# Venture View 2011: 2011 Headlines Predicted by Venture Capitalists

**As part of this year's Venture View predictions survey, we asked respondents to develop a 2011 headline about the start-up ecosystem that they expect to see in the coming year. Below is a complete list of headlines derived from our VCs and CEO respondents by topic. The blue font represents venture capitalists; the black font represents CEOs. Those who wished to be attributed are noted.**

## On the Exit Markets…

**MORE IPOS IN 2011**

**INTERNATIONAL FIRMS SUBSTANTIALLY INCREASE THEIR US START-UP M&A ACTIVITIES -- Jay Eum, Managing Director, TransLink Capital**

**10 OUT OF 12 STARTUPS SELL IN 10-50M RANGE WITH ONLY ONE OR TWO ROUNDS OF FINANCING, INCLUDING SEED - Marcus Ogawa, Managing Partner, Quest Venture Partners**

**GOOGLE SPONGES UP 100 STARTUPS IN 2011**

**SEVERAL LARGE EXITS IN LIFE SCIENCE SECTOR FOR MATURE COMPANIES**

**BLOCKBUSTER IPOS RETURN, ONE YEAR LATER LINKEDIN, ZYNGA, TWITTER ALL PUBLIC, FACEBOOK EXPECTED TO BE NEXT - Craig Jones, Managing Partner, Ticonderoga Capital**

**THE RISE OF CHINA BACKED M&A'S - Phil Giesler, Innovation Director, Unilever Corporate Ventures**

**SILICON VALLEY BACKED COMPANIES WILL INCREASINGLY SEEK TO GO PUBLIC IN CHINESE MARKETS SUCH AS HONG KONG, SHANGHAI, AND SHENZHEN - Pascal Levensohn, Managing Partner, Levensohn Venture Partners**

**IPO LEVEL REACHES NEW HIGH IN 3RD QUARTER**

**HIGH TECH IPOS ARE BACK**

**ACQUISITION OF USA-BASED START-UPS BY CHINESE ACQUIRORS REACHES RECORD LEVELS**

**FIRST COMPANY TO GO FROM FOUNDING TO ACQUISITION FOR $1.0B+ IN LESS THAN 12 MONTHS - Court Coursey, Managing Partner, Tomorrow Ventures**

**HIGH PROFILE HIGH VALUE IPO'S**

**MORE START-UPS GET TO EXIT WITHOUT TAKING VC - Jonathan Murray, Managing Director, Early Stage Partners**

**VC-BACKED IPO VOLUME INCREASES DRAMATICALLY**

**ECONOMY REBOUNDS, START UP ACQUISITION ACTIVITY SETS RECENT HIGH**

**STRATEGIC ACQUISITIONS INCREASE SIGNIFICANTLY IN 2011**

**RATE OF COMPANY ACQUISITION WILL INCREASE IN 2011**

**ASTOUNDING INCREASE IN START-UP ACQUISITIONS IN 2011 THAN OVER THE PAST 5 YEARS**

## On the Clean Technology Sector…

**CLEANTECH BUBBLE BURSTS, BACKLASH BEGINS**

**IS WATER THE NEW OIL? -Karen Meidlinger, Managing Principal, Meidlinger Partners**

**RADICAL NEW SOURCE OF ELECTRIC POWER: ZERO POINT ENERGY**

**CLEAN-TECH CONTINUES TO SOLVE WORLD'S ENERGY PROBLEMS WITH INNOVATIVE STARTUPS - Ira Ehrenpreis, General Partner,Technology Partner**

**INVESTMENT IN GREEN CHEMICALS POISED TO GROWTH**

**NEW TECHNOLOGIES SHIFT ENERGY PICTURE AWAY FROM FOSSIL FUELS.**

**SOLID STATE LIGHTING IS TAKING OFF**

## On Digital and Social Media…

**DATA AND SECURITY BREACHES THREATEN DIGITAL GROWTH AND START UP'S**

**MORE & MORE APPS FOR SOCIAL MEDIA PLATFORMS LIKE FACEBOOK AND TWITTER**

**FACEBOOK GOES PUBLIC, BUT WEB 2.0 BUBBLE BURSTS IN Q4 2011**

**GOOGLE BECOMES LARGEST VENTURE CAPITAL INVESTOR IN 2011**

**TWITTER, FACEBOOK MERGE RAISE $200B AND TAKE GOOGLE PRIVATE WITH DST - Reed Sturtevant, Managing Director, Project 11**

