What to Watch in 2025

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Mario Gabriele

The companies, markets, tokens, and themes that will define the year

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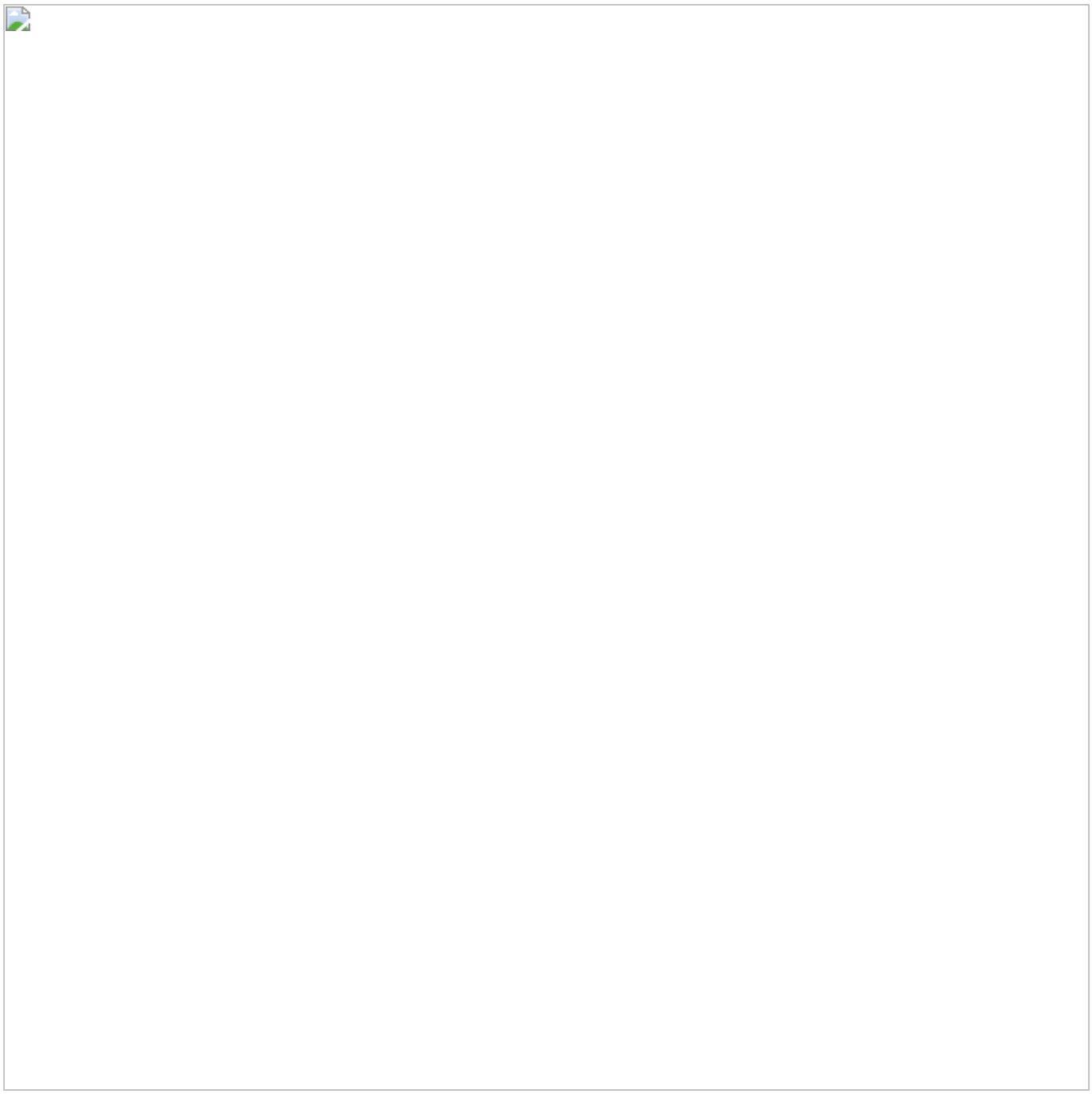

Friends,

No one can predict the future. But talking to the right people can get you much closer.

The best venture capitalists are not just money managers, but savvy prognosticators, skilled at seeing which fractal path is about to unfurl. These are the investors that spotted Solana in 2018, invested in generative AI before the ChatGPT moment, backed Airbnb when it looked like couch-surfing lunacy, and recognized the potential in prediction markets prior to Polymarket's incredible 2024.

Looking back on these episodes can feel futile for most of us. Sure, it would have been great to have seen Stripe's seed, but how many got that chance? As much as we might scour and research, the most intriguing possible futures usually appear to a select group first.

Toward the end of last year, I sat down and thought about what might be the *single most valuable piece* we could start 2025 with. I decided that what I'd findtruly priceless was seeing the future more clearly.

An ideal place to start, I felt, was to hear where the most skilled investors were training *their* attention. I didn't expect to agree with all of their predictions, but I felt that, in aggregate, their differing visions might guide my year in big and little ways — pushing me toward more promising startups, better stories, and more profound lessons.

If done correctly, hearing these predictions would be like getting tips from an army of brilliant friends: a few hundred conversations compressed into one collection.

So, I tried. To be specific, I reached out to more than 60 of the world's greatest venture capitalists, and a selection of original thinkers. Many are household names known for their consistent foresight. In the piece below, for example, you'll find submissions from Reid Hoffman, Vinod Khosla, Chris Dixon. You will also hear from exceptional insurgent investors from around the world.

Their responses fell into 12 themes that hint at the year ahead. From tech's march into Washington to AI's next revolution, each one is full of fascinating stories and actionable information.

The end result exceeded my hopes. Reading and editing these submissions over the past few days, I've discovered startups and sectors I'd never considered that I now intend to dig into. I've also learned a great deal, gotten a better grasp of the dynamics in key markets, and developed a sense of venture capital's current headspace.

Here's a preview of what's to come:

- 60+ investors and thinkers outline what to watch in 2025
- 84 startups you should keep an eye on
- The impact of Silicon Valley eating government
- The next "value accruer" in the Solana stack
- The opportunity in AI metals mining
- The "satellite bus" startup accelerating the space race
- Where B2B fintech companies are poised to thrive
- How cultural shifts are impacting buying habits
- Our best shots of producing abundant clean energy
- Where enterprise AI is heading next
- How the venture asset class is poised to change

To unlock all 60+ submissions and set yourself up for the best possible year, subscribe to our premium newsletter for $22/month. It's designed to make you a radically better investor for a teeny fraction of the cost of a traditional investing intelligence service.

My hope (and goal) is that this piece *alone* repays the cost of a year's subscription.

PS. Long-time readers will know we are very happy with investors highlighting portfolio companies. Although it can constitute "talking your book," investors have unique insight into their best companies. In the private markets, that informational asymmetry is invaluable. Anecdotally, I find that many of the best submissions come from VCs explaining why a startup they know deeply is so compelling.

PPS. You know this already, but for the avoidance of doubt: **this is not investment advice**. This is intended to surface new ideas and guide you toward interesting topics – not generate a return. Most submissions focus on private companies, but please heed this particularly for those that highlight a crypto project with a public token. These tend to be hyper-volatile assets. Ultimately, you should always make investment decisions based on your own research.

