

V.C. Nation

A Post-Google Fraternity of Investors



Librado Romero/The New York Times

“I had one of the best jobs in the world,” said Chris Sacca, who left Google. “But there is a world of opportunity.”

By [MIGUEL HELFT](#)

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SAN FRANCISCO — Chris Sacca had a plum job as the Wi-Fi guru at [Google](#). But with his stock options fully vested, he left the Internet search company this month for a new career as a venture capitalist.

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Noah Berger for The New York Times

Andrea Zurek, a former manager for a Google ad system, left in October. She is considering an investment in a company started by another Google alumnus.

Mr. Sacca, 32, joins a growing number of Google millionaires hoping to parlay their newfound wealth into even greater riches by bankrolling technology start-ups. Three years after Google went public, a fast-growing network of company veterans is fanning out across Silicon Valley. Some are joining the venture capital firms that financed the technology boom of the 1990s. Others are raising investment funds or backing embryonic companies with their own money as so-called angel investors.

“I had one of the best jobs in the world,” said Mr. Sacca, who as head of special initiatives at Google led a number of high-profile projects, including the creation of a free Wi-Fi network in the company’s hometown, Mountain View, Calif. “But there is a world of opportunity.”

So after four years at Google, he struck out on his own to raise a venture fund. Like many Silicon Valley hands, Mr. Sacca enjoys working at small companies. And Google, which now has more than 16,000 employees, is hardly the start-up it once was. In their new careers, Google alumni like Mr. Sacca are increasingly turning to former colleagues for money and ideas. They help each other line up investors, identify entrepreneurs and hire talented engineers and managers.

Some Google veterans hope to turn their loose affiliation into the next powerful network in Silicon Valley, where webs of money and connections have helped build many companies.

“We are planning to bring all the ex-Googlers who are starting companies and investing in companies together to tighten up the network,” said Aydin Senkut, a former sales

manager who joined Google in 1999, when it had 62 employees. Mr. Senkut left in 2005 to become a full-time angel investor.

It often pays to stick together in Silicon Valley. PayPal, the online payments system, spawned a bunch of serial entrepreneurs who went on to found and finance some of the hottest Web 2.0 companies, among them YouTube, LinkedIn and Slide. Many PayPal alums invest in one another's companies. One co-founder, Peter Thiel, who now runs a \$3 billion hedge fund and venture firm in San Francisco, is the godfather of what people jokingly call the PayPal Mafia.

There are no guarantees, of course, that Google's growing crop of alumni-investors will succeed, either individually or as a group.

"The challenge for the Google guys is to demonstrate what value they can bring, beyond making introductions to someone at Google," said Paul Kedrosky, a senior fellow at the Kauffman Foundation, which promotes entrepreneurship. Mr. Kedrosky said that those at the center of the PayPal Mafia were founders and early employees who learned a great deal by building their start-up into an online payments powerhouse. EBay eventually bought PayPal for \$1.5 billion. "They had experience at iterating strategy and making payroll," he said of the PayPal gang.

But Silicon Valley has plenty of believers in the investing skills of at least some ex-Googlers.

"Google arguably is at the center of the online advertising ecosystem," said Roger Lee, a general partner at Battery Ventures, a prominent venture capital firm. Mr. Lee recently recruited Satya Patel, who spent four years as a Google advertising executive. "If you understand how Google works and how associated business models work, it gives you a great lens to understand other advertising companies," Mr. Lee said.

So far, Google veterans have not invested that much in companies led by other ex-Googlers. But as they seek expertise, advice and early access to start-ups, they are increasingly turning to their former colleagues. Little by little, the group is coalescing. Since leaving Google in 2005, Mr. Senkut, 38, may have become the most active angel investor of the bunch, putting \$25,000 to \$100,000 each in about 35 companies. So far, only two of those were started by ex-Googlers. But Mr. Senkut has invested alongside other former Google employees, including Paul Buchheit, 31, who built the first versions of Gmail, and Georges Harik, 36, who ran many of Google's new businesses when the company began expanding beyond Internet search.

The three invested in Meraki Networks, which helps extend the reach of wireless Internet access technologies. The company was started by a group of engineers who had worked at Google as summer interns. Meraki has also received investments from Sequoia Capital, a venture capital giant that financed Google, and from Google itself.

Mr. Sacca did not invest in Meraki but helped persuade Google to back it. He said that some of his former colleagues might invest in his new fund.

“My actual preference was to not take too much money from Googlers, as it could prevent selling some companies into Google,” Mr. Sacca said. Investing in companies led by former Google employees, however, is not likely to be off the table. While at Google, Mr. Sacca made angel investments in two companies. One of them, the micro-blogging service Twitter, was started by Evan Williams, the creator of Google’s Blogger software.

“The bonds that are built at this place are tight and lasting, and it has been a great place to meet some of the most talented people in this valley,” Mr. Sacca said.

And the network of Googlers turned investors keeps growing. Salman Ullah, one of the company’s top deal makers, and a co-worker, Sean Dempsey, recently left to raise a venture fund, according to some of their ex-colleagues. Mr. Ullah did not return an e-mail message seeking comment.

For now, the ties among all these ex-Googlers remain loose and haphazard. Connections are made by e-mail or word of mouth.

“I am actually really impressed in how all of us are finding one another,” said Andrea Zurek, a former West Coast manager for Google’s AdWords advertising system. After more than seven years at Google, Ms. Zurek, 37, left in October to become an angel investor. Ms. Zurek said she has conferred with both Mr. Patel and Mr. Ullah, and is considering an investment in a company started by another Google alum.

To strengthen the Google alumni network, Mr. Senkut plans to hold a dinner for some of his former colleagues early next year. He said he hoped the group would start with about two dozen people and grow from there. “It will be unfortunate if all these great alumni didn’t get together regularly,” he said.

Of course, the Google veterans must still prove they can pick winning start-ups. But Mr. Senkut already has something to brag about. “I got my first PayPal deal,” he said. “You rarely see a company started by a PayPal guy not funded by a PayPal guy.”