



# Newsletter

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## Introduction

August 14, 2009

**Coordinator**  
Ian Patrick Sobieski

**SIG Group Leaders**  
Paul Quadros—LS/Biotech  
Dean Sirovica—Energy  
Bob Kyle—Telecom/Security  
Ron Weissman—Software  
Jan Jannink—Internet

**Full Screening Committee**  
Chris Meyer  
Wally Buch  
David Overhauser  
Daniel Joensen  
Rock Clapper  
Gene Shklar

**Life Science Committee**  
Rivka Sherman-Gold  
Mike Bates  
Art Reidel  
Wally Buch  
Denis Coleman  
Paul Quadros

**Membership Committee**  
Mike Bateman  
David Burwen  
Brian Frenzel  
Martin Lefebvre  
Art Reidel  
Stephen Taylor

### Dinner Details

**Date:** Wed., Aug. 19th, 2009  
**Place:** Los Altos Golf and Country Club  
**Time:** 6:15 - 9:00 pm  
**RSVP:** 650.321.0854  
rsvp@bandangels.com

As you know, the deal review process we have at the Band is multi-layered and involves a lot of people. We do a first cut of the deals we receive to eliminate those we perceive as “out of the box”. The remainder are sent via email to our prescreening committee, who read the plans and rate them. Some non-Band members of this committee will be attending the August Band dinner meeting; so please be sure to say thanks to them! The deals that get the highest rankings from the pre-screeners are invited to present in person to the deal committees (see left banner for its members) who pick the deals you see each month.

Below you can see the deal statistics from the last two years. The total number of solicitations we received remained constant, 651 versus 684 the year prior. Of these only 243 versus the prior years’ 343 were sent on to the pre-screening committee. The average score from the pre-screeners decreased from 2.55 to 3.05 (with 1 being the best). We believe the reason for the decline is that we and the pre-screeners are being tougher about what constitutes a “good” deal. In 1999 selling dog food on-line would have attracted a lot of positive consideration; the same deal two years later was scoffed at; same deal, different times, different evaluations.

	2007/2008	2008/2009
Total Number of Deals Received	684	651
Total Number of Deals Reviewed:	343	243
Avg. Amount of Capital Sought Across all Industries	\$1.28M	\$931K
Average Aggregate Score from Reviewers	2.55	3.05
# of New Deals funded by Band over the past year	9	4
Probability of funding from Screening	10.7%	4.2%
Probability of funding from Presenting	27.3%	12.1%

Interestingly, the amount of money being sought in all these deals has decreased from an average of \$1.28M to \$931k; a sign entrepreneurs are trying to respond to the tighter availability of financing by being more capital efficient. That tighter availability of financing is evident in the macro numbers from the NVCA which reported that last quarter was the slowest since the dot com crash. The Band too has only funded 4 new deals in the past twelve months versus 9 in the previous twelve. This means that the odds of one of the companies presenting at dinner getting funded are only 1:10 vs 1:4 the previous year. This, all the while that membership has held steady, 120 members today versus 120 a year ago.

But financings still happen! A bit of good news from the portfolio, as reported in the *Wall Street Journal*, is that Salesforce.com invested in Practice Fusion (January, 2009 Dinner). Happy news not only because the deal was an “up-round” from what the Band and Acorn Fund invested at, but also because of the significant validation this presents to the company’s SaaS platform.

One note for those interested; we sponsor the annual DEMO conference and have a few free passes available to our members who might wish to attend. Don’t miss Ron Conway’s talk to our Internet SiG or forget to RSVP for our golf tournament!

- Ian