I. Silicon Valley eats Washington D.C.

In November 2024, America went to the polls. The results made the country's preferences abundantly clear, ushering in another Trump presidency. This time, Trump is flanked by many of tech's most powerful people, including Elon Musk and Marc Andreessen. Investors expect the new

administration and Musk's Department of Government Efficiency (DOGE), in particular, to create private sector opportunities and remake the tech landscape.

Ross Fubini, XYZ

Social services and defense tech

The public sector is just now getting the hype we've anticipated. Investing in defense, modern social services, and government efficiency (think DOGE) has gone mainstream. The new administration will trigger increased tech adoption in the Department of Defense and other agencies. States will be more empowered (and hopefully resourced) to use tech to deliver services.

We see these markets taking off as the government becomes more willing to buy from scale-ups, and companies like Apex (satellite buses), Chapter (Medicare broker), Promise (benefits and payments distribution for governments), and Peregrine (unlocking data for public safety agencies) mature to provide essential products at scale. Expect massive growth in opportunities stemming from federal services moving to the state and local level and more defense players reaching for that 80x Palantir multiple that we see companies like Anduril and Cape charging toward.

Edith Yeung, Race

The great convergence

The year will be a perfect storm, with venture capital, AI, crypto, politics, IPOs, and M&A all converging.

1. **Artificial intelligence**. The population of AI developers is expected to grow from 2 million to 3 million by the end of 2025, surpassing the population of Silicon Valley. Funding will shift its focus from quantity to quality, with investors prioritizing startups that demonstrate clear value propositions and scalable solutions in the following industries: Healthcare, biotech, nuclear energy, logistics, govtech, quantum computing, and infrastructure (picks and shovels). Despite an overall plateau in funding, the number of AI-related deals and investment activities will rise.

2. **Crypto**. The resurgence of crypto will be driven by regulatory clarity, increased institutional adoption, and establishing a US Bitcoin Reserve by the end of 2025. The United States is currently the largest holder of Bitcoin, with approximately 207,189 bitcoins in its possession. This massive stockpile will bolster the effort, now valued at over $20 billion at current prices. This decision is expected to drive up bitcoin prices, prompting other governments worldwide to follow suit.

3. **DOGE**. In 2025, the Department of Government Efficiency (DOGE), led by Elon Musk and Vivek Ramaswamy, is expected to attract 50% of new hires from Silicon Valley.

4. **IPOs**. In the fall of 2025, companies such as SpaceX, OpenAI, Stripe, SHEIN, Databricks, Canva, Chime, Anduril, and Scale AI are anticipated to go public. This expectation will trigger a wave of secondary market activities in the first half of 2025.

5. **M&A**. The world's largest tech companies have substantial free cash reserves: Meta ($44 billion), Apple ($109 billion), Alphabet ($64 billion), Microsoft ($74 billion), Amazon ($32B) and Nvidia ($27 billion). As a result, these companies will ramp up their acquisition activities in AI, data, hardware, and energy. They'll hope to face less pushback from the Federal Trade Commission.

Koko Xu, Nova Nexus

East vs. West

As the East versus West global power struggle escalates geopolitically, administrations on both sides pursue isolationist strategies economically. This will lead to a physical divergence (less trade, less travel, less supply chain interdependencies) but an intellectual convergence (more scientific competition, more overlapping societal challenges, more redundant technology investments).

The detangling of the globalized economy will result in an *entangling* of each economy's domestic technology roadmap – investors in the West may benefit from observing tech initiatives in the East as a leading indicator of capital flows.

II. Consumer AI heats up

The traditional opinion has been that consumer investing has been playing venture capital on hard mode over the past few years. AI may spell the end of that chill, opening up new design spaces and forcing innovators' dilemmas.

Some investors are also looking for companies that serve businesses, in addition to pure AI consumer plays. The next ChatGPT could appear in travel, social media, or personal finance.

Rick Heitzmann, FirstMark

Beyond ChatGPT

We are incredibly excited about the coming generation of consumer AI. We have seen the mass adoption of ChatGPT (the fastest-growing consumer tech of all time) and are eager to invest in this next set of entrepreneurs who create compelling consumer experiences and applications that “do jobs” by building on the current AI infrastructure. We expect these to start small by performing personalized work, helping to book travel or buy online.

Nikhil Basu-Trivedi, Footwork

Double threats

At Footwork, we love partnering with founders daring enough to dually focus on consumers and enterprises. This has never been more true than today, where so many of the compelling AI-native companies fit this mold. For example, Cognition, Cursor, ElevenLabs, Elicit, GPTZero, Granola, HeyGen, Midjourney, Perplexity, Runway, and Suno.

We’ve partnered with several of these companies, as well as companies like Canva, which have reached scale over the past decade in both consumer and enterprise adoption. Hoping for many more in 2025 and beyond.

Ethan Kurzweil, Chemistry

Antitrust and AI resurrect consumer apps

Consumer investing will return from the dead.

The death of the breakout consumer app has been well-documented! Google, Apple, Meta, and Amazon control all of the distribution chokepoints, and in the past, breaking out required luck, timing, and approximately $2 billion from a rich corporate parent (read: TikTok)!

The times, they are a-changin'. Antitrust issues have ensnared all of the major internet platform companies, so they have to be more permissive in democratizing distribution, and AI enables business-level utility for individual users without a heavy services component. Expect a renaissance of consumer app startups well beyond social that herald a new era of awesomeness for consumer investing across many different categories – entertainment, productivity, and personal finance, to name just a few.

Remaking the financial system

During an appearance on the Joe Rogan podcast, Marc Andreessen spoke about "debanking," a practice of pushing crypto founders and investors out of the traditional financial system. A wave of stories followed, demonstrating how widely the existing banking system had been weaponized for political purposes. The debanking episode represented the latest example of the current system's flaws and fragilities.

Investors expect new foundations to take shape and grow in 2025, led by the stablecoin revolution. Though much of this work will happen on crypto rails, it is not confined to the blockchain.

Marcos Veremis, Accolade

Stablecoins take flight

Stablecoins, together with fast Layer 1s and scaling technologies such as Layer 2 networks, have the potential to revolutionize the global financial system. They allow near-instant, global, low-cost transactions and settlement of USD over just an internet connection and without the need for bank accounts and other intermediaries. I believe stablecoins could be the "cotton gin" of the global financial system, an engine that exponentially increases productivity.

Investments in the area and the broader tokenization space today should produce outsized returns over the long-term. Several business models in the space can flourish and capture value. At least, in some ways, investing in Layer 1s and Layer 2s should broadly capture the opportunity set.

Gokul Rajaram

Lead Bank

The cracks in the pure-play banking-as-a-service model became glaringly obvious in 2024, as the SynapseFi and Evolve Bank crises exposed the fragility of the infrastructure underpinning most fintechs.

The long-term solution emerged in the form of Lead Bank, founded by Block executive Jackie Reses and three others who already had the unique experience of building a bank from the ground up. The team bought an FDIC community bank in Kansas City and combined their technical and regulatory prowess with the assets of a thriving BaaS bank.

Lead has a robust software platform for lending, issuing, accounts, and payments and has won over some of the largest players in consumer, fintech, e-commerce, and crypto. In a very short period, Lead has established itself as the gold standard for technology infrastructure supporting embedded finance.

