

ILLUSTRATION BY PETER BOLLINGER

THE TOP 20 INVESTORS IN SILICON VALLEY

WHEN IT COMES TO INVESTING IN STARTUPS, THESE MEN AND WOMEN ARE **THE MOST POWERFUL PLAYERS** IN TECH'S MOST IMPORTANT TOWN.

BY BENJAMIN REEVES

SAN FRANCISCO HAS ALWAYS BEEN A BANKING CITY," SAYS MICHAEL S. MALONE, A LONGTIME SILICON VAL-

LEY INSIDER, AUTHOR AND INVESTOR. BUT THE CULTURAL ROMANCE OF SAN FRANCISCO IS SO POWERFUL—THE BRIDGE, THE BAY, THE WRITERS, MUSICIANS, HIPPIES, GAYS AND ARTISTS—IT'S TENDED TO OVERWHELM THE CENTRAL ROLE OF FINANCE IN SAN FRANCISCO'S HISTORY. AFTER ALL, THE CITY GREW OUT OF THE 1849 GOLD RUSH AND BY 1854 WAS HOME TO A U.S. MINT, WHICH WAS FOLLOWED BY THE RISE OF FINANCIAL PLAYERS LIKE WELLS FARGO (1852) AND BANK OF AMERICA (IN ITS EARLIEST FORM, 1904).

BUT THE MODERN CHAPTER of San Francisco's rise as a financial center started after WWII, when federal funding and university talent created a fertile environment for science and engineering research. Beginning in the 1950s, new companies such as Hewlett-Packard needed financing to grow. "Microchip manufacturing is expensive," Malone says, "and the East Coast banks didn't understand what these guys were doing." By the '60s, Bay Area tech firms "didn't even think about going east when they needed money."

San Francisco is now wedded to Silicon Valley, of course. The major VC firms are strung out along Sand Hill Road in Menlo Park. Some of the most important of the Valley's investors—Marc Andreessen, John Doerr—are well-known names from coast to coast. But many, operating largely under the radar of the East Coast financial press, are not. Here, then, are the 20 most influential men and women in Bay Area finance.



Marc Andreessen

01 MARC ANDREESSEN

COFOUNDER AND PARTNER, ANDREESSEN HOROWITZ

WHY HE'S IMPORTANT: The co-founder of Netscape, Andreessen has a background steeped in technology. Andreessen founded software company Opsware and then sold it to HP before launching his eponymous VC firm in 2009. The firm's capitalization exploded, and it has had major exits on investments such as Skype, which was sold to Microsoft in 2011 for \$8.5 billion.

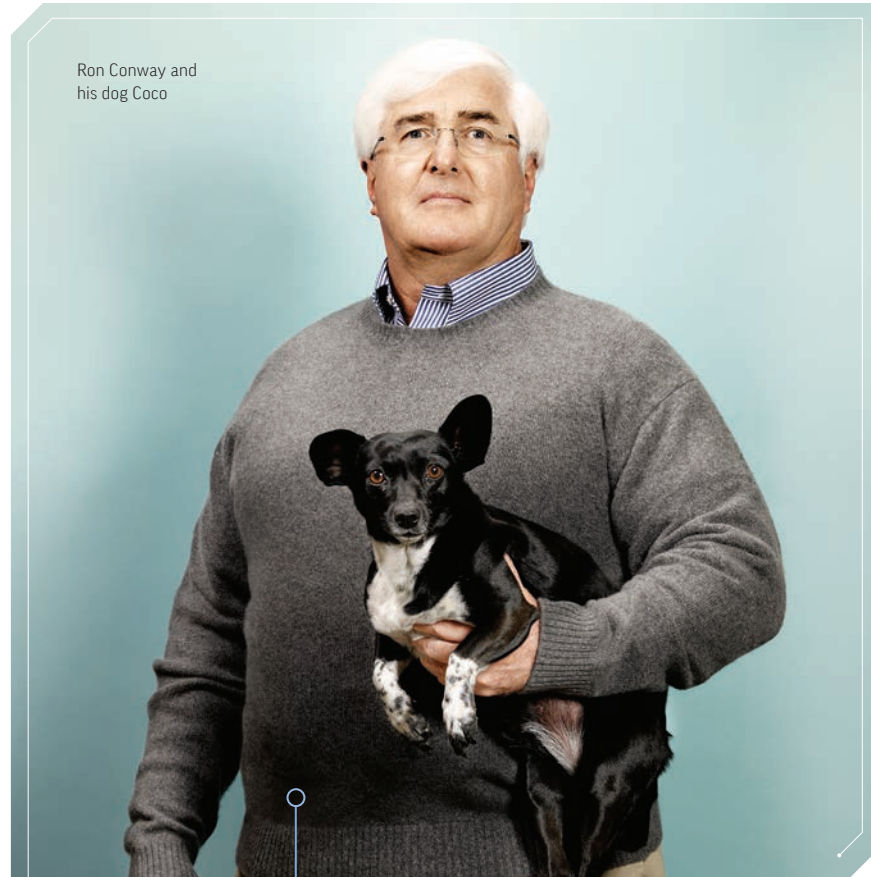
WHAT HE SAYS: **Andreessen takes a no-nonsense approach.** On his blog, he has warned startups against "confusing the conference circuit—and especially the party scene—with actual work. This also creates a toxic culture on multiple fronts by encouraging alcohol/drugs and valuing so-called 'ballers' over other important, less 'loud' contributors."

