



The Economic Impact of Early
Stage Venture Capital





Tyler Clinton

Gladstone Ventures, Partner

Tyler has over a decade of experience in business development and project management. He has formed and advised multiple companies in both the energy services and technology space, focusing on business strategy, recruitment of core operating teams, and capital acquisition. Mr. Clinton is active in the Oklahoma City entrepreneur community.

As a third-generation Oklahoma oilman, he has gained in-depth knowledge of oil and gas production operations from his father, a petroleum engineer and production manager at a large exploration and production company. His grandfather began acquiring minerals rights and working interest in the 1960's throughout the Mid-Continent.

In 2010, he founded Narrate, a media design and technology development company that provided services to Oklahoma State University, Kimray, Modular Services Company, Gary Vaynerchuk, and a host of other clients across multiple industries. Tyler also founded a food and drink discovery app, Fubelly, that filmed with over 400 restaurants in OKC, Tulsa, Kansas City, Dallas and Austin.

In 2012, he co-founded Harbinger Land, a full service oil and gas land brokerage that worked with exploration and production companies as well as large mineral funds to acquire leasehold and minerals while performing title due-diligence across multiple basins.



Tommy Yi

Gladstone Ventures, Partner

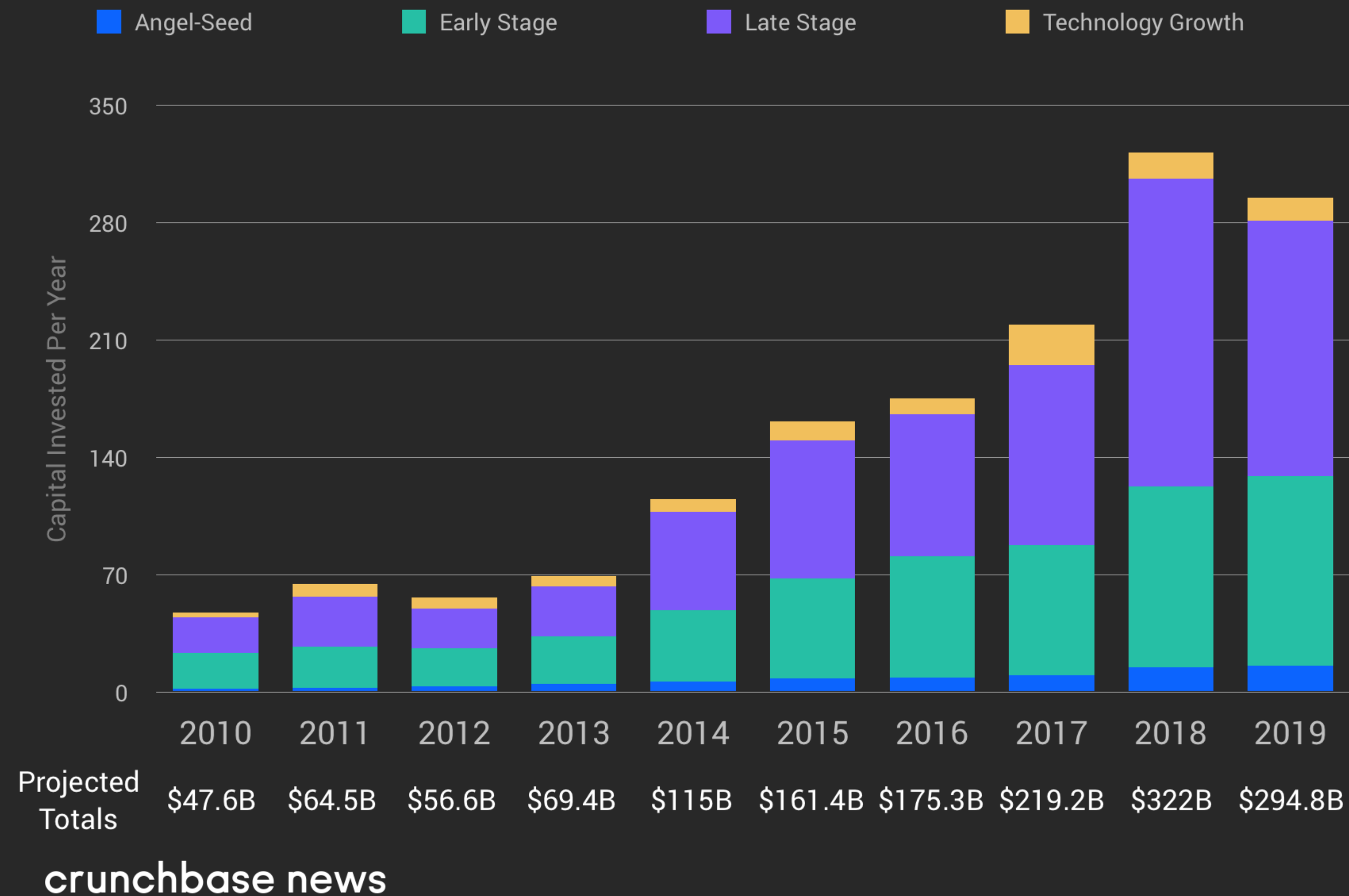
Tommy is passionate about designing products that delight users and providing effective solutions that addresses the needs of the business. He is passionate about new technology startups and is actively involved with Oklahoma City's startup entrepreneurial community and economic growth.

