



VCs take startups on the road

VC-sponsored technology days introduce busy execs to the bleeding edge

By Ephraim Schwartz
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InfoWorld's [Month of Enterprise Startups](#) (or "MoES" for short) is one way to get exposed to fresh, innovative ideas that are offbeat -- a way to get IT staff thinking about different areas that they might not have got involved in without it. But MoES is not the only way.

The realization is percolating throughout the upper ranks of enterprises that, although they hear a lot from the likes of IBM or Microsoft, company executives are all too often in the dark about what smaller technology companies are doing. And, with busy schedules that run as close to 24/7 as is humanly possible, there's little time for them to go looking on their own at trade shows or industry conferences, where new companies typically display their wares.

"There is little inclination on the part of an enterprise to spend the money and time to pull IT staff away from day to day tasks in order to send them to conferences that take place around the country and the globe practically every month of year," says Joseph Cerro, formerly head of Informatics at Bayer Pharmaceuticals and now head of The Schooner Group LLC, a consulting firm that specializes in high-end informatics and IT innovation consulting.

For more and more companies, the solution to that problem is a "technology day" -- a traveling road show where the startups come to them, rather than the other way around.

Venture capital firm Mirador Capital launched its "technology days" program a year ago. It works like this: Mirador, with connections across the venture capital landscape, invites relevant startups and smaller established companies to come in and make a presentation to large enterprise-level companies. Mirador acts as a neutral third party, reviewing what their clients' needs are what opportunities they are looking for.

In the second stage, Mirador nominates and suggests companies that might fit. Enterprises review the list and follow up with a subject matter call of an hour or two with each company. Finally the list of companies is winnowed down to between five and 20 companies that will be asked to present.

Mirador's not the only firm to light on the idea of a traveling roadshow.

"[Intel](#) has their version of this for their portfolio companies. They did about 50 of these last year," says Ken Hausman, a managing director at Mirador. "The startups gave us an overview of their technology and what problems they thought their technology solved and what their approach around that would be," says Cerro of the technology day run by Mirador that Bayer hosted.

The idea appears to be catching on. When Mirador set a technology day for British Telecom, for example, BT flew in all of its worldwide CTOs. It does the same thing for Motorola, British Petroleum, and CitiCorp to name a few.

"CitiCorp met with 50 companies, 20 minutes each," Hausman says.

One reason for the success of the program, Hausman believes, is that in a fluid business economy, IT executives move around too much to get a feel for what is out there.

"They are busier than heck, and they haven't been in a company long enough so they don't have the established relationships that you would if you were at a company for 20 years," Hausman says.

But the value of holding technology days does not just go to the host company. It also benefits the startups. Cerro recalls that following the technology day at Bayer, the company started pilot projects with a couple of the presenting companies.

Having to sing for your supper in front of a roomful of knowledgeable IT executives also helps aspiring companies hone their messages and focus their offerings. Cerro recalls that some companies that came through didn't understand what the unique selling points of their technology were to an enterprise.

"They were not hitting the market sweet spot," Hausman says.

The feedback to these companies was invaluable. "That's something the startups weren't really expecting," Cerro says.

Finally, and not surprisingly, the venture capitalists benefit too, getting access to director and vice president-level execs who give them proprietary information about what is important to their employers.

Cerro believes if an enterprise sees an interesting idea from a startup it can probably buy the technology inexpensively. But what really makes technology days a hit is that the incentives are spread around very nicely.