02 GREG BECKER

PRESIDENT AND CEO, SILICON VALLEY BANK

WHY HE'S IMPORTANT: Silicon Valley Bank is where VCs and tech firms deposit their checks, starting on day one. With 22 years at SVB, Becker knows everyone who's anyone in the Bay Area. Becker and SVB actively seek out new entrepreneurs and startups, set them up with accounts and connect them with investors. When those companies get big, they continue banking with Becker; SVB estimates that it banks for more than 60 percent of the venture capital firms and half of the venture-backed companies in the U.S.

WHAT HE SAYS: "The relationships are the most important thing" for success in Silicon Valley, Becker tells *Worth*. **"Almost everyone here is involved in the technology market."**



Ron Conway and his dog Coco

03 MARC BENIOFF

FOUNDER, CHAIRMAN AND CEO, SALESFORCE

WHY HE'S IMPORTANT: Billionaire Benioff's family has lived in San Francisco for four generations. His company, Salesforce, is best known for its customer relationship management software, but Benioff has personally invested in dozens of companies. He also wrote the "1/1/1" pledge whereby participating companies (including Salesforce) give 1 percent of their equity, profits and time to charity.

WHAT HE SAYS: **"We said we were always going to be about giving back,"** Benioff told the *Wall Street Journal* in 2014. "Maybe that's because I'm from San Francisco, but I know that that's important and I think some of these new entrepreneurs need to be just reminded of that."

04 RON CONWAY

SPECIAL ADVISOR, SV ANGEL

WHY HE'S IMPORTANT: Conway has invested in and advised a who's who of tech firms, including Facebook, Google, Square, Twitter and Dropbox. He was also a founder and managing partner of Angel Investors LP funds and SV Angel, his current home base, which works like a venture capital firm but invests in a greater volume of companies.

WHAT HE SAYS: Conway is known to be a vociferous advocate for his investments. **"I couldn't care less who is mad at me as long as the entrepreneur comes out ahead,"** he explained to *Fortune* in 2012.

05 JOHN DOERR

GENERAL PARTNER, KLEINER PERKINS CAUFIELD & BYERS

WHY HE'S IMPORTANT: Since 1980, Doerr has been the guiding hand behind one of Silicon Valley's most lauded venture capital firms, and he backed tech giants including Google, Symantec, Amazon, Twitter and Intuit. President Obama appointed Doerr to his Economic Recovery Advisory Board in 2009.

WHAT HE SAYS: In a 2007 TED talk about green investing, Doerr described how he tackles tough problems: **"My partners at Kleiner and I were compulsive networkers, and so when we see a big problem or an opportunity like avian flu or personalized medicine, we just get together the smartest people we know."**

PAST PROLOGUE

Some of the key figures and moments behind San Francisco's emergence as a finance and tech center.

1925

Frederick Terman, widely considered a founding father of Silicon Valley, begins teaching a Stanford course on electronics that will influence many of the area's leading figures. Among them: a young engineer named William Hewlett (below); at Terman's encouragement, Hewlett and his classmate and friend Dave Packard later form Hewlett-Packard (HP). Using a rented garage as their workspace, the two create a series of influential products.



1958

William H. Draper Jr., a venture capitalist and former U.S. Army officer, founds Draper, Gaither & Anderson (now Draper Fisher Jurvetson) in Palo Alto with Rand Corporation cofounder Horace Rowan Gaither and retired Air Force general Frederick Anderson. It becomes the first VC firm founded on the West Coast.