Kyle Samani, Multicoin

Jito

Jito runs a blockspace auction every 200 milliseconds for the Solana blockchain, and today, more than 90% of Solana stake runs Jito's custom validator client. As blockchains continue to mature, it's reasonable to expect that value will accrue up the stack, and Jito is the next piece of infrastructure up the stack from Solana itself. Multicoin Capital led all three private rounds in Jito before its token launch and recently purchased another slug in December 2024.

Maria Shen, Electric

Crypto goes global (and US retail comes on-chain)

“The rest of the world” is surging into crypto at a time when US regulations seem to have become the most pro-crypto they’ve ever been.

I’ve worked on the Developer Report for the past six years, the most comprehensive data deep dive on crypto developers. For the first time, most new crypto developers do *not* come from the US — they come from India. Just 10 years ago, in 2015, more than 80% of all crypto developers came from North America and Europe. Today, Asia has the most crypto developers in the world. The upshot is that developers increasingly come from countries that do not have the financial infrastructure earlier crypto developers from the US and Europe enjoyed.

This means crypto developers will have a more global viewpoint going into 2025. At the same time, favorable regulations will bring more capital from US consumers on-chain. We may see low-fee, international financial use cases around stablecoins take off while fun, social use cases around capital formation attract US consumers.

Anil Lulla, Delphi

Ethena

Something I’ve been excited about for a few years now is a product most of us take for granted: the US dollar. Most people around the world can’t get them because the legacy financial system won’t let them do so. Stablecoins allow us to export this product to the world. Not only that, but USD-denominated stablecoins are superior to the US dollar in several ways: self-custodial, harder to censor, and equipped with open APIs that enable permissionless innovation. It’s no surprise stablecoins have found such strong product-market fit within crypto.

The stablecoin market has experienced significant growth in 2024, with its market cap reaching ~$200 billion (a 75%+ increase since the beginning of the year). Tether continues to dominate with over 70% of that pie. Coinbase’s USDC is in second place, accounting for 22%. But this year, a new stablecoin emerged: Ethena’s USDe. It began the year with less than $100 million USDe circulating, exploding to almost $6 billion since. (Disclosure: Delphi Ventures is an investor in Ethena.)

USDe is backed by a delta-neutral position, combining staked ETH with a corresponding short position in ETH perpetual futures, which helps maintain its stability irrespective of ETH price fluctuations. USDe’s yield is then derived from the native staking yield on ETH plus the funding rate on the short futures position (which is typically positive because markets are almost always net long). Currently, USDe is offering a yield of around 10%.

Recently, Ethena partnered with Blackrock to launch $USDtb, a USD stablecoin backed by BlackRock's BUIDL Fund. USDtb functions like a traditional stablecoin such as USDC, utilizing cash and cash-equivalent reserve assets to back each token. Now, in times of prolonged negative funding, Ethena can divert treasury yields to supplement USDe. This effectively creates an APY "floor" around the T-Bill rate, allowing Ethena to scale further.

Ethena's clever mechanics will allow it to continue providing the highest possible yield at scale, while its integrations will help strengthen an already strong moat. Going into 2025, I believe that total stablecoins issued will break $300 billion and Ethena will more than 3x circulating USDe.

Tushar Jain, Multicoin

Cashflows to token holders

The theme I am most interested in watching over the next year is cash flows to token holders via buy and burns. Due to regulatory risk, crypto protocols have historically been reluctant to return cash flows to token holders. After Trump's inauguration, I am optimistic that the SEC will adopt a safe harbor for crypto, enabling protocols to return cash flows to token holders. Doing so will help drive more objective valuations for mature crypto protocols and is necessary for the next stage of market development.

Morgan Beller, NFX

Space and stablecoins

I'm amped about space and stablecoins. Sure, they sound distinct, but both are transformative global frontiers that require(d) a bit (read: fuck ton) of infrastructure to be laid.

Stoke Space's breakthrough in fully reusable rocket technology (big 2025 milestones ahead!) will lower launch costs, unlocking scalable space infrastructure and a thriving in-orbit economy.

Meanwhile, stablecoins are finally poised for mainstream adoption, with increased regulatory clarity and mature ecosystems enabling seamless, global financial systems. So there you go. There is common ground! Two sectors are hitting their inflection points, driven by infrastructure that's turning dreams into reality.

III. Toward abundant energy

There is no human flourishing without abundant energy. Excitement about viable nuclear fusion continues to grow while AI is helping mining companies find the minerals needed for clean energy more efficiently. Though the generative AI renaissance has expended significant energy (and will continue to do so), new companies are emerging to recycle the heat it creates. We can hope that 2025 is a year when some of the most adventurous, ambitious environmental interventions take place, from ocean farming to seaflooding.

Vinod Khosla, Khosla

Commonwealth Fusion Systems

AI promises a future of abundance but will require new energy sources to make it a reality. Nuclear fusion is the answer: the cleanest, cheapest, safest, and most reliable power source.

Commonwealth Fusion Systems (CFS) leads the fusion race technically and operationally with its approach of placing fusion boilers in existing coal and natural gas plants. This leverages current grid infrastructure, rejuvenates dying assets, but more than anything else greatly accelerates the energy transition by retrofitting old power plants.

CFS recently announced a milestone agreement with the Governor of Virginia and incumbent Dominion Energy on the site of CFS' first fusion plant, making 2025 the inflection year for fusion.

Ian Rountree, Cantos

Earth AI

In my view, verticalizing AI-driven exploration in mining is the most under-invested area. It's a critical need with chronically worsening efficiency in the industry, which AI is well suited to tackle. Very similar to AI in drug discovery, except unlike computational biology, there are only a handful of companies and very few VCs who are familiar with the industry or even willing to do the work to become familiar. Noticing the gap, we backed Earth AI, one of only two or three verticalized, AI-driven metal exploration startups.

Matthew Roberts, Nodes

The heat recycling economy

Energy conversion was the catalyst for the industrial revolution. Burning wood or coal created heat, which could be used to boil water and produce steam. Steam then moved a piston and propelled a train.

Energy typically flows *through* our urban system; it's rarely recycled. With software ubiquity and AI adoption radically scaling our compute needs, there's an opportunity to recycle the heat we produce. Startups like heata are creating practical solutions by installing computing servers inside domestic water cylinders, converting what would normally be wasted data center heat into useful hot water for homes. As our global compute needs grow, I expect to see more startups addressing the heat recycling economy.

IV. Venture capital grows up

Venture capital began as a cottage industry but has rapidly grown into a large, influential asset class. The speed of its expansion bred some suboptimal habits, with managers raising oversized funds or pushing their practice beyond their zone of competence. In 2025, venture capital may return to its roots, even as its maturation forces greater financialization.

Jihan Bowes-Little, Bracket

Increasing "financialization"

Over the coming year(s), we expect continued convergence between venture capital and more mature markets and asset classes regarding transaction structures, secondary trading volumes, underlying infrastructure, and product offerings.

In 2024, this manifested most clearly in the heightened use of Liquidation Preferences (up from 3% in 2021 to 17% in 2024 in late-stage companies, per Carta). But the trend applies equally to structures that amplify upside.

