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Connie Chan is a general partner at Andreessen Horowitz, a Silicon Valley-based technology venture capital firm with over \$7 billion under management, where she focuses on investing in consumer technology. Chan joined the firm in 2011 as a deal partner on the investment team before becoming a general partner in 2018. She serves on the boards of Cider, Whatnot, and KoBold. In this conversation with Stanford adjunct lecturer Ravi Belani, Chan shares her career and life advice for college students and aspiring venture capitalists.



Transcript

Narrator Who you are defines how you build. 00:00:09,480 - Welcome Stanford and YouTube communities 00:00:11,460 to the Entrepreneurial Thought Leader Seminar at Stanford University. The Entrepreneurial Thought Leader Seminar is brought to you by BASES, the Business Association of Stanford Entrepreneurial Students, and by STVP, the Entrepreneurship Center in the School of Engineering at Stanford. Welcome everybody, I am Ravi Belani, a lecturer in the Management Science and Engineering Department at Stanford, and also the director of Alchemist, an accelerator for enterprise startups. Today, we are thrilled to welcome back one of our own, Connie Chan. It is a parti... For those of you that are coming to us via YouTube, it's a particularly beautiful day today at Stanford. Stanford is never, I think... Is always the most beautiful when it's sunny the day after a good rain, and the hills are green, the skies are blue, and it may just be because Stanford wants to put on its best to welcome back one of its treasured alums. Connie...

(audience applauding) - Thank you guys. 00:01:05,130 - Connie was literally in your seats, 00:01:06,960 except when the seats were in a not as beautiful of a building, which was Terman, back in 2005. So Connie is a Bay Area native, grew up in the Bay Area, came to the farm, and graduated with a bachelor's degree in economics, and a master's degree in MS&E in 2005. And then, had a storied set of experiences before becoming where she is now, a general partner at Andreessen Horowitz. Andreessen Horowitz is the famed VC, venture capital fund, with over \$28 billion under management, and Connie leads consumer technology investing at Andreessen Horowitz. But Connie's path from Stanford to general partner at Andreessen was a varied one. Connie started out as a senior associate in private equity at Elevation Partners, then went into product management and was part of the Palm product management team. Then went to China and worked for Hewlett Packard as part of the webOS... Leading the webOS team in China. And then, joined the diligence and sourcing investment team at Andreessen Horowitz in 2011.

Now, in 2011, Andreessen Horowitz prided itself on saying that no one will become a general partner at Andreessen Horowitz unless you are a former founder, and Connie broke that mold. So they made an exception in 2018 and they decided to change their rule, and Connie became the first non-founder general partner at Andreessen Horowitz, and the first female general partner in the core fund in Andreessen Horowitz. And so how did Connie do it? And Connie doesn't have an MBA from Harvard or Stanford, which is one of the union cards in venture capital. I think over two thirds of VCs have that. There were

all these varied experiences. And so, today we're gonna dive deep into figuring out what you wanna do in life and creating your best happy self. So that's gonna be the intention. Okay, so... (audience applauding) With that, welcome Connie. - Thank you.

00:03:09,750 - It's so good to have you 00:03:11,910 because you understand what it is like to be a student at Stanford. And I think at Stanford, we do such a good job of teaching, but it can be very intense, especially with the quarters system, and we may not do a great job of helping our students figure out what they're meant to do with their life. Was it clear to you, when you were an undergrad, how you were supposed to figure that out and did you have a vision, when you were an undergrad, that you knew you were gonna be a venture capitalist? - Not at all. 00:03:39,060 I don't even think I knew what venture capital was when I was in college. And to be honest, I only feel like I finally figured out my career a couple years ago. Like, in between everything was this meandering path and just figuring out where I could learn the most, where my friends were, what my friends were doing. But I have learned since then how important it is to be intentional about some of these decisions. But to give you a sense of what I was like as an undergrad, I did economics because it was the easiest, smallest major at the time. It was like 70 units or something ridiculously small. I did MS&E 'cause a lot of my friends were doing the co-term, but it wasn't something I had intentionally been thinking about enough.

