

VENTURE CAPITAL - A RESEARCH AND DEVELOPMENT SHORT CUT - DUTILH ABOGADOS

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La creación de empresas y la inversión de capital actualmente mantienen su importancia, dice Isabel Dutilh, de Dutilh. Sin embargo, existe un fuerte interés hacia la inversión en tecnología, la cual está menos expuesta a la caída imperante del consumo y sigue ofreciendo una oportunidad de salida – muchas compañías de peso todavía se interesan por operaciones de venture capital con empresas incipientes que puedan estar presentes en mercados de interés pero inexplorados. Despite the collapse of highly leveraged private equity activity, start-up and venture capital investment remains active says Isabel Dutilh, managing partner of Dutilh Abogados in Madrid. But while investments rely much less on bank financing this does not mean that the sector has emerged unharmed from the financial crisis.

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But new areas of investment emphasis are opening up, she says. 'The technology sector is one in which there is a noticeable increase of activity, specifically towards software, biotechnology and renewable energy. The belief is that the current consumer crisis will have minimal impact on those companies whose business model is the creation of leading-edge technology because their markets are longer term.'

Early-stage investments remain strong, says Dutilh, although venture capital funds seem prepared to take a longer-term view as exit opportunities are reduced. Funds are also placing a greater emphasis on cash management as the number of investors able to invest in their own portfolios is reduced.

Nonetheless, Dutilh remains optimistic about the prospects for the sector over the coming year. 'There is less money in the system and the environment for the generation of new projects is becoming more complicated but opportunities continue to exist – the financial crisis is bringing a sense that there are now more good people in the market willing to contemplate a start-up or to join smaller technology companies.'

In addition, she notes, multinational companies that are cutting back on their own research and development now seem to be more prepared to invest in smaller companies with venture capital backing, as a way of 'plugging' their own short-term investment gaps.

'The sentiment is that when the economic cycle returns companies do not want to have been left behind. Many therefore see the opportunity to acquire companies with emerging or proven technology, which have continued their R&D through venture capital backing, as a way of recovering lost time.'