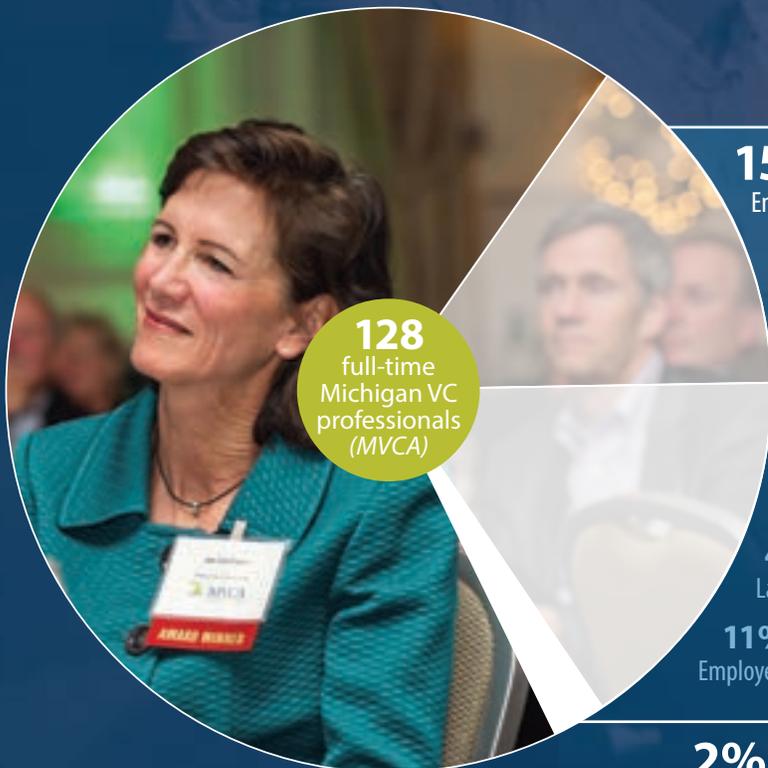
MVCA Diversity Study

MICHIGAN'S VENTURE CAPITAL COMMUNITY

The MVCA Diversity Study revealed a mixed picture on diversity among Michigan venture capital professionals. Of the 128 venture professionals employed in Michigan, 28% are people from underrepresented groups. Broken out, 19 (15%) are minorities, 21 (16%) are female, and less than 2% identified as LGBTQ. Considering that minorities and women comprise 17%¹ and 47%¹ of the Michigan labor force, respectively, it would seem that Michigan venture capital firms have significant room for improvement with respect to women. However, a nationwide survey found that only 11% of venture capital professionals are women⁶ and 13% are minorities⁶, suggesting that Michigan actually exceeds the national average by a significant margin.

“At the national level, we’ve made a commitment to help women and men of all backgrounds thrive in the entrepreneurial ecosystem. It’s a challenge we’re working to overcome throughout the venture capital industry, to ensure our venture capitalists and entrepreneurs reflect the diverse make-up of our nation.”

Jan Garfinkle
 Founder and Managing Director,
 Arboretum Ventures and Member of NVCA
 Diversity Task Force



128
 full-time
 Michigan VC
 professionals
 (MVCA)

15% of Venture Professionals
 Employed in Michigan are Minorities

17% of Michigan Labor Force
 are Minorities¹

13% of Venture Professionals
 Employed Nationally are Minorities⁶

8.5% of MI Startup
 CEOs are Minorities

21% of US Labor Force
 are Minorities¹

4.6% of Fortune 500
 CEOs are Minorities⁵

16% of Venture Professionals
 Employed in Michigan are Women

47% of Michigan and U.S.
 Labor Force are Women¹

11% of Venture Professionals
 Employed Nationally are Women⁶

10% of MI Startup
 CEOs are Women

4.8% of Fortune 500
 CEOs are Women²

2.7% of Nationwide
 Startup CEOs are Women³

2% of Venture Professionals
 Employed in Michigan are LGBTQ

2.9% of the Michigan Population
 is Estimated to be LGBTQ⁴

2.3% of the U.S. Population is
 Estimated to be LGBTQ⁴

¹ Bureau of Labor Statistics

² Catalyst Research

³ Women Who Tech

⁴ National Health Interview Survey

⁵ Fortune Magazine

⁶ National Venture Capital Association

The MVCA Diversity Study, while new, does show that Michigan's venture capital and startup communities generally reflect diversity in proportions greater than national averages, with significant populations of woman and minority venture professionals and CEOs, especially in southeast Michigan. Beneath the surface, however, statewide funding data suggests these organizations led by people from underrepresented groups may be systematically underfunded, possibly due to embedded biases or lack of access to opportunities within the community. Identifying and overcoming race or gender biases to surface the most meritorious venture professionals and CEOs could be a profitable goal for the entire industry in 2016.