**TECH HAS ITS MOJO BACK -MOBILE, SOCIAL, LOCAL, AND GLOBAL IS THE NEW PLASTIC - Venky Ganesan, Managing Director, Globespan Capital Partners**

**FACEBOOK AND GOOGLE MERGE**

**NEW SOCIAL SHOPPING COMPANY FUNDED FOR ANGELS TO BACK EARLY STARTUP DEALS--FIRST DEAL TIPS IN 10 MINUTES - Sharon Wienbar, Managing Director, ScaleVP**

**SOCIAL MEDIA STARTUPS SEE EXPLOSION IN FINANCING ACTIVITY**

**FACEBOOK LAUNCHES AD NETWORK, GOOGLE STOCK DROPS 10%**

**FACEBOOK FINALLY GOES PUBLIC, BUT LATE STAGE BACKERS NOT SMILING AT VALUATION**

**FACEBOOK CO-FOUNDER EDUARDO SAVERIN USES PROCEEDS FROM SECONDARY SALE TO BUY TWITTER**

**ENTREPRENEURS ARE THE WONDERKIND HEROS AGAIN WITH THE IPOS OF FACEBOOK AND ZYNGA.**

**IS SOCIAL MEDIA THE NEXT INTERNET BUBBLE? - Rob Robinson, Managing Partner, Kolohala Holdings**

**RIM BUYS [MOBILE SOFTWARE COMPANY TO BE DETERMINED] IN EFFORT TO STAVE OFF IRRELEVANCE**

**INTERNET BUBBLE 2.0**

**SOCIAL GAMING MORE GLOBALLY VIRAL THAN PREVIOUSLY EXPECTED! - Dan Aweida, Partner, Aweida Venture Partners**

**NEWS HEADLINES NOW LIMITED TO 140 CHARACTERS OR LESS**

**GROUPON SHOULD HAVE TAKEN THE MONEY AND RUN**

**GROUPON INVESTORS REGRET PASSING ON $6 BILLION GOOGLE OFFER**

**PAYMENTS TAKES OVER FROM SOCIAL MEDIA AS INVESTMENTS HOTBED -Arjan Schutte, Managing Partner, Core Innovation Capital**

**SOCIAL MEDIA GOES PUBLIC**

**FACEBOOK IPO CAUSES HIGH END HOME PRICES IN SILICON VALLEY TO STABILIZE**

**SAAS SERVICES START SHOWING HUGE FINANCIAL SUCESS AS THE EVOLUTION OF THE MERGING OF COMMUNICATIONS AND THE INTERNET HUGE GROWTH - Paul Crawford, CEO, Crawford Capital Corp**

**GOOGLE, FACEBOOK, GROUPON NOT THE ONLY WINNERS**

**APPLE'S APPSTORE ECOSYSTEM SQUEEZES OUT THE INDEPENDENT DEVELOPER AS BIG PUBLISHERS TAKE OVER**

**START-UPS AND GROWTH COMPANIES IN SOCIAL MEDIA AND RELATED CATEGORIES WILL CREATE TENS OF THOUSANDS OF JOBS IN 2011 - Reggie Bradford, Founder/CEO, Vitrue**

**STARTUP COMPANY CHALLENGES IPHONE APP STORE BY MAKING 3RD PARTY APPS WORK WITHOUT APPLE'S APPROVAL**

**CONVERGENCE OF VALUABLE FUNCTIONS IN MOBILE ELECTRONICS IS A HOT MEGATREND**

## On the Life Sciences Sector…

**MEDICAL DEVICE STARTUP ACTIVITY DECLINES AS FDA, REIMBURSEMENT,**

**HEALTHCARE REFORM CHALLENGES INCREASE.**

**MEDICAL INNOVATION COLLAPSING AT THE HANDS OF FDA**

**FDA CLARITY FINALLY ARRIVES**

**REPLACEMENT HEART BUILT FROM STEM CELLS**

**NEW INVESTMENT MODELS IN BIOTECH**

**FDA BECOMES MORE RESPONSIVE AND PREDICTABLE!**

**CONGRESS REALIZES THAT THE FDA HAS NEGATIVELY IMPACTED JOB GROWTH AND TRADE BALANCES**

**LIFE SCIENCE START UPS ARE DOWN IN FACE OF EXTRA FDA SCRUTINY WITH THE AGING AND FATTENING OF AMERICAN POPULATION, BETS**

