

The New Valuation Principles for Venture-Cap and Private Equity -
Matching Announcements of Emerging Technologies and Products Earlier
with More Realistic and Accurate Prospects for Market Acceptance and Subsequent Corporate Value

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Abstract

Conventional models for assessing and evaluating new (“startup”) companies as well as well-established businesses, for the purposes of determining an investment position and strategy, will naturally continue to be useful as tools for prospective investors and stakeholders. Heretofore considered reliable and trustworthy, the methods employed by the traditional investment and venture-cap communities have demonstrated worthiness in the past, particularly in the economic cycles commencing in the late 1980's and early 1990's.

With the outset and proliferation of a new generation of affordable and readily-accessible tools for accelerated prototyping and the presentation of pre-prototype and pre-deployment “virtual productware”, and with the emergence of a global base of competition among such offerings, the challenges for accurate and sound decision-making, and the potential for financial risk and loss, become greater. What will be the future for a given flexible-film display, a certain company's EEG-measurement headbands or internet-glasses, or a personal airborne drone kit, or many of the mobile apps that saturate the consumer and industrial markets? The nature of such questions and subsequent evaluations of a company and its business has transformed into a multi-dimensional space of interdependencies for which the conventional thinking may be effective only in limited circumstances.

A combination of quantitative analyses which include new models that draw upon research in manifold theory and topology and the itself-emerging field of psychosocioeconomic dynamics (PSED), grounded in qualitative and heuristic approaches that place a strong emphasis upon social interactions and the value of intuitive (abductive) reasoning, has been developed in the course of both theoretical experimental studies. This approach shows great promise for the investment and financial management communities with regard to the current “new wave” of technologies and products being promoted, especially within the markets of personal healthcare management, personal awareness and security devices, and the expanding so-called “internet of things.”