



## Stanford eCorner

### What Has Changed in Today's Investment Culture?

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Video URL: <http://ecorner.stanford.edu/videos/65/What-Has-Changed-in-Todays-Investment-Culture>

Previously, Roizen says it used to take three years for startups to reach liquidity; now the time frame is five to seven years. As a result, she recommends startups get to know the VC well and trust them because they will be working with the VC for many years. Now as an entrepreneur, she says, you have to work for a living!



#### Transcript

The other thing and again, a lot of this is sort of back to the old days, you have to anticipate that you're going to be with that person for the next five to seven years so you better like him, you better have a sense of their ethics, you better want to be around that person for five to seven years because that is the timeframe that we're looking at. I do think that's one of the important things to think about if you're going into becoming an entrepreneur so now I'm going to talk about some of the what's different from the way it used to be two and a half years ago. Number one, you actually have to work for a living. It's really difficult to say but it's hard and it'll probably take a long time. I think the idea of three years to a liquidity event is kind of gone, and I think for most of us who've been around, my partnership is filled with as I like to call them recovering entrepreneurs. Most of us were CEOs of companies and sold our companies, took them public and what have you and became venture capitalists. For most of us, it took between 12 and 20 years to achieve liquidity for our companies so that kind of was the norm and the outliers. There's an interesting, I'm trying to remember which magazine it was in, it had an article about Siebel and it had these charts that I ripped out of a magazine yesterday and it showed how many years until profitability, how many years until a billion dollars in sales, how many years until. They're big numbers and they were comparing Siebel to Oracle, SAP, Microsoft and one other company. So, it's going to take a while even if you build something successful to get it to be successful and you better be ready for that.