



Stanford eCorner

Strategic Investment Analysis Via a Hybrid Partner Group

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Video URL: <http://ecorner.stanford.edu/videos/614/Strategic-Investment-Analysis-Via-a-Hybrid-Partner-Group>

Smith believes that since their monetary values are not large in comparison to the size of the education industry, investments must be leveraged to get maximum effect. New School's helps to leverage their investments by bringing together a partner group that includes venture capitalists, entrepreneurs, and educators, who each bring different strengths and views to the venture.



Transcript

So some lessons, I've already talked about the need to be strategic in our investment analysis. It's a \$400 billion a year industry. We had a \$20 million. Even with our \$80 million fund if we get there, not a lot of money compared to what's being spent. We have to be high leverage. Our investment partner group purposefully we combine venture capitalists, entrepreneurs and educators. They have a very different view of the world. VCs are fantastic at identifying every possible risk that could stop you from being successful. Entrepreneurs are fantastic at identifying exactly where the entrepreneurial opportunities and why you have to run toward it in spite of everything the VC say. And educators are great at grounding us in our industry.

They know what does and doesn't work in the classroom. They know what does and doesn't work in the community so it's important that we have all three. It makes for very interesting meetings.