MICHIGAN'S ENTREPRENEURIAL COMMUNITY

MINORITIES

Of Michigan's venture-backed companies, the MVCA Diversity Study found 12 of the 141 Michigan-headquartered companies (9%) had a minority CEO during 2015, consistent with 2014. While this figure exceeds the 4%² of Fortune 500 companies led by minority CEOs, it also highlights the underrepresentation of minorities in CEO positions relative to the 17%¹ these groups represent of the Michigan labor force. Seven IT firms comprise the majority of Michigan-based, minority-led portfolio companies. Geographically, Ann Arbor and Detroit host the largest numbers of minority-run companies, with six companies (11% of all Ann-Arbor based portfolio companies) and three companies (9%), respectively.

In fact, all minority-run, Michigan-based portfolio companies reside in southeast Michigan, with no minority representation in western or northern Michigan. This could be influenced by the fact that only 8% of Grand Rapids residents are minorities, although 24% of Kalamazoo residents are minorities, on par with Ann Arbor. On the opposite end of the spectrum is Detroit, where 89% of residents are minorities, yet minority CEOs lead only 9% of portfolio companies based there.

Detroit, led by Ann Arbor (home to 8 women-led portfolio companies, representing 14.5% of all Ann Arbor portfolio companies). The IT and life sciences sectors featured the highest concentration of woman-led companies. A recent Pitchbook survey suggests that women CEOs are putting their advantages to effective use by securing an outsized proportion of venture capital; it found that the proportion of global venture capital deals investing in companies with at least one female founder increased in each of the past ten years, from just 7.7% in 2006 to 17.5% in 2015. While this is positive news on its face, this nationwide finding contrasts with the 1.6% of Michigan venture dollars claimed by women-led, Michigan-based companies in 2015.

