

Aster Data Adds IVP Cash To B Round

by Scott Denne

Less than two months after closing a \$12 million Series B, Aster Data Systems Inc., a maker of data warehouse software, has added \$5 million to the round.

Institutional Venture Partners provided the new tranche. The first closing of the round was led by new investor Jafco Ventures, with participation from Sequoia Capital, Cambrian Ventures and First Round Capital. The valuation was not disclosed.

The company, which had been in discussions with Institutional Venture Partners before Jafco Ventures made its offer to lead the Series B, decided to give themselves a bigger cushion, given the state of the economy, said Mayank Bawa, Aster Data's chief executive.

Aster Data's nCluster software is designed to run powerful data warehouses on low-cost commodity servers. The use of commodity servers keeps the price down and allows customers to add as much compute power as they need, when they need it, said Steve Harrick, a general partner with Institutional Venture Partners. "We like that in a recessionary environment because it keeps them from getting stalled in long sales cycles."

Early customers of Aster Data include Aggregate Knowledge Inc., Akamai Technologies Inc. and News Corp.'s MySpace. (News Corp. also owns Dow Jones, publisher of VentureWire.)

NCluster is well-suited to the needs of Web companies because of the large amounts of data they have about users, mixed with the need to sort through that data to deliver advertising, Bawa said. For example, Web videos see a sudden spike in traffic, which usually disappears as fast as it comes, making short data analysis time critical to delivering targeted advertising, he said.

The company also recently began offering a hosted version of its software that is deployed through Amazon.com Inc.'s Amazon Web Services and AppNexus Inc.

Aster Data has now raised a total of \$27 million. Harrick will join the company's board as an observer.

Aster Data raises \$5M more for data warehousing

by Anthony Ha

Data warehousing startup Aster Data Systems has added another \$5 million to its second round of financing, bringing its total capital to \$27 million.

The Redwood City, Calif. company stores data for business analysis purposes for some big-name customers, including MySpace. Its nCluster system has the advantage of running on cheap servers, using the MapReduce programming framework popularized by Google to allow for more detailed queries. On top of that, it doesn't have any downtime.

Chief executive Mayank Bawa says he spoke to new investor Institutional Venture Partners while raising the second round, but found that there wasn't room to add IVP to the recent funding. However, after closing the round, Bawa decided that raising extra cash could provide a good cushion for the downturn.

IVP General Partner Steve Harrick, who led the investment, noted that with its low cost, Aster's value has become even more apparent during the recession. He also emphasized that Aster is taking a more advanced look at data warehousing compared to competitors like DATAlegro and Teradata.

"The core of that [competing] software was written, six, eight, 10 years ago, depending on the vendor," Harrick says. "And it was updated, obviously, but this, according to the customers we've talked to and everything we've seen, is a fundamentally different approach."

Since closing its second round in January, Aster hasn't been standing still. It announced a version of nCluster that works in the cloud (specifically, Amazon Web Services), rather than on site hardware. There are some unique features to Aster's cloud offering, like the ability to "hibernate" databases (by sticking them in cheap storage) when you don't need them.

IVP Works Its Way Into Aster Data Systems Deal

by Stacey Higginbotham

Aster Data Systems, which makes software that allows companies to build massively scalable databases on commodity hardware, has raised an additional \$5 million as part of its Series B round of funding from Institutional Venture Partners. Aster had originally closed \$12 million back in January, but CEO Mayank Bawa says the company extended the round in a nod to the recession — and for the opportunity to work with IVP General Partner Steve Harrick.

Harrick was an investor in open-source database MySQL, which was sold to Sun Microsystems, and Bawa says Harrick's knowledge in the database world will be helpful as Aster tries to beat out the larger data warehousing players such as Teradata and Netezza, as well as smaller competitors like GreenPlum.

With more people offering up more information about themselves online, the need for data warehousing and analytics are pressing. However, the existing giants in that space offer products that are expensive to use on a massive scale. That has pushed web site owners such as MySpace (which uses Aster's software delivered as an appliance) into using tools from companies like Aster to build their own data warehouses for less. For those that want to avoid owning their own servers and appliances, Aster two weeks ago announced the availability of its software on both the Amazon Web Services and AppNexus clouds.