

# **VCs as Transition Partners:** Leveraging Networks and Expertise to Improve Fielding Outcomes

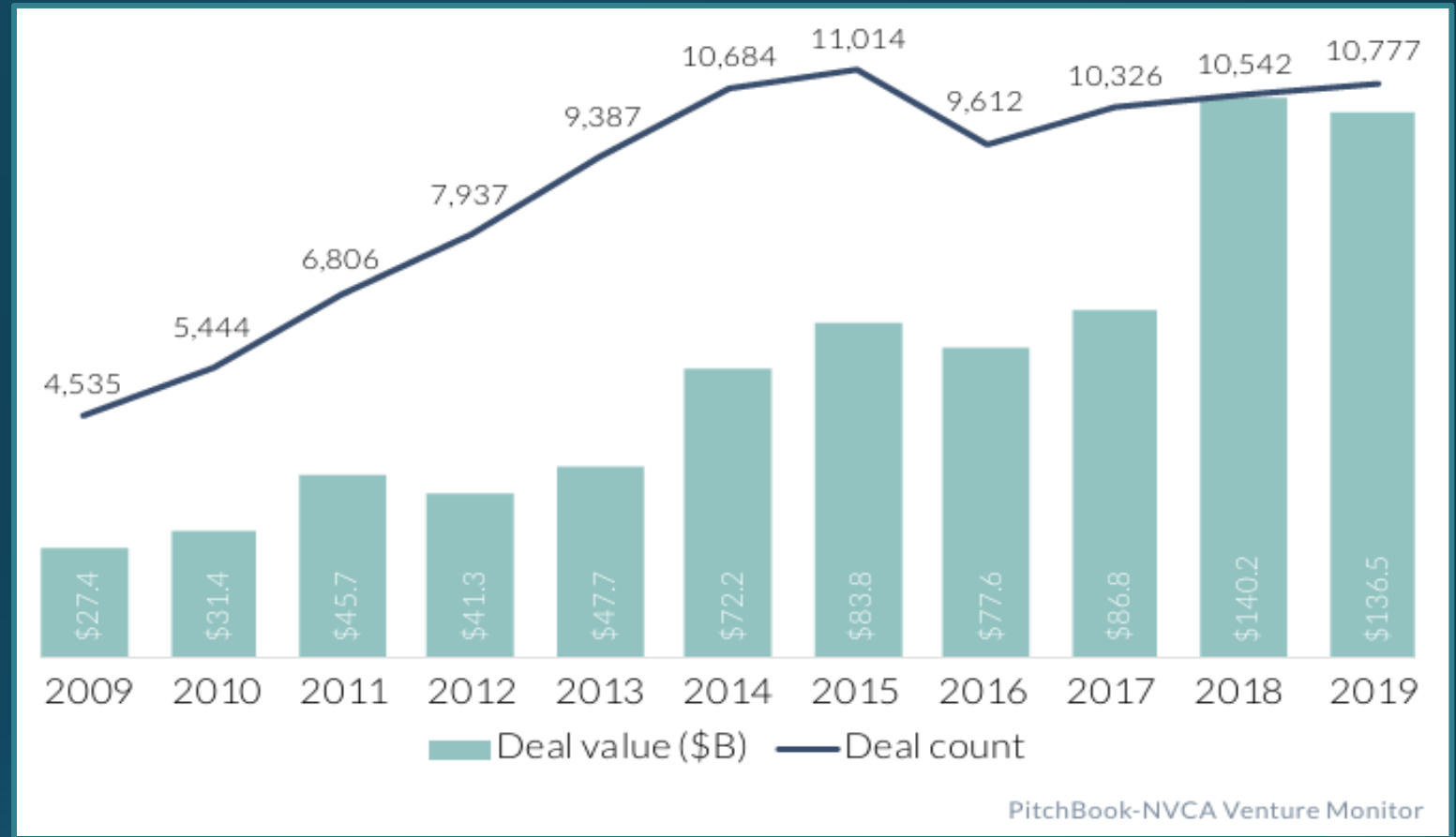
Matthew MacGregor, Senior Fellow, AIRC, [mmacgreg@stevens.edu](mailto:mmacgreg@stevens.edu)  
Stephanie Halcrow, The Halcrow Group, [stephanie@thehalcrowgroup.com](mailto:stephanie@thehalcrowgroup.com)



How can venture capitalists (VCs) serve as transition partners for their portfolio companies by helping them:

- identify potential defense customers,
- overcome integration challenges, and
- scale to improve fielding outcomes.

