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In 2013, Aileen Lee coined the term “unicorn” to refer to the growing field of startups with \$1 billion valuations. At the time, she was a year into her role as a founder and managing partner of Cowboy Ventures, and her team was preparing a now-influential internal report examining how (and how often) companies with these massive valuations tend to emerge. Her summary of the report, published by TechCrunch, uncovered many insightful datapoints, but also revealed that only 2 of the 39 unicorns they studied had female co-founders, a finding that catalyzed her advocacy for increased diversity in technology startups. She more recently became a founding member of All Raise, a nonprofit organization devoted to increasing the representation of women in the venture-backed tech ecosystem. She describes her circuitous path to a job in venture capital, surfaces some of the central strategies of seed-stage investing, and encourages people from diverse backgrounds to help transform the venture capital business.



Transcript

- [Narrator] Who you are defines how you build.. (energetic music) (applauding) - Thank you so much.. I'm gonna just tell you a little bit about me and then I'm gonna actually open it up to questions in the beginning.. I'd love to make sure this is your time, your hour, that we spend the time talking about stuff that you wanna hear about.. So, I'll just give you a little background, so maybe you'll have a better idea of where I come from and stuff that we might be able to talk about.. So I'm a first generation immigrant, my parents were both born in China.. And they came here separately and through different journeys and went through Ellis island.. And one settled in Iowa and one settled in New York and then they met here in the United States.. And so the immigrant story is a big part of my upbringing.. My grandparents had a Chinese restaurant in Yonkers in New York and everyone in the family used to help out and work there..

So kind of that work ethic and also understanding everything that my grandparents and my parents went through to make it so that I could be standing here in front of you, is just really important part of my work ethic and my values.. That lady, I couldn't find a picture of myself with what, I was born in Stanton Island, New York and then I moved to New Jersey.. And I could not find a picture of what my hair looked like back then, but that's a close approximation of what my hair looked like back then.. And I was fortunate to go to MIT, as Tom mentioned.. And part of the reason why was, I read an article, I think in Time or Newsweek back, this is in the late 80s, about what they were calling at the time, scientific illiteracy.. Which is really about high school kids studying STEM fields and showing a predilection or a discomfort with STEM fields.. And in particular, while girls and boys were testing equally through elementary school and junior high school.. At high school, it was turning out that a lot of girls were dropping out of math and science and were not pursuing careers or majors in college in math and science.. It was creating this scientific illiteracy gap, or a gender gap in STEM.. And when I read that, I couldn't even find something, I'd have to go find microfiche to find articles from 1988..

But sadly, it still exists, right? That's an article from 2017.. But that really made me mad and it made me frustrated 'cause it just didn't seem right that girls should not be pursuing important careers that were quantitative in math and science.. And so I decided to apply to MIT.. I know that's not actually the normal path.. And I was woefully under prepared and so it really kicked my butt for four years, but I'm very grateful that they let me in and that I got to graduate.. And I got to meet some fantastic people.. And it turned out that MIT helped me prepare for my future career, 'cause it turns out that my professional calling is actually working with various smart technical founders and being a great business partner to them and helping them kind of translate their technical ideas into business.. So after that, I didn't really know what I wanted to do when I graduated from undergrad, so I got a job as a financial analyst at Morgan Stanley in New York City.. I was in the MNA department, which is probably one of the more quantitative analyst jobs.. It was really fun, really challenging..

But I felt like I probably would apply to business school but maybe for a third year before business school, I would try and do something different.. So I actually went to, that's a picture of Fundan University, what it used to look like in the 80s and 90s.. It doesn't exactly look like that anymore.. At the time, Shanghai was gonna be the next New York.. China was really an

emerging economy and Shanghai was just actually a much, a fraction of the size that it is today.. And I thought maybe my career would be one of those people who could speak Chinese and go back and forth, and do business in Asia and on the west coast.. So I went to go brush up on my Chinese.. I studied Chinese in the mornings, and I taught English in the afternoons.. And then I had a sweater, a backpack and a bicycle and that was pretty much it.. And it was probably one of the best years of my life..