CONWAY PHOTO: CODY PICKENS; HEWLETT PHOTO: GETTY IMAGES

1961

Financiers Tommy Davis, of San Francisco, and New York-based Arthur Rock (below) cocreate one of the first of the 1960s venture capital firms, Davis & Rock, with \$5 million. Between 1961 and 1968, Davis & Rock invests \$3 million and returns \$100 million to its investors. It funds Intel in 1968. After many years of traveling from the East Coast to California, Rock eventually decides to move to the Central Valley and found his own firm, which allows him to play a key role launching companies such as Apple and Teledyne.



1963

Bill Hewlett and Dave Packard invite venture capitalist Tom Perkins (below) to become the administrative head of research at HP. Perkins later becomes the first general manager of HP's computer divisions, credited with helping HP become a part of the minicomputer business. He then becomes a founding partner at Kleiner Perkins Caufield & Byers in 1972.



Theresa Gouw

06 JACK DORSEY

COFOUNDER AND CEO, SQUARE

WHY HE'S IMPORTANT: Dorsey launched Square, the groundbreaking mobile payments company, in 2009. He was also the cofounder and CEO of Twitter. Dorsey is also one of Silicon Valley's top angel investors, with investments in sites such as Instagram and Kickstarter.

WHAT HE SAYS: "Yes, [Square is] naive," Dorsey told *Wired* in 2012. "But that's a strength, not a weakness. **We literally have fewer than five people in a company of 250 who have worked in the financial industry.** So our approach is to engineer and create and build what we want to see."

07 SAMEER GANDHI

PARTNER, ACCEL PARTNERS

WHY HE'S IMPORTANT: Gandhi joined Accel Partners after almost 10 years as a partner at heavyweight firm Sequoia Capital. At Accel, he has been involved in major deals with Dropbox, StumbleUpon, Spotify and with Accel's investments in India. He's particularly connected through his post as a board member of the Western Association of Venture Capitalists.

WHAT HE SAYS: Gandhi, who has taken the lead on Accel's investment in Indian e-commerce company Flipkart, told *Business Standard* that he wants "to build the defining company for commerce in India. **We're comfortable if that takes a long time. We're very comfortable with whatever the form of exit is, whenever that happens.**"

08 THERESIA GOUW

COFOUNDER AND PARTNER, ASPECT VENTURES

WHY SHE'S IMPORTANT: After more than a decade with Accel, Gouw, who started her career as a consultant at Bain & Co., went her own way in 2014 and co-launched Aspect Ventures. The move wasn't entirely surprising, as Gouw was named one of *Time* magazine's 10 most influential women in tech in 2012.

WHAT SHE SAYS: "By being more visible and showing we can do this," Gouw told *Fortune* when she launched Aspect, **"maybe women will become more confident to be entrepreneurs and investors themselves."**

GOUW PHOTO: HEIDI SCHUMANN; PERKINS: BLOOMBERG/GETTY IMAGES

09 NEIL HENNESSY

PORTFOLIO MANAGER AND CHIEF INVESTMENT OFFICER, HENNESSY FUNDS

WHY HE'S IMPORTANT: Hennessy launched his own broker-dealer firm in 1989, and then in 1996, an asset management firm and his first mutual fund. In 2009 Hennessy led an expansion into Japan. While 70 percent of actively managed funds miss their benchmarks, Hennessy breaks the mold: Over the last five years, ending July 2014, 70 percent of his funds beat their benchmarks.

WHAT HE SAYS: Hennessy calls himself an economic realist. "We are quantitative," he explains. **"We can't vary at all from the formula." Consequently, "the client always knows what's happening."**

10 REID HOFFMAN

PARTNER, GREYLOCK PARTNERS

WHY HE'S IMPORTANT: Hoffman, one of the top investors at Greylock, is also the chairman and cofounder of LinkedIn, making him one of the most connected people in the world. Hoffman also served as executive vice president at PayPal, leading the company's acquisition by eBay and orchestrating partnerships with financial powerhouses like Visa, Wells Fargo and MasterCard.

WHAT HE SAYS: **"I put myself at as many key intersections in my networks as I can,"** Hoffman wrote on his blog in 2014. "As a result, my network inevitably ends up connecting me with great entrepreneurs and great investments."

LEONE PHOTO: ETHAN PINES/CORBIS OUTLINE

11 AILEEN LEE

FOUNDER, COWBOY VENTURES

WHY SHE'S IMPORTANT: Before launching Cowboy Ventures, Lee, like many other investors in the Bay Area, worked for Kleiner Perkins Caufield & Byers, but she began her career doing M&A work for Morgan Stanley. Lee and Cowboy Ventures focus on companies that are "reimagining the way we live and work," such as the mail-order razor company Dollar Shave Club.

