Standard Metrics

How AI is transforming venture capital

The new playbook for sourcing, diligence, portfolio management, and LP relations

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Introduction:
The AI inflection point in VC

AI has swept the venture capital space by storm, and AI startups have received more than half of all VC investment dollars so far in 2025. However, a subtler narrative is also deeply impacting the industry: AI is radically changing how venture capital firms source portfolio companies, do diligence, manage portfolios, and communicate with LPs. In this piece, we'll quickly dive into how AI is shaping what investors are investing in, but then dedicate the majority of our report to analyzing how AI is changing the VC investment process itself.

From a Q&A with AI-powered sourcing platform Specter about how VCs are using filterable signals to find the right prospective investments more quickly, to a case study with Riot Ventures on how AI-driven deep research is turbocharging diligence, to a look at how Standard Metrics is powering data collection and easier analysis via AI, this guide is your one stop shop for understanding the AI tools and processes VCs are adapting to transform their investing process behind the scenes.

AI is eating venture capital

Over half of all global VC dollars went to AI and machine learning startups in the first half of 2025 (led by a record-breaking funding round for OpenAI), highlighting the venture industry's continued (and growing) bet on AI's potential returns.
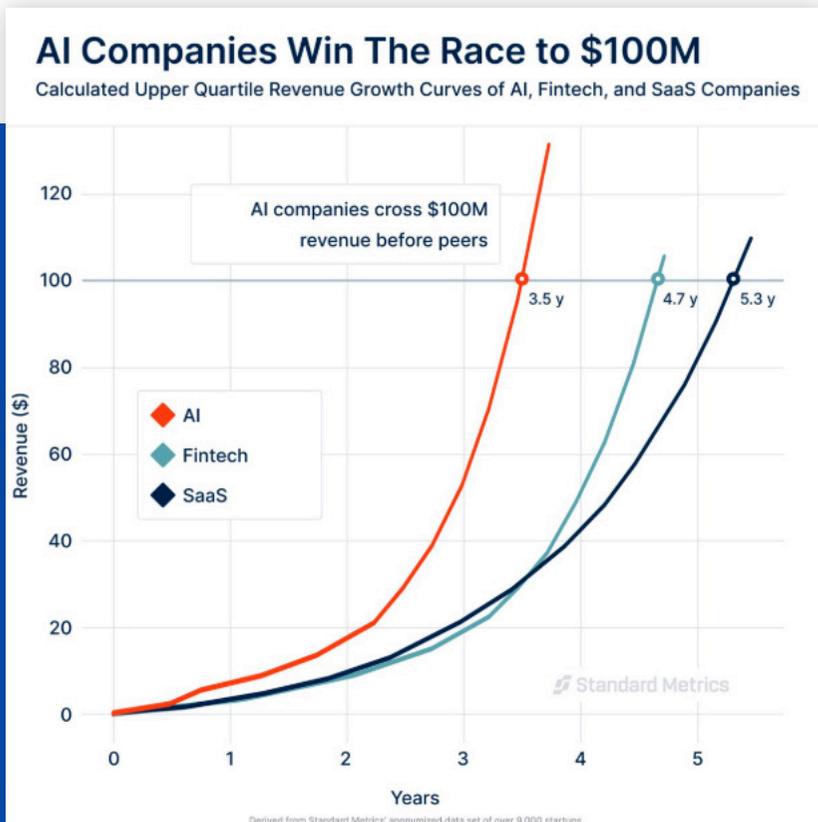
While revenue growth has moderated in the $1-20M range from the extraordinary peaks of late 2024, these AI companies are still growing far faster than all sectors.
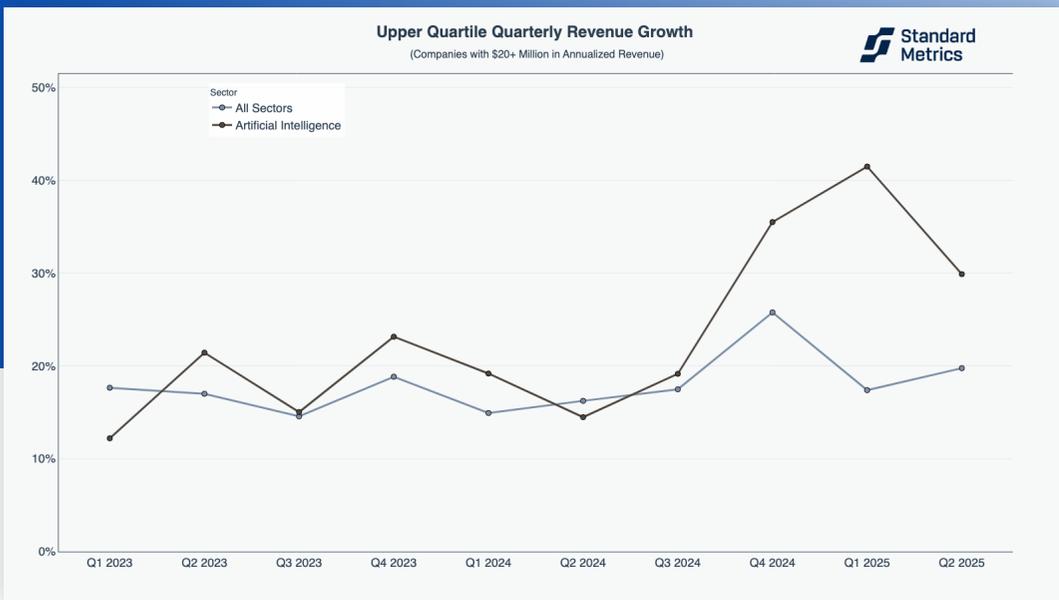
Top-quartile AI companies with 20M+ in annualized revenue, meanwhile, have outpaced all-sector peers in quarterly revenue growth since mid-2024.

Standard Metrics' Global Benchmarking data reinforces this thesis: AI companies in both the $1-20M and $20M+ annualized revenue ranges have consistently outpaced their peers in quarterly revenue growth.

AI companies (those building AI models, AI developer tools and infrastructure, and core functionality leveraging large language models or other AI systems) are seeing strong growth driven by widespread customer adoption, rapid product iteration, and strong product market fit. We see outperformance against other key VC investment areas: SaaS and FinTech.