**RESEARCH QUESTION**



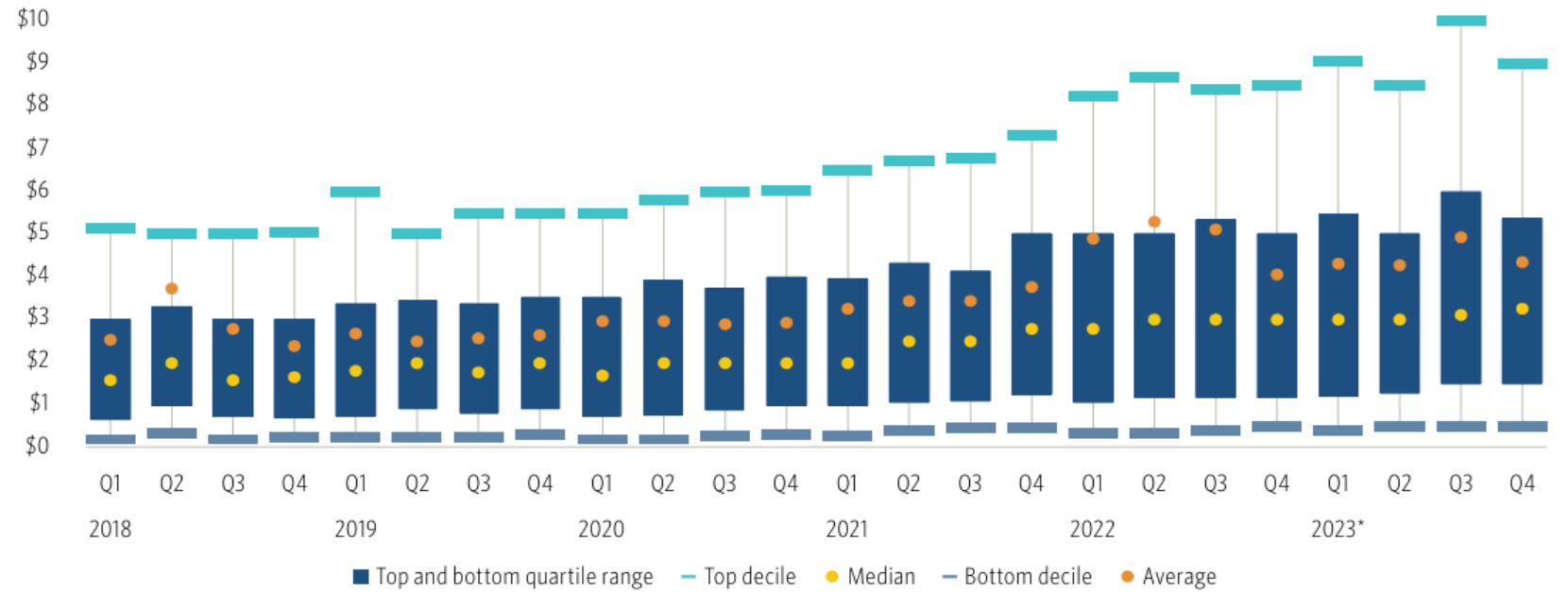
U.S. VC Deal Activity, *Pitchbook*

# VENTURE CAPITAL GROWTH



## Median