Landscape 2025

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Introduction

Foreword.

We're proud to present the **third edition of the "Data Driven VC Landscape"**—a report born from the conviction that private market investing is at an inflection point. This report captures the pulse of the AI transformation in venture capital, offering unique insights into how top investors are integrating these innovations to sharpen their edge—from deal sourcing to decision-making and portfolio management.

What started as a niche project has grown to a **community of over 46,000 members** with the Data Driven VC newsletter recently surpassing **4 million annualized reads**, making it one of the most widely read private market publications globally. This reach reflects a shared desire across the ecosystem—to evolve how we invest, operate, and create value.

Today, the newsletter and this report sit at the core of a growing DDVC ecosystem that spans educational content, virtual and physical events, curated tools, templates & resources, and an engaged community of practitioners. Whether you're an emerging manager building from scratch or working at an established firm modernizing legacy processes, **our ambition with Data Driven VC is to become <u>the one place</u> where you can find everything you need to run a modern investment firm**.

We hope this report offers clarity, inspiration, and practical insights as we collectively shape the future of investing.

Enjoy & stay driven!"



Andre Retterath datadrivenvc.io Earlybird VC

Table of contents

1 The Why

2 The Past & Evolution

3 The Status Quo

4 The Future

5 | The How

The Why Reasons to become more data driven.

Reasons to become more data driven.

The VC investment process is (still) broken

It's manual, inefficient, non-inclusive and biased.



Reasons to become more data driven.

VCs become data driven in search for efficiency, effectiveness, and inclusiveness

Why Do Funds Become Data Driven?

% of 184 respondents



Efficiency

Always overwhelmed, distracted and unable to **focus on actual value drivers**.

Effectiveness

Miss out on **outlier opportunities** due to gaps in coverage, incomplete information, and wrong prioritization.

Inclusiveness

5

Biased and exclusive allocation of

capital leads to suboptimal utilization of founder potential.

What differentiates Data Driven VCs?

Aren't all investors data driven? Not really. Only DDVCs objectively analyze the full opportunity set to optimize for the global maximum. Traditional investors are limited by deal coverage and personal experience, which narrows their sample size and introduces bias in their decision making – so they end up optimizing for local maxima instead.

Every investor

Network-Based Sourcing - Deal coverage mostly inbound and limited by brand awareness and human networks.

Reliance on Experience - Decisions are subjective and driven by patterns deducted from personal track record and limited sample size.

Challenges in Scaling Insights - Insights and processes aren't easily repeatable, harming consistency in performance evaluation.

Data Driven Investor

Systematic Data Collection and Analysis - Achieve comprehensive deal coverage and deep company profiles through alternative data.

Leverage Algorithms - Filter and prioritize opportunities based on patterns deducted from the full universe of successful companies.

Free Up Capacity - Automation creates freedom for investors to spend their time with more valuable tasks and thorough decision making.



2. The Past & Evolution

And why it is not too late to start.

DDVCs split into Augmented and Quant VC firms



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Old-school VCs

 Rely on manual workflows, basic tools like Salesforce for CRM, and simple communication via Email and Slack/WhatsApp.

Productivity VCs

Successfully took the first leap to adopt **modern** off-the-shelf tools like Affinity for CRM, Zapier for automation, and Notion for knowledge sharing.

Augmented VCs

- Build in-house solutions to combine the best of both worlds across data driven approaches and human intuition.
- 4

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Quant VCs

Use **algorithmic models and autonomous agents** to automate the investment process end-to-end. No human involved.

Most of the data and graphs in this report are based on **surveys from leading DDVC funds**, reflecting insights from the Data Driven VC community rather than the broader VC market.

No private market investing without data driven approaches & AI: Augmented VCs take the lead

Which model will dominate the future of VC % of respondents 2024 vs 2025





DDVCs started with sourcing & screening, but have advanced throughout the value chain and into non-investment related areas

Where DDVCs act in the value chain

% of DDVC funds analyzed 2023 vs 2025



Best practices: The future of portfolio intelligence (with Ark Invest, Earlybird, Synaptic, Vestberry)

The future of portfolio intelligence



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Job number #1 of portfolio intelligence is to identify problems before they happen, knowing which companies to double down on and which ones need more attention.