**IN BIOTECH FIRMS CASH OUT HANDSOMELY**

**YEAR OF NEUROSCIENCE PRODUCT BREAKTHROUGHS**

**FDA WILL BECOME MORE PREDICTABLE**

**FEWER QUALITY EARLY STAGE MEDICAL DEIVCE FIRMSBUT THEY ARE EXPERIENCING AN IMPROVED ACCESS TO CAPITAL AND EXITS**

## On the State of Start-Ups…

**ENTREPRENEURS NEED TO GET FARTHER BEFORE A ROUND**

**HEALTHCARE COSTS DAMPENING SMALL BUSINESS CREATION**

**MORE STARTUPS HAVE SINGLE FUNDING SOURCE**

**35% MORE STARTUPS IN '11 OVER '10**

**START-UPS ARE ABOUT LEVEL FOR THE YEAR.**

**MAJOR VALUATION BUST LOOMING IN HIGH PRICED START-UPS**

**START-UPS DECLINE AS INVESTORS SEEK SAFETY - George Middlemas, Managing General Partner, Apex Venture Partners**

**LESS VC MONEY FOR EARLY STAGE COMPANIES HURTS START-UPS**

**1999 STARTUP INVESTMENTS BEGIN TO BE SHUTTERED**

**WORLD CHANGING START UPS TAKES LONGER TO BREED: NO START UP OF '10**

**VINTAGE YEAR HAS MADE IT YET TO THE VC HALL OF FAME BY THE END OF '11 - Sergey Skaterschikov, Managing Director, IndexAtlas Group**

**ONLY VERY BEST OF BREED WILL GET FINANCED AS CAPITAL SOURCES CONTINUE TO BE LIMITED**

**ENTREPRENEURS PAVE WAY TO ECONOMIC RECOVERY – Peter Tapling, CEO, Authentify, Inc.**

**A YEAR OF RENEWED INTEREST IN STARTUPS WITH PRODUCTS & SERVICES THAT HAVE MARKET TRACTION**

**START-UP COMPANIES WILL CONTINUE TO STRUGGLE TO FIND SUFFICIENT FINANCING AS VC'S TRY TO REDUCE THEIR RISK EVEN FURTHER**

**BETWEEN THE EXTREMES - TAKING A LITTLE BIT CAN MAKE A BIG DIFFERENCE - Dave DuPont, President and CEO, TeamSnap, Inc.**

**BEST TIMES TO START UP ARE HERE - Dan Sanker, CEO, Casestack**

**TECHNOLOGY COMPANIES WILL HAVE TO DO MORE WITH LESS TO GET MORE. - Steve Mattioli, CEO, PointofData Corp.**

**SMALL START-UPS UTILIZE NEW 'NETWORK' BASED STRUCTURES TO FUEL EXPLOSIVE GROWTH - Edward Crowley, CEO, Photizo Group**

**START-UPS UNDERSTAND THE NEED TO DRIVE REVENUES FASTER THAN EVER - Peter Ostrow, CEO, Technical Communities, Inc.**

**START-UPS FIND CAPITAL FROM NON-TRADITIONAL SOURCES: INSURANCE FUNDS, PENSION FUNDS, DEBT MARKETS, AND PRIVATE EQUITY.**

**GREATEST INCREASE IN START-UPS SINCE 2007**

**FEWER START UPS**

**REVENUE GROWTH IS RAMPANT, BUT MARGINS ARE GETTING SQUEEZED (AGAIN) BY TOO MANY ME-TOO START UPS - Bryan Calkins, CEO, CogniSign**