seed deal size reaches new high at \$3.3 million

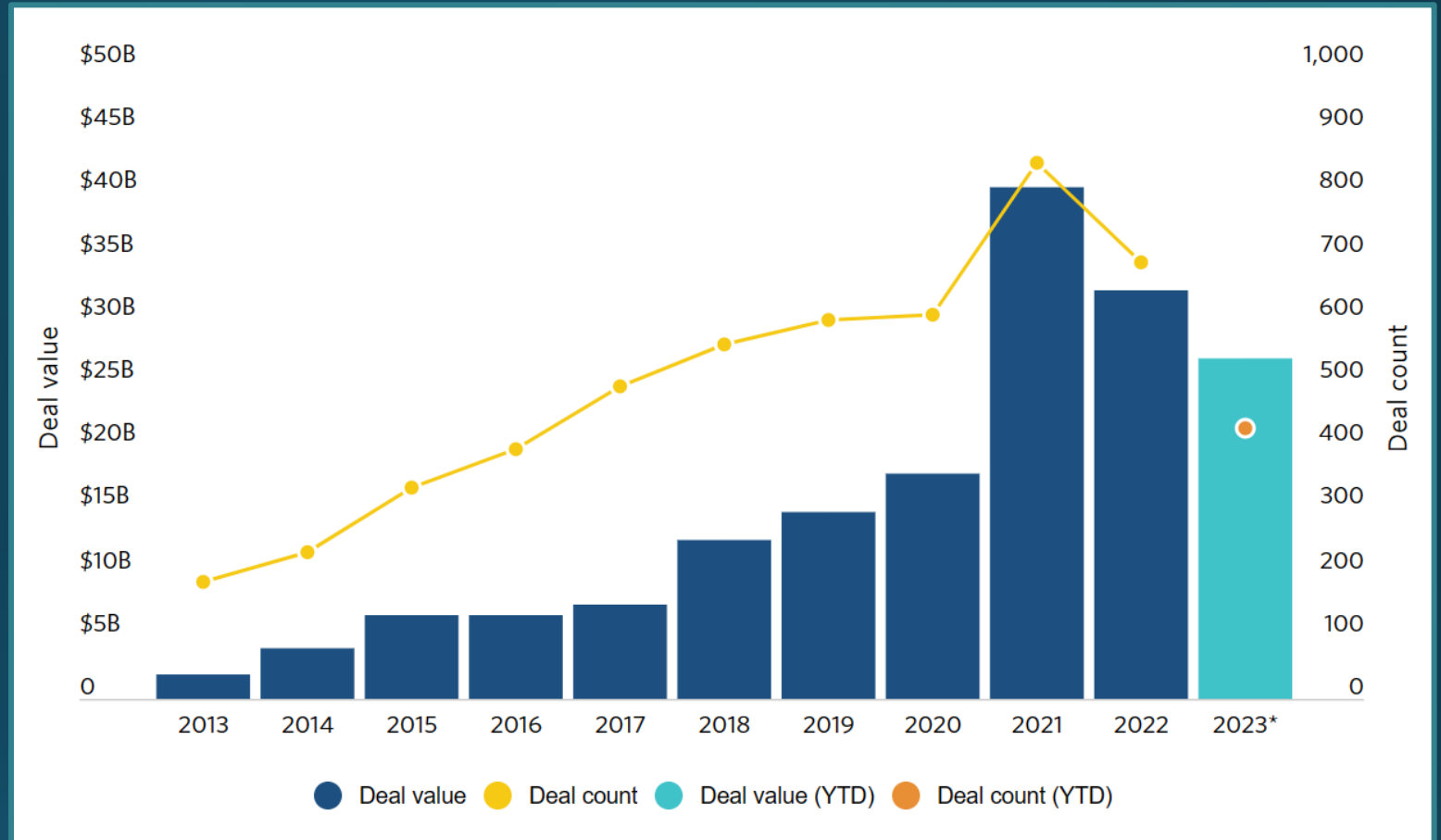
Seed deal value (\$M) dispersion by quarter