Marek Zamecnik Vestberry

3. The Status Quo

Benchmarking the leading DDVCs.

Benchmarking the leading DDVC firms. Data Driven VC landscape 2025.

The leading 235 data driven venture capital firms are paving the way for new industry standards.

Data Driven VCs are defined by fulfilling all of the following conditions:

At least one engineer in the team.

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INSIGHT

PARTNERS

PARTECH

*** VERGE**

BlackRock

Z BainCapital

SIERRA

WULU VENTURES

LEFT LANE

hoxton

ELEVATE CAPITAL

At least one community nomination.

Proven to develop internal tooling in at least one segment of the value chain.

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Data Driven VC Landscape 2026

Join the community and participate in the next edition.

Register here

What does a Data Driven VC look like?

The median Data Driven VC firm:



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Fund proportion by AUM cohort



Fund proportion by # of employees cohort

% of funds analyzed



Fund proportion by # of engineers cohort



Benchmarking the leading DDVC firms.

Headcount grows with AUM, except for engineering

As AUM scales, VCs significantly expand their overall headcount, especially across investment and operations teams. But **engineering teams remain lean.**

This reflects a strategic approach: investments in data infrastructure, internal tooling, and automation compound over time, allowing a small number of engineers to support much larger organizations.

In the 5B+ AUM cohort, total headcount more than doubles compared to mid-sized firms – yet the number of full-time engineers increases marginally. Benchmarking the leading DDVC firms.

Total team size by AUM



Source: DDVC. Based on 235 DDVCs from surveys and public data capture.

The number of DDVC firms grows faster than the total number of engineers, indicating a push in the longtail



Maturity and adoption of DDVC initiatives are still early and leave plenty of room for improvement



Benchmarking the leading DDVC firms.

Percentage of deals sourced through internal or external DDVC tools in the past year

% of 135 respondents

Overall DDVC Funds



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DDVC initiatives drive a relevant part of deal sourcing

Over a **third of DDVCs source more than 40% of deals via data tools**.

While DDVC initiatives have become more relevant in deal sourcing, this effect has not been evenly distributed.

Bigger funds have a larger proportion of deals sourced from DDVC initiatives in relation to smaller counterparts.

This can be explained by different tech stack maturity, considering that larger firms started their DDVC initiatives earlier than most smaller firms.

Only 2/5 DDVC firms run at full scale, with the majority still figuring out the basics or ramping up

What is the level of adoption of your internally developed solution?

% of 124 respondents



We're just scratching the surface. Launching an internal data platform & products to augment investors across the value chain requires a complex tech stack from data collection across 1st, 2nd and 3rd party data, robust pipelines for ingestion and transformation, scalable storage, databases for hybrid search, and more. Building the foundation takes time and is key for a successful rollout.

Benchmarking the leading DDVC firms.

About 2/3 DDVCs leverage internal tools for more than 60% of their desk work

Strong increase compared to last year.

In just one year, the percentage of DDVCs who leverage internal tools for majority of their desk work has **more than tripled**.

The advances in AI, LLMs, and agents have made it easier and faster for funds to automate desk work. As these tools become more capable and accessible, more teams are integrating them into daily workflows — from research and due diligence to reporting and outreach boosting efficiency without adding headcount.

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Average percentage of desk work that teams use internal tools

% of 122 respondents



Percentage of Desk Work Aided by Internal Tools

Budgets grow with fund size and are split roughly 2:1 for Engineering HR vs tools/data/infrastructure

Budget for DDVC external tooling & data vs DDVC HR

average spending per latest fund size cohort



Budgets for DDVC initiatives correlate with fund size and available management fees.

Spent for external tooling and data are roughly double those for engineering salaries.

Smaller funds report average engineering salaries of around €80.000, whereas larger funds pay on average €130.000.