WHAT SHE SAYS: **"We can basically do anything,"** Lee told a Stanford class on entrepreneurship last August. "We don't really have best practices, and we don't have legacy kind of traditions ... We really have the chance to do kind of whatever we want."

12 DOUG LEONE

MANAGING PARTNER, SEQUOIA CAPITAL

WHY HE'S IMPORTANT: Ever since he joined the company in 1988 after a long career at Sun Microsystems and HP, Leone has been a big reason why Sequoia is an industry giant. He has been instrumental in Sequoia's investments in LinkedIn and WhatsApp, which Facebook recently bought for \$19 billion.

WHAT HE SAYS: "People hate to do things because they view them as risky," Leone said at a Stanford business school "View from the Top" talk last year. "We actually think that if you're a crystal-clear thinker, doing nothing is risky ... **If something is working like a dream, break it.**"



Doug Leone

1968

Investment banker Bill Hambrecht cofounds the second of San Francisco's quartet of boutique investment banks known as the "four horsemen," which provide financial support to tech firms through the 1990s. Hambrecht & Quist helps fund some of the industry's biggest names including Apple, Adobe and Netscape. The first of the four horsemen, and also the first investment bank in the U.S., was Alex. Brown & Sons, founded in Baltimore in 1800.

1969

American businessman and investor Tommy Davis of Davis & Rock starts the Mayfield Fund in the Central Valley, making many investments in Silicon Valley. The Mayfield Fund's focus is early-stage tech companies, which will include Atari, the arcade game company that kick-started the modern era of home gaming.

1978

Investment banker Sandy Robertson and asset manager Paul Stephens form Robertson Stephens, which later invests in Apple, E-Trade and MapQuest. The firm underwrites 600-plus IPOs during the '90s internet boom. Thomas Weisel, a Robertson Stephens executive, eventually leaves with half the company and starts Montgomery Securities, the last of the four horsemen banks, which helps fund Yahoo and Tandem Computers.

LIVE

GROW

MAKE

WALL STREET WEST

By Benjamin Reeves

1980

John Doerr, one of Silicon Valley's most prominent venture capitalists later known for early investments in Amazon and Google, becomes a partner at Kleiner Perkins Caufield & Byers, where he is eventually credited with its investment in Twitter. He will back many powerful entrepreneurs such as Larry Page, Sergey Brin and Eric Schmidt of Google. The ventures he sponsors will collectively create over 200,000 jobs.

1985

Tim Draper, grandson of William H. Draper Jr., leaves Alex. Brown & Sons to start Draper Fisher Jurvetson, which will play a key role in launching Hotmail. In 1996, Draper and Steve Jurvetson will also be credited with the funding of "viral marketing," allowing Hotmail users to attach brief ads to the bottom of emails. Draper may be angling to make something else go viral: the ideas of 18- to 28-year-old startup entrepreneurs. Draper is calling on young entrepreneurs to star in his reality television project, which he hopes to begin taping this spring, coinciding with his Draper University course, an entrepreneurship program he heads in San Mateo.



13 ALEXANDRA "SASHA" JOHNSON

MANAGING DIRECTOR, DFJ VTB CAPITAL AURORA

WHY SHE'S IMPORTANT: Johnson emigrated from the former Soviet Union and was the first student from the USSR to get an MBA from the University of California, Berkeley. She has spent her career connecting Bay Area investors with companies in the developing world (including Russia). She is also the president of the Global Technology Symposium, an annual gathering of U.S. and foreign investors and startups.

WHAT SHE SAYS: Despite the current political tensions between the U.S. and Russia, Johnson is bullish on business between the two. "Entrepreneurs will continue to do what they do and investors will continue to work with them," she says.



Mary Meeker

14 MARY MEEKER

PARTNER, KLEINER PERKINS CAUFIELD & BYERS

WHY SHE'S IMPORTANT: Meeker, who's been called the "queen" of the internet, started her career at Merrill Lynch and Salomon Brothers. Later, at Morgan Stanley, she managed the Netscape IPO. Meeker joined KPCB in 2010 and sits on the boards of emerging financial players Square and Lending Club, but is perhaps best known for her annual internet trends report.

WHAT SHE SAYS: "I've made my best personal investments when I've been a user of the product," Meeker told *Wired* in 2012.

