Report Type

Mid Term Award Report

Full Name

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Faculty/Department

Max Cam / Social Anthropology

Project Title

Understanding venture capitalists ethnographically – investment decisions and value-add

Project Start Date

Feb 01, 2019

Project End Date

Oct 31, 2020

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 70+ VC partners and the US – I will provide detailed cases to fill the gaps left open by many quantitative approaches.

Activities and Achievement

The data collection phase is currently on hold given the travel ban related to COVID-19. Hopefully, this summer and autumn, I will be able to finish my interviews and fieldwork (in Berlin and 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). Altogether, I have conducted more than fifty interviews with VC partners (and some juniors), people running accelerators and angel investors between Berkeley, San Francisco, Palo Alto and San Jose. 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 has only now started which is why I don't have significant research results to report on yet.

Dissemination

Firstly, I have started a (non-academic) blog called 'The Ethics of Venture Capital' on Medium (https://medium.com/@acjf37). Targeting particularly VCs (and other people working in the industry) themselves, I am starting to have conversations about the topics I have been thinking about since the beginning of the overall project about 2 years ago. It serves as a platform to both disseminate ideas and procure feedback. Secondly, I have had several conversations with academics in the Bay Area (mostly at Stanford, but also at Santa Clara University's Ethics Centre and at Harvard) and now back in the UK at LSE. Some of them are very keen on extending the conversation with me and collaborating on writing and further research. Concretely, I am writing a piece together with a researcher at LSE on impact investors and am talking about a journalistic article together with a Harvard researcher on 'ethical due diligence'. Thirdly, I have given first lectures on the topic of 'Ethics of venture capital'. The first one happened at a quasi VC-trade school called Venture University in San Francisco. I have also spoken on the topic at the annual Techstars conference in Torino last year as well as during my (sociology) teaching at Cambridge. Lastly, I have started to write journalistically about some of the findings. Crunchbase News has published two of my pieces (a third one is currently being edited) on the lack of gender diversity in VC, for instance.

Outputs

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Major Difficulties and Any Other Issues

My access has ended up being very good (a problem before) and I am happy with the amount of interviews/fieldwork I have done so far. I hope that the possible impact of COVID on the last bits of fieldwork will abate some time later this year.

Web Links

- My blog on the ethics of venture capital: https://medium.com/@acjf37
- Two of my Crunchbase pieces can be found here: https://news.crunchbase.com/news/the-role-of-limited-partners-in-investment-inclusivity/ AND https://news.crunchbase.com/news/inside-vc-firms-the-gender-divide/

Additional Information

Declaration

This award has not yet produced any relevant outputs, but details of any future publications will be submitted to the CERF database as soon as they become available.

Signature - Main Award Holder

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