Even my Goldman Sachs interviews and my internship there was largely because my friends were inspiring me to go interview for that. I think in life though, post-graduation is when I started realizing I need to find something that I truly like, that truly makes me fulfilled, that I'm actually good at, that I find fun. And that was what led me to this different path of trying out finance, then product management, marketing, business development, and then early stage investing, where I finally feel like, "Okay, I'm doing something really fun "that I'm actually good at," 'cause you need both. You can't just do things that are fun that you're not good at, and you also can't just do things you're good at that are not fun. But long winded answer of saying when I was young, I had no clue what I wanted to do when I was older. I had never even heard the word "Goldman Sachs" until my junior year in college. I didn't grow up on the East Coast. My parents are engineer and biochemist. And because Goldman Sachs doesn't have a physical retail bank next to my parents' house, where they do banking, I had never heard of it, right? I heard of Bank of America, I heard of Citibank, and that was it. My understanding of how the world worked, how finance worked, how the economy worked, was very, very non-existent back then.

So a lot of this, you learn throughout various jobs and various experiences. And the main message I think the story of my career is the more experiences you gather, the more different types of people you meet, one day when you look back, they will all piece together, and make you more capable to do whatever it is that you finally end up deciding to do. And that's definitely true in my case. Every single part of my career, previous jobs, previous classes, previous random extracurriculars I did, they have all come back to make me who I am today. And so, the idea that you need to graduate knowing exactly what's the perfect major, what's the perfect job, that job you're very unlikely to do for the next 10 years. It's not likely to be the job you do for the rest of your career. You don't have to worry so much about making these one-way door bets, 'cause they're not one-way door bets, and life will take you to many different experiences. - And as you're going through 00:06:32,070 all these different experiences in life, especially as you're going through things where it's unprecedented, where you're the first to be exploring... So if the goal is to have people explore things that they've never experienced before, that they don't even know that they don't even know, how do you develop role models? How do you identify who you should look to, to determine what you should do? - Yeah, I have two types of role models. 00:06:57,150 I have role models who I've never met, who I basically admire from afar, and I listen to their speeches, I study their careers, I read about them.

They're not all in my line of profession. Some of them are from different professions. They might be pastors, they might be journalists, they might be, you name it, politicians, but I learn from reading about courageous things they did in their life and that helps give me inspiration. And then I have role models who I actually work with and interact with. They know me, they know my value system, and they can help guide me when I have these very large milestones in life. Whether it is wanting to ask my boss for a different role in the company, wanting to switch careers, wanting to switch jobs, wanting to move to a different country. In those big milestone moments, I myself have a handful of role models or mentors that I will go to and talk to. - And I should say, I think many people are gonna put you 00:07:49,950 in this vaulted position because I think venture capital is viewed as this alluring, romantic job that everybody wants. First of all, is it? Are you happy? Do you love your job? - I am happy, I do love my job, 00:08:05,340 but it's not nearly as romantic as it seems on the outside. Most of the time, you're saying no to a founder that you really like, and that's a terrible feeling when you have to do that.

And that's the majority of your work, actually, when you look at a deal, you're evaluating a company. You might love the founder, you might love the product, but if you don't think that can generate massive returns for your investors, you still can't invest in it. So emotionally, it can be very tough of a job. - And how should a future graduate determine 00:08:36,600 what they should do? I know we've touched upon a couple themes about this but if they think they should be venture capitalists, is that enough or how do you know what you're meant to do in life? - Again, I feel like you might not know. 00:08:48,270 I mean, you're very lucky if you know exactly what you wanna do in life early on. That's why I feel athletes are so lucky. They have a very clear goal. It's like what success looks like. But for the rest of us who don't know, who just kind of fell into our majors on top of that, I think it's about experimentation, and I think it's about trying different types of companies. You might love working at large companies or you might really flourish and do better at small companies.

You might love working in America, you might do better working in a different country. Who knows? It's just about trying

out different experiences and seeing where you flourish the most. And eventually, you'll find that sweet spot where you're good at your job but you also are having fun. And actually, earlier today, I was watching an Instagram Reel, 'cause that's a good source of wisdom, right? But there was a person who said, "It's really hard to compete "against someone who's having fun," and I thought that was so profound because they were completely right. You often have fun when you're doing something you're really good at too, so they're very intertwined. But when you're having fun and you're good at your job, then I feel like you found a good career. And again, that's a career that's for you at that period in time but maybe 10 years from now, you change your mind. There are people who reinvent themselves constantly, right? They start new companies constantly in completely different industries. But when you have that combination of having fun and being good at it, that's when you know you found the right career. And if you haven't found that, my main recommendation is experiment and find places that are flexible enough to let you wear different hats, change to different departments until you find that fit.

