

TECHSTARS USES AIM TO GET ORGANIZED AND FACILITATE FUTURE GROWTH

techstars

Based in Boulder, Colorado, Techstars provides seed funding, intensive mentorship, and access to a network of mentors and alumni in exchange for equity in high-tech startups. Techstars is widely considered to be among the top startup accelerators in the world and companies participating in the Techstars program average \$1.5M in outside venture capital raised.

Until 2012, data that Techstars tracked on its portfolio companies was stored in shared folders in the form of spreadsheets and other documents. According to Techstars Director of Valuation & Investment Data, Mike Rizzuto, the data was unorganized and making sense of it was time-consuming. “To answer any question would be a large research-style project,” Rizzuto says. “It was a lot like a bowl of spaghetti--everything is there but just digging through and finding the data you want and organizing it correctly was very difficult.”

Contact information for the extensive Techstars network was also scattered, usually stored in executives' email or personal address books. Trying to get an executive to find someone's contact information was often difficult and sometimes the team wasn't able to find contact information at all.

“It took people and resources to understand all of the data we were keeping track of,” says Rizzuto, “and at that point two years ago we had 300 fewer investments. Our problem would be really bad now if we didn't do something.”

Altvia VP of Products, Jeff Williams agrees that it was crucial for Techstars to get ahead of its growth so it could continue to scale. “If you're going out to raise a fund, of course software can help you line up your prospects and LPs,” he says. “But then when you have a portfolio of 25 companies and no software, you've got a problem and when you have a portfolio of 100 companies and no software, its becomes an increasingly more complicated and expensive problem to solve.”

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Techstars knew about Altvia and was familiar with AIM because Altvia was a member of the Techstars Boulder class of 2008. In addition to wanting to work with a company they knew and trusted, Techstars was comfortable working with Altvia because they felt the team at Altvia understood the incubator market.

Says Rizzuto, "It was good that Altvia understood our industry, they understood that we weren't exactly like everybody else, and that we had different needs." "And when it came to some things that weren't stock in the AIM system," he adds, "Altvia was able to work around that and make it a system that worked for us."

Rizzuto says the biggest benefit of using AIM is that he can now answer questions. "We know what a portfolio is valued, we know what amounts our companies have raised, and we understand our companies better," he says. "Information isn't buried in somebody's inbox or in Dropbox—it's out where we can share it and everybody can be part of maintaining it."

Using AIM to store the entire organization's contacts has also made it easier to track down

contact information. "I can go pull a list of founders by just running a report out of AIM," says Rizzuto. He adds, "AIM has become the official record of Techstars and if it isn't right in AIM, it's not right anywhere."

Techstars is also now using the AIM Investor Correspondence product and Altvia's ShareSecure data room product to create and share documents with LPs.

Perhaps the biggest benefit, according to Williams, is that Techstars has effectively leveraged technology to facilitate its rapid growth. "With AIM, Techstars is able to continue its remarkable growth without the growing pains. But even more important, it can use data to tie its universe together, which is an important piece of the value it adds to companies lucky enough to be chosen for Techstars programs", says Williams. "If they had the number of investments they have today but were still using the systems they had two years ago, they'd have a mess on their hands."

Rizzuto's advice to firms in their position?: "Get organized. Otherwise," he says, "you're spending all your time trying to figure out who you're supposed to contact or the details about your investments. But if it's in one place like it is in AIM, it's easy to see in a picture."

