

Chapter 9

Looking for Investments Outside Silicon Valley

I. 教学目的

跨国风险投资现象可视为经济全球化进程中在资本流动领域的又一新趋势，也是我国工商经贸界在入世后急需研究的投资课题。本课教学目的首先力求使学生了解美国风险投资公司近期在欧洲运作风险投资的背景，他们面临的跨文化的种种机遇和挑战，以及采取的不同解决对策。目的之二是使学生准确无误地掌握有关跨国风险投资的英文术语，表达法，行文法以及他们的中文翻译。

II. 教学计划

拟使用六课时完成本课内容。一课时介绍背景知识，四课时用于课文讲解及难点讨论，最后一课时可供师生共同讨论相关问题，如外国风险投资对中小企业高科技公司的作用，中国风险投资的生存，发展的外部环境和条件等议题。

III. 教学方法

首先介绍美国风险投资公司近年来在欧洲运作的背景和风险投资的相关术语，使学生进入风险投资的基本框架之内。之后点出原文各章节的内容重点和他们相互关系，以期让学生抓住原文写作的逻辑和其基本结构。随后按章节顺序详细讲解原文，讲解方法力求师生互动，包括共同确认段落的主题句，和其补充及辅助句，提出段落涉及到的问题供学生思考或寻找答案，提供关键词或语言难点的英语同义词或反义词，以利学生的理解和词汇的扩大。

IV. 背景知识

1. Venture Capital and Private Equity

In the early days of venture capital investment, in the 1950s and 1960s, individual investors were the archetypal venture investor. While this type of individual investment did not totally disappear, the modern venture firm emerged as the dominant venture investment vehicle. However, in the last few years, individuals have again become a potent and increasingly larger part of the early stage start-up venture life cycle. Venture capital investing has grown from a small investment pool in the

1960s and early 1970s to a mainstream asset class that is a viable and significant part of the institutional and corporate investment portfolio.

A tremendous boom began in the private equity industry in the early 1980s. The pool of U.S. private equity funds partnerships specializing in venture capital, leveraged buyouts, mezzanine investments, build-ups, and distressed debt grew from \$5 billion in 1980 to over \$125 billion in 1995. Private equity's growth outstripped that of almost every class of financial product. Despite its growth, the private equity pool remained relatively small. For every one dollar of private equity in the portfolio of U.S. institutional investors, there were about \$40 of publicly traded equities in 1995.

The private equity industry in the United States and international markets has been quite turbulent. If you had invested in average venture or buyout funds at a pace that tracked the U.S. market between 1980 and 1995, your returns today would be below those from investments in most public equity markets. For instance, venture-capital funds have been questioned, and even rejected by a great portion of American pension funds as they see venture-capital funds too risky, and not regulated by the US Securities and Exchange Commission.

2. Venture Capital （风险资本）

Venture capital refers to the money invested in a company or business for development or expansion. It may provide a considerable income, but also carries a high risk of loss. However the definition of the term differs slightly in the various business contexts. In the British-American context, venture capital is often understood as early-stage investments, such as seed and start-up financing or expansion financing. In Germany, venture capital is more comprehensive, also including late stage capital, such as buyouts. While the former types of venture capital investments are crucial for the development and implementation of business ideas by young growth companies, the latter types are important for re-capitalization of more mature, small to medium-sized companies. Venture capitalists in the United States usually target high-technology sectors of the economy, while buyout firms focus on more mature firms in a variety of industries which need to restructure or combine.

Normally, an institutional investor will allocate 2% to 3% of their institutional portfolio for investment in alternative assets such as private equity or venture capital as part of their overall asset allocation. Currently, over 50% of investments in venture capital/private equity comes from institutional public and private pension funds, with the balance coming from endowments, foundations, insurance companies, banks, individuals and other entities who seek to diversify their portfolio with this investment class.

3. Benchmark Capital

Founded in 1995, Benchmark Capital is an early-stage venture firm that's based on the principles of teamwork and an intense dedication to building technology companies of lasting value. We focus on providing superior service to entrepreneurs through a unique, team-oriented partnership in which every partner is equal in terms of both contribution and compensation.

This team approach not only makes it more fun for us to come to work everyday, but more importantly, it benefits our portfolio companies. Instead of competing for resources, we share ideas, contacts, resources, etc.-whatever's needed to get the job done and help our portfolio companies succeed.

Our focus on teamwork combined with our deep experience in company-building have attracted the industry's top entrepreneurs, including Marc Andreessen, Mike Homer, Paul Levy, Atiq Raza and Meg Whitman.

Investment Strategy

The firm's strategy is to be the first investor in technology-driven companies that seek to create new markets and have significant growth potential. The firm focuses on early-stage investing and takes a labor-intensive, service-oriented approach in markets where partners have direct experience.

