

## **This venture capital trend could be good news for New Mexico's entrepreneurs**

Oct 7, 2016, 2:12pm MDT

It's a well-known fact: [there's not a ton of money in New Mexico for startups and entrepreneurs](#).

The good news is, there might be more coming.

[Bill Bice](#), partner at the Verge Fund, says venture capitalists are starting to realize there's money to be made outside of Silicon Valley.

"There is a new breed of investor," Bice said. "And they're looking for opportunities outside of the mainstream."

In entrepreneurial hotbeds, he says, investment funds are getting bigger and bigger. With partners teaming up to create multibillion-dollar seed funds, venture capital deals are becoming competitive and demanding for investors. There are lots of big funds chasing the next Uber, so investors have to compete with each other, he says.

"All of that big money chasing big deals is against the core of what is helpful for startups in New Mexico," Bice said. "It's a really big challenge if you're an early-stage company and it doesn't make sense for you to raise \$10 million."

But, he says there's been an industry backlash to massive investment funds, with so-called "microfunds" growing in response. [According to CB Insights](#), microfunds have less than \$100 million to invest, and invest mostly in early-stage startups. [Forbes reports](#) that the number of micro-venture capital funds has exploded, with about 325 funds now, versus 25 five years ago. Bice says that's good news for New Mexico's entrepreneurs.

He says some big investors, [like Steve Case, have been looking to nontraditional areas because startups need less capital to get off the ground and offer greater return on investment](#).

"You get better returns investing in places like Albuquerque," Case told Albuquerque Business First. "More investors should pay attention to areas like this."

Case was in Albuquerque Oct. 6 as part of his Rise of the Rest tour, and [he invested \\$100,000 in local software development company Innobright Technologies Inc.](#) Bice says [Wasabi Ventures is another example of a nontraditional venture fund looking into Albuquerque's potential](#), and he expects to see more coming into the region in the future.

"What I'm really excited about are emerging investors who look at the landscape and realize that there's so much going on [in traditional hotbeds], that it makes sense to look elsewhere," he said. "New Mexico is a good place to look for those deals. It's a very technology rich area."



**Marissa Higdon**

Reporter

*Albuquerque Business First*