

Transitioning Tomorrow's Technology **Today**

Army Venture Capital Initiative is a strategic private equity investor with a mission to discover, invest in and support companies at the intersection of defense and commercial markets.

Army Venture Capital Initiative

AVCI is the venture activity of the U.S. Army and Department of Defense chartered by Congress to strategically invest in cutting-edge technologies. We support venture-funded companies developing innovative technologies of significant interest to the warfighter; these technology startups are traditionally beyond the reach of the DoD. As a strategic investor, we aim to accelerate product development and efficiently deliver breakthrough, war-winning capabilities. Our model helps build sustainable solutions and is powered by investing along with venture capital firms. We focus on technologies addressing the needs of the commercial market that will also meet priority warfighter needs. For each dollar AVCI invests in a company, the venture community, on average, invests more than \$22.

Process

AVCI's model offers a complement to traditional acquisition and uses a proven commercial investment methodology that results in faster solution identification, product development, continuous enhancements, and is often accompanied by lower costs to the Department of Defense.

AVCI executes a deal process comprising:

Opportunity Identification // Work with U.S. Army and DoD partners to understand needs, gaps, and shortfalls, and survey commercial market to identify technologies.

Opportunity Validation // Conduct formal due diligence, including market analysis, technology analysis, and financial analysis to rigorously vet the opportunity.

Opportunity Execution // Evaluate structure and terms of the opportunity, perform valuation analysis by assessing risk (market, technology, management, financial, etc.), perform return on technology analysis, and establish terms and conditions subject to prevailing market conditions.

Approval to fund an opportunity through an investment or other structure requires the vote of the Board of Trustees.

Partners

AVCI's primary interlocutor for the Department of Defense is the Office of the Deputy Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASA(ALT)). Experienced military officers and civilians within DoD provide a direct connection to the Department's technology leaders and end users; this ensures alignment of our strategy and investments. We work directly with service branch interface teams to identify mission-critical needs and support individual compents across the DoD on a case-by-case basis.

With ODASA(R&T) coordination, we work directly with Army components having mission-critical needs. These components spin-up interface teams to help



History

The U.S. Army and Department of Defense have a legacy in the advancement of cutting-edge science and technology, from ARPANET to the advent of GPS. By the late 1990s, however, commercial innovation eclipsed that of the DoD and other U.S. Government agencies. Commercial technologies from startups were addressing many of the same needs held by the DoD. AVCI, consequently, was created as identified in Broad Agency Announcement DAAB0702RB223 – a result of Section 8150 of Public Law 107 117, the Department of

Investment Focus

AVCI is a strategic investor and invests at all stages of the investment lifecycle. Typical investment size ranges from \$500K to \$2M, and we will both lead and follow transactions. Our initial core investment focus area was mobile power and energy enabling technologies. We now have a broadened mandate and focus across emerging technologies of significant interest to the warfighter such as autonomy, cyber, health information systems, and advanced materials.

Army Venture

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