**VENTURE FINANCED COMPANIES DRIVE EMPLOYMENT GROWTH, CATALYZE ECONOMY**

**START-UP NUMBERS REMAIN FLAT AS ECONOMIC STAGNATION HOLDS**

## On Venture Capital Industry Dynamics…

**VENTURE SHRINKS, RETURNS SHOW SIGNS OF IMPROVING**

**VC INDUSTRY SHRINKS BY 20% AS NEW FUNDS FAIL TO ATTRACT LP INTEREST; GAP BETWEEN TOP AND NEW FUNDS GROW**

**MAJOR VC FIRM BREAKS UP.**

**SOVERIGN FUNDS DOMINATE LATE STAGE**

**VENTURE CAPITAL DEMONSTRATES IT STILL NOWS HOW TO PUT UP BIG NUMBERS - Bob Ackerman, Founder, Allegis Capital**

**VENTURE FUNDING CONTINUES TO DECLINE, BIG DIVIDE BETWEEN HAVES AND HAVE NOTS AMONG VCS AND ENTREPRENEURS**

**UNIVERSITIES (NON-ENDOWMENT FUNDS) BECOME A NEW SOURCE OF CAPITAL FOR START-UPS - Sallie Shuping-Russell, Managing Director, BlackRock**

**FINALLY, LP'S REALIZE THAT LESSER KNOWN SMALL FUNDS GENERATE BETTER RETURNS THAN LARGER BETTER KNOWN FUNDS**

**ANDREESSEN HOROWITZ OPENS NYC OFFICE**

**DATA GROWS GEOMETRICALLY WHILE CAPITAL GROWS LINEARLY,**

**LARGE VC FIRM RETURNS CAPITAL AND CALLS IT QUITS**

**OVER-CREDENTIALED, INEXPERIENCED VCS LIVING ON MANAGEMENT FEES FAIL, EXPERIENCED VCS ADDING VALUE SOAR!**
**THE AVAILABILITY OF INVESTMENT CAPITAL WILL DECREASE AND THE COSTS WILL INCREASE.**

**STARTUPS STRUGGLE TO RAISE CAPITAL AS VENTURE INDUSTRY RESTRUCTURES**

**EARLY STAGE MICRO LENDING IS THE NEW STANDARD FOR VENTURE CAPITAL - Dave Copps, CEO, PureDiscovery**

**MORE SELECTED, LESS JUNK, FOR BOTH ENTREPRENEURS AND VCS**

**PENSION FUNDS WIL REGAIN THEIR INTEREST IN INVESTING IN VCS**

## On Angel Capital Investing…

**MORE STARTUPS WILL ELECT TO RAISE MONEY FROM ANGELS AND PRIVATE INVESTORS VS. VENTURE CAPITAL. -- Brian Hoskins, Director, Microsoft**

**START-UPS FIND FUND RAISING FROM VCS DIFFICULT SO LEAN ON ANGELS EVEN MORE. - Bob Pavey, Partner, Morgenthaler**

**FLAWS IN SUPER ANGEL MODEL EMERGE - Michael Greeley, General Partner, Flybridge Capital Partners**

**SUPER ANGELS BECOME MORE AND MORE LIKE REGULAR VCS**

**THERE WILL BE A SLOWING OF THE 'SUPERANGEL' BUBBLE IN THE BAY AREA.**

**SYNDICATES OF SUPER ANGELS AND ANGEL GROUPS TAKE UP SLACK FROM DEARTH OF EARLY STAGE VC'S**

**ANGELS ASK "WHERE IS OUR NEXT ROUND OF FINANCING COMING FROM?" - Steven Dietz, Partner, GRP Partners**

**SUPER ANGELS: CAN'T LIVE WITH 'EM, CAN'T LIVE WITHOUT 'EM (PERONALLY, WE NEED 'EM) - David Cremin, Managing Director, DFJ Frontier**

**PRIVATE INVESTORS LEAD INCREASE IN START UP COMPANY FUNDING**

**BARBELL CONTINUES -- PE AND ANGEL ACTIVITY STRONG, ALL OTHER CAPITAL MARKETS OCCLUDED.**
**FEWER ANGELS TO GO AROUND**

**ANGEL TAKEOVER STYMIED, EXPERIENCED VCS RETAKE POLE POSITION IN IMPORTANT DEALS - Brendan Morrissey, CEO, Netsertive, Inc.**

## On Regional VC Ecosystems…

**VCS AND ENTREPRENEURS DRIVE STARTUP ACTIVITY TO EAST COAST. MA, NY, VA WIN BIG! -John Backus, Managing Partner, New Atlantic Ventures**

