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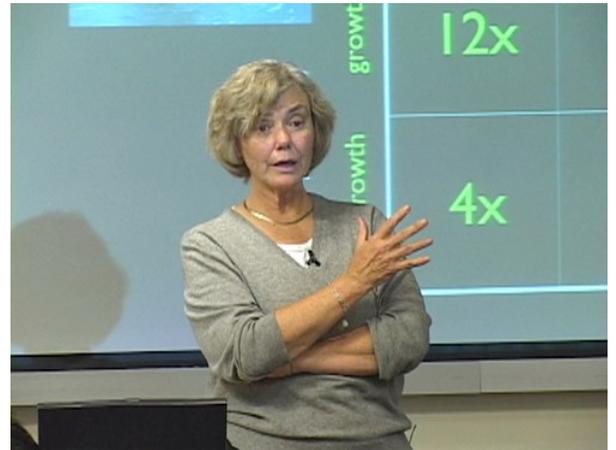
### The Art of Fundraising (Part 1)

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Video URL: <http://ecorner.stanford.edu/videos/1585/The-Art-of-Fundraising-Part-1>

Eisenhardt describes the key elements associated with successful fundraising. She discusses the importance of asking for the correct amount of money at the right time from the appropriate people.



#### Transcript

What does a successful fundraising look like? Well, obviously, you want to raise enough money. But you don't want to raise too much because then you'll dilute your ownership but you don't want to raise too little because you don't want to run out. So there's an art to knowing how much you raise. You actually have to plan ahead and think about your cash flows and so forth. So you want to raise the right amount, but the other thing is particularly important that people sometimes forget, is you want to raise it fast. You don't want to spend a lot of time raising money because you really do have a business to run. So you want to raise enough, you want to raise it fast and you also like to get the most helpful investors that you can. So you would love to get Sequoia, or Accel or DFJ or whomever. But maybe you can't. But anyway, you want it.

You want the most helpful investors. You want to do it fast. You want to get enough, OK? So that's what successful fundraising looks like. How do you do that? Let's start with the issue of what's the right time. When do you go out for money? A lot of things may occur to you but it certainly might occur to you that you want to go out for money when you need money, right? That would seem sensible but, of course, it's not sensible. Because when you need money, you're desperate. It's what you want to do instead is you want to go out for money when you've actually got some substantial signal that you're actually a good firm. You've got a patent. You've won technology contest. You have a customer.

You have something, something that you can show people that you've accomplished. So, it's when you have accomplished things is when you have the most leverage to go get money, not when you need it.