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The Effect of a General Partner's management experience in Venture  
Capital funds on fundraising success and deal activity during the  
2020 Covid-19 crisis

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## **Abstract**

This paper investigates the relationship of management experience of Venture Capital fund managers with fundraising success and deal activity during the Covid-19 pandemic. To test the hypothesis that more years of management experience results in raising larger funds and doing more deals in times of the current crisis, a regression analysis was performed. The empirical analysis indicates that GP's experience had a positive effect on fundraising during the current crisis while not being significantly correlated to the deal activity of a GP. This study has confirmed prior knowledge on the positive relationship of reputation, track record, and good networks on fundraising, while showing that there seems to be no correlation of these aspects with deal activity, at least in the current context. Furthermore, it could be found that the Crunchbase investor's rank of a Venture Capital firm, is positively correlated to both fundraising and deal activity.

These findings provide the insight that personal relationships and reputation, both aspects developed only over time, have more value for fundraising than for making deals. Additionally, the findings contribute to the theory that during economic downturns, investors tend to become more risk-averse and choose to invest in proven management teams.

## **Keywords**

Venture Capital, Fundraising, Deal activity, General Partner, Management experience, Covid-19 pandemic

## **1. Introduction**

The global Covid-19 pandemic has brought dramatic changes to the lives of virtually all people across the world, as well as almost every business and industry. The year 2020 has put a halt to a decade long phase of global economic growth. The macroeconomic impact of Covid-19 has been described as greater than any catastrophic event that has occurred in the past four decades (Ludvigson, Ma, and Ng 2020).

The World Bank forecasts the global economy to shrink by 5.2% in 2020 and describes the situation dramatically as: “COVID-19 has triggered a global crisis like no other – a global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the Second World War.” (World Bank 2020, 15). Although all catastrophes share common patterns in the economic effects that follow, Covid-19 is unique among major disastrous events of the recent past, as it disrupted labour market activities rather than destroying capital (Howell et al., 2020).

Venture Capital (VC) as an industry hasn't been freed from the negative effects completely but seems relatively stable and was able to bounce back quickly after a downturn at first. The downturn was driven mainly by uncertainty, which leads to reduced spending in all aspects of our lives, including VC investing. VC deals to US-based companies were down 18% YoY in Q2 2020. Deal activity has been relatively stable throughout the year, still, Q3'20 deals came down 11% YoY (See Figure 1, Appendix) ('Venture Capital Funding Headline Report Q3 2020' 2020). Asia, a region first impacted by the pandemic, saw the number of deals decline by 27% from Q4 '19 to Q1 '20, noted -20% YoY (See Figure 2, Appendix) but could eventually bounce back in Q2 '20 with an increase in deals by 20% ('Venture Capital Funding Report Q2 2020 with PwC MoneyTree' 2020). Generally, early-stage VC activity saw a steeper decline with -38% in the first 2 months after COVID-19 reached the U.S. while late-stage VC activity did not change much (Howell et al., 2020). Regarding fundraising, we find that by end of

September, American VC funds have raised \$56.6bn. this year, up from \$54.9bn. in 2019 and just 12bn. less than in the record year 2018 (Whyte 2020). The question arises on, how can General Partners (GP) manoeuvre their fund and their portfolio companies through the current crisis? Most of them and the entrepreneurs they invest in have never experienced a crisis before (Rist 2020). Does in times of high uncertainty, management experience eventually become more meaningful than ever?

Previous research has pointed out that especially fundraising is about Limited Partners (LP) trusting a fund manager enough to put their money into his or her hands as they believe he or she has the expertise and knowledge to make the right investment decisions (Kuckertz et al. 2015). Often mentioned regarding the success of VC funds and their managers are the aspects of reputation, track record, and the existence of good networks. For the relationship with LPs as well as with entrepreneurs and syndicate partners these aspects have been pointed out as relevant (Kollmann, Kuckertz, and Middelberg 2014; Valliere and Peterson 2007). To understand the reasoning behind this, it is important to understand the basic concept of Venture Capital funds. The life cycle of a Venture Capital firm can be simply put into three sequential steps: 1.) Raising a fund from outside investors, 2.) Investing the money into the ideas of promising entrepreneurs and 3.) Exiting the investments, ideally with an overall profit for all investors (Gompers and Lerner 2004, Zider 1998). With this understanding, we can derive that before one should look at performance measures such as IRRs, it should be looked at how well the first two steps are executed in order to determine if a General Partner of a Venture Capital firm is successful in what is the basic concept of Venture Capital.

Despite the Venture Capital industry as a whole being only moderately affected by the economic consequences of the pandemic, there seem to be some differences in how well individual players are doing. According to Pitchbook data, first-time managers in the U.S. for instance face a huge task in raising capital. Their share dropped to a record low 3.4% of overall

capital raised in 2020, with just 30 new fund managers raising an aggregated \$1.9bn. until September – down 64% from last year raised by 81 first-time fundraisers. Generally, fundraising this year has been driven by large funds. The average fund size in 2020 was \$257.2m. – almost double from last year (Whyte 2020). So as we find that there seem to be significantly different conditions between first-time fund managers and experienced ones, it might be interesting to ask if there are some general differences between more experienced and less experienced managers in how well they do in key performance indicators, which correlate with levels of trust? It would follow some general belief that in crisis times experience is one of the most valuable qualities for people in leadership roles (D'Auria and De Smet 2020). Consequently, this paper aims to look at the management experience of GPs currently running a Venture Capital fund and investigate if a longer tenure as a fund manager leads to significantly more success in raising a new fund on one hand and more deal activity on the other. This aim is expressed in the following research question, which is the guide for the entire study:

Does management experience as a Venture Capital fund manager have a positive relationship with fundraising success and deal activity during the 2020 Covid-19 crisis?

## **2. Literature Review**

The following chapter presents the theoretical foundation of this study. Further, the aim is to link different aspects of literature regarding Venture Capital in the Covid-19 pandemic and the impact of management experience. Section 2.1 presents insights about the effects of the Covid-19 pandemic on the Venture Capital industry and shows how this crisis differs from previous ones. Section 2.2 elaborates on the role of management experience for General Partners in Venture Capital, specifically its relationship to fundraising and deal activity, while Section 2.3 discusses how experience and aspects related to it matter in crisis times.

