MODVEN

RESEARCH INTELLIGENCE

RE:LAUNCH

STRATEGIC RESURRECTION MAP

112 Failed Startups. The Execution Gap. The AI Opportunity.

112	$100B+	29	14
STARTUPS	CAPITAL	AI REVIVAL CANDIDATES	SECTORS

SECTION · 01

The Thesis

Between 2019 and 2024, more than 112 venture-backed startups — having collectively raised over one hundred billion dollars — ceased operations. The conventional narrative frames these as idea failures. The data disagrees.

Across every sector we examined — healthcare automation, digital freight, autonomous vehicles, proptech, fintech infrastructure — the pattern is consistent: founders who correctly identified massive market opportunities ran out of runway before their execution could match their vision. The bottleneck was never the idea. It was velocity.

Today, that bottleneck has been removed. AI has permanently altered the physics of building a company. What once required fifty engineers and forty million dollars can now be rebuilt by five engineers in ninety days for two million. The validated market hypotheses, proprietary datasets, regulatory groundwork, and enterprise relationships of failed startups are now available at distressed prices — their former owners having already paid the most expensive part: proving the market exists.

> *"We are not building new companies. We are resurrecting the right ones."*

The Re:Launch thesis is this: acquire the validated IP of failed startups at distressed prices. Rebuild with AI at the core. Enter with the right strategic partner from day one. The market is proven. The customer education has been paid for. The friction has already been cleared. We are here to collect.

This document presents the research, the framework, and the model. The database behind it spans 112 companies, 14 sectors, and five years of failure patterns. The conclusion is unambiguous: the execution gap that killed these companies no longer exists. The opportunity is to rebuild the right ones — before anyone else does.

What follows is not a fundraising document. It is an investment thesis grounded in data, game theory, and a clear-eyed assessment of where AI has moved the frontier of startup execution.

26%

of failed startups are AI-revivable (viability ≥ 6/10)

SECTION · 02

The Bottleneck

CB Insights analyzed the failure reasons of more than a hundred startups across a decade. The leading causes: 38% ran out of cash, 35% identified no market need, 20% cited the wrong team. At first glance, ‘no market need’ sounds like an idea failure. It is not.

These were companies that raised eight- and nine-figure funding rounds from sophisticated investors who conducted extensive due diligence. The market need was real enough to attract capital from Andreessen Horowitz, Sequoia, and SoftBank. What failed was the founders’ ability to find and efficiently serve that market before the money ran out.

Olive AI

$902M

Healthcare admin AI — the tech it promised now exists; the product was 4 years ahead of available LLMs.

Convoy

$800M+

Freight matching — correct market thesis, execution blindsided by macro freight cycle collapse.

Babylon Health

$1.2B+

Telehealth AI — valid insight about primary care costs, product underpowered for clinical complexity.

In each case, the founding thesis was correct. Olive AI was right that hospitals spend $39 billion annually on administrative waste. Convoy was right that freight matching is structurally inefficient at every layer. Babylon was right that primary care is expensive and inaccessible. Their failures were not market failures.

The pattern is one of temporal mismatch: founders who arrived at the right destination four years too early, burning capital on tools that were not yet powerful enough to deliver on the vision. The ideas were correct. The execution required capabilities that did not yet exist.

That has changed. The tools that were missing in 2020 exist today. The markets that were proven expensive to enter have already been educated. The data that was impossible to collect cheaply has been collected. What remains is the execution.

> *“Ideas don’t fail. Execution velocity fails. And AI has just multiplied execution velocity by an order of magnitude.”*

SECTION · 03

How AI Changes the Equation

The AI productivity shift is not incremental. It is structural. Three specific capabilities have emerged that directly address the execution failures in our database.

01

ENGINEERING VELOCITY

A senior engineer with AI tools has the output of 5 engineers from 2022. A team of 5 now delivers what required 25. Burn rate — the #1 startup killer — is structurally compressed.

02

MARKET INTELLIGENCE

LLMs synthesize customer interviews, competitive signals, and churn data at scale. PMF discovery that took 18 months now takes 60 days. Continuous intelligence replaces intuition-based decisions.

03

OPERATIONAL AUTOMATION

30–40% of early startup budget consumed by legal, finance, and CS is now partially automatable. Lower fixed costs mean runway converts more directly into product and growth.

The compounding effect of these three capabilities is the true unlock. A team rebuilding Convoy today does not need to hire 50 engineers to build a freight matching platform. They need 5 engineers, AI coding tools, and 90 days. The product that took the original Convoy team 2 years and $200M to build can now be rebuilt in a quarter at 5% of the cost.

This changes the fundamental capital efficiency equation. Where the original company needed to raise $800M to reach scale, a Re:Launch candidate may reach the same functionality milestone with $8M — at which point a strategic partner acquisition is both more achievable and more profitable for all parties.

The multiplier is not 2x. In engineering-intensive categories, we estimate the execution velocity multiplier at 10–15x. In market intelligence, closer to 20x. The asymmetry between the capital required to prove a market and the capital required to re-enter it with AI tools has never been wider — and this window will not stay open indefinitely.

SECTION · 04

Game Theory: The Second-Mover Advantage

First-mover advantage is one of the most persistently overrated concepts in startup strategy. The academic literature is unambiguous: in technology markets, first movers hold a durable advantage in fewer than half of cases. What first movers consistently hold is the burden of market education — the expensive, slow work of convincing customers that a new category exists and is worth adopting.

In the Re:Launch model, that burden has already been paid. Olive AI spent hundreds of millions educating hospital systems on claims automation. Their sales cycles, their objection-handling playbooks, their integration documentation — all of this exists, all of it is acquirable, and all of it represents a structural reduction in go-to-market friction for a successor.