When I was there, I borrowed a friend's typewriter and I wrote my business school applications.. Has anyone here used a typewriter? (laughing) Okay, yes, good, like 15 people.. And I was fortunate to get into business school.. So that's where I went to business school.. And when I was at business school, I always had, I had grown up working at the Short Hills Mall in Short Hills, New Jersey at different retail jobs.. And I always had a real interest in both retail and consumer products and consumer brands.. In particular, brands that created a lot of customer love.. And so I did internships at the North Face and Odwalla, that were both kind of high growth private start ups at the time, when I was in business school.. And then I went to work for a company called Gap.. And I don't know if any of you, is any one here remember a time when everyone used to wear khakis? I know for a lot of young people, you'd be like, "What?" But this is basically Gap at the time..

This was the uniform that everyone wore and we were probably the hottest company in retail and that's from one of our ads.. It was really a fun time to work at Gap.. It was a talent magnet company where some of the best and brightest people in marketing and merchandising and planning and supply chain worked.. And I learned a ton.. And along the way, I had heard of venture capital when I was at Morgan Stanley and it seemed like such a dream job.. Getting to work with founders, hearing their ideas, trying to decide which people to do business with and to back, and then helping them build their companies.. But at the time, when I was an analyst at Morgan Stanley, my understanding was venture capital was all dudes.. And it would probably not be an environment that I would fit in or I'd feel comfortable or that they would really want me.. So I never even interviewed for a job out of Morgan Stanley.. And I was really fortunate that I got a call from a recruiter who was looking for an associate at Kleiner Perkins..

And I said, "You know, it sounds like "a really interesting job.. "I actually feel like I would love it.. "But I just don't if I'm comfortable "going to being the only woman at a firm.. "Most of these firms are all men." And the recruiter was a woman.. And she said, "Aileen, if every woman I call says that, "we will never get women to work in venture capital." That really worked on me.. And so I went in for the interview and fortunately, I actually didn't know very much about venture capital, so I wasn't actually super intimidated by the people.. And I later, kind of as I did my research, I realized, like in a room with John Door, or Vinod Khosla, or some of these people, it was kind of like a big deal.. And I was really fortunate, I got the job and so that's where I worked for 12 years.. At the time, we were the first investors in Amazon, and in Google, and in Genentech, and at Netscape and a bunch of really interesting kind of game-changing companies.. And those are the kinds of people who would kind of walk through our halls during the day..

And I got to work with incredible people and learned a lot.. Along the way, I felt like I didn't have enough operating experience to really become a great partner to founders.. So we had invested in a company called Danu, that was founded actually by two Stanford grads.. And it was going the way that we hoped and they asked me to step in as founding CEO or maybe CEO for the summer.. In retrospect, that was a very naive thought.. It's really not possible to be CEO for the summer.. And so I went and I did that job for two years.. Kleiner was an investor, we raised a series B and so we had a great year and then the recession hit in 2008 and we had a really tough year.. And we had to layoff half the company.. And then we wound up acquiring two of our closest competitors, and then I replaced myself..

So I did that job for two years while I was kind of going back and forth between Danu and Kleiner and it was a really great experience.. I'm grateful to have had that time, both through good times and really tough times, running a venture back start up.. And then in 2012, as Tom mentioned, I started Cowboy Ventures.. I had been doing series A and B and doing mostly consumer investing, but some enterprise software, some media, some green tack at Kleiner.. And I decided to move earlier to seed, which was a new category that was really, had been in place for a couple years, but it really wasn't a very established institutional venture category.. But it's also more collaborative.. You're starting earlier, you're investing less, versus investing four or eight million dollars in a company at seed at the time, you're investing five hundred thousand, seven hundred fifty thousand, a million dollars in companies when they're really just getting started.. And then they graduate from us to a series A or a series B firm, and that's what I've been doing for the past seven years.. It's been a really fun, kind of entrepreneurial journey that also, you can see our logo.. We have a bunch of different logos..

We have a zebra, we have a quail, we have a koi fish, we have an elephant.. And so our logo is all about, we picked culturally significant good luck animals in different cultures.. And then we have an androgynous cow person, that's riding with the magical animal kind of send the message that I think we try to be a little bit different.. We're a little non-traditional and what we do at Cowboy Ventures is pretty personal.. And so it's really been fun to be able to start that.. So with that, I am going to turn it over to all you.. I'd love to make sure that we spend the rest of the time that we have together talking about stuff that you wanna hear about.. So raise your hand.. I'd love if you would say your name and either ask a question or something that you'd love to hear about.. And yes sir..

