

Democratizing Venture Capital: Evaluating the Role of Student-Run Funds in Startup Innovation

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ABSTRACT

This paper explores how student-run venture capital funds can help democratise start-up financing by applying client-centric wealth management strategies, traditionally used to serve high-net-worth individuals, to educational venture-capital ecosystems. Design: qualitative multiple-case study of three Dorm Room Fund-backed start-ups.

The paper discusses the advantages associated with client-centric investing, all of which drive sustainable business growth and profitability. Moreover, it also outlines how the rise of FinTech companies has pushed traditional firms to adopt client-centric strategies.

A detailed analysis of investment portfolios is provided, distinguishing between income, growth, and value portfolios, and explaining how each aligns with different levels of risk tolerance and time horizon.

A comparative study between student-run venture funds and professional venture capital (VC) firms is conducted.

Key findings from the study reveal that student-run venture funds fill a critical gap in the entrepreneurial ecosystem by supporting student founders who often lack access to traditional VC funding, highlighting successful examples like Veho and Athelas through case studies on both businesses.

To ensure a balanced perspective, the paper also examines cases where companies, despite receiving backing from student-run venture funds, fail to achieve their anticipated growth targets, specifically FiscalNote

Overall, the findings highlight the relevance of client-centric thinking in educational VC models and offer actionable insights for universities looking to institutionalize student-led

entrepreneurship support.

Keywords: client-centricity, student-run venture funds, risk tolerance, time horizon, student-led start-ups, seed investments, unicorn companies

INTRODUCTION

With high net worth individuals (HNWI) increasingly demanding personalised financial services and 66% of customers expecting businesses to gauge their needs, the trend has shifted towards financial corporations offering client-centric services.

client-centric investing involves investment groups, financial advisors, and banking organisations tailoring investment decisions according to the client's financial situation, risk tolerance, time horizon, and investment objectives. This approach prioritises the clients needs and has been adopted by leading financial firms such as Jefferies LLC and UBS wealth management.

However, client -centricity in venture capital exhibits nuanced distinctions compared to the traditional meaning typically observed. Investment decisions made by fund managers must align with objectives of limited partners (LPs), individual investors or institutions that invest in VC funds but don't actively manage it. Funds largely consist of investments in high risk early stage start-ups reflecting LPs objectives to obtain high financial return.

student-led venture firms like Dorm Room Fund that prioritise employing students have begun adopting client -centric strategies as well. Investors in student-run venture funds generally comprise alumni or universities, who prioritise supporting young student entrepreneurs. Hence student-run venture firms lay profound emphasis on investing in early stage student-led start-ups.

This study aims to address a notable gap in current literature by examining the application of client-centric investment strategies in student-run venture capital. While these approaches have been studied in traditional finance, their role in educationally embedded venture ecosystems remains underexplored.

METHODOLOGY

This paper adopts a qualitative, case-based methodology aided by visual representation throughout. Three start-ups: Veho, Athelas, and FiscalNote, were selected due to their backing by the Dorm Room Fund and availability of performance data across multiple funding stages. The study uses secondary data sourced from Crunchbase, company websites, annual reports, financial press releases, and academic commentary. These cases offer a diverse representation across sectors, including logistics (Veho), healthtech (Athelas), and civic-tech

(FiscalNote). By evaluating funding rounds, growth patterns, valuation changes, mergers and acquisitions and business challenges, the study aims to understand how early investment decisions undertaken by students aligns with long-term start-up success or failure. This method allows for thematic cross-case comparison, adopting an objective stance, while remaining within word constraints.

ADVANTAGES OF ADOPTING A CUSTOMER CENTRIC APPROACH

The primary advantages of client-centric investing stem from the trust it establishes between the client and service provider. This builds client confidence, as investment decisions align with individual financial goals and preferences.

As a result, firms adopting such an approach benefit from improved levels of customer satisfaction and customer loyalty. For example, customers of banks with advanced personalization are 2.6 times more likely to consider their bank a “trusted advisor” rather than just a service provider. Similarly venture firms who align their objectives with those of LPs are more likely to enjoy increased investment.

Improved customer satisfaction is one of the primary advantages resulting from a client-centric approach. Increased customer satisfaction encourages repeat purchases which costs less per customer when compared to strategies aimed at increasing the customer base, thus driving costs down for such firms. Accordingly, improving customer retention by just 2% can boost profitability equivalent to a 10% cost reduction for the business. This is because increased investment by LPs allows VCs to increase the magnitude of investment enabling them to obtain a greater share of the invested company, enabling them access to a larger proportion of the profits. Since, general partners in venture firms usually share a small portion of profits, they too will benefit.

Increased customer loyalty is a significant benefit enjoyed by firms utilising a client-centric approach. Accordingly, customer-centric companies saw a 25% increase in customer loyalty. This results from the fact that customer characteristics are placed at the forefront when investment decisions are made or when financial advice is offered. Venture capital involves large investments by LPs, thus placing a greater financial responsibility on fund managers. If LPs trust fund managers then they are encouraged not to invest with competing venture firms. Firms, using this strategy, encounter long term and sustainable growth rather than a short-term boost in customers or sales.

Competition:

The financial services industry is facing intense competition from tech-savvy players like crypto

exchanges, challenger banks, and FinTech companies. QED investors and speedinvest are fintech VC firms that simplify venture capital competition, forcing larger VCs to practice client-centric strategies. Nonetheless, these new entrants have revitalised the financial services industry, bringing strong competition to traditional financial firms and investment groups. In fact, Goldman Sachs predicted that FinTech start ups would syphon \$4.7 trillion in revenue in the coming years.

