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Scoring big:
Krossover's
Vasu Kulkarni.



A SLAM-DUNK SERVICE

Big-time game analysis comes to school teams

Computer engineer Vasu Kulkarni, a lifelong basketball fanatic, had no luck getting his dream job with Nike or the NBA after graduating from the University of Pennsylvania in 2008. But he knew he wanted to stay “connected to the game of basketball.” He found that connection in 2009, when he launched Krossover, a company that set out to bring high-tech sports analytics to high-school and college athletics.

It’s a Saturday-morning ritual for student basketball teams everywhere:

gathering to watch the film from Friday night’s game. While coaches may pinpoint mistakes, and players may zero in on their own failures or successes, few high-school and college athletic programs have the technology to make full use of those films the way professional teams can.

The online video and analytics platform from New York City-based Krossover bridges this technology gap. Coaches upload video after a game; within roughly 24 hours, it is analyzed and indexed by four Krossover employees, who tag

Follow the money trail

Who's investing in that VC? The answer may help you get a foot in the door.

hundreds of plays for each athlete, such as shots, steals, rebounds, assists and fouls. Later the coach can access the game video on Krossover's site and sort through stats, choosing to view, for example, the number of rebounds achieved by the center. Players, meanwhile, can use Krossover to splice together all their dunks in one video file and share it with whomever they like.

In 2010, while peddling a crude prototype of his product at U.S. basketball camps, Kulkarni met one high-school coach whose team had lost 63 games in a row. The coach signed on for Krossover, and after using the product for one season, his team came within one game of the Massachusetts state championship. "Stories like his have helped us to show that there's a competitive advantage to using our product," Kulkarni says.

Packages start at \$799 per season; added services include the option to cut turnaround time and to provide stats on the opposing team as well.

Last year Krossover pulled in more than \$3.5 million in angel funding to expand its service to cover lacrosse and football in time for the 2013 season. Many investors, Kulkarni says, are attracted to the inherent "sexiness" of sports businesses. "While a lot of traditional technology VCs shy away from sports, most professional investors have some sports connection—they played in high school or college, or they have kids playing," he explains. "Being involved in a sports business is fun."

Greg Cangialosi, CEO of Nucleus Ventures, invested in Krossover individually and then brought Kulkarni to his home base of Baltimore to organize a round of funding with other local angel investors.

"I was impressed with the product and the market," Cangialosi says. "There are 250,000 sports teams that could use Krossover in high school and college. And Vasu is impressive. He has the ability to get things done, or what a lot of investors call 'the hustle.'"

Sounds like the kind of player any coach would want on their team.

—Nancy Mann Jackson

The Watergate-era saying "follow the money" has never been truer in the world of venture capital. An asset class once reserved for pension funds and banks now routinely sees investments from corporations, state economic development agencies and universities. This is good news for entrepreneurs, as it creates more transparency within the VC firms—it's now easier to connect the dots to the sources of their funding and get a better sense of what companies they will be attracted to. While the level of investor involvement varies significantly from firm to firm (some never answer to their investors), uncovering this information can give a startup a better line on which VCs to pitch. I've broken the field of VC investors down into the three main players.

Corporations. Large corporate conglomerates participate in VC funds to help them uncover new companies and technologies to buy. The VCs serve as talent scouts in their technology areas of interest.

If your dream is to be bought out by, for example, Google or Facebook, it's worth doing your homework to see if these companies are participating in any VC funds. Start with a web search for news surrounding recent mergers or acquisitions. If the company is publicly traded, contact its investor relations department to see what information it can provide.

State governments. As states work to spur economic growth from within, their governments are investing in local VCs in an effort to keep those dollars at home. In fact, in many cases the state requires that its money go to fund local businesses. To take advantage of this, start with your state's economic development agency. Its website should list a department and contact in charge of funding and incentives, someone who



can point you to a list of VC investments and their focus. Taking that route—a referral from the state—should help you crack the wall of a VC and, at the very least, get its members to consider scheduling a meeting.

Research universities. Managers of billion-dollar university endowments have started participating in VC funds for more than just a financial return—they're looking to advance the income streams from patents developed by their institutions' robust research labs. These universities see VCs as the next step to commercializing this work, since it's often an outside startup that has the idea and energy to bring such research to market.

Savvy entrepreneurs may come across a university researcher's project or product and approach the researcher about taking the idea to market or licensing it. In these cases, the first stop for sourcing startup capital is a call to the school's business or technology transfer office to see if there are existing relationships with VCs. If there are, it's a good bet these firms will be amenable to taking a meeting.

So take a few hours to follow the money and align your idea and business model with the objectives of a VC firm's investors. It just may help you get a foot in the door. —Sam Hogg

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