

# VC P.S.: The Smart VC at Versant Ventures

By [Lawrence Aragon](#)

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Rebecca "Becky" Robertson remembers when she was ten years old, sailing alone on a lake outside her home in upstate New York. The cold wind whipped her little skiff along, making for a great ride but giving her mother white knuckles as she watched from the kitchen window. How did the little girl convince her mom to let her sail in such weather? "She had no choice," Ms. Robertson says with a chuckle.

A general partner at newly formed [Versant Ventures](#), Ms. Robertson is as strong-willed today as she was as a child. While a vast majority of her VC colleagues chase dot-coms, she's pointed her boat directly into the treacherous waters of biotech. It's no use trying to convince her to take a safer route. While she doesn't look imposing -- standing 4 feet 11 1/2 inches -- once Ms. Robertson makes up her mind, she's about as easy to move as Queen Elizabeth II.

In a world where seemingly everyone now wants to be a VC, becoming one wasn't always Ms. Robertson's life goal. After getting a degree in chemical engineering from Cornell in 1982, she set out for a career in biotech. She got her start as the 25th employee at Lifescan (now owned by [Johnson & Johnson](#) (NYSE: [JNJ](#))), where she rose to director of operations. She went to a startup named Egis for a while, then joined biotech powerhouse [Chiron](#) (Nasdaq: [CHIR](#)), running its \$200 million critical care unit. After 15 years in operational posts, she decided to try her hand at venture capital, accepting an offer from [Institutional Venture Partners](#) (IVP). She spent four years at IVP as a general partner.

On Friday, I met with Ms. Robertson in her big windowed office on Sandhill Road in Menlo Park, California. She sipped from a cup of decaf coffee. "If you put me on caffeine, it's really a problem," she said laughing.

## CONVERSANT WITH VC

**Q.** There are very few women in the venture capital business. Has that posed any challenges to you?

**A.** I'm asked that question a lot. I got it in the operating world too. I was often the only woman sitting at a table and often the youngest. At the end of the day, it's your performance that matters. I've always found if you just focus on results and do the best job you can, you'll ultimately be recognized. Frankly, I've found very little overt discrimination. The lack of women in venture capital is more apparent than in the operating world. On the other hand, the firm where I went, IVP, had three female partners. So certainly in our firm, we were gender blind. With entrepreneurs I think it's a non-issue. They want to work with a venture investor they have good chemistry with and who can provide the most value to their deal. If you can demonstrate that, they don't care if you're a man or a woman.

**Q.** At least one venture firm I know makes an extra effort to fund women entrepreneurs. Do you go out of your way to back women?

**A.** I'm definitely color and gender blind. I'm looking for the best talent. I have other affiliations besides being a woman. I'm a Cornell grad and a chemical engineer. There are lots of ways in which I could sort opportunities that come in, but I don't. I look at opportunities with the same criteria that I do any other deal.

**Q.** What's your specialty at Versant?

**A.** We think of health care broadly in four sectors: bio-pharma, medical devices, health care services, and e-health. All seven of us do some work in most of those areas, but each of us has one or two areas where we specialize. For me, the areas where I do the most are medical devices and e-health. I think it follows my background more than anything else.

## DEAL FLOW

**Q.** How many deals have you personally done so far since Versant started late last year?

**A.** I've done two things. One is an e-health incubator called Flaca.com. That one I'm doing with Randy Korba [one of the founders of Junglee]; we're working on customer relationship

management. Health care companies are one of the primary targets, but it has appeal beyond health care. The other thing I've done doesn't even show up as a deal. I have a preferred relationship with the [Innovation Factory](#). It's run by Tom Weldon, cofounder and chairman of [Novoste](#) (Nasdaq: [NOVT](#)). He's forged relationships with three venture firms to be preferred investors in all of the deals he does out of his incubator. I've been working very closely with Tom. He's a very inventive, very creative guy who's joined with some people he's worked with for 15 years and formed an incubator in Atlanta. They're working broadly in the health care sector. Devices are what they know best, but they've also hired on a guy who has a good background in e-health. Tom hopes the process will percolate two to three deals a year. We get the right to look at them first and invest in them first. There's actually one I think we'll fund in the next month or so that's a pretty exciting concept. [She declined to elaborate.]

