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Puneet Agarwal, partner at True Ventures, shares how his team encourages diversity of thought. Sharing consensus means playing at the lowest common denominator. Disagreeing on deals creates a process of maximizing risk.



## Transcript

- [Narrator] One of our core tenets at True, and one of our core philosophies is that we want to maximize risk.. We wanna maximize risk on product, we wanna maximize risk on timing, on market, we want to get in early, and basically swing for the fences.. By the way, the idea of maximizing risk-- a lot of venture capitalists won't say it, but, this is like the third bullet point that's been in our slide deck when we go raise money for 13 years.. It hasn't changed.. We always say we wanna maximize risk.. But here's the thing: we wanna minimize risk on the dollars we put in, and on the people we invest in.. So, we wanna really know these individuals extremely well, and what I mean by dollars, is that we usually-- our first investment is typically, you know, two and a half million dollars, right? That's less than 1/2 of 1% of our whole fund, so this is gonna sound totally blasphemous, but basically, it's okay to lose it, right? We don't wanna lose it, but it's actually okay to lose it.. So, when we walk into a board room now, we're not bringing our fear of losing money, because we're not investing a ton of money to start, right? We're actually saying, "Be your creative self, pivot, do this, do whatever it takes to build this company, right?" So that's a big part of our thinking.. The other aspect, I would say, that we've designed the firm around, is we do not believe in consensus decision-making.. So, we don't all have to agree to make an investment..

There's no point system that says, okay, you know, we get about 35 points, then we're gonna make this investment, right? We actually encourage dissension.. We want to disagree, right? So every deal we do, you know, there's a couple people that are saying, "Hey, this is really cool," and there's a couple people going like, "oh my god, like, have you thought about this, this, and this?" That's great, right? We want that, because if you're all agreeing on everything, we're playing at the lowest common denominator, and not actually out there maximizing risk.. But more importantly, when I walk into a board room, and I'm actually talking to an entrepreneur, I'm not worried that, hey, my other partner over there didn't think this deal was so good, because, frankly, we disagree almost on every deal.. So it's normal for us, right? So you don't have to be right when you make that first check.. It's super important, you don't have to be right.. What we're trying to do is simply create a process for maximizing risk, and we follow that process, we know, six funds in, that some stuff is going to work...