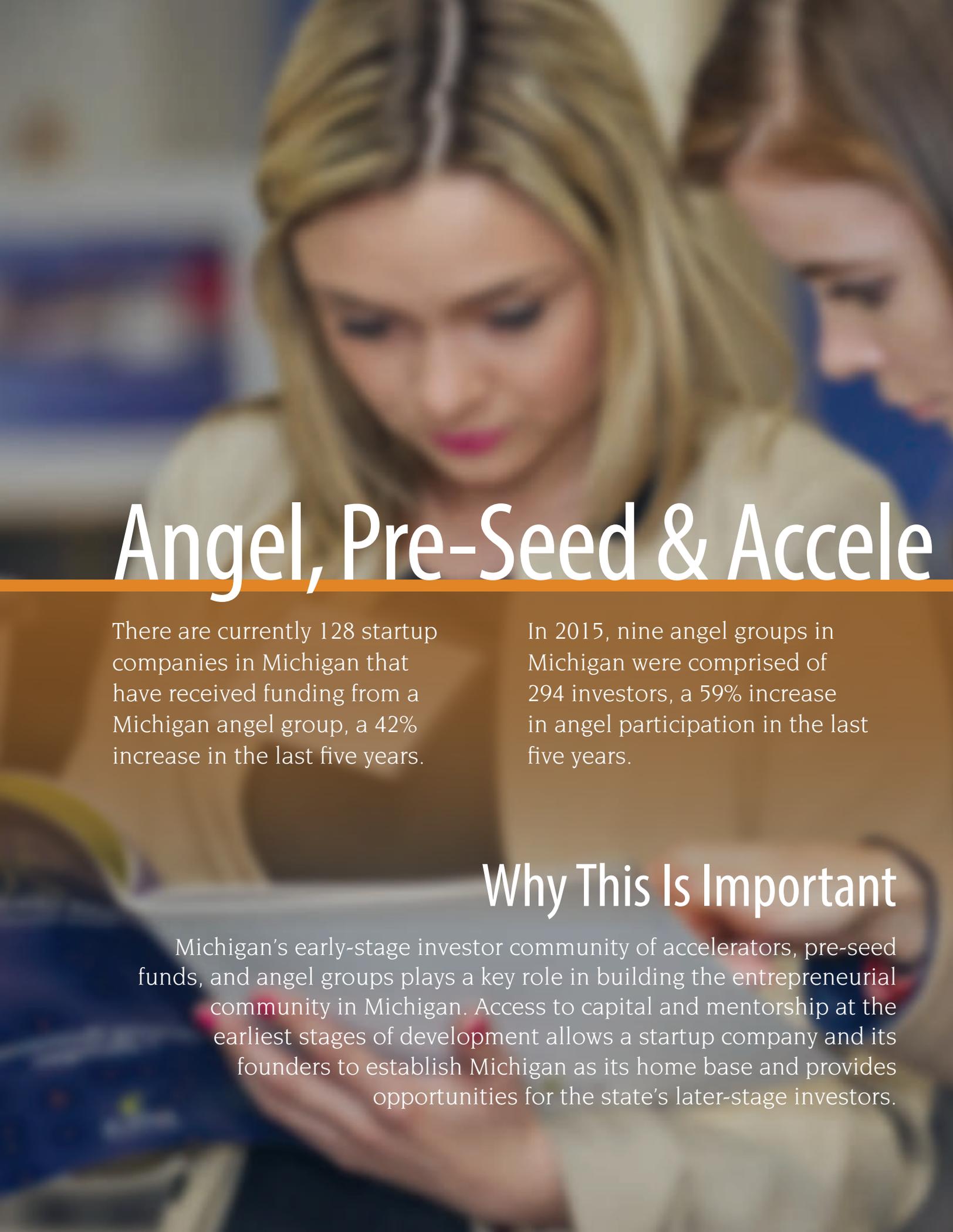
LGBTQ

In addition to minorities and women, LGBTQ investors and entrepreneurs contribute diverse strengths and perspectives to Michigan's startup and venture communities. The MVCA Diversity Study recorded an improbably low number of respondents in Michigan who identify as LGBTQ, so MVCA will continue to work with leaders of this community to better understand the impact of sexual orientation and gender identity issues amongst its constituencies.

WOMEN

Fourteen Michigan-based portfolio companies – 10% – had a woman CEO during 2015, down slightly from 11% in 2014. Although 10% doesn't sound significant, it exceeds other relevant benchmarks. For example, a nationwide survey of venture-backed companies by Women Who Tech found that just 2.7% of respondent companies were led by woman CEOs. Separately, women currently lead just 4.8% of Fortune 500 companies². It is a matter of interpretation whether Michigan's 10% reflects a small victory for women leaders in Michigan, or the chasm yet to be crossed considering that women comprise 47%¹ of the Michigan labor force¹. Across Michigan, woman-led portfolio companies were represented in all major geographic areas except



A blurred background image of two women, one with blonde hair and one with brown hair, looking down at a laptop screen. The image is slightly out of focus, emphasizing the text overlaid on it.

Angel, Pre-Seed & Accele

There are currently 128 startup companies in Michigan that have received funding from a Michigan angel group, a 42% increase in the last five years.

In 2015, nine angel groups in Michigan were comprised of 294 investors, a 59% increase in angel participation in the last five years.

Why This Is Important

Michigan's early-stage investor community of accelerators, pre-seed funds, and angel groups plays a key role in building the entrepreneurial community in Michigan. Access to capital and mentorship at the earliest stages of development allows a startup company and its founders to establish Michigan as its home base and provides opportunities for the state's later-stage investors.

“Michigan is growing in activity and stature in angel investing, and I believe that’s a testament to the infrastructure groups like MVCA have established. It is great to see so many strong, active angel groups funding and mentoring startups in Michigan.”

Marianne Hudson Executive Director, Angel Capital Association

Investor Activity in Michigan

Angel groups invested more than \$16 million in Michigan startups in 2015.

Michigan’s Grand Angels was listed among the three most active angel groups in the country.

2015 Angel Investment Activity

Michigan's angel community plays a key role in fostering innovation and entrepreneurship in Michigan.



There are currently 128 startup companies in Michigan that have received funding from a Michigan angel group, a 42% increase in the last five years.



