Vision Fund to boost tech investment, globally and in KSA

CEO Rajeev Misra expects ‘many’ new Vision Funds in the coming years as he plans first big Saudi investment.

"The technology revolution is just accelerating. Not just with your regular industries like e-commerce or food delivery, but it’s also redefining how we work in life sciences, in major industries," he said.

"Over the next five years, hundreds of billions of dollars in value will be created in custom-made healthcare, in reducing the cost of healthcare, and in personalized medicine. Also in democratizing online education, where education is accessible and will fuel quality education online. You will have online high schools and colleges providing by the degree education globally," he added.

"As AI will transform every industry in the world. "

"Technology is playing nowhere. It is like what the human DNA is to your daily existence — it is intertwined with you. Either you adopt it or the business goes bust."}

"The Vision Fund suffered some high-profile governance issues in the past, notably the demise of the IPOs of WeWork in 2019 and subsequent revelations about conflicts of interest involving the fund’s own employees, some critics said that they detected a “Wild West culture” at Vision Fund portfolio companies. Misra disagreed with that label.

"On the Foud we have 70 or 80 companies. We take minority stakes in those companies. We don’t run those companies. We are on the boards. We do keep an eye on them but we don’t day-to-day run those companies,” he said.

"But we will make some mistakes and we learnt from it. Since then, we have undergone a major turnaround and now we make sure there are no conflicts of interest with the founder.”

On the current crisis for special purpose acquisition companies (SPACs), which some have called “vanity companies,” he said that there were benefits from accelerating the process toward a stock market listing, but pointed out that the Vision Fund portfolio companies had used some of the funds even SPACs to go public.

"The most important message here is that if you are considering to go public, you have to be ready and you have to be prepared to go public. You have to understand that you have to get up every quarter and explain to the analysts and the shareholders how you have performed," he said.

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"We know how to use public equity. We don’t have to go public to raise money. People are not going to be working on their desktop anymore. They are going to use phones to compute, and I see that in the next 10 years and I’m willing to bet that, he added.

"This shows you the nature of things — you are 10 years forward and I was willing to take a $20 billion investment for a highly competitive market when the market cap of SoftBank was $10 billion.”

"Misra added that “was 15 years ago,” he added. Twitter: @franknkane