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Flucas Ventures founder and general partner Ashley Flucas explains that one of her key filters when vetting potential investments involves focusing on distribution and go-to-market strategy. There can be a danger, she finds, in getting too obsessed about the product itself, and argues that distribution channels might give you a better sense of the product's true ability to scale. Also, she finds, focusing on distribution-related metrics allows her to pursue investments even in cases where she may not have a deep technical understanding of the product.



Transcript

- The thing that I probably do that's a little different, 00:00:06,620 is, you know, a lot of venture funds and a lot of investors are operators, and I think a lot of times with operators, they get obsessed with a product or they sometimes get too obsessed with the team, or they think about how they as an operator, would run the business.. And they're too zoomed in on that, instead of kind of seeing the forest through the trees.. And the things that, you know, regardless of, you know, besides maybe like deep tech or biotech, but regardless of the sector, the things that need to hold true for a company to be great.. And for me, I kinda actually look at the product last.. It's the thing, one of the things, not that I'm not, I'm like interested in intellectually, but from an investment standpoint, I'm looking at, you know, things around, and for me, my number one thing is distribution, and kinda go to market, and doing something really novel around that, or showing that you've got strong channels there.. That's number one thing that I care about, more than anything, because a product that is not truly revolutionary, you could have a consumer product, for example, mattress companies, exercise companies.. And there were billions of billions of dollars, not because they necessarily had an idea that was going to change humanity, but they had brilliant playbooks around distribution.. And that's what leads to phenomenal returns.. And similarly, there are a million brilliant ideas right now happening on Stanford's campus, that could maybe change humanity, but if they, the teams haven't figured out how to distribute and scale that, you know, nobody will ever see it.. And so, distribution is one of the big things for me, but there's a few other things like that..

And I'm so focused on answering those questions first, before I even allow myself to get excited about kind of what the underlying product is.. And then of course I diligence that and, and want to go around on that.. But I think, I work from the outside in, and a lot of people work from the inside out.. And I think that's what differentiates me.. And as I look, you know, at some of my companies that are doing pretty well, and you know, I'm starting to have exits now, and even, you know, much earlier than I expected considering that this is, this is year three.. But you know, two of my, one company that just listed on NASDAQ and one that will soon, one Xos Trucks, the other Vicarious Surgical.. I mean, we're talking robotic surgery and electric trucks.. What does that have to do with anything that I know whatsoever? But when I, I remember when assessing those investments, it wasn't, I could never possibly have, you know, a deep technical understanding of any of those things.. And there were probably people who did, who passed on them because they thought they knew more than they did.. But what I could understand were, like I said, from that outside in approach, were all the things that were flashing to me, like this is

gonna be a big deal...