- [Audience Member With Indian Accent] I would like to hear about the challenges which you faced when you started with your ventures.. - Okay, challenges along the journey.. We have a Cowboy t-shirt for you if you'd like one.. There you go.. If you

could just throw it at him.. Okay, who else has a question? (laughing and applauding) Yes, in the back.. - [Female Audience Member] Hi, I'm curious about what some of the challenges were that you faced when you switched from an investor role to an operator and then back.. - Okay.. Okay.. Yes? - [Female Audience Member] I'm curious about your observations that you've seen in companies and teams that have been able to build that consumer love that you had talked about..

- Mm-hmm, okay.. Wants to know about customer love.. - Okay, yes, over there.. - [Male Audience Member] Yes I want to know how do you decide to select the start up you work with? - How do we decide on start ups to work with? Okay.. Like investment decisions.. All right, how 'bout in the back? Over back there, yeah.. Go ahead.. - [Male Audience Member] I was wondering if you could tell me more about how you started the venture capitalist.. - How we started Cowboy? - Yeah, Cowboy.. - Okay, starting Cowboy, okay..

Let's see, starting Cowboy.. Okay, how about over there, maybe in the red shirt? - [Female In Red Shirt] I was wondering if you had to pick one point that was your pivot point, like turning point of your career, what would it be? - All right, one turning point.. Sorry, if you can't read my writing.. I will rebunch the questions.. My mom said I should've been a doctor, my handwriting's so illegible.. - Right here in the red, yeah.. - [Female Audience Member] I wanna know more about All Raise.fjff - Thank you for asking that question.. Okay, All Raise.. - [Female Audience Member] So I work at an early stage startup and it seems like with diversity efforts, we can only really get people to think sort of one access of diversity at a time.. In your sort of interest in getting more diversity, how do we push it so that people think of it as a more cohesive, - Yeah..

- along age, gender, educational background, all those things? - Okay, different kinds of diversity and how we get people to really embrace it.. - Over there.. - [Male Audience Member] And I'm curious about your writing process, when you do the articles.. - Oh okay, okay, writing.. - [Male Audience Member] You mentioned that you had no experience but venture capital coming in, so how do you accumulate that experience? - Right, okay, so that kind of goes a little bit with the challenge and the journey, like getting VC mindset.. Okay, I love that you guys have so many questions.. It's so awesome.. How about over there in the black? - [Man In Black Shirt] My question is, well I guess to impress and kind of develop those soft skills.. How do you also motivate your team members who have low, if you will? - Yup, developing soft skills and communication skills.. Okay, let's just do one more and then hopefully, we'll have some time at the end to do questions as well..

- [Female Audience Member] I was wondering if you could talk about what are some specific investment VCs you have right now.. I know that's about the consumer, but anything specifically you're getting excited about.. And maybe if you could also add what in your view do you think makes you look , in the investor? I know you once at a conference mentioned some little saying something, well that's just if the guy wasn't fooling around 'cause a good guy.. And what would people say about,.. - Oh that's a hard one.. I might have to ask my team members who are here.. Amanda and Jamirah to answer that.. But it's a really hard one.. Why should I take your money? Okay and then you can just throw out the rest of the t-shirts, if you guys wanna.. So raise your hand if you want a t-shirt..

(laughing) Yay, I'm glad you like them.. (class chatting and laughing) Okay.. All right so I'm gonna bucket these kind of like maybe like VC career and then maybe starting Cowboy, kind of in here is writing and thinking and skill development.. And then at the end, we'll talk a little bit about All Raise.. But I'll try and bucket all of the things that you asked about in these different categories.. So my first job at Kleiner Perkins was, so when I worked at Gap after business school and I did a couple different jobs.. And I really, I guess a couple things, especially if you're in college and you haven't decided where you're, if you're an undergrad or a grad student and you haven't decided where you're gonna work yet or you haven't started your job search, at business school, some of the companies, they started recruiting in the fall.. So by Christmas or by the New Year's, a lot of my friends had jobs.. And they had very high paying jobs.. And I knew I wanted to work for a consumer company or maybe a start up or something like that..