Areas of Focus

Benchmark invests in technology-driven companies in the areas of [enterprise software and services](#), [communications & security](#), [semiconductors](#), [mobile computing](#), [consumer services](#) and

[financial services](#). The firm's portfolio includes such franchise companies as [eBay \(EBAY\)](#), [Handspring \(HAND\)](#), [Juniper Networks \(JNPR\)](#) and [Red Hat Software \(RHAT\)](#).

Global Perspective

Benchmark currently has offices in Menlo Park, London and Tel-Aviv. As a global firm, we recognize that the partners closest to the entrepreneurs are the ones in the best position to make the day-to-day decisions concerning individual investments. That's why our funds are managed independently, with the U.S. partners making decisions concerning the U.S. funds and the London-based partners making decisions concerning investments in Europe.

The Israeli fund, however, operates with teams based in both Tel Aviv and Menlo Park. This model allows us to support our early-stage companies headquartered in Israel while accelerating each company's transition to the U.S. and access to U.S. markets.

Capital Under Management

Benchmark manages more than \$2 billion in committed venture capital. The bulk of the capital comes from university endowments, pension funds, charitable foundations and entrepreneurs.

Investment Size

Benchmark investments range in size from as little as \$100,000 to as much as \$10 or \$15 million. Typically, we invest \$3 to \$5 million initially and expect to invest \$5 to \$15 million over the life of a company. We invest for the long haul and look for entrepreneurs with a similar perspective.

Our Team

At Benchmark, when we think of our 'team', we think of more than just our general partners. For us, our team also includes our venture partners, our EIRs and members of our corporate network-all of whom actively contribute to the success of our portfolio companies. For more information on a partner, just click on their link below or [learn more about our Corporate Network](#).

V . 课文讲解

术语讲解

venture capital	风险资本
private equity	私募基金
financial instruments	金融工具; 金融票据
start-up	新兴公司
spin-off	派生公司, 衍生公司
portfolio company	证券投资公司
industry consolidation	产业整合
balance sheet	资产负债表
re-capitalization	资本重组
stock market	股票市场
return on investment	投资回报
cash flow	现金流动
labor-intensive	劳动力密集型
equity finance	股权融资

课文注释**1. venture capital firms (p.192)**

Venture capital and private equity firms are pools of capital, typically organized as a limited partnership, that invests in companies that represent the opportunity for a high rate of return within five to seven years. The venture capitalist may look at several hundred investment opportunities before investing in only a few selected companies with favorable investment opportunities.

There are several types of venture capital firms, but most mainstream firms invest their capital through funds organized as limited partnerships in which the venture capital firm serves as the general partner. The most common type of venture firm is an independent venture firm that has no affiliations with any other financial institution. These are called "private independent firms". Venture firms may also be affiliates or subsidiaries of a commercial bank, investment bank or insurance

company and make investments on behalf of outside investors or the parent firm's clients. Still other firms may be subsidiaries of non-financial, industrial corporations making investments on behalf of the parent itself. These latter firms are typically called "direct investors" or "corporate venture investors."

Far from being simply passive financiers, venture capitalists foster growth in companies through their involvement in the management, strategic marketing and planning of their investee companies. Venture capitalists generally:

- Finance new and rapidly growing companies;
- Purchase equity securities;
- Assist in the development of new products or services;
- Add value to the company through active participation;
- Take higher risks with the expectation of higher rewards;

2. private equity (p.192) (私募资金)

It is a form of risk capital in the form of equity or loan capital provided by an investment institution to back a business. It covers venture capital, seed and early stage investing, mid-market deals and large leveraged buy-outs. In a broader expression, private equity can be understood as venture capital.

3. the Neuer Markt (p. 192)

The Neuer Markt (The New Market) was launched as a trading segment for technology companies at Frankfurt Stock Exchange in Germany on March 10, 1997. It was introduced as a subsidiary of the Deutsche Borse AG, with the objectives to attract small-to-medium-sized, young technology firms. The number of companies that have gone public in Germany or rather on the New Market, increased dramatically during the IPO boom period. However, as a consequence of the downturn of shares listed at the Neuer Markt since March 2000, the going public of companies became much more difficult. Deutsche Börse Group, based at Frankfurt, is Neuer Markt's parent company. The Group provides access to capital markets for companies and investors and is currently the leading provider of infrastructure services for the securities industry, with some 2,000 customers and a focus on Europe, the Americas and Asia.