His background is in design strategy, product strategy, user experience, interaction design, customer experience, design research, qualitative analysis, service design, digital transformations, rapid design prototyping, and fractional executive consulting – with over a decade of experience working with globally recognized brands, such as Expedia, Capital One, Fiserv, Pizza Hut, and many more.

Tommy serves on the board of Techlahoma, Creative Oklahoma, and InnovateOK and founded the first coworking space in the state of Oklahoma. He has founded several tech companies and is also a co-founder of StarSpace46.

**US Venture Capital Investment
Reached \$130.9 Billion in 2018**

Projected Global Venture Dollar Volume: 2010-2019



US Angel & Seed Stage Activity Neared \$7.5 Billion

THE ECONOMIC IMPACT OF VENTURE CAPITAL

VC-BACKED COMPANIES AS A PERCENTAGE OF PUBLIC U.S.
COMPANIES FOUNDED SINCE 1979

43%

Total Number

57%

Total Market
Capitalization

38%

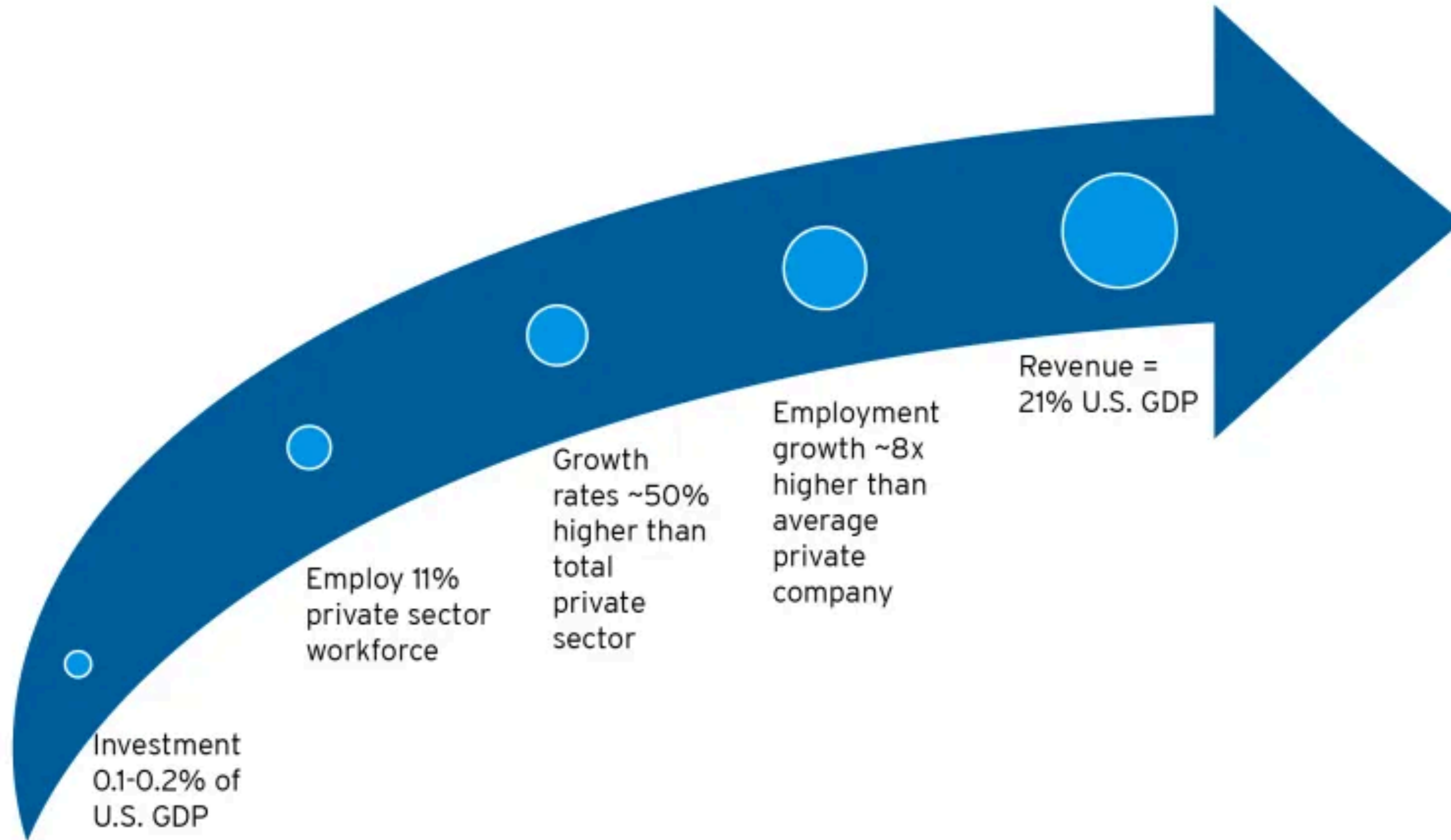
Total Employees

82%

Research &
Development

FIGURE 1

Venture capital-backed companies drive economic growth

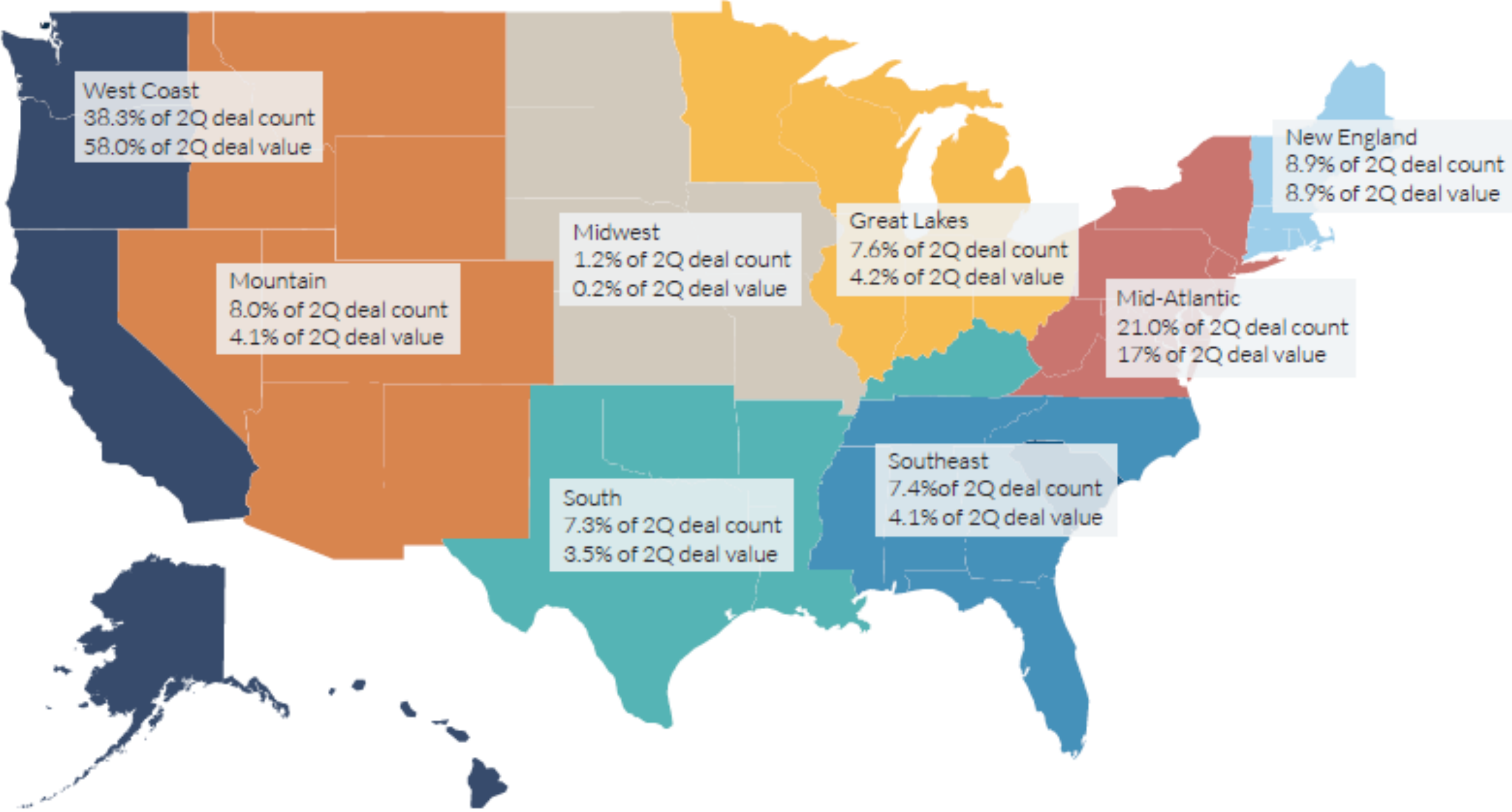


Source: Annaleena Parhankangas, "The Economic Impact of Venture Capital"