And at the time, most of those companies did not recruit at business schools.. So I basically, every lunch break, I would go back to my dorm room and I would basically, I had looked up things at the library, 'cause there really wasn't an internet yet.. And I would call companies and I would just ask to talk to the vice president of marketing, or the director of marketing, or the director of product management or the directors Y chain, and I would just basically, if I could catch someone on the phone, I would ask them if they had any jobs.. I really pounded the pavement for months and months and I found this lady named Busy Burr, who was a GSB grad, working at Gap in strategy.. And she took a chance on me and she gave me a job even though she didn't really have an open rack.. And I joined her in this small consulting group working for the president of Gap, trying to help figure out how we're going to go over the top line.. So sometimes that was a supply chain project, sometimes it was a pricing project, sometimes it was a store assortment project.. But I just did kind of like an internal consulting job and I just I loved the chance to learn and Busy was really smart.. So you've probably heard the advice, "Pick your boss." Basically I loved the company and I really loved the person I was gonna be working for and so I took the job.. Even though the pay was so much less than a lot of other jobs that I was offered, or that my friends were getting..

'Cause I just figured, and to be honest, my family had a little bit of an intervention with me because they were like, "Hey, we didn't spend all this money to help you go "to these schools, so that you could go work at The Gap.. "And retail is really not where we envisioned "that this would be ending up." And I just had a feeling it was a time to do something that I would be really passionate about, rather than trying to do something that people would think was a good job or admired.. And I think after college, there's no longer a ladder, right? And there's no longer a path.. So you really have to figure out what you're

gonna be passionate about and ideally put yourself in a situation where you're gonna be with a lot of smart people and you'll have the chance to learn.. And because I was in that situation, I did a good job.. And so my second year, the CEO of Gap at the time was a guy named Mickey Drexler, who's probably one of the greatest living merchants in America, or in the world.. After Gap, he did J.Crew.. He's just an incredible retail leader and merchant and he had this internal star search.. He had decided he was gonna take on a chief of staff every year.. And I wound up being a finalist..

He basically put maybe eight or 10 of the finalists at a lunch table together and he basically would just sit, he sat there and he just peppered us all with questions.. It was such an odd process, but he really wanted to know where you came from and what you cared about and what your values were and what motivated you.. And I talked a little bit about my family and I talked a little bit about working in retail.. I talked a little bit about caring a lot about customers.. And I don't really know what it was, but I got the job.. So I wound up being chief of staff to the CEO of a public company when I was just a year out of business school.. And I just worked my tail off.. I was there two hours before he showed up every day.. I was there for two or four hours after he left every day.. And it was ridiculous multi-tasking..

'Cause on the one hand, it's a public company and you're supporting the CEO, who's got shareholders and real estate and debt and financials and analysts reports and store reports and international and Gap, Baby Gap and Banana Republic and all these different things.. And also, we care a lot about customers.. We would read customer complaints, we would read letters and write them back.. And so kind of from the high and the low, it was an amazing, and then also sometimes, some famous actor or journalist would walk in and Mickey would say, "What's happening Dennis Hopper," or whatever, and Dennis Hopper would be like, "Dude, Stockholm is so cool right now." And then he would just look at me and then he'd be like, "Make it happen." And then basically 48 hours later, I would be on the phone calling all of Mickey's friends being like, "What are the cool stores we should visit? "What are the right hotels? "What are the right restaurants? "What are the cool trends? "What street should we go to "to see people wearing street wear?" And then three days later, we would have this junket of Gap people going to Sweden, or going to Stockholm to check out the fashion and the style and the culture and putting together two dream days.. It was just like every day your schedule would get totally blown up and you'd be doing crazy things.. And after that job, I got to kind of pick where I went in the organization and I picked the internet job.. The internet business was the thing that was kind of, I thought the most exciting, Gap.com.. And it was a tiny team and so we were just really trying, it was like a start up inside of a big company.. And we just had to learn about, what do you do to run a site everyday? Do you change the homepage every day, or do you keep it the same? Do you send emails, do you not send emails? What do you do with customer data? So many things that there are no rules back then and we just were trying to figure it out.. And so I guess all those things prepared me for going into venture capital in a way because I got exposed to a lot of different functions..