In 2015, nine angel groups in Michigan were comprised of 294 investors, a 59% increase in angel participation in the last five years. This does not include the numerous investments made by individual angels who did not invest through an organized angel group.



Michigan companies received more than \$16 million from angel groups in 2015.

MICHIGAN ANGEL GROUPS/NETWORKS:

- Ann Arbor Angels
- BELLE Michigan
- BlueWater Angels Investment Network
- Capital Community Angel Investors
- Grand Angels
- Great Lakes Angels
- Innovation Shore Angels*
- Michigan Angel Fund
- Muskegon Angels
- Northern Michigan Angels

* Did not submit survey for 2016 MVCA Research Report

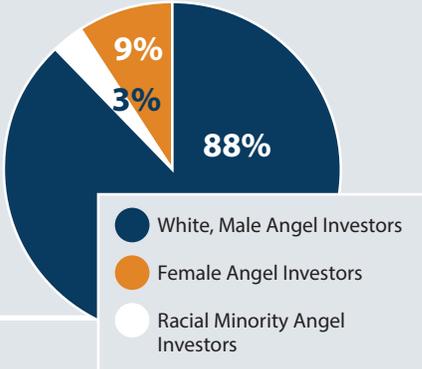
One of the key contributions of the angel community is its support across a wide variety of industries in Michigan. Having a rich pipeline of angel-backed startups across many sectors creates diverse opportunities for later-stage investment by Michigan venture firms.

INDUSTRY SECTORS

Other	7	2
Consumer Products	8	1
Business Services	5	4
Media	6	3
Advanced Materials & Manufacturing	9	
Alternative Energy	9	
Information Technology	9	
Life Science/HealthCare	9	

Number of groups that WILL invest
 Number of groups that WILL NOT invest

DIVERSITY WITHIN MICHIGAN ANGEL GROUPS



MICHIGAN ANGEL-BACKED SUCCESS

RetroSense Therapeutics, a Michigan angel-backed biotech company, was awarded the Angel Capital Association's prestigious Luis Villalobos Award, honoring the most innovative ACA portfolio company in the country. RetroSense was selected from a field of 60,000 companies who were financed by angel groups from across the country.

Angel Investment in the Great Lakes Region

The Great Lakes Region has received national recognition for its angel investment community. The National Halo Report, published by Pitchbook and Angel Resource Institute, shows astronomical growth in the angel community in the Great Lakes Region.



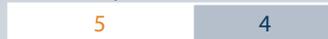
Angel groups typically invest in companies in the startup/early stage or the seed stage of development.

INVESTMENT STAGE

Mezzanine



Growth/Expansion



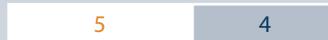
Startup/Early



Seed



Idea/Pre-Seed



Number of groups that WILL invest
 Number of groups that WILL NOT invest

Angel groups invested more than \$16 million in Michigan startups in 2015.

The average amount invested in Michigan by a Michigan angel group in 2015 was \$1.8 million, although four of the groups invested well above \$2 million each.

- The average initial investment size by a Michigan angel group was \$250,000

- **There is tremendous support for early stage companies in the Great Lakes Region.** Over the last 5 years, the Great Lakes Region has consistently funded some of the largest angel rounds in the country; the median amount angels invest in early stage companies in the Great Lakes Region is \$660,000
- **The Great Lakes Region is the fastest growing angel investment community in the country.** Over the last 5 years, the Great Lakes Region has gone from one of the smallest angel communities to the largest-sized rounds of any region in the country
- **Great Lakes Region angels are the second largest active angel community in the country.** Over the last 5 years, the Great Lakes Region invested 15.9% of all angel dollars invested in early stage companies. This is second only to California's angel community.

Grand Angels, Hyde Park Angels and Wisconsin Investment Partners, all established Great Lakes angel groups, were recently listed among the three most active angel groups in the country. Not surprisingly, the Great Lakes region has seen a significant increase in the amount of money invested in early stage companies by angels, helping to address the serious capital gap in the early stage community.

Angel Groups in Michigan

There are ten angel groups in the state and each brings together high net worth individuals that invest in early stage companies. This year they collectively fueled Michigan's startup economy with \$16 million.