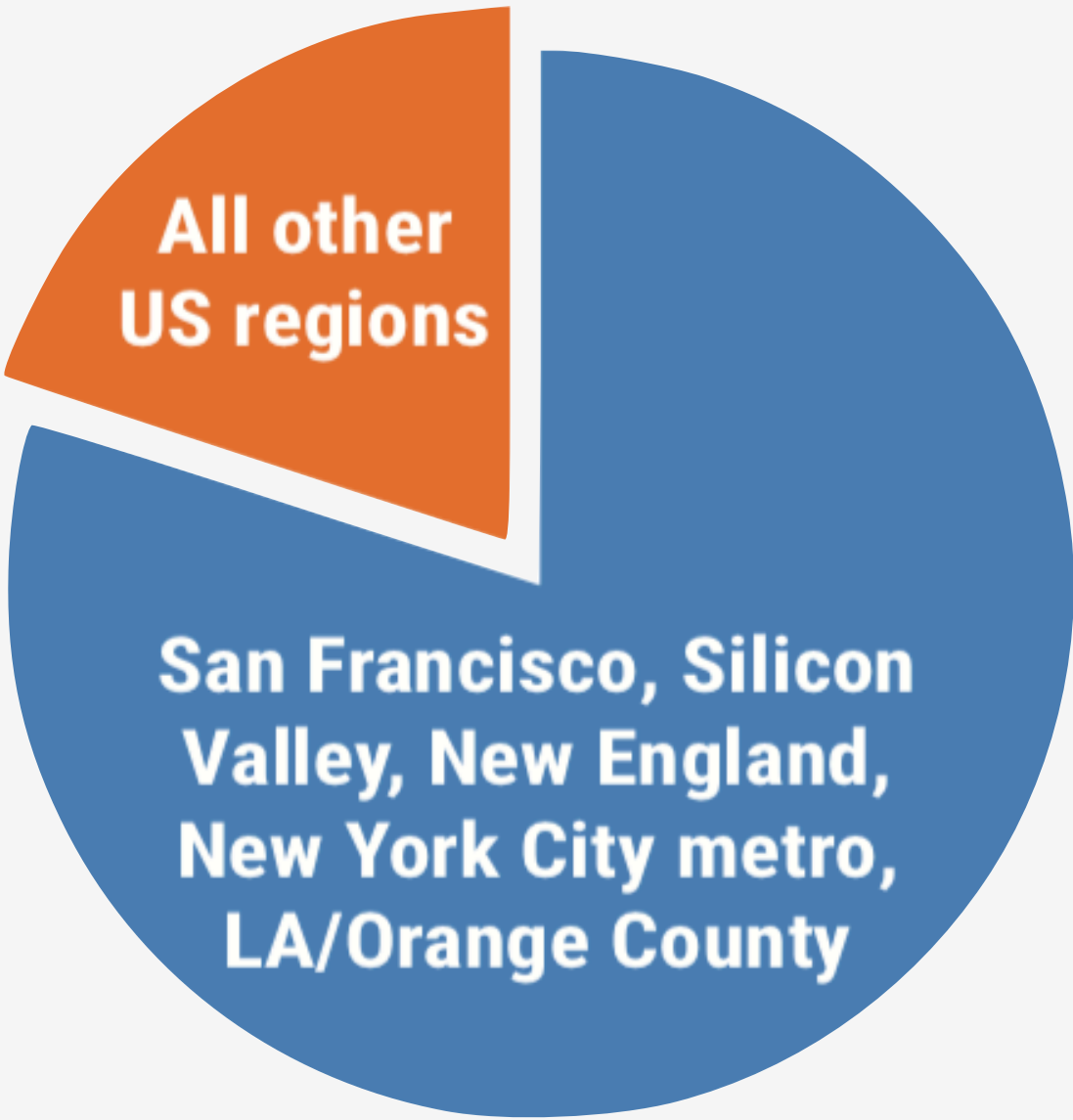
Regional Disparity

80 percent of about \$21.1 billion in VC funding in the first quarter of 2018 was disbursed in five regional clusters — with slightly more than 44 percent in the North and South Bay Areas

US VC deals by region



PitchBook-NVCA Venture Monitor
*As of June 30, 2019



\$21.1B VENTURE CAPITAL

Midwest Missing Out Despite Advantages

U.S. VC deal activity by region, 2019

REGION	DEAL VALUE	SHARE OF U.S. TOTAL
West Coast	\$68.5m	50.2%
Mid-Atlantic	33.0m	24.2
New England	11.7m	8.6
Southeast	6.3m	4.6
Great Lakes	5.7m	4.2
Mountain	5.4m	3.9
South	5.0m	3.7
Midwest	800k	0.6

- 26% of the nation's corporate and university patents
- 31% of U.S. university-based research and development, including 34% of highly competitive (NIH) research funding, the key to creating new drugs and medical technologies
- 35% of the nation's total bachelor's degree holders
- 33% of its STEM graduates,
- 32% of all higher education degrees awarded in the United States

THE IMPORTANCE OF SMALL BUSINESSES FOR ECONOMIC GROWTH

▶  Small businesses create **66%** of jobs worldwide

▶  Funding of small businesses through early-stage equity is **4x** times more effective at generating innovation than other alternatives

▶  Innovation drives **85%** of economic growth

▶  However, small businesses face a **\$2.1** TRILLION financing gap worldwide

Each dollar invested in venture capital can generate up to **\$6.45** in economic activity through wages, payment to providers, and taxes

Small Business Drive Local Growth

Startups account for only 3-6% of total jobs, yet drives virtually all of the job growth (upwards of 20%)

- Drives Workforce Development
- Fuels local service providers
- Creates Jobs and Generates Tax Revenue

