



Stanford eCorner

Proving You Can be a Great Partner

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January 18, 2012

Video URL: <http://ecorner.stanford.edu/videos/2872/Proving-You-Can-be-a-Great-Partner>

Deborah Hopkins knows when an existing corporation enters the Silicon Valley ecosystem it must prove it can be counted on as a long-term, trusted partner. As the head of Citi Ventures, Citi's venture investing unit based in Palo Alto, Hopkins relates the story of one of her organization's first deals illustrating the importance of this idea.



Transcript

I was at Kleiner Perkins one day in 2009 and I had just met of - an entrepreneur, Cyriac Roeding, who runs shopkick right here in Palo Alto and I was just so blown away by this young man and I thought what are we doing here in New York, I mean, there is no way you are going to get a sense of what is happening here by being the big guy from New York flying in. So, I went back and said I think we need to go to Silicon Valley. And while I said, go, so off we went and then we really did most of that recruiting here. But when we got here, we've recognized very quickly because as Tina mentioned, we are also investing in start-ups. We've recognized very quickly that success was absolutely counted on us being able to demonstrate that we can be great partners, because when your start-up or VC - really corporate venturing is something is like, oh, yeah, we've seen this before, they come for two years, they go away, you're really renting a house, right? I said, no, I sold everything. Really honestly he sent you here, yes. And so the result somewhat displeased that we were truly seriously dedicated to all of this. And it was really being able to demonstrate that obviously as a company with our rich history and our incredible channels and our volumes, if we can help a start-up really scale, if we can teach them how to scale, it's a goldmine for them, right? But on the other hand, it can be a nightmare if you absolutely bury them in legal baloney and procurement issues and you know all sorts of challenges. And I have to say the very first one we did, thank god, Cyriac, I would tell you, he would stand here right now and say we're wonderful. But in the process, the first one we did, our lawyers and the procurement guys all thought us making us couple of million dollar investment in the start-up was absolutely like making a \$3 billion investment in something else.

And so we had to go through this whole process and I remember him calling me one day saying, if you don't get these guys off my neck, I'm jumping out of the box. And so we did. And we've figured that out. And now last year, we met with over 600 start-up companies and we invested in eight of those and we're really, really excited about that and being here in the Valley has really been a core component of that for us, very exciting days.