ANN ARBOR ANGELS

Geographic Focus: Southeast Michigan

Ann Arbor Angels was founded in 2004 and has evolved into a member-driven angel investment organization, comprised of former CEOs and founders as well as business and investment leaders in the Ann Arbor community. Ann Arbor Angels invests in young companies with breakthrough products or services. In addition to providing capital, they share expertise, provide mentoring, and facilitate connections to the broader marketplace.



BELLE MICHIGAN

Geographic Focus: State of Michigan

BELLE Michigan's mission is to provide superior returns for investors while serving the early stage capital needs of women-led companies. The companies invested have access not only to BELLE's capital but to a network of limited partners who bring years of experience as entrepreneurs, professionals, and corporate executives to support the success of portfolio companies.

BLUEWATER ANGELS INVESTMENT NETWORK

Geographic Focus: State of Michigan

BlueWater Angels Investment Network is a private, for-profit organization established to provide members a significant return on equity investments. While providing risk capital to promising businesses, BlueWater Angels recognize the value of supporting and nurturing the entrepreneurial community for the economic benefit of Mid-Michigan and the State of Michigan.

CAPITAL COMMUNITY ANGELS

Geographic Focus: State of Michigan

Capital Community Angel Investors is a nonprofit organization that seeks to introduce qualified entrepreneurs to its member investors. The group looks for Michigan-based "disruptive" early stage investments that offer sustainable competitive advantage.

GRAND ANGELS

Geographic Focus: State of Michigan

Grand Angels will make investments that will have a positive effect on Michigan through business growth, job creation, and the retention of local talent. Through mentoring, strategic advice, expanding networks, and connections to customers, management and venture capital, Grand Angels investments fuel the entrepreneurial economy of innovative companies throughout Michigan.



GREAT LAKES ANGELS

Geographic Focus: Midwest & Southern Ontario

Great Lakes Angels focuses on providing funding to capital-efficient early-stage companies located in the Midwest. We are open to pre-revenue companies that are close to revenue and can demonstrate strong potential customer interest.

INNOVATION SHORE ANGEL NETWORK

Geographic Focus: Northern Michigan

The Innovation Shore Angels Network aims to grow the economic base of the Upper Peninsula through the growth of early to mid-stage companies and provide members an above-market financial return on their invested capital and time commitment.

MICHIGAN ANGEL FUND

Geographic Focus: State of Michigan

Michigan Angel Fund focuses on providing funding to capital-efficient early-stage companies located in Michigan. We work closely with other stakeholders in the Michigan entrepreneurial ecosystem to ensure that we invest in the most promising companies and to ensure the future success of these companies and our investments.

MUSKEGON ANGELS

Geographic Focus: West Michigan/ Lakeshore

Muskegon Angels is a member-led organization committed to finding, funding, and mentoring great young companies from pitch through a successful exit. Our priority is job creation, with a particular emphasis on Muskegon-area development.

NORTHERN MICHIGAN ANGELS

Geographic Focus: State of Michigan

Northern Michigan Angels is a premier network of successful entrepreneurs and business leaders in Northern Michigan who provide accredited investment capital, strategic advice, and mentoring to early-stage companies. The mission of the angel group is to help grow the economic base of Northern Michigan and to provide members an outstanding financial return on their time and invested capital.



Pre-Seed & Accelerator Activity in Michigan

Strong pre-seed funding and accelerator programs are critical to startup growth and eventual funding by Michigan's angel groups and venture capital firms.

PRE-SEED FUNDS

MICHIGAN PRE-SEED FUND II

The Michigan Pre-Seed Fund II is a \$6.8 million investment fund managed by Invest Michigan, a nonprofit corporation based in Detroit. This fund partners with co-investors making debt and equity investments in a variety of sectors.

Highlights:

- After 18 months of operation, the Michigan Pre-Seed Fund II has completed 31 investments in Michigan.
- The year also saw six follow-on investments for its 25 client companies.
- In 2015 one of its companies, Zipments, was acquired by Deliv.
- The Fund has partnered and co-invested with 28 different institutions and over 50 individual angel investors.

MICHIGAN PRE-SEED CAPITAL FUND

The Michigan Pre-Seed Capital Fund managed by Ann Arbor SPARK is the predecessor of the Michigan Pre-Seed Fund II. This fund, which is now fully deployed, was a significant resource for high-tech companies from university spin-outs to seed stage startups.