## ***2.1 Venture Capital in the Covid-19 pandemic***

The macroeconomic impact of the Covid-19 pandemic has been increasingly described as larger than any catastrophic event that has happened in the last four decades (Ludvigson, Ma, and Ng 2020). Next to government interventions, the most severe economic effects are due to voluntary social distancing, which is especially serious in a service-oriented economy (Baker et al. 2020). The biggest economic issue of the pandemic is the great uncertainty that comes with it. Before the current crisis, the Great Recession of 2007-2009 was described as the “most striking episode of uncertainty” (Kyle Jurado, Sydney C. Ludvigson, and Serena Ng 2015). Large differences, though, exist between geographical regions and industries, as many firms in the Tech sector seem to be relatively unaffected and some even anticipate large positive effects on their business (Hassan et al. 2020). The fact that Venture Capital funds are to large extents invested in Tech and Biotechnology, both are considered rather profiteers of the pandemic, is also why Venture Capital as an industry seems to be doing relatively well during this pandemic. Nonetheless, various recent studies have tried to investigate the effects of the pandemic on Venture Capital. After all, fund managers have to deal with day-to-day implications like travel restrictions and contact restrictions like anyone else. Logically, this might impact them specifically as meeting with LPs when raising a fund, meeting entrepreneurs for potential investments, or networking with other fund managers for syndication purposes, all imply personal contact. Howell et al. (2020) found that early-stage VC activity declined by 38% in the first 2 months after COVID-19 became present in the U.S., while late-stage VC activity did not change much. Gornall (2020) surveyed 1,000 Venture Capitalists and observed that there was no expectation that earnings in technology sectors will be depressed significantly. Nevertheless, it was found that VCs have slowed down their investment pace to 71% of normal and expect to invest at 81% in 2021. This is not disastrous but still indicates a stop to the high flight of recent years. Further findings were that 25% of all responding VCs struggled to

evaluate new deals during the pandemic, managers believed investment terms to become more investor-friendly, and this crisis is generally believed to lead to a more modest decline than the previous dot-com bust and the financial crisis of 2007-09. Especially, the financial crisis caused a significant decline for Venture Capital at that time, as liquidity was much more constrained, and therefore capital commitments fell from \$28.6m. in 2008 to \$15.6m. in 2009 (Gupta 2010). Looking at the financial crisis, Conti et al. (2019) derived that liquidity supply shocks curtail VCs opportunities to raise a fund and attract syndication partners. VCs differ in the amount of screening and monitoring capital they can invest in their portfolio firms with experienced VCs possessing more of such capital. Such capital comes from a larger number of financing deals they participated in, greater reputation, and extended networks, which allow them to more easily access the expertise of syndicate partners. All of this is noted to become more important in times of liquidity constraints. Transferring this to the current crisis, we do not see any liquidity constraints yet but in times of physical distancing well-established networks become more crucial. At the same time, VC investors might anticipate larger economic declines for the near future and cause dynamics like there would be liquidity constraints already. Therefore, it is reasonable to ask if more experienced VC managers have an advantage now as well.

## ***2.2 The role of management experience***

Pursuing the aspect of experience in Venture Capital the question is: Why would management experience matter in Venture Capital at all?

Studies that investigate success factors of VC firms and VC fund managers, in general, are plentiful. In a study by Gompers (1996), it was described that “the age of a venture capital firm (...) serves as a proxy for reputation, although it is an imperfect measure of reputation because experienced partners sometimes leave to start new venture capital firms, which would tend to bias the results away from seeing any difference between old and new venture capital firms”. This indicates that looking at management experience of individuals as a factor instead of the

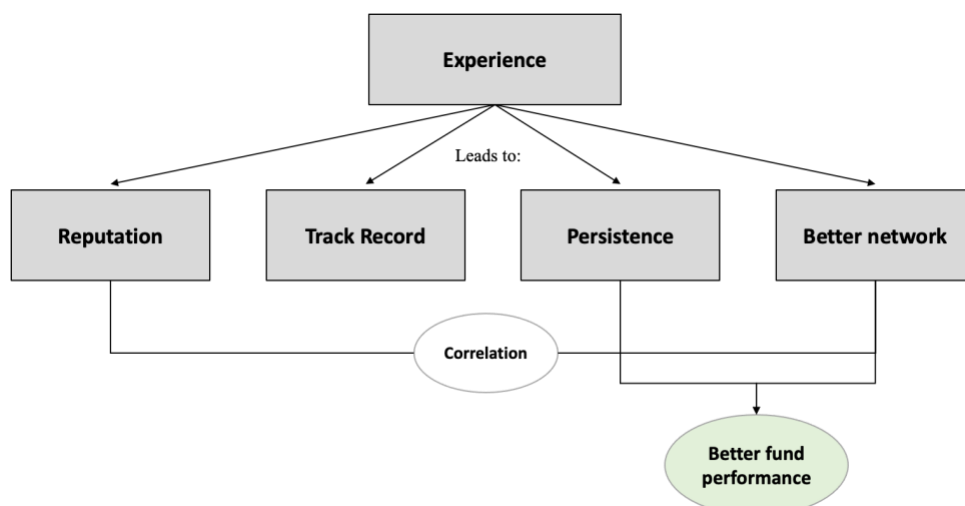
experience of VC firms might potentially be less biased. Generally, there is little research on formulating a measure of VC reputation, which is remarkable considering the apparent importance of it in the VC industry. Nahata (2008), concludes that “reputation is diligently built upon experience, ability, and past performance” and that it “should be viewed as an inclusive measure” of these three aspects. Interestingly, he further finds that “reputation emerges as the only consistently robust predictor of VC and portfolio company performance” and that “good reputation attracts potential investors and helps to develop useful relationships with entrepreneurs, lawyers, bankers, auditors, and others who provide useful services to portfolio companies”.

With this knowledge in mind, we should be able to find consistent positive relationships of experience as a proxy for reputation, track record, and good networks with fundraising and deal activity. Specifically, in regard to fundraising multiple studies can be found that have pointed at the experience as heavily related to success in that field. Kollmann, Kuckertz, and Middelberg (2014), argued that a VC’s track record is the main determinant of LP’s investment decision and a good track record can only be created over time. Further, it is noted that the VC industry is a “people’s business in particular”. These three insights combined lead to the strong assumption that General Partners with extended time in their position should have good track records as they otherwise wouldn’t be active in the VC industry anymore.

Other studies have also pointed out, track record together with reputation and trustworthiness to be crucial for fundraising (Kuckertz et al. 2015; Tyabji 2010). Gompers and Lerner (1999) confirm this and add that older venture organizations are more often the ones that raise early-stage funds. If this is still the case it would mean with the current knowledge that early-stage VC is being affected more by the pandemic, that older organizations with more experienced partners might be affected more.

Another aspect often mentioned in this context is one of good networks, how they come in place and what effect they have. Concerning Deal Sourcing, the aspect prior to the actual deal-making, Gompers et al. (2016) note that a VC’s network is critical in this process. To give more context to this Hochberg, Ljungqvist, and Lu (2010), explain that if VC managers “wish to be proactive about sourcing deal flow, they need access to information about promising ideas, trends, and people, preferably ahead of other VCs. And once they have found start-ups to back, they need local knowledge and connections to provide the start-ups with value-added services”. In the end, networks become important as VCs routinely collaborate by referring deals and people to each other. Moreover, in a previous study the same scholars have shown that funds from more experienced VCs perform significantly better and to be better-networked provides a significantly higher company survival rate (Hochberg, Ljungqvist, and Lu 2007). Furthermore, they argue that “it seems plausible that the better-networked VCs are also the older and more experienced VCs”. Additionally, they assume that persistence in investment success could be a result of experience besides investment skills. The reason behind the link between persistence and networks is explained with the fact that successful VCs “repeatedly coinvest with a small set of other VCs”, meaning these relationships are relatively exclusive. Taking into account all the mentioned studies, we build the following theoretical construct:

**Figure 1:** Theoretical construct of the impact of experience in Venture Capital



Logically, all stakeholders of Venture Capital funds, including Limited Partners and the entrepreneurs who partner with the VC firms, are interested in the best fund performance possible. Therefore, we should expect at least some relationship between a GP's experience and deal activity as entrepreneurs should be interested in getting investments from partners that have the best fund performance.