2/3 DDVCs plan to increase budgets

While 63% of DDVCs are still expanding their budgets, this is 16% lower than last year, **marking a shift toward slower budget growth**. As the industry gradually matures, many firms are transitioning from foundational investments to refining existing tools, consolidating workflows, and driving operational efficiency while seeking differentiation through data initiatives.

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Budget prediction for tech stack, data driven & Al initiatives

% of respondents 2024 vs 2025



DDVCs buy what's available but gain an edge via 1st party data and *how* they filter and parse the information



Best practices: A hybrid of internal and external stacks requires integrations and a single source of truth

Data Hub: The Quest for a Single Source of Truth with Affinity, Foresight Data, NFX, and Quantum Light Capital



"Data engineering is not going to make you a better VC than your competitor, it is what you do with that information, that is how you create alpha"



Jason Miller Foresight Watch the recordings here



Ludvig Wärnberg Gerdin Earlybird Venture Capital

Inter-source

record-linkage

Process of linking one or

more records between

two data sources

If John Doe exists two

times in data source 1 and

data source 2, they should

be linked to each other

Information picking

Process of picking

information for

deduplicated, linked entity.

If record from source A

has name John Doe, the

other one John Dhe -

which name to use

Entity Matching Deep Dive by Earlybird VC

Intra-source

deduplication

Process of de-duplicating

records inside one data

source

If John Doe exists two

times in a dataset, they

should be linked to each

"Entity matching has three main steps, and together

they are fundamental to create efficiency in your

operation and in finding what has not been seen."

← → ♂ ⋒ ≒ slides.com/d/ZmLi

4. The Future

Predictions on what's next.

The evolution of Al: 2025 is the year of agents



Emergence of the field of AI research around concept of machine being as intelligent as human being.





28

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Al Agents are perfectly equipped to take on the research and content creation parts of the VC job



Top 10 GenAl / LLM use case categories



Predictions on what's next.

Best practices: Building a VC copilot (with Yohei Nakajima)

Building a VC copilot



Watch the recording here

It's not just about building tools, it's about **enabling behavior change with agents** that naturally blend into workflows.

I'm building towards a future where my work is supported by intelligent copilots across sourcing, diligence, portfolio support, and fundraising."



Yohei Nakajima Untapped Capital

3/4 DDVCs use the same four model and chatbot providers



Predictions on what's next.

Where DDVCs see "AI in VC" in the Hype Cycle

% of 135 respondents



Most DDVCs believe we are still early in the "Al in VC" hype, with the most yet to come

Most Data Driven VCs are still riding the hype phase because early successes in automation and analytics fuel high expectations. But challenges around data, adoption, and budget limit full impact.

As expectations level out, firms embedding Al into core workflows – and investing in infrastructure and data quality – will start to see real, differentiated results over the next 12–24 months.

Predictions on what's next.

Main concerns with using LLMs

% of 135 respondents



Almost 1/2 DDVCs are concerned about LLM bias and data breaches

Almost half of DDVCs rank algorithmic bias and data breaches as their primary concerns when working with LLMs. To reduce exposure, leading funds are:

- Hosting LLMs in secure or private environments
- Masking sensitive LP and deal data pre-prompt
- Adding human checks for investment-critical outputs

Auditing models for bias before deployment

As adoption grows, risk mitigation is becoming as critical as performance.

Best practices:Compliant use of Al tools (with BlackRock, Earlybird, EQT, and Norwest)

Compliant Use of AI tools



Out of necessity came structure – **we turned regulatory requirements into an advantage** by getting a better overview of our entire stack."



Johannes Ziegler Earlybird Venture Capital

More than 1/3 DDVCs believe that AI will allow investment teams to cut headcount while engineering teams grow

The impact of AI on investment teams' sizes

% of 124 respondents



While investment teams are expected to shrink or stay the same size, DDVC firms plan, on average, to hire at least 1 engineer in the next year.

Best practices: Hiring & growing tech teams in investment firms (with Atomico, Moonfire & RRW)

Hiring & growing tech teams in investment firms



We're a technology company that does venture – not a VC firm that dabbles in tech.