Similarly, in most other developed asset classes (equities, bonds, housing, and even art), the secondary market is significantly larger than the primary market. We expect the growing trend towards a larger and more durable secondary market in venture capital to continue for years to come.

Rick Zullo, Equal

Back to basics

A few years ago, Kleiner Perkins marketed its fund as “Back to The Future.” In 2025, I think venture will go back to basics. Too many venture firms got too big too fast, impacting companies and their board dynamics. These firms aren’t going anywhere, but this does create an opportunity for new firms to emerge in ways that weren’t previously possible. The best founders know how important the right partner is (and how difficult it can be when your sponsors churn), so I think we will see increased awareness/interest in the new wave of managers who have established themselves as sturdy ships.

V. AI goes solo

One of the dominant designs for generative AI has been the assistant. These “copilots” sit in various applications—or outside of them—augmenting, correcting, and accelerating work. This year, they will be viewed as increasingly incremental, with enterprises gravitating towards AI products that can complete real work.

Rather than helping your sales reps close more customers, investors expect AI to become *these reps. For starters, look out for AI taking over customer service, sales, debt collection, and legal tasks.*

Everett Randle, Kleiner Perkins

Selling “work”

I think 2025 will be the first year AI startups begin successfully selling “work”.

“Copilot” products have been the story of 2024 in AI, and their early adoption makes intuitive sense. Copilots provide direct, legible value to an end user, live seamlessly alongside existing software workflows, and are relatively easy to package/price. They feel like a natural extension of existing software applications.

In contrast, AI products selling “work,” or “services as software,” or whatever you want to call products that independently produce an end output (e.g. a fully autonomous customer support call), have had a relatively slower roll. There are a few examples, like EvenUp producing demand letters for personal injury lawyers, but far fewer successes than we’ve seen in the copilot category.

I’m watching for this to change in 2025 as:

1. **Technical limitations are solved**. For something like phone conversations – which represent a massive pool of “work” that AI can address – we’ve only recently reached the latency, voice quality, and quality of response for an AI product to meet or exceed human quality for a large portion of calls (see OpenAI’s advanced voice mode). I think this is or will soon be true for various types of work.

2. **Companies get better at packaging solutions**. Selling a unit of work is a new modality for startups and is more complicated than selling a typical software product. For the customer support use case, do you position the product as an “AI customer support agent” or as “AI automated support calls” (a small but meaningful difference)? Do you price based on your inference costs or the cost of the labor you’re ostensibly replacing? These questions have taken longer to figure out, but we’re starting to see more teams come to market with strong packaging, positioning, and pricing for this type of product.

The way we’re seeing things trend, I wouldn’t be surprised if 2025 was the year that “AI work” breaks out in a big way, and I’m watching closely for it!

Olivia Moore, a16z

Voice as a wedge

I’m excited about companies using voice as a wedge into building great new vertical software. In 2024, voice models evolved to the point that latency and interruptability are near human levels. This unlocks AI handling all calls a human employee would previously need to make or take – and opens up opportunities to automate downstream tasks and workflows (a phone call is often the start of a transaction).

Our investment in Happyrobot this year is one example of this. We think there will be many more in 2025 across industries.

Sajith Pai, Blume

Disrupting India's call-centers

Last week, Tara got a borrower to cough up ₹3,635 ($~40) as part of the repayment of a small-ticket personal loan. In the recording I heard, Tara was assertive yet polite, pushy but understanding, occasionally talking over the borrower, but sometimes pausing for a long time to reply. At the end of the call, the borrower asked Tara for her number, and I couldn't suppress a smile. For Tara wasn't a real person. It is an AI collection agent from one of Blume's fast-growing service-as-software plays, DPDzero, which helps lenders manage their collections.

As the AI tsunami's waves ripple across from the Bay Area to India's shores, voice agents are where it makes first contact. In Blume's portfolio alone, three companies leverage voice agents. It is exciting but also scary. India is a country of 1.4 billion people, with less than 50% in the labor force and barely 10% of those in the formal workforce. Call-center jobs were the entry point for unskilled white-collar labor, and I can see at least 20%, perhaps more, of those calls being done via AI.

As AI adoption increases in India, we will likely see significant job losses in the short term. The CEO of TCS, India's largest IT company, said in an interview with the FT that AI advances would "result in minimal need for call centers in as soon as a year." If that happens, and the five million-strong IT and IT-enabled sector employment gets impacted, we may see the first government-mandated restrictions on AI and token usage.

The rise of voice agents and their rapid adoption in India, the impact on call center and lower-end white-collar jobs, and a potential government clampdown on AI usage are all on my watchlist for 2025.

Ann Miura-Ko, Floodgate

Roo

AI is revolutionizing the way modern companies are built, and Roo, a veterinary relief platform connecting hospitals with available veterinarians and technicians, is a standout example to watch in 2025.

Roo demonstrates how companies can achieve exceptional capital efficiency by leveraging AI across internal workflows. Their Roo-Cline project, forked from the original Cline repository, showcases a forward-thinking effort to supercharge their team, enabling them to deliver quickly and drive revenue growth. Roo not only exemplifies how technology can address staffing challenges but also sets a powerful precedent for the role of AI in shaping the future of business operations.

Nina Achadjian, Index

/dev/agents

/dev/agents only just launched from stealth, but they're already poised to be a company to watch in 2025. As more companies build AI agents in-house, there is a clear need for a more standardized platform to ease some of the challenges developers face and free them up to do even better work. If there's any team best positioned to build an operating system for AI to do that, it's /dev/agents. David Singleton, Hugo Barra, Ficus Kirkpatrick, and Nicholas Jitkoff bring together unparalleled technical experience and a clear vision of where the industry is heading. It's a huge undertaking, but they're the best equipped to build this from the ground up.

VI. Fintech thrives in emerging markets

The next great fintech companies may not hail from San Francisco or New York but from Mexico City, São Paulo, Bangalore, and Cape Town. Although the broader tech industry has shown intermittent interest in emerging market fintech, several investors expect this year to further clarify the opportunity with infrastructure and credit particularly worth watching.

Hernan Kazah, Kaszek

A B2B surge and infrastructure revolution

Latin America's tech-driven evolution has fueled economic growth and improved millions of lives, bridging gaps in telecommunications and driving progress in commerce, financial services, education, and access to high-quality content.

Nowhere is this more evident than in financial services, where regulatory foresight and innovation have ignited a direct-to-consumer fintech revolution. Giants like Nubank and MercadoLibre have set new standards for accessibility, while newer players like DolarApp (leveraging stablecoins) and Bitso (pioneering crypto adoption) are reshaping consumer interactions with money.

As the ecosystem matures, the spotlight is shifting to B2B platforms and infrastructure solutions, which seamlessly integrate financial services into businesses to enhance efficiency and scalability.

Key players include B2B lenders like Aplazo, Xepelin, and Konfio; B2B neobanks like Cora; and infrastructure innovators such as Pomelo (Banking-as-a-Service), Tapi (recurring billing), Kanastra and CxC (asset administration), Cobre and Kushki (payments infrastructure), and Cicada (bond e-trading).

These companies are building the backbone of Latin America's modern financial ecosystem, empowering businesses while driving innovation and growth.

