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\$20.3 million is raised by Bellevue's digiMine

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Usama Fayyad, chief executive officer of digiMine, realized in December that his company, with \$10 million in the bank, would need more cash before reaching profitability.

"Frankly, I heard a lot about the marketplace and that it would take forever," said Fayyad, who is also a co-founder of the Bellevue data-mining company.

Less than five months after starting his search, Fayyad is planning to announce today that digiMine has raised \$20.3 million in financing. "I didn't have to go through an ugly experience," he said. "The VCs (venture capitalists) didn't try to push very hard on price or valuation. It was done as a solid, clean deal."

Mohr, Davidow Ventures, with an office in Seattle, led the round by contributing more than \$10 million. Other new investors include American Express and Rolling Thunder Network. Mayfield, a previous investor, also participated.

digiMine, which provides data-mining and data-warehousing services, allows clients access to charts and reports over the Web about customer patterns and other analysis gleaned from client data stored on digiMine servers.

Also today, digiMine plans to announce that it will begin providing services to Dow Jones. Internet properties of Dow Jones, including The Wall Street Journal Online and Barrons Online, plan to use digiMine's data-mining capabilities to understand subscribers' use of the sites and how to tailor content to each user.

Fayyad said it was easier raising money because of the well-known names on its client list, including Xbox, Crayola, J. Crew and Sega.com. "It was a combination of having really strong customers and the fact that we had \$10 million in the bank," he said. "We could afford to wait it out."

Bill Ericson, general partner at Mohr, Davidow's office in Seattle, said he liked the investment because digiMine provides services that many companies try to build in-house and fail.

"Data mining has been an area where people have been interested in the competitive advantages for a long time," he said.

digiMine has approximately 120 employees and has raised \$45 million to date.

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