The best engineers want to work on great tech with smart peers — that's what you have to offer them."



Mike Arpaia Moonfire

Our 2025+ predictions

#1 Rise and consolidation of Investment Tech

- VC Tool Finder to help modern investors cut through the noise
- 2 Tool landscape has become hyper fragmented, driving user demand for a single source of truth and native integrations between vendors
- **3** Noise drives vendor CACs which together with demand for integrations eventually leads to **partnerships and consolidation**

#2 Agents as key driver for adoption

- Established best-of-breed vendors will use agents to drive adoption while new horizontal players emerge as a layer on top
- 2 There's only room for one true co-pilot, yet it can serve as a router to more specialized ones every vendor wants to own the user
- **3** We'll achieve the state of a **truly Augmented VC** and will continue to leverage the generated interaction data for more comprehensive automations

#3 Ownership becomes key in make vs buy

- **1 Funds have outsourced growing parts of their value creation** to external tool and technology providers, raising the question of ownership and differentiation
- 2 VC is about information asymmetry and if 3rd party data got commoditized, there's increased attention to access proprietary 1st party data
- VCs seek to own the core that merges 1st and 3rd party data into a single source of truth, and enrich it with proprietary insights on their decision making

5. The How

Practical steps to start and develop a competitive tech stack with limited means.

Practical steps to start and develop a competitive tech stack.

The main challenges in becoming more data driven are collecting, processing and making data actionable

Challenges in becoming more data driven

% of 135 respondents



Best practices: Finding & collecting the right data

Scraping architecture rundown



How to find the right data



Watch the recordings here

Cutting through the noise: Featured and most used tools among DDVCs



Practical steps to start and develop a competitive tech stack.

Access all our resources via The Lab: Everything to run a modern investment firm in one place.



People to watch: Top 100 DDVC thought leaders

Keshvi Radia Yohei Nakaiima Polina Jacka Omar Hedeya Rob Kniaz Alex Patow **Ties Boukema** Jonas Vetterle Amanda Widiaia **Olivier Huez** 20 Balderton Untapped Capital Inflection.xvz 10x Founders Dawn Capital Moonfire Hoxton Red River West Bain Capital Norwest Venture Partners Top Lexi Quirk Sarah Guemouri Mike Arpaia Meghan Byrd Francesco Corea Anastasia Gonotskaya Atte Honkasalo Abel Samot Ali Almufti Adam Shuaib Atomico Moonfire ex-Grevcroft Redstone NGP Capital Red River West Episode 1 NFX 645 Ventures BlackRock Ali Kokaz Joseph Pizzolato Valentin Buchner Alexis Robert Jonas Sommer Vlastimil Vodicka Peter Walker Alexandra Lutz Keith Teare Ed Suh Pietro Casella Akshat Goenka Ben Yu Alex Clayton EOT Ventures EQT Ventures Meritech Kima Ventures DTCF EQT Ventures Moonfire One Peak Ventures Sierra Ventures Defiant Leadspicker Carta SignalRank Alpine Ventures a= Amir Sani Yiğit İhlamur Jerry Ye Guy Conway Imran Ghorv Sheamus McGovern Joseph Pizzolato Fredrik Winther Karl Lorev Seraei Mosunov Tom Wehmeier Abe Othman Alessio Fanelli Ali Tamaseb I2ntelligence Vela Partners Koble Startup Radar Wale.ai Blossom Open Data Science Defiant Decibel DCVC Katapult Lightspeed Ventures Atomico AnaelList a Pa an -Andreas Göldi Alexis Ohanian Arjun Sethi Ed Kandel Chris Farmer Alexander Fred-Ojala **Clint Korver** Eric Bahn Graham Schwikkard Marwan Refaat Hem Wadhar Ghita Houir Alami Hayley Bryant Ilya Kirnos Tribe Coform SignalFire EOT Ventures HIII B2Venture Hustle Fund SyndicateRoom Fractal Capital Seven Seven Six Seguoia Capital Clear Ventures SignalFire Hustle Fund 20 0 Gomathi Ramalingam Miauel Pinho Konstantin Vinogradov Yuriy Groysman Evan Lintz John Zic Jonathan Hsu Joseph Houssais Karol Lasota Naiel labal Le Minh Nguyen Andrew Stepanov Anton Ask Astrom Margaux Wehr ICONIO Left Lane Capital EOUIAM Inovo Tiger Global Runa Capital SignalFire Tribe Red River West Katapult Quantuml ight Seedcamp FOT Ventures Balderton **Stephan Wirries** Niccolò Sanarico Sagar Chandna Soumitra Sengupta Stefano Gurciullo Tom Gieselmann Viet Le Dominik Dellermann Ziad Makkawi Eva Gferer Marton Medveczky Ben Smith Rahul Nath Georgiy Sekretaryuk Ventech OverDrive Primo RunwavFBU Elevate Capital Fund Tau Capital Headline General Catalyst Vencortex EOUIAM Morphais VC Flashpoint InReach Accel

