



Stanford eCorner

Evolution of Start-up Companies

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Video URL: <http://ecorner.stanford.edu/videos/1303/Evolution-of-Start-up-Companies>

Byers talks about the trends in which startups evolved from the mid 90's to the late 90's.



Transcript

I'm worried about normal times now, I say probably the most normal time in recent history besides now is 10 years ago. The mid-'90s was a very good time, a lot of start-ups were getting done, there was a lot of new innovation going on which is what it's really all about. And the rate of growth of new companies, the rate at which they were hiring and the progression and development of technology and its absorption into the customer market was about right. And the rate at which success for all those companies were going public and acquiring large amounts of capital at that rate. Then the late-'90s, of course, what we saw is it overheated than in early new millennium. What we saw a new century, we saw the aftermath of that and a lot of narrowly hard work to kind of fix those companies and then fixing themselves. We're back to normal now. So I think about 20 billion here in U.S. is about right. There are other sources of capital for young companies besides venture capitalists.

There are individual investors, there are corporate sources, so that's all part of it too. So the number actually is larger than 20 billion. That's just probably half of the total number.