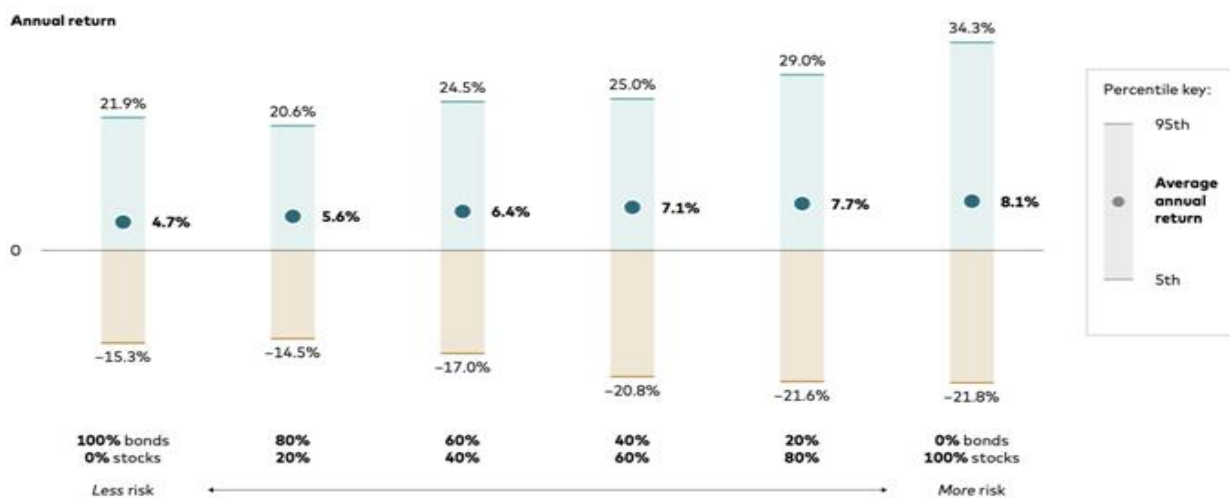
PORTFOLIOS AND THEIR VARIANTS

As per portfolio definition, it is a collection of a wide range of assets that are owned by investors, ranging from stocks to bonds, gold, and real estate. While a client's portfolio can be crafted in multiple ways, firms adopting a client centric approach base portfolio decisions on their clients characteristics, the fundamentals of which are risk tolerance, and time horizon.

Risk tolerance refers to the degree of risk or uncertainty an individual is willing to accept when making a particular investment. Conservative investors with low risk tolerance may prefer to build a portfolio that comprises large-cap value stock, investment-grade bonds, cash equivalents, and market index funds, which are more likely to offer returns. Conversely, individuals with a high-risk appetite may invest in small-cap and large-cap growth stocks, high-yield bonds, gold, oil, real estate, etc. in search of larger returns, but with a greater chance of a potential loss.

Figure 1.0: %loss/gain experienced in assets that hold different levels of risk

FIGURE 3.
A portfolio's mix of assets defines its range of returns
Top 5%, bottom 5%, and average annual returns for various global stock/global bond allocations, 1901–2022

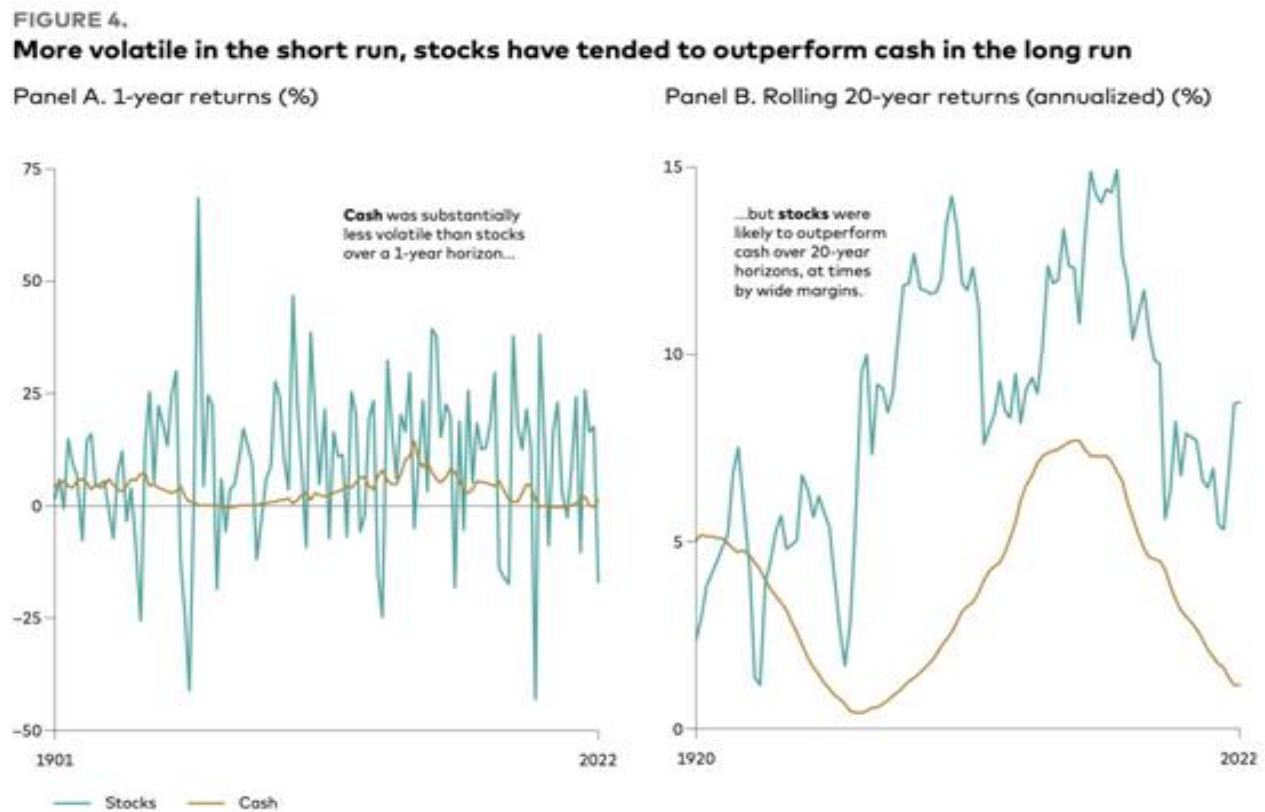


source: Vanguard

Note: A scale showcases the level of risk based on the combination of stocks and bonds invested in (%). Bonds represent a low risk option, while stocks offer greater risks. Greater investments in bonds show low annual loss and return, while observing the lowest average annual return. There is a positive relationship between average annual return and level of risk, however %loss figures also increase, suggesting the high risk element of the investment. Yet, an exception is observed when the portfolio comprises 80% bonds and 20% stocks, representing the safest option with lowest possible negative return rate—lower than 100% bonds portfolio.

Time horizon involves the length of time an investor plans to hold an asset before needing the money. Typically, investors who are nearing their retirement (shorter time horizon) are recommended to invest a more significant portion of their portfolio in less risky assets like cash and bonds while those who have just begun their career (greater time horizon) are advised to invest a larger portion of their portfolio into high risk-reward investment options to benefit in the long-run. This is because a longer time frame will allow such investors to absorb market volatility and capitalize on long-term returns.

Figure 1.1: Market volatility for stocks and cash in the short run and long run



source: Vanguard

Note: An individual with a shorter time horizon may invest in cash due to its consistent short term returns, and lack

of volatility, identified by the data in panel A. However, an individual with a greater time horizon may favour stocks as they outperform cash investments in the long run, identified by data in panel B.

