

Star Gazer David Spreng – Founder and Managing General Partner of Crescendo Ventures

David is the founder and Managing General Partner of Crescendo Ventures, a global venture capital investment firm with more than \$1 billion under management and offices in Palo Alto, Minneapolis and London. Prior to the creation of Crescendo Ventures in 1998, David was President of Crescendo's predecessor firm, IAI Ventures, a role in which he served from the company's formation in 1993. He started his venture capital career in 1989 managing the venture capital holdings of the U.S. mutual funds of a large European bank. David's business career started as an investment banker with Salomon Brothers in New York and later with Dain Bosworth in Minneapolis. He is a graduate of the University of Minnesota, a Core Team Member of the World Economic Forum Working Group on "Nurturing the Early Stage Investment Climate in China", and a member of the board of the National Venture Capital Associations (NVCA).

[start box] "I look for disruptive innovation through technology and/or the business model. The idea is to be addressing a large opportunity, where the company is at a value inflection point. I also look for great management.

Great management is great leadership. Leaders instill a great culture. They have clear vision, and they get their people feeling like they are doing something important and meaningful. I have built a network, and I strive to stay in touch with that network. I look to find one great person – magnets – and look to build around him or her. I spend time with people in multiple environments to really understand what makes them tick. Finally, I believe that successful people come in all shapes and sizes.

Great leaders know where they are going. They are intellectually honest, and are bold, but not delusional. It is critical that they work well with and through others. Also, they are respectful, passionate and smart. They communicate well, and are especially good at listening. It is also important that they enjoy what they are doing.

First, I believe you need to listen! It is especially important to believe your instincts, especially as they relate to people. You have to trust, but verify, and hope is for losers!

The most exciting technologies in 2006 will be digital infrastructure technologies -- those that create the bridge between advanced technology and the end-user. In other words, the pipes and plumbing that drive the future development of the digital world. We are excited about disruptive technologies in areas such as pervasive networking and content digitization.

As innovative new technologies enable the creation of cheaper, smaller and better performing networking, there will be huge leaps forward in accessing and cost-effectively utilizing computing in pervasive networks.

In addition, all forms of content are now routinely created, captured, stored, delivered and accessed in digital form. Video, audio, images and data, whether intended for entertainment, information, or education, have all become digital files. As a result, we expect digital infrastructure to continually and rapidly be enhanced and made more accessible and secure.

Another thing is wireless enabled mobility. Although wireless has been with us for many years, its reinvention in broadband digital form has the potential to provide unprecedented freedom from the constraints of wired connections. At the same time, battery powered portable devices with wireless connectivity should allow access to, and use of, any digital content anywhere.

As another, ubiquitous computing is exciting. Driven still by Moore's Law, chips continue to provide ever more powerful digital processing at lower power, lower cost, and in smaller form factors. We believe this will make it possible to embed a computer anywhere one might conceivably be useful and to connect it to the rest of the world, thereby creating brand new services and services for a multitude of purposes.

Future technology will move towards being always-on and always accessible. In an increasingly 24X7 world, the demand for information and transactions, whether personal or business, will no longer wait for normal business hours or tolerate fixed, dedicated means of communication. Computing systems and software, network connectivity, and security need to be enhanced to meet the instantaneous requirements of customers connected wherever and whenever they desire.

While each of these areas will create many new commercial opportunities, some of the most compelling value-creation scenarios will be found at the intersection of multiple areas where entirely new categories of technical and business model innovation will occur." [end box]