I did inside the same company, change jobs, pretty much every year.. And the chief of staff job actually helped me because I effectively went to Kleiner as a chief of staff, as one of the associates working for John Door.. And just John had such a full plate and so many different portfolio companies and so many people wanted to meet with him.. And it was really important for us to make sure we always showed entrepreneurs the upmost courtesy and professionalism and attentiveness.. And then also he had kind a lot of political or kind of civic cause things that he was passionate about.. Like public education and improving California schools, things like that.. And so I just was constantly thinking about what is important to John and what are his priorities and also what are the priorities of the firm.. And I just tried to apply myself to whatever things needed to be done, so that we could accomplish our goals as a team.. And I think that mentality, I mean it's something that we talk about at Cowboy Ventures, that has served me incredibly well in my career so that whenever I got placed into a situation where I didn't really know a lot, I'm trying to learn and I'm asking questions so I can make team achieve its goal, help the team achieve its goals.. And so basically lots of people were helpful to me to help me figure out the things that I don't know..

So I'm trying to think about, so the VC mindset, in my opinion, VC was an apprenticeship business.. So I didn't jump in and say, "Oh yeah, yeah, I'm ready to be a VC." I kind of took the job and I was like, "I'm ready to learn and serve." And that's basically what I did for five or six years, working for different partners.. First John and then different partners at Kleiner Perkins.. And trying to understand how they work with their portfolio companies, how they help founders navigate problems, how they help them raise money or introduce them to customers.. Or work on marketing programs or those kinds of things.. So I kind of learned through apprenticeship by going to lots of meetings and spending a lot of time with founders.. Interviewing candidates, trying to understand, if a candidate didn't work out, why? If we were part of the interview process, what should we have asked differently so that we could have figured that out? So I just did that for many many years and that was kind of helped me develop my mindset as an investor.. Also getting to see what happens to the company.. So you have a thesis, you write a memo, you do your diligence.. You make the investment, you work with the founders for a number of years, and sometimes it goes well and sometimes it doesn't..

And so trying to basically piece together some heuristics about what do they have in common? Or what are the signals that you can tell you're at a fork in the road and that you need to help the founders understand that they're at an important fork in the road.. And that the decision that they're gonna make could basically send their company in this direction or in this direction.. Along the way, I did start writing a little bit.. One of the first things I wrote was, I think, a blog post on TechCrunch called Why Women Rule the Internet.. And it was just about how I think women are the unsung heroes of a lot of companies where there are the majority customers for most internet companies, most e-commerce companies, whether it's travel, whether it's social media, even whether it's casual gaming.. But most of the companies were founded by men and most of the companies didn't have a lot of women working at the companies.. And it was the idea that I think we had an opportunity to

both imbed more of the customer into these companies because companies might inadvertently be making decisions that at actually the customer can't relate to 'cause it's a bunch of guys sitting around a table trying to guess how the customer, who's generally often a woman, would use the product.. And it was hard for me to write.. I'm a very slow writer and I'm a nervous writer.. So I write and then I leave it and then I wonder, is that dumb? Is anyone gonna think it's dumb? And then I go back to it a couple days later, or maybe a week later and I work on it a little bit..

So unlike some investors, or you know, obviously journalists who can come out with stuff every day or every couple days, I'm definitely more of a once a quarter, a couple times a year, writer.. But I try just to write things that are both in my head but also maybe a point of view that I feel like hasn't been expressed or an insight that hasn't been shared yet.. So over the weekend I posted something called Nobody's Batting a Thousand.. I don't know if anyone has seen that or not.. But it's basically this idea that, maybe at a place like Stanford, or in the startup ecosystem, you hear things like, "Oh they're crushing it," or "They're killing it," or, "Oh my God, we were super oversubscribed." And it can make you feel bad about yourself, right? Or like, "I got 10 offers." Or, "Oh my God, you know how much he's making "or she's making?" And it can make you feel insecure or like you have imposter syndrome.. And one of our daughters plays softball and sometimes she has a really good, she's a good hitter, but sometimes she doesn't hit the way she wants to.. And once you've hit a home run or you've hit a triple, if you don't hit a home run or a triple in the next game, you feel bad.. You feel like you're a bad player.. And I've seen players decide, think about quitting because they couldn't keep up with the thing that they have in their head about how they should be hitting.. And the thing my daughter and I talk about is batting average, right? Does anyone here know what the best batting average in history is, in baseball or softball? What is it? Yeah, it's basically around, batting average is when you're at the plate and the ball, in a game, gets pitched to you, what percent of the time do you actually hit the ball to get into play, so you get on base? Either for a second, third or home..