Highlights:

- The Michigan Pre-Seed Capital Fund has over 70 portfolio companies
- Recent portfolio fundraises include Millendo Therapeutics with a \$62 million Series B, Algal Scientific with a \$7 million Series B, SkySpecs with a \$3 million Series A, Varsity News Network with a \$5.5 million Series A-1, and Pixel Velocity with a \$10 million Series B.

FIRST STEP FUND

The First Step Fund (FSF) is a Detroit-based, industry-agnostic investment fund which makes small, very early stage investments in high-potential companies based in southeast Michigan. The First Step Fund is managed by Invest Detroit.

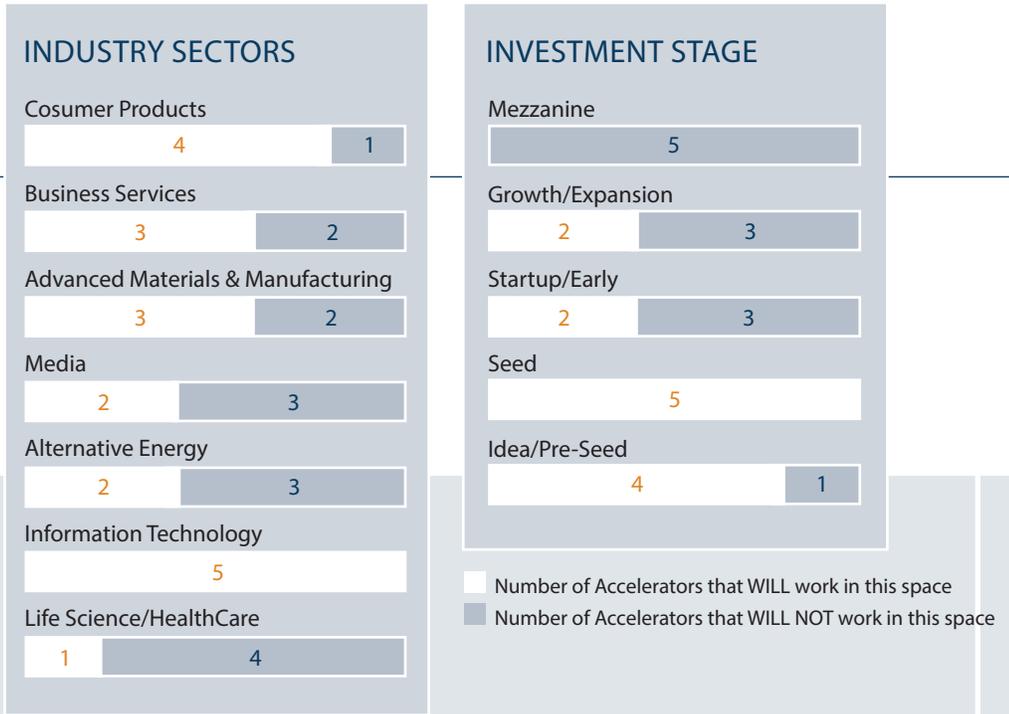
Highlights:

- The First Step Fund has over 70 portfolio companies and participated in 12 financings in 2015
- Approximately 50% of FSF portfolio companies are led or founded by a woman, minority, immigrant, and/or Detroiter
- Recent portfolio raises include Llamasoft with a \$50mm Series B, Delphinus Medical with a \$40.5mm Series C, Avegant with a \$24mm Series B, and Algal Scientific with a \$7mm Series B



ACCELERATORS

Accelerators are competitive, fixed-term, cohort-based programs for startup companies that include mentorship and educational components and typically culminate in a public pitch event or “demo day”. Accelerators focus primarily on idea/pre-seed and seed stage startup companies in the information technology sector and often make seed investments in the startups they accept into the programs.



IN 2015, MICHIGAN WAS HOME TO FIVE ACCELERATORS:

CONQUER ACCELERATOR

The Conquer Accelerator provides investment, space, mentorship, and other resources to help companies that have gained traction to expand their product/service using Michigan State University’s diverse network. The Conquer Accelerator is a collaborative effort at Michigan State University and is made possible through Spartan Innovations and MSU Federal Credit Union.

