



Building Companies that Shape the Future

Universities: Quarries for Innovation

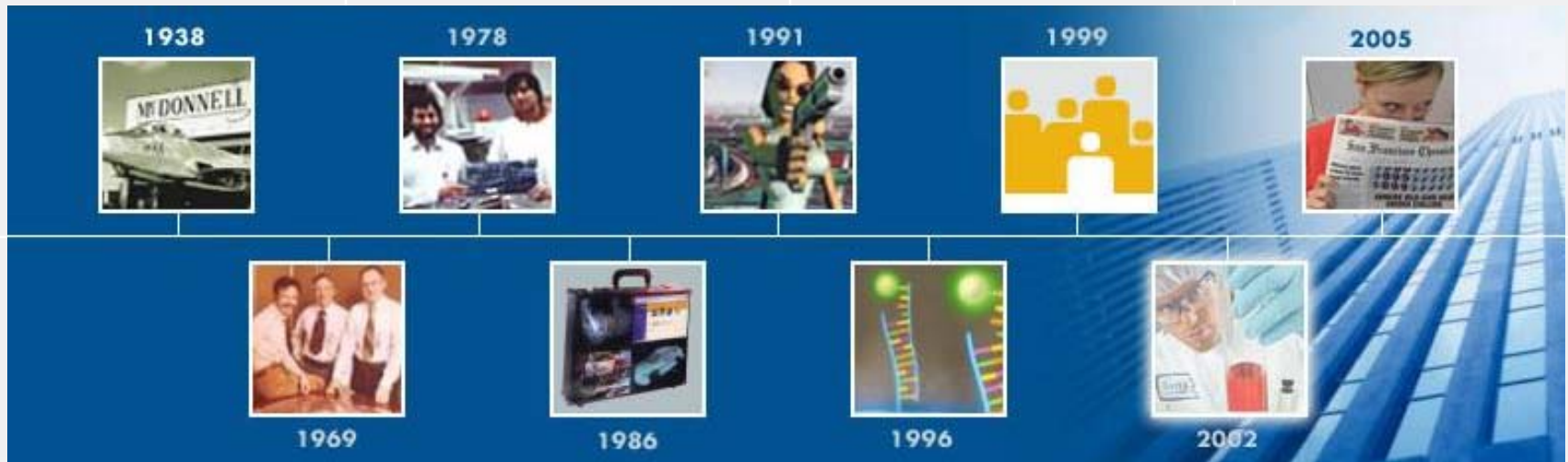
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What Do Early Stage Investors Really Look For In Startups?

2008

Venrock - Building Companies Since 1938



- Originally established by Laurance Rockefeller and his advisors
- Venrock has invested in 405 companies
 - 124 IPOs (31%) , 114 M&As (28%), 104 currently held (26%)
 - 65% Technology, 30% Healthcare, 5% Energy
- Companies that have shaped the future
 - IT: Intel, Apple Computer, StrataCom, Check Point Software, DoubleClick, 3Com
 - Healthcare: Centocor, Idec Pharmaceuticals, Millennium Pharmaceuticals, Illumina, Sirna Therapeutics

A Focus on Digital Media

Portfolio – Q1 2008

 <p>Media property focused on blogging for women by women</p>	 <p>Consumer to consumer loan administration</p>	 <p>Media property focused on space and astronomy</p>	 <p>Creative studio and new online comedy network</p>	Consumer
 <p>Consumer webservice for the collaborative capture and sharing of life stories</p>	 <p>Provider of rights & readership management services for user-generated content</p>	 <p>The Destination for simplified selling of consumer electronics & gadgets online</p>	 <p>Consumer software and services to help people manage and share their memories to PCs and TVs</p>	

 <p>Online advertising service provider and network focused on web publishers</p>	 <p>Web-based platform for professional photographers to manage and distribute digital images</p>	 <p>Rich media content distribution services</p>	 <p>Podcasting media company</p>	Media & Advertising Services
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 <p>Broadband and multimedia gateway devices for the digital home</p>	 <p>Video processor for home theater systems</p>	 <p>Internet-based medical doctor practice management system</p>	 <p>Rich interactive thin-client for web service applications</p>	B2B & Digital Home
 <p>Search and summarization engine for information about people and companies</p>	 <p>Navigation and search platform</p>	 <p>Creates private label wines and brands for major retailers</p>		

									
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Previous Investments

Personal Background – David Beisel



- Co-founded e-mail marketing company, Sombasa Media
 - Sold to About.com, which was soon after acquired by Primedia (NYSE: PRM)
 - VP Marketing - led marketing team responsible for e-mail newsletter product suite, managed customer relationship operations, and coordinated related business development
- Currently serves on the Board of Venrock's investments in BlogHer and Second Rotation
- Founded and lead Boston Web Innovators Group (WebInnovatorsGroup.com)
 - Gathering of local community interested in web and mobile innovation; features self-/angel-funded early stage startups
- Active VC blogger (GenuineVC.com)
- Stanford MBA; Duke Economics undergraduate

Promises & Challenges of University Startups

Promise

- Genuinely new ideas
- Technology-rooted concepts
- “Authentic” youth-oriented media properties and services

Challenges

- Technology/product focused rather than market-focused
- Logistics with IP ownership and rules for engaging with universities
- Openness towards and attraction of integrating experienced business leaders and advisors

Funding Criteria

Dispel myth that VCs are looking for extremely specific conditions to fund startups

- NOT one-size-fits-all checklist
- Confluence of many factors which make an attractive deal

Influencing criteria to acquire VC funding:

- Strong founding team
- Experienced leadership / management
- Solid underlying technology
- Initial market validation (consumer traction, customer interest, etc.)
- Large potential market
- Competitive differentiation
- Well-conceived business model with solid financial projections
- Balance between long-term vision and near-term opportunity

Engaging with Universities

What can universities do to create more venture-backable high-impact startups?

- Showcase innovations to VC with events
- Create environment where spinning out companies is positive – not “selling out” but spreading/evangelizing
 - Professors & students – formal/structural rules, but also culture
- Award “credit” for exploring – both academic but also valuing decisions
- Invite VC as speakers and active participants in classroom and sessions
- Designation of point person or center who interfaces with venture community