

Andreessen making leap from entrepreneur to VC

July 6 2009, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Having built and sold two technology startups for a combined \$11.7 billion, Marc Andreessen is ready to take a stab at, well, finding the next Marc Andreessen.

The co-founder of Web browsing pioneer Netscape Communications Corp. and software maker Opsware Inc. is starting a new career as a venture capitalist with his longtime business partner, Ben Horowitz.

Their venture capital firm, Andreessen Horowitz, opens Monday with a \$300 million fund earmarked primarily for startups involved in the Internet, software, consumer [gadgets](#) and [data storage](#).

Like most venture capitalists, Andreessen and Horowitz are betting they will be able to connect with hard-driving entrepreneurs determined to shake up the status quo.

"We tend to be pro-megalomania," Andreessen said. "We are big fans of an inexperienced person who has great technology and wants to build a company while staying on as CEO."

Andreessen, who turns 38 on Thursday, should know the personality type. He shares some of those traits. He helped change the way people used the Internet by developing a graphical Web browser called Mosaic in the early 1990s and went on to co-found Netscape before he had turned 25.

After Netscape was sold to AOL for \$10 billion in 1999, Andreessen had the audacity to start Opsware right around the collapse of the dot-com bubble in 2000. Opsware suffered through some rocky times, but it eventually paid off too when Hewlett-Packard Co. bought the company for \$1.7 billion in 2007.

Horowitz, 43, played key roles at both Netscape and Opsware.

Those past successes made it easier for Andreessen and Horowitz to raise money during bleak times for the venture capital industry. With the stock market in turmoil most of the past year, few startups have been able to find buyers or complete initial public offerings. The adverse conditions have made it difficult for venture capitalists to make money from their past investments and discouraged them from financing some new ideas.

Andreessen and Horowitz, though, are unfazed because they believe promising technology faces less competition during recessions.

Their message apparently resonated with the college endowments, wealthy individuals and other funds that are investors in Andreessen and Horowitz's new firm.

It also helped that Andreessen and Horowitz have done well with their personal investments since they struck it rich at Netscape. They have invested in 45 startups, including the rapidly growing Internet messaging service Twitter Inc. Other companies in their personal portfolio include LinkedIn Corp., an online career-networking site, and Digg Inc., a service that enables people to rate news stories.

While co-managing the new venture capital fund, Andreessen will remain active in Ning Inc., which provides online communities for people with common interests. Andreessen, who has personally invested

more than \$10 million in Ning, is the company's chairman, leaving the CEO job to co-founder Gina Bianchini.

As venture capitalists, Andreessen and Horowitz expect to invest anywhere from \$300,000 in incubating ideas to \$15 million in companies that have been around for a while. They say they will advise entrepreneurs when asked, but won't make their decisions for them.

"We have done it before so we know a lot about the things that can go wrong" for startups, Horowitz said.

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