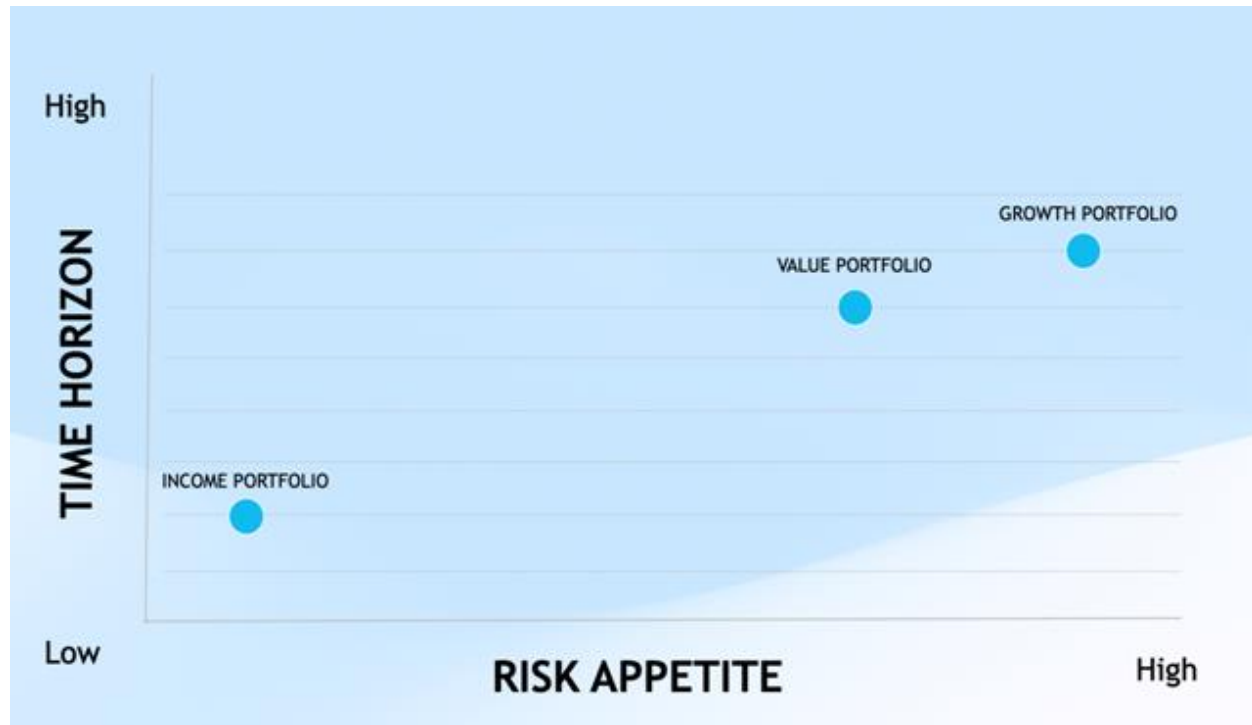
Types of portfolios:

- An income portfolio is an investment strategy that prioritises generating regular income from investments, rather than focusing on capital appreciation. Dividend paying stocks, bonds, and other income generating securities are likely to be ubiquitous among these types of portfolios as a steady stream of cash flow is a primary aim of the investor.

The emphasis on stable flows of income result in low risk tolerance for such a portfolio. By focusing on consistency, such a portfolio aims to eliminate risks of volatility on income generated. Furthermore, an income portfolio is most suitable for investors with a short to medium time horizon as it focuses on generating income through quarterly dividend payments or annual interest on bonds purchased.

- A growth portfolio primarily focuses on making returns through capital appreciation and 'growth' of assets invested in. It involves investments in companies and assets with high growth potential and prioritizes capital gains over income generation. Growth portfolios involve assets that are subject to high volatility but may pose greater returns suggesting it is suitable for an investor with high risk tolerance. Moreover, such a portfolio requires a long time horizon in order to recover from short-term market volatility and benefit from the compounding returns of riskier assets like equities.
- A value portfolio invests in cheaper assets, in valuation, and focuses on obtaining bargains in the investment market. When the economy encounters recessionary trends and companies are barely surviving, value-oriented investors purchase shares at prices lower than their fair value, generating sustainable earnings during a period of economic boom.

Value investing is often seen as less risky than pure growth investing as it includes a "margin of safety" against potential losses. Nevertheless, it still involves some risk. If the market takes longer than expected to correct, value oriented investors could experience subsequent losses through holding of low valuation assets. Additionally, value portfolios are usually constructed with a long time horizon, holding positions for several years and waiting for the market to recognize the true value of the underlying assets

Figure 1.2: Time horizon and risk appetite for different types of investment portfolios

source: author

Note: By plotting risk appetite on the x-axis and time horizon on the y-axis the Figure represents a scatterplot with each point representing value, income, and growth portfolios based on their respective levels of risk appetite and time horizon

Investments in a student-run VC fund are likely to fall in a growth portfolio as pre-seed investment in student-run start-ups remains the primary focus. This type of investment displays high risk elements as failure rate displayed by newly founded businesses is extremely high with The U.S. Bureau of Labor Statistics estimating that over 20% of small businesses fail within the first year. Furthermore, investors' time horizons must be high as well. A start-up's first year is often defined by losses or meeting break-even margins. On average it usually takes start-ups 2-5 years to become profitable.

Yet, firms funded via venture capital can offer investors substantial returns. For example, Apple and Zappos were both funded via venture capital. This exemplifies the Risk–return trade-off principle.

Risk-return trade-off is a fundamental principle observed in finance that suggests investment in low risk assets will generally yield low returns, conversely investments made in high risk assets

have greater potential for large returns. Nonetheless, it is pivotal to note that exceptions to this principle exist. For example, high yield saving accounts are often considered low-risk, high-return investments. These accounts are rated as having minimal risk, however offer returns that exceed 4.5 % annually.

STUDENT RUN VENTURE CAPITAL FIRMS

Student run venture capital firms such as dorm room fund, and rough draft ventures, involve students playing a primary role in making investment decisions, conducting due diligence, and sourcing deals. This approach has shown promising outcomes, especially considering the limited maturity of these funds. Moreover, students appear to be choosing the right companies to invest in, evidenced by the \$100m+ dollars in follow-on capital raised by portfolio companies from large venture firms such as Google Ventures, Union Square Ventures, and Spark Capital.

Professional venture capital firms like Sequoia Capital and Accel focus on investing risk capital in startups that appear to have high growth prospects, in exchange for equity in those companies. Google, Yahoo, and AirBnb, all received venture capital during their early stages of business.

Similarities and differences between student run venture funds and professional venture capital firms:

- ***PURPOSE***

While student-run venture capital firms do lay emphasis on high returns, the primary purpose of these organisations is to provide students with first hand experience in the venture capital industry, thus, serving an educational basis. Therefore, many student-run venture funds are associated with colleges such as Rough Draft Ventures which has partnered with Stanford University, as well as SVF of University of Waterloo Professional venture firms prioritise substantial long term returns, thus laying emphasis on investing risk capital in promising start-ups. Venture capital fund managers are paid management fees and carried interest. Approximately, 20% of the profits are paid to the company managing the private equity fund, while the rest goes to the limited partners (LPs) who invested in the fund. However this distribution varies from firm to firm. Additionally, general partners usually receive an additional 2% fee, thus driving profit and return maximisation interests.

