

# FLORIDA: AN OUTWARD-GAZING, TECH-FOCUSED VENTURE MARKET



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# INTRODUCTION

The purpose of this report was to collect data and draw conclusions on the private investing scene in the state of Florida. While the private investing landscape across the state was surveyed, the two cities that offered the most venture activity were Miami and Jacksonville, the cities with the largest populations. Jacksonville boasts the largest population of any southeastern US city and it's also the second-largest city in the continental US by area. Miami, meanwhile, is the business and culture heartbeat of the state. And it ranks right around the top 10 in the country among dollars invested in venture capital.

In terms of the national investing scene at the time that this research was conducted, there are some key developments to note. There was a large pullback in high-growth areas of both the public and private sectors from early 2022 to the start of 2023. Tech was the hardest-hit area as public tech equities saw substantial drops and venture capital and private equity firms lowered their valuations on tech companies raising funds. These trends were exacerbated in 2023 following the collapse of several key American banks, most notably Silicon Valley Bank, First Republic Bank and Signature Bank. It's important to note that the bulk of the research for this report was conducted prior to the first notable bank collapse, which was Silicon Valley Bank in March of 2023.

To generate this report, a total of 10 firms and individuals were interviewed, comprising a mix of venture capitalists (VC), private equity (PE) firms, angel investors, and others involved in Florida's private investing ecosystem. A standardized script was utilized for all interviews to allow for proper means of data collection and comparison. Public data on additional firms was also utilized to help construct a more complete picture of the investing scenes in the state of Florida.



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**“Inbound deal flow has grown since COVID,”**

**Christine Caven, Director of Communications, PS27 Ventures**

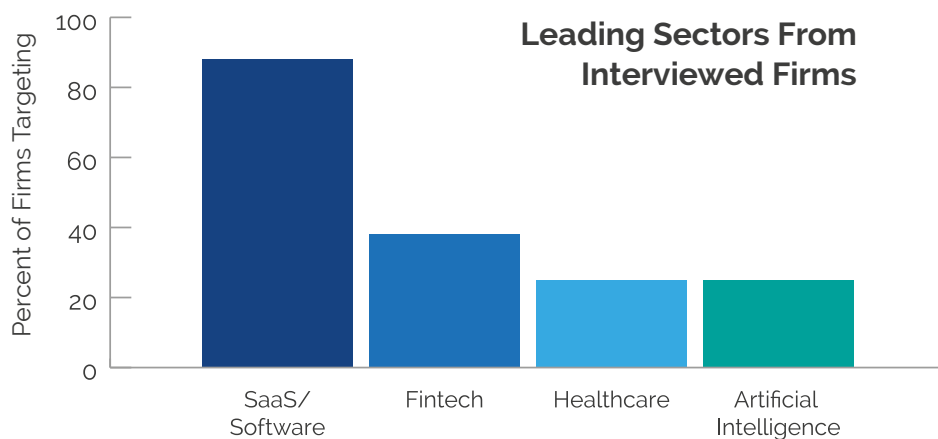
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**“There’s a higher bar for raising money for tech companies,”**

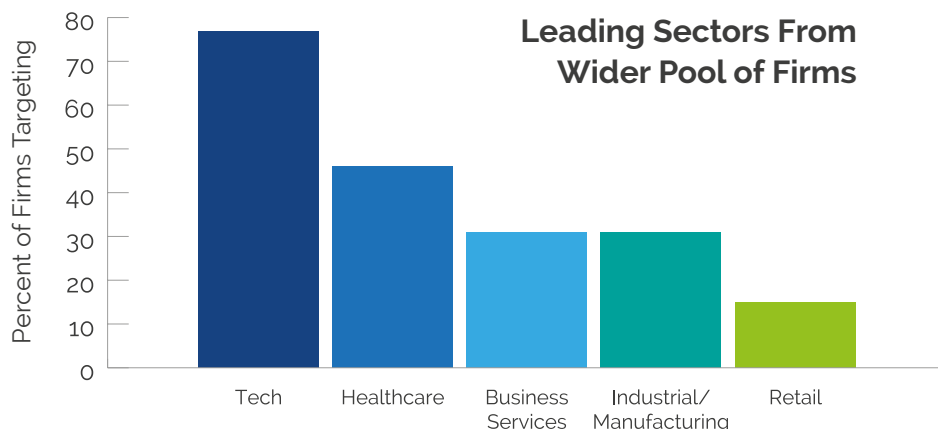
**Scott Lefkowitz, Associate, Las Olas Venture Capital**

# SOFTWARE-CENTERED ECOSYSTEM

Each of the firms interviewed highlighted either tech broadly or a subsector within tech as one of the verticals they were focused on. Software as a service (SaaS) was by far the most frequently sought-after subsector within tech. As seen from the chart below, it was a focal point of 88% of the interviewed companies.



