VC: Driving Innovation in South Dakota

27 Startups received venture funding (2020-2024)
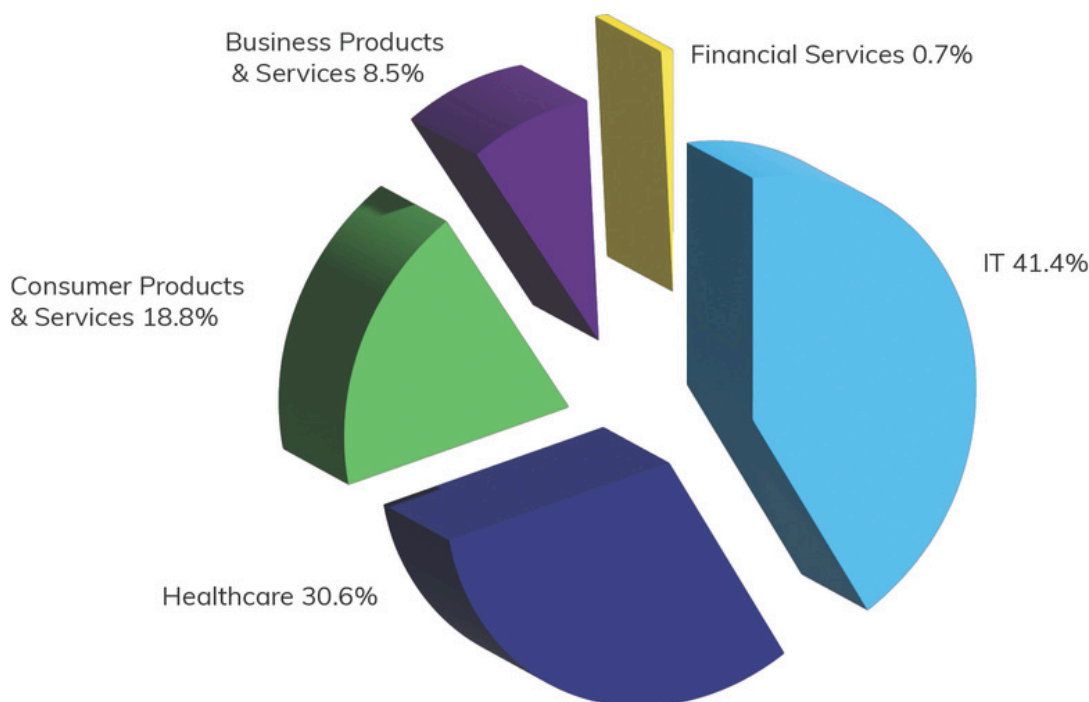
$88.6M In VC investment in startups (2020-2024)

2,384 People employed by VC backed startups in 2022

2024 VC Investment by Sector in SD

Business Products & Services 8.5%

Financial Services 0.7%

Consumer Products & Services 18.8%

IT 41.4%

Healthcare 30.6%

2024 Pitchbook Data

VCs Funding SD Startups Include:

Brookings-based Homegrown Capital invests in the Midwest, Great Lakes, and Mountain regions, but focuses on North and South Dakota. They seek to actively participate in their portfolio companies at a board level to provide expertise and connections to grow the business.

The fund targets high-tech companies including B2B software, agricultural technology, and financial technology companies. Recent investments include an EdTech company seeking to teach school children how to code and a company that builds robots that improve farm safety.

Bluestem Capital of Sioux Falls focuses on companies in business services, natural resources, medical, real estate, and manufacturing. With founders who have been deeply involved in South Dakota politics and policy, they provide strategic and collaborative direction to their portfolio companies.
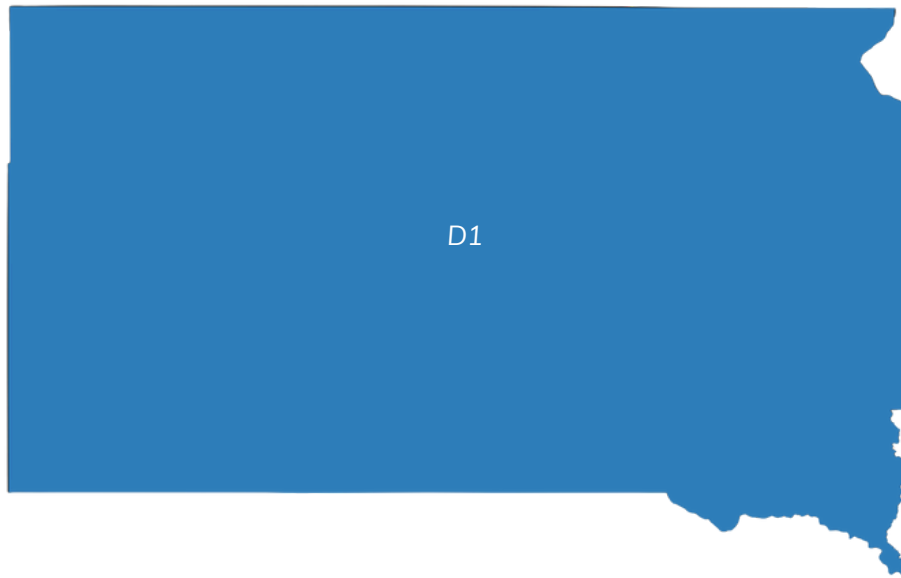
Bluestem has funded founders seeking to treat glaucoma, to create eyedrops as an alternative to wearing reading glasses, and to improve robot-assisted surgery.

2024 State Funding Breakdown

Investment by District

CD-01 ($39.70M)

D1

2024 Pitchbook Data

VC Funding Helps SD's Startups Thrive:

Inspired by the natural cooling effects of volcanoes, Make Sunsets, based in Box Elder, is developing a scientific technique to reduce global warming by deploying aerosols in the stratosphere. The result is reflective clouds that last for about a year and which reflect some of the sun's rays just like natural clouds.

Founded by ranchers from Faulkton, this locally owned butchery is a USDA-inspected beef, pork, and bison processing plant. Leveraging their ranching experience and their understanding of the industry, they now support multiple restaurants in Sioux Falls, one in Faulkton, and provide meat to numerous private individuals.

Property Meld is the #1 property maintenance solution in North America, and it is based in Rapid City. The company's property maintenance software schedules workflow, automates troubleshooting and follow-ups, and tracks teams' responses to more quickly complete the repairs that all buildings need.

Ensuring that all that software works together seamlessly can be problematic for companies. Prismatic of Sioux Falls offers companies an integration platform that enables a company to connect its products to the other apps its business customers use, deliver those integrations with ease.