

## VentureWire

### Dot-Com Survivor Cvent Nabs \$136M In Biggest Software Deal Since 2007

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In the biggest U.S. software funding deal since 2007, Cvent Inc., which provides corporate event planning online, said it has raised \$136 million in its first institutional funding in over a decade.

New Enterprise Associates and Insight Venture Partners led the round, with Greenspring Associates participating. The deal is the largest for a U.S. software company since Motricity Inc. raised \$185 million in December 2007, according to VentureSource, which like this newsletter is owned by Dow Jones & Co.

Previous backer Birchmere Ventures, meanwhile, which invested \$5 million in Cvent in 2000 as part of a \$17 million funding, cashed out its investment at "well over 10x our money," according to Birchmere Partner Ned Renzi. "People have been trying to buy Cvent for many years, but this was the right place and the right time and the right new partners for them," Renzi said. "It's almost like one of your kids moving on--we started out together and we went through so many things. There will be a big void left from the relationships."

Cvent was founded in 1999 by Chief Executive Reggie Aggarwal, a lawyer who said he was working 100 hours a week practicing law and running the Indian High Tech CEO Council (which has become the Washington chapter of TiE--The Indus Entrepreneurs) and decided he liked business better than law.

Running events for the CEO Council gave him the idea for Cvent, he said, and the company has since grown into a leading provider of Web-based software for managing corporate events--selecting meeting sites, marketing events, registering for events and offering Web surveys.

Cvent claims 90,000 users in 40 countries, but that is after Aggarwal and his team rebuilt the company, which lost most of its customers after the dot-com crash in 2000 and then the 9/11 attacks in 2001.

Despite revenue of \$1.5 million, Aggarwal said, the company was burning through about \$1 million a month and had to cut nearly all of its employees. To get out of Cvent's expensive lease, Aggarwal had to risk personal bankruptcy by guaranteeing the lower rent, teaching him a frugality that he's never forgotten. He said he still flies coach and shares hotel rooms when he goes to conferences. "We said, 'The money in the bank is all you've got to make it work,'" Renzi said. "It's a credit to the team, which took massive salary cuts, that they got profitable in late 2002 and were profitable and cash-flow positive every month and every quarter and every year since then."

Aggarwal said he resisted taking venture capital when he was first building the company. He took money instead from a series of prominent individual investors whom he'd met through the CEO Council because their names were better known. They made it easier to attract new customers and employees.

"People would think, if it's good enough for the CEO of Nortel, it's good enough for me," he said.

Several of those investors have been bought out, though, and what Cvent needs now, he said, is investors who have helped build other big companies and can challenge Cvent's management to do the same. Already, the new VCs have suggested possible acquisition targets and new markets.

"There's a whole evolution of the product that we'll be investing in around continued innovation in the core biz and then in the supplier network and newer platforms of mobile and social," said NEA Partner Tony Florence. "They're the market leader in event planning, but it's still fragmented...There's still a large part of the Fortune Global 2000 that in-sources this stuff on their own."

Aggarwal said he probably won't raise more funding, but he would like to take Cvent public someday. He also plans to hire more than 200 new employees in the next year, at least half of them engineers.

As part of the new funding, Florence and Insight Venture Partners Managing Director Jeff

Lieberman will join Cvent's board.

<http://www.cvent.com>

Prior backer Birchmere Ventures, which first backed Cvent in 2000, cashed out at well over 10x.

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