COOLHOUSE LABS

Coolhouse Labs is an early-stage startup accelerator and venture fund with locations in Petoskey and Ann Arbor. Its 12-week accelerator course offers entrepreneurs an intensive program designed to turn ideas into companies and give those companies the foundation to grow and scale.

DESAI ACCELERATOR

The Desai Accelerator is an intensive program of funding, mentorship, and resources to help early stage ventures scale and succeed. Startups are accepted in cohorts and the program culminates with a Demo Day, where each team will pitch to investors. The Desai Accelerator is a collaborative effort at the University of Michigan between the Zell Lurie Institute of Entrepreneurial Studies at the Ross School of Business and the Center for Entrepreneurship at the College of Engineering. While the accelerator is a University of Michigan-supported program, applications are open to the public.

SEAMLESS

Seamless is a global commercialization program pairing startups with large enterprises to bring smart, connected things to market. This first-of-its-kind collaboration merges the best from startup culture and enterprise expertise.

TECHSTARS MOBILITY

Techstars Mobility is driven by Detroit, the epicenter of the global mobility and transportation ecosystem. Its 90-day, mentorship driven program in downtown Detroit includes 10 startup companies focused on all technologies that address the movement of people, goods, and services.

A man in a grey suit and white shirt is looking down at a tablet computer. The background is blurred, showing what appears to be a conference or meeting setting. A semi-transparent blue horizontal bar is overlaid across the middle of the image, containing the title and two columns of text. The man's hands are visible at the bottom, holding the tablet.

MVCA: The Michigan

MVCA's staff, working alongside a board of directors comprised of experienced angel and venture investors, drive the activities and strategic direction of the organization on behalf of its more than 100 member organizations.

MVCA helps build the Michigan entrepreneurial and investment community through advocacy, events, outreach, research and talent programs.

Why This Is Important

MVCA is vital to the Michigan's ability to grow and sustain a vibrant venture and angel investor community.

“On behalf of the State of Michigan, thank you to the Michigan Venture Capital Association for your leadership in helping to reinvent our state, grow new businesses, and create more and better jobs.”

Governor Rick Snyder State of Michigan

Advantage

MVCA Staff



**MAUREEN MILLER
BROSINAN**

Executive Director

As the Executive Director of MVCA, Maureen oversees the organization's strategy and direction and creates awareness of and support for Michigan's venture capital industry. In addition to her role at MVCA, Maureen currently serves on the Livonia City Council, is chair of the board of directors of St. Mary Mercy Hospital in Livonia, MI, and is on the board of directors of the St. Joseph Mercy Healthy System.

Maureen has 27 years of experience in the non-profit sector, as a member of the Michigan State Transportation Commission, a member of the executive team for Governor Jennifer Granholm's 2002 campaign and campaign manager for Judge Connie Kelley's statewide race for the Michigan Supreme Court in 2012.

Maureen is a graduate of Central Michigan University, where she earned a Bachelor of Applied Arts degree in journalism and public relations.



EMILY HEINTZ

Associate Director

With a background in economic development, capital markets, and finance, Emily brings technical and practical expertise to her role as Associate Director of MVCA. Emily supports Michigan's vibrant venture capital community by developing the MVCA Research Report, planning educational and networking events, managing talent programs, and advocating for Michigan's entrepreneurial community.

Prior to joining the MVCA in 2013, Emily was a Capital Markets Associate at the Michigan Economic Development Corporation. Earlier, Emily was the Accounting Manager at Ann Arbor SPARK, a non-profit economic development organization aimed at establishing the Ann Arbor region as a destination for business expansion, retention, and location by identifying and meeting the needs of business at every stage.

Emily holds both a Bachelors of Arts and Masters of Science in Accounting from the Michigan State University.



MOLLY THEIS

Events & Program Manager

Molly Theis is the MVCA Events and Program Manager, building on her extensive expertise in event planning and management. In her role at MVCA, Molly is responsible for planning and executing events that strengthen the association and its communication with its membership. She also executes MVCA programs that attract and retain the best talent for the Michigan venture capital community.

A hospitality industry veteran, Molly has planned and executed hundreds of corporate and social events, from meetings as small as five attendees to gatherings as large as 700 attendees. Most recently, as Executive Meetings and Events Manager at the Inn at St. John's in Plymouth, Molly was also the primary site coordinator for multiple state association-related events, including three MVCA Annual Dinners.