Basically in baseball, the most that the best baseball player has ever done is 30% of the time, get on base.. So 70% of the time, the best players in history have not gotten on base.. And so it's the idea that, not to get sucked into this feeling like everyone is crushing it, and that if you're swinging and you keep playing and you're being thoughtful about your swing and your preparation, and you're doing the work, you just gotta stay in the game.. And you gotta keep swinging.. And don't ever think that everyone's batting a thousand 'cause they're not.. How are we doing on time? We're okay? - Half way, yeah.. - Okay.. So I'll move to starting Cowboy Ventures.. So in 2012, I started a seed fund called Cowboy Ventures.. Kleiner Perkins had grown pretty big over the years that I had been there, the 12 years, and we had different practices and I was a senior partner at the firm, so all of the senior partners were getting pulled into lot of internal meetings just to try and make sure that we were making good decisions for the venture practice, for the growth practice, for the green tech practice, for the life sciences practice, for China, for things we were doing in India, a lot..

And the venture environment was changing where this new category of seed was starting and a few of us at Kleiner were advocating that we should be doing some seeds, but we had a very big fund, we had a very big team, it's kind of, sometimes it's hard to justify making small investments when you're in a big fund.. So my husband and I were at dinner with a couple that are both entrepreneurs and one of them knew Kleiner very well and she asked me how things were going and I was like, "Well, you know, sometimes it's hard to navigate.. 'We've gotten bigger.'" And she and he both said, "When are you going to leave "and start your own firm?" And I have to admit, even though I had been working with founders for 20 years, and working with entrepreneurs for 20 years, it had not crossed my mind to start my own firm.. And I think some of it was like, "Really? "You guys think I could start my own firm?" And they're like, "Yes, we definitely think "you could start your own firm." And I think this is actually apparently very consistent with research on gender differences, that a lot of times women have to be told that they should run for office.. Men, if someone's running for office, he's like, "Oh yeah, where do I sign up," right? But a lot of women, the studies show, have to be told, "You should do this." And they do a great job when they do it.. And I'm sure a lot of it how we're brought up and how society does treat different genders differently as they're growing up.. And so I went back home and I talked to my husband, and I was like, "Do you really think I could do that?" And he said, "Yes, you should totally, "you should think about it, you should try it." And so I spent three months working on basically, a deck, describing what we would do at Cowboy Ventures and how we might be different.. And the things that I wrote about how we would be different.. Well one is I actually am a woman and that's just different in venture capital, sadly.. By definition then you are definitely, you bring a different perspective to the table..

That I had operating experience both as a venture back founder and also, and kind of in corporate America.. I also have some marketing and consumer experience, which is also a little bit different.. And that I think over the years, because I had been in venture and as a series A and series B investor for 12 years before starting Cowboy, I've just gotten to know a ton of people in the venture ecosystem.. And I've also helped and worked with a lot of companies that have scaled past seed.. And so the ability to actually work with feed companies and be able to work with the founders and explain to them how is a series A investor gonna think about this company? How is a series B investor gonna think about this company? How is a series C investor gonna think about this company? And being able to coach the founders both for helping scale themselves and their teams, but also making sure that they can survive and don't run out of money is pretty unique 'cause there are not a lot of people who have been traditional venture investors who moved into seed.. I think personality-wise at Cowboy Ventures, we're a small shop.. We're not a giant firm with lots of people.. Two of my awesome colleagues, Amanda and Jimarah are here today.. And my partner Ted is not here today but we're a small shop so when you work with Cowboy Ventures, you really just get us.. So it's really about personal relationships and personal chemistry..

And that we are risk takers and we, half the time when we make a seed investment, there is no product.. It's a founder with ideas, maybe slides.. But they haven't shipped it.. They need the money to actually build it.. And so that takes a considerable amount of gut and taking a leap on people.. And I think that's pretty unique versus being very metrics-driven and making sure that all the numbers pencil out during an investment.. Okay, I do actually have some other slides.. So I'm gonna quickly talk about finding your inner dolphin, which is the title of this talk.. So there were times and actually, I think someone asked about the turning point in your career.. So there were times when I felt like I would not stay in venture..

