

WASHINGTON TECHNOLOGY

industry association



Venture Capital Outlook Survey Second Quarter 2010

Raw Data

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Answers to Questions Venture Capital Outlook Survey 2nd Quarter 2010

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Question: Overall Confidence

Question: 1) For the coming quarter, what is your confidence in the *quality* of the NEW deal flow compared to the prior quarter?

Substantially Better	0%
Moderately Better	0%
Same	100%
Moderately Worse	0%
Substantially Worse	0%

Question: 2) For the coming quarter, what is your confidence in the *quality* of the deal flow expected to close, compared to the prior quarter?

Substantially Better	0%
Moderately Better	0%
Same	100%
Moderately Worse	0%
Substantially Worse	0%

Question: 3) For the coming quarter, what is your confidence in the *quantity* of the NEW deal flow compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	38%
Same	63%
Moderately Lower	0%
Substantially Lower	0%

Question: 4) For the coming quarter, what is your confidence in the *quantity* of the deal flow expected to close, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	13%
Same	63%
Moderately Lower	25%
Substantially Lower	0%

Question: 5) For the coming quarter, what is your expectation for the deal valuations for new investments in early-stage (pre-revenue) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	13%
Same	88%
Moderately Lower	0%
Substantially Lower	0%

Question: 6) For the coming quarter, what is your expectation for the deal valuations for new investments in mid-stage (revenue to \$10m) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	50%
Same	38%
Moderately Lower	13%
Substantially Lower	0%

Question: 7) For the coming quarter, what is your expectation for the deal valuations for new investments in late-stage (\$10m+ revenue) companies, compared to the prior quarter?

Substantially Higher	0%
Moderately Higher	50%
Same	38%
Moderately Lower	13%
Substantially Lower	0%

Question: 8) As you look at the quarter ahead, describe the biggest challenge you see regarding the investment environment.

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Question: GENERAL TRENDS OF EXISTING PORTFOLIO COMPANIES BASED IN WASHINGTON STATE

Question: 9) For the next twelve months, do you expect the Washington State workforce for your portfolio companies to:

Decrease by More Than 10%	0%
Increase by More Than 10%	25%
Stay Approximately the Same	50%
Don't Know	25%

Question: 10) In the next twelve months, what percentage of your portfolio companies do you expect to offshore any significant business functions?

Zero	25%
1-15%	75%
16-30%	0%
31-45%	0%
46-60%	0%
61-75%	0%
76-100%	0%

Question: 11) How do you see the revenue growth for your portfolio companies in the upcoming quarter?

Substantially Better	13%
Moderately Better	63%
Same	25%
Moderately Worse	0%
Substantially Worse	0%

Question: 12) Rate the main challenges for your portfolio companies? (Most challenging to Least challenging)

1	2	3	4	5	6	7	
0 %	38 %	25 %	25 %	13 %	0 %	0 %	

Question: Attracting & Retaining Talent: Senior Leadership (Most challenging to Least challenging)

1	2	3	4	5	6	7	
13 %	25 %	13 %	38 %	0 %	13 %	0 %	

Question: Attracting & Retaining Talent: Staff (Most challenging to Least challenging)

1	2	3	4	5	6	7	
0 %	0 %	38 %	38 %	13 %	0 %	13 %	

Question: Overall Market Growth (Most challenging to Least challenging)

1	2	3	4	5	6	7	
25 %	38 %	38 %	0 %	0 %	0 %	0 %	

Question: Competition (Most challenging to Least challenging)

1	2	3	4	5	6	7	
0 %	13 %	38 %	25 %	25 %	0 %	0 %	

Question: Local Business Conditions (e.g. Taxation, Transportation) (Most challenging to Least challenging)

1	2	3	4	5	6	7	
0 %	13 %	25 %	38 %	0 %	25 %	0 %	

Question: National Business Conditions (Most challenging to Least challenging)

1	2	3	4	5	6	7	
25 %	25 %	25 %	0 %	13 %	0 %	13 %	

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Question: VENTURE CAPITAL INVESTMENT OUTLOOK

Question: 13) How many NEW investments in Washington State companies do you plan to make this quarter?

0	25%
1-2	75%
3-5	0%
more than 5	0%

Question: 14) How many FOLLOW-ON investments in Washington State companies do you plan to make this quarter?

0	0%
1-2	88%
3-5	13%
more than 5	0%

Question: 15) What do you expect the average size of the NEW investment rounds to be this quarter?	
\$1-3M	13%
\$3-6M	38%
\$6-10M	13%
\$10-20M	0%
\$20M+	0%
N/A	38%
Question: 16) What do you expect the general stage of NEW investment to be for this coming quarter?	
Seed	43%
A Round	43%
B Round	14%
C Round	0%
Question: 17) Do you plan to co-invest with out-of-Washington State firms this coming quarter?	
Yes	No
100 %	0 %
Question: 18) Do you plan to co-invest with in-state VC firms this coming quarter?	
Yes	No
100 %	0 %
Question: 19) Do you expect any of your portfolio companies to go public this coming quarter?	
Yes	No
13 %	88 %
Question: 20) Do you expect any of your portfolio companies to be acquired this coming quarter?	
Yes	No
13 %	88 %
Question: 21) How would you characterize the current competition from other VC's in or outside the region?	
Greater than last quarter	0%
The same as last quarter	100%
Less than last quarter	0%



The Washington Technology Industry Association publishes the results of this survey on a quarterly cadence and believes the value of the data will only increase over time. We appreciate the time and support of the participants.

For questions or comments on this survey, please contact David Kosciuk at 206.448.3033 x134, dkosciuk@washingtontechnology.org. For media inquiries, please contact Kevin Pedraja at Sterling Communications, kpedraja@sterlingpr.com.

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