

URL: <https://ecorner.stanford.edu/clips/think-of-funders-as-customers/>

Ulu Ventures managing director Miriam Rivera advises founders to think about looking for funding the same they think about looking for customers: Find someone who is a really good fit for what you're selling. It's tempting to cast a wide net, but she advises founders to target their searches at the most closely aligned investors and firms. Work your network to get a warm introduction, she adds, and make sure you have rigorous data to back up your pitch.



Transcript

- I think of looking for funding 00:00:05,430 the same as looking for customers.. You basically have to find a person who's a very good fit for what you're selling.. - Mm-hmm.. 00:00:18,220 when it comes to funding but it's important to really look at what it is that they fund.. So for example, you probably don't wanna send me your life sciences investments, you know? (interviewee chuckles) It's not something that I have as much background in as I have in tech, and the same kinda thing with a lot of consumer packaged goods.. Like I am probably not going to be investing in the next potato chip.. So I think, you know, that's the most important thing.. The other thing is to try to identify the route to an investor that will get you the most high probability of getting a meeting.. And by that, I mean, you have to look at your networks, you know, and LinkedIn has made this frankly so much easier 'coz it's the same kinda prospecting you would do to figure out how do I get in front of this customer that I wanna get in front of.. - Mm-hmm..

00:01:11,500 - And so you're trying to work backwards 00:01:13,170 from the person through the networks that he or she has to your own networks.. And then you're trying to find which person do I know that has the deepest relationship with that person that can say you should take a meeting with these people.. And because that person is the one to say it, they will take that meeting.. - Mm-hmm.. 00:01:36,190 - Then the other thing is, you know, when you're selling VC, 00:01:37,560 it's not all about the pitch.. I know there's the 30 seconds that you're supposed to have the story, I want to be able to understand.. You also have to have a well-populated data room that actually supports and provides evidence for the fact that your business is doing all the things that you say it's going to do.. And I noticed that a lot of the times, people think of their data room as a secondary consideration in fundraising.. And I guess having grown up, I also went through the 2001 bust.. Right? In tech..

- Yeah.. 00:02:09,660 - So I've been through every cycle 00:02:12,560 in the last twenties of the years.. (interviewer laughs) You know, the data rooms should always be ready because when the window closes, it closes fast.. - Yeah.. 00:02:20,990 - And we, like with this pandemic, you know, 00:02:25,240 out of our 70 portfolio companies in fund to, almost a third of them came back to market that year in a terrible year to raise.. The people who came out faster had a higher chance of getting funded...