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MACDONALD & ASSOCIATES PUTS VENTURE CAPITALISTS ON THE GREEN

Databeacon-powered VCAlyst a self-serve research center for venture capitalists

It's not much of an exaggeration to say that a venture capitalist (VC) needs all the talents of a PGA golf pro.

With capital markets more challenging than they have been in many years and a plethora of investment choices for eager start-ups, today's successful VC needs a sharp eye, nerves of steel, years of experience, a hefty dollop of common sense, and a knack for staying cool under pressure. And it sure doesn't hurt to have the best tools of the trade in your bag, either.

For Canada's most successful venture capitalists, the tools that get them on the green come from an innovative Toronto-based information company called Macdonald & Associates.

The one-stop source for comprehensive VC information in Canada

For almost 20 years, Macdonald & Associates has been providing thorough, reliable, and timely information on Canadian venture capital activity to VC firms, financial services companies, accountants, major corporations, governments and anyone else with a critical need to know where the money is going, how it's getting there, and what it's doing.

Every company calls itself a “leader” these days, but Macdonald & Associates has actually earned the title. The firm tracks more than 90% of all venture capital in the country and has become the only one-stop source for comprehensive VC information in Canada. Today both The Globe and Mail and the National Post publish Macdonald & Associates quarterly deal reports, and senior company officers are frequently called upon to act as expert sources to the business and financial media.

Offering clients the ability to take raw VC data and interact with it Macdonald & Associates has been gathering data and making it available to clients since 1985, but now they're going much further. Since late 2001, the company has been offering clients the ability to take raw VC data and interact with it in a number of visual chart formats to quickly drill down on trends — such things as hot investment areas by region. They're turning information into insight. And they're doing it with Data Publishing, Analysis and Reporting software from Databeacon.

The Databeacon software, integrated with Macdonald & Associates branding, has been re-christened “VCAnalyst”.

Databeacon-powered ‘self-serve research center’

In promotional literature, Macdonald & Associates describe it to clients as “a self-serve research center,” and it’s exactly that. Databeacon-powered VCAnalyst lets VC clients drag and drop data any way they choose. From simple queries, such as a single investment in a single start-up, to complex relationships such as, the total amount of venture capital invested in fiber optic/photonic start-ups in the Ottawa area within the last six months, Databeacon lets VCs take huge amounts of complex data and make it clear, meaningful and relevant to their immediate business needs.

“We sell, on a subscription basis, a very high-end data product,” says company president and founder Mary Macdonald. “Databeacon lets us add an incredible amount of end-user value to our product at a reasonable cost to us.”

Previously, a hand-built spreadsheet approach to a mass customization data requirement

Before adopting Databeacon, Macdonald & Associates’ developers used to make an educated guess as to how best to present data, then spend days building Excel spreadsheets to match that guess. If a client needed data in different format, an entirely new spreadsheet had to be built. Clearly, something had to be done to ease this hand-built approach to mass customization.

Interestingly, it was a VC who introduced Mary Macdonald to Databeacon. She was in a Vancouver meeting, and as the conversation turned to matters of customer service, Macdonald mentioned that it was becoming increasingly time-consuming and costly to satisfy the needs of individual clients for custom-formatted data. “I said I needed a way to get out of the spreadsheet-building business,” Macdonald recalls. “Then my client looked at me and said ‘Mary, you need Databeacon.’”

The client (who, incidentally, is himself a long-time investor in Databeacon) made the necessary introductions and, before long, what Macdonald describes as “a perfect marriage” was formed. Deployment was a breeze. As a completely Web-based product with no messy client/server back end, VCAnalyst was up and running in just a few days.

Completely Web-based product with no messy client/server back end running in just a few days

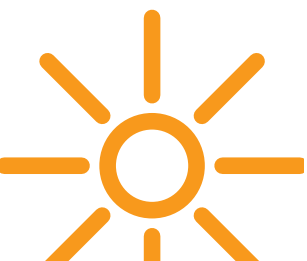
For Mary’s development team, publishing interactive Databeacon reports was equally straightforward. Before starting, Database Manager Dmitri Safine talked to the team at Databeacon, but declined the offer of formal training. “I’ve done work with other OLAP (Online Analytical Processing) products,” he says. “And Databeacon is very intuitive, so it was easy for me to transfer my knowledge.”

That intuitiveness extends to the end-user, as well. Mary Macdonald says it didn’t take her clients long to discover how to play with the data, manipulate it in creative ways, and display it in an easy-to-understand chart or graph format. “They’re popping back and forth from tables to graphs,” she says. “They’re going wide for the big picture then drilling deep down into the data. And they’re coming up with some really interesting trends.”

Didn’t take clients long to discover how to play with the data, manipulate it in creative ways

For example, it took one client just a few minutes to discover that while the 2001 economic slowdown had hit nearly all regions of Canada, British Columbia had bucked the trend and held steady. That insight, combined with other market and professional intelligence, will help determine that VC’s future investment decisions.

Like most new Databeacon customers, Mary Macdonald is excited by the software’s potential. Her firm is currently looking at new ways to enhance their product offering and Databeacon is sure to be a major part of any advance. So there’s plenty of excitement ahead for Macdonald & Associates’ clients.



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