AI Companies Win The Race to $100M

Calculated Upper Quartile Revenue Growth Curves of AI, Fintech, and SaaS Companies

AI companies cross $100M revenue before peers

3.5 y   4.7 y   5.3 y

Legend:
- AI
- Fintech
- SaaS

Standard Metrics

Derived from Standard Metrics' anonymized data set of over 9,000 startups

This chart highlights how a hypothetical upper quartile grower in each sector scales from $1M to $100M and uses Standard Metrics' latest benchmarked revenue growth rates from upper quartile companies to model growth starting from $1M in revenue. Growth compounds each quarter, with rates granularly adjusted by revenue range: $1–5M, $5–20M, and $20–100M. As further guidance for interpreting the chart: the upper growth quartile of AI companies at $1M in annualized revenue that stay in the upper quartile (which is a significantly smaller population than start in that quartile) will make it to $100M in 3.5 years.

As a result, many investors are encouraging or expecting their non-AI portfolio companies to adopt AI themselves. Whether that means layering LLMs into the product roadmap, using AI to streamline internal ops, or reducing G&A spend via automation, implementing AI has become a core focus across industries.

How AI is shaping investing

Behind the scenes, AI is also changing how VCs invest. From sourcing to LP communication, leading VCs are redesigning workflows around AI:

✓ **Sourcing:** Using AI to continuously collect and analyze live market signals (from product launches and hiring trends to funding activity and web traffic) so investors can identify promising startups earlier, filter opportunities with greater accuracy, and focus outreach where traction is already building.

✓ **Diligence:** Leveraging AI models and structured data to evaluate new and existing investments more rigorously and more quickly.

✓ **Portfolio management:** Centralizing portfolio data from multiple sources and using AI to keep it clean, current, and comparable. Automated alerts flag shifts in key metrics like burn, revenue, or churn, enabling investors to spot issues early, guide founders proactively, and base follow-on decisions on live performance data.

✓ **LP communication:** Automating the creation of clear, data-backed updates for limited partners. AI summarizes portfolio performance, generates tailored responses to common LP questions, and helps teams produce consistent, on-brand reports and materials.

What once took days or weeks of filtering decks, chasing down metrics, and formatting reports now takes minutes. And on top of speed, AI is helping firms become more data-driven, more adaptive, and more aligned with today's pace of innovation.

The opportunity and the challenge

AI adoption in venture isn't plug-and-play. Many firms are still figuring out where to start, which tools to trust, and how to define success. Some are experimenting with one-off workflows built in ChatGPT. Others are going deeper and investing in purpose-built platforms to centralize portfolio data, automate reporting, and surface AI-powered insights across investor workflows.

That's where this guide comes in. In the pages ahead, we'll explore how AI is reshaping every phase of the venture lifecycle, from sourcing to portfolio management to LP reporting. You'll find real examples, expert commentary from leading firms, and practical tips to help you start (or scale) your own AI adoption journey.

The future's already here. This is your guide to catching up (or pulling further ahead).

"AI has become central to how we invest. It now powers the majority of our deal flow by helping us identify promising founders earlier and with greater accuracy. We've embedded automated workflows into our initial diligence, memo creation, deal execution, and portfolio management processes, freeing our team to focus on judgment, conviction, and supporting founders. The outcome has been earlier access, faster decisions, and stronger portfolio performance, an edge that we believe will scale as our portfolio expands"

HONGFEI XIA
Investor, January Capital

Signal-driven sourcing: Find the right companies, faster

Sourcing is the engine of venture capital, but it's also one of its most resource-intensive workflows.

For decades, having a strong top-of-funnel relied on brute force: a high volume of pitch decks, a large bench of analysts, and a constant stream of inbound introductions and outbound outreach. Firms regularly manually review thousands of startups each year. The best sourcing operations have relied on network effects, pattern recognition, and sheer human endurance. But this model has its limits: finite analyst hours, quick moving deals, and difficulties to surface companies outside of their existing networks.

Today, data-driven platforms can scan signals like product launches, headcount changes, fundraising activity, job postings, and more in real time, turning fragmented public data into structured, actionable sourcing inputs. Where AI plays an especially important role here is helping to derive insights from *unstructured* data, summarizing vast amounts of written text. Investors can monitor category momentum as it happens, surface promising startups earlier, prioritize outreach based on live indicators of traction, and customize outreach at scale.

Smarter discovery: Matching thesis to opportunity

Modern sourcing platforms are giving firms new ways to build and refine their top-of-funnel. Powered by large-scale datasets enriched with AI-driven tagging, filtering, and scoring, these tools help VCs define highly specific theses and surface startups that match (often before those companies even raise a round).

Harmonic and Specter, for example, help investors express theses or interest areas in natural language (e.g., "Series A AI startups in healthcare with Microsoft alumni") and instantly receive a ranked list of companies that match.

Harmonic narrows broad lists of companies with a VC's preferred criteria and surfaces relevant startups in an instant.

Affinity, meanwhile, uses AI to analyze the strength of every relationship in your firm's collective network. Based on recency and frequency of interactions, a score is assigned to each relationship to help VCs quickly understand their firm's best connection to various founders (and the best way forward with introductions).

Affinity lets AI determine the best person on your team to connect with any given startup's founder.

A Q&A with Specter on improving sourcing via AI

Specter is a data and intelligence platform helping VCs with sourcing within the private markets. With AI-powered tagging and search, Specter helps VCs scan a huge database of startups and filter it into the list that matters to them.

We sat down with Specter CEO, Marco Squarci, to discuss the ins and outs of AI-driven sourcing. We cover how AI is changing sourcing, what signals firms are using to filter on, and the build vs buy debate for an AI-powered tech stack.

Why should VCs invest in AI-powered sourcing versus a more traditional approach with personal networks and manual research?

The biggest challenge in venture today isn't finding companies, it's seeing the entire market clearly and knowing where to focus. AI-powered sourcing unlocks both.

It lets you see the full landscape – tens of millions of startups, founders, and investors – in real time to pick the right deals, instantly identify competitors, see comparable companies, and even learn where other funds' attention is starting to cluster months before an investment happens.