Molly is a graduate of Central Michigan University, with a Bachelors of Science in Business Administration and Hospitality Services.

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Michigan Venture Capital Association Overview

The Michigan Venture Capital Association is a catalyst for building a strong, diverse, and vibrant entrepreneurial and investment community in Michigan. MVCA members are venture capitalists, angel investors, economic development organizations, higher-education institutions, and industry service providers – all working together to build this community.



MVCA hosted 1,000 people at its 13 events in 2015, a 43% increase over the prior year.



MVCA launched its new website in 2015, with 20,000 unique visitors a 40% increase from the prior year



MVCA concluded the successful Venture Upstart II Program, which was supported by the Michigan Economic Development Corporation. MVCA awarded nearly 100 venture fellows, executives, and angel grants to organizations throughout the Michigan entrepreneurial and investment landscape.

Bucking national trends toward declining venture capital activity, Michigan has enjoyed consistent, steady growth in venture capital investment, number of venture capital firms, and number of investment professionals. Michigan's burgeoning community of entrepreneurs, venture capital firms, and angel networks has created an environment ripe with demand for the programs and services the MVCA offers.

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. The organization hosts a series of networking events around the state focused on building a stronger investor network within the state.



RESEARCH

MVCA develops and distributes an annual research report, which offers a comprehensive summary of venture capital investment activities across Michigan. MVCA works with the National Venture Capital Association, Thomson Reuters and PricewaterhouseCoopers to analyze Michigan activities relative to national trends. The research report is the critical source of quantitative information used to unite the Michigan entrepreneurial and investment community into a common voice in order to drive initiatives that grow the entrepreneurial and investment community in Michigan.





OUTREACH

In order to broaden the reach of the Michigan entrepreneurial and investment community, MVCA builds relationships and educates national partners about opportunities and trends in Michigan.

- During Immersion Days, out-of-state investors come to Michigan for an all-day series of meetings, tours, and social events custom-designed to meet their informational needs. Investors obtain first-hand knowledge of the wealth of resources, partnerships

and entrepreneurial ideas available in the state.

- Through targeted MVCA Outreach Trips, MVCA meets with out-of-state investors to communicate key research report outputs, opportunities and successes and builds relationships that can be leveraged by Michigan investors. These out-of-state investors are invited to networking events in Michigan to increase collaboration with angel and venture investors.

ADVOCACY

Core to MVCA's mission is serving as the statewide voice for Michigan's growing entrepreneurial and investment community. To advance this objective, MVCA educates, advocates and communicates to legislators, the media and the general public on entrepreneurial investment opportunities, challenges, and successes in Michigan. MVCA staff also regularly attend local and national industry conferences to advocate for the Michigan entrepreneurial and investment community.

continued





PROGRAMS

MVCA provides program development assistance to our state'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 in order to help shape the ultimate goals and desired outcomes of the program, such that it best suits the true needs of Michigan's entrepreneurial and investment community.

In addition, MVCA offers a number of programs funded by the Michigan Economic Development Corporation. These programs have played a critical role in building Michigan's entrepreneurial and investment landscape:

- **The Michigan Venture Fellows Program** is designed to increase the number of venture professionals in Michigan, in order to accelerate the fundraising and deployment of capital into early-stage companies. Venture Fellows are hired for two years by a Michigan-based venture firm and expected to continue their careers with the firm after the fellowship.
- **The Executive Attraction Program** is designed to help startup companies recruit high-quality candidates through a matching grant program designed to increase the number of successful portfolio companies in Michigan. Entrepreneurial executives are crucial to supporting the continued growth of technology-based businesses and jobs in Michigan. While there

is an increasing group of experienced startup executives located in Michigan, the state lacks a deep pool of executives with experience leading angel or venture-backed companies.

- **ExeConnect** is designed to increase the number of qualified board members, advisors, and mentors placed at angel or venture-backed companies in Michigan. Boards, advisors, and mentors have a significant impact on the financial performance of early-stage companies, providing expertise and guidance to increase sales and productivity. The MVCA identifies angel and venture-backed companies in need of board leadership and will leverage its existing relationships in the business community to identify prospective board members, mentors, and advisors.

Success depends on a visionary spirit

Organizations thrive when people commit their time, energy and skills to moving forward. Our attorneys partner with you to help propel you toward your goals.



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