

URL: <https://stvp.stanford.edu/clips/the-state-of-venture-capital>

The VC industry is suffering from a severe lack of liquidity, says Intel Capital's Vice President Lisa Lambert. Lambert offers her analysis on the current shape of the investment community - and finds much room for improvement. As an asset class, she anticipates a lot of consolidation in the industry as a whole; offering growing pains at the moment, but providing a healthier market overall.



Transcript

The question is, basically, what's your attitude towards VC in general? What's the - what's your prognosis? Yeah.. The industry in general is in trouble.. There's a huge amount of capital access, a severe lack of liquidity.. Things are improving now but the past couple of years have been pretty bad.. And we had some improvement post the bubble bursting in 9/11.. But still we're well off the height of our industry in the '90s.. So as an asset class, I think they'll continue to be consolidation.. I think LPs will continue to look for other areas.. I think the thing that VC does bring that other asset classes don't is that innovative element.. You're going to get the next big idea..

You're going to get the next Facebook.. You're going to get the next Microsoft.. And you're probably going to get it in a lot of different geographic markets.. So, there's still a value proposition for it.. We haven't seen the industry really shake out in that as an asset class is.. It's decreasing as the percentage of the portfolio of the typical LP.. It's still about what it has been, but the industry itself is shrinking, which I think is good for it and hopefully will produce better returns as there are more or fewer rather, topics competing for the number of deals that are out there.. Right now, there's just too much money chasing too few deals...