And I was fortunate to do a program at the Aspen Institute called the Crown Fellows program, where you get put with 20 other people and you get to read cool stuff like Maya Angelou and MLK, and then you talk about them and how it impacts your thinking about your life and your impact on society.. And you do this check-in process where everyone goes around the circle and talks about how they're doing.. And so it's a safe space where you really get to know the people and you get to trust the people.. And I was, to be honest, younger and less experienced, than a lot of the people in the room.. I always felt like, wow I can't believe I'm here, these people are so amazing.. And I checked in and I said, "You know, it's not as if I don't know if I fit in "in venture capital, 'cause I feel like "I swim with a lot of sharks and I feel like a guppy." And I cried and I just said, "I really love this job but I just don't know "if I'm cut out for it." And my classmates, they listened and they made me feel safe.. And they said, "You have to come up "with a different visualization for how you're feeling.. "You may be swimming with sharks, "but you are not a shark and you're never gonna be a shark.. "But you cannot be thinking of yourself as a guppy "cause that's not going to help.. "Maybe think of yourself as a dolphin..

"Dolphins are smart and they swim in pods "and they swim with the sharks.. "And they have every right to be in the ocean "but they just swim differently.. "And you have to just think of yourself as a dolphin, "not a guppy." And that was really helpful for me because I, for some reason, it helped me visualize the idea that I could stay in venture and I didn't have to be vest-wearing bro to keep doing my job.. That I could just be myself and be comfortable with it.. And I don't know if that resonates with anyone here.. If you, either in the past, or in the future, you may find yourself in a situation where you're really wondering, am I in the right place? Am I doing the right thing? Am I having the chance to actually reflect on kind of who you are and whether you can be yourself in the environment, I think, is, I'm really grateful for that feedback that I got.. And then I'll talk a little bit about following your gut, which I think hopefully speaks a little bit to starting Cowboy, All Raise, VC Judgment.. So I talked a little bit about starting Cowboy and I guess in retrospect that was a leap to leave.. I was very safe and well compensated at my former employer.. And so taking a leap to start Cowboy Ventures, it just felt like, if I wasn't gonna start something that was smaller and more personal at that time I would never do it..

And so I took the leap to do that.. The same thing about writing the unicorn piece.. So after I started Cowboy, I had a 40 million dollar fund and no investments.. And I wanted to try and make the best investments possible out of the fund that I had raised.. And I went and talked to lots of smart investors, many of whom who have spoken in this room.. And smart LP's, the investors in our funds, about, "Tell me about some of the best funds in history.. "What were the companies? "Was it one company, or three companies, or five companies "in the fund that made the breakout? "And what did those companies have in common?" And everything was anecdotal and there was surprisingly no data.. Back then, in 2012 and 2013, there was no Pitch Book, there was no Crunch Space, there was no CB insights, there was no The Information.. And so there was billions of dollars invested by these C firms every year and no one else's.. And so I started basically making a spreadsheet and I started making a list of companies that were less than 10 years old that have become worth more than a billion dollars, either in the public or private markets..

And just collecting basically information about how many founders were there, when were the founders born and how old were they when they found out they founded the company? Where did they go to college? What did they do before starting the company? Where did they work? How did they know each other? What was the original idea? How much money did they raise? All these different things.. And so I basically created a data set of 39 companies that had been born within the past 10 years, that were worth over a billion dollars.. And they actually had quite a few things in common.. One of the things at the time was when I was taking pitch meetings from founders, sometimes founders would walk in the door and they'd be like, "Hey, so we started this company "and I know like I'm really old to have started this company "'cause I'm 35, I'm sorry." And I didn't want those people, when you look at the analysis, the companies in the unicorn data set were founded by people in their 30s and 40s.. They were not founded by 20 year old drop outs from Harvard.. But at the time, there was the feeling among the entrepreneurial community that if you haven't started your company by the time you've finished college, you're not gonna make it.. The other thing was, teams.. That co-founding teams generally, were the vast majority of the data set, 'cause it's hard to be a solo founder.. And so I think there were a bunch of insights that I found from the data set that I basically wrote up in this blog post called Welcome to the Unicorn Club.. And the unicorn word was one that I, I didn't have that until the end..

