



Stanford eCorner

Raising Money outside Silicon Valley

Jason Green, *Emergence Capital Partners*

May 01, 2007

Video URL: <http://ecorner.stanford.edu/videos/1831/Raising-Money-outside-Silicon-Valley>

Jason Green, Founding Partner at Emergence Capital, suggests that outside Silicon Valley entrepreneurs may need to approach the fundraising process differently simply because there are fewer VCs and less capital available sometimes. Green argues that outside Silicon Valley and perhaps even in the Valley, the best course of action is to have the option to say no?that is to not raise money because the business is self sustaining.



Transcript

Silicon Valley is a great place but it's also not a great context sometimes for giving advice to entrepreneurs in places not in Silicon Valley. Having been a board member of Endeavor for now a decade and having worked with a number of Endeavor entrepreneurs over the years, I found that it's been more helpful sometimes to think about the context that you're operating in rather than the context of Silicon Valley and giving advice. Because the truth is, as an entrepreneur, the best thing when you're raising money and making those decisions is to have options. A lot of time, you guys don't have as many options as entrepreneurs do in places like Silicon Valley. When you start thinking about what are the important things to think about - and like Michael brought up a lot of the fundamental things about values that are critical - but the the truth is, you need to have options to make that choice. My first advice to entrepreneurs here is to not think about being dependent on fundraising, number one. I think a lot of your companies - and this is an advantage - have had to start from scratch without any fundraising, without any venture capital, and without any investors. That is a tremendous advantage, like Jim Wolfensohn was saying, "Being poor and being born in Australia was an advantage." That is an advantage and you should pride yourself on the fact that you don't consider that as a necessity to start a business, which a lot of entrepreneurs do. They need that money to get off the ground. You guys have started companies without that advantage and you should treasure that because it creates a lot of great discipline and focus and great characteristics of the business that I think make those businesses perhaps even more successful ultimately than a lot of venture-backed businesses.