

WE SEE BUSINESS DIFFERENTLY. SEE FOR YOURSELF.

Condé Nast **Portfolio.com**

BUSINESS INTELLIGENCE. IN REAL TIME.

Franchises for Sale | Entrepreneur en Español | Subscribe | Newsletters | Special Offers

Entrepreneur.com

Search

Entrepreneur.com Web

Entrepreneur Home | Help & How-To | Grow Your Business | Franchises & Opportunities | Video | Tools & Services | Encyclopedia

- Starting a Business
- Money
- Marketing
- Sales
- Advertising
- Franchises
- Biz Opportunities
- Home Based Biz
- E-Business
- Management
- Human Resources
- Technology
- Work Life
- Automotive
- Magazine**
 - Current Issue
 - Archives
 - StartUps Magazine
 - StartUps Archives
- Business Center**

sponsored by 

Home > Entrepreneur Magazine > July 2007 > Perfect Match

Perfect Match

Finding the right VC is a lot like dating—networking, friendly introductions and sheer luck all play a role. Discover how 3 entrepreneurs met their VCs and started lasting relationships that helped their businesses grow.

By Carol Tice | [Entrepreneur Magazine - July 2007](#)

Lightfull Foods & Prolog Ventures

Smoothie-maker [LightFull Foods](#) was cooked up at 2-year-old Bay Area incubator Brand New Brands in May 2006. The San Francisco company received \$6.1 million in venture funding last August from a half-dozen firms, led by Prolog Ventures in St. Louis. Other funders included Unilever Ventures, Burrill & Co., Mattson & Co., Palo Alto Investors and Great Spirit Ventures.

LightFull is headed by co-founders Lara Jackle, 37, a former Balance Bar [marketing](#) executive who is LightFull's CEO, and Lynn Graham, 32, who is marketing vice president. LightFull's 90-calorie Satiety Smoothies--part of the hot "functional foods" trend--are sold in 1,300 grocery locations, including Dominick's, Safeway, Shaw's, Vons, Wegman's and Whole Foods Market. Nine months after the product hit store shelves, Jackle was forecasting more than \$1 million in 2007 sales.

Entrepreneur: Lara, how did you get involved in LightFull?

Lara Jackle: It was a fortuitous story. I had an offer to move to Asia and head up emerging-market innovation for a big worldwide food company. A high-level career coach, Lori Ogden Moore, was helping me decide if this was the right move. She said, "I don't want to confuse your decision, but I know people who just raised a large [amount] of [money](#) and want to create the next generation of food products." She introduced me to Will Rosenzweig of Brand New Brands, and I became chief marketing officer of the incubator.

Content Continues Below

Today on Entrepreneur

- [New Business Burnout: Don't Be a Victim](#)
- [Meet UFC President Dana White](#)
- [Top 5 Tech Hot Spots](#)
- [The Intranet Grows Up](#)
- [Pursuing Venture Capital](#)

[More Stories »](#)

Current Issue



Perfect Match

Finding the right VC is a lot like dating—networking, introductions and sheer luck play a role. Discover how a lasting VC relationship can grow your business.

[Read this issue »](#)

Magazine Resources

- [Entrepreneur magazine archive](#)
- [Subscribe](#)
- [Buy back issues](#)
- [Manage your subscription](#)
- [Renew your subscription](#)
- [Article reprints](#)

- ### More Resources
- [Business Blog](#)
 - [Columnists](#)
 - [Slideshows](#)
 - [Podcasts](#)
 - [Business Forms](#)
 - [Special Listings](#)
 - [Resource Centers](#)
 - [Startup Guides](#)
 - [Business Bookstore](#)
 - [Opportunity Finder](#)
 - [Franchise](#)
 - [Consultation](#)
 - [Classifieds](#)
 - [Special Offers](#)
 - [Products & Services](#)
 - [Magazine](#)
 - [Subscriptions](#)

ARTICLE TOOLS

TEXT SIZE: [T](#) | [T](#)

[PRINT](#) 

[E-MAIL](#) 

[SAVE/SHARE](#) + 

MARKETPLACE

[Like a good neighbor, State Farm is there](#)

[The UPS Store is your one-stop-shop for document-related services](#)

[The Post Office Comes To You With Free Package Pick Up](#)

Prolog was an investor in Brand New Brands. [After LightFull was conceived at Brand New Brands], my original intention was to stay in the incubator [as an employee], but LightFull was so compelling, I ended up [leaving my job to take] it to market.

Entrepreneur: How did Prolog move from incubator funder to a funder of LightFull?

Ilya Nykin, Prolog managing director: LightFull didn't have an inside track. We needed to apply the same stringent criteria we apply to other investments. We were looking for the most breakthrough opportunities that address large unmet needs, that can be brought to market in a reasonable time and for a reasonable investment, and that have some scientific validity. This is the kind of company LightFull is. And Lara was the sort of leader we like to see: She has experience, energy, foresight, drive and vision.