It also helps with prioritization: There's more noise in venture than ever before. Specter acts as a filter that surfaces what actually matters.

How does the Specter process work? What are signals used for and what are some of the most interesting signals you've seen customers filter on?

Specter works like a live radar, scanning the world's startup ecosystem across three core signals: companies, people, and investors. Every investor uses those signals differently.

For early-stage funds, talent signals have become one of the strongest predictors of opportunity. Specter tracks millions of career movements (new founders going stealth, senior operators leaving unicorns, etc.), giving investors a six-to-twelve-month head start on the next wave of breakout startups. Growth funds layer in revenue and company signals to find startups crossing key inflection points like a surge in users, traction, or profitability.

Most investors use our interest signals to see which startups top-tier funds are circling around, both who's investing and who's about to.

When does building out a process like this in-house make more sense and when does buying make more sense?

The old "build vs. buy" debate doesn't really fit anymore. The way funds adopt AI has become modular, with Specter sitting in the middle.

On one side, funds that start with the web app often go on to build their own layer on top — using our API to power internal dashboards, enrich their CRM, or run custom

agents that source and score deals automatically. Others combine internal data or niche scrapes with Specter's API for entity resolution and enrichment, saving years of infrastructure work.

On the other side, even the most technical firms have stopped trying to build everything from scratch. They use Specter as their foundational data layer and then plug in their own logic, models, or filters where it counts.

Screening at scale: Pattern recognition meets early diligence

AI also helps VCs screen smarter and faster. Early-stage diligence used to mean manually scanning decks, chasing down metrics, and verifying the basics one company at a time. Now, AI can automatically extract and summarize pitch content, flag potential red flags (like churn risk or crowded markets) and benchmark companies against past winners.
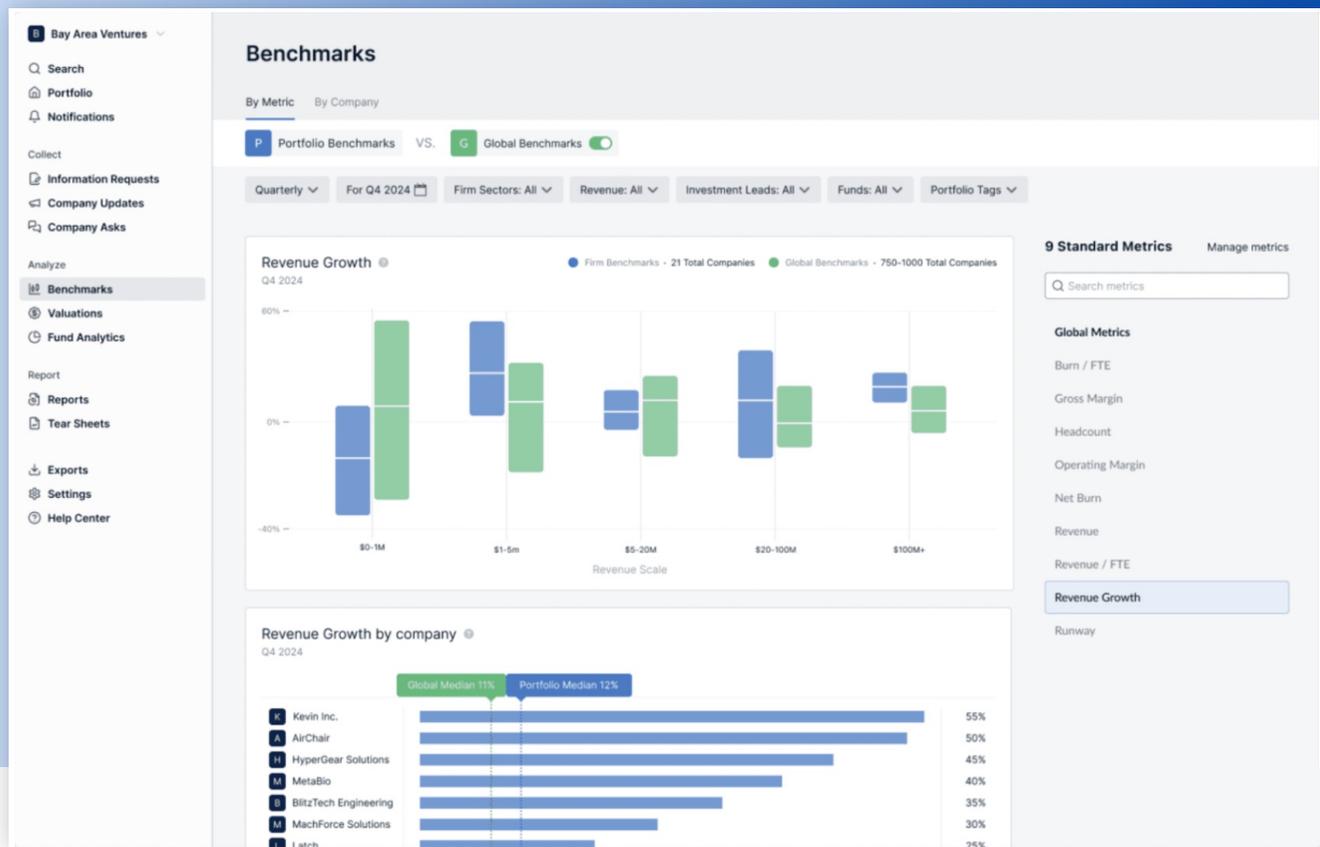
Standard Metrics' Global Benchmarking tool uses aggregated and anonymized private company data to support investment decisions with industry benchmarks.

Standard Metrics, for example, heavily leverages AI to digitize structured financial information from unstructured documents and other sources. This brings structured, comparable insights into the investment screening process, helping investors evaluate new deals and follow-on deals faster without sacrificing depth.

AI models can also surface outliers, spotlight inconsistencies in financial performance, and bring high-potential but easily-overlooked companies into view. Pattern recognition is no longer limited to partners with decades of pattern memory; the full investing team can now operate with sharper signals from the start.

