



Stanford eCorner

VC Support for a Startup

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Doug Leone, global managing partner at the venture-capital firm Sequoia, discusses the value that a good VC partner can bring to an entrepreneur, especially during challenging times. The right partner plays an active, supportive role in helping startup founders recruit the best executives, bringing in business-operations experts and generally putting the venture's leaders in a position to succeed.



Transcript

Take the notion of, you threw a party and nobody showed up. Meaning you built a product and there are no customers. And I always take on that, who's gonna get us out of that pickle? Am I gonna get you out of that pickle? If I were that smart or that capable, I would have been a founder. And so to me, that's when you double down on founders. They're the only hope you have. There are execution challenges, there's always lack of experience in founders. But that's where we come in to help recruit executives, to help surround founders with operating people that have built businesses. So you can go have dinner, you can go have lunch. I can tell you, I'm probably not the first call you make on an operating issue. Even though I'm known as having operating know-how.

You probably call George or someone like that. Which is fine by me, just call somebody. Then you have the extreme case. The extreme case where it gets really tough is where five vice-presidents come to our office and say, "Can't work with this person. "It's either he goes, or she goes, or we all go." Those are the tricky situations. And you hope that those are the rare cases. Look, it's happened to me, I've been in business for, 1988, you know, it's only happened twice. In that case, it's a very unpleasant choice because you know the founder is the soul. You know you're not gonna recover from that. You basically are not.

And so, you do everything you can to take the most talented people in the building and make sure you put them in a position to succeed. And that's the best way. And that is, try to nip these things in the bud, pay attention, don't be an absentee board member. Don't be a pontificating, let me give you the look of the pontificating board member. They have this look, have you thought of. They don't know anything about anything. So, it's just get involved, ask the questions, and help to recruit the right people.