

10 VCs Look to the Future

by Kent Bernhard, Jr. Oct 01 2009

Venture capitalists expect pressure in the U.S. and growth abroad as the industry shakes off the devastation of the financial crisis.

Portfolio.com interviewed 10 venture capitalists at a range of firms both small and large, from East coast to West. Here are highlights from those interviews, which focus on where they see the venture industry going in the future.

Dixon Doll



Dixon Doll is co-founder and general partner at DCM, a Silicon Valley firm with \$1.5 billion under management.

VC cred: Past chairman of the National Venture Capital Association. His Sand Hill Road firm has invested in technology companies such as About.com, ClearWire, and Abound Solar.

The next big thing: Some of the industries his firm is honing in on include cleantech, cloud computing, and the next generation of mobile communications.

Takeaways: Doll sees the industry, which had its birth in Silicon Valley and has been dominated by firms there, will be much more global. “Just extend that model to the globe,” Doll says, pointing specifically to China and India. “If you look at the Chinese market, it’s kind of roughly where the U.S. market was in the early to mid-’80s. You can just project outward that the Chinese market is going to grow significantly over the next five years.”

Plus, the methods of taking companies public or merging them with larger partners will be more of an international game, instead of one dominated by IPOs on the Nasdaq or NYSE. “I think that there are going to be a lot more international IPOs of venture-backed companies,” he says. He points to emerging stock markets in the Pacific Rim—in China, Singapore, Japan, and Taiwan.

He also sees more multinational companies, which have been hoarding cash, wading into international acquisitions of venture-backed companies.

“You’ve got these big multinationals that are thinking very globally, and they’re building up big cash stashes, and they’ll get more aggressive as economies emerge from the current crisis,” Doll says, pointing out that IBM had \$13 billion in cash at the end of the year, and Google is sitting on somewhere in the neighborhood of \$16 billion.

One thing he does see is plenty of companies that will be worthy of venture capital investing. “We don’t see any evidence at all that innovation is slowing down or coming to the end of its existence. There’s just a ton of evidence that innovation is alive and well,” he says.