Venture capital trends mirror this evolution. While fintech has long been a dominant sector—representing nearly 50% of Kaszek's transactions—the focus has shifted from B2C solutions to B2B platforms and infrastructure, which now account for half of the firm's recent investments.

George Rzepecki, Raba

Stitch

Stitch is building the next-generation payment network, starting where digitization is in high demand and over 90% of transactions still use cash. These non-obvious markets host legacy incumbents that are among the most profitable financial services businesses globally. They're worth watching in 2025 as they expand into over 10 markets.

Shu Nyatta, Bicycle

New scaffolding

Fintech has been a big global theme for over a decade. However, infrastructure for fintech has lagged, with cracks starting to show and grow. From credit models to identity verification to reconciliation to compliance, we need comprehensive, composable, resilient new digital

infrastructure to price and support all this new digital NIM.

2025 should see the maturing of existing tools and the flourishing of new fintech scaffolding. Example companies include Unico and QI Tech, both based in Brazil. The nice thing about critical infrastructure is that the best product tends to win the most customers and build meaningful data and trust advantages. Moats and margins—what's not to like?

Scott Sobel, Valor

Kanastra

B2B credit represents a $600 billion market in Brazil, with growth increasingly driven by credit issuance via capital markets rather than traditional bank balance sheets. Technological advancements and ongoing regulatory shifts in the country are fueling this shift.

Kanastra is a fintech startup that provides a seamless, tech-driven, one-stop-shop solution enabling fintechs, banks, retailers, and other institutions to access capital markets more easily. Kanastra's comprehensive platform offers securitization, structuring, administration, servicing, and banking capabilities. Leveraging AI, it simplifies collateral verification and generates automated reports, enhancing operational efficiency. As Brazil becomes one of the first top 10 economies to be tokenized, Kanastra is well-positioned to capture this emerging trend and opportunity.

Valor Capital Group co-led Kanastra's seed round in 2022 and invested in its 2024 Series A round. Since our initial investment, Kanastra has shown impressive growth, increasing revenue and committed AUM. It has expanded its client base to over 130 facilities, including public and private institutions. The company has also launched several new products and secured strategic commercial partnerships to drive their continued growth in 2025.

Kiyan Zandiyeh, Sturgeon

Datacultur

We believe the next ten years will see a continued proliferation of lending opportunities to consumers and SMEs in emerging markets. While companies like Nubank, Kaspi, and Mercado Libre (collectively worth over $150 billion) are successful "full stack" lenders, many incumbent emerging market banks and alternative lenders lack the sophistication to transition from

corporate/government lending to consumer/SME lending. A key component of this transition is collections (both hard and soft). Datacultr (our company to watch for 2025) has established itself as the market leader in digital risk management and debt collections in India and is now expanding into Latam, Africa, and Southeast Asia.

Founded by two experienced entrepreneurs to increase access to finance for first-time borrowers, Datacultr has secured over 15 million loans, amounting to $4.5 billion in loan value across 22 markets, and has reduced both the cost of collections and non-performing loans (NPLs) by close to 40%. The company provides an operating system to lenders by leveraging their distribution, resulting in negligible customer acquisition costs (CAC) while charging a fee per loan. Having only completed a Seed round (led by Sturgeon), it now boasts a 37% net income margin. We expect 2025 to be the year Datacultr cements its presence in regions beyond India.

VII. Personal and civilizational health

America's healthcare system remains one of the most inefficient in the world, requiring more money per capita to produce radically worse outcomes than other developed nations. Dissatisfaction with traditional healthcare will encourage alternative interventions like biohacking, while AI unlocks new drugs and helps us decode our biology. In addition to AI, healthcare systems may find productivity gains in labor arbitrage.

Mike Dempsey, Compound

Biohacking

In my opinion, the biggest theme over the next few years will be self-directed health in medicine. This is a progression of a trend that has driven interest in the quantified self, supplements, peptide therapy, and GLP-1 agonists like Ozempic. I expect it will go even further into more hardcore biohacking over time, and as society becomes further disenchanted with traditional healthcare systems, science becomes more open, and coordination becomes easier.

Pratik Poddar, Nexus

India emerges as the world's doctor

Healthcare systems in many developed countries, particularly the UK, Canada, Australia, and Germany, face significant challenges because of aging populations, continuous underfunding, and skilled worker shortages. In the UK, NHS waiting lists hit 7.5 million in 2023, with patients waiting up to 18 months for elective surgery. The average patient wait time for specialist appointments in Canada is 22 weeks. In Australia, long wait times for elective surgeries are a growing concern, while Germany is grappling with a shortage of over 100,000 healthcare workers.

In response, India is emerging as a global leader in providing high-quality, cost-effective healthcare solutions. With over 1.3 million doctors and advanced infrastructure, India is well-positioned to offer online consultations on non-critical issues to patients worldwide. Additionally, India's medical tourism industry continues to attract international patients seeking high-quality and affordable care. Much like software development was outsourced to India, it is increasingly likely that healthcare services will be outsourced to India in the near future!

Sumon Sadhu

The invisible becomes visible

While transformer models will plateau in terms of reasoning ability, their pattern recognition abilities will impact our understanding of biology the most in 2025. Making the invisible literally visible. Bioinformatics will be the frontier of AI in 2025 — impacting everything from our ability to invent new materials, new drugs, and sustainable chemical processes to performing new scientific discoveries with even less lab work. Look out for companies like Isomorphic Labs, DeepMind's latest spin-out. Applying LLMs, GNNs, and GANs to understand life will unlock a new personalized medicine frontier beyond any hype cycle.

Reid Hoffman, Greylock

10 years to 10 months

For more than a century, targeted drug discovery has served as one of our strongest levers for dramatically improving human well-being at scale. In the coming years, empowering the world's leading medical researchers with state-of-the-art AI software and hardware can potentially cut the time for creating new life-saving treatments from ten years to ten months.

This can lead to breakthroughs in both major disease categories like cancer, cardiovascular diseases, and neurodegenerative diseases, as well as in conditions considered too rare to justify the costs and resources of traditional development cycles. The value that results from this work will save trillions of dollars in health care costs—and also add to individual lives and general human flourishing in ways that are impossible to measure.

VIII. AI unsettles software

Investors are split on how AI will impact the software sector. Is SaaS heading for the woodchipper? Or are rumors of its demise greatly exaggerated? Venture capitalists shared their vision of the future, explaining how AI will fit into our workflows, streamline sluggish legacy systems, and act as a means of self-expression.

Tanay Jaipuria, Wing

Disruption or expansion?

In 2025, I'm closely watching what signals we continue to get on AI's impact on the future of software. The "disruption" view is that with AI lowering building costs of software, we'll see the end of SaaS as it becomes trivial to create custom software. One data point is Klarna's removal of SaaS tools such as Salesforce and Workday. However, that was a bit overblown since I heard Klarna replaced Workday with Deel.

The "expansion" view is that with AI, software's TAM just increased by one to two orders of magnitude (depending on the market). For the first time, with AI agents, software can do the work and compete for true labor budgets.

Coupled with that comes a shift in what we think of as software ("doing the work" rather than the tool humans use to do workflows) and a shift in pricing models (usage-based versus outcome-based).

It's clear that AI fundamentally changes software. While I fall into the expansion camp, it will be interesting to see what happens as creation becomes easier, as I expect much more software to be created.