Source: DDVC. Thought leaders ranked using community nominations, follower base and amount of relevant content in last 6 months. Data as of April 22, 2024.





Aaron Ford TCV



Lunar Ventures

Morris Clav



VCLab









Curiosity VC



Harmonic



Carta



Vestberry



43



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A quick note on our methodology



This report is based on several external sources and a survey conducted by **300+ VC firms** across Europe, North and South America, Asia, Oceania and MENA.

Data on usage and coverage of tech stacks and VC value chain are based on **235 Data Driven VC funds** per DDVC definitions.

Rankings and inclusion are based on **fund surveys and publicly available** information - this means if firms or professionals do not actively communicate about their work, they might not have been included in the report.

About our data

All data for this report was captured by a **combination of surveys** with VC firms as well as data from Foresight, Synaptic, Crunchbase and Dealroom.co databases.

Public data in news articles, LinkedIn, X and others were also used as a source.

Definitions

Venture capital (VC)

Is a form of private equity and a type of financing that investors provide to startup companies and small businesses.

Data Driven VC firms (DDVC)

Fulfill all of the following criteria:

- At least one engineer (which summarizes developers and data roles of any kind) in the team.
- 2. At least one community nomination.
- **3.** Proven to develop internal tooling in at least one of the segments across the VC value chain.

Our valuable partners

& affinity

<u>Affinity</u> is a relationship intelligence platform that empowers dealmakers in relationship-driven industries to find, manage, and close more deals.

With the most automated relationship intelligence insights and technology, Affinity enables leaders to drive deals, free themselves from data drudgery, and ensure their teams can take action with confidence, knowing the context and history of every relationship.



<u>AlphaLens</u> cuts through market noise with product-level intelligence that reveals what companies truly build.

Our semantic engine interprets specific features and use cases, enabling natural language searches that uncover emerging winners before competitors. Track product evolution in real-time, avoid classification traps, and discover hidden opportunities. The smartest VCs already know: better data means better returns.

foresight

<u>Foresight</u> helps top VC and PE teams source, diligence, and manage private company portfolios by unifying pre- and post-investment data.

It eliminates data silos and point tools by providing a single of source truth via intuitive dashboards, powerful modeling, and process automation. Backed by NEA, Greycroft, KDX; headquartered in NYC.

VESTBERRY

<u>Vestberry</u> is the portfolio intelligence solution trusted by 100+ VC firms as their single source of truth.

It automates data collection, analysis, and reporting—providing real-time fund performance dashboards, forecasting and actionable insights that help VC teams make data-driven decisions and grow portfolio value.

III Synaptic

Synaptic transforms portfolio management and sourcing for private investors, by unlocking data from documents and unifying powerful outside-in signals.



Thanks for taking the time to read this year's Data Driven VC report.

Please spread the word and share it with like-minded people to make our industry more efficient, effective, and inclusive.

Lastly, I'd like to thank **Christopher Valquenich Döbereiner** for his exceptional support with this report.

Stay driven, Andre