

The hub of the network

Netpreneur played a critical role in helping young entrepreneurs get off the ground. What's it doing now?

by **Brendan Barrett**/bbarrett@washtech.com

Five years ago, young tech entrepreneurs in the region may have had an ISDN connection to the Internet, but they lacked an essential component for success: a network. That is, a community-based social and educational network.

Mario Morino realized it, and in 1997 he launched Netpreneur, a nonprofit organization in Reston created to advance and assist fledgling Internet entrepreneurs.

Just about everyone who remembers the regional tech scene in pre-Netpreneur days is effusive with praise about the organization.

"It forever helped change the landscape in Washington, D.C.," says Raul Fernandez, chief executive officer of Dimension Data North America, whose former company Proxim grew up in the same building as Netpreneur.

"It is critically important... the power of it is very visible for those of us who saw it from the beginning," says Esther Smith, a managing

partner at Qorvis Communications and former adviser for the Morino Institute.

"What do you want me to say? All I have is praise for the organization," says John May, founder of the New Vantage Group and several angel investor funds.

But after 51 "Coffee and DoughNets" — its trademark monthly networking and educational program — Netpreneur finds itself in a very different environment. The organization still has a seven-figure annual budget funded by the Morino Institute, but a severely weakened tech sector has weeded out plenty of young entrepreneurs who thought they could hack it back in the glory days.

"We're seeing less people, but the ones we're seeing have deeper experience," says Mary MacPherson, Netpreneur's executive director.

According to Fran Witzel, vice president of Netpreneur, the "Coffee and DoughNets" program is pulling in about 250 people these days, down from about 350 at the height of the boom.

But it's not just that there are fewer entrepreneurs — there are also a lot more regional organizations offering networking events and educational programs for people in the tech industry — a testament to the foundation Netpreneur helped put into place.

"The early institutions like Netpreneur filled huge voids, and their success has brought on other fellow travelers," says May, characterizing the situation. "But that was their goal," he adds.

So is Netpreneur at a crossroads? Does it need reinvention? Is it still needed? No, no and yes, say most people.

A closer look reveals the organization is far from static, and in some ways reinvents itself constantly. "Our mission — to advance the success of entrepreneurs — stays the same, but how we do that changes based on the needs of the community that we're serving," says MacPherson.

Witzel says he prefers operating within a two-week horizon for coordinating programming events, so that



Ben Martin, director of investor services; Mary MacPherson, executive director; Fran Witzel, vice president; and Mitch Arnowitz, director business development, have helped Netpreneur build a reputation for providing a network of experienced entrepreneurs, venture capitalists, potential partners and management teams for young entrepreneurs since its launch in 1997.

Netpreneur is always responding to the current needs of entrepreneurs. And looking through its program archives—it is clear things have changed. Seminars on topics such as "Financing Ideas to IPO" (September 2000) have given way to "Bootstrapping Your Business on Your Own" (April 2001). The group now plans to delve deeper into relevant subject matter at its events, and follow them up with in-depth workshops.

Netpreneur even shelved its once popular "Fast Pitch" program where entrepreneurs presented to venture capitalists who critiqued their performance. "It's not as relevant now," says Witzel.

Not everything has changed. The organization is continuing to provide various e-mail services, including its weekly newsletter and calendar — two separate publications, which have about 10,000 subscribers each.

The most important aspect of Netpreneur that has remained constant is its reputation for providing a network of experienced entrepreneurs, venture capitalists, potential partners and even management teams for young entrepreneurs.

Netpreneur program

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"Our region's rich entrepreneurial ecology is really a series of interconnected networks of people, groups and companies and in many ways, Netpreneur is the connective tissue, or glue, between them," says founder Morino.

And some of the more experienced executives in regional tech scene say that Netpreneur's role is just as critical, if not more so, in today's environment.

"The Netpreneur program is needed going forward because in difficult economic times people need to get together more often than when things were rosy," says Dan Bannister, chairman of DynCorp and from 1994 to 1997 chairman of the Northern Virginia Technology Council. "The programs they can offer now are even more important."

"Mistakes are more costly now, so Netpreneur is even more important," adds Frank Adams, managing general partner of Grotech Capital Group and chairman of the board of the Mid-Atlantic Venture Association. He credits Netpreneur with "filling a void that MAVA was attempting to fill in an inadequate way" — educating young entrepreneurs about venture capital.

And Netpreneur points out another reason why its services are more critical today: Many other potential resources for entrepreneurs, including law firms and consulting firms, aren't as available when times are tough.

What is Netpreneur's future? Will it be around five or 10 years from now? Ultimately, the Morino Institute will determine its fate, and perhaps it doesn't even know the answer to that question. "We will be around," says MacPherson, "as long as we're relevant and needed and have a role to play." ■