Arjun Sethi, Tribe

In the workflow

As an investor, my career began with a focus on consumer adoption and bottom-up software companies, and I remain deeply committed to this approach. These businesses drive transformational change in workflows for traditional industries like supply chain, logistics, payments, shipping, financial services, and healthcare.

While many venture investors are chasing the next AI unicorn, I believe the real, exponential impact will come from enhancing workflow software. Crypto will transform fintech, and AI will supercharge software. My focus remains on the foundational tools and systems that enable people to work smarter, faster, and more effectively—doing more with less.

Where I insist on using AI is within the workflow itself. Since launching Tribe Capital in 2018, we've led the way in integrating data science and analytics into our investment strategies. Recently, we scaled these capabilities into Termina, a standalone software product built on decades of investment expertise and diligence. By leveraging AI to analyze and augment data, we're uncovering hidden opportunities and risks in early-stage investments, showing exactly how innovation can transform manual workflows into something far more powerful.

Jeff Morris Jr., Chapter One

The "YouTube-ification" of software

The "YouTube-ification" of software is here. Building software will become the next frontier of creative expression. Just as video production once seemed daunting, AI coding assistants are turning us all into software developers. Why only do a podcast when building a high-quality, monetizable software product will be as simple as making a YouTube video?

Julian Counihan, Schematic

InfinitForm

InfinitForm is the first AI-powered software platform to optimize any CAD design for manufacturability. In simple terms, mechanical engineers can now take any rough product design and optimize the design for any manufacturing method within minutes.

Further, Infinitform can highlight the design trade-offs (weight, cost, performance, etc) between the different manufacturing methods to simplify decision-making. It's an exciting concept that could accelerate the product design and manufacturing process by months. This is Michael Bogomolny's second startup in the design software space having sold his first company to Carbon 3D.

Charley Ma, Pathlight

Agentic RPA

Across regulated entities like banks, insurance companies, and local governments, we have all endured tedious manual forms, data entry and re-entry, and long wait times.

We're still in the GPT 3.0 era of computer use and agentic APIs. As that infrastructure develops, I expect it to solve problems for legacy enterprises and consumers by reimagining robotic process automation (RPA). Traditionally, a company that wanted to implement an RPA solution had to commit to a long implementation cycle and considerable cost – impediments that limited accessibility and impact.

As AI develops, we'll be able to create end-to-end vertical operating systems that offer the same (or greater) efficiencies as RPA but require minimal implementation and much less cost. This could have a particularly profound effect on regulated entities like banks, insurance companies, and local governments, which often require tedious manual forms, data entry and re-entry, and long wait times.

Beyond saving consumers from entering the same information repeatedly, this technology will unlock more personalized AI experiences that truly deliver on the promise of a *Her*-like experience.

Shomik Ghosh, Boldstart

The apps strike back

This will be the year SaaS applications start reaping the benefits of AI. Two years on from the launch of ChatGPT, APIs have been hardened, documentation has been written, model usage costs have fallen dramatically, AI infrastructure and security have matured (more quickly than almost any other platform shift), and teams have had time to experiment and test different modalities and end user experiences.

Add onto that platforms like CrewAI and other agent-based frameworks, and you have the cocktail for a massive boon to more easily develop features, test them at low cost, and delight users with magical experiences that automatically do work for the user.

Until now, breakout applications have been centered around video, voice, design, and generative AI. But in 2025, we will see both AI-native apps and legacy apps incorporate AI to delight users. This is the most bullish I've been on enterprise software and applications, in particular, since the start of my career 13 years ago.

Miles Grimshaw, Thrive

A Bugatti for the mind

Over the last decade, technology has vastly improved how we work together. The rise of collaboration-native applications helped eliminate friction, accelerate workflows, and make working with anyone, anywhere seamless. At Thrive, we believed all software—and by extension all work—should be collaboration-native and were fortunate to partner with defining companies of this era, such as Github, Slack, Airtable, and Figma.

This decade, technology will transform what's possible with work. We are witnessing the emergence of AI-native applications—software reimagined with AI at its core—that give the user new superpowers. Cursor is a lighthouse for this next decade of AI-native applications. By reimagining the core application for every developer, the IDE, Cursor is enabling developers to build more, faster, and better. To borrow a famous metaphor, AI software will evolve from being a bicycle to a Bugatti for the mind.

Jake Saper, Emergence

Downstream impacts

I'm closely watching the downstream impact of AI's growing coding capabilities. Beyond directly benefiting companies like Cursor and Devin, AI-driven development is enabling entirely new opportunities:

- **Productization of services**. Service-based industries like system integrators and agencies will transition from bespoke project work to scalable, repeatable product offerings. For instance, an AI-augmented dev shop could produce an order of magnitude more work with the same cost base. The Big 4 will also see their software development and implementation businesses transformed (and perhaps eroded) by this trend.
- **Rise of "micro-products."** With coding becoming faster and cheaper, building hyper-specialized SaaS tools for niche markets is now feasible. It will be interesting to see if these are delivered by bootstrapped businesses or if VC-backed providers pop up (which may require a multi-niche strategy).
- **Legacy modernization**. Sectors with outdated systems, such as government or education, can finally afford to modernize. We're seeing this firsthand at Mechanical Orchard, which is leveraging AI to move critical workloads that have languished on mainframes into the cloud.

AI's impact on coding transcends speed—it's reshaping the economic viability of innovation across industries.

IX. Defenses for a chaotic era

Those with a healthy dose of paranoia may find validation in investors' interest in security's many flavors. New technologies, from AI to drones, increase the chance of asymmetric violence in both the digital and physical realm. Combatting these perils requires novel defenses, ranging from "cyber warriors" to advanced personal security offerings.

Gili Raanan, Cyberstarts

A cyber surge

In my decades in the cybersecurity industry, I have never experienced a surge like the one we're facing now. Cyber threats are becoming more frequent and increasingly complex. This creates a tremendous opportunity for visionary startups to shape the future of cybersecurity and secure major contracts with global enterprises. The landscape is evolving rapidly, and I'm actively seeking founders who are ahead of the curve and ready to tackle what's next.

Jon Wu, Asylum

Persuasive AI

We're looking for startups working on persuasive AI—indistinguishable models and agents that are convincing, both to humans and to their autonomous peers. We believe persuasiveness in language models is critical both for the security of autonomous systems—understanding and resisting jailbreaking and social engineering attacks—and for defensive technologies protecting humans from scams and spam.

Konstantine Buhler, Sequoia

XBOW

XBOW is an autonomous "AI cyber warrior" that defends web applications by running simulated attacks to uncover vulnerabilities. Previously the realm of a small community of elite security experts, such offensive security simulations can now be automated with XBOW, providing continuous (as opposed to occasional) defense.

XBOW has already identified critical problems in open-source components and large enterprise web applications, proving its power. In side-by-side tests, XBOW outperformed a seasoned security professional with 20 years of experience, completing what once took 40 hours in just 28 minutes. The company is set to disrupt cybersecurity, giving an edge to defenders who can now find vulnerabilities before attackers do.

Aashay Sanghvi, Haystack

Advanced personal security

Peter Thiel quipped many years ago that Palantir was a response to a post-9/11 world: "More security guarantees with fewer violations of civil liberties."