Firms are also no longer constrained by time or team size. Smaller funds can punch above their weight with smart tooling. Larger firms can scale their reach without ballooning headcount. And everyone gains visibility into companies that might have remained hidden in traditional networks or workflows.

CASE STUDY

How Bain Capital Ventures pairs AI with other data initiatives for sharper sourcing

Bain Capital Ventures (BCV), the multi-stage venture arm of Bain Capital, independently manages over $10B in assets and has built a robust data-driven sourcing engine that plays a key role in their investment strategy. We chatted with Abby Meyers, a partner at BCV and a leader of their data-driven investment initiative, about how AI complements other data sources, where the human layer comes in, and when to build vs. buy.

AI as a filtering layer

While AI has enabled unheard-of startup growth, Meyers pointed out how that growth has led to a new challenge in sourcing: "The old challenge pre-AI was finding companies that were growing. The next challenge is picking among all the companies growing super fast to understand what's real and what will last."

The solution to this new challenge is its harbinger.

"We have been using AI as a filtering layer," said Meyers. "Say we surface 15 companies that appear to be inflecting based off of signals that we can measure quantitatively sans AI. With AI, we're now able to add an unstructured, qualitative element to our existing structured, quantitative data, examining and understanding sentiment data across different platforms at scale, for example."

AI as a time-saver

For BCV, AI hasn't replaced human team members in sourcing but instead has enabled them to move more quickly.

"We feel that AI tools won't replace the human element of sourcing and relationship building, but there's a lot of time-intensive work that doesn't require creativity that AI can abstract away," said Meyers.

In practice, BCV has used AI from everything to filtering down large lists of potential investments to finding the best person at the firm to reach out via AI-driven relationship mapping.

AI building vs. AI buying

For firms considering an AI build, Meyers offered a perspective on how BCV has handled their AI process investments.

"We try not to buy anything that feels like a place where we should be applying our own investment judgment," said Meyers. "We're more likely to buy platforms that support processes that are less creative or have less judgment involved in them."

Sharper diligence: Make more confident investment decisions

If sourcing is about finding the right companies, diligence is about making the right bets and backing them up with conviction.

Historically, that process was equal parts art and scramble: market comps, notes from founder calls and discussions with customers, data and models supplied by the company, internal projections, online research, and a heavy dose of gut instinct. But AI is turning diligence into a faster, more rigorous practice that's powered by pattern recognition, real-time benchmarking, and proactive risk detection. Investors can ask sharper questions, uncover hidden signals, and accelerate timelines without drowning in spreadsheets or slides.

From founder decks to structured insight

Manual diligence workflows used to be slow, error-prone and missing context. Analysts spent hours wrangling pitch decks, cleaning metrics, and stitching together benchmarks from outdated reports or anecdotal references. The real work of comparing, evaluating, and deciding often got delayed by the hunt for data.

AI has already changed how many firms are handling diligence. Instead of manually finding the most relevant data to decide if a company is the right fit among hundreds of documents, internal AI-powered processes or external platforms help VCs automatically extract metrics from founder decks, clean company data, and surface anomalies or benchmarks in seconds. Moreover, instead of doing tedious literature searches or expensive expert interviews for a potential new investment in a new industry, in many cases AI can help answer these questions in seconds.

The result is a diligence process that's faster, more consistent, and grounded in real signals, freeing investors to focus on what matters most: building strong relationships and deep conviction, not cleaning spreadsheets.

Some firms may choose to build diligence processes like these in-house with a data ingestion process to scrape public market data, company documents, and internal proprietary sources. Once that data is organized, an intelligence layer is needed to turn that data into insights, and finally an application layer to access those insights. However, the cost of building can be prohibitive, leading some firms to external providers..

For new investments, tools like Krima and Xapien use AI to automate due diligence by analyzing deal materials, identifying risks, and generating insights for investors and M&A teams.

For follow-on decisions, tools like Standard Metrics can bring disparate, messy sources of portfolio company data into one place and parse and clean that data via AI. Tools like our AI portfolio company analyst allow you to ask questions of that data in natural language ("Is this a strong contender for follow-on investment based on performance versus plan?") and get quick answers in response in-app. Our MCP server, meanwhile, takes your clean and structured portfolio data and makes it available for use in the LLM of your choice (like Claude and ChatGPT).

How MCPs can help you connect your connect your diligence tech stack to your favorite LLM

We're big believers in interoperability (i.e. helping customers use Standard Metrics data wherever works for them best, whether that's on our platform, in Claude, or in Excel) and think MCPs are a huge unlock.

What is an MCP?

MCP is an open standard that lets AI systems, like LLMs, securely connect to external data sources and tools in a consistent, modular way. Think of it like a USB-C for AI or a universal connector so AI can fetch real-time data, take actions, and work across different services without custom integrations.

What does Standard Metrics' MCP server do?

Our MCP server makes it easy to connect Standard Metrics with popular AI platforms like Claude and ChatGPT. Investors can ask questions in natural language, from high-level metrics to nuanced comparisons, and get chart-ready answers instantly. It eliminates the need to copy-paste across tabs or sift through PDFs, while still honoring firm-level and user-level permissions and context.

Why should I use an MCP over copy-paste or exporting and reuploading?

Copy-paste slows workflows and is more likely to introduce errors. Also, you can connect multiple different MCP servers to one interface, allowing for workflows that span tools like Google Calendar, Notion, and many others.

How can I connect Standard Metrics MCP to an LLM?

There's a few different (easy) ways to get started. We cover the process in our developer docs.

What should I ask of a Standard Metrics enabled LLM?