**INNOVATION LIVES! FUELED BY MORE AND MORE SEED AND INCUBATOR FUNDS CREATING A GREAT ENVIRONMENT FOR START-UPS, ESPECIALLY IN NY CITY.**

**CLEVELAND OH BECOMES KNOWN AS THE MIDWEST'S ENTREPRENEURIAL HOT SPOT! - Lynn-Ann Gries, Chief Investment Officer, JumpStart Inc.**

**FROM RUST TO REINVENTION: OHIO'S BIOTECH AND CLEANTECH ENTREPRENEURS ARE A BRIGHT SPOT IN THE COUNTRY'S ECONOMIC TURNAROUND - Cathy Belk, Chief Relationship Officer, JumpStart Inc**

**NEW YORK OVERTAKES BOSTON FOR SECOND PLACE IN OVERALL VENTURE CAPITAL INVESTED IN 2011**

**THE COASTS WILL SUFFER GREATLY WHILE THE SOUTH WILL PROSPER.**

**NEW YORK COMPANIES SURPRISE AND CAPTURE HUGE CHUNK OF START-UP INVESTMENTS**

## On the Global VC Ecosystem…

**ASIAN COUNTRIES WILL OVERHEAT AND FALL BACK.**

**MORE VENTURE CAPITAL FUNDS ARE SETTING UP AFFILIATE FUND OFFICES IN CHINA AND INDIA**

**AFRICAN STARTUPS WILL BE FUNDED FROM THE USA**

**US ENTREPRENEURS INCREASINGLY SEEKING STARTUP FUNDING FROM CHINA**

**AN EXPLOSION OF START-UP OPPORTUNITIES IN LATIN AMERICA -Carlos Vassallo, CEO, LatinVision Media**

**THE IMMIGRATION SPACE HEATS UP FOR NEW TECHNOLOGY OFFERINGS - Michael Petrucelli, CEO, ClearPath, Inc.**

## On Policy and Politics…

**NEW SEC REGULATIONS MAKE U.S. VENTURE CAPITAL LESS COMPETITIVE**

**HILLARY CLINTON TO RUN FOR PRESIDENT**

**CA GOV. BROWN'S 2011 TAX HIKE TO 15% ON "RICH"**

**INNOVATION GROWTH LINKED TO CHANGES IN GOVERNMENT POLICY**

**REPUBLICAN HOUSE REINVIGORATES ENTREPRENEURIAL ECONOMY IN THE U.S.**

**OBAMA HEALTHCARE TAXES KILL STARTUP MARKETS**

**NEW CONGRESS PASSES LEGISLATION HELPFUL TO START-UPS AND EARLY-STAGE INVESTING**

**EXTENSION OF BUSH TAX CUTS INCREASE JOB CREATION IN SMALL COMPANIES**

**GOVERNMENT TO RENEW GRANTS TO TECHNOLOGY BASED COMPANIES TO SPUR INNOVATION**

**INCREASED GOVERNMENT INTERVENTION WILL SLOW IPO ACTIVITY**

**US COMPANIES MOVE THE ECONOMY FORWARD IN SPITE OF THE US GOVERNMENT'S INCOMPETENCE - Ralph O'Dell, CEO, NTARA**

**US GOVERNMENT FINALLY TAKES NOTICE THAT STARTUPS ARE AN IMPORTANT ECONOMIC GROWTH FACTOR AND RIGHT POLICIES WILL CREATE SIGNIFICANT JOBS - B. Yusefzadeh, Chairman &CEO, Red Lambda, Inc**

**DEBT CRISIS FOR NOTHING- LOWER TAXES ON THE VERY WEALTHY DO NOT SUPPORT SMALL BUSINESS OR STIMULATE JOB GROWTH: REPUBLICANS DECEIVE PUBLIC**

## Miscellaneous Topics…

**GOLDMAN LAUNCHES EXCHANGE-TRADED VC FUND**

**INNOVATION FUNDING ON THE DECLINE NO GAME CHANGING TECHNOLOGY ON THE HORIZON**

**2011 LOOKS A LOT LIKE 2010**

**KEEP THE FAITH!**