

# The ICE Risk Capital Project: Data sources

**The International Consortium on  
Entrepreneurship (ICE) meeting**

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# Overview

Objective: review of available sources of risk capital data  
in ICE countries

1. List of data sources
2. Data gathering approaches
3. Data categories
4. Available categories by source
5. Conclusions

# 1. Risk capital data sources (1)

- SME surveys
- Professional network surveys
  - Venture Capital Associations
  - Business Angels Networks
- Proprietary databases
  - Thomson Financial, PWC, Cambridge Associates, Ernst & Young Venture One, Almeida
- National investment funds
- International organisations
  - EBRD, IFC (World Bank): proprietary data from own investments
  - OECD Venture Capital database

# 1. Risk capital data sources (2)

Country	Public source (NSOs)	Governmental investment funds	Professional Associations
Canada	SME-FDI survey	-	CVCA, CBAN
USA	SBA (data from NVCA)	-	NVCA, various angel networks
UK	SBS study (VC)	-	BVCA/EVCA
Denmark	DST (no data)	VoekstFonden	DVCA/EVCA
Norway	-	-	NVCA/EVCA
Sweden	-	NUTEK	SVCA/EVCA
Finland	-	-	FVCA/EVCA
Netherlands	-	-	NVP/EVCA
European	-	-	EVCA, EBAN

## 2. Data Gathering Approaches

- Collecting financing data via surveys
  - Directly from SMEs
  - Directly from risk capital investors
  - **From risk capital investor via professional associations/networks**
- Comparing data gathered from SMEs versus from risk capital investors

	Data gathered from	
	SME survey	Risk capital investors
Target	All SMEs	High growth firms
Accuracy	subject to sampling errors	data collected from members
Response rate	Low	High

## 3. Data categories (1)

### 1. Activity measurement

- Fundraising
- Investment
- Divestment

### 2. Performance

- Internal Rate of Return

### 3. Economic impact

- Employment

#### *Attributes:*

- a) Geography
- b) Financing source
- c) Stage of financing
- d) Firm sector activity
- e) Foreign/domestic
- f) R&D components

> Lack in demand side data

### 3. Categories available from professional networks

Data available from:	Activity	Performance	Economic impact
Venture Capital Associations	<b>Yes</b>	<b>Yes</b>	Some
Business Angels Networks	Some	No	No

## 4. Categories available from professional networks

- Professional networks and private companies (proprietary databases) interact closely
- Consistency in the data collection and methodology (Thomson)
- International guidelines for valuation (collaboration of PE/VC associations), reporting guidelines (EVCA)

<b>Professional network source</b>	<b>Activity</b>	<b>Performance</b>	<b>Economic impact</b>
CVCA (CAN)	Thomson, M&A	Thomson	?
NVCA (USA)	Thomson & PWC	Thomson (since 1988)	Global Insight (2003)
BVCA (UK)	PWC	PWC	IE consulting (2006)
EVCA (EU)	Thomson & PWC	Thomson (since 1997)	Academics (2005)

# Data Collection Methods

- Industry associations collect data directly from member firms in partnership with private firms
  - Strict confidentiality agreements apply – the associations are not able to see individual fund data, only aggregated data
- Data is collected from VC firms as well as their investors via questionnaires (cross check data)
- Activity Data
  - US: Collected on a quarterly basis
  - Europe: Collected on a quarterly basis
- Performance Data
  - US: Collected on a quarterly basis
  - Europe: Collected on an annual basis

# 5. Conclusions

- Lack of data on demand side
- Supply side data
  - Activity
    - Consistent methodologies across countries (investment stages, etc.)
  - Performance
    - Similar methodologies applied
      - Differences in valuation between US (book value) and Europe & rest of world (fair value)
  - Economic impact studies
    - new approach, methodologies not rigorous
    - Only focused on employment (not turnover, productivity, tax)
- Informal (BA & FF) data difficult or impossible to collect