

Boston Business Journal

September 30, 2005

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GreenLight taps VCs to fund nonprofits nationally

Nonprofit founder brings nonprofits to Hub, nurtures them

BY NAOMI R. KOOKER
JOURNAL STAFF

GreenLight Fund, a startup nonprofit, has area venture capitalists opening their wallets on what is perceived as a new way of filling the needs of nonprofits.

GreenLight is like a venture capitalist organization: Much like a venture capitalist hunting for a sound business investment, GreenLight scours the country for successful nonprofit programs and then brings them to the Boston community, matching the right program with the most pronounced need.

GreenLight differs from VC organizations in that its investors, who are mostly VCs and private equity partners, are not looking for monetary returns.

Different kind of investment

The investment, they say, has to do with giving back and betting their dollars will work more effectively



BY MARC BERNSAU / BUSINESS JOURNAL

Chad Redd with Friends of the Children spends time with 6-year-old Marquise Schoonmaker at Plaster Fun Time in Dedham. The agency is a beneficiary of VC-backed GreenLight.

and where they are most needed.

"It's a new model for the country," said **Stephen Pratt**, president of **Boston After School & Beyond**, a newly formed nonprofit that supports after-school programs at area public and private

schools. "It's really taking promising practices that have worked at single sites around the country and finding a way to apply those lessons to other communities."

GreenLight helps the organization

it selects develop a business plan and partnerships in the area. It commits \$500,000 to \$600,000 over a two- to three-year period of time, at which point the organization, with its own director, staff and board of directors, is expected to be self-sustaining.

Fund-raising rally

GreenLight founder **John Simon**, who is also managing director of **General Catalyst Partners**, has rallied venture capitalists and private equity partners to give generously to GreenLight as well as its inaugural program, **Friends of the Children**, a Portland, Ore.-based program that recently began operating in Dorchester last year.

Friends of the Children has a 12-year track record in pairing adults with at-risk youth, building long-term relationships that help children stay out of trouble and equip them for success. The program operates eight chapters nationwide, including Boston.

GreenLight's first annual gala, in which all its proceeds will go toward Friends of the Children, was held Thursday, raising upwards of \$250,000.

Sponsors include **Bain Capital** Managing Partner **Jordan Hitch**, **Kodiak Venture Partners** Managing General Partner **Lou Volpe**, **Globespan Capital Partners** Executive Managing Director **Andrew Goldfarb** and **Sigma Partners** Managing Director **Bob Davoli**.

Altering reputation

Davoli admits VCs are often gunshy of donor requests and have partly earned the reputation for not being philanthropic.

"There are exceptions to the rule," said Davoli. "There are pockets of VCs that are very giving."

VCs cite a desire to give back as a reason for committing dollars, but add it's Simon's passion and the fact it's an innovative startup venture (albeit nonprofit) that's stoked their charitable fires.

"VCs are not about taking risks," says Goldfarb. "It's about mitigating risk."

Simon, who started GreenLight in 2003 with money from friends and family, said the five-year plan is to raise \$5 million and eventually spawn GreenLight Funds in other cities.

In 1990, Simon co-founded Boston's **The Stepping Stone Foundation**, adapted from **Prep for Prep**, a New York City-based nonprofit that grooms leaders who come from minority backgrounds.

Stepping Stone grew from a few staff members, a \$50,000 budget and serving 11 children to 25 or so employees, a \$3 million budget and serving thousands of children, annually.

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