**Q.** How important is the Innovation Factory relationship?

**A.** It's a terrific relationship for Versant. First of all, Tom has much more deal flow from a geographic area that we don't cover [Atlanta]. The other thing is we'll incubate things, but there has to be a team or a kernel of an idea that we can really see. If we just see a technology that's exciting but the team hasn't developed a business model around it, we can't do anything with those folks. With the relationship with the Innovation Factory, we can now refer them to Tom and he can help them develop their concept to a point where it's fundable.

### MARKETS VS. PEOPLE

**Q.** What qualities are you looking for in an entrepreneur?

**A.** The kind of entrepreneurs I like to invest in have a track record of success with a little bit of failure. I think it's really healthy to invest in folks who've had a lot of success behind them, but at the same time, have made a few mistakes along the way that they're willing to admit to and learn from. That keeps them humble. One of the things that leads to success is to realize what you know and what you don't know. A little bit of failure helps you keep that perspective and ensures success in the future.

**Q.** It sounds like you bet on people as opposed to markets. Is that the case?

**A.** I personally invest first in markets and second in people. We're all products of our experience, and for me it was my experience at Egis that influenced my thinking. While I believe in hiring athletes [metaphorically speaking], there's a space in which they operate. They may know cardiovascular well, or how to drill oil wells, or how to build batteries. There are certain broad categories that people know, and within that sphere they'll make the difference for you. But if you're pointed at the wrong market with a team that's been selected to capitalize on that market opportunity, there ain't much you can do. If you're a small-boat sailor and you're headed into a storm, you know how to adjust to get out of the storm. If that storm is so big and so pervasive that what you need is to be in a big boat, as a small-boat sailor there's nothing you can do. You've got the wrong skill set and the wrong tools.

NEXT TIME: Ms. Robertson will field your questions about investing in health care and biotech companies. Get your questions in quickly.

*What do you think of biotech? Is it really resurging or is it just a passing fad? Let us know in the [VC P.S. forum](#), or visit the [Discussions home page](#).*

SNAPSHOT	
COMPANY	Versant Ventures
HEADQUARTERS	Menlo Park CA
FOUNDED	November 1999
MANAGING DIRECTORS	Brian Atwood, Samuel Colella, Dr. Ross Jaffe, William Link, Barbara Lubash, Donald Milder, Rebecca Robertson

CURRENT FUND	\$250M (first)
TOTAL UNDER MANAGEMENT	\$250M
FOCUS	Seed-stage companies in four segments of healthcare: medical devices, healthcare services, e-health, and biotech/pharmaceuticals
INVESTMENT CRITERIA	Targets startups attacking markets of at least \$500M and run by proven managers or entrepreneurs. Portfolio companies should have a sustainable competitive advantage and a clear path to profitability.
AVERAGE 1ST ROUND INVESTMENT	Early-stage deals that need as little as \$250,000. Generally puts in \$1M to \$3M in a first round.
FUNDINGS TO DATE	Six
COMPANIES FUNDED	<a href="#">Pharmion</a> ; <a href="#">Syrrx</a> ; <a href="#">Cogent Healthcare</a> ; Tensys (formerly <a href="#">Vitalwave</a> ); <a href="#">eHealthcontracts</a> ; and Flaca.com
POLICY FOR UNSOLICITED BUSINESS PLANS	All plans are read
NOTEWORTHY	The Versant Ventures team has more than 45 years of experience in health care investing and has backed more than 80 companies. The firm grew out of partners who were previously with top-name VC firms such as <a href="#">Brentwood Venture Capital</a> , <a href="#">Crosspoint Venture Partners</a> , and IVP
PERSONAL	Married and the mother of two little girls