



Stanford eCorner

Deals are Built from Relationships

Dana Mead, *KPCB*

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Venture capitalist Dana Mead admits rarely meeting with entrepreneurs from ventures submitted through a cold call process. Mead says the reality is deals grow out of relationships he personally forms with other venture capitalists and entrepreneurs. He emphasizes the importance of networking and leveraging resources when entrepreneurs plan to try and raise money.



Transcript

So the question was, the ventures that I personally have invested in, how did those come to me or how did those come to Kleiner Perkins? And second part of the question was, did some just come over the transom? So we get a lot of things that come over the transom. And there's a lot of people out there - they're bankers and they're called finders - that work with companies. And they play an important role. And they - what they do is they try to match your company with investors. The challenge with that is, I probably get five or six of those emails a day and so just take that number, just say you get 1,000 a year, it's literally that many, there's that many out there that you get. I haven't invested in one of those companies. I'd only think I've taken a meeting from maybe one or two of those companies. So all the ones I have invested in have all come through other venture capitalists that I work with and know, or entrepreneurs or physicians or other people calling me or telling about it. Some people that I have just met randomly. At meetings in different places with an idea.

Some cases where we see an area that we're extremely interested in and we go out and try to find the people, so we search the IP and other areas to do that. But nothing that's just come randomly over the transom. It's almost all come with some form of referral. And that's why I said so important, if you're going to go out and raise venture capital, to talk to all these resources you have around here in the valley, the people that know the venture capitalists, that have relationships, that have started companies, they're the ones that are going to get you in to see the venture capitalists. And never, if I have a recommendation from one of those type of people, will I not take a meeting with the company. So it's just the way it works and a lot of it is just the comfort we have in understanding where the company came from and the people.