The cost of providing security through technology continues to fall, and the demand for security and privacy services from certain individuals remains relatively inelastic. I believe we will see more companies built here that serve individual actors. Examples include Sauron, which builds smart, high-end home security, and Cape, a privacy-focused cellular carrier for public figures and members of national security.

Shardul Shah, Index

Wiz

Most people know Wiz as the fastest-growing software company in history, but what sets them apart is their ambition to redefine security on a global scale. The starting point is the cloud market: already $400 billion in annual spend, heading for a trillion-dollar+ transformation, accelerated by AI adoption and soaring compute and data demands.

Wiz's team and platform are securing cloud workloads for nearly half of all Fortune 100 companies. Their ability to scale rapidly, build solutions based on decades of experience working together, and continuously deliver value to enterprise customers gives them a unique edge in capturing this massive opportunity. I'm incredibly bullish on their future.

Chris Dixon, a16z crypto

The open internet

In 2025, blockchains will help foster a more creative, open, diverse web.

AI is going to end the internet as we know it. Its advancements are inevitable and will be mostly beneficial. But AI is already upending the internet's economic covenant, and big tech companies are best placed to reap the rewards. Blockchain-enabled computing can change that.

Crypto will start taking power away from big tech companies and putting it back in the hands of users. Blockchain alternatives offer more choice, open-source innovation, and community-controlled options. They will carry the torch of the open internet.

Mark Goldberg, Chemistry

Persona

Persona is an identity verification business having a major “why now” with the AI boom. As AI drives a proliferation of bots and impersonators online, knowing who is legit and who is bogus becomes utterly critical. This product category is littered with mediocre companies using 1.0 solutions (think about the security questions that force you to remember the make/model of a car or previous address from 10 years ago).

Meanwhile, Persona was built by top engineers from Square and Dropbox and is a 10x product—totally seamless. It’s now used by OpenAI and some of the biggest companies in the world. I think Stripe is a good comparison here—all internet businesses need payment infrastructure; in 2025, we’ll start to see all internet businesses adopt modern identity infrastructure.

X. We, Robot

Though a mainstay of science fiction, robots have yet to achieve contemporary ubiquity. Several investors expect 2025 to take us closer to those speculative realities as intelligent machines enter factories, hospitals, and construction sites. Whether most of these robots will look more like us or WALL-E remains up for debate.

Fabrice Grinda, FJ Labs

Figure AI

With the rapid advances in artificial intelligence, everyone is looking towards the embodiment of AI (robotics) to enable real-world manipulation. As in previous cycles of tech adoption (cars, computers, cell phones), mass manufacturing is the key to driving down the unit cost, and thus making the technology available to the mass market. In a world fashioned in our image, the most universal form factor is humanoid.

It took 31 months from inception for Figure AI to deliver the first commercial humanoid robots to BMW. We’re still capability-limited, but once these robots approach average human productivity, they can be produced at a mass scale with existing supply chains. They will revolutionize both the factory and the home.

Rosey from the Jetsons is a few years not decades away.

Filip Dames, Cherry

LLM-powered surgeons

One of the most exciting trends for 2025 is the rise of LLM-powered robotics. While this technology could transform many industries, like logistics and manufacturing, its potential in healthcare is especially fascinating. Picture robots capable of interpreting natural language instructions and assisting in complex surgeries, combining unparalleled precision with contextual understanding.

These advancements could revolutionize patient care, improving surgical outcomes and making procedures safer and more efficient. We've recently invested in an exciting robotics startup tackling these challenges in neurosurgery, which we'll announce soon. In my view, LLM-driven robotics has the potential to radically reshape the future of medicine.

Joe Wilson, Undeterred

From bricklaying to fish processing

While the media breathlessly counts down the days until humanoids arrive (and then counts down again once the timelines are missed…and missed again), performant robot systems are being deployed and rapidly modernizing a wide swath of industries, including construction (Monumental), manufacturing (Mytra), chemistry (Parallel Bio), and fishing (Shinkei). We're investors in Shinkei and Parallel Bio.

The software revolution missed many massive industries, leaving unaddressed pain points and room for automation. Robotics can finally modernize these sectors. Entrepreneurs willing to battle high barriers to industry, regulatory burdens, and entrenched workflows have a major opportunity to build generational companies.

Whether it appears in the headlines or not, this trend will accelerate in 2025 as robotic fleets expand behind the dual tailwinds of collapsing hardware costs and the explosion of companies with experience building reliable and durable robotic solutions.

XI. AI starts to shapeshift

Will AI continue to scale its capabilities in 2025? This question has dominated conversations in the industry, with some expecting the technology's "scaling laws" to hold while others foresee stagnation. Some venture capitalists expect AI to hit a wall this year, making new architectures, models, and data sources especially compelling.

Grace Isford, Lux

Small models and open-source

In 2025, AI will evolve beyond purely transformer-based architectures that have dominated the field. While these models achieved remarkable results by scaling to billions of parameters, they're increasingly hitting compute limits. The future lies in doing more with less, especially smaller models, open-source models, and new model architectures.

Lux portfolio company Together AI, building an AI acceleration cloud, pioneers alternative architectures like state space models (SSMs) and techniques like speculative decoding that offer greater compute efficiency and faster processing of long sequence datasets. Sakana AI, another Lux company building a state-of-the-art research lab in Tokyo, takes inspiration from nature, using evolutionary-based algorithms. Their AI Scientist enables LLMs to perform research independently at reduced compute costs.

I'm excited to see teams experiment with new AI architectures across agents, multimodality, and biology to drive transformative breakthroughs.

Lan Xuezhao, Basis Set

AI and physics

One of the most exciting areas to explore is how AI can interact with physics beyond LLMs. For instance, AI is revolutionizing material science by aiding in discovering materials for carbon capture, energy-efficient data center cooling, and advanced batteries.

In robotics, AI-driven systems are using simulated environments and teleoperated task forces to learn and adapt, enabling machines to assist in industrial automation and household chores.

AI is also transforming climate science, with advanced models predicting weather patterns and optimizing renewable energy grids. These examples highlight how AI is not only advancing our understanding of physics but also reshaping how we interact with and utilize the physical world.

Aydin Senkut, Felicis

Wherobots

We're undergoing an unprecedented data explosion in geospatial data. NASA's earth observation data is growing from 47 petabytes to 247 by next year, and we're expected to hit 40 billion IoT devices by 2030.

This exponential growth means businesses will need help getting value from their data. We invested in Wherobots because they're building the most complete geospatial data platform to solve real problems for all kinds of industries. Their open-source project already has over 40 million downloads and is used by companies like Apple, Instacart, Uber, and more. Geospatial data is a trillion-dollar opportunity.

Gil Dibner, Angular

Winners and losers

Large language models (LLMs) have shown remarkable potential but are about to hit the wall of their own intrinsic limitations. Models will commoditize, scaling limits will be real, open-source will dominate, small models will rule, and infrastructure costs will be brought under control one way or another. Accuracy and reliability will replace whiz-bang parlor tricks. The focus will shift toward inference efficiency, integration, explainability, and reliability.