- And did you have the perfect resume? 00:10:33,900 Was it just like check, check, check, check, Andreessen Horowitz? - They found me on LinkedIn. 00:10:38,100 So first of all, keep your LinkedIn up to date 'cause I was actually in China when I got a random LinkedIn cold message, and they asked if I could meet them for coffee when I came back. And it was because I had a combination of investing experience and product management experience, which back then was a strange combination to have. Today, it's still a strange combination. Again, going back to my need for experimentation. But I didn't have the perfect resume... I've never had the perfect resume, I'd say. I wasn't a straight A student until high school. Luckily, in the US your grades don't show up before high school but I was not a good student in junior high or elementary school. At Stanford, I had to retake Chemistry 31 'cause I had such a bad grade.

I was not a perfect student whatsoever. Instead, I gravitated to lots of extracurriculars on campus. I did Stanford Consulting, I did AK Sci, I did acapella. I was really involved in the Asian American Student Association, and that's where I found more of my confidence, to be honest. My confidence didn't come from my academics, 'cause I was just an average student at best. My confidence came from leading different teams in all these different extracurriculars. And I think, actually, all that stuff has helped me tremendously in my career since then. It's not always the academic piece that's gonna make your resume perfect because, to be honest, that first interview, you just have to pass certain bars. As long as you're above like 3.7, 3.8, you're kind of good, right? It doesn't matter to me if it's a four or 3.9 at all. I'm not even noticing that.

So it's also about what are the other experiences you bring to the table. Sometimes people will ask me, "What kind of internships should I take in college?" And I do think it's good to have one that's very focused on business, whether it's consulting, banking, or a startup or a company. But it's also pretty nice to have one summer where you're doing something really fun and unique. I spent one summer selling Nerf-like toys, these foam toys, for a very small toy company. And I would go to these trade shows and sit in a booth for a week, and sell these to random retailers that I was meeting for the first time. When I had my banking interviews with Goldman Sachs and Morgan Stanley, that was the only thing they wanted to talk about. They didn't ask me about any classes, they barely asked me about my interests. They mostly focused on that experience 'cause it was so strange to them. And I used that experience to show them that I'm good at sales, that I would be good interfacing with clients, and that to them was what stood out. So you just never know what these different experiences can bring to the table and help differentiate you.

Obviously, you don't force them. They naturally should be things you're interested in. But I think it's so important to find things that you're naturally interested and likely to have fun in, because those are oftentimes places where you'll really stand out, you'll excel, and, more importantly, you'll have also just first principle thinking and ideas of how to improve it, of how to make it better, 'cause you're a natural user of the product or you naturally understand what it is or you enjoy it. Especially now, when I'm doing consumer investing, a lot of times, I just think to myself, "Okay, would I use this?" But then on top of that, "Would like the average American use this?" And then, it's fun because I end up using these products, and then I can gauge from my own experience and my understanding of just human people if this is a good product or not. - And so, I wanna dive deeper into this 00:14:12,000 because I think what's fascinating is how Connie unearths these unique sources of competitive advantage in her life, whether she's doing it deliberately or not. But venture... Obviously, Andreessen is a famed fund, but venture is also an intensely competitive industry right now, in terms of how much capital is flowing in. How do you now source a unique source of intelligence or edge as a venture capitalist, and does this philosophy map to how you're approaching VC? - For sure. 00:14:39,360 So I got lucky because, again, in my career, you mentioned I spent some time in China with Hewlett Packard, it was during that time that I witnessed China take on this massive revolution in mobile adoption. And it was then when I started seeing the very earliest signs, where I had to use their version of YouTube, their version of Facebook, their version of X, Y and Z, Amazon.

And I was using those products and realizing they are just as good as the ones I was using in Silicon Valley. So I had the strong, deep-rooted belief that China's technology future, especially in mobile, was a force to be reckoned with and was gonna produce a lot more innovation. And no one in the West ever thought that at that time. They had never heard of Tencent, they had never heard of Alibaba. Alibaba hadn't gone public yet. But because I saw it with my own eyes and because I used the product myself, I was like "This is just as good. "This has features that the US one doesn't even have. "I can't even fully say that they're a copycat." And by talking to the people building those products, again, building those relationships, that's where I had that deep seated conviction that during the last 10 years that you would see a lot of innovation come out of China. And to this day, that's inspired probably half of my investments. I look at things that are working in Asia...

