

New Fund Hopes to Jump-start Hot Ventures

February 01, 2011 10:00 AM Mark Meister
newwave@tulane.edu

New Orleans experienced an unprecedented influx of entrepreneurial talent and energy in the wake of Hurricane Katrina, but activities like meet-ups and networking can take those entrepreneurs only so far. At some point new ventures need capital, and that's just what John Elstrott and Ralph Maurer, faculty members at the A. B. Freeman School of Business, hope to provide.



Ralph Maurer, left, and John Elstrott, center, faculty members at the A. B. Freeman School of Business, are part of the management team behind the New Orleans Startup Fund. (Photo by Paula Burch-Celentano)

Elstrott and Maurer are part of the management team behind the [New Orleans Startup Fund](#), a new nonprofit venture capital fund created to provide local high-potential ventures with seed capital, a critical need in the entrepreneurial community.

“We're trying to fill a gap that too many for-profit investors are afraid to step into, and that is the proof-of-concept, early-stage businesses that in some cases haven't made a sale yet,” says Elstrott, who is the executive director of the [Levy-Rosenblum Institute for Entrepreneurship](#), who serves as chair of the New Orleans Startup

Fund's finance committee. "We're willing to get in there early and provide them with not only capital at a very reasonable cost but also managerial and technical assistance."

To qualify, ventures must be headquartered in the New Orleans area and demonstrate the potential to grow to \$20 to \$50 million in revenues in five years. Unlike traditional venture capital firms, the startup fund isn't looking for a big return. Instead, the fund, which has raised \$4 million so far, hopes to recoup its investments quickly and support other early-stage ventures.

"Our goal is to accelerate the launch of high-growth-potential ideas, and that's really it," says Maurer, visiting assistant professor of management and executive director of the fund. "Once they're off the ground and have the right partners, then we have accomplished our goal."

Maurer says the fund received more than 60 applications following its launch in December, and he and his staff are currently looking at about 12 ventures.

Mark Miester is the editor of Freeman magazine for the A. B. Freeman School of Business.