In general, the investor choice was deemed to be crucial for entrepreneurs in a study conducted by Schwienbacher (2013) with focus on later-stage firm development. In a study from Valliere and Peterson (2007) though, reputation of a VC investor was considered only as the fifth-most important criteria, while personal compatibility and valuation being the most important. Seed-stage entrepreneurs and novice entrepreneurs in general, value reputation higher than entrepreneurs in other stages. Contrary to that, one other study observed entrepreneurs take a 10-14% reduced valuation in order to get an investment from a VC investor of high reputational quality (Hsu 2004). However, it is important to note that a different definition of reputation was made here in comparison to the ones made in relation to fundraising. From the perspective of entrepreneurs, the reputation of a VC firm was understood to go beyond sheer success in terms of investment exits and expands to factors like "honest dealing" and a good reputation for making follow-on investments.

Furthermore, it was found that young VC firms take companies public earlier than older VC firms to establish a reputation and raise capital for new funds. The consequence of this is pointed out by Gompers (1996), who shows that companies backed by younger VC firms are more under-priced at their IPO than those of more established venture capital firms. However, young VC firms bear the costs of these early IPOs by receiving less equity. This is an interesting insight as, if this is known by for example serial entrepreneurs, it should be an argument for them to partner with younger VCs rather than older ones when seeking the best conditions for themselves. However, Dimov and Shepherd (2005) examine that it is of utmost importance for

the success of portfolio companies that GP's can "accurately predict and adapt to changes in the external environment". This provides a hint that in a turbulent external environment as we have now, there might lay even more importance in the choice of VC investors an entrepreneur chooses to partner with.

### ***2.3 Management experience in crisis times***

Since this paper seeks to investigate the effect of a GP's experience in light of a crisis a look at previous research regarding crisis times is advisable. As mentioned before the current crisis is quite unique, still a look at previous studies should give relevant context.

Because the current pandemic is described as a time with particular great levels of uncertainty, a study from Jones et al. (2000) regarding crises of the past have found evidence that good corporate reputations help in building a "reservoir of goodwill which buffers companies from a market decline in times of uncertainty and economic turmoil". When specifically looking at money managers, Meikle (2008) showed that in economic downturns, investors tend to become more risk-averse and are more likely to choose a management team with a proven track record to invest in. In a recent study by Amankwah-Amoah, Khan, and Wood (2020), on the relation of Covid-19 and business failures, the authors note that knowledge derived from experience may be both an advantage and a burden. Important is whether the shock that is being faced is a novel shock or a shock "for which there is a base of relevant experiential knowledge regarding the challenges it poses". Knowledge through experience can in turn become a burden if a large repository of experiential knowledge leads to a strategy informed by comfort, involving a reach for trusted past remedies. As a consequence, organizations that are "experientially lighter may be better equipped to deal with novel shocks". Considering that Covid-19 has been described as a crisis like no other from the recent past, this might bear relevant.

To conclude the various studies mentioned, the relationship between experience and fundraising seems to be clearer than to deal activity. For fundraising, studies have made a clear

link of experience of a VC firm and its partners to reputation, persistence, and better networks. These aspects were unanimously found to have a positive relationship with fundraising. The relationship of experience and deal activity, gives a more diverse picture, suggesting that it might have a positive effect, no effect due to only subordinate importance or potentially even negative effects due to experienced partners offering worse terms for entrepreneurs or them generally relying too much on experience, which is not applicable to this unique crisis.

All studies taken into considerations; we still form the following two hypotheses both predicting a positive relationship of management experience in both of our areas of interest:

**Hypothesis 1:** More years of management experience had a positive effect on how well a GP has done in terms of raising a fund in 2020 relative to his or her last fund raised.

**Hypothesis 2:** More management experience enabled General Partners to close more deals during the Covid-19 pandemic.

### **3. Methodology and Research Design**

The following chapter presents the methodology and the research design of this paper. As previously discussed, this paper aims to investigate the relationship of management experience and two variables, that are crucial in the overall life cycle of a Venture Capital fund (Paul Alan Gompers and Lerner 2004):

- 1.) Fundraising
- 2.) Deal activity

Section 3.1 provides a detailed description of how the data was collected and the sample formed, section 3.2 will be a description of all variables. Section 3.3 gives an explanation of how the research was designed, which statistical tests were performed and how these tests were performed, is given.

Firstly, a short explanation will be given on why this particular topic and the methodology was chosen. Generally, this research work taps, in regard to the quantitative approach to experience as a success factor, into a largely under-researched topic. Burton and Scherschmidt (2004) have pointed out the struggle of first-time managers regarding fundraising and found that a General Partner's tenure in the VC industry is of high importance. Meanwhile, recent research on VC firms dealing with the current crisis, stated that 25% have struggled to evaluate new deals (Gornall, 2020). Overall, most research in the direction of this topic though, is based on qualitative rather than quantitative data and tackles this area more broadly like investigating success factors for General Partners in general or take a look at the reasoning why certain VC firms and their General Partners are more successful in a crisis than others. Besides, as this paper looks at data from a current crisis little research about specific aspects exists. The uniqueness of this paper comes from the fact that it combines three aspects of research. Firstly, the aspect of Venture Capital being a people-driven industry, where reputation, track record and networks, only developed over time, are crucial. Secondly, that management experience becomes more crucial in crises and thirdly, these aspects are put into the context of the current crisis.

### ***3.1 Sample selection and data collection***

To explore the relationship of management experience as General Partners in Venture Capital firms on the one hand and fundraising success and deal activity on the other, a cross-sectional dataset was created. The research is quantitative, combines primary with secondary data and gathers additional descriptive data. The reason why fundraising and deal activity were chosen to be looked at when investigating success during the current crisis was mentioned before. While on the long-term it is obviously most important to see how well the deals that were made this year turn out and what return was made for LPs, as of now this is impossible to evaluate.

The most important source used for this research was Crunchbase, a platform with a variety of specific business information primarily focused on the start-up world including financial information from all sorts of investors in those private companies (Dalle et al. 2017). With an academic access, large data files can be downloaded providing extensive information. The date of the data file extraction, which was ultimately used for this paper, is November 27<sup>th</sup>, 2020. This means the data, which was considered goes from decades back to that specific date. All information relevant for this research, except of the management experience, was sourced from these data files. Eventually, two separate datasets were constructed – one for Fundraising and one for Deal activity. The entire year of 2020 up to November 27<sup>th</sup> was considered as the time of the crisis as data from all over the world was used and in China, for instance, the pandemic started to pan out already by the start of the year. The starting point for the collection of observations for both datasets was whether at least one count could be made in 2020 for the respective category. This means at least one fund was raised or at least one deal was made respectively. Understandably, a much larger number of observations for deals than for fundraisers could be found. Consequently, for the “deals” list only deals made by partners working at firms listed as “Venture Capital” by Crunchbase were considered while for the “fundraising” list partners working for firms listed as “Micro-VC” were also included.

For an observation in the “fundraising” list to be selected for the sample it was additionally necessary that another fund was raised in the past 10 years and both times the information of the amount raised in USD had to be given. For the “deals” sample the reference time used to observe the development of deals during the Covid-19 crisis was the same time last year, meaning 01.2019 - 11.2019. For the “fundraising” sample all observations that met the criteria were included, resulting in 135 observations, while for the “deals” sample 300 observations were randomly selected. Additional information, that were collected for the observations, were name of the fund they worked at, country they are based, an investor rank provided by

Crunchbase and for fundraising the exact date of this year's fundraiser and the last one. Finally, the last step needed necessary, was to collect the management experience. Mainly LinkedIn, was used to extract information about the management experience of a General Partner.

