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WEB WAVE OVER, VENTURE CAPITAL SLOWS TO TRICKLE

KEVIN HARLIN Business writer

Albany Venture capital deals remain hard to come by in the Capital Region, according to the latest installment of a closely watched investment survey.

The PricewaterhouseCoopers quarterly MoneyTree Survey showed just two deals for upstate New York in the second quarter, and neither were in the Capital Region.

The \$15.5 million secured by Tompkins County-based Kionix Inc. and Monroe County-based Concentrix Corp. is the lowest tally for upstate since the second quarter of 1998.

Still, venture capitalists and those who work with start-ups said many smaller deals were missed in the quarterly report. And there is still money out there for the right companies with the right business plans.

“The venture firms have money,” said Robert Buckley, coordinator for the Empire State Venture Group, which hosts an annual forum in Colonie to match young New York companies with investors. “One of the things I’m hearing is that a lot of them have had their money for two or three years and they’re looking to put it into something that makes sense.”

Kionix, which designs and manufactures microelectromechanical devices, landed \$15 million from a team of venture firms and private investors. Concentrix, which helps companies integrate sales and marketing databases, secured \$500,000.

They were two of the 819 companies nationwide which landed a total of \$5.7 billion in the second quarter, according to the report. That number was down 11 percent from the first quarter and was the lowest since the third quarter of 1998.

John Cococcia, a founding member and principal of FA Technology Ventures, the venture capital arm of First Albany Cos., said the funding cycles have grown longer as companies spend far more time vetting potential investments.

Deals that might have been done in weeks during the height of the Internet boom are now taking four months, six months, even a year, he said.

“There’s money out there, but it still takes a long time,” he said.

Buckley said of the 27 firms that presented their business plans at Empire State Venture’s first SmartStart Venture Forum last year, 10 secured funding, totaling more than \$20 million.

Organizers are in the process of whittling 72 applicants down to the roughly 30 that

will present their plans at this year's forum, set for Oct. 3.