



Stanford eCorner

Paths to an Entrepreneurial Career

Ted Zoller, *Kauffman Foundation*

February 01, 2012

Video URL: <http://ecorner.stanford.edu/videos/2887/Paths-to-an-Entrepreneurial-Career>

Kauffman Foundation Senior Fellow Ted Zoller describes his findings on the pathways young people take that lead to them becoming dealmakers in an ecosystem. Rather than starting a company out of school or working in venture capital, Zoller says the most likely path is gaining a C-suite position in a larger enterprise and then stepping into entrepreneurial ventures later in a career.



Transcript

What path will lead to my success, I'm going to do this very quickly. I did analysis of all the dealmaker pathways, and there were bunch of different pathways and I'm going to just interpret this, this is the hand waving portion. I thought for sure most of the people who're really successful will start out in investment banking, go to business school, go to the investment banking world and come back to - get their MBA and then get into private equity or get into venture capital and become mega financial guys. Those are the guys, that's the pathway in the top. Then I thought the other pathway would be, the person who starts a company, then who he starts the second company, who starts the third company, serial entrepreneur, that's the pathway at the bottom. Then I saw all these other pathways when I was studying their backgrounds and it was like, who are these people? These are the guys who go to corporations, they start working for large companies and then they, ironically, as they get senior in their career start working for smaller and smaller companies, private equity-backed companies or high growth companies, they left IBM to go work for some of the companies you all admire in Silicon Valley, while ironically there was a set of profiles that came about by looking at this work. And I did this really clever kind of pathway analysis and based on that I looked at the centrality of the pathway, and sure enough going and becoming a financial engineer will lead you to become a dealmaker, but not most likely. Being a serial entrepreneur will lead you to be a dealmaker, but not most likely. What's the most likely path? Getting to the C-suite of a large company and then backing into a private company. So what we've been saying is, go start a company.

It's not a bad idea to go work for a company and then go fuel a company's growth. Is that interesting? Please. Okay. Can you cut out years by doing management consulting? Well, I think consulting - as a matter of fact, consulting is one of these pathways and there's - it's actually a very common path. This one right here is consulting and services company, so yes. The answer is yes. I wish it was definitive, but it was an interesting pattern, I didn't - that surprised me. So don't leave the idea of working for enterprises out. I'm not saying go work for the big huge corporations necessarily, but learn something that you can leverage ultimately in the building of your of entrepreneurial career.