- ✅ "What's this company's net burn over the last three quarters?"
- ✅ "How does revenue per FTE compare to others in our portfolio?"
- ✅ "Are there signs of slowing customer acquisition?"
- ✅ "Which companies had similar trajectories pre-Series B?"
- ✅ "Flag any anomalies in margin trends or hiring velocity."
- ✅ "Show valuation multiples for similar companies over the last 12 months."
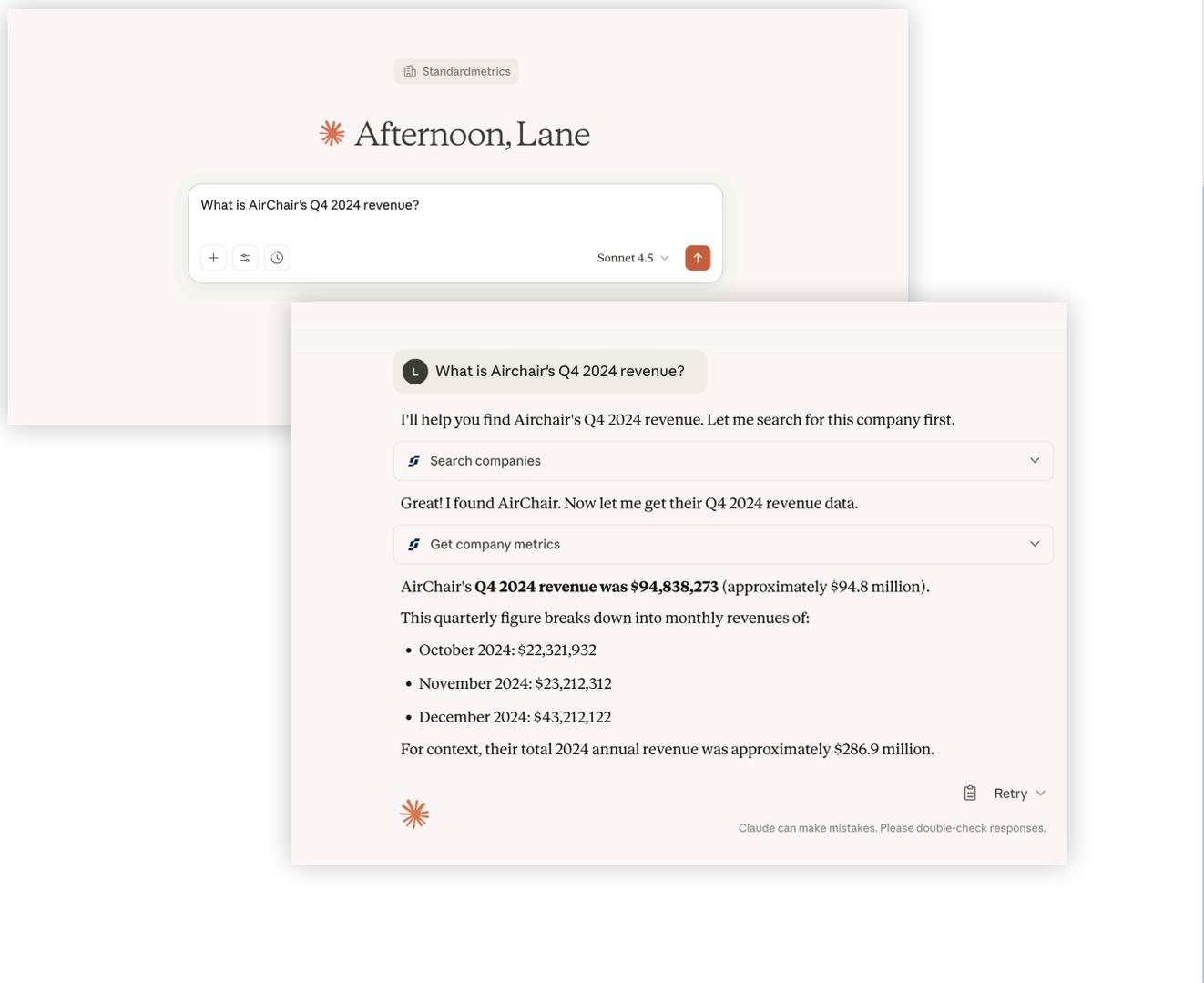
Our Standard Metrics MCP in action. Access portfolio data in Claude without tab switching, copy-paste, or import /export.

CASE STUDY

How Riot Ventures uses AI to power faster diligence

Riot Ventures is an LA-based venture capital firm with over $1 billion in AUM focused on modernizing critical industries. With investments in technology companies across the defense, manufacturing, energy, and industrial automation sectors, notable investments include Toast, Oxide Computer, True Anomaly, and Shield AI.

We talked to Will Coffield, Riot co-founder and General Partner, about how AI is affecting the firm's investment mix, how deep research can cut down diligence hours, and how AI is powering what's next at the firm.

An investment thesis played out

As a firm focused on the advancement of traditional industries via technology, AI has begun to inform their many investments in robotics, advanced manufacturing, and drones.

"Our investment strategy has always been intelligence and machine systems oriented," said Coffield. "When we started the firm, we didn't know that it would begin to hinge on AI and that the machine intelligence underpinning our investments would get better and better."

In many ways, the growth of AI isn't leading to a shift for Riot, but instead it's helping to prove the firm's original investment thesis.

"It's frankly validated a lot of what we were doing early on. We don't really invest in digital incarnations of AI, we invest in physical incarnations of it," said Coffield. "AI has accelerated a lot of the themes we already were thinking about and created a spark in the imagination of anyone who has been a sci-fan to tangibly understand how – in our lifetime – the physical embodiment of AI is upon us."

"PhD-quality" summarization

But AI has radically shifted how Riot has handled diligence for these high-tech (and high-bar-to-understanding) companies.

"We invest in more technically complex companies than traditional software VCs might, which means that we've always had a research oriented element to the way that we underwrite investment opportunities," said Coffield. "AI has dramatically accelerated the speed of what we already do for diligence."

In the past, to quickly understand scientifically-complex startups, Riot's team would rely on technical experts to help them build the right questions to ask to understand the quality of a company from a scientific perspective.

"As non-nuclear physicists, we can ping our technical advisors when we're looking at a nuclear reactor company to gauge their approach against a field of competitors," said

Coffield. " We fundamentally are underwriting world class people, but we also want to make sure their underlying technological assumptions are sound."

With AI, the team is equipped with "instantaneous technological experts in the form of a research companion that gives them the equivalent of PhD-quality technical interview" via AI deep research tools, explained Coffield. When the team needs to reach out to a technical advisor on top of an AI, they can ask less and better questions when armed with this knowledge.