### ***3.2 Variables***

As discussed before, the key variables for this research are fundraising amounts and number of deals as the dependent variables and management experience as a General Partner in a Venture Capital firm as the explanatory variable.

For the explanatory variable, management experience was measured by looking up each GP from the sample on LinkedIn. The time that this GP was managing the current fund was rounded up to the next full year – meaning 2 years and 6 months was rounded to 3 years, 8 months was rounded up to 1 year, etc. – and filled in the list next to the other information. In cases, where a GP was a partner at another VC firm before, these years were noted as “additional experience” in a separate column. In the “fundraising” sample 9 out of 135 observations had additional experience considered and in the “deals” sample 17 out of 300.

To only consider management experience as a fund manager had two reasons. Firstly, as there is no framework on how to weigh different types of experience of VC managers and it was necessary to provide some comparability in the variables, a decision was taken to limit this work on management experience while not taking into account prior work experience or non-management experience in Venture Capital. Secondly, to fit the idea of exploring the relationship of experience and success during the current crisis into the frame of this research project, some cut-off had to simply be made. In summary, with the type of measurement chosen the highest degree of comparability is reached but there are obvious limitations as we might not capture “true” experience, which can give us a derivation to the track record and the reputation of a GP.

As mentioned before, for the dependent variable “fundraising” the starting point was the amount a General Partner raised in 2020. As just the total amount raised this year would be misleading in a way that it depends highly on the range a fund normally raises, we rather want to put the size of the new fund in relation to previous funds and see how well one has done compared to the past. So, the variable was defined as the relative change of this year’s fund raised to the last fund raised. Since fundraising overall hasn’t dropped significantly this year and fund sizes have generally become larger over the years, we would expect a tendency of increases in fund sizes across all observations. The question is if there is a significant difference in how much individuals could increase their fund sizes depending on their experience.

The dependent variable for the “deals” sample was similarly constructed. It was looked at how many deals a General Partner made this year and how many deals he made in the same time frame last year. In the end, the change in absolute terms and as a Year-over-year (YoY) change was taken for the analysis.

Additionally, some control variables were added to the model to see the effect on our main explanatory variable. Firstly, the country where a partner is situated was used. The reason why this variable in particular was used is two-fold. Firstly, the development of the two parameters used as the dependent variables in this paper are heavily affected by how strong the negative effects of Covid-19 were in a particular country. This is mainly driven by how aggressive and broad the interventions of local governments were to combat the pandemic (Baker et al. 2020). Besides that, Venture Capital has a much longer history in the United States than in other countries (P. Gompers and Lerner 2001). Therefore, we might find differences between GPs in the U.S. and other countries. Consequently, the control variable is constructed as a dummy variable whether a GP is from the U.S. or not. Secondly, an “investors rank” was added. This rank is created by Crunchbase as a relative measure that takes into account various variables, such as Total Funding Amount and an entity’s strength of relationships with others in the

Crunchbase ecosystem ('Crunchbase Rank (CB Rank)'). In the context of this study, this variable can be broadly viewed as an indicator of a VC firm's size as well as the strength of its network. A low number in "rank" means a high ranking by Crunchbase, hence if a higher rank would have a positive relationship, the coefficient of the variable must be negative. Thirdly, additional management experience, where present, is added as a variable.

### ***3.3 Research Design***

The tool used for this research was MS Excel Spreadsheets since the data could be organized properly and it is possible to perform all relevant statistical tests with it. The research has an experimental design and uses cross-sectional data. Linear Regressions and Multiple Regressions were performed. As the idea of this research was to investigate one specific factor and its relationship to success quantitatively, regression analysis was the logical choice.

Potential problems of the research design are a wide non-linear spread of observations, especially in the change in fundraising and overdispersion in general, meaning there is "more variability around the model's fitted values than is consistent" (Berk and MacDonald 2008). Furthermore, it is reasonable to expect that the models will indicate that a significant portion of variation in the dependent variable will not be explained.

## **4. Results**

The following chapter presents the statistical results of the quantitative research. Section 4.1 presents the results of the "fundraising" analysis, 4.2 the results of the "deal activity" analysis.

### ***4.1 Fundraising***

Looking at some descriptive statistics of the sample used for the fundraising analysis we find the average years of experience of the partners observed to be 7.6 years, with a maximum of 25 years and a minimum of 1 year. Most values are between 4 and 10 years with some far outliers (See Table 1, Appendix). Regarding fundraising we find that in 2020 on average the partners in the sample have raised a little over \$292 million. The median is at 110 million. This

large difference is driven by some outliers of partners that have raised so-called mega funds (funds over \$1bn.) (Pitchbook 2019). The largest fundraiser in our sample is at \$5.252bn. and our smallest at \$100,000. The large spread proves that in order to evaluate how well a General Partner could gain the trust of investors in current times and perform in this category, we must look at fundraising amounts relative to the past. On average this year's funds were \$95m. larger than the last funds that the same partners have raised, with the median at \$25.5m or 34%. 89 partners noted an increase in the amount they raised, while 37 had a decrease and 9 raised the same amount as last time.

**Hypothesis 1:** More years of management experience had a positive effect on how well a GP has done in terms of raising a fund in 2020 relative to his or her last fund raised.

Now, to investigate the hypothesis several models are introduced in the following. When performing a regular regression analysis, we face considerable skewness due to some extremely large outliers (>200% change) in the Y-variable. Reasons for extreme changes in fundraising amounts could be that a small specialized fund was raised last time and a “normal” one next time, for example. To fix that we use the natural logarithm of Y and transform the model into a Log-Level Model. By adding more explanatory variables to the basic linear model (Model 1) additional models were created. Due to the fact that in Log-level models only positive values can be considered the models were cut to 89 observations.

**Table 1: Regression Models - Fundraising**

	Intercept	GP's experience	U.S. origin	Rank	Additional exp.	Q2	Q3	Q4	Observations
Model 1	17.35*** (0.34)	0.081** (0.036)							89
Model 2	16.97*** (0.38)	0.08** (0.035)	0.74** (0.35)						89
Model 3	17.71*** (0.47)	0.059 (0.036)	0.61* (0.34)	-0.000015*** (0.0000047)	0.074 (0.11)				89
Model 4	17.49*** (0.35)					0.64 (0.56)	0.54 (0.51)	0.84* (0.46)	89
Model 5	17.57*** (0.55)	0.13 (0.085)	0.56 (0.34)	-0.000015*** (0.0000049)	0.073 (0.11)	-0.05 (0.58)	-0.47 (0.64)	-0.96 (1.04)	89

Standard Errors are in parenthesis

\*\*\* p<0.01, \*\* p<0.05, \*p<0.1

In the linear model, where only “GP’s experience” is considered as the explanatory variable, we find a significant positive relation. Our model indicates that each additional year of experience resulted in an 8.1% (in log-level models increasing X by 1 accompanies a  $100 \cdot P$  % change in Y) additional gain in fundraising relative to the previous fund raised. Being from the U.S. has a positive effect on the Y-variable in the models, though the coefficient becomes smaller and statistically insignificant as more independent variables are added. The variable “rank” is the only explanatory variable that is consistently significant on all common levels. The coefficient is negative suggesting that a high rank of the VC firm had a positive effect on fundraising in 2020. It is very small, which is likely explained by the fact that the Crunchbase ranking is very extensive going well beyond 100,000. With the addition of the three control variables (Model 3) the explanatory value of experience seems to shrink and the coefficient is slightly insignificant ( $p=0.105$ ).

