TRAC | **BOAST**®

TRAC Challenges Traditional Venture Funding with Innovative 'Moneyball' Approach to Business Investment

Venture firm accelerates the development of funding selection technology using government R&D tax credits and partnership with Boast.

About TRAC®

Creating a successful venture capital (VC) firm is not easy. There's a sea of available capital and there are more venture firms than ever. But the VC industry's collective track record is not great. Many firms still have a high failure rate when investing in companies, and many of the investment decisions are still made based on relationships and emotion.

TRAC started in 2020 to change that approach. Inspired by the fundamentals of data and the possibilities offered by a more quantitative-driven view to venture funding, the company set out to be different from inception.

"We don't pick winners, we focus instead on using data to help eliminate opportunities that won't show a likelihood of success," said Joseph Aaron, founder, and managing partner at TRAC. "Similar to how the Oakland A's baseball team and Billy Beane used data to find overlooked potential in baseball players—the famous Moneyball story—we are using data to find performers with strong fundamentals that have a higher likelihood of success. The data tells a powerful story that strips traditional elements away from the typical venture funding process."

Using their proprietary technology, TRAC can eliminate 97 percent of startups that normally may be attractive for other VCs. This helps them focus on just those companies that fit their model. Their technology uses key performance indicators like website unique visitor growth, current investor pedigree and success, business funding

> **"We are using data to find performers with strong fundamentals that have a higher likelihood of success. The data tells a powerful story that strips traditional elements away from the typical venture funding process."**
>
> **JOSEPH AARON, TRAC MANAGING PARTNER, AND CO-FOUNDER**

'rounds of progression' or follow-on rounds of funding, and other indicators.

"We desire to eliminate the luck that prevails in VC funding," said Aaron. "Typically, eight to nine out of ten investments fail, but one of them makes a big splash of success and even becomes highly valued as a 'unicorn.' That's a terrible batting average. The future of VC funding will be more strategic and led much more by data. Of the few that make it past our data benchmarks, we can further classify their chances based just on their operators' past and their current investors. Do they have demonstrated success in that industry, have they been an operator themselves, are they an expert forecaster?"

TRAC has been innovating to bring their needed decisioning data to life. They are a software company, executing like a VC firm. Their expert engineers and data scientists build models, code, technology, and processes to speed up the data flow needed for TRAC and its clients.

TRAC investments in technology qualify it for the U.S. Government's R&D tax credit and incentive program. The cash that is recouped can immediately be invested back into more innovation, accelerating the company's growth.

"It's difficult to get into deals these days, but a unique advantage that we offer is our data. Founders like to see that we bring quantitative views that offer value, and will continue to offer value, along their growth path," said Aaron.

The company's investments in technology qualify it for the U.S. Government's R&D tax credit and incentive program—a robust government program that rewards companies investing in innovation with tax credits and incentives. In the case of TRAC, the cash that is recouped can immediately be invested back into more innovation, accelerating the company's growth.

TRAC worked with tax incentive and R&D intelligence fintech leader Boast to quantify eligibility and get returns from the program. Boast sped up the process by helping TRAC use Boast's AI-based software platform and experts to quickly identify qualifying projects and create their submission documents. "They made it easy for our teams," said Aaron. "Boast delivered the single largest 'return-of-dollars vs. time investment' that I've experienced in my lifetime. It was just a few hours of collective involvement for the TRAC team, and we got tens of thousands of dollars back. That's fantastic!"

The next phase of innovation for TRAC is to expand their prediction technology, which combines human and machine learning to better identify startups that are likely to become market leaders. "Today, our tech is solid but there's much more we want to do," said Aaron. "When we approach a startup, we have already decided to invest, no further due diligence is needed from our standpoint. That gives us a huge advantage."

"Boast delivered the **single largest 'return-of-dollars vs. time investment'** that I've experienced in my lifetime."

JOSEPH AARON, TRAC MANAGING PARTNER, AND CO-FOUNDER

TRAC Innovates Faster with R&D Tax Credits and Boast

- 50 hours saved to research, document, and prepare claims manually
- Easier for TRAC teams, allowing them to focus on their innovation investments
- More money—USD 10,000 per hour estimated return-on-time with Boast

BOAST

Learn more about Boast tax incentives and R&D intelligence at **boast.ai**

TRAC

Learn more about TRAC funding at **tracvc.com**