- ***SOURCE OF CAPITAL***

Student-run venture funds are usually financed via university endowments or alumni donations. However, capital may be provided through partnerships with professional venture capital firms. For example, Dorm Room Fund is backed by First Round Capital and Rough Draft Ventures is

backed by General Catalyst.

Professional venture capital firms raise funds from institutional investors and high net worth investors who are referred to as limited partners. Moreover, general partners (GPs)¹⁰ who manage the venture capital fund typically invest their personal capital into the funds they manage.

- ***SCALE OF INITIAL INVESTMENT***

Student-run venture funds typically invest small amounts of capital in pre-seed or seed-stage start-ups, predominantly those founded by students or university affiliates. Moreover, student-led funds typically fund early-stage ventures with smaller investments of less than \$50,000, an amount that is often regarded in industry as pre-seed or angel amounts.

Professional venture capital firms typically make larger investments, as a result of greater access to capital. This is often in the ballpark of multi-million dollars-with Early-stage funding typically ranging from \$2 million to \$15 million to help start-ups scale rapidly and expand their overall market reach.

- ***DECISION MAKING RESPONSIBILITY***

The decision making power in student-run venture funds rests with the students, who are overseen and assisted by Faculty advisors and/or university administrators in order to ensure educational outcomes and risk management.

Decision-making power in professional venture capital firms is structured in a hierarchical and collaborative manner, with specific roles and responsibilities at each level. Associates and senior associates are responsible for preliminary research and initial evaluation of potential investments. Venture partners play a crucial role in investment recommendations, but have no power over final decisions taken. The ultimate decision making control rests with the investment committee composed of senior members such as managing partners and other executives. This committee reviews due diligence and takes the final call on whether to proceed with an investment. However, some venture capital firms may take decisions based on majority voting of senior partners.

- ***INVESTMENT FOCUS***

Most student-run venture funds concentrate on pre seed, seed, or series A investments, and encourage investments in start-ups led by students from the university affiliated with the fund.

Black venture capital consortium (BVCC), for example, raised \$7.5 million and plans to invest in companies with at least one Black or LatinX member in the founding team, while also focusing on Seed & Series A start-up companies.

A majority of professional venture capital firms focus on seed, Series A, and sometimes Series B investments where they seek to identify and support start-ups with rapid growth potential in order to fulfil their profit maximisation and return oriented objectives.

- ***EXPERIENCE & NETWORK***

Since student -run venture funds consist of graduate and undergraduate students, it lacks a substantial amount of experience. Consequently, the fund's overall network might be less extensive when compared to a professional venture capital firm.

Professional venture firms are run by experienced professionals who have vast networks which offer access to expertise, valuable industry insights, and strategic partnerships.

- ***RISK TOLERANCE***

Student-run venture funds often have high risk tolerance as they afford a longer investment horizon and also focus on students' learning from each investment and decision made, thus permitting them to invest in riskier ventures that may offer greater returns in the long -run.

While risk tolerance is also high in professional venture firms, a large emphasis is placed on drawing consistent returns for LPs.

- ***TIME HORIZON***

Student-led venture funds make investments with a time horizon of 2 to 4 years, reflecting the average duration of undergraduate or graduate programs.

Professional venture capital firms typically have holding periods of 7 years or more, aligning with long term growth and return objectives.

Table 1.0: similarities and differences between student run venture funds and professional venture capital firms

	Student run venture funds	Professional venture capital firms
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Purpose	Educational	Return maximisation
Source of capital	University endowments, parent companies, or alumni donations	Managers and institutional investors
Scale of investment	<US\$50,000	US\$2–15million
Decision making responsibility	Students	Managing partners and senior executives as part of an investment committee
Investment focus	Pre seed, seed, or series A companies	Seed, series A, and series B companies
Experience & Network	Less extensive	More extensive
Risk tolerance	High	High (relatively lower than student run venture funds)
Time horizon	Long run	Very long run

Note: The table summarises the key factors responsible for the efficient function of a venture firm coupled with elements that influence investment decision (risk tolerance and time horizon) in order to identify the glaring similarities and differences in each of these factors between student run venture firms and professional VC firms

SERIES OF CASE STUDIES ON STUDENT-LED STARTUPS FUNDED BY STUDENT-LED VENTURE FIRMS

Problem: Limited experience and lack of established networks establishes reluctance within professional venture capital to make investments in student-led start-ups, stifling the growth of young entrepreneurs. Students struggle to obtain capital from large professional venture capital firms, resulting in the creation of a gap in the market – the segment of entrepreneurs that are completing their education.

Solution: This gap is sealed by student-led venture funds, who lay profound emphasis on supporting student entrepreneurs and investing in student-led start-ups. The Dorm Room Fund is at the forefront of the student-led venture capital industry, making over 200 investments in a plethora of firms founded by students.

The origin of the Dorm Room Fund (DRF) dates back to 2012, when the founder of first round capital (DRFs parent firm) Josh Kopelman decided to assemble a team of aspiring students interested in venture capital. DRF predominantly focuses on modern e-commerce, healthcare,

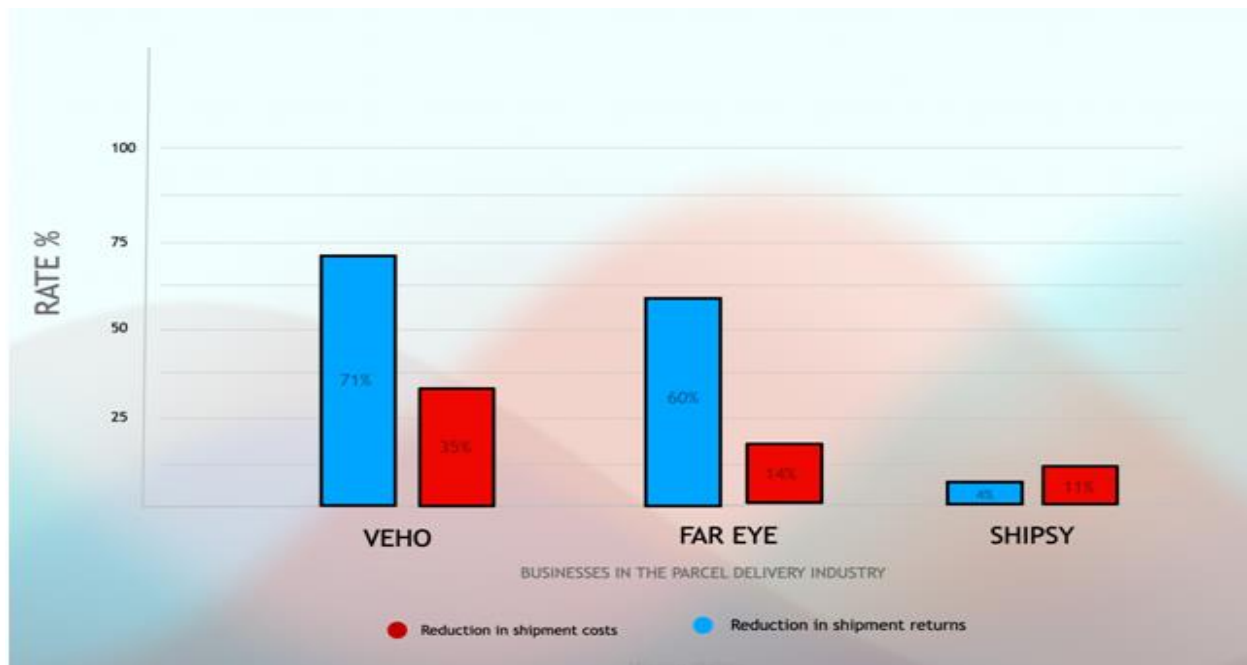
and tech start-ups like Dandy, Anysphere, and Maev, while assisting their student founders on their entrepreneurial journey. For example, 43% of their investments have gone to undergraduate founders, and 39% to MBA students' start-ups.

