



Stanford eCorner

From Startup Coach to Venture Capitalist

Fern Mandelbaum, *Monitor Venture Partners*

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Mandelbaum did not consciously make the decision to shift her life's work, but was asked by two friends to help them with their new venture firm. This was in 2002, and a very difficult time to start this type of company. She got very involved in the challenges of the project and decided to commit herself to what Monitor Ventures was trying to do.



Transcript

So now you've changed again. I mean here you were functioning very well and very happy as a coach for startups. All of a sudden, you've decided to launch a new venture capital company. That's going to be quite a big undertaking. Why did you decide to do this? I didn't. Actually, the whole process I've never thought, okay, I'm going to start a coaching business or I'm going to start a toy company. I can guarantee you I didn't think I was going to start a toy company because you can imagine my business school classmates at the reunion, a toy company, what, is that serious? But it was serious and coaching is very serious. What happens is when I start working with people, I become more and more involved in what they're doing and in the case of Monitor, the two founders, Teymour Boutros-Ghali and Neal Bhadkamkar asked me to help them. This is about a year and a half ago, not a good time to start a venture firm. They asked could you help us think about starting a firm? How would we do it? What would we do? Is it early stage? How would we position it? I thought this is good.

I like this project. One of the reasons I thought it would be interesting is because for about the last three years rather than raising money from all my buddies on Sand Hill Road, I'd really expanded the reach, really thought outside the box on how to raise money because Sand Hill Road wasn't funding companies. I thought this should be a really great way to reconnect with my venture buddies, hear what's going on, talk to them about what they're doing. The more I learned about Monitor and they were going to do, how they were going to participate in this venture business, Monitor for those of you that don't know has about a thousand people around the world and was started as a consulting firm about 20 years ago by Michael Porter and a few other guys from Harvard, a lot of competitive strategy innovation work. So in and of itself, I found that fascinating and then they started a merchant bank about eight years ago, a buyout firm, and were just raising their second \$800 million fund and how they did it, how they were going to add value, the fact that they were not only contributing money as a limited partner but the fact that they were putting in money to help grow the companies. So as it applied to the venture business, there I was at meetings with people explaining all the value, access to giant companies. I didn't know giant companies. I know little companies. I'm a little company person. That's the name of the game though.

How do you get to HP, Ford, GM, China Telecom, Deutsche Telekom? I didn't know. It's a global world. So I have five good friends around the world but I don't have 23 offices around the world with incredible people. So the more I learned what Monitor was going to do, the more I realized how differentiated this venture firm was so I thought, wow, if we partnered with all the venture firms I currently work with as Monitor, I could essentially do what I'm doing now which is really hands-on building of companies with a great firm behind me. So it seemed like a good idea. Fabulous.