"AI has cleared the way for us to spend more time on people, understanding the motivations and dreams of founders," said Coffield. "It's accelerated our ability to get onto a level playing field with technical founders."

An AI-unified tech stack

What Riot wants to focus on next with AI is a unified tech and data stack, linking together different sources and platforms via AI.

"We are trying to stitch together our core data streams at Riot Ventures to give everybody a VC co-pilot," said Coffield. "How do we stitch together Standard Metrics and Affinity and LinkedIn and Crunchbase and Pitchbook, all of these sources that provide us relevant insights into both what's happening in the market and what's happening in our portfolio, and use that to help everybody at the firm manage their time on a day-to-day basis."

Portfolio management:
Drive outcomes, not just oversight

Sourcing gets the headlines. Diligence gets the conviction. But portfolio management also has a critical role in driving strong fund returns.

In the old model of portfolio management, portfolio data came in through inboxes, spreadsheets, PDFs, and quarterly update calls. Firms sent endless emails chasing updates, only to get inconsistent formats, outdated numbers, or key inputs missing entirely. Analysts spent hours cobbling together dashboards. Partners made decisions with incomplete context. And founders that were already stretched thin saw updates as a chore, rather than a chance to collaborate.

This old model also led to avoidable mistakes. A company rushes to raise emergency capital, only for its investors to discover that a significant portion of the new capital raised is paying off loans. Another company raises a new growth round from a data-driven investor while its existing investors were slow to identify a growth inflection.

Here, too, AI is changing the game. It's helping investors stay ahead of problems, align teams around real-time performance, and guide founders with sharper, more strategic support. By automating data collection, building real time visualizations and dashboards, flagging anomalies immediately, and routing insights to the right people at the right moment, AI moves firms from lagging indicators to leading signals. From scattered inputs to operational clarity

In the old model, portfolio data lived everywhere and, because of this, nowhere. Metrics came in through inboxes, spreadsheets, PDFs, and quarterly update calls. Firms sent endless emails chasing updates, only to get inconsistent formats, outdated numbers, or key inputs missing entirely. Analysts spent hours cobbling together dashboards. Partners made decisions with incomplete context. And founders that were already stretched thin saw updates as a chore, rather than a chance to collaborate.

Smarter data collection, fewer fire drills

Firms are rebuilding the foundation of portfolio management with structured, AI-accelerated workflows.

Some are streamlining processes internally with AI. Others are turning to external platforms like Standard Metrics, which use smart integrations and AI-powered document parsing to extract metrics directly from decks, financials, and founder updates. From ARR to burn to runway to gross margin, key figures are parsed, flagged, and routed to dashboards automatically, with little-to-no manual lift from the firm. This data can then be used for portfolio review, ongoing analysis, and LP reporting, along with a variety of agentic workflows.

The days of wrangling spreadsheets and scrambling before quarterly reviews are over. With the right systems in place, data collection becomes a background process: structured, scalable, and always-on.

Parsing performance with precision

For many firms, the most difficult part of portfolio management is getting clean, timely data from their portfolio companies. That's why Standard Metrics rebuilt financial document parsing around AI, turning a historically slow, error-prone process into a streamlined, highly-accurate workflow.

Standard Metrics automatically pre-processes documents uploaded by companies, recognizes document types (e.g. balance sheets vs. income statements), and extracts key metrics like revenue, burn, and runway using large language models. It also flags missing inputs and prompts follow-up from our highly-trained human team so that gaps get filled before they create downstream issues.

The result is faster parsing, higher accuracy, and a growing volume of structured updates flowing directly into firm dashboards.

Instead of pulling data from fragmented files and reconciling them by hand, firms get a structured database of portfolio information from a team of AI agents and humans working together.

Document preview

	A	B	C	D	E
1				Acme - Profit & Loss Q1 2024	
2		Jan 2024	Feb 2024	Mar 2024	Total
3	Total revenue	$2,895.61	$2,698.53	$3,499.40	$8,834.35
4	Gross profit	$2,290.27	$3,838.54	$3,647.65	$10,856.55
5	Insurance	13,752.89	12,802.55	9,752.39	27,444.85
6	Legal & Professional Services	0.00	5,302.28		
7	Total Payroll Tax	$108,413.73	$50,106.99		
8	Total General Admin	$2,690.64	$150,683.86		
9	Total Product Cost	$2,690.64	$17,587.59		
10	Total Expenses	$162,816.77	$223,580.99		
11	Operating Profit	-$165,826.27	-$177,224.60		
12	Net Income	-$160,957.27	-$180,608.51		
13					

Parsed results

Manual Parse   AI Parse

7 metrics   **21** datums   **3** periods   Re- Parse   Select all   Unselect all

Metric	JAN 2024	FEB 2024	MAR 2024
Total revenue	$2,895.61	$2,698.53	$3,499.40
Gross profit	$2,290.27	$3,838.54	$3,647.65
Insurance	13,752.89	12,802.55	9,752.39
Legal & Professional Services	0.00	5,302.28	0.00
Total Expenses	$162,816.77	$223,580.99	$154,156.49
Operating Profit	-$165,826.27	-$177,224.60	-$153,449.40
Net Income	-$160,957.27	-$180,608.51	-$199,120.26

Real-time alerts, instant visualizations, better board members

Artificial intelligence is reshaping how venture capital firms understand, monitor, and respond to portfolio performance.

Modern portfolio intelligence platforms (such as Standard Metrics) are enabling firms to centralize data and visualize performance dynamically. With AI-powered analytics that are responsive to natural language prompts, investors can explore portfolio financial performance through interactive dashboards and customizable charts to better assess portfolio health at a glance.

Many platforms now also let firms set automated alerts or thresholds across key metrics. When a portfolio company crosses a defined benchmark, notifications via Slack or email prompt quick action from the right stakeholders.

AI is transforming another key ritual: board meeting preparation. Investors are becoming increasingly likely to access AI-powered summaries of KPIs, performance vs. budget, and investor updates in preparation for board meetings. They are also leveraging LLMs to crawl through board decks and help build lists of critical issues and questions to raise in the room.

Real-time signals reduce time-to-insight and raise the overall quality of decisions.