It doesn't take a genius to do this. These companies already have 50-100 million users. They're at like series B, series C funding. And then, I just use it, and then I guess, "Will people in America need this product too?" And if so, I go find a team that's working on it. And that's resulted in a lot of my biggest wins actually because human nature, human beings, at the end of the day, are oftentimes very similar to each other. And as long as you understand the cultural differences, you can suss out what will translate and what will not. Sometimes, it's not a direct translation, like when we invested in Lime, the scooter company. Bikes didn't work in the US but scooters worked fantastically well, right? So sometimes, it's like an adaptation, but you realize mobile mobility, last mile mobility, is a real thing, it's a real market, it's a basic human need. It's nothing specific to China. And again, that goes back to, again, accumulating lots of life experiences because the different life experiences, the more you get outside of the Stanford bubble...

And mind you, I was raised 20 minutes away from here so I was super in a Bay Area bubble, which is why I had to get out to China. And I highly recommend everyone to study abroad if you can, for that reason. The more you get outside of this beautiful bubble, you will better understand people. And if you wanna be a consumer investor, that's very core to what you do day-to-day, understanding people, because people in the middle of America have very different problems than the people who live in Palo Alto and Menlo Park. They worry about very different things. And so, until you get out there, until you talk to people directly, you can read about them as much as you want, it's not the same as experiencing it firsthand. And so, going to different countries, going to different cities, that's how you can accumulate more of these life experiences and better understanding of people in general. Now, going back to my secret sauce, the not-so-secret sauce is I study China and I just study things that are working. And now, it's not just China, it's also Southeast Asia, it's also India. There are lots of companies that are unicorns that are not just based in the US, and that's where I'm getting differentiated insights. I'm learning about new business models that might not yet exist here.

And then, founders who are really savvy, they see that as a huge advantage 'cause I'm literally translating screen-by-screen and teaching them a business model they haven't seen yet, and that's been a huge edge for me. But for everyone, it's about, in venture capital, finding your unique source of insight, your unique source of data. Maybe it's a network that you cultivate, maybe it's the Stanford network, maybe it is a geography, a city, maybe you have a bunch of alumni in LA that you're really close to, whatever it is. You have either a network, or a source of insight, or a data source of some kind that gives you initial leads, or ideas, or inklings, of what can be a really powerful business model or a really fantastic company. And then, the other part is figuring out how to win the company, and that's all about branding. We can talk about branding, too, and winning deals. But finding your unique source of insight and if I peel that back further, the biggest key I think to being a good investor is you have to be a truth seeker. You have to be looking for truth. And it's not just what all these other VCs are saying, it is what you, deep down in your heart, truly believe. You have to have conviction in these things, especially these large bets that you're making.

So how you get to that conviction is usually having some kind of primary insight, some kind of unique thought that is your thought, not just a regurgitation of what you've read elsewhere. - That's fantastic. 00:19:45,900 I just wanna underscore that, gang, because VC is such a herd mentality business. Connie is not a singularity 'cause she's out-hustling the herd. She's a singularity because she's doing things uniquely different, in ways that align with her, and she's having fun. If you look in her eyes, she's having fun. So I hope that that takeaway is clear. Now, there is a ne... But let's talk about now, just as a segue to branding, because I think the other element for all the aspiring VCs is that VC has become such an industry around needing to brand yourself. Any thoughts or advice around thinking about building a personal brand? - Branding was not as much 00:20:27,153 of a requirement 10 years ago.

But now, there are so many VCs out there and so many funds, I do think it does make a big difference. And if you're good at branding, that's a huge advantage. And if you're not, you can get good at it. And I think the key for branding is figuring out which medium naturally fits you. For a lot of VCs, it happens to be Twitter. I am not great at Twitter. I don't enjoy tweeting. To me, it's very stressful to tweet. But I like sharing my thoughts through speaking, or maybe through writing a blog, or maybe doing a podcast, or maybe doing small group dinners. So finding what medium helps you create your brand.

Brand is not just about quantity. Actually, Twitter's not a great place for sourcing deals. There's a lot of noise that comes in. Brand is also about being respected and seen as an expert or thought leader by the group that you are trying to attract. The group of founders that you're trying to attract, if you're an investor, right? So you can brand yourself in different ways. It doesn't always have to be on the internet, although you get much more mileage for your work, usually. But even if you start with something like small dinners, that's a good place to begin. And I think the key to branding, especially for those that are more introverted, I'm a huge introvert myself, is you just have to force yourself to get out there and do it. You just have to get the reps in. You have to not look at how many likes you have on a particular post, just ignore it completely, because you will get better.