Entrepreneur: Describe your relationship since the funding.

Jackle: We have a very active relationship. Ilya is a board member--we meet monthly on the phone and quarterly in person. As young women entrepreneurs, [Graham and I are] confident in our ability to market LightFull, but the investment community is male-dominated and can be intimidating. Prolog has been instrumental in helping us retain our independence and authenticity while we discuss possible investments from big companies.

Ryla Teleservices & Frontier Capital

Kennesaw, Georgia-based Ryla Teleservices, which provides outsourced call-center services, landed \$700,000 in funding in 2002 from SJF Ventures in Durham, North Carolina. Ryla has since grown from 21 employees to more than 350.

The 6-year-old company received just over \$6.5 million in second-round funding in March, with Charlotte, North Carolina-based Frontier Capital as the majority investor. Founded by former D&B call-center manager Mark Wilson, 46, Ryla's president and CEO, and his wife, vice president and COO Shelly Wilson, 47, Ryla had \$14 million in sales last year.

Entrepreneur: When did Ryla and Frontier first meet?

Mark Wilson: A little more than two years ago, when we were seeking growth capital. We were using a small consultancy [which has since dissolved] that provided [introduction] services to small businesses like ours.

Entrepreneur: So you essentially met on a blind date?

Wilson: That's right [laughs]. We were careful not to have our deal shopped around too much, though. I didn't want to talk to just anybody.

Entrepreneur: What exactly were you looking for?

Wilson: We wanted a partner that would let us do things in a creative, flexible way. Our approach, of being successful by developing people, requires patience. My experience with VCs is that not all are receptive to that; some are more focused on bottom-line issues.

Entrepreneur: What happened in the two years between meeting and funding?

Andrew Lindner, Frontier managing partner: Our model is to track a company for a while, which is exactly what we did. Ryla fit our stage and

- Automobile Detailing
- Cleaning Service
- Consulting Service
- Crafts Business
- EBay Business
- Event Planning Service
- Gift Basket Business
- Lawn Care Service
- Senior Care Services
- Wedding Consultant

Resource Centers



Entrepreneur's Coaches Corner

Need some advice? Watch these videos to see what our coaches have to say about your business strategies.

More Resources

- 12 Weeks to Startup
- The Entrepreneur's Gift Guide
- Mobile Warrior Center

- Tax Center
- Pet Business Center
- Travel Center

[More Resources »](#)

Marketplace

Tap into an entire library of helpful articles dedicated to the fundamentals of launching and growing a small business./a>

- Like a good neighbor, State Farm is there
- Like a good neighbor, State Farm is there
- Get a rate quote now from State Farm
- State Farm Insurance: Keeping your business safe

Sponsored Links

sector focus: We are a growth-capital provider focused on highly differentiated service businesses in the Southeast and Mid-Atlantic.

Mark got better and better looking during the "dating" period [laughs]. Seeing the dramatic growth in Ryla's top line, and expansion of gross margin, was one of those magic moments. He has no sales force and has grown from zero to \$14 million in revenue pretty quickly.

Wilson: That [long time frame was] important to me. It makes me feel more comfortable that we took the time, and they know who we are.

Entrepreneur: Now that Ryla and Frontier have teamed up, how will your relationship work going forward?

Lindner: We look to be a valuable confidant to Mark as he grows his business. We hope to help from a strategic standpoint, figuring out how to scale [Ryla] into a bigger business, and to provide tactical support and coaching [on] all the day-to-day things required.

Wilson: Andrew is our board member from Frontier, but everybody that's part of Frontier has visited our center. I've gone to Charlotte on a couple of occasions as well.

Lindner: The plan is [monthly] board update/financial results calls and every-other-month face-to-face board meetings, for starters. We're coming down for an in-person, all-day strategy session as part of a 180-day kickoff plan.

Sotto Wireless & Ignition Partners

Bellevue, Washington-based Sotto Wireless closed an \$8 million Series A venture-funding round in August 2005 from Ignition Partners, also of Bellevue, and VantagePoint Venture Partners in San Bruno, California. Company co-founders are CEO Rod Nelson, 47; COO Bob Johnson, 52; and product-management vice president Clayton Foster, 42.

Sotto offers a single mobile device that integrates landline, cell phone and BlackBerry-like features. Since October 2006, Sotto has launched its small-business-focused service in two markets: Charlotte, North Carolina, and Seattle. Nelson expects 2007 revenue to top \$3 million as the company expands.

In March, Sotto was in the process of raising a B round of between \$10 million and \$15 million; Ignition plans to participate, says partner Adrian Smith.

Entrepreneur: Rod, how did you initially make contact with Ignition?