In order to investigate if the impact of each extra year of management experience has the same value or if there is a difference between moderately and very experienced GPs the observations were subdivided into quarters. A Five-number summary (See Table 4 Appendix) shows that indeed only GPs in the largest quarter (10+ years of experience) showed a real difference when looking at average fundraising changes, with on average 40% more funds raised this year compared to last time, and hence seemingly had a lot more success. When we test this in a multiple regression model (Model 4), where we use dummy variables with being in Q1 as the base and being in Q2-Q4 as one explanatory variable each, we find evidence that supports this indication. The coefficients for Q2 and Q3 are positive but insignificant, while the variable Q4 is significant when using a 90% confidence interval. When combining all given variables to a model (Model 5) we see that the variables for the quarters change to the negative and their SE becomes larger, which results likely due to multicollinearity with GP’s experience and rank.

## 4.2 Deal activity

As mentioned before the “Deals” sample comprised of 297 observations and all observations had at least one deal in 2020 until November 27th. For the x-variable, we find an average of 7.09 years of management experience, with a maximum of 35 years. All GPs in the sample combined for 687 deals, down 83 from the same time frame last year. This translates to an average number of deals per GP of 2.31 in 2020 and 2.59 deals between January and November of 2019. The most deals a single GP was able to close in 2020 is 11 deals. Of the 297 observations, 87 had an increase in the number of deals from 2019, 114 suffered a decline in, deals and 96 closed as many deals in 2020 as in 2019 (See Table 5, Appendix).

**Hypothesis 2:** More management experience enabled General Partners to close more deals during the Covid-19 pandemic.

**Table 2: Regression Models - Deal activity**

	Intercept	GP's experience	U.S. origin	Rank	Additional exp.	Observations
Model 1	ˆ-0.33 (0.22)	0.0057 (0.025)				297
Model 2	ˆ-0.78** (0.32)	0.016 (0.026)	0.158 (0.27)	ˆ-0.0000078** (ˆ-0.0000034)	0.0094 (0.069)	294

Standard Errors are in parenthesis

\*\*\* p<0.01, \*\* p<0.05, \*p<0.1

To investigate hypothesis 2, again two models are introduced. First, a linear regression analysis is performed that has “change in number of deals from 2019 to 2020” as the dependent variable and “GP’s years of experience”, as the explanatory variable. In a second model, additional control variables are added. For the variable GP’s experience, we find no positive correlation to a positive change in deal activity, as the coefficient is small, the p-value high, and the SE also relatively high. When adding multiple control variables, the significance of the model increases significantly, though it is still insignificant. Same as for the fundraising analysis, rank seems to again be significantly correlated to the Y-variable. All other variables do not indicate

a positive correlation to deal activity. As we see the coefficient of the variable GP's experience change greatly, we can assume omitted variable bias be present in the model.

Overall, the results of the analysis cannot support hypothesis 2.

## **5. Discussion**

The following chapter of this paper elaborates on the findings presented in the previous section.

The research question of this study was: "Does management experience as a Venture Capital fund manager have a positive relationship with fundraising success and deal activity during the 2020 Covid-19 crisis?"

Based on existing literature and reasonable beliefs two hypotheses were articulated.

**Hypothesis 1:** More years of management experience had a positive effect on how well a GP has done in terms of raising a fund in 2020 relative to his or her last fund raised.

**Hypothesis 2:** More management experience enabled General Partners to close more deals during the Covid-19 pandemic.

To recapitulate briefly: Concerning hypothesis 1, this study found indicating evidence that management experience had a positive impact on fundraising success during the pandemic. Furthermore, it was found that additional experience plays specifically a significant role with partners that have years of experience way above the average (10+ years). Below this group of GPs, there was no difference seen. Additionally, we found that Americans had significantly larger increases in the funds that were raised relative to previous funds compared to GPs not from the U.S and Crunchbase's investors ranking of investing firms was also positively correlated to fundraising success in 2020. When adding more explanatory variables to the model, the variable GP's experience became very slightly insignificant when using the 90% significance level, but there is still reasonable belief that the positive correlation exists.

Concerning hypothesis 2, we have not found evidence to support it. For deal activity, the only positive correlation that was found, was again the Crunchbase investor's rank of the VC firm a partner was working at.

The results show a mixed picture that nevertheless can be interpreted along some insights that were given by previous research. As mentioned earlier, this study covers a current topic and no study with a similar approach exists until now. Nonetheless, findings from studies with related study goals, that were introduced in Section 2, can be compared. The fact that management experience of a GP impacted fundraising but not deal activity might show that fundraising is more driven by trust and personal relationships, which is rather given with established networks over time (Sahlman 1990). Next to the existence of networks as a driver by fundraising success, scholars have regularly pointed out the reputation and track record to be of high importance for LPs investment decisions (Burton and Scherschmidt 2004; Paul A. Gompers 1996). Our results support this and further expand this knowledge with evidence that aspects that are derived heavily from the experience of a partner, like reputation or good networks are more important in fundraising than in making deals. Now adding this to crisis times the analysis indicates support to the theory that during economic downturns, investors tend to become more risk-averse and choose to invest in proven management teams with good track records (Meikle 2008). Another point that can be connected to the argument of an increase in risk aversion in economic downturns, is the general rise in mega funds (Pitchbook 2019). This trend towards in total less but bigger funds being active, has even been accelerated the past year (Whyte 2020). The idea behind it, is that LP's simply give more money to fewer VCs. It is reasonable to believe that the GPs, who are raising these large funds are generally longer in the industry. Further, by including Crunchbase's investors ranking, correlation of a VC firm's reputation, track record, etc. directly with the two Y-variables measured, could be shown. It is reasonable to think that the reputation and network of a GP is often times strongly interconnected with the

reputation and network of the VC firm he or she is leading. Therefore, even though no significant correlation of a GP's experience with deal activity could be found, it might be subordinately correlated through a VC's investor rank.

