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Pittsburghers benefit from Cvent capital raise

Pittsburgh Business Times - by Patty Tascarella

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A \$136 million [capital raise](#) by a McLean, Va.-based software firm enabled one of Pittsburgh's biggest venture capital firms to exit with a more than tenfold return on its \$5 million investment made more than a decade ago.

Cvent, an event management and marketing software developer, Wednesday announced that it raised \$136 million from new investors **New Enterprise Associates**, Chevy Chase; **Insight Venture Partners**, New York City, and GreenSpring Associates, Owings Mills. As part of the transaction, earlier stage investors were bought out.

"It's our single biggest deal since Freemarkets," said **Ned Renzi**, a partner of **Birchmere Ventures**, South Side, who had led the investment and served on Cvent's board.

Birchmere would not say how much it realized from the deal, or from Freemarkets, the Downtown-based online auctioneer that went public in 1999 and subsequently sold to **Ariba Inc.** Renzi said Cvent is providing a bigger multiple to Birchmere and Birchmere's investors than the Freemarkets transaction.

"We're the only Pittsburgh fund and the largest VC fund (prior to the \$136 million raise) to invest in Cvent," said Birchmere partner **Sean Sebastian**. "And we brought other Pittsburgh money to the company, so it's really a Pittsburgh deal."

He said around 10 high net worth individuals in the Pittsburgh area also invested in Cvent and were bought out in the financing round by the new investors. They were not identified. Renzi and Sebastian were not among these angel investors.

Cvent said that the raise was the largest investment in a private software company so far in 2011. It is using the money to hire and acquire and for product development. For point of reference, the biggest second quarter capital raise by a software company was the nearly \$85 million raised by

Kabam Inc., Redwood City, Calif., according to the MoneyTree Report, released Wednesday by **PricewaterhouseCoopers** and the National Venture Capital Association based on **Thomson Reuters** data.



Senior reporter Patty Tascarella covers banking, finance, legal, marketing and advertising and foundations at the [Pittsburgh Business Times](#).

Contact her at ptascarella@bizjournals.com or (412) 208-3832. .