



Stanford eCorner

An Executive's Perspective Inside Venture Capital

Mari Baker, *PlayFirst*

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Kick in the door when it opens, says Mari Baker, CEO of PlayFirst, on her former affiliation with VC firm Kleiner Perkins. She transitioned from her executive roll at BabyCenter and soon sat in on pitch meetings, reviewing the portfolios of numerous start-up companies. Along the way, she took on an appreciation for the difficult choices made by venture capitalists. The experience taught her to be more thoughtful of approaching firms for future capital. It also solidified her understanding that being funded is more than just asking for cash; it's establishing a long-term relationship between the company and its funders.



Transcript

In my experience working with VCs, I think one of the greatest experiences that I've had as far as the lesson of take the door when it opens is John Doerr had made me the offer to come and be an executive in residence at Kleiner Perkins whenever I was ready to leave BabyCenter. Okay, well that's great. Then he kept saying, "Well whenever you're ready." So I thought, okay, I've never taken a little bit of time off, that might be a fun thing to go and do. It allowed me to do a nice transition out of BabyCenter, to get the organization in a good place and then to go have the opportunity to sit inside Kleiner Perkins which was great, and have the opportunity to sit in on pitch meetings, an opportunity to meet with a lot of companies in their portfolio. I think the key for me in that experience was to really appreciate how hard that VC job is. How really hard it is. The volume of great business plans that they see on a regular basis. Any given partner gets to pick one for the year. You might see 50 a week - plans. You might see in person five to 10 different companies, different great entrepreneurial teams pitching their idea.

And you have to choose among all of this who you're going to marry for the next 10 years because you're going to be on their board for the next 10 years. You're going to keep involved in that company for the next 10 years. And you get to make one of those choices a year. It's hard to choose among all those great ideas. So I think it was also helpful for me for being on the normal role being on the other side of the table to really also appreciate that. Just the quality and caliber of things they see and to be much more thoughtful that if you're going to be going out and raising money, who has a thesis in the area where you're working on? Who is focused in that area? Who has a history in that area? Who believes in the area that you're working on? Because if it's not something that's on their radar, it's harder to get in the mix. I think that was a great experience. You're running your company and you're realizing that your VC partner, they've got to go back to their partners and also justify your next round of funding. They're your partner, and they have accountability back to their partnership for how well you're doing and how well the investment they made in you was doing. So I think there really is an alignment of goals and I think a lot of times, the entrepreneur needs to really understand what that investor-side, how they're accountable, how they're measured so you can make that partnership work as best as you can.

When we raised the B round on Navigenics, we spent a lot of time thinking figuring out who do we want to have come in as an investor. We had Kleiner Perkins, we had Sequoia already, and we were thinking about well, what other VC company did

we think really are interested in personalized medicine well enough who we'll be really bummed if they went out and funded somebody else. That was a big piece of what helped us target in on MDV, Mohr Davidow, as a potential investor. They were of course excited about it based on their experience in the space. For me as the CEO getting a great board member who had prior experience in running a company, who also was a woman, for me as a woman CEO, I was very interested in other women on the board, if we could find something that really fit so it was a great solution for me. You'll realize people say this. People say not everybody's money is the same. You can get money from a lot of places but you need to really think about that marriage that you're doing to who you're getting that money from and really trying to maximize for the benefit of the company, for the support of you as the CEO, who you decide to choose to let invest in your company. It's important to think about it that way, around it's not just going out with your hat; it's you're in charge, you're the CEO, who do you really want to get money from?