

URL: <https://ecorner.stanford.edu/clips/how-to-break-into-vc/>

Lowercarbon Capital co-founder and managing partner Chris Sacca advises those interested in getting into venture capital (or startups) to focus on cultivating the skills that can make them uniquely helpful to young companies.



Transcript

- I get it asked all the time, "So how do I get into VC?" 00:00:06,510 and I think that's one of the challenges, is there is no uniform path.. And these people who just go and do kind of the banking consulting grind, they're, you know, it may feel like the way the right way to kind of make your parents happy and pay back your student loans, but it isn't necessarily a guaranteed path.. The only thing that assures that you will be successful in that game is to be helpful.. And so that's all these startups need, is someone who can be helpful to them, right? And so, and, and that's what separates kind of a value added investor from a dentist.. God bless all the dentists, I have my cleaning schedule tomorrow, but like that's the separation there.. And so how do you be helpful? Well, I think each of us is helpful in our own different way.. And I've tried to, throughout my career, have an honest, personal inventory of what am I good at and what am I not good at.. And then, you know, people have called me along the way, self promotional, yes, I'm self promotional, like I have to remind everyone what I'm good at and why they should come to me, and bring their companies to me, and why they should with me.. So as I look back at the beginning of my career, I started realizing things that I was good at.. And often our superpowers aren't even that obvious to us because they're so easy, they don't require that effort, whereas other people superpowers are daunting..

And so what I started to do was just build this inventory of, how am I helpful to these companies? I think back to one of the very first, I think it was the first Y Combinator gathering in 2005, actually, where I was a speaker, and it was like, the Reddit guys were there, Alexis and Steve, and they said, "Oh, thank God, a Google guy's here, so he can help us with advertising." And I'm like, "Do I tell them there're 15,000 other people on the building who know more about advertising than I do?" But as a conversation evolved, I started realizing, "You know what? Shit, in this room, I do know the most about ads." And I started to kind of identify each of these characteristics.. What did I do? Well, I was a great storyteller, I was great at helping a company distill their story into something they could tell investors, that they could tell hires, that they could tell users.. I was good at taking a front page and making it simpler, moving pixels around, and making calls to action clearer.. I was good at recruiting that next three, four, five employees who, you know, I wasn't a great sourcerer of candidates, but I could land those candidates once they were interested.. And so I started to realize, you know, I was great at helping them raise their next round or even sell the company, but I wasn't great at a database challenge.. So when database issues came up, I had people I would call and bring in.. I wasn't, when I talked about sourcing candidates, I remember being in a board meeting at Uber with Bill Gurley, who's been a friend and a mentor for a long time, and we needed a CFO, and I kind of sat there and was like,

"Who do I know could be a CFO?" And Bill opened up this dossier that had six resumes of public company CFOs, all vetted, ready to go, all who wanted the job, and I was like, "That's what Bill Gurley does for a living, and that's why he's rich." And so in each case, I looked for a way that I could be helpful.. And so my number one piece of advice to anyone trying to break into this space is to show up and find ways to be helpful, and your general skills are sometimes very, very applicable.. You know, at Google, I had kind of the most half-assed resume of anybody in the building for what I was trying to accomplish there.. You know, I didn't get into Harvard, in Yale..

I went to summer school at Stanford, that was cool.. I went to like Junior Statesman, political geek camp once, but I didn't even bother applying, I knew I wasn't that caliber of student.. And so there I was, for the first time, at the Stanford of companies, surrounded by the smartest people in the world.. And yet, what I found was that compared to these people who had these incredible resumes from Yahoo and Microsoft, the company I worked at before then, Speedera Networks, we were 35 people.. And because we were 35 people, we were all in one room, and whoever was sitting closest to the door that day was the receptionist.. If we needed to move servers, everyone was in the ops team, if our sales were under the projected number, everyone picked up a phone and started selling.. And so as a result, I had basically held every job in that company.. So when I came to Google, I was lethal because I was effective in each of these little categories, I knew enough to be dangerous and to stir some shit up.. And so that was what made me rise through the ranks really quickly at Google, was that I had this ability to see across departments, and to find my way into situations, and be helpful.. And that's all anybody wants, ever, is somebody who can be helpful, to take stuff off their plate..

You know, when I hire people, we have a lot of tests we put people through, but one is, I know the people who stay with me the longest are gonna be a net consumer of email not a net generator of email.. I wanna know that in the end, when I'm hiring somebody, I can delegate things to them and give them a ton of rope and trust them to go the whole way because they're helpful to me.. You know, every time we hire we, and this is in our portfolio companies and in our firm.. So everyone in our firm owns a piece of the firm, and every time I give someone a piece of those profits, I am making a calculation that after I give that piece away to them, my remaining piece will be worth more as a consequence of them joining, and that's why everyone should always think about every startup too.. You don't just kind of hand equity out because like that's the tradition, you say, "Hey, I am giving you X percent of this company, because I think the remaining percent will be worth more as a consequence of you being here." And that's the thing, is that, ultimately, every single one of those kinds of relationships, and transactions, and evaluations comes down to, is that person helpful? And so everything you do on your path should be oriented around, what problems am I identifying? What am I seeing people struggle with out there? What seems to be the issue that folks are wrestling with and how can I be helpful there? Because at the end of the day, these startups, particularly the best ones, don't actually give a shit about your resume.. God bless you on all your student loans, but they don't really care, they just care if you're going to be helpful..