"We have incorporated AI in almost all parts of our fund operations. The value that we are getting from AI has shifted from mainly efficiency gains (e.g. saving 'X hours per week' by automating certain tasks) to predominantly driving timely and actionable insight that is otherwise unavailable without incurring much higher cost. I am hopeful that the quality and depth of such insight will continue to improve over time."

YUAN CHEN
Co-Founding Partner, Socii Capital

LP fundraising & communication: Win trust with clarity and consistency

Raising a fund used to be a long, manual process built on relationships and repetition.

Every LP question meant a scramble: pulling data from fragmented tools, wrangling Excel sheets, and coordinating across teams. Even post-raise, communication rarely improved much: LP updates were infrequent, high-effort, and often missed the context that mattered. Today, AI is transforming how firms build and maintain relationships with limited partners, from the first touchpoint to ongoing communication.

Find the right LPs, faster

Fundraising used to begin with a big list of prospective LPs and a cold start problem. Today, AI makes targeting prospective LPs smarter and far more precise. Tools like Clearbit and Clay are available to enrich contact data and generate personalized outreach based on firmographic signals and your CRM. Affinity, for example, applies machine learning to map relationship strength and reveal warm intros across your network, so you know who to reach out to, and when. Together, platforms like these bring intelligence and automation to the top of the funnel, helping GPs focus on high-potential conversations from the start.

GPs can now prioritize outreach to institutions whose behavior or connections signal active interest in their fund's theme, stage, or region. The result is a more intentional pipeline and faster path to LP alignment.

Once you know whom you're reaching out to, generative AI also helps tailor the message. Instead of redrafting the same deck over and over, teams can spin up personalized one-pagers, summaries, or slides that reflect what matters to that LP, whether that's international exposure, fund performance, or governance history. A few prompts, a few edits, and the materials are ready: on-brand, on-message, and ready to send.
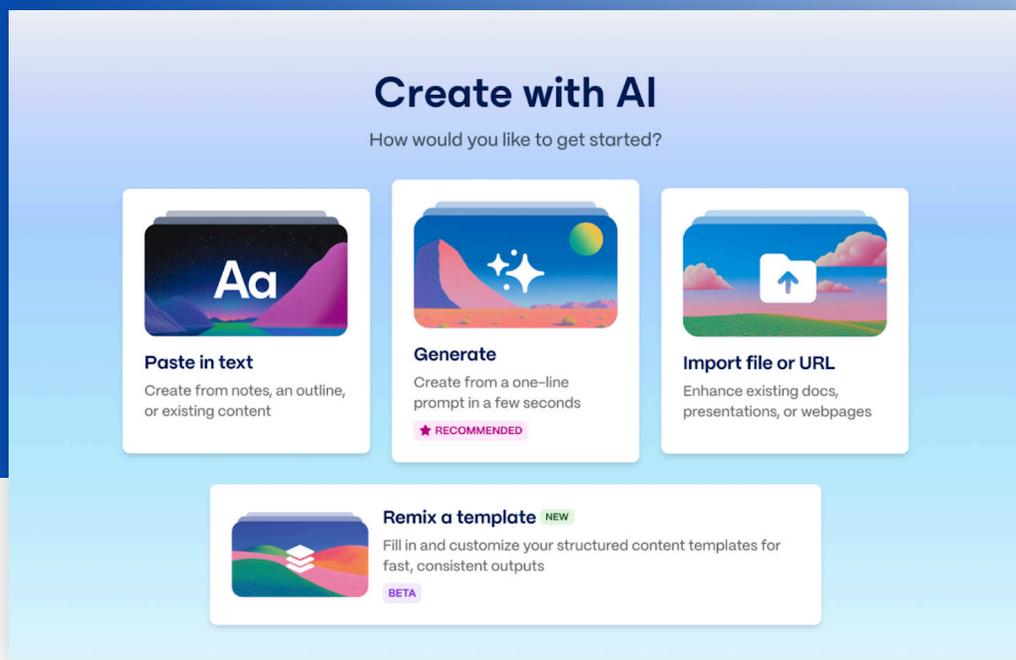
Using AI-powered tools like Gamma, GPs can quickly generate personalized one-pagers tailored to each LP, highlighting fund strategy, performance, and alignment with the LP's priorities.

Diligence, done *before* they ask

Once an LP shows interest, the diligence begins. They'll want to understand your portfolio's performance, capital deployment strategy, risk framework, and track record, across sectors, stages, and funds. Answering those questions has traditionally meant chasing metrics, aligning messaging, and reconciling data across systems that don't talk to each other.

AI is changing the prep process entirely. With large language models that have access to firm-specific data, teams can now generate clean, consistent answers to common diligence questions before they're even asked. No more digging through old decks or stitching together screenshots. Just clear, tailored responses, ready for review.

Need to break down unrealized vs. realized gains? Show hold times by investment stage? Explain your exposure to climate tech or fintech? A few prompts is all it takes to produce a high-quality first draft, grounded in your actual data.

Typical diligence questions that AI tools can answer in seconds include:

- ✅ What's the breakdown of portfolio valuation by sector?
- ✅ What's our average time from first check to exit?
- ✅ Which portfolio companies have raised follow-on capital in the past 12 months?
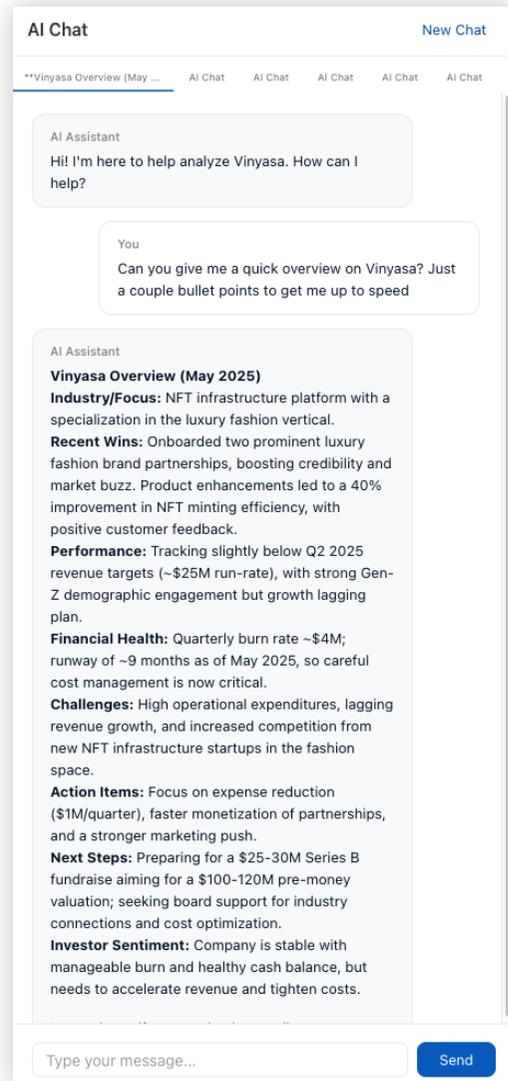- ✅ How concentrated is the portfolio by top five holdings?