Source: PitchBook • Geography: US • \*As of December 31, 2023

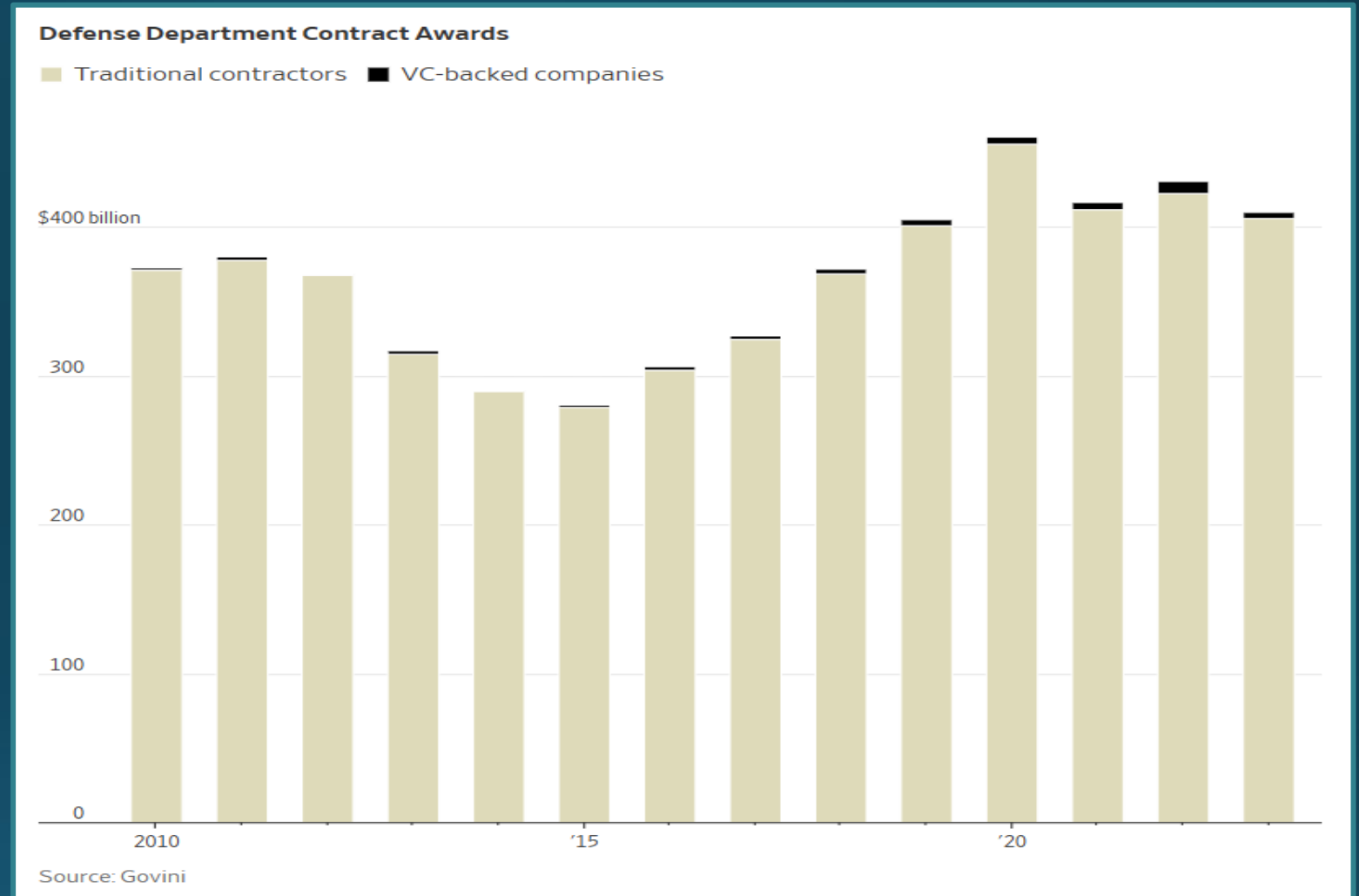
Median VC Deal Size, *Pitchbook*

# VENTURE CAPITAL DEALS



VC Activity in Defense Technology, *Pitchbook*

# VC SHIFT TO DEFENSE MARKET



DoD Contract Awards and Share of VC-Backed Companies, *Wall Street Journal*

# VC-BACKED COMPANY AWARDS



### Matrix of VC Services

Strategic Relationships	Product & Technology
Client Introduction	Operations
Branding & PR	Coaching & Mentoring
Sales & Marketing	Human Resources
Strategy Development	Recruitment
Sector Expertise	Finance & Administration
Legal & Regulatory	Investor Connections
Engineering Assistance	

# FOUNDER SUPPORT SERVICES



VC Services	Comparable Defense VC Services
Strategic Relationships	Government Relations
Client Introduction	Teaming Agreements
Branding & PR	HQ/PEO/PM Advocacy
Sales & Marketing	Use Engagement
Strategy Development	Acquisition & Contracting
Sector Expertise	Defense Primer
Legal & Regulatory	Compliance
Engineering Assistance	Integration & Fielding

# DEFENSE TAILORED FOUNDER SUPPORT





### **With Founders**

- Longer-term investment focus
- Defense tailored founder support

### **With DoD**

- Engaging in proactive, collaborative discussions
- Articulate requirement, fielding and transition challenges
- Identify realistic solutions & way forward

### **With Broader Industry**

- Identify innovation opportunities & introduce startups
- Align integration opportunities to accelerate fielding
- Support with pipeline of people, ideas and products

### **With Congress**

- Engaging in public policy conversations
- Advocate for enabling policy implementation:
  - Open systems, defining requirements as capabilities, portfolio management

# **RE-THINKING VCS AS TRANSITION PARTNER**

# THANK YOU

## Matthew MacGregor

- Senior Fellow, AIRC
- [mmacgreg@stevens.edu](mailto:mmacgreg@stevens.edu)

## Stephanie Halcrow

- The Halcrow Group  
[stephanie@thehalcrowgroup.com](mailto:stephanie@thehalcrowgroup.com)

