

## Sevin Rosen Funds

Established in 1981, Sevin Rosen Funds has a distinguished track record of success. Committed to working with entrepreneurs that have the potential to transform industries, the influence of this private equity firm is far reaching. They have provided the seed capital for such venerable institutions as Compaq, Lotus, Ciena, and Citrix.



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GREG BELTZER,  
PROJECT MANAGER,  
SEVIN ROSEN FUNDS

Sevin Rosen Funds employs a unique blend of technical vision and operational expertise to identify at an early stage the potential of their portfolio companies. And they have also cultivated a vast network of relationships consisting of entrepreneurs, limited partners, colleagues, industry advisors and other contacts who provide financial, professional and other resources to facilitate deals.

### Evolving Needs

Having carved out expertise in the area of emerging technologies, the firm understands the important role that information technology (IT) plays in the ever changing, bustling financial services space. To complement the knowledge assets it brings to bear for its clients, Sevin Rosen Funds has implemented a sophisticated IT strategy that is capable of responding quickly to changing market conditions.

One example of the firm’s nimbleness comes in the area of Relationship Intelligence. Until recently, the usual arsenal of spreadsheet and contact management technology was all that they used to manage strategic relationships. “Our professionals are scattered throughout the country,” says Greg Beltzer, who is in charge of the firm’s CRM implementation. “They use Microsoft Outlook and Palm/BlackBerry devices to manage relationships. Our marketing department managed their information primarily in Excel and various other databases.”

Growth is one of the rewards of a sound business. But it can also quickly become an inhibitor unless managed correctly. This is especially true as firms try to wade through an exponentially expanding sea of information about people, companies, relationships, experience and expertise — critical Relationship Intelligence upon which early firm successes were anchored and continued success depends.

Sevin Rosen Funds realized that they had outgrown their existing relationship infrastructure last year during the organization of an important event. According to Beltzer, as the firm and its influence grew, organizing strategic events like this had become increasingly complex and unwieldy. “There was no centralized system in place. The information was kept on many different spreadsheets.”

Staff had to integrate and update invitation lists manually, which was an extremely labor-intensive project. “Our marketing director would pull the contacts from the spreadsheets. These documents were only as good as the last date they were used. She would then have to go through and check the contacts to make sure the information hadn’t changed and sort through what changes were required to ensure an accurate and up to date list. It was like reinventing the wheel for every marketing campaign.”

Despite the time and effort invested in managing this assortment of lists, mistakes inevitably occurred, which proved costly. For instance, it was discovered that certain people were inadvertently omitted from an invitation list. Serious discussions ensued to prevent a recurrence of these errors.

The situation was no longer sustainable. They needed a package that would allow them to tie together and manage the firm’s Relationship Intelligence from all of its various sources into one centralized system. They found their solution in LexisNexis® InterAction®, a relationship management tool for venture capital, private equity, investment banking and other financial services firms.

InterAction is a flexible and uniquely designed platform that delivers Relationship Intelligence throughout the organization quickly, efficiently and cost-effectively. The system uses four unique processes for building the centralized Relationship Intelligence knowledge base:

**Relationship Discovery:** Automatically aggregates information from disparate sources and derives hidden relationships in the data.

**Relationship Management:** Handles database management, security, and ensures a single instance of a contact within the system.

**Marketing Automation:** Provides tools to synthesize Relationship Intelligence to support marketing campaigns, data mining and analysis and other strategic marketing efforts.

**Knowledge Delivery:** Delivers Relationship Intelligence to professionals on their platform of choice, anytime, anywhere.

### Facilitating Due Diligence & Sound Investing

Very quickly the new system started delivering value both from a firmwide, strategic perspective and from a tactical, cost-cutting and efficiency perspective. For instance, partners are now beginning to view Relationship Intelligence as an important asset for facilitating the due diligence process when considering investment in prospective portfolio companies.

If the firm doesn't have direct knowledge about the portfolio company or its management team, frequently they have relationships with people that do. These indirect channels for information are critical, as they allow Sevin Rosen Funds to complete due diligence and make investment decisions based on all the facts.

Prior to implementing InterAction, the firm had no systemic way to know whether it was exhausting all known relationships when conducting investigations on potential portfolio companies. Beltzer reports that the Relationship Intelligence delivered by InterAction largely automates this process. He cites the system's Who Knows Whom™ function, which instantly reveals who within the firm has any with a particular contact, as one example. "Now a partner can simply click on the Who Knows Whom icon to find out if anyone else has ever worked with a company or done business with them. If the system reveals a name, the partner can call that person to get more background."

InterAction also helps firm members establish important connections between partners and prospective business colleagues. "If a partner is attending a presentation at a potential portfolio company and doesn't know any of the attendees, he can check the system to see if they have any common connections. It expands the conversation."

### Return on Investment

Beyond the strategic benefits that Sevin Rosen Funds' professionals are enjoying from the new system, the marketing team is experiencing some equally impressive value as well. The firm hosts up to 20 company events throughout the course of the year. Previously, creating the lists for each event was extremely labor intensive. Beltzer says that with InterAction, the process is far more efficient. "It used to take them at least a full day's work to compile the lists, create the mail merge letters and get the invitations out. With InterAction, all they have to do is put a check mark next to our target contacts and click to send out a personalized broadcast email. The whole process takes less than an hour."

Moreover, the system's marketing automation functionality now allows Sevin Rosen Funds to centrally manage all aspects of their events and campaigns. The marketing department simply creates new "folders" for each event, which enables them to create subsets of contacts within InterAction without creating

duplicate contact records. Custom fields, classifications and activities can then easily be created that pertain only to a specified event or campaign. Beltzer elaborates: "For instance, they can create additional fields indicating that the invitation has been sent out or that the recipient will attend or not."

The system's data mining capabilities then allow the event organizers to easily report off of this data. "It's very easy to create custom queries or searches over the data to answer questions like, 'Who has responded to the invitation?' or 'To whom have follow-up letters been sent?' It's a big time saver and frees up their time to undertake activities that are more core to our business."

InterAction's ability to integrate with other software packages, such as Sevin Rosen Fund's accounting package, Investran, as well as complementary technologies, such as portals, intranets and extranets, has also created substantial efficiencies and savings. The firm can synchronize select financial data from Investran with InterAction data. This Relationship Intelligence can be used to provide a complete, 360-degree view of the firm's relationship with limited partners without creating duplicate data.

Moreover, the Relationship Intelligence can also be used to provide value to the limited partners via the firm's extranet while saving money at the same time. For instance, in the past the firm published hard copy quarterly reports for their limited partners at a substantial cost. However, now the firm can create a special extranet powered by InterAction that enables the limited partners to sign on to the site, enter a unique password, and access the same information online. Aside from the substantial savings in printing and labor, Beltzer reports enormous cost savings due to reduced data entry. "Previously, we had to manually enter in the contact data to enable the client extranet. It took approximately two weeks of effort for every 200 contact records that had to be re-keyed."

Beltzer reports that by taking advantage of InterAction's knowledge delivery functionality, the labor involved in these extranet projects is being slashed by over 4000%. "Before, we had budgeted two months to get the user information set up for the extranet. With InterAction, it took less than a day."

### Positioned for the Future

Sevin Rosen Funds is only a few months into their implementation and already they are enjoying substantial returns. But beyond the increases in efficiency and cost savings they're realizing today, they are now positioned to harness their relationships systematically to ensure that all stones are turned and all options are considered before making critical investment decisions. "The more our partners use InterAction, the more interest they have," concludes Beltzer. "They're now realizing all it can do for them."

