

Venture Capitalists Reflect On Past 10 Years

by Scott Austin

When I first began working for VentureWire in 2004 after laboring as an editor on Dow Jones Newswires' public-equities desk, I studied up on the mechanics of venture capital – how funds work, how term sheets are structured, all the financial minutiae that makes the industry tick.

I learned about the people and companies that shaped its origins, the emergence of Sand Hill Road and Silicon Valley, the boom years that created overnight rock stars and the ensuing bust that tore them down just as quickly.

And while I'm continuously fascinated by all these changing dynamics, what really keeps me going as the editor of a venture-capital trade publication are the stories behind the stories. For very few people can spin a yarn as well as a longtime venture capitalist.

In that spirit, and to celebrate VentureWire's 10th anniversary this week, our reporting and editing team asked VCs to give us one of their favorite personal memories of the venture capital business in the past decade or so. Some VCs had trouble choosing just one memory, while others recounted the colorful story behind an investment. The following is an edited compilation of selected answers. While this is just a minuscule sampling, we wanted to give our readers a chance to reflect on something positive at a time when gloomy news is the norm.

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Reid W. Dennis, general partner, Institutional Venture Partners

"My favorite memory of the past 10 years is the outstanding record of IVP X as a late-stage, public-market fund. It is the 10th fund in which I have been a general partner, and for a 2000 year vintage fund, it is at or near the top of the list in performance and a great way for me to retire from this industry that I have enjoyed so much for the past 56 years!"



Dennis Phelps, general partner, Institutional Venture Partners

"Meeting Reid Dennis, a true VC legend, for the first time in October 2001. The tech bubble had burst, the nation was in shock from 9/11, and the stock markets were plummeting. Venture capital firms across the nation were downsizing and preparing for the "nuclear winter" ahead. I had just left another firm [Internet Capital Group] and was nervous about the future. In my first meeting with Reid before joining IVP [the firm he founded in 1980], he opened the meeting by singing aloud the entire four-minute version of my college alma matter as I stood patiently in his office doorway waiting to introduce myself. When he finally concluded, he said, 'All my partners think you are a terrific guy. I trust my partners, so welcome to IVP! Let's get to know each other.'"