Generally, several arguments can be made for not having found any evidence for a positive relationship of management experience and deal activity. It was shown that the reputation of a VC fund is a decision criterion for entrepreneurs when making a deal. However only as the fifth-most important, significantly behind personal compatibility and valuation. Further, it was shown that only for novice and seed-stage entrepreneurs, the reputation of a VC fund is among the most important arguments (Pitchbook 2020). There are three things needed to be mentioned in this context. Firstly, it is argued that the reputation of VC firms from the viewpoint of entrepreneurs is described differently and goes beyond sheer success in terms of exits and adds factors like "honest dealing" and "likelihood of making follow-on investments". This type of reputation could be less related to the tenure of a partner as a GP. Secondly, reputation and track record of VC firms is interconnected with the reputation of a GP, still it cannot simply be set equal. There might be several cases where relatively inexperienced partners without proven track records are in partner positions of well-established funds. Thirdly, the number of seed and early-stage VC investments has disproportionately declined, and an even steeper reduction in number of first financings has occurred, reaching a 10-year low in Q3 (Pitchbook 2020). The argument here is that in initial stages when the resources invested in a new firm are relatively small, disengagement and delay become more likely (Liñán and Jaén 2020). The sample of this study shows more partners with a decrease in deal activity from 2019 to 2020 than global data has shown. Therefore, we might have a disproportionate incidence of partners focused on seed and early-stage funding. This is likely as corporate venture capital firms (CVC) were excluded from the sample and traditionally the percentage of seed/early-stage investments made by traditional VCs far exceeds corporate VCs (Nahata 2008). Moreover, an explanation

might lay in the reasons why there was an overall decline of deal activity as previously mentioned that recent studies have shown VCs spent more time guiding portfolio companies and slowed down their investment pace to 71% during the pandemic (Gornall, 2020). It is hard to say for sure but more experienced fund managers might be disproportionately affected by this due to having bigger portfolios. Furthermore, there might be more pressure for entrepreneurs than for LP's in the current crisis to make their respective decisions, resulting in the fact that they might be less in the position to wait for the most renowned investors and tend to go quicker for the first best option at the moment. Another argument might be the practical implications of the pandemic on everyday lives, which is the inability to travel, inability to have in-person meetings, no events and conventions are taking place that allow to network with entrepreneurs and potential syndicate partners. The argument, on which parts of this study were based on, was that in the VC industry as a people's business, the VC's network is critical in the process of deal sourcing (P. Gompers et al., 2016.; Kollmann, Kuckertz, and Middelberg 2014). Combined with the restrictions due to the pandemic, the belief was that GPs with more experience might suffer less from the impact of these restrictions as they have a well-established network. But instead, it might be more important to look at who is more able to adapt to new conditions and source / close new deals. This in the end, might be driven more by personal reasons than experience and would need to be studied in more depth.

## **6. Limitations and Implications for further research**

This study is facing a few relevant limitations. Before elaborating on these limitations, it is important to note that the findings and interpretations are based on the particular data samples at hand and it cannot be taken for granted that the findings and its interpretations are valid for the overall population. One of the main limitations is, that this study tried to investigate the relationship of experience of GPs with success these GPs had regarding fundraising and deal activity, while making the argument that being in the VC industry for a long time and thus

having considerable experience will be interconnected with having a certain level of reputation and track record. Nonetheless, relationships of success and reputation of a VC firm was indicated by the positive correlation of a firm's rank. Hence, the correlation of GP's experience might just capture this correlation in a different way as well. In the end, the funds that were raised and the deals that were made are always attached to the firms primarily.

There are several implications for further research provided in the present study. It needs to be noted, that the correlation of GP's experience became slightly insignificant as additional variables were added when using the 90% significance level. Therefore, replicating this study with another, larger sample is recommended. Secondly, the models presented have shown rather low explanatory power. More research concerning the importance of the factor experience relative to other factors would be advisable. Generally, more research should take place in retrospective to the pandemic about dynamics of VCs and its General Partners success during this time. Here a combination of quantitative and qualitative data gathered from LPs, GPs and entrepreneurs regarding decision criteria and success factors would provide further insights. Long-term, it will be interesting to explore the implications of dynamics taking place now. In question would be, for example, if the trend towards mega funds has been further accelerated? Further, will valuations be impacted when fewer individuals manage more money? Lastly, will the exits of either the investments made in 2020 or the investments made with funds raised in 2020 show any significant difference to previous times? The actual implications though will, as always, come to light only over time.

## **7. Conclusion**

This research aimed to investigate the relationship of management experience of Venture Capital fund managers with fundraising success and deal activity during the Covid-19 pandemic. Based on a quantitative analysis on the correlation of GPs management experience and fundraising success and deal activity respectively, it can be concluded that a GP's

experience had a positive effect on fundraising during the current crisis while not being significantly correlated to the deal activity of a GP.

This study has confirmed prior knowledge on the positive relationship of reputation, track record and good networks on fundraising while shedding light on opposing views on the importance of the same factors on deal activity, showing that there seems to be no correlation at least in the current context. Furthermore, this study could expand past research with three aspects. Firstly, common knowledge was confirmed with quantitative results while all prior work on this topic had a qualitative data approach only. Secondly, this study provided a comparison of the importance of experience on the relationships of a GP with LPs for fundraising and on the other side the importance for the relationships with entrepreneurs and other VCs to make deals. Thirdly, this is the first study looking at these aspects in light of this current global crisis. As mentioned before, future work on this topic should focus on researching the degree of explanatory value of reputation, track record and good networks through experience on both fundraising and deal activity relative to other factors. Additionally, research should be done on how much these aspects really derive from experience. However, most important in the current context is to research retrospectively what eventually caused differences in fundraising and deal activity between GPs during the current crisis.

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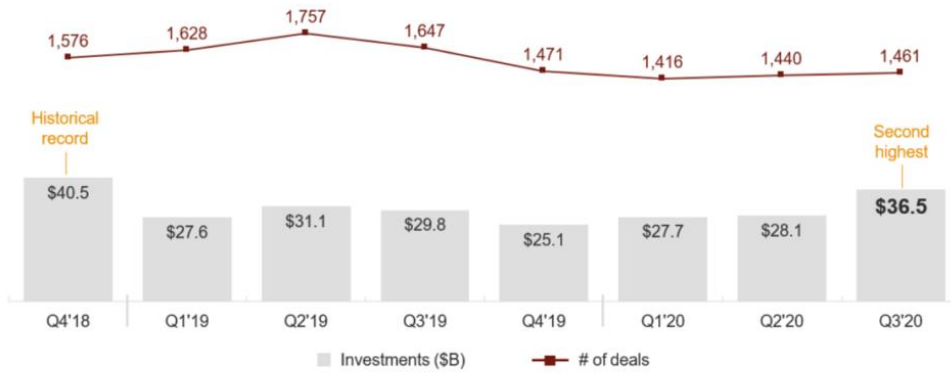
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## Appendix

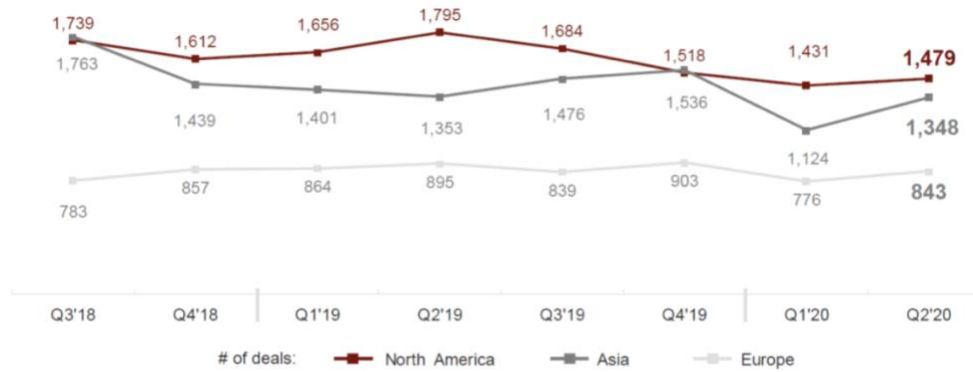
**Figure 2: VC Funding and deals in US by quarters**