Case #1 Veho:

Founded by Itamir Zur when he was a student at Harvard Business School, Veho is a technology company that optimizes customer -centric delivery by offering last-mile delivery services, while crowdsourcing independent drivers partners and linking them with firms that demand delivery services. Veho utilises its nationwide network of warehouses and technology platform to enhance routes for its drivers in order to fast track the delivery process.

Companies like HelloFresh, Nordstrom, and Nespresso have all turned to Veho for delivery services as Veho surpasses competitors, like Shippy and FarEye in its ability to reduce shipment costs and shipment returns.

Figure 1.3: % reduction in shipment costs and shipment returns offered by Veho, Far Eye, and Shippy



source: author

Note: The bar graph exhibits the %reduction in shipment costs and %reudction in shipment returns experienced by firms using Veho and its competitors services. Businesses in the parcel delivery sector (Veho, FarEye, Shippy) are

represented on the x-axis, while the rate of reduction is showcased on the y-axis. By displaying Veho as having the highest bars in reduction in shipment costs and reduction in shipment returns the Figure aims to portray Veho as more beneficial to firms utilising last minute delivery services.

Dorm Room Fund (DRF) invested in Veho, participating in its seed round in March 2017. Veho now serves as a unicorn for the student-run venture fund, and is valued at \$1.6 billion in 2025.

Despite being in a very competitive market, Veho has generated large market interest, observed by a heatscore of 93, which increased by 18 points over the last quarter. Veho's recent success doesn't end there. Veho themselves have boasted a 300% increase in revenue since the onset of 2024. Additionally, in under a decade (2016-2023) Veho expanded to 42 markets across the United States of America.

Figure 1.4: States, located in USA, in which Veho's services are available



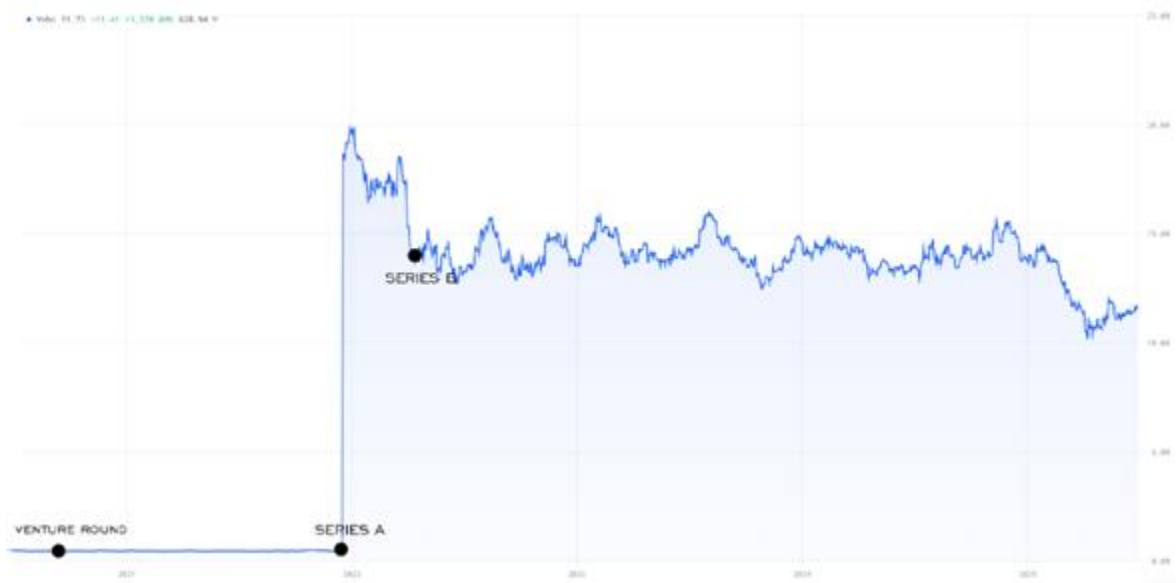
source: Veho

Note: By displaying a map of the United States of America, the Figure displays Veho's coverage in different states in the USA. States such as Texas, Florida and Georgia have been colored in red to showcase Veho's prevalence in those states.

While dorm room funds investment dates back to the beginning of Veho in 2017, the investments

obtained by Veho from its venture round to its Series B stage are largely responsible for the rapid growth in its share price on privately traded markets.

Figure 1.5: Veho’s share price from 2021 to 2025 after different series of investments



source: Notice

Note:the Figure uses a line graph to show a change in Veho’s share price (pvt) from 2021-2025. The black dots on the Figure represent the different stages at which Veho obtained funding, and aim to show its effect on Veho’s share price. While the venture round and Series B round didn’t have a substantial effect on share price, Veho’s Series A round saw the company’s share price skyrocket ~US\$0.70 to ~US\$20.00- a 2700% increase

Overall, Veho has grown in its 8 years of existence, with the initial investment in 2017 made by the Dorm Room Fund proving pivotal. Now, Veho is one of the primary unicorn companies in the Dorm Rooms Fund’s investment portfolio.

Case #2 Athelas AI:

Founded by Tanay Tandon and Deepika Bodapati in 2016 while at Stanford University, Athelas, a healthtech company, offers AI digital tools to assist healthcare businesses through services such as remote patient monitoring, AI-powered billing, denial management, and tools for clinical documentation.

