

LOCAL ONLINE ADVERTISING COMPANY SHUTS DOWN



A local online advertising company, WebVisible, has recently shut down. The company was headquartered in Irvine at the time of its closing. The founder of the company, Kirsten Mangers, left in October of 2010. She did manage to verify that the company did, in fact, shut down but she did not give any details about its demise, according to The Orange County Register. The CEO of WebVisible, CEO Ron Burr, sent a note to employees that said the company had run out of money and that the Silicon Valley Bank would be shutting their company down. Burr talked about how he was sure that the closing of the company would come as a shock to a lot of the employees. He said that the company was in too much debt to overcome the debt completely. He also felt that the timing of the closing was definitely unfortunate. It is hard to believe that the company has closed especially since they were doing very well in 2010. In fact, WebVisible managed to raise more than \$20 million in venture capital. Prior to raising that much, they also received \$17 million in venture capital. It seems changes started to happen in October of 2010. There were managers who left abruptly and more than 30 employees were laid off, most of the employees came from the Orange County area. By February, WebVisible had already laid off over 100 people and closed its office in Charlotte, North Carolina and then relocated to Irvine. Burr said, "Nobody wants to lay off people, but we need to be operating at a profitable level that is sustainable." The primary focus of this company was to perform online advertising for a bunch of different small business in areas all over the world. The company had some strategic ideas which include working alongside of different phone directories and newspapers to sell the WebVisible advertisement package as something that was their very own. In 2007, when the company was still in business, Mangers said, "Customer acquisition can be very expensive." She also says, "Microsoft and AOL made forays into the local merchant space. If they couldn't do it cost effectively, how could we? By leveraging those existing sales forces." The strategic idea that the company had in mind definitely managed to work. WebVisible was doing so well; they began signing with some of these big time customers like McClatchy Newspapers and Dex Media. However, by 2004, WebVisible had too much business, way more business than they were able to handle. In 2005, they accepted equity capital, worth nearly \$5 million, from RedPoint Ventures in LA. It seems that having too much business to handle could have been one of the main reasons for the companies closing.