



Stanford eCorner

Quick Tips on Fundraising

William Marshall, *Planet Labs*

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Planet Labs' William Marshall shares advice on raising venture capital, based on first-hand experience. Among his rules for fundraising, Marshall says entrepreneurs should: only pitch to the people who actually make decisions, carefully calculate how much money to raise, avoid slide presentations, don't get into details, specify a deadline and ask investors what they can do for the startup.



Transcript

Everyone always asks me about raising money. So I've just put it up here, I set it -- but I mean let me just rattle through it, only talk to the people that are making the decisions, that is the partners in venture firms. No point talking to anyone else. Just don't even take the meeting if it's not the partners that can make the decision. Get the right amount of money, change the direction quickly if your raise amount is wrong, change direction, you've got to be adaptable. Test it with someone that is kind of obvious, a dry run. Be different, don't turn up with a slide deck, totally boring. Do something else whatever it is. Go for a hike with them. We just turned up and put a satellite on their desk and then discussed it.

That was it. And we thought that turned out to be very compelling. I mean, not every start-up maybe has satellites and that's kind of fun, but there must be something else you can do other than just doing a normal slide deck. Avoid the details, be dynamic, adapt to what their interests are. If you're talking to billionaires, find out what they're interested in, in real-time and adapt it. Oh you're interested in climate change, oh our satellites can help with that. Use two people, don't go on their own, it looks weak. Use deadlines, random deadlines work. It's so surprising. Yeah like literally one of our founders said to one of the investors I'm going on holiday on Tuesday, sorry we have got to have a term sheet by then and they bought it and they just gave us a term sheet by then and we were like that was totally random.

But you just have to issue these things. People work to deadlines, so you just have to issue deadlines. Not quite I'm doing my hair, but like not far off. Yes you've got it do it fast, you've got to -- from the moment you first meet this person, the probability of the transaction happening goes down 10% a day. Like you've got to seal it within days. Either it works like that or not at all. You've got to be confident and you've got to turn the tables a little bit. You've got to say what are you guys going to do for us and that immediately puts them in a different reference frame which is starting to think oh well don't worry we can help you connect with people and we can help you and that puts them in the psychological mindset of they're already in. And you don't ever talk to the investors about other investors you're speaking to, because they will talk to each other.