Effects of a Thriving Ecosystems



Workforce Development
Importing and Retaining Talent



Skilled Entrepreneurs
Developing Thought Leadership



Increased Capital
Investor Confidence & Diversity

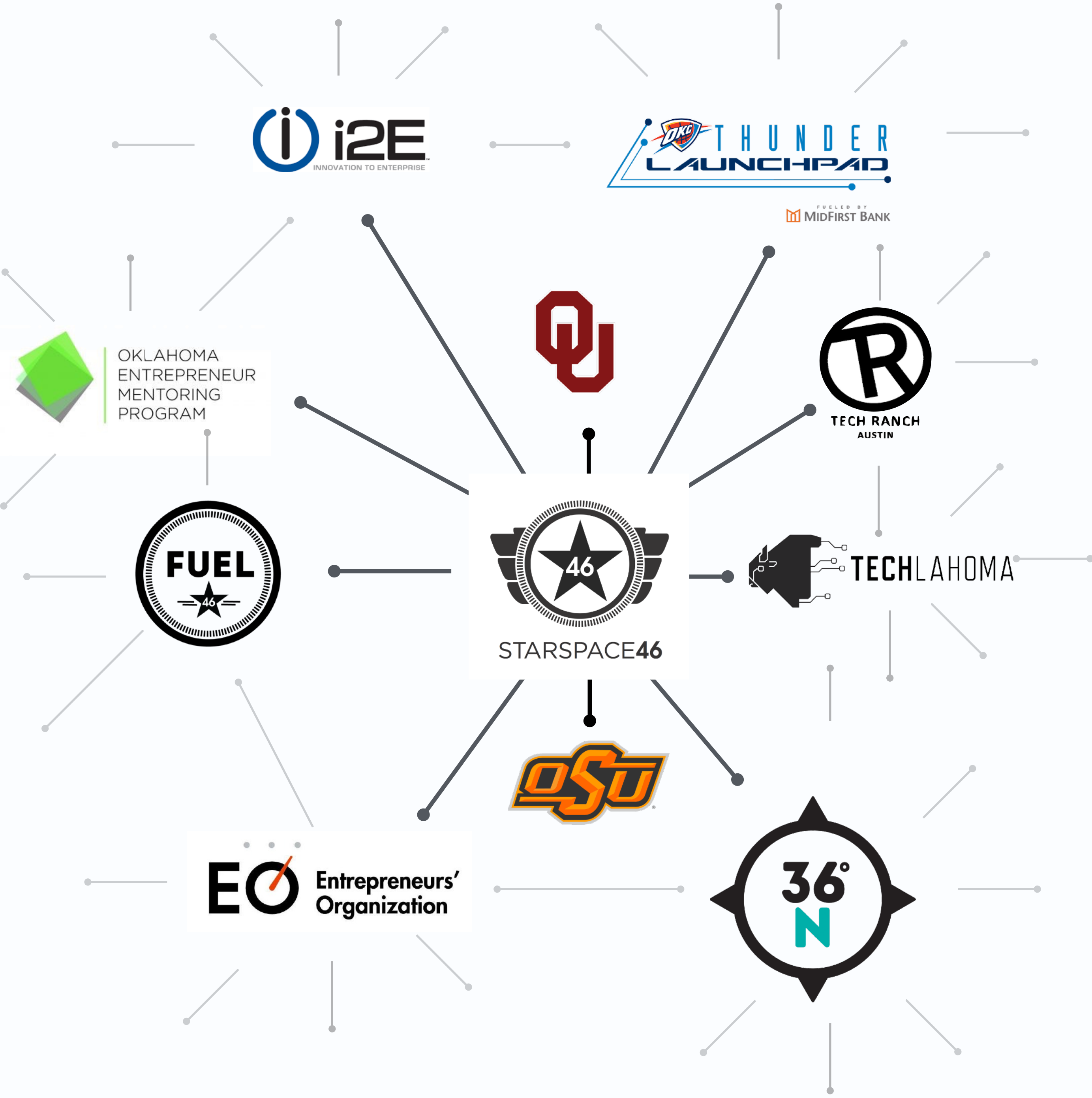


Diversification of Economy
Service Providers & Businesses

Snapshot of OKC Ecosystem

Startup ecosystems serve as support structures for entrepreneurs and small businesses to thrive and grow.

Access to early stage, Pre-series A capital and GAP funding is a dire need in Oklahoma.



Snapshot of Early Stage VC in OK

- Most capital in state invest primarily in real estate, energy, and life sciences
- Investors in state do not understand tech deal structures
- Lack of Pre-series A / GAP capital is forcing high-growth ventures to leave
- Companies accepting Series A funding from funds based out of state are often forced to relocate as part of the deal terms



VICTORUM | CAPITAL



“Normally, innovation metrics of this scale translate into significant new entrepreneurial activity, start-ups, and jobs.

But, the capital to commercialize this innovation and spark an entrepreneurial culture is lacking in the Midwest and **across the broader U.S. Heartland.**”



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