A close up of a flag

Description automatically generated**2019 - When the Scale-Up Vision Became Reality**

Global technology trends have made 2019 an interesting year in many aspects. However, for us at IVC, the story of the year — and probably of the last decade — is most clearly told by this graph. The lion’s share of venture investment inflows occurred in large capital raising rounds. Over the course of the decade, the annual amount raised in large deals surged six-fold, while the number of such deals jumped seven-fold. In contrast, total amount raised in smaller deals and the number of such transactions (in seed stage startups or companies with less attractive profiles) were little changed on an annual basis.

The industry is maturing: After several years of rapid proliferation of newly hatched startups, most of the innovation involving the disruptor of the decade – artificial intelligence -- is happening among larger, more established companies. Larger influxes of cash and human capital are necessary to power this innovation, while Investors are less and less inclined to accept the risk-reward prospect of early-stage ventures when there are alternative opportunities.

Israel’s tech ecosystem has always been a playground for early stage startups. However, 2019 was a year when this notion changed, perhaps for good. Innovating at technology’s cutting edge, dozens of Israeli companies evolved into fast-growing organizations this year. This gave rise to a unique pool of growth stage companies that require different resources and hold out different kinds of opportunities.

**You wanted a scale-up tech economy? You got it. The question is, can the local ecosystem adjust fast enough to tap into the opportunity.**

