



ARCH Venture Partners



**ARCH Venture Partners , L.P.**

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NASVF ---Managing & Measuring Portfolio  
Companies  
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## ARCH Venture Partners , L.P.

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- Life, Physical and Information Science Breakthroughs from Leading Researchers in the United States
- Lead or Co-lead Seed and Series A
- \$350MM AVFVI—March 2003
- Austin, Seattle, Chicago and San Francisco



# Creating Value: The Point

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- Establish Company's Sector Leadership

IPO Sizzle

- Establish the Company's Business

M&A Steak



## Sector Milestones are Unique

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- Life Science
- Physical Science
- Information Science



## Milestone – Know's

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- What do Investors Considered Value Enhancing Attributes for Similar Companies
  - ❑ Operational, Competitor, Customer
  - ❑ Partnerships, IP, Clinic, etc
- Time and Cash Constraints
- Inform Your Decisions--Verify



## **Milestone – Do's**

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- Complete Management
- Complete Board (Industry/Entrepreneurial)
- Scale Technology
- Validate Market Receptivity
- Consolidate IP
- Non Equity Financing



## Milestone Measurement

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- Quantifiable & Subjective Progress (Internal & External)
- Integrate with Board Compensation Committee Process & Exec Comp
- Series B Investor Validation
- Inherent Non Linear Nature of Progress



## Recent Case Study: Crystal IS

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- RPI later Cree Seed Deal in AlN Technology
- Management--CEO
- Product---Deep UV LED & High Power IC
- Technology---Scale
- Sector---GaN Compound Semi
- Financial---Syndicate
- Board---Industry/Entrepreneurial



# ARCH Portfolio Company Management

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- Stay Close/Multiple Interaction Points
- External---Progress Focus (IP, Partnerships, Syndications, Recruiting, M&A)
  - ❑ Value Add Investor
- Internal---Process Focus (Best Ideas Being Considered/Adopted)
  - ❑ CEO runs the show
- Periodic Board/Partnership/Syndicate Reviews
- Competition Benchmarking



# ARCH Portfolio Company Management

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- Reward Individuals & Praise Team Achievement
- Corrective Action in Private
- Drive Change When Appropriate
- Have Fun With This