Rod Nelson: Before this, I was the CTO at AT&T Wireless. One thing I did there was maintain relations with the venture community. That left me with some good relationships in the industry, and Adrian [Smith] and Steve Hooper at Ignition were on that list. When I called them, we discovered we shared an interest in providing better [telecom] services to small and midsize businesses.

They invited me to participate in their entrepreneur-in-residence program. We agreed on a schedule of four months, by which we should [gather market data and] make a decision to [go forward with the business idea or not].

Adrian Smith, Ignition partner: Our EIR program is a way for us to fund a business plan from a very early stage. It allows [entrepreneurs] to work out of Ignition's offices. It's like a long due-diligence process.

Entrepreneur: What made Ignition decide to fund Sotto?

Smith: We have a pretty rigorous funding process. It involves the portfolio mix we want to have at Ignition, and [the company] has to meet the business criteria we're looking for. [With Sotto,] we were very comfortable that we had a great team going after a large market. We were also able to agree on terms. There's a lot to negotiate: the amount being raised, options and vesting of those options, liquidation preferences. It's all part of the dating that goes on before the marriage [laughs].

Nelson: The key for entrepreneurs is to find investors that are going to add

Ads by Google

Sales Team Frustrated?

or Automated? Get a free Test Drive of eSalesForce and get results!

Entellium.com

Entrepreneur Newsletters

Sign up for the latest on:

- Starting a Business
- Sales & Marketing
- Growing a Business
- e-Business & Technology
- Franchise News
- Business Book Sampler

E-mail*:

Zip Code*:

FREE E-BOOKS WITH YOUR SUBSCRIPTION A \$70 VALUE

Entrepreneur
THE MILLIONAIRE MIND-SET

SAVE 67% OFF NEWSTAND

SUBSCRIBE TODAY | [CLICK HERE](#)

value to the company as it goes along. Even if terms [are] more difficult but the investor is someone you believe in, in the long term that's really important.

Entrepreneur: Rod, how has Ignition helped Sotto so far?

Nelson: They've brought us some [good] candidates for the management team. Also, Ignition hosts a couple of events a year where they bring their portfolio companies together, and that's helped us get connected with other management teams in the Seattle market. That's been great.

 Print
  E-Mail
  Newsletters
  Save/Share

Related Articles:

- [Guardian Angels](#)
- [Yoo-hoo! Over here](#)
- [London 2.0](#)
- [Pursuing Venture Capital](#)
- [What Exactly is an Investment Banker?](#)

Related Topics:

- [Venture Capital](#)
- [Private Equity](#)
- [Business](#)
- [Programming Languages](#)
- [Software Engineering](#)
- [Startups](#)



Latest Features



Top 5 Tech Hot Spots

No EZ Answers

The empowerment zone program held lots of promise. So why didn't it deliver?



Meet UFC President Dana White

The Intranet Grows Up

From MySpace-style profiles to video blogs, check out the cool new things companies are doing with their intranets.



Cash In on 'I Do'

Dropped by Your Lender?

Don't panic. Here's how to keep your business going.



Sponsored Links

- [See the World's Most Unique Sun Protection Product](#)
- [Speed up your computers automatically with FREE Diskeeper trialware. Download now!](#)
- [With a mailbox from The UPS Store you get a real street address.](#)
- [There's only two words to describe the Veracruz: Road trip.](#)
- [Our Volunteers Consult/Improve Small Biz & Non-Profits \(USA Leadership Corps\)](#)
- [VISTAPRINT: Up to 80% off business cards, postcards & more. Check out our F-R-E-E Specials!](#)
- [WSI, Internet, Business Opportunity, Work at home, Franchise sale, marketing, online consulting, negocios](#)
- [Credit Cards, Fundraisers, Kids Bedding, Best hosting, Hosting Reviews, Make Money Online](#)
- [The Best In Portable Trade Show Displays, Exhibits, Pop Up Displays & Banner Stands](#)
- [Experience. The Difference. Organize with the Best.](#)
- [Find your window of opportunity with a Budget Blinds franchise. Top ranked. Home-based](#)
- [Get \\$100 as one of the first 200 to enroll in D&B's FREE Trade Exchange program for QuickBooks®](#)
- [Jumpstart Your Career: Earn your degree in as little as 15 months, 100% online](#)

Marketplace

The UPS Store 

The UPS Store:
For all your
business needs.

[Home](#) | [Small Business Search](#) | [Women Entrepreneurs](#) | [Business Startup Guides](#) | [Business Bookstore](#) | [En Español](#) | [Magazine Subscriptions](#)
[Contact Us](#) | [Help](#) | [Newsletters](#) | [Affiliate Programs](#) | [Advertising Info](#) | [Special Offers](#) | [RSS Feeds](#) | [Site Map](#) | [Reprints & Permissions](#)

Copyright © 2007 Entrepreneur.com, Inc. All rights reserved. [Privacy Policy](#)