That's another key, actually. If you wanna be an investor, you have to get over fear of failure. And it's so funny because you talk to all these people who are clear perfectionists, they're amazing on paper but also amazing when you talk to them, and they wanna go into venture, and I'm like, "Great, "but are you gonna be okay "when a lot of your companies are not working out?" And to be in venture, you have to be able to stick it out when things are not working, to remain calm when things are not working, to still be there for your portfolio companies when things are not working. So another reason why you try out lots of life experiences is you learn to get over that fear of failure. In my senior year at Stanford, I took a class in the drama

department. It was around comedy. So hard. Most terrifying class, actually, out of all of my classes I took in my four years here. And I remember one of the classes, the opening was you would stand in a circle and make crazy, weird faces and sounds at each other. I don't even wanna do it right now.

It's so stressful. But that kind of class, where it takes you out of your comfort zone, those are great things. And those are moments where you do something that's not natural. Maybe for you, it's "go watch a movie by yourself" feels really strange, but you'll get braver every time you do something that feels very strange. And in venture capital, I think that bravery to have conviction in something that's not obvious is really important. And so much of that comes from letting go of this need to be perfect, letting go of this need to have a perfect resume. I heard a story that was really powerful to me the other day, which was... It was by the woman who founded Girls Who Code and she had shared this story about how there was a coding class, and then there was boys and then there was girls, and they were asked to write a line of code. And the boys would all put out code, and sometimes it was wrong. And the girls' screens, a lot of the times, was blank.

And then the teachers thought the girls were just not paying attention in that class. And then, they ran the key stroke algorithms of the software on the computers, and they realized that the girls actually wrote code and then deleted it. Sometimes, they wrote multiple lines of code, they tried multiple times, and they just deleted it 'cause they thought it wasn't right. And that made a profound impact on my thinking because, I mean, I have a young daughter myself, and I also know, growing up, nowhere near perfect. Again, I was very good at failing. But it was always this constant wanting to be perfect. And if you wanna be a good investor, you have to do as much diligence as you can 'cause you have to be responsible. You're dealing with a lot of money from a lot of people. But at the same time, you have to let go of this need for perfection because people will not last in the venture capital industry if you have this fear of failure. - I'm gonna ask one more question 00:25:05,640 then we're gonna open it up, so start thinking about your questions for Connie.

So Connie, I want to dovetail off of this idea of being able to source unique truth when you're looking at these markets. And one of the hottest markets right now is generative AI. And I know you've been actually focusing a lot on something that I think very few people are talking about, which is shopping. That's I think grabbing a lot of your attention. Can you share with us what your thoughts are on either shopping or generative AI? And if you were a Stanford student who's trying to think about what opportunities to pursue, what excites you? - The big reason why I focus on shopping, 00:25:40,680 by the way, is because in Asia, there's a lot of innovation around shopping, and transactions, and product discovery that I just don't see yet in the West. And so, it's again, following that framework, where I'm like, "I see crazy product market fit working "for literally hundreds of millions of people "in other countries. "Why does that not exist yet here?" And on top of that, using those products, I'm like, "that's a superior way to shop." And shopping's also great because I think ad-based businesses are pretty tough going forward. And so, if you're dealing with a business model that has some transaction naturally baked in, easier to eventually make money. So a big reason why I love shopping is I still think there's so much room to innovate. Live shopping, just starting to take off in the US, but for those who have experienced it, it's very, very different than shopping on Amazon.

You get a sense of community if you're a buyer. It's fun when they call out your name. The sellers move product so much faster. It changes the velocity of liquidating anything. Much faster than eBay listings, much faster than Amazon. That's an innovative, completely new behavior shift that I think we're gonna see a lot more of going forward. Another big one is just even thinking about product-based discovery, one of the top apps of the last couple of months is Temu. It is a US app created by Pinduoduo. It is completely product discovery-based, recommendation-based. The more you use it, the more likely it recommends something you're likely to convert on.

Completely different than how we use Amazon. When I go to Amazon, I go straight to the search bar. I'm not looking at that main page. Their recommendations to me are also a little off. I got a recommendation from Amazon just two weeks ago of something I already bought that week, and I was like, "how bad of a recommendation system could that be?" Now granted, sometimes they're good, but lots of room for improvement. And this idea that we're gonna have more personalization in shopping and more product-based discovery is another big theme in commerce I'm excited about. AI, you mentioned, everyone's talking about AI. I think it's game changing technology. I think there's a lot of use cases we have yet to see, so it's right now around people using their creative minds to figure out how do you apply this to fundamentally change a business model and make it unique, make it different. How do you make something 10 times, 100 times, cheaper? How do you make it accessible to more people? I can tell you, commerce is using AI in really interesting ways already.

