

**INSIDE THE
JOURNEY
OF RAVI
MHATRE
AND
LIGHTSPEED
VENTURE
PARTNERS**



In 2000, the year Lightspeed Venture Partners was formed, venture capital investment in the U.S. reached **\$105 billion** — a high point that wasn't surpassed until 2018.

Following the dot-com-fueled downturn, annual venture capital investment was considerably less through 2017. But Lightspeed thrived, growing substantially over the past two decades.

In the years since the venture capital firm was started, Lightspeed has backed more than 400 companies, including notable startups like Nest, Affirm, and Grubhub, and today manages \$10.5 billion in committed capital.

Partner Ravi Mhatre, who **previously worked as a software**

engineer, has been involved with enterprise IT, mobility, cloud- and internet-based service, and application investments such as integration software firm MuleSoft, cloud computing company Nutanix, and AppDynamics, an application performance management company.

“Some people like to garden or golf,” Mhatre says. “I’m interested in technology. If I could choose any career I wanted, I’d be doing what I do now.”

Ravi Mhatre on Launching a New Source of Funding

Venture capital firms were becoming more common during the era when Lightspeed was launched; they weren’t nearly as prevalent as they are today, though. In 1994, just 385 VC firms existed. By 2004, that number had almost tripled, reaching 985 — and by the end of 2020, 1,965 venture capital firms were in existence. Last year, by the National Venture Capital Association’s count, there were 2,889.

According to Mhatre, having limited partners who felt confident in the team proved advantageous later, when — after primarily focusing on working with enterprise investors — the founders decided to add a consumer practice.

“Once we said we wanted to go into consumer, it was less [about having to convince LPs and more about needing to] find the right person to join us who could spearhead the consumer effort,” Mhatre told TechCrunch.

Over the years, Lightspeed has worked with a number of notable consumer and enterprise sector organizations, including serving as an early source of funding for AppDynamics, a solution that monitors cloud-native technologies and traditional infrastructure to help organizations understand user experience drivers and impact.

In 2017, with Lightspeed holding an approximately 20.8% stake in the company, [Cisco acquired AppDynamics](#) for \$3.7 billion.

Serving as an early investor in companies allows Lightspeed to provide them with resources that can position them for success, according to Mhatre, helping them establish a durable business model that will enable the organization to grow quickly and make future enhancements to the product they’re bringing to market.

“When we get involved early, we think a lot about business and company design,” Mhatre said in his TechCrunch interview. “That’s where, as a venture firm, we can bring in institutional knowledge and our network and people on the business side who have experience and know what the patterns of success look like, rather than [having founders] reinvent the wheel.”

Why Ravi Mhatre Says Profitability Is Still Possible, Even With Higher Investment Costs

Despite the strain the COVID-19 pandemic placed on the U.S. economy, the value of [venture capital investments in](#)

2021 ultimately surpassed the record-breaking capital investment amount from the year before, when \$166.6 billion was raised, according to PitchBook Data.

In addition to venture capital firms' fundraising efforts reaching a new high — \$128.3 billion in 2021, a more than 47% year-over-year increase from 2020 — early-stage venture investing volume, too, was elevated in 2021. Coupled with the current amount of entrepreneurship in the U.S., that could mean, according to PitchBook, that first-time financings will experience strong growth in the future.

While Lightspeed Venture Partners — which has expanded in the past two decades to include investment professionals and advisers working in Silicon Valley, Israel, India, China, Europe, and Southeast Asia — supports companies in various stages of their development, the inception phase has been a continuous consideration.

More than 70% of its investments have involved organizations that were in the early stages of business, with Lightspeed often serving as the first institutional capital partner.

The venture capital realm can, at times, experience challenges, such as elevated prices when investment

interest is high; however, Mhatre told TechCrunch he feels the Silicon Valley/Bay Area region, where he's been located since 1981, remains an active hub for both continued innovation and opportunity.

“It's the heart of where people think about what's never been possible, so I'm bullish on that,” Mhatre said. “When you find these new disruptive things, even when prices are high, you can generate huge returns if you can figure which are the real deal and which are the pretenders that are going to fall off the curb.”



COMPANY

[ABOUT US](#)

[CONTACT](#)

MAGAZINE

[ARTICLE](#)

[ARCHIVE](#)

[MAGAZINE](#)

[ARCHIVE](#)

INDUSTRIES

[CONSTRUCTION](#)

[EDUCATION](#)

[ENERGY](#)

[FOOD & DRINK](#)

[GOVERNMENT](#)

[HEALTHCARE](#)

[LIFESTYLE](#)

[MANUFACTURING](#)

[MINING](#)

[RETAIL](#)

[SUPPLY CHAIN](#)

[TECHNOLOGY](#)



[VISIT](#)

[REBOOT](#)

