



Stanford eCorner

Getting Funding

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April 20, 2005

Video URL: <http://ecorner.stanford.edu/videos/1308/Getting-Funding>

Byers discusses the process and the time that it takes for an entrepreneur to earn a standing to the time when he might get financed.



Transcript

When our firm co-founded Tandem Computers with Jimmy Travegh, Jack Lustenau and this was in 1976. The diligence period was six months to study non-stop computing architecture and to go survey what other companies might be working in it and look at companies that aren't here today, that in general and so on. And what they are doing and IBM and whatever. Now that parameter has shrunk way down. The usual time in the mid-90s and back again to today is about six to eight weeks. That will depend a lot on how much you can help the process, like I just said. It is not really a good idea to try to accelerate that process by creating a sense of competition because unless you have a fantastic idea with a great team and it's all very obvious. If you try to give a sense to the venture capitalist that, "Oh, well, we've shown this to five other firms on Sand Hill Road and we've got a lot of interest." That's actually a turn off because to us we will say to ourselves, "You know, I'm really busy and if I work really hard on this for a couple of weeks it may end up to be not going to happen." So I am probably not going to even start because we are in a supertime shared situation in our job there's never enough time to do it all. Don't take that approach at all. I think what you should do is you sit down and after that first meeting you talk about the schedule in the process.

And come to some agreement about the rate at which it will go and always ask for the next meeting and get it on the calendar. Never leave a meeting without asking for the next meeting.