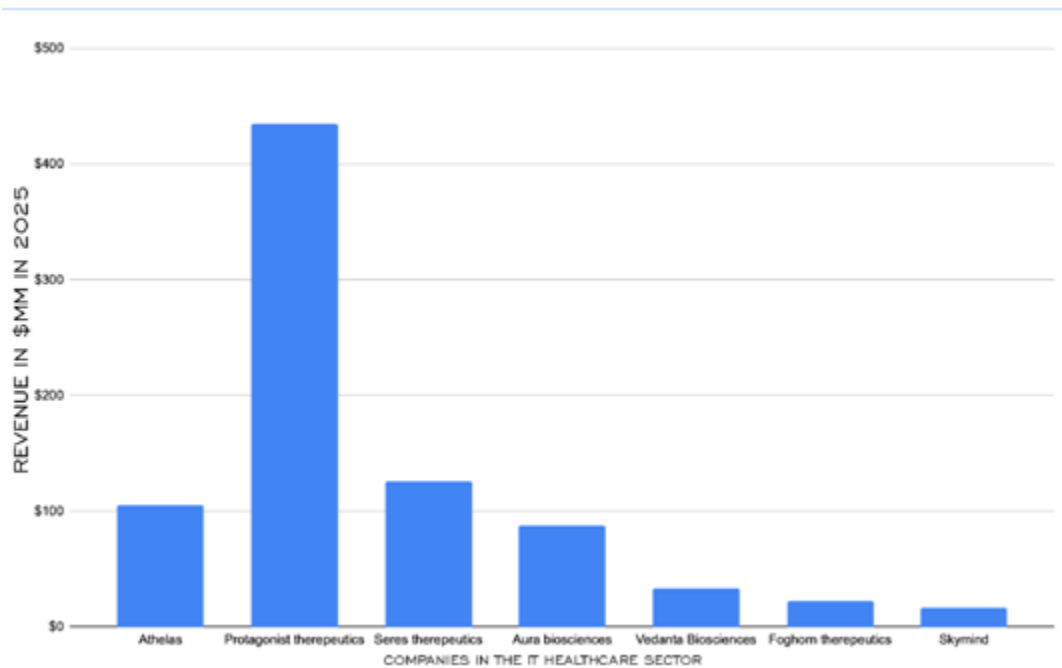
Both HCA healthcare and resilient healthcare have partnered with Athelas AI. Additionally, after adopting Athelas, Springville dermatology and diagnostics experienced a measurable transformation in revenue cycle performance, documentation, and patient collections, achieving

a denial and rejection rate of just 2.2%, well below the (5–10%) standard observed in the industry. Another example, Sleep lab of Las Cruces witnessed an exponential increase in amount recovered from only \$5.79 collected per month in patient payments to \$71K recovered from 779 resubmitted rejections and denials after employing Athelas’s AI platform.

While the exact date is not specified, a linkedin post by Molly Fowler suggests Dorm room fund had already invested in Athelas prior to 2019, suggesting they entered in the seed round, in the initial years of business.

In 2022 Athelas AI reached unicorn status and was valued at \$1.5 billion, however, after merging with Commure the joint entity's valuation skyrocketed to \$6 billion. Athelas has observed an annual revenue of \$105 million in 2025, falling short of just 2 of its competitors – Protagonist therapeutics and Seres therapeutics.

Figure 1.6: revenue in 2025 observed by Athelas and its competitors



source: author

Note: the bar graph represents the annual revenue figure achieved by Athelas and its competitors in the healthtech sector in 2025. The Figure aims to showcase Athelas as the third leading startup in the healthtech sector, when measured in terms of revenue.

Furthermore, with a consistent growth score of approximately 70 over a 5 year period, Athelas

aims to maintain consistent growth in a rapidly expanding market. In 2024, in partnership with Commure, Athelas boosted its revenue cycle management (RCM) capabilities, processing \$4 billion in claims and achieving a 15-20% average increase in the percentage of collections, with an aim to cater to a larger market.

Figure 1.7: Projected growth in revenue cycle management market



source: Athelas

Note: The bar graph displays Athelas AI's projections for the revenue cycle management market. Athelas AI aims to boost its RCM capabilities in order to increase its customer base and cater to a growing market. Disclaimer: The research to obtain this Figure was conducted in early 2022, and actual RCM market size alongside RCM market size projections could have varied due to several factors.

Growth is on the horizon for Athelas.

Figure 1.8: Athelas growth prediction



source: Crunchbase

The company, powered by Commure, has secured an additional \$200 million in funding to accelerate growth and serve increasing customers. Additionally, with a growth prediction of 95 points on crunchbase, future business growth is eminent for Athelas.

Overall, an idea by two students at Stanford university materialised into a billion dollar company. The seed investment by Dorm Room Fund proved of utmost importance, boosting the company in its initial phase while encouraging the student entrepreneur to scale their idea into what Athelas represents today – a multi-billion dollar superpower in the healthcare sector.

Case #3 FiscalNote:

Founded by Timothy Hwang, Gerald Yao, and Jonathan Chen when completing their undergraduate degree, FiscalNote is a technology company which offers government relationship management services. FiscalNote's provision of real time data and analysis of legislative changes to enhance decision making has led to companies such as Lyft, 7-Eleven, Intel, and more utilising their service.

During its seed round in 2013, Dorm Room Fund invested risk capital in Fiscal Note

FiscalNote observed a strong start being named in CNNs top 10 start-ups list in 2014, just one year after the company was founded. This was followed by the World Economic Forum recognising FiscalNote as one of the most prominent technology pioneers in 2016.

In 2018 FiscalNote completed a major acquisition Of CQ Roll Call from the Economist group for \$180 million. The combination of FiscalNote's technology with CQ Roll Call's non-partisan and unbiased information and analysis creates an exciting opportunity to further our mission of connecting the world to their governments, enabling us to better serve customers and readers.

FiscalNote has made an astounding 14 acquisitions between 2017 and 2023 in order to expand its customer base, revenue, global reach, and obtain access to a plethora of novel technologies. For example, the acquisition of Predata in 2021 enabled FiscalNote to procure the leading ai platform built by Predata to analyse the geopolitical landscape and uncover insights on online activities, while also expanding its customer base as Predata serves over 180 countries. Thus, through various acquisitions FiscalNote aims to exponentially grow its business.

What initially began in the USA, California, now grew a global customer base. (Check Figure 2.1 as it showcases FiscalNotes global coverage as of 2021.) By the end of 2021 FiscalNote was recognised as one of the few companies that Achieved unicorn status (\$1.4 billion valuation),

with a promising future ahead of it.

