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VENTURE CAPITAL FORUM GETS HEALTHY RESPONSE

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While the economic havoc wrought by this month's terrorist attacks is making venture capital firms more cautious, organizers of next week's SmartStart Venture Forum say they have been overwhelmed by the response from prospective investors.

"When we originally started out, I thought we would be doing well to get 30 investors to come to upstate New York," said Robert Buckley, coordinator for Empire State Venture Group Inc., an affiliation of colleges and local economic development entities staging the forum. "Now we have over 50."

The forum, the first in what is planned as an annual event to showcase young Capital Region companies, starts Monday with a reception at the Albany Marriott on Wolf Road. On Tuesday, 27 companies -- whittled down from more than 100 that applied in the fall -- will give eight-minute presentations to venture capitalists from the Northeast and beyond.

The businesses range from fish farms to financial service firms and from biomedical companies to construction operations, Buckley said. Most are from the Northeast, and 12 are from the Capital Region. They are seeking anywhere from \$1 million to \$10 million to get ideas off the ground, or to move the company to the next stage of development.

But it remains to be seen how many of the venture capitalists on hand will be just window-shopping.

On Wednesday, the Arlington, Va.-based National Venture Capital Association released a statement predicting "an extremely difficult economic environment over the next 12 to 18 months" for the venture capital industry.

"It's a little bit too early to tell what will happen," said Jeanne Metzger, vice president of business development and public affairs at the association, which represents 400 venture firms nationwide. "The industry itself was already feeling a downturn when this (the attacks) happened."

But Buckley said the strength of the companies' ideas is likely to win over some funding. Originally, organizers planned to allow only 20 presentations.

Buckley said the presenting companies, and several others, will have display space nearby so they can answer follow-up questions from prospective investors. The forum will accept registration at the door for those interested in watching the pitches.

One of the companies looking for opportunities at the forum will be FA Technology Ventures, a nearly year-old arm of First Albany Cos. Inc. that focuses on information and energy technology companies.

John Cococcia, a founding member and principal, said there are investment firms out there ready to sign on.

``Everybody is being cautious," he said. ``Everybody is taking their time, conducting due diligence. We're no different in that respect. But we are actively out there looking to make new investments."