



Stanford eCorner

Decision-Making at Kleiner Perkins

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Byers gives an insight into the decision-making process at Kleiner Perkins on how it makes investment decisions. He advises entrepreneurs on ways to champion starting a selling process in the firm.



Transcript

So at our firm, and I think this is the truth for most firms I'm familiar with, the way it's processed is, first, there has to be an advocate. There has to be a champion. And that is going to be a partner who has a specific interest in the industry sector and who is connected with an entrepreneur who has something interesting. And they start a dialogue. And the way that dialogue starts is usually by an inquiry through email or through a referral of a mutual acquaintance. The best of all is the mutual acquaintance, who makes that introduction. And the best of all is if that inquiry is made right to the partner who works in that industry sector. Don't bother yourself to go to Mr. Perkins. He's retired, by the way.

So don't look on the website and pick the highest-ranking partner and say, "Well, I'm going to start there because I'm sure if it's kicked down from there to somebody who's really going to pay attention." That's the way corporate works. It's not the way these firms work. You want to figure out the partner there who has a passion for what you have a passion for because, say, if you approach me about a wireless thing, all I'm going to do is then connect you over to Matt Murphy. And we probably just wasted two weeks by the time I'm getting around the emails and then I get around to that and back to you, and one thing leads to another, and so on like that. So that's how it begins. And what you want to try to get is the first meeting, and just with that person with the passion. Then they develop an interest, and then the next step is they'll have a second meeting, and they'll bring more people in. This is the process of your champion starting the selling process in the firm. So that second meeting, if that partner has invited two other partners and an associate or two, you're doing well--that's a good sign--as well as consultants and other people from within their portfolio network and so on like that. Help the person figure out your business.

So come with a list of references all written up and the context of how you know those people, and hand that to them. Now, they're going to call your references, but they're also going to call people that they know that you don't think they know. But that's all part of it, too. So always try to anticipate what is it that they're going to have to do next, and give it to them. That's very impressive when that happens because that shows that you understand sales and marketing.