LLM wrapper companies and glorified wrapper applications will struggle as low stickiness, poor performance, and high churn erode their appeal. Two classes of companies will thrive:

1. Robust, well-designed products that solve real-world problems reliably, at low cost, and in collaboration with human users (such as Fixefy, Portchain, Sourcix, and WiseryLabs).
2. Next-generation infrastructure tools that empower these products (such as FalkorDB, RootSignals, and Tensorleap).

Artisanal product design, leveraging LLMs alongside technologies like knowledge graphs and hybrid retrieval systems, will be essential. The compound query will rule. Winners will be determined by their ability to align deeply with customer needs and market demands, creating scalable, impactful solutions that redefine industries.

Anand Iyer, Canonical Crypto

Synthefy

Synthefy is pioneering the world's first multi-modal time series generative AI platform, revolutionizing data analysis across industries like energy, finance, crypto, networking, and e-commerce. Their technology incorporates rich contextual data to significantly enhance the accuracy of time series analysis, offering features such as forecasting, anomaly detection, and scenario simulation. Founded in 2023 by a team of experienced researchers and engineers from top organizations like OpenAI, Stanford, UT Austin, and Nvidia, Synthefy is built on original PhD research.

Most LLMs focus on text or media (video, audio, images), but none are vertically focused on data. 2025 will be the year we start to see small language models (SLMs) focus on niche yet large markets.

Tomas Pueyo, Uncharted Territories

Optimism

In 2025, the world will travel back to a more optimistic time before the world wars, when people witnessed progress all around them, and breathing optimism was contagious. When improving the Earth did not feel like a threat to nature but an embodiment of the human spirit. New ideas will penetrate the zeitgeist, from founding new cities where there was emptiness, to fertilizing oceans with iron, creating new seas in the middle of deserts, pumping sulfates into the stratosphere to beat global warming, or building colonies on Mars.

XII. Omens of a cultural change

In July 2024, Tyler Cowen wrote about a "change in vibes." Though his analysis focused on America's political zeitgeist, it was emblematic of a broader societal seachange. Changing preferences and habits open the door for new devices, brands, and platforms to emerge. Investors see opportunities in companies that "shrink the internet," clean up society's lingering messes, and change how we shop and where we spend our attention.

Chris Brown, Inspired

Shrinking the internet

One of the themes I am most excited to watch play out in 2025 involves products that shrink the internet – and the ripple effects of their ascension.

At first, this may seem nonsensical. The abundance of information and network effects have always been core drivers of the internet's value. But in an era of overabundance, different incentives emerge at the end user level. If you look closely, you can see this happening across both consumer and enterprise.

A war is being fought in search for the first time in a decade. I, along with a meaningful portion of the population, go somewhere other than Google to find answers. And I'm not just referring to ChatGPT or Perplexity. There is nowhere better to answer questions about my 2016 Toyota Tacoma than Reddit. We are now conditioned to care about the quality of results over the volume of results. Curation matters.

In B2B, decreased reliance on technology partners is what shrinking the internet looks like. We will start to see a meaningful shift in the percentage of software that is built versus bought. Businesses won't need to engage with an army of AEs to find the best tool for the job, nor will they care about scouring G2 reviews. Products like Archetype will play a big role here. This rhymes with what's happening in consumerland – don't show me all the things, just show me the one thing I need.

"Dumb" devices are also having their moment in the sun. Thanks to two decades of innovation in hardware, baseline performance of even the cheapest personal computing products is great. New iPhones feel incremental, while concerns about the health impact of these devices feel asymmetric. Consumers are beginning to vote with their feet that thoughtful feature reduction matters. Expect to see more in the vein of Lightphone and Daylight.

There are deep technology shifts underlying all of this. We waited decades for the privilege of consuming the minimum viable amount of software.

If you are building something that rhymes with this, I'd love to hear from you.

Caio Bolognesi, Monashees

Gen Z going from non-AI to AI

Over the last decade, digital services and social media reshaped lives in emerging markets like LatAm. But that wave was led by “offline” generations adapting to an “online” world.

Now, enter Gen Z. Born online, they view the digital realm as default. What’s next? The leap from non-AI to AI. This shift is already redefining how Gen Z interacts with tech. Take NGcash, Brazil’s GenZ digital bank—they can’t imagine banking any other way. Or Luzia, an AI assistant with 40M users, seamlessly blending AI into everyday life. The question isn’t if AI will dominate but how fast this generation will embrace it.

Turner Novak, Banana

The next Peloton

I think we’ll be surprised by how much opportunity there is in software-driven hardware. The largest and most obvious example of this is Tesla: cars that are powered by software.

I think lots of new hardware companies powered by software will be started across healthcare, consumer products, logistics, and more, drawing parallels to products like Whoop, Peloton, and Eight Sleep. I’d like to invest in some this year!

Vlad Loktev, Index

Daydream

Some of the best and brightest names in fashion and technology have come together at Daydream, the AI-powered online shopping platform led by industry veteran Julie Bornstein.

Online shopping is long overdue for a shakeup – although shoppers are presented with more options than ever, discovering the right piece you're looking for can be unnecessarily difficult.

The Daydream team is building a silver bullet AI-powered search and discovery e-commerce platform to bring ease and personalization to online shopping again. They already have 2,000+ multi-brand retailers (including Net-A-Porter, Everlane, and Alo Yoga) signed up. Significant opportunity is on the horizon for 2025, and their team has a solid foundation to scale it.

Mike Duboe, Greylock

The emergence of new ad networks

This year will mark the breakout moment for Retail Media Networks as vertical SaaS platforms and marketplaces turn their aggregated audiences into high-value advertising opportunities.

In line with Eric Seufert's "Everything is an ad network" thesis, these specialized platforms—previously monetizing through subscription and transaction fees—will unlock powerful new revenue streams by becoming performant media channels. With traditional tracking eroding and privacy tightening, brands will increasingly rely on first-party commerce data and AI-driven personalization to reach consumers at their highest-intent moments.

The confluence of brands' urgent push to diversify channels—exemplified by AppLovin's rapid growth amongst e-commerce advertisers in 2024—and vertical platforms aggregating proprietary engagement and consumption data will create a perfect storm for these new ad networks to scale significantly in 2025 and beyond.

Jason Fiedler, Left Lane

Food, beverage, and sports

In 2025, I'm excited about investing in the Real World.

The last decade offered incredible opportunities in the Digital World in sectors like cybersecurity and crypto – think of the typical Y Combinator batch.

In 2025, I'm excited about everyday consumer spending categories—beverage and pet food brands, sports leagues, and four-wall retail businesses. These Real World markets are massive with stale incumbents having their "Big Tobacco" moment. I'm excited about our LEFT LANE IRL portfolio, which includes OLIPOP, Blank Street Coffee, 7th Street Burger, HOLY, League One Volleyball, and Kings League.

Dan Kimerling, Deciens

Companies that "clean up"

I can't help but reflect on how the thematic opportunities underpinning our last three investments all exist as a function of cleaning up society's detritus. The first stems from the global financial crisis (Gradient), the second from the zero-interest rate policy era (Parachute), and the third from climate change (Generous). For so long, humans have excelled at neglecting ourselves, each other, and the planet we call home.

I am almost giddy with excitement at the prospect of helping our clients build substantial fortunes by addressing the messes that prior generations – through their arrogance, ego, and entitlement – have dumped on the rest of us.

17 Likes

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5 Restacks