US deals and dollars – Quarterly



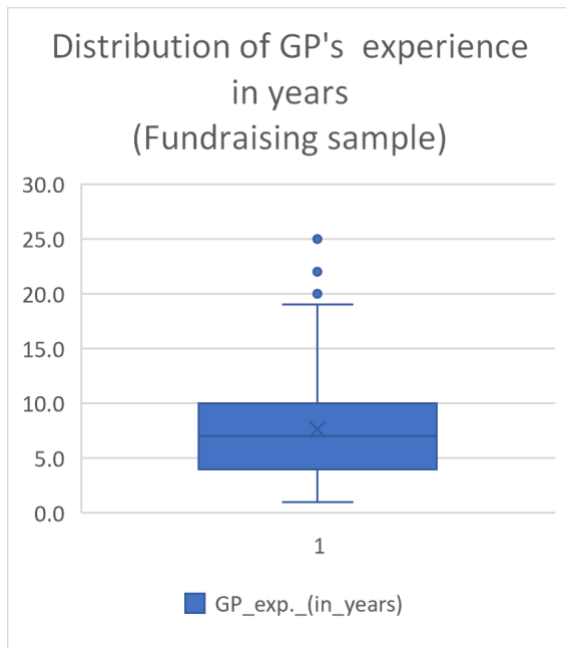
Source: PwC CB Insights MoneyTree™ Headline Report Q3 2020

**Figure 3: Deals comparison of regions by quarters**

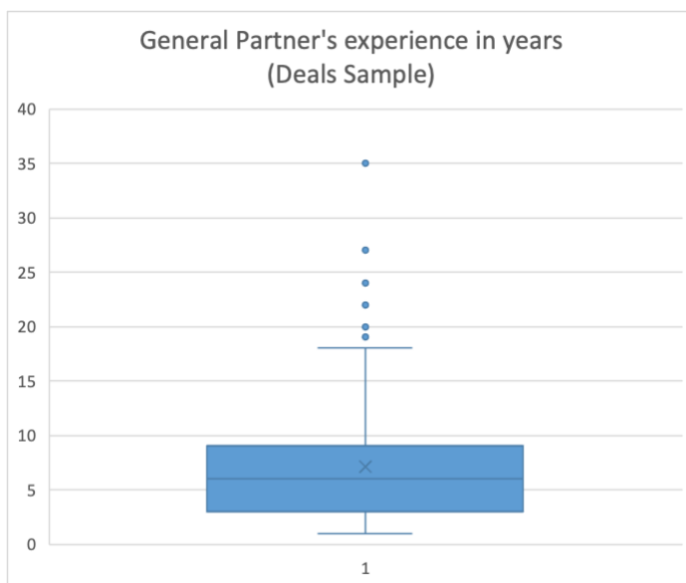


Source: PwC CB Insights MoneyTree™ Report Q2 2020

**Figure 4:** Boxplot Fundraising sample



**Figure 5:** Boxplot Deals Sample



# Regression Outputs & Graphs:

## Section 4.1: Fundraising

### Model 1: Linear Regression

Regression with constant: Y=		LN (Change in Fundraising)					
X=		GP's years of experience					
SUMMARY OUTPUT							
<b>Regression Statistics</b>							
Multiple R	0.232941348						
R Square	0.054261672						
Adjusted R Square	0.043391116						
Standard Error	1.658838625						
Observations	89						
<b>ANOVA</b>							
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>		
Regression	1	13.73566562	13.73566562	4.991619025	0.028033767		
Residual	87	239.4018659	2.751745585				
Total	88	253.1375315					
<b>Coefficients</b>							
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>
Intercept	17.3530917	0.339822816	51.06511651	1.2027E-66	16.67765705	18.0285263	16.67765705
GP_exp_(in_years)	0.080551253	0.036053845	2.234193149	0.028033767	0.008890333	0.15221217	0.008890333

### Model 2: Multiple Regression

Multiple Regression (Log-Level Mo Y=		LN (Change in fundraising)						
X=		GP's years of experience dummy variable US						
SUMMARY OUTPUT								
<b>Regression Statistics</b>								
Multiple R	0.31903736							
R Square	0.101784837							
Adjusted R Square	0.080896112							
Standard Error	1.625995113							
Observations	89							
<b>ANOVA</b>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	2	25.7655623	12.8827812	4.87271665	0.00989365			
Residual	86	227.371969	2.64386011					
Total	88	253.137532						
<b>Coefficients</b>								
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	16.96954265	0.37852738	44.8304235	2.0324E-61	16.2170551	17.7220302	16.21705513	17.7220302
d_us	0.736494349	0.34526909	2.13310245	0.03576555	0.05012211	1.42286659	0.050122106	1.42286659
GP_exp_(in_years)	0.079883452	0.0353414	2.26033653	0.02632596	0.00962708	0.15013983	0.009627079	0.15013983

### Model 3: Multiple Regression

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.445402293							
R Square	0.198383203							
Adjusted R Square	0.160210974							
Standard Error	1.554254136							
Observations	89							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	4	50.21823426	12.55455856	5.197055842	0.000864142			
Residual	84	202.9192973	2.41570592					
Total	88	253.1375315						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	17.71129211	0.472825896	37.45838006	3.40333E-54	16.77102596	18.6515583	16.77102596	18.65155826
US dummy variable	0.612996649	0.336847821	1.819802922	0.07235128	-0.056862184	1.28285548	-0.05686218	1.282855483
rank	-1.46219E-05	4.73393E-06	-3.088747726	0.002724644	-2.40358E-05	-5.208E-06	-2.4036E-05	-5.208E-06
Additional experience	0.074205673	0.111311281	0.666650068	0.506822664	-0.147149017	0.29556036	-0.14714902	0.295560363
GP_exp_(in_years)	0.058791394	0.03594901	1.635410638	0.105704998	-0.012697156	0.13027994	-0.01269716	0.130279943

### Model 4: Multiple Regression

Multiple Regression	Y=	LN (Change in Fundraising)						
	X=	Dummy variables (Q2+Q3+Q4)						
SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.195606168							
R Square	0.038261773							
Adjusted R Square	0.004318071							
Standard Error	1.692377516							
Observations	89							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	3	9.68549071	3.2284969	1.12721272	0.3427389			
Residual	85	243.452041	2.86414166					
Total	88	253.137532						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	17.49166204	0.34545511	50.6336752	2.9094E-65	16.8048047	18.1785194	16.80480472	18.1785194
d_q2	0.639736254	0.55702963	1.14847795	0.2539931	-0.4677879	1.7472604	-0.46778789	1.7472604
d_q3	0.542070063	0.51239274	1.0579191	0.29308962	-0.476704	1.5608441	-0.476703975	1.5608441
d_q4	0.835072299	0.46347667	1.80175692	0.07512912	-0.0864435	1.75658809	-0.086443491	1.75658809

