

Name recognition

Accel-KKR, an investment partnership forged amid the heady days of the Internet bubble, has adapted its strategy to new opportunities but retained its incredible personal network. By David Snow, Editor

Sure, you've got an impressive deal-tracking system, an extensive contact database, a suite of analytic tools. But do you have Henry Kravis and Jim Breyer on speed dial?

In a private equity industry that is fast catching up to other more professionalized and institutionalized sectors of the financial world, the perseverance of Accel-KKR is a reminder that connections count for something, if not everything, in private investing.

"Technology is an enabler, but it doesn't replace human interaction," says Tom Barnds, one of two managing directors at Accel-KKR.

Barnds knows a great deal about both technology and human interaction, having built a portfolio of technology-focused investments with the help of the stellar personal networks of the senior partners of Accel Partners and Kohlberg Kravis Roberts.

Accel is, of course, the veteran venture capital firm with offices in Palo Alto, California and London. Accel managing partner Breyer sits on Accel-KKR's board, as does Accel partner Theresia Gouw Ranzetta. The venture firm's brand-name counterpart in the



Accel-KKR managing directors Ben Bisconti and Tom Barnds.



(PHOTO: ACCEL-KKR)

buyout world is KKR, whose co-founders Kravis and George Roberts also sit on the board of Accel-KKR. Its chairman is Paul Hazen, the former chairman of Wells Fargo bank.

Accel-KKR was formed in 2000 as a limited liability company. Its investors include the firm's board members as well as some investors from the Accel and KKR limited partnerships. Barnds and the other managing director, Ben Bisconti, decline to say how much capital is available to the firm, but note that the economics are the same as a

traditional LP fund. As an LLC, however, all the capital for investment was called up front, and interest-holding members receive distributions when available.

Despite its relationship with both firms, Accel-KKR is very much an independent entity with a dedicated team and its own office in Menlo Park, California. The firm does share one part-time IT engineer with Accel, and it uses the KKR platform to create and distribute investor reports.

