

## StarVest Partners: It's All About Data

By CLAIRE CAIN MILLER

Data is a buzzword in venture capital. Entrepreneurs have built Web tools and users log on and leave trails of data behind. The next step is figuring out how to use all that data.

StarVest Partners is one of the venture capital firms that has made data a new focus area. The New York firm has made its name investing in software-as-a-service companies, including NetSuite, which was co-founded by Oracle's chief executive, Larry Ellison. It went public at the end of 2007.

The next generation of companies will figure out what to do with all of the data, said Deborah A. Farrington, a co-founder and general partner at StarVest. She calls it data-as-a-service.

Web technology is cheap and easy to build these days, so data is what gives companies a proprietary advantage, said Larry A. Bettino, the StarVest partner who focuses on companies that use data in new ways.

The firm's poster child for data investments — and the reason it has miniature red and green tractors in its New York conference room — is Iron Solutions. A Fenton, Mo., company that runs a database for used farm equipment, it had not caught the attention of Sand Hill Road in Silicon Valley. At a recent farm equipment show in Louisville, Ky., Mr. Bettino and Jeanne Mariani Sullivan, another StarVest partner, were the only venture capitalists in the room, they said.

Founded in 1999, Iron Solutions has never raised venture capital. The Iron Solutions deal was atypical for StarVest, which generally invests in expansion-stage companies with \$2 million to \$15 million in revenue. In July, StarVest bought 90 percent of Iron Solutions along with three other investors for \$15 million.

The firm was interested in the fast-growing agriculture sector, the partners said, and the company has mounds of untapped data. It is similar to a Kelley Blue Book for farm equipment. Dealers, lenders, auction houses, government and farmers use the site. The firm plans to help Iron Solutions find ways to make money off its 50,000 classified ads, using advertising or featured listings, for example, and off its data.