

-- MOVERS & SHAKERS --

“Denning sets up shop”

Former Chase banker will focus on smaller funds, likes Japan

It's no surprise that Paul Denning has set up his own firm, San Francisco-based Denning & Company LLC, to leverage his many connections and raise capital for private equity funds. Denning was most recently Managing Director of the private equity group at Chase H&Q.

After a 27-year career in investment banking that has included private equity fund-raising for the likes of Robertson Stephens and Chase H&Q, it's a natural move for Denning. “People ask me why I didn't do it sooner,” he told AVCJ.

A youthful looking 59-year old, Denning honed his fund-raising salesmanship skills at a very early age. Growing up in Ohio, he hawked everything from doughnuts to garden seeds to magazines door-to-door. He says his biggest orders came during a period when he had to hobble around on crutches.

Now he plans to put his schmoozing and relationship-building abilities to work on raising money for several funds. By year-end, sources say that he is looking to raise \$300 million for New York-based Solera, a growth private equity fund focused on consumer, health care and technology-enabling businesses founded by Molly Ashby, former vice chairman of the investment committee for J.P. Morgan.

Later this quarter, he's also planning to start fund-raising for SpaceVest, a Reston, VA.-based outfit that focuses on such space-related areas as satellite telecommunications and wireless local loop telephony. Two international deals are offing too: a UK-based technology fund and a venture capital fund for Asia that will most likely focus on Japan.

Step-by-step

Denning, who logged five years as a Navy pilot in the Vietnam war, compares good fund-raising ability to land a jet on an aircraft carrier. “I like to say that raising funds is elaborately simple,” he says, “You just do what you have to do and you do it on a step-by-step basis. At the end, everything comes together.”

To make sure such precision happens at his new firm, Denning says he is keeping a tight focus on his firm's strategy. His aim is to raise smaller funds or help top off larger ones in either specific industries or geographies.

“These are the kind of funds that limited partners are looking for these days,” says Denning, adding that he expects to grow his firm to three professionals by the end of this year. “Limited partners know that today there's no room for new sick children to take on. To add a new fund to their portfolio, it has to be special.” That's where Denning expects to deliver.

-Rebecca Fannin