



Article 156

September 26, 2010

Private-Equity Investors See Promise In Young New Mexico Ventures

By Stephanie Spong, Principal, Epic Ventures

Entrepreneurs looking for additional funding to launch or build a business have numerous options in New Mexico. Those with experience, skills and passion can choose from a number of potential sources of private-equity capital, whether they are “angel” or institutional equity investors. Determining which source to pursue depends largely on industry focus, business stage and the amount of money needed.

Angel investors

An “angel” is an accredited individual who invests personal capital in an early-stage business with the expectation of substantial return. Angels often are the bridge between the self-funded stage of the business and the point at which a venture capitalist would invest. New Mexico Angels (www.nmangels.com) is an angel network whose members prefer investing in seed and early-stage ventures in a wide range of industries, not just technology companies. Initial investments range between \$100,000 and \$500,000.

Institutional equity investors

Numerous institutional equity investors are at work in our state.

Epic Ventures (epicvc.com), formerly Wasatch Venture Fund, targets early-stage companies in software, Internet infrastructure, energy efficiency and advanced-materials fields. Its new name reflects Epic’s evolution from a Utah firm to a fund with regional and national interests. Initial investment range: \$500,000 to \$2 million.

Flywheel Ventures (www.flywheelventures.com) invests in physical and digital infrastructure, energy and water projects, especially those generated by the region’s research universities, research-and-development organizations and national laboratories. Flywheel also manages the New Mexico Gap Fund, which provides up to \$200,000 to seed-stage entrepreneurs. Initial Flywheel investment range: \$100,000 to \$1 million.

International Venture Fund/Invencor (www.invencor.com) prefers co-investing in technology enterprises. It currently invests only in companies in its existing portfolio.

Mesa Capital Partners (www.mesacapitalpartners.us) invests in early-stage manufacturing and service companies in underserved industries and locations. Initial investment range: \$500,000 to \$2 million.

New Mexico Community Capital (www.nmccap.com) targets underserved areas and industries to achieve financial and social returns. Its industry focus is broad, but NMCC prefers later-stage or expanding ventures. Initial investment range: \$500,000 to \$1 million.

Sun Mountain Capital (www.sunmountaincapital.com) manages a \$60 million state investment fund. It seeks co-investment opportunities in any industry, preferring early-stage, startup and expanding ventures. Initial investment range: \$300,000 to \$10 million.

Verge (www.vergefund.com) invests in seed-stage technology companies in the Southwest. Initial investment range: \$100,000 to \$1 million.

Village Ventures (www.villageventures.com) seeks opportunities in emerging domestic ventures in consumer media, retail, health care and financial services. It prefers seed and early-stage companies. Initial investment range: \$500,000 to \$1.5 million.

vSpring Capital (www.vspring.com) prefers investing in seed, startup or early-stage biotechnology, life-sciences and information-management companies, although it does help later-stage companies if circumstances warrant. Initial investment range: \$2 million to \$3 million (though investments of \$250,000 to \$5 million have been made.)

For definitions of the various stages of business development, see the Finance New Mexico website.

Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC) and its partners to assist individuals and businesses in obtaining skills and funding-resources for their business or idea. To learn more, go to www.FinanceNewMexico.org.

