

Report Type: Mid Term Award Report

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Faculty/Department : Anthropology

Project Title: Understanding venture capitalists ethnographically – investment decisions and value-add

Project Start Date: Mon, 23/08/2021 Project End Date: Thu, 30/12/2021

Project Abstract: VCs – equity investors in new companies – are understood to have a crucial impact on the commercialisation of technological innovation and new economic actors. Building on earlier work in economics, I want to understand how exactly early stage venture capitalists make investment decisions and add value to the companies they invest in by conducting ethnographic fieldwork in San Francisco and New York. By adding both an anthropological and a comparative perspective – between Europe (DE, UK) where I have already conducted fieldwork with 100+ VC partners and the US – I will provide detailed cases to fill the gaps left open by many quantitative approaches.

Activities and Achievement: The (ethnographic) data collection phase is currently on hold given the travel ban related to COVID-19. Hopefully, this autumn (November), I will be able to finish my interviews and fieldwork (in NYC, with a visit in SF if at all possible). Since the grant started, I spent four months in San Francisco (May-July 2019) and about one month in New York (August 2019) as well as several months in Berlin (2019 and 2020).

Altogether, I have conducted more than four hundred interviews with VC partners (and some juniors), people running accelerators and angel investors between San Francisco, Palo Alto, New York, London and Berlin. A proportion of the interviews will be transcribed (by myself and my research assistant) while I have detailed notes for the others. My data analysis phase is currently in full swing and I am writing first papers to be published in an edited collection (forthcoming later this year) as well as peer reviewed journals.

Dissemination: First academic articles and book chapters are in press (for an edited volume with Berghahn) and in preparation (including as the editor for a Special Issue for the Journal of Cultural Economy). I expect those to start coming out later this year. Furthermore, I have presented first findings at different conferences this summer (e.g. at the Finance and Society Network in May, at SIEF and SASE in June/July). I am also in the last phase of finalising a book of interviews on diversity, equity and inclusion for startups and VCs (publication date later this year), some research for which has happened during the CERF fieldwork. Furthermore, I have written various journalistic pieces (see below) and have been invited to contribute to / give keynotes at industry conferences in Italy, Poland, Germany and the UK.

Outputs:

I have not yet published anything peer reviewed but several smaller pieces of writing; they include:

- Lenhard, J. (2021) 'VCs are financing a servant economy', Sifted, accessible: <https://sifted.eu/articles/servant-economy/>.
- Lenhard, J. (2021) 'European VC funds are building community around ESG initiatives', TechCrunch, accessible: <https://techcrunch.com/2021/02/11/european-vc-funds-are-building-community-around-esg-initiatives/>.
- Lenhard, J. (2021) 'Stop hunting for unicorns, start looking for green zebras', Sifted, accessible: <https://sifted.eu/articles/venture-capital-green-zebras/>.
- Lenhard, J. (2020) 'How a decade of ESG in venture is ahead of us', Venture Capital Journal, accessible: <https://www.venturecapitaljournal.com/how-a-decade-of-esg-in-venture-is-ahead-of-us/>.
- Lenhard, J., Brodnock, E. (2020) 'Time to stop using the term BAME', Sifted, accessible: <https://sifted.eu/articles/stop-using-the-term-bame/>.
- Lenhard, J. (2020) 'Nothing Ventured', The Mint, accessible:

<https://www.themintmagazine.com/nothing-ventured>.

- Lenhard, J. (2020) 'Luck in Venture World', Anthropology News, accessible:

<https://www.anthropology-news.org/index.php/2020/09/10/luck-in-venture-land/>.

Major Difficulties and Any Other Issues: Covid-19 has had a major impact on my (ethnographic) research; this has caused problems to travel to some of the places I wanted to visit (for longer) with the CERF grant. I have instead now shifted a lot of my research to interviews (which unfortunately do not provide the same depth of insights I am used to). Now that I have been vaccinated and borders/countries are slowly opening up, it looks like a visit to the US will be possible in November to finalise my fieldwork there (and hence also the CERF grant).