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How they did it: Three Tampa Bay venture capital recipients share secrets to funding

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Customers can be a valuable source of investment backing.

That's part of the reason Avalon Healthcare Solutions was able to raise capital in early 2017, said Gregg Haddad, chief financial officer.

Haddad and other leaders at Tampa Bay companies with significant funding deals in the first quarter of 2017 offered ideas for other businesses that are seeking investment backing.

Capital investment is a show of confidence in companies, allowing them to grow rapidly, add employees and bolster the local economy.

There were 14 venture capital deals in the Tampa-St. Petersburg-Clearwater metropolitan area in Q1 2017, making the Tampa metro the 24th most active metropolitan area for venture deals in the first three months of the year, according to the PitchBook-NVCA Venture Monitor.

See the top deals in Florida and in the Tampa metro area below.

Avalon, a Tampa company that's making health care laboratory solutions more consumer friendly, raised \$29.27 million from three investors — Francisco Partners, Blue Cross and Blue Shield of South Carolina and Echo Health Ventures — in a deal that closed Feb. 6, according to PitchBook-NVCA.

The report released early Wednesday ranked Avalon as the top company in the Tampa-St. Petersburg-Clearwater metro area to raise venture backing in the first quarter of 2017.

Avalon has not publicly released the amount raised and Haddad would not confirm the number in the PitchBook-NVCA report.

The company helps doctors, consumers and insurance firms manage the cost-effective use of diagnostic laboratory tests, similar to the way pharmacy benefits managers operate.

"Avalon is deploying sophisticated information technology and the work of leading medical science experts to improve the quality and cost effectiveness of clinical laboratory testing," Haddad said. "We're honored that our most recent investment round was led by two of our largest clients who have the greatest insight into the value we deliver to patients, physicians, and health plans."

For TAO Connect, a St. Petersburg company that has pioneered a platform for providing online mental health services, one of the biggest keys to success was persistence, said Dr. Sherry Benton, chief science officer and founder.

"When we first started the business, it would have been very easy to get frustrated. It usually takes multiple contacts and conversations, investors watching to see what you do. They want to know your value proposition, what's the team like and can you actually perform before they invest," Benton said. "It doesn't happen with the first conversation or the second conversation. It happens down the road."

It's also useful to remember that a company seeking funding is interviewing the funder as much as the funder is interviewing the prospect.



Harvest CROO Robotics is developing a high-tech harvester.

“Make sure they are onboard with your mission and what you plan to do. It’s useful to talk to others who have been funded by them. You want to make sure you end up in good matches,” Benton said.

Consumer demand for the company’s product was key for Harvest CROO Robotics, a Tampa firm that is developing a high-tech harvester. The company was co-founded by Gary Wishnatzki, owner of Wish Farms, a produce grower in Plant City that specializes in strawberries and blueberries.

“I think the best advice is to have a product or solution that the marketplace wants, rather than trying to create demand for something that’s not out there,” Wishnatzki said. “We have 20 percent of the U.S. strawberry industry as investors, because they see the impending problem with the labor force. We’re filling a need that’s out there, not trying to create something. Our customers are standing in line for what we developing.”

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