Figure 1.9: Fiscal Note’s expansion in 2021

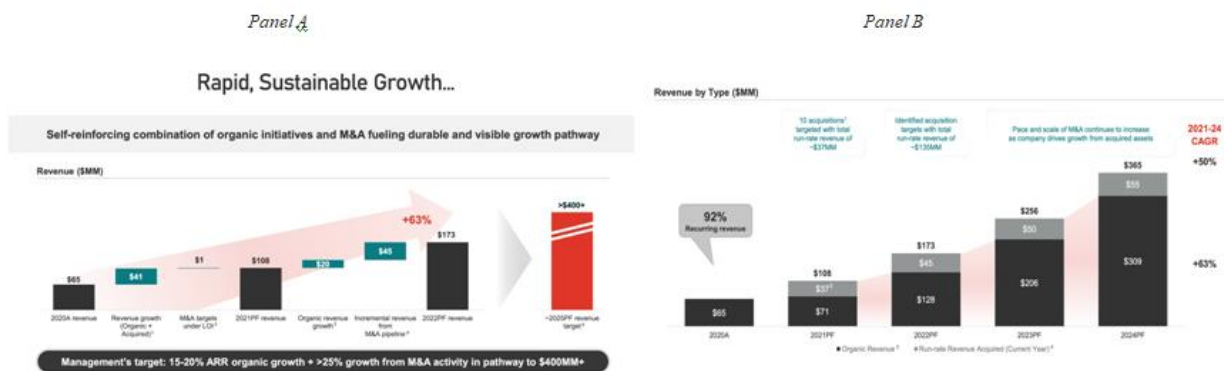


Source: FiscalNote

Note: (1) Core legacy products as of June 30, 2021; (2) Denotes countries with data coverage in many platforms

With a revenue of \$65 million in 2020 and \$108million in 2021, FiscalNote set goals for its revenue figures post 2021, aiming to achieve a revenue figure of >\$400 million dollars by financial year 2025.

Figure 2.0: Fiscal Note’s projected revenue for the next 4 years



source: FiscalNote

Note: Panel A displays annual revenue targets set by FiscalNote in 2021, who aimed to achieve a 63% growth in revenue by 2022. Panel B showcases the contribution of organic revenue and run rate revenue to total revenue. These revenue figures are part of an investor pitch deck that aimed to attract into obtaining FiscalNotes IPO.

However, to materialise this plan FiscalNote decided to go public in 2022. On August 1, 2022, by merging with Duddell Street Acquisition Corp, FiscalNote debuted on the stock exchange under the ticker symbol “NOTE” at \$9.92 per share. This also marked the exit of the Dorm Room Fund as FiscalNote adopted the exited unicorn status.

Figure 2.1: Fiscal Note’s share price since its initial public offering



source: Yahoo Finance

Note: the candlestick chart showcases the change in FiscalNote’s share price from 2022-2025. The candlesticks forming an almost flat line in 2022 suggest a steady share price at 10\$. However, FiscalNote’s stock began a significant downward trajectory from mid-2022 onward, with glimpses of a rise in October of 2022 and May of 2023.

In the first year of going public, the lack of stocks being traded on the market resulted in a fairly consistent stock price of approximately \$9.8, eliminating any sort of volatility.

However, this trend reversed in July of 2022, while total revenue for the second quarter of 2022 was \$27.2 million, up 41% from the second quarter of 2021, Net loss for the second quarter of 2022 rose to \$38.4 million from \$34.1 million for the second quarter of 2021.

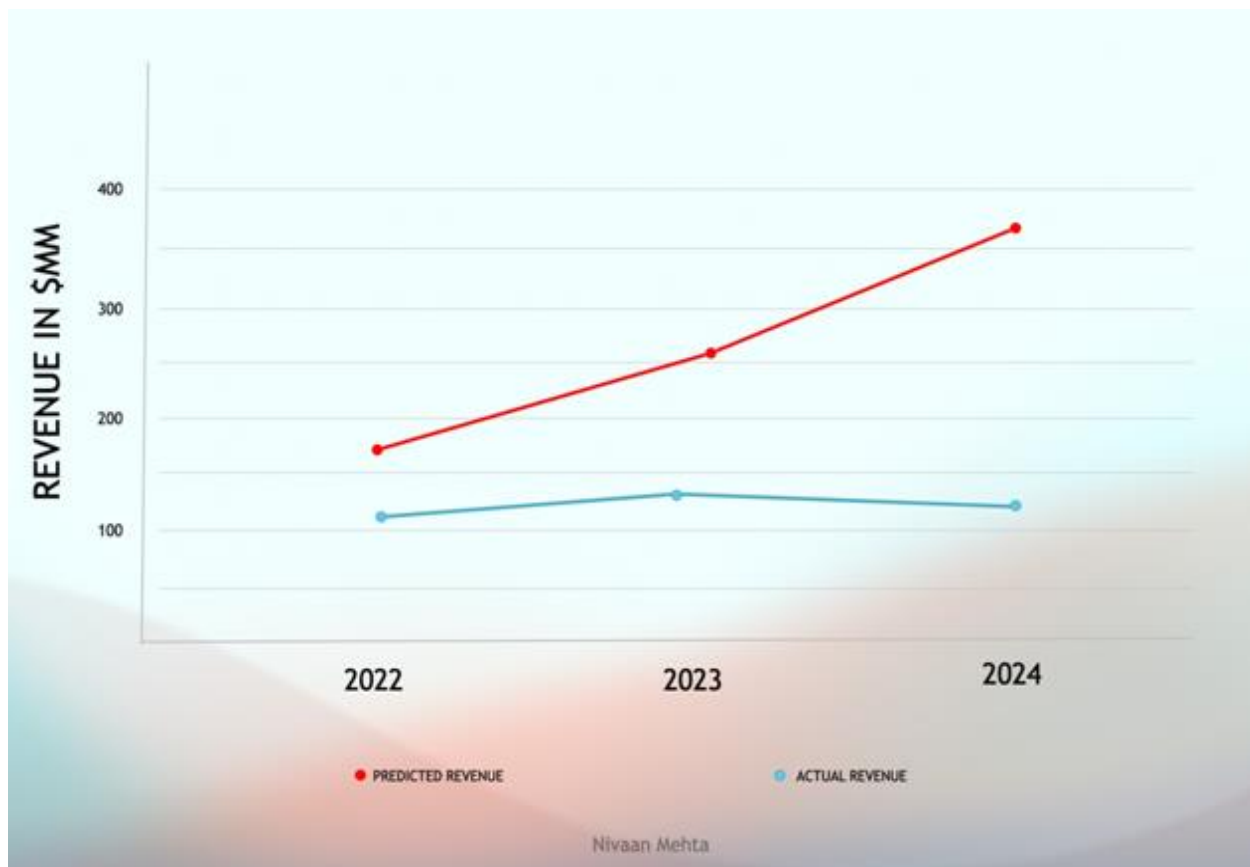
Additionally, the adjusted EBITDA remained negative at -\$5 million. In Q3, while revenue was increasing so were the expenses, with FiscalNote experiencing a GAAP net loss of \$109 million. Moreover, the company experienced a negative -\$7.4 million adjusted EBITDA, a \$2.4 million decrease from the preceding quarter.

FiscalNote’s fiscal year 2022 recorded below par performances, with a total revenue of \$113.8 million, falling short of the performance target of \$173 million, outlined in Figure 2.4. This large dip in stock price can be correlated to FiscalNote’s underperformance in fiscal year 2022, which

might have resulted in market skepticism. regarding the stock's future performance. By the end of 2022 Fiscal notes share price fell roughly 36%.