So I basically had this very long phrase that was, Billion Dollar Companies Founded in the Last 10 Years That Are Either Public Or Private and Venture Backed.. And you can't really write that many times in essay, it's not very readable.. And so I had, I did this find and replace and I was substituting monster hit or Godzilla, or home run.. And I would re-read the piece with the different phrases and then I'd put in unicorn.. 'Cause I wanted something that was more fun and more mystical and made it seem more magical and more elusive.. And more special, not kind of business analysis-y.. And unicorn just made the whole thing much easier to read and so that's what I posted.. And I honestly did not expect anyone to read it.. So it's quite overwhelming that it's still a thing actually.. And I guess the last thing I'll talk about is All Raise..

So we talked about it a little bit, you know my 20 years in venture capital, for the most of it, until probably the last two or three years, I have generally been the only woman in the room all the time.. And also, I'm not really a person of color, but in terms of under represented minorities in tech or in venture, but generally also the only non-white person in the room often times.. And tech is just such an incredible entrepreneurship and venture capital and tech are such an incredible engine of innovation and growth and job creation and economic power, that it just seems so crazy to me.. And we've also put ourselves on this meritocracy pedestal, which we have not been.. And so it just seems crazy to me that we are not recognizing the inherent bias in our system.. And that we're not trying to figure out how to change it so that we create more opportunity for people from different backgrounds in the venture ecosystem.. And in 2017 the news about binary capital came out and different CEOs behaving very badly.. And Susan Fowler wrote her awesome blog post.. And there was just enough evidence that you could no longer think that we did not have a problem in tech.. And so I drafted an email to some women friends in venture capital and I let it sit in my draft folder for probably two months..

Should I stick my neck out and try and get people together and trying to figure out what we can do to fix the solution or should I just try and make Cowboy Ventures be successful? Because by making Cowboy Ventures successful, I will be showing the world that being a hopefully more human person and being a little bit different and practicing a personal more very honest, straightforward style of venture capital, if we can make a lot of money and deliver fantastic returns that will hopefully make a difference.. And how founders get treated when they work with us and a bunch of other things.. But I wound up pushing send in the summer of 2017, saying, "Hey I'm guessing a lot of us "are feeling the same thing "where basically the lack of women and other folks "in the venture ecosystem is just not okay.. "And we have a window to do something about it.. "Do you wanna get together and talk about things "that we could do together to make it better?" And bless their hearts, basically the women on that email thread generally all responded within an hour or two.. And they were like, "I'm in." My friend Jessley at Sequoia was like, "I'm in, "what do I need to do? "I'll be your flacky and order lunch." First female partner at Sequoia was like, "I will do anything, I'm in." And so we got together, we had a Google Doc before hand, where we all basically wrote kind of what are systemic issues and what are root causes and what are symptoms? And what are things that we could actually do together? We have probably 15 pages of basically notes with each other before we got together for dinner.. We had a three hour dinner and brainstormed, okay if we were all gonna get together and do something to try and change the trajectory, which is basically just, there's no trajectory and no momentum of change in venture capital, how would we do it? And we didn't realize it at the time but we were starting All Raise.. And it has been, starting Cowboy and helping start All Raise as a collection of people, has been one of the highlights of my personal and professional career.. Working side by side with these women, and now men, to try and make the venture capital ecosystem more equitable for more kinds of people.. It's just, there's so many people who care about this and wanna make it better..

And teaming up to actually try and do things and help others has just been awesome.. So I will close and then maybe we have a couple minutes for questions on, I'm very fortunate to be here, thank you for having me.. A lot of people took chances on me along the way.. MIT changed my life by letting me in.. Same thing with business school.. Busy Burr at Gap gave me by first job.. Mickey and John Door gave me jobs.. The women who I emailed about the conversation wrote me back.. So many people have done big things and small things for me to enable me to be here today with you.. I just feel incredibly grateful and also incredibly motivated to try to make things better for others..

I have a lot of privilege and I hope to use it to its best positive impact.. But everyone in this room has a lot of privilege as well.. And by being a Stanford student or being by a member of this community, by where you decide to go work and lend your talents.. By when you become, if you are a hiring manager or a team member, how you treat others.. There are lots of, how you treat people that you pass on the street or just from high to low, there's lots of ways in which we have privilege that we can use it for good.. And so if you get anything from this talk, I hope you will walk out thinking a little bit about your privilege and how you're going to use it wisely.. (applauding) Thanks for having me.. (upbeat music)..