15 KATE MITCHELL

COFOUNDER AND PARTNER, SCALEVP

WHY SHE'S IMPORTANT: Mitchell started at Bank of America and eventually, as senior vice president, launched its online banking services. Her most recent \$300 million fund is focused on cloud computing, mobile and software. Extremely well connected, she is the former chairwoman of the National Venture Capital Association and is also a board member of the Silicon Valley Bank Financial Group.

WHAT SHE SAYS: Mitchell told the *Wall Street Journal* in 2013, "The thing that I find the smartest entrepreneurs do is, towards the end of [a meeting], they're asking more than they're telling."

16 MARISSA MAYER

PRESIDENT AND CEO, YAHOO

WHY SHE'S IMPORTANT: One of Google's first employees, Mayer received enormous attention for becoming CEO of Yahoo in 2012—attention that hasn't relented as she struggles to turn the company around. Yet Mayer is also one of the Bay Area's top angel investors, having put her own money into mobile payments company Square and online investing platform Wealthfront.

WHAT SHE SAYS: "If you can find something that you're really passionate about, whether you're a man or a woman comes a lot less into play," Mayer told CNN a few months before joining Yahoo. "Passion is a gender-neutralizing force."

17 CLAUDIA FAN MUNCE

MANAGING DIRECTOR, IBM VENTURE CAPITAL GROUP

WHY SHE'S IMPORTANT: Munce is a linchpin connecting San Francisco's finance and tech industries. At IBM, her job is to pair the computing giant's resources with those of the venture capital firms. Most recently, Munce and IBM have been pouring \$100 million into companies that use its *Jeopardy!*-winning Watson cognitive computing platform.

WHAT SHE SAYS: "Watson represents a new era of computing based on its ability to interact in natural language, process vast amounts of big data and learn from each interaction," Munce told the *San Jose Mercury News* last year.

18 PEJMAN NOZAD

FOUNDING MANAGING PARTNER, PEJMAN MAR VENTURES

WHY HE'S IMPORTANT: Nozad immigrated from Iran to Palo Alto and, in 1994, began working in a rug shop owned by another Iranian immigrant, where he sold rugs to many of Silicon Valley's new millionaires. Soon enough, he was hosting meetings with VCs, startups and angel investors in the rug shop, and his employer eventually went in with him on his first VC fund. Now Nozad has some big scores to his name, including Dropbox, Lending Club and SoundHound.

WHAT HE SAYS: "Always be willing and eager to help others with an introduction," Nozad advised in a *Forbes* piece about his networking tips. That said, "use your Rolodex wisely and only for the right person and the right time."

19 NAVAL RAVIKANT

COFOUNDER AND CEO, ANGELLIST

WHY HE'S IMPORTANT: With early investments in companies like Twitter, Foursquare and Uber, Ravikant is a fixer for angel investors and entrepreneurs. AngelList, an online marketplace for startups and angel investors, automates and accelerates the discovery process. AngelList offers options to invest in startup and enterprise funds, which allow investors to play the odds and bet on 100 companies at the same time.

WHAT HE SAYS: "Like everything else, investing is going online. You can either be an early adopter or a late adopter," he told *Fortune* last year.



Naval Ravikant

20 ROBERT F. SMITH

FOUNDER, CHAIRMAN AND CEO, VISTA EQUITY PARTNERS

WHY HE'S IMPORTANT: With more than \$14 billion invested in 30-plus enterprise software companies, Smith is perhaps the most successful African American in private equity. He joined Goldman Sachs in 1994 and became the firm's eyes and ears in Silicon Valley, where he advised companies such as Apple, Microsoft and eBay. He founded Vista in 2000.

WHAT HE SAYS: Smith told the *New York Times* last year that he is always "looking to transform the culture of [companies], transform the way they think about themselves and the industry they serve."

1991

No, he didn't "invent the internet." But as a congressman, Al Gore was instrumental in sponsoring legislation that funded expansion of and greater public access to the net, including the High-Performance Computing and Communications Act of 1991, which created the National Information Infrastructure, dubbed the "information superhighway." After he was VP, Gore became a partner at Kleiner Perkins Caufield & Byers, the venture capital firm that helped fund Google, AOL and iFund.



2004

Venture capitalist and hedge fund manager Peter Thiel, a cofounder of PayPal, becomes the first outside investor in Facebook, acquiring a 10.2 percent stake in the company for \$500,000, which he cashes out in 2012 for over \$1 billion.



—Alexa Dragomiris