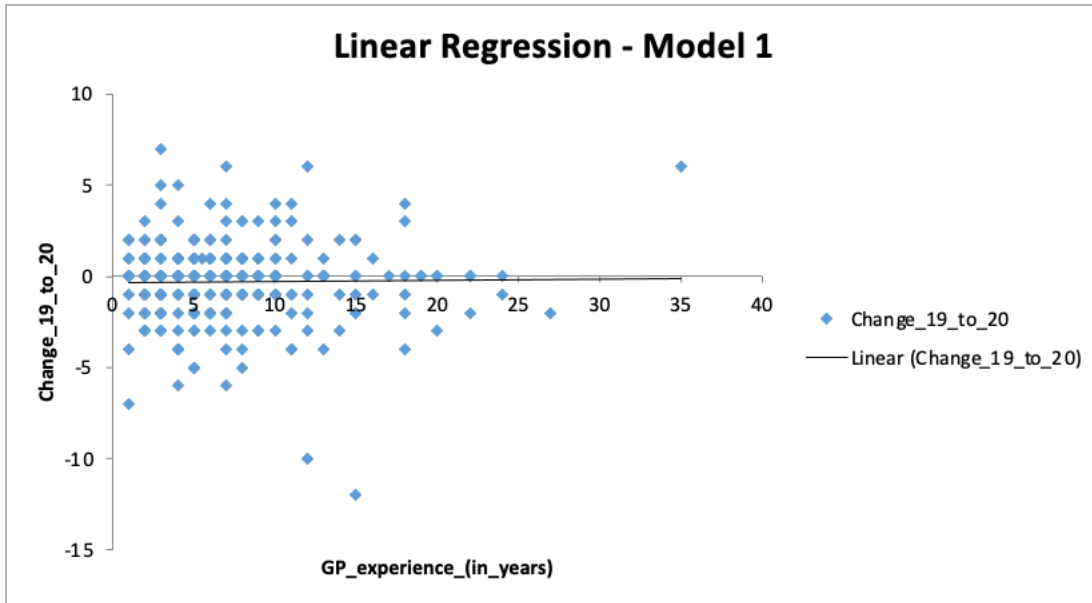
## Model 5: Multiple Regression

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.457406337							
R Square	0.209220557							
Adjusted R S	0.140881593							
Standard Err	1.572039471							
Observation:	89							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	7	52.961575	7.56593935	3.061511978	0.006543			
Residual	81	200.17596	2.4713081					
Total	88	253.13753						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	17.57748756	0.5477441	32.09069455	8.08309E-48	16.48765	18.66733	16.48765	18.6673264
Q2 dummy v	-0.05223038	0.5782324	-0.090327654	0.928249837	-1.202732	1.098271	-1.202732	1.0982708
Q3 dummy v	-0.471278794	0.6460447	-0.729483247	0.467810377	-1.756705	0.814148	-1.756705	0.81414753
Q4 dummy v	-0.963714208	1.0402226	-0.926449979	0.356964391	-3.033431	1.106002	-3.033431	1.10600248
US dummy v	0.556605152	0.3464446	1.606620953	0.112029142	-0.132711	1.245921	-0.132711	1.24592123
rank	-1.48575E-05	4.908E-06	-3.027231576	0.003308824	-2.46E-05	-5.09E-06	-2.46E-05	-5.0922E-06
Additional e:	0.073323986	0.114403	0.640927366	0.523379137	-0.154302	0.30095	-0.154302	0.30094999
GP_exp_(in_	0.13468114	0.0850413	1.583714814	0.117155472	-0.034524	0.303887	-0.034524	0.30388662

## Section 4.2: Deal activity

### Model 1: Linear Regression

SUMMARY OUTPUT								
<i>Regression Statistics</i>								
Multiple R	0.0133969							
R Square	0.0001795							
Adjusted R Sc	-0.00321							
Standard Error	2.2050911							
Observations	297							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	1	0.257492274	0.2574923	0.05295551	0.818157521			
Residual	295	1434.415908	4.8624268					
Total	296	1434.673401						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-0.32687	0.218204773	-1.497995	0.13520371	-0.756305039	0.1025656	-0.756305	0.1025656
GP_experien	0.0057293	0.024897107	0.2301206	0.81815752	-0.043269118	0.0547278	-0.043269	0.0547278



### Model 2: Multiple Regression

<b>Multiple Regres Y=</b>	<b>Change in # of deals</b>							
<b>X=</b>	<b>GP experience</b>							
	<b>Country (dummy)</b>							
	<b>rank</b>							
	<b>Additional experience</b>							
<b>SUMMARY OUTPUT</b>								
<i>Regression Statistics</i>								
Multiple R	0.13631312							
R Square	0.018581267							
Adjusted R Squa	0.004997616							
Standard Error	2.206748429							
Observations	294							
<b>ANOVA</b>								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	4	26.6455363	6.66138407	1.367914087	0.245125965			
Residual	289	1407.35446	4.86973863					
Total	293	1434						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-0.78515207	0.32090864	-2.44665293	0.015014774	-1.416766524	-0.153537616	-1.41676652	-0.15353762
GP_experience_1	0.016105371	0.02580609	0.62409183	0.533059594	-0.034686344	0.066897085	-0.03468634	0.06689708
d_US	0.157795551	0.27072815	0.58285609	0.560444686	-0.375053339	0.690644441	-0.37505334	0.69064444
rank	7.75116E-06	3.352E-06	2.31239571	0.021458525	1.15372E-06	1.43486E-05	1.1537E-06	1.4349E-05
Additional exp.	0.009437651	0.06932351	0.13613925	0.891805983	-0.127005336	0.145880638	-0.12700534	0.14588064

**Additional Statistics:**

**Table 3: Descriptive Statistics “Fundraising” Sample**

	raised_amount_usd	raised_amount_previous	Change_to_120	Change in %	Change in % (excl. outliers >200%)
Average:	292,253,899	196,674,300	95,579,599	3560%	<b>21%</b>
Median:	110,000,000	74,175,000	25,500,000	34%	<b>23%</b>
Max:	5,252,200,000	2,000,000,000	3,252,200,000	399900%	<b>199%</b>
Min.:	100,000	25,000	-1,394,828,333	-99%	<b>-99%</b>
	GPs with increase in fundraising:			89	
	GPs with decrease in fundraising:			37	
	GPs with fundraising as previous:			9	
Total Count:	135				
Average:	7.6				
Median:	7.0				
Max.:	25.0				
Min.:	1.0				

**Table 4: Five Number Summary “Fundraising” Sample**

Five Number Summary	Years of exp. (Quartile incl.)
<b>Min.:</b>	1.0
<b>Q1</b>	4
<b>Q2</b>	6.42
<b>Q3</b>	10
<b>Max.:</b>	25.0
	<b>Avg. Fundraising Change in %</b>
<b>Q1</b>	<b>15%</b>
<b>Q2</b>	<b>17%</b>
<b>Q3</b>	<b>10%</b>
<b>Q4</b>	<b>40%</b>

**Table 5: Descriptive Statistics “Deals” Sample**

Total # of deals:	687	770			GP experience (in years)
Average:	2.31313131	2.59259259	-0.286195286	<b>-12.08%</b>	Average: 7.0993266
Median:	2	2			Median: 6
Max.:	11	16	7	600%	Max.: 35
Min.:	1	0	-12	-80%	Min.: 1
	GPs with increase in # of de		87		
	GPs with decrease in # of de		114		
	GPs with same # of deals:		96		
	Total # of active GPs:		297		

**Table 6: Five Number Summary “Deals” Sample**

<b>Five Number Summary</b>	
	<b>Years of experience</b>
<b>Min.:</b>	1
<b>Q1</b>	3
<b>Q2</b>	6
<b>Q3</b>	9
<b>Max.:</b>	35