One important qualifier is that most of the interviewees for this report were focused on early stage investing. To get a broader view of Florida's private investing scene, including middle market and later stage investors, some additional firms were observed, revealing a different set of preferred verticals as seen below. Note that for the purpose of this second graph, sub sectors within tech (SaaS, Fintech, etc.) were included within the tech vertical.



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**“We focus on companies and areas that are growing and that can have a big impact on customers,”**

David Hewitt, Head of Capital Markets, Bridgewater Group

**Average annual inbound deal flow among interviewed firms:**

**1,000**

**Average annual investments among interviewed firms:**

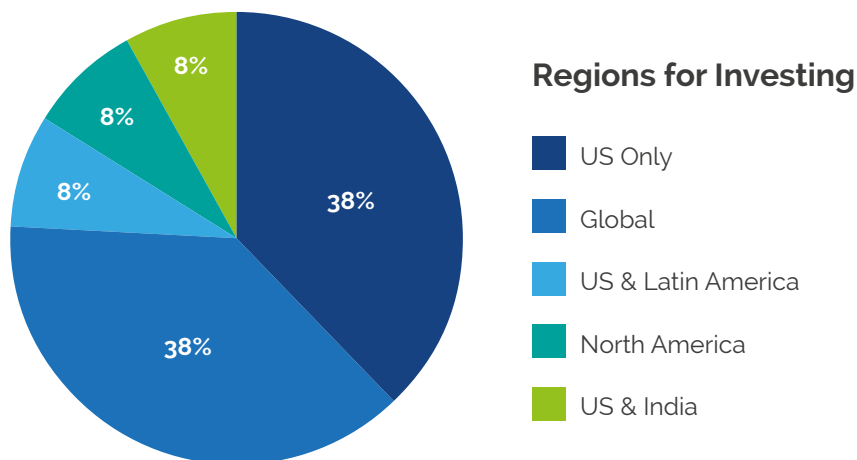
**4.5**

# FOCUSED NATIONALLY AND BEYOND

Many of the firms interviewed or observed for this report invested in companies across the United States but did not invest internationally. They didn't have a particular preference as to whether the investee was based in South Florida or Vermont. However, investments in Silicon Valley companies from Florida-based firms are quite rare, as there is a high degree of skepticism around any Silicon Valley venture that was unable to raise funds locally.

Several companies were also actively investing internationally, with focuses on regions such as Latin America and India. Fuel Venture Capital, an early-stage investor based in Miami, has a US-heavy portfolio, but actively pursues international opportunities and is looking to expand its international presence. The company is currently raising for its fourth fund, which will comprise US investments as well as investments in companies in the Middle East, North Africa, and Asia.

While none of the firms interviewed or reviewed were focused exclusively on local investing, 31% of firms expressed a degree of preference for local investments. Some of these firms articulated this preference as being a Southeastern US preference while a few firms preferred investing right in their backyards (i.e., in Miami or Jacksonville).



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**“Our focus has always been global but now we’re looking to be even more global,”**

Olivia Gaudree, Venture Partner & VP Operations, Fuel VC

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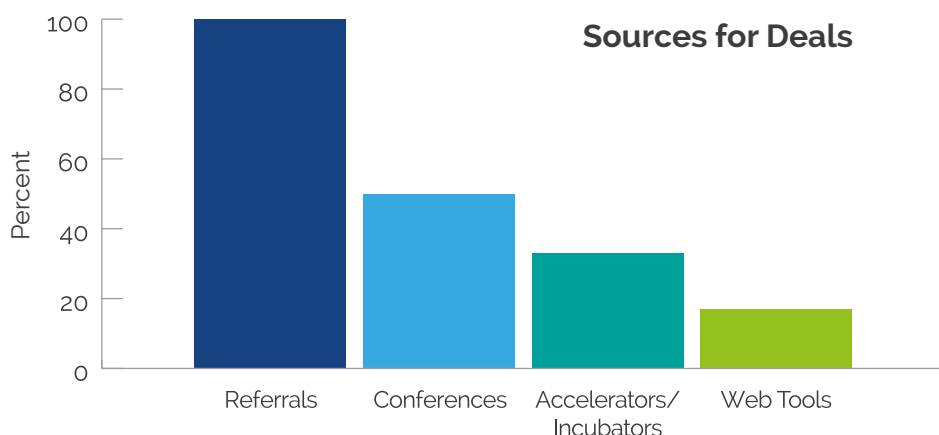
**“I’m inspired by helping founders bring their businesses from Latin America to the US,”**