4. **techMARK** (p.192)

Since its launch in 1999 at London Stock Exchange, techMARK has established itself as a global market for shares in businesses at the cutting edge of technological innovation. TechMARK succeeds in meeting both the special requirements of innovative technology businesses and of their wide variety of investors. Companies on techMARK are active across all sectors of commercial and industrial activity, range from established multinationals to small start-up businesses and share a commitment to innovation, a desire for global visibility and a London listing. Innovative companies are attracted to list in London by its deep pool of capital, unrivalled equity culture, high liquidity, advanced trading systems and sophisticated international investment community. Membership of techMARK is open to all innovative technology companies whatever their size, country of origin or currency of share trading. techMARK companies represent a broad range of industries, but all companies share a key attribute - technological innovation.

5. **corporate environment** (p.192)

The general environment that is widely dispersed and affects businesses indirectly include social, demographic, and economic factors that influence all organizations.

6. **general partners** (p.192) 普通合伙人

A limited partnership has two partners: general partners and limited partners. The general partners of an ordinary limited partnership are personally liable for the partnership's debts. Limited partners are not personally liable except in extraordinary circumstances. Usually both the right to manage and the power to bind a limited partnership are reserved to the general partners. Limited partners are essentially passive investors and entitled to share profits and losses essentially in proportions to their respective capital contributions with the general partners.

7. **Benchmark Capital** (p.192) 基准资本

Based in California, USA, this venture firm aims at helping entrepreneurs build technology companies. Its investing strategy is to be the first investor in technology-driven companies that seek to create new markets with significant growth potential. It focuses on early-stage investing and take a labor-intensive, service-oriented approach in markets including [enterprise software and services](#), [communications & security](#), [semiconductors](#), [mobile computing](#), [consumer services](#) and

[financial services](#). Benchmark Capital supports its portfolio companies with its experienced partners, helping them recruit an executive, facilitate [a corporate partnership](#), or get advice on a strategic move.

8. VennWorks (p.193)

VennWorks creates, develops and operates market-leading healthcare and technology companies in partnership with corporations, universities and others seeking to profitably commercialize intellectual property. It does not back individual entrepreneurs. VennWorks provides its partners with its expertise and experience in venture capital, information technology, life sciences, financial services, human capital management, recruiting and branding.

9. Crescendo (p.193)

Crescendo is a plug-in website that plays MIDI and MP3 music off of the web. When you log on its website, you can see the player in the upper right hand corner of the page and hear music as well.

10. TD Capital Communications (p.193)

Founded in 1995, TD Capital Communications targets investment opportunities in the media, communications and business services sectors throughout the U.S. TD Capital Communications Partners is fully funded by TD Bank and provides access to a variety of investment structures including preferred equity, common equity and mezzanine capital. TC Capital Communications typically targets business models that generate predictable recurring revenue streams in the following sectors: wireless communications, cable television, broadcasting, publishing, data services, new media, business services, information services and outsourcing.

11. financial instruments (p.193)

Any stock, share, money or other financial security. 金融工具; 金融票据 : The bank trades in all types of financial instruments.

12. Scandinavia (p.193)

A region of northern Europe consisting of Norway, Sweden, and Denmark. Finland, Iceland, and the Faeroe Islands are often included in the region.

13. Anglo-Saxon practice (p. 193)

The British and American habitual or customary actions or ways of doing something: 盎格鲁-撒克逊或英美式的惯例/做法

14. spin-off (p.193)

A divestiture by a corporation of a division or subsidiary by issuing to stockholders shares in a new company set up to continue the operations of the division or subsidiary. 衍生公司，派生公司

15. Toronto Dominion Bank (p. 194)

Headquartered in Toronto, Canada, with more than 51,000 employees in offices around the world, The Toronto-Dominion Bank and its subsidiaries are collectively known as TD Bank Financial Group (TDBFG). TD Bank Financial Group offers a full range of financial products and services to approximately 13 million customers worldwide. As at April 30, 2003, TD Bank Financial Group was Canada's third largest bank in terms of market capitalization and had more than CDN\$322 billion in assets. TD Bank Financial Group ranks as one of the top on-line financial services providers in the world with more than 4.5 million on-line customers. The Toronto-Dominion Bank trades on the Toronto and New York stock exchanges under the symbol "TD".

16. TD Capital (p. 194)

TD Capital, established in 1968 by Toronto Dominion Bank, is the independent private equity arm of TD Bank Financial Group. TD Capital partners with businesses with compelling opportunities for growth by providing capital and strategic counsel and support. Headquartered in Toronto, TD Capital has offices in New York and Boston. TD Capital currently has CAD \$3.0 billion (approximately US \$2.2 billion) under management and a portfolio of approximately 200 companies worldwide, including

- [Canadian Private Equity Partners](#)
- [Communications Partners](#)
- [Mezzanine Partners](#)
- [Private Equity Investors \(Fund of Funds\)](#)
- [Technology Ventures](#)

17. The Menlo Park (p.194)

It is within Silicon Valley of California, USA where the Benchmark Capital is situated.