At the end of the financial year 2023 FiscalNote earned a total revenue of \$132.6 million , which, once again, fell short of targets established in 2021. Fiscal year 2024 ended with a total revenue of \$120.3 million, substantially lower than the previous year and targets established 3 years prior. As a result, investor confidence has likely taken a sharp blow.

Figure 2.2: The gap between Fiscal Note’s revenue estimates, and actual revenue earned



source: author

Note: Using figures from diagram 2.1 for predicted revenue and annual reports for actual revenue the line graphs aim to show the growing disparity between both predicted and actual revenue that, eventually, led to a decline in investor confidence. The gap between predicted and actual revenue (predicted revenue- actual revenue) increased from 2022-2024

As of 2025, FiscalNote has been unable to find its footing in quarter 1 of the financial year observing a total revenue of just \$27.5 million, which is similar to the previous quarter’s revenue. Moreover the company’s actual EPS (earning per share) fell short of its predicted value. Overall, since the company's initial public offering (IPO), its stock price has fallen by 94%.

Figure 2.3: Fiscal Note’s observed EPS compared with estimated EPS



source: Nasdaq

Note: The scatter plot shows the difference between EPS estimates and actual EPS investors received. Actual EPS is represented by the orange dots, while EPS estimates are showcased by the black dots. There is a large difference between EPS estimate and actual EPS, suggesting low investor confidence. However this difference substantially decreases in November 2024, meeting investors substandard expectations for FiscalNote’s EPS. While investors expected a better performance in terms of EPS, FiscalNote’s EPS remained around the -0.10\$ per share mark

Overall, FiscalNote downward trend is marked by a fall in its market cap to \$83.10 million as of June 20, 2025. Its market cap has decreased by -49.73% in the span of one year – A company that was once valued at over \$1.5 billion. However, FiscalNote aims to strengthen its balance sheet by signing a definitive agreement to divest additional non core assets in order to do so. Additionally, it is to be noted that while revenue performances in 2025 were not strong compared to previous years, they surpassed recent expectations which can be viewed as a positive sign

regarding FiscalNote's future.

While the Dorm Room Fund's initial investment proved crucial towards FiscalNote's success, its recent underperformance goes to show that not every unicorn company identified by the Dorm Room Fund will have guaranteed prospective success.

DISCUSSION

Athelas's and Veho's success can be credited to the fact that both startups maintained consistent operating performance and business growth after their initial rapid scaling and successful fundraising. Both businesses successfully met and often surpassed investor targets, bolstering investor confidence.

On the other hand, following the public listing of FiscalNote, the company regularly underperformed relative to investor expectations, applying downward pressure on its share price.

Currently Fiscal note operates with a large debt burden, which could serve as one of the primary factors influencing the divestiture of subsidiaries such as Oxford Analytica and Dragonfly. Divestiture of assets has resulted in subpar performance— The company posted an earnings per share loss of \$0.10, missing the consensus estimate of a \$0.08 loss. Furthermore, Revenue was lower than expected, coming in at \$27.06 million compared to the expected \$30.59 million in Q4 2024.

While the large debt persists due to investment in product improvement and development, the launch of FiscalNote's new platform PolicyNote has shown large growth potential.

"We're already seeing strong engagement metrics" claims Josh Resnik, ceo of FiscalNote. Moreover, his comments on debt suggest a 70 million improvement in cash flow.

Despite securing substantial funding and demonstrating strong early-stage performance, FiscalNote struggled to sustain its growth trajectory and scale effectively after obtaining an IPO, largely due to the burden of significant debt.

While offering risk capital is the primary purpose of a venture capitalist, providing guidance through an advisory board is quintessential, especially for young student entrepreneurs. Yet, while professional VCs typically have advisory boards, this same feature isn't witnessed in most student led venture funds like the dorm room fund. Not having an advisory board can deprive young entrepreneurs of unique perspectives, strategic guidance, and access to a larger network, hindering long term growth, while also risking costly errors.

Does having an advisory board of experienced venture capitalists take away from the premise of

a student run venture fund?

In 2021 Robert Kazanjian, Professor of Organization and Management at the Goizueta Business School, Emory University proposed the idea of Emory University's student led venture fund, Blue Eagle Capital, comprising an advisory committee. "We are in the process of creating an advisory board that will be mostly composed of 8-10 venture capitalists. "We're also looking to do a series of events where we let some of our companies present to a much larger audience of venture capitalists that we can connect with and invite in."

The Russell Center for Innovation, Atlanta Tech Village and Venture Atlanta are some of the Atlanta area groups brought on the advisory board by blue eagle capital. This not only benefits entrepreneurs by exposing them to key insights, but also helps student employees who can obtain critical knowledge and opportunities to develop practical skills through the mentorship offered by seasoned investors.

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Does having an advisory board of experienced venture capitalists take away from the premise of a student-run venture fund?

In 2021 Robert Kazanjian, Professor of Organization and Management at the Goizueta Business School, Emory University proposed the idea of Emory University's student-led venture fund, Blue Eagle Capital, comprising an advisory committee. "We are in the process of creating an advisory board that will be mostly composed of 8-10 venture capitalists. We're also looking to do a series of events where we let some of our companies present to a much larger audience of

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CONCLUSION

Ultimately, it is important to recognize the importance of client-centricity in student-led venture funds and the operations they undergo. Universities, leveraging endowments and alumni donations, act as limited partners in student-run venture capital funds to incentivize VC support for their student entrepreneurs. Ultimately client-centricity is observed in student-run venture funds by the emphasis laid on investment in student-led start-ups, for alumni and universities serve as the primary investors. Dorm Room Fund’s support of Veho and Athelas showed how consistent performance and rapid business growth after initial investments can yield impressive business performance. At the same time, FiscalNote’s struggles highlight the need for more sustained post-investment governance and strategic planning, suggesting the need for advisory boards in student-run venture funds. For universities looking to champion student entrepreneurs, embedding formalized venture capital programs with personalized mentorship, capital access, and strategic advisory layers can help mitigate risk and increase start-up survival rates. Future research could assess the possibility of formalised investments in post seed stage businesses by student -run VCs in order to attract a diverse party of investors.

LIMITATIONS

This study is limited to three case studies based on secondary data, which may not capture the full internal decision-making or founder-investor dynamics. All companies analyzed are part of the technology sector and were funded by the Dorm Room Fund, which narrows generalizability across the broader student VC ecosystem. Additionally, the study focuses on early-stage growth outcomes and does not include long-term operating efficiency or user retention data. Moreover, the study primarily uses data obtained from crunchbase rather than other financial metric websites to ensure consistency and comparability across all statistical data points. Future research should involve primary interviews with fund managers and founders, as well as longitudinal tracking of startup trajectories beyond initial funding to analyse sustainable growth metrics.

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