

Types of Venture Capital

How Family Firm Venture Capital Outperforms Independent and Corporate Venture Capital

Independent Venture Capital (IVC)	Corporate Venture Capital (CVC)	Family Firm Venture Capital (FCVC)
Highest time preference: seeking highest return in shortest time.	Tempered time preference: longer time horizon for strategic goals.	Lowest time preference: stay with investments even after liquidity events.
Portfolio of investments, themed but not strategic.	Strategically aligned investments, exploratory and market expanding.	Close-to-home investments, in geography and industry.
Shortest involvement with target investments, rapid exit.	Longer involvement with target investments, technical integration.	Longest involvement with target investments, least rapid exit.
Purely financial goals: measured by percentage return, duration.	Financial + strategic goals, e.g. technology access, market entry.	Durability goals: complementary growth and corporate strength.
High sales growth, high cost growth, high financial returns (multiples).	Both cash and resource investments = higher total factor productivity growth.	Highest total factor productivity growth in target investments.



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