18. balance sheet (p. 194)

A document that shows the totals of money received (credits) and money paid out (debits) by a company and the difference between them. The bank carefully examined the company's balance sheet before deciding to approve the loan.

19. Madison Dearborn Partners (p.194)

Madison Dearborn Partners (MDP), based in Chicago, is one of the largest and most experienced private equity investment firms in the United States. MDP's principals manage over \$7 billion investment funds raised in the period from 1993 to 2001. MDP focuses on management buyout transactions and other private equity investments across a broad spectrum of industries. Its objective is to invest in companies in partnership with outstanding management teams to achieve significant long-term appreciation in equity value. MDP generally seeks to invest \$50 million to \$400 million of equity capital in a single transaction and focuses on several specific industry sectors, including [basic industries](#), [communications](#), [health care](#), [financial services](#), [middle market](#), and [consumer](#).

20. equity financing (p.194)

Any money invested by owners or by those who purchase stock in a corporation is considered equity funds. Equity financing consists of funds that are invested in exchange for ownership in the company.

The fundamental difference between equity financing and debt financing is the concept of what happens to the original investment. Traditionally, a debt investor focuses on providing debt capital, and presumes that the borrower of the debt will serve the debt and interest within a fixed period. Equity, by contrast, is designed to be deployed without the intention of the capital ever actually coming back from its original borrower. Instead, the returns are calculated on a return-on-capital concept. The equity investor intends to match a long-term asset with long-term financing. But the

receiver of the equity might take it for a bridge financing.

21. Several investors rushed into the deal and focused on the wrong metrics in fear of missing the boat. (p. 196)

The word metrics literally means the art of metrical composition ; but seen in the context of the business analysis, it refers to the measurements or criteria of investments. 【参考译文】数位投资人匆忙成交，因怕错失良机而着眼于错误的评估参数上。

22. Venture Economics (p.196)

A division of [Thomson Financial](#), provides periodical and online information on global private equity industry. Its daily news and statistics offer a snapshot of the US, European, and Asian private equity markets. Thomson Financial Venture Economics serves institutional investors, venture capital firms, investment banks, consulting firms, and media circles. [Thomson Financial](#) is the premier global provider of financial information, data and analysis on private equity, M&A, share ownership, bonds, equities and loans, new issues, and earnings estimates.

23. Compare that with the peak of the technology bubble when average funds showed triple-digit returns. (p.196)

Technology stocks on NASDAQ rose to unprecedented levels during the period 1998-2000, leading up to its peak in March 2000. At the NASDAQ peak, the entire internet sector, comprising several hundred stocks, was overpriced as if the *average* future earnings growth rate of these technology firms would exceed the growth rates experienced by some of the fastest growing firms in the past. In March 2000, prices of technology stocks started to tumble. Some analysts argue that the Technology Bubble was driven by irrational euphoria among individual investors, fed by an emphatic media, which maximized TV-ratings and catered to investor demand for pseudo-news. Researches indicate that American speculators, institutional investors, and particularly hedge fund portfolios were heavily tilted towards highly priced technology stocks during the period 1998-2000. By almost any standard, such overvaluation of technology stocks appears to be another episode in the history of asset price bubbles. 【参考译文】相比之下，在高科技股泡沫达巅峰时，投资平均回报都高达三位数。

24. Finding a niche (p.196)

Niche here means a market specially suited to a VC's interests and abilities. 寻找适宜的市场

25. In other words, they take a labour-intensive, team-oriented approach to venture investing and act as accelerator and incubator for their portfolio companies by facilitating synergy among them, creating strategic partnerships. (p. 197)

The word synergy is best understood as the cooperative interaction among groups, especially among the acquired subsidiaries or merged parts of a corporation, that creates an enhanced combined effect. 【参考译文】换言之，他们采取一种劳动力密集型、团队型的风险投资的策略；他们自愿充当于下属证券公司的加速器和孵化器，促进后者之间的合作增效，使他们形成战略合作伙伴关系。

26. Although Europe is on the right track to create the right culture for venture capital...(p. 197)

A paraphrase of the sentence can be: Although Europe is following and developing correct policies to create a healthy environment for venture capital,

27. To come to a much greater personal and social cost. (p. 197)

The verb phrase to come to here means to result in or arrive at.

28. Europe does not yet have the frame of reference to build worldwide leaders in the global market. (p. 197)

A frame of reference here can be understood as a set of business practices that provide a standard with reference to which Europe's potential to build worldwide leaders in the global market can be assessed. 就在欧洲打造出全球市场上的世界级领导而言，目前还缺少参考依据。