



## Stanford eCorner

### The Risk of Going All In

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Rebecca Lynn of Canvas Ventures shares a lesson learned earlier in her career while working at a startup flush with venture-capital funding. In one day, the company lost 98 percent of its value because it failed to adjust to its improved financial standing. "When you can take some money off the table, you should do it," Lynn says.



#### Transcript

And I worked at a company called NextCard. Now how many of you all have heard about NextCard? Very few. Yeah. So NextCard-- I was employee 30. I was a product person at NextCard, which is where a lot of VCs come from. They come from the product background and training. And NextCard was backed by a lot of firms-- well first of all, NextCard was the first online credit card company. It was the very first company to allow you to go online and apply for a credit card and get it in real time. We actually had the patent for real time approval of credit online, which would be a very valuable patent today. I think some patent troll in Texas owns it or something at this point in time.

And so we were backed by firms I'm sure everyone's heard of here, Kleiner Perkins and Sequoia and Trinity and Brentwood, which is now Redpoint, among others. And we grew from 30 people to 1,300 people. We went public. We were one of the top online advertisers. We were usually at number three in terms of the number of impressions we served online. The only companies ahead of us were Yahoo and Microsoft in any given month typically. And we had to build all that from scratch. There was no Google. Right? I'm really dating myself, aren't I, Tom? So we had to actually build the infrastructure to go and run ads on hundreds and thousands of different sites out there, meaning building our own affiliate platform and ad tracking system and the whole bit. And so that company was a pretty formidable company.

And we lost 98% of our value in one day on the public market. So a couple of learnings from this. Right? One-- when you can take some money off the table, you should do it. Right? Please learn from my mistake. And it's like when you play poker, right? You go to the table. When you're up you take some money off of the table, and you play with your winnings. It's a very good rule in life. We often encourage our entrepreneurs and people that when we were in a company to just when you're at a certain point, and you're happy, don't be greedy. Take some money off the table. Be happy.

And then to continue to go forward. I think it's a very good rule of life in general.