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7:30 am ET  
May 28, 2014 [DEBORAH GAGE](#)

## Canvas Names Ex-NEA Partner As Fourth General Partner For Latest Fund

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CANVAS VENTURE FUND GARY LITTLE MORGENTHALER VENTURES NEA PAUL HSIAO

By [DEBORAH GAGE](#)

**Canvas Venture Fund**, which spun out of Morgenthaler Ventures last year, has named former New Enterprise Associates Partner Paul Hsiao as its fourth general partner.

The move fulfills an agreement that Canvas made with its limited partners last year when it raised its first fund, which is \$175 million, according to Soren Thinggaard Hansen, head of private equity for Industriens Pension in Copenhagen.



Canvas General Partner Paul Hsiao — Canvas Venture Fund

The rule of thumb for venture firms is \$50 million to invest per partner, he said, and the LPs gave Canvas “half a ticket” since they didn’t know who the fourth partner would be.

It’s important to get the right chemistry among the team, Mr. Hansen said. “I’ve seen too many things go wrong because someone hired someone too fast.”

A former entrepreneur who immigrated to the U.S. to attend school, Mr. Hsiao joined NEA in 2003, working on seven IPOs during his time there and investing in companies acquired by Sony, Skype and Texas Instruments, among others.

Canvas General Partner Gary Little said the firm was looking for “an athlete” who could invest across a broad scope of technologies. Although Canvas invests in software and services, the firm needed someone who could “pick a sector, map it, find the best opportunities to invest and go execute it, and that’s what he’s been doing for the last three years at NEA.”

Mr. Hsiao had also received coaching from some of NEA’s top partners, Mr. Little said. In a statement, NEA Managing General Partner Peter Barris said the firm is “thrilled for [Mr. Hsiao] and thank[s] him for his many contributions over 10 years at NEA.”

Canvas is small compared to NEA, which is one of the venture industry’s largest firms, and Mr. Hsiao said it’s “a rare opportunity to do something entrepreneurial in the venture business.”

He said he plans to pursue a theory he started developing at NEA about how software combines with online marketplaces, and will look for entrepreneurs building mobile software, proprietary data graphs and large peer networks in enterprise software, education, real estate and gaming.

Canvas’s new fund is 20% committed and has so far made four investments, including the personal finance adviser Xulu Inc., doing business as FutureAdvisor; the health information and communication platform HealthLoop Inc.; the customer monitoring platform Totango Ltd.; and an enterprise software company that’s so far unnamed.

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Produced by the editors of [Dow Jones VentureWire](#), Venture Capital Dispatch tracks the fast-moving developments at the intersection of high-tech innovation and venture capital finance. Featuring the VentureWire reporting team in the Silicon Valley, New York, Boston and Shanghai tech centers, Venture Capital Dispatch provides insight into the newest start-ups and latest trends in venture capital investing. Write us at [VCdispatch@dowjones.com](mailto:VCdispatch@dowjones.com). For more information on Dow Jones products covering venture capital and other financial markets, go to <http://pevc.dowjones.com>.

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Even though it now has four general partners, Canvas will not be increasing the size of its current fund, Mr. Little said, but will continue investing what it has. The other two general partners are Gary Morgenthaler and Rebecca Lynn.

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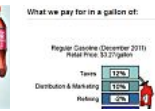
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