

THIRD SECTOR

We can give as well as take

Entrepreneurs Foundation has spent 10 years borrowing favours from the venture capital world to build philanthropic programmes. Suzanne Weinstock reports

San Francisco-based Entrepreneurs Foundation was launched 10 years ago by venture capitalist Gib Myers, a general partner at venture capital firm Mayfield Fund since 1970.

The member companies of Entrepreneurs Foundation, currently numbering more than 200, have to date claimed a benefit to communities worldwide of more than \$15 million.

“Entrepreneurs Foundation helps entrepreneurial companies get more involved with communities through community programmes and philanthropy,” Larry Orr, chairman of the Entrepreneurs Foundation board of directors and managing general partner of Trinity Ventures, explains.

“[The organisation is] based on the premise that companies want to be good corporate citizens and give back to the community but many of them don’t really have the time or focus and some of them don’t even have human resource departments,” says Orr.

EMPLOYEE-GIVING PROGRAMMES

Entrepreneurs Foundation partners with these entrepreneurial companies to help them initiate employee volunteerism and employee-giving programmes as well as establish foundations for long-term philanthropy.

Venture capital firms are a key part of the network that introduces companies to Entrepreneurs Foundation as well as its cultural and financial benefits.

A development council of “about 15 or 20” venture capitalists work with the staff of the Foundation to ensure that it is being introduced to companies receiving venture funding.

“The role [of Entrepreneurs Foundation] is to recognise founders who might have a desire to work with the commu-

nity not just because it’s a good thing to do but because it’s good business,” says Orr.

Venture capital firms introduce company founders to Entrepreneurs Foundation to hear about the programme and make it known that the board of the portfolio company would be supportive of it donating equity.

Entrepreneurs Foundation is largely supported by liquidity events from small pieces of donated equity in member companies, “almost like an option you would grant to an employee”, says Orr. The size of the equity grant varies but is typically similar to what would be granted to a director-level manager in the company.

The equity then supports the creation of the company’s corporate foundation as well as the development and implementation of customised philanthropy and community programmes.

Among the Trinity Ventures portfolio companies that have been involved in Entrepreneurs Foundation, Orr highlights online commercial real estate listings company LoopNet which in 2007 won Entrepreneurs Foundation’s “company of the year” award.

A Trinity portfolio company since 1999 and a member of Entrepreneurs Foundation since 2004, LoopNet has since gone public and continues community programmes including offering time off to employees to volunteer with Habitat for Humanity, which builds homes for those in need. LoopNet chief executive Richard Boyle now serves with Orr on Entrepreneurs Foundation’s board of directors.

Other venture capitalists on Entrepreneurs Foundation’s Orr-led board of directors include: Allegis Capital managing director Bob Ackerman; Draper Fisher Jurvetson managing director Don Wood; and Mayfield Fund’s David Ladd and Gib Myers.

More than 700 companies have been involved with Entrepreneurs Foundation since its founding and the group boasts US affiliate offices in Atlanta, Austin, Boston, Colorado, Dallas, Hawaii, Portland and Sacramento as well as Tel Aviv, Israel.

“We feel we were leaders in a movement that is now really starting to gain a lot of momentum in companies of all sizes,” says Orr, adding that young people are increasingly asking about community involvement in job interviews. ■



LoopNet: time off to volunteer