



Stanford eCorner

Creating Something New

Cindy Padnos, *Illuminate Ventures*

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Investor Cindy Padnos explains why she chose to found Illuminate Ventures in 2009, based on trends she saw in how business processes were being altered due to major shifts in technology. "I am still an entrepreneur at heart," says Padnos, "and when you see an opportunity, you take advantage of it and create something new."



Transcript

So fundamentally I was at a point in my life where I knew that I really wanted to bring together a whole variety of different skills that I had developed over time. I was in venture at the time and I had had a career as an entrepreneur, I had been in the corporate world, I had been in management consulting, I had done a variety of different things and I had realized that all of those converged into this kind of venture capital role when you had to leverage all of the relationships you'd built over years, in order to get great quality deal flow and syndicate your investments, but you also had to use all the analytic skills that you'd built as a management consultant and then the operating skills were pretty handy when you were dealing with start-up CEOs and helping to coach and mentor them and frankly help them not have to go through the same pain and suffering and mistakes that you had made over and over again. So venture was very clear to me. What was less clear was why start a new firm? But what happened I think I will share a slide up here with everyone is that what I recognized and what I saw is that technology innovation was really causing some major shifts. Every time there was a shift in technology, there was actually a fundamental shift in the business processes and the ways that companies did business. And what I saw and what I wanted to take advantage of was the fact that the whole world of SaaS applications, of cloud computing was enabling entrepreneurs to start companies much more capital efficiently. We hear about lean start-up and people think that means cheap. It doesn't mean cheap. It means being capital efficient in the early years of a business while you really fine tune and figure out what you ought to be doing, whether or not you have something that can and should scale and then accelerate it. But most of the big firms in venture capital were still putting large amounts of capital to work in the earlier stages in these companies and I saw an opportunity, there was a gap in the market and I'm still - I was then - and I still am an entrepreneur at heart and I think when you see that opportunity you just take advantage of it and create something new.