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No Need for Venture Funding

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Entrepreneur Sandra Kurtzig describes the unique way in which her first venture, ASK Computer Systems, gained early funding without taking venture capital. Kurtzig also articulates how the company was successful by being ahead of the market.

Transcript

So the other thing is - I said I had no money. And I clearly - I didn't even know what a venture capitalist was at that point. And even if I did, no venture capitalist was going to give me any money; we already established I had no business experience, I was going into a market straight after IBM and I'm still a woman and I like being a woman, so that wasn't going to change. So I had to finance this company. $2,000 obviously didn't get me too much. We did get HP to let us use computers at night, so we'd go to their offices down in Santa Clara and we'd work from 12 at night to 6 in the morning on the computer they let us use. But we still needed a little more money than that. So we financed the company by getting deposits from our customers. We took a 20% deposit on the hardware that we actually sold to the company - we bought the hardware from Hewlett Packard and then we sold it - and then the software. And these 20% deposits were the total of funding that ASK ever got and that took the company to the point that we were profitable.

Clearly my entrepreneurial first venture was scary. I gave up a good job at General Electric, I did - it was very fear - there was a fear of failure. And - but I believed in myself, I believed that this was a good market, that we were ahead of the market. You always want to be ahead of the market; people were just starting to think that the mini-computer can do something. And it's not too surprising, because the first mini-computer that we were successful at programming had only 15 megabytes of disk and a 16K of total memory. So just imagine that today, I mean, I think these - the JPEG is clearly more than that. So - and our first customer was Hughes aircraft. So we got all of this data and our programs on a computer that size. But we were ahead of the trend, and we became the first company to develop a complete manufacturing and financial management software for a mini computer. In fact, we were one of the first companies to have packaged software.

And in spite of everything that we did wrong, we became pretty successful.