Game theory formalizes this as second-mover advantage in markets with high first-mover costs and low switching costs. When a customer has been educated on a category, the sales cycle for a well-positioned competitor shortens by 40–60%. When the failed company established brand awareness, that awareness transfers — as skepticism, yes, but also as familiarity.

> *“In strategy, the first mover pays the tuition. The second mover collects the degree.”*

The Re:Launch model adds a third structural advantage: pre-negotiated exit. We identify corporate strategic partners before rebuilding begins. The enterprise relationships of failed startups are preserved in CRM histories, pipeline documentation, and product integration discussions — often available through distressed asset acquisition.

Consider the Nash equilibrium of the corporate strategic partner in this scenario. They evaluated the original company. They know the technology category. They have an internal champion who advocated for the partnership. A successor that arrives with a working product, lower burn, and AI-native architecture is easier to acquire than the original was to partner with.

The economics are favorable from every angle: the market is proven, the friction is reduced, the exit partner is identified, and the capital required is a fraction of the original. This is not venture capital in the traditional sense. It is arbitrage — between what the market proved and what AI can now deliver.

SECTION · 05

The Evidence

112	$100B+	29	14
COMPANIES ANALYZED	CAPITAL DEPLOYED	AI REVIVAL CANDIDATES	SECTORS COVERED

Our database spans 112 failed startups across 14 sectors, representing over $100 billion in aggregate venture capital deployed between 2019 and 2024. Each company was assessed across six dimensions: market validity, IP quality, proprietary data assets, brand residual value, corporate partner availability, and AI revival feasibility.

Twenty-nine companies — 26% of the full cohort — scored six or above on our ten-point AI revival viability scale. These are companies where the original market hypothesis remains valid, the execution gap can now be closed with AI, and a natural strategic acquirer or partner exists today.

HIGHEST REVIVAL VIABILITY CANDIDATES

Company	Sector	Funding	Score	AI Revival Rationale
Olive AI	HealthTech	$902M	9/10	Modern LLMs automate prior auth with 95%+ accuracy
Convoy	Logistics	$800M+	8/10	AI demand forecasting solves market cycle blindness
Babylon Health	HealthTech	$1.2B+	8/10	Multimodal AI diagnostics exceed 2020 capabilities
DoNotPay	LegalTech	$23M+	8/10	Reasoning LLMs make AI legal assistance viable
Fast	Fintech	$124.5M	8/10	LLM checkout optimization achievable at low cost
Northvolt	CleanTech	$13.8B	8/10	AI process control addresses battery manufacturing
Synapse	Fintech	$50M+	7/10	AI compliance monitoring and automated KYC/AML

The full database — including Wayback Machine archive links, AI revival vectors, and the complete 45-corporate-partner strategic map — is available for download at relaunch.modven.co.

SECTION · 06

The Re:Launch Model

The Re:Launch model operates on three interlocking pillars. Each addresses a distinct failure mode of the original startup. Together, they create a structural advantage that no first-mover entry can replicate.

01

DEAD IP ACQUISITION

We acquire validated assets of failed startups at distressed prices: patents, proprietary datasets, domain names, brand equity, customer contracts, and integration documentation. These assets represent millions in validated market intelligence, acquired for cents on the dollar. The former owners proved the market. We acquire the proof.

02

AI EXECUTION LAYER

We rebuild core product using AI-native architecture. Where the original required 50 engineers, we deploy 5. Where the original required 18 months to MVP, we ship in 90 days. The AI layer compresses every phase: discovery, development, testing, deployment, and iteration. Capital-efficient path to a product the market already validated.

03

DAY-ONE STRATEGIC PARTNERSHIP

We identify and engage corporate strategic partners before a line of code is written. The partner validates the rebuild thesis, de-risks the go-to-market, and creates a clear exit path. We do not build toward an uncertain acquirer. We build with them. The strategic relationship is a design input, not an outcome.

The three pillars are mutually reinforcing. Dead IP acquisition reduces the cost of market entry. The AI execution layer compresses time to value. The day-one strategic partnership validates the thesis and reduces exit risk. No single pillar is sufficient. Together, they create an investment profile that is fundamentally different from traditional venture.

We are not backing founders on a hypothesis. We are backing a proven market, with proven tools, with a proven exit partner. The risk profile is asymmetric in a way that pure venture rarely achieves.

SECTION · 07

Conclusion

The window for Re:Launch is open, but it will not remain open indefinitely. Distressed startup assets are being acquired today — by private equity, by strategic corporates, by competitors who see the same pattern. The arbitrage between the capital spent proving these markets and the capital required to re-enter them with AI tools is compressing.

The companies in our database are not relics. They are blueprints. Their founders were right about the market. They arrived with the correct diagnosis but the wrong tools for the moment. We have the tools now.

Every startup in this database represents a validated hypothesis, a failed execution, and an open opportunity. The Re:Launch thesis is that these three things together — at scale, with AI, with the right partner — constitute the most interesting asymmetric investment in venture today.

What we are not claiming: that all failed startups are revivable, that market timing is irrelevant, or that execution is the only variable. Deep tech, biotech, and hardware-constrained categories operate under different dynamics. Our model is surgical, not broad. We are looking for the 29, not the 112.

What we are claiming: that the execution gap that killed 29 of the best-funded startups of the last five years no longer exists. That the capital required to re-enter these markets is a fraction of what was required to enter them the first time. And that the strategic partners who evaluated and passed on the original companies are now better positioned to acquire a leaner, AI-native successor.

Modven is not a traditional venture fund. We are a precision rebuild operation. We acquire distressed IP. We rebuild with AI. We enter with the exit in mind.

> *“The thesis is simple. The execution is the advantage.”*

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