

ENTREPRENEURIAL TREND WATCH

2015

Council for Entrepreneurial Development



1. SECURITY IS THE NEW BLACK

The Sony Pictures and other high-profile data breaches this past year have shown how important data security has become. Investors tell us they're trying to put their money to work in this sector, but there simply aren't enough B2B, enterprise-class software companies focused on security right now. Investors and data-savvy businesses will increasingly drive development of the next generation of security solutions.



2. CORPORATE VENTURE RIDES TO THE RESCUE

\$3B
invested by corporate ventures in 2013

With huge reductions in internal R&D and post-recession war chests of cash-on-hand, corporations will continue to fuel this funding trend.

They also are starting to work with very early-stage companies, and while investments have typically come from pharmaceutical companies, tech and agribusiness corporates are beginning to join the trend.

We expect more corporations from a wider swath of sectors to provide funding to entrepreneurs in 2015.

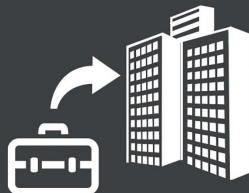


3. GROWING STARTUPS TO SCALEUPS

If areas like Austin, Chicago, the Triangle, and Washington D.C. want to catch up to Silicon Valley, New York, and Boston, they'll have to build sustained ScaleUp communities.

Once companies have graduated from the thousands of co-working spaces, incubators, and accelerators that cater to startups, the level of support drops off.

The rising entrepreneurial hubs will need to work in 2015 to build the support networks required to help companies ScaleUp and break out of the pack.



4. NASCENT TECH CLUSTERS ARE EMERGING, BUT NEED A PUSH



Ed tech, Internet of Things, Ag tech, and advanced manufacturing are all gaining momentum, but the leaders in those sub-sectors need to coordinate and collaborate to take the next step.

There is a desire within these communities to create density, so look for renewed efforts to organize these groups into more credible clusters and for one or more of them to gain real traction with the investment community.

Strategic partnerships are becoming a driver of innovation in the biotech sector.

Patient advocacy groups are generating momentum for research while also supplying access to patients, pharma partnerships, and funding.

Research into orphan diseases is now primarily driven by venture philanthropy in biotech and we expect to see this trend accelerate in 2015.



5. DEVELOPING NEW CURES THROUGH VENTURE PHILANTHROPY