STANDARD METRICS SPOTLIGHT

LP-ready answers, one prompt away

Strong LP relationships rely on clear, timely communication; and that starts with having fast, accurate answers at your fingertips. With Standard Metrics' built-in AI analyst, GPs and IR teams can ask plain-English questions and instantly get comprehensive responses built from their in-app data.

No need to dig through dashboards, download and reupload data into an external LLM, or wait on analysts. The AI portfolio analyst surfaces the insights that LPs care about (financial performance, how a company compares to the market, and whether performance merits follow-on investment) in seconds. It's easy to use, always up-to-date, and designed for a wide variety of questions LPs might ask.

Whether you're prepping a quarterly update or fielding a mid-cycle check-in, you'll be ready with answers that are both thorough and backed by data you have on-platform. It's real-time support for high-touch relationships with much less of the back and forth.

AI Chat	New Chat

**Vinyasa Overview (May ...   AI Chat   AI Chat   AI Chat   AI Chat   AI Chat

AI Assistant
Hi! I'm here to help analyze Vinyasa. How can I help?

You
Can you give me a quick overview on Vinyasa? Just a couple bullet points to get me up to speed

AI Assistant

Vinyasa Overview (May 2025)
Industry/Focus: NFT infrastructure platform with a specialization in the luxury fashion vertical.
Recent Wins: Onboarded two prominent luxury fashion brand partnerships, boosting credibility and market buzz. Product enhancements led to a 40% improvement in NFT minting efficiency, with positive customer feedback.
Performance: Tracking slightly below Q2 2025 revenue targets (~$25M run-rate), with strong Gen-Z demographic engagement but growth lagging plan.
Financial Health: Quarterly burn rate ~$4M; runway of ~9 months as of May 2025, so careful cost management is now critical.
Challenges: High operational expenditures, lagging revenue growth, and increased competition from new NFT infrastructure startups in the fashion space.
Action Items: Focus on expense reduction ($1M/quarter), faster monetization of partnerships, and a stronger marketing push.
Next Steps: Preparing for a $25-30M Series B fundraise aiming for a $100-120M pre-money valuation; seeking board support for industry connections and cost optimization.
Investor Sentiment: Company is stable with manageable burn and healthy cash balance, but needs to accelerate revenue and tighten costs.

Type your message...   Send

On top of our AI-powered analyst which helps VCs analyze their data for LP questions, Standard Metrics also offers assistance in creating company tear sheets to help present that data to LPs. After cleaning and formatting data we:

- ✓ Auto generate draft tear sheets from portfolio company data
- ✓ Present company data in a customizable, rich format for review
- ✓ Allow for team-wide analysis and commentary on each tear sheet to ensure accuracy
- ✓ Enable bulk and individual PDF exports with one click

Tear sheets build via Standard Metrics display key company details, investment information, team notes, investors, sentiment, internal evaluation metrics, and more.

Looking ahead: The data-driven firm

The first wave of AI in venture capital has already begun, streamlining sourcing, transforming diligence, improving portfolio management, and helping firms better communicate with their LPs.

But we're still early. The next evolution of AI will move beyond enhancing existing workflows into creating new and better ones. What do we think might come next?

Predictive capital strategy

Firms will move beyond historical metrics and gut calls. With the right benchmarks, quantitative data, and qualitative inputs, they'll model possible outcomes for each company on an ongoing basis, projecting growth, burn, follow-on capital needs, exit timing, and even likely acquirers. Capital allocation will become dynamic: informed by live scenarios, not static spreadsheets.

Real-time benchmarking

With a critical mass of clean, structured data, GPs will benchmark portfolio performance in real time against past funds, broader market cycles, peer portfolios, and sector-specific trends. Performance reviews will no longer be backward-looking. They'll become live feedback loops that guide strategy midstream.

Self-updating networks

The LP <> GP <> portfolio company network is becoming smarter and more connected. Automated data flows will enable real-time updates, tailored summaries, and context-aware routing of questions and asks. No more tracking down stakeholders or reconciling systems; just timely, trusted information delivered where it's needed.

Natural language decisioning

Dashboards will evolve into copilots. Instead of pulling charts, a GP will ask an LLM:

- ✅ Which SaaS companies in our portfolio are underperforming on burn multiple?
- ✅ What's the projected return profile of Fund IV if market conditions stay flat?

And get answers in plain language, rich with context, grounded in firm data, and ready for immediate action.

Strategic advantage = data + design

The The edge won't come from having the most tools. It'll come from having the best systems: interoperable, AI-native, and embedded in how teams work. But AI is just the engine. The real advantage is in the data you have flowing into it. LPs will want to know firms capture data, what data they are collecting, how they use data to make decisions, and how their systems are designed to support these collection and analysis processes.

Autonomous agents

Always-on AI agents will scan markets, track themes, identify startups, do diligence, and draft investment memos. These agents won't replace investors. They'll free them to spend time on less manual tasks.

How can we help further?

Our hope is that this guide serves as practical inspiration for firms looking to implement AI into their day-to-day. But if you have further questions, are wondering about any of the tools mentioned here, or think Standard Metrics might be the right fit for you, we're here to chat and help make connections! Reach out to us here or or connect with our team on LinkedIn.

Standard Metrics