



## **What Goes Down Must Come Up: Post-Pandemic Trends in Business and Technology**

The tech world is constantly changing, but we can learn a lot by paying attention to trends. Then we can more easily see opportunities in those trends. With that idea in mind, let's look at a handful of trends in business and technology.

First, we're seeing some changes in funding and mergers and acquisitions. Direct listings seem to be a little more popular, with some companies turning to them to avoid things like lock-up periods. But an increasing number of companies are going public through special-purpose acquisition companies (SPACs) rather than through traditional IPOs. SPACs are companies that exist only to purchase other companies. After the merger, stock in the SPAC becomes stock in the underlying company, so this kind of offering separates the listing from the company going public. This abstract of the listing can cut the time for an IPO from two years to six months and helps to reduce worries about valuation in changing markets. Even though we are only a quarter of the way through 2021, SPAC IPOs have reached about 300 total by the end of March, already surpassing 2020 in both number and gross proceeds.

Second, we are seeing changes in how people work. In 2020, remote work became a necessary trend. When the pandemic hit, companies that helped people work from home benefited tremendously. We saw massive interest in videoconferencing solutions, webcams, home-office equipment—anything that made working from home not just possible but practical. While many employees are starting to return to their offices, some companies are choosing to make remote work permanent. But working from home affects everything

from personnel dynamics to cybersecurity. Disruptions to the status quo create prime opportunities for innovation, so the question for entrepreneurs and investors is what that next innovation will be.

Third, space is a booming industry (sometimes a bit too literally). While the barrier to space has long been cost, today that cost is falling like a giant grain silo. The paradigm shift that we are seeing today comes from reusability. With reusable rockets, the hardware itself becomes a long-term capital investment rather than an operating expense for every flight. While these days are still early for this new space race, we may see some dramatic new opportunities emerge as easier access to space spurs innovation, leading to new startups that seek to use space in innovative ways. Space hotels and asteroid mining may actually become viable commercial endeavors. As much as those ideas sound like science fiction, the groundwork being laid today is very real. Again, this area is wide open for innovation.

Fourth, if you have been following financial news at all, then you have probably heard that Bitcoin has gone up a bit this year. The habitually volatile stalwart of the cryptocurrency industry is sitting at about \$55,000 per coin now, though by the time I finish writing this sentence, the number will have changed. Yet despite the volatility, Bitcoin has grown from “magic Internet money” to something that major corporations are putting on their balance sheets. Look past the hype to see some important trends in the industry.

An increasing number of companies are choosing to hold value in bitcoins. Why? For some, Bitcoin is a potential hedge against inflation, and for others, it is a hot investment opportunity. The hype will eventually die down again, but the institutional investment is much more significant this time than in previous crypto bull runs. A couple other major trends within the cryptocurrency space are DeFi and NFTs.

DeFi or decentralized finance programmatically democratizes the functions of the regular financial system. DeFi could open up financial instruments to the unbanked and underbanked. Most people in the United States have relatively easy access to banking, but the same cannot be said of many in other parts of the world. As a result, DeFi projects could explode past the hype in the near future. NFTs or nonfungible tokens are digital items with provable scarcity. These tokens could be anything from works of art to tweets.

Overlooking NFTs as silly would be easy. After all, what is the difference between an NFT of digital art and a screenshot of the same work? The key difference is that provable scarcity, just like how a baseball card can be more valuable if you can prove that it is a limited edition. In the case of NFTs, the possibilities go far beyond collectibles to things like game tickets or even real estate—any time when you need to prove definitively that you own a particular asset, whether purely digital or tied to the real world.

The key point with all of these trends is that each one presents its own opportunities both for investors and entrepreneurs. Maybe for you it is a chance to get in on the ground floor on an exciting new investment or the chance to solve a problem in a new field. The last year has been rough for a lot of people, but in the midst of that hardship, many have still been working to advance the state of the art in business and technology. We are always available to brainstorm business and legal challenges, foster new connections and solve problems.

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