Marco Giberti, CEO, Vesuvio Ventures



# NETWORKS FUELING INVESTMENT DEALS

Network referrals are by far the most frequent source of inbound deal flow for Florida firms. Similarly, to the trend of geographical agnosticism, firms' networks extend beyond the state of Florida. Florida-based VCs have developed networks with VCs in other states and regions to share their inbound deal flow. The following chart shows the percentage of interviewed firms that utilized a particular deal sourcing method in their inbound deal flow process. Interestingly, web tools, such as Qodeo, were revealed to be an increasingly common component of deal sourcing strategies, suggesting that they provide tangible value as an origination tool for Florida VCs.



There are several conferences available within the state of Florida that have been drivers for deal flow and for building networks among investors. The Florida Venture Forum, a nonprofit that aims to connect startups with venture capital, hosts events that link various players in the investing ecosystem. They run an annual venture capital conference that features several hundred attendees from across the nation. Additionally, Miami Tech Month, which takes place every April, is a highly popular event that links entrepreneurs and investors through a wide array of programs.

Meanwhile, PS27 Ventures, an early-stage venture capital firm based in Jacksonville, is actively engaged in locating and supporting underrepresented founders in North Florida. The firm has launched several programs such as the Female Founders Forum and the Black Founders Forum to enable underrepresented founders to network and connect with Florida investors.



**37.5%**

Percent of interviewed firms typically leading rounds

**62.5%**

Percent of interviewed firms typically not leading rounds

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**“We utilize a large network of other VCs and accelerators and send companies between each other,”**

Daria Abbaei, Director of Investor Relations, Naples Technology Ventures

# FOCUS ON TEAMS

Among the criteria for investment consideration, the importance of a strong founder or founding team was front and center for many of the investors interviewed. Qualities of founders that continued to come up among investors included humility, coachability, self-awareness, determination, and mastery of their product or the problem that their product solves.

Many of the early-stage investors were looking at little more than a minimum viable product (MVP) with prospective investees, so this made it extra essential to ensure that the team behind the product was well-equipped to move the product beyond MVP status and find a path to profitability.

There's a heavy emphasis on active support among Florida's early-stage investors post-investment. Several firms engage in regularly scheduled calls with portfolio companies, either weekly or monthly. Other value adds include access to investor networks, industry expertise, a board seat presence, and operational oversight. The hands-on nature of these activities makes it essential that firms are doing their due diligence on founders and founding teams, ensuring that they are bringing on teams that will be eager and able to work well with during what typically amounts to a relationship that spans several years.



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**“We ask, do they have the grit and the determination and what motivates them?”**

Nhat Nguyen, Investor,  
JaxAngels

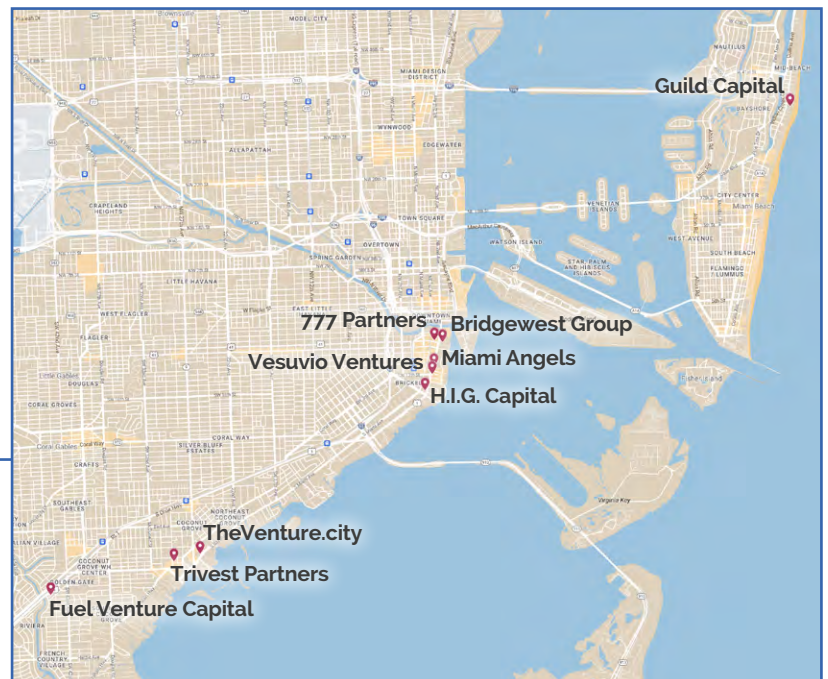
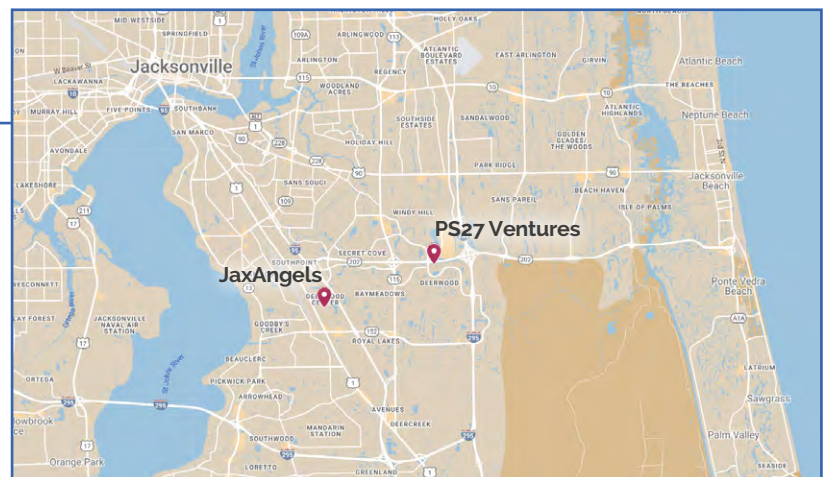
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**“Superstar quality of founders is most clearly observed in the mastery of their company,”**

