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Venture Capital Dries Up In Florida, Survey Says

By Cherie Jacobs

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TAMPA - Florida companies seeking venture capital are having a sense of deja vu: You need to make money to get more money.

Investors appear to be returning to an old pattern in Florida of not funding risky start-ups.

"This is the way it once was. Is it a trend? I do not know," said Marty Donsky, marketing manager for Florida Technology Practice, an arm of the PricewaterhouseCoopers accounting firm.

Venture-capital firms pool money from large investors, then use it to finance young or expanding companies. It's a high-risk investment with potentially big payoffs if the firm goes public or is acquired.

In the second quarter of this year, 12 Florida companies received \$260.7 million in venture investment, according to the MoneyTree Survey by PricewaterhouseCoopers in conjunction with Venture One, a San Francisco research firm. In the same quarter of 2000, 25 Florida companies got \$288 million.

In the mid-1990s, most funding in Florida went to later-stage companies with track records.

In the Internet boom of 1999 and 2000, more risky early-stage firms were funded. "That's really disappeared," Donsky said.

Also, few Florida-based venture firms are backing Florida companies, he said.

Blue Ocean Software of Tampa received \$25 million in the quarter - the only Tampa area company to receive funding.

The company develops software for businesses to manage computer work-orders. It has been in business 10 years and is profitable. It will use the backing for growth.

Bradenton's Decision Management International, which develops medical software, got \$14 million in the quarter.