



## Stanford eCorner

### Investing in Yourself

Cindy Padnos, *Illuminate Ventures*

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Video URL: <http://ecorner.stanford.edu/videos/3085/Investing-in-Yourself>

Investor Cindy Padnos describes the ways in which she built the trust of investment partners when she founded Illuminate Ventures. In conversation with Stanford Consulting Professor Tom Kosnik, Padnos explains how she initially utilized her own funding as a proof of concept on her ability to achieve returns and solid exits.



#### Transcript

So what I decided was that I had to prove to myself frankly that I had the ability frankly to attract the best deals to make the hard decisions about what companies to invest in, to take other people's companies through to exit and help them to do that. And so the first thing I actually did was start investing my own capital. I warehoused, I don't know if you're familiar with that term 'to warehouse investments.' It means you make them, you hold them and what it really means is you go with no salary, no income, no nothing and you put your own money to work for a number of years, literally years, before you can see what the performance in those companies looks like. That's what we did. That's the set of companies that you see up here that we called - ended up calling the spotlight fund. So part of what we did was prove to investors that we had that access that we could get the best co-investors in those companies with us and that we could actually take some of those companies to exit which we've done now. We've - two of the companies out of that original portfolio have been acquired, one of them by Autodesk here locally and the other by Hearst Corporation; both nice profitable exits. And so there is nothing frankly that matters more to an investor than performance and I felt that we needed to be able to show it. We then allowed those same limited partner investors that's what the category of institutional investors that we were looking for. To participate in those earlier investments that we had already made.