Olivia Gaudree, Venture  
Partner & VP Operations,  
Fuel VC

# FIRMS RESEARCHED

- [Trivest Partners](#)
- [Guild Capital](#)
- [TheVentureCity](#)
- [H.I.G. Capital](#)
- [Comvest Partners](#)
- [Sun Capital Partners](#)
- [777 Partners](#)
- [Vesuvio Ventures](#)
- [Las Olas Venture Capital](#)
- [Miami Angels](#)
- [Naples Technology Ventures](#)
- [Bridgewest Group](#)
- [Fuel Venture Capital](#)
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[Click here to view interactive map](#)

# ADDENDUM

## By Professor Gregory Stoller, Master Lecturer, Boston University Questrom School of Business

Our research team at the Boston University Questrom School of Business is very appreciative to have another opportunity to work with Qodeo, and 2023 certainly did not disappoint! It continues to be quite an honor to be the first school selected throughout all of New England by CEO Simon Glass and his team.

I remain pleased to see how different ecosystems are emerging from Covid, and successfully navigating these volatile, and inflation ridden, economic times. But whether in up, down or sideways markets, investment common sense continues to prevail. East Coast markets are also thriving entrepreneurially. Several years ago, venture-capital and innovation were an almost binary discussion: you're either in Silicon Valley or not. Now so many years later, up and down the Atlantic seaboard, startups are attracting investors, raising multiple financing rounds, and proceeding to successful exits.

At Boston University Questrom School of Business, experiential learning continues to remain one of the hallmarks of our educational approach. While Qodeo is one of several programs that I personally run, our faculty and staff colleagues as a whole have amassed an impressive portfolio of similar opportunities for our students, extending from our full-time and evening MBA programs, to our specialty Masters, and online offerings. Our goal, captured in our mission, is to help develop business leaders who create value for the world.

Congratulations again to our BU MBA student, Andrew Ericksen, and a heartfelt thank you to the many interviewees, editors, writers, volunteers, experts, senior administrators, and faculty and staff colleagues who have made this report and the broader Qodeo program possible at Questrom. Questrom means business.



Professor Gregory L. Stoller,  
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# ABOUT QODEO MARKET SNAPSHOT REPORTS

Qodeo market snapshots are reports written by Qodeo-MBA researchers from 30 leading Business Schools, focusing on key venture, private equity and entrepreneurial trends. They cover a wide variety of markets, including EMEA, North America & Asia. Insights gleaned are used to finesse the algorithms behind Qodeo's investor/entrepreneur matching service.

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For more Qodeo insights see [qodeo.com/blog](https://qodeo.com/blog)



## ABOUT QODEO

### Democratizing venture by matching investors with diverse entrepreneurs

Qodeo revolutionizes the way entrepreneurs find funding, and investors build pipelines. Our low cost SaaS platform uses smart algorithms to instantly match entrepreneurs with VC and PE investors, pre-qualifying those most likely to materialize. Catering to companies of all sizes and sectors, globally, our mission is to democratize venture, so that even regional and diverse entrepreneurs, without access to VC networks, can find suitable investors.

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