I'm invested in a couple of commerce companies and they use AI in design already. If they have to design a dress, if they have to design a jacket, if they have to design a necklace, if they have to... Just today, I was literally looking at photos of... They're trying to create a mood board for a photo shoot. They're using Midjourney to generate those images. They're not looking at standard photos of Vogue or things that are outdated. They're generating things on the fly, using software to guide the photographer on what to do. So there's so many use cases, I think, of AI we've yet to see, and you guys are in great position, for those of you who are thinking of starting companies, because I feel like the world's your oyster right now. There's so much to explore. - And I'm happy to go deeper, 00:29:01,560 but I don't want to just steal all of Connie's time, so I want to give that to you guys.

Audience Member My question is, 00:29:06,060 if you want to be a founder and you don't come from a finance background, and you don't want to do an MBA, I heard a lot of people (indistinct), how do you learn the bare minimum that

you need to learn to be a successful founder, to understand the finance, to take you to pitch to you, for example, "Hey, here's what I'm gonna do"? - I think today, founders are incredible... 00:29:25,260 I'll repeat the question. The question is if you didn't come from a business school background, if you didn't major in finance or econ, which, by the way, I don't think actually helps that much to be a founder... My econ teachers, I feel bad I just said that now. Okay, so the point being though, what do you do to get at least smart enough on the basics to be a founder when you start pitching investors? Honestly, I think YouTube is a fantastic resource. YouTube is where I go to learn anything. To fix my toilet, to figure out like what earrings fit my face shape. I go to YouTube for everything educational now. And there's a lot of really great content on YouTube and other libraries on how to get smart on the business basics. I would say if you start anywhere though, in addition to figuring out what should go into your pitch deck, I recommend all founders to understand the basics of term sheets.

I think this is very important. Once an investor gives you a term sheet, there's a bunch of words you will not understand. I mean, it took me a long time to understand them. And then, you don't wanna rely 100% on your lawyers to figure it out for you. Best for you to understand what rights you are giving up to your investor so you have a sense of what kind of relationship and partnership you're agreeing to with that investor. So any founder, it's not just the pitch deck, it's also figuring out the nitty gritty terms. Make sure you get smart on term sheet terms too. Audience Member Thank you so much 00:30:50,743 for speaking to us today. The question that I have is around recommendation engines-- - And can you say your year and major? 00:30:57,780 Audience Member Oh yes, MS&E graduate student, 00:30:59,550 first year masters. So my question's around recommendation engines, right? So we've seen TikTok, we're seeing Temu.

What are Chinese companies doing differently that we don't do in the US? 'Cause Instagram is behind, you were saying Amazon is behind. What do they do better around the recommendation engine in China? - Instagram ads are actually very good, 00:31:18,990 I think, in recommendations. The conversion rate is great, quite personalized already. So they're doing a lot of things right. I think probably the best brain power for recommendation is that Instagram goes to the ads, not to the Reels feed, right? And so, there's a prioritization thing there. I think what's really key to both TikTok and Temu, if you guys remember back a couple years ago, TikTok was spending a lot of money on ads. A lot of money. When TikTok first launched in the US because it wasn't just a small startup, they already were very successful in China, they already were generating money from various business models in China, they could afford to spend a lot of money on customer acquisition, and they did. They bought a ton of Facebook ads. They bought ads on the app store.

Same thing with Temu. I'm sure you guys saw they ran the same ad twice at the Super Bowl. What company runs two ads at the Super Bowl? On top of that, if you guys have used the app, there's freebies, there's coupons, there's fantastic referral programs. They're throwing tons of money at ads and marketing. The reason is because if you wanna get algorithms and recommendation engines to work, you need scale. You need scale of data. And so, TikTok and Temu understood, "I will spend a ton of money. "I will get a lot of users very quickly "because only with so many users, "very quickly, can I better create "those recommendation engines that, "in few swipes, can show you exactly what you want." I also think another learning from that though, by the way, is there's this general Silicon Valley thought that you cannot spend money to acquire customers, and TikTok I think is an example where you very much can spend money as long as you believe there's a long term way to monetize that user. Audience Member Hello, I'm here as a guest, 00:33:20,250 so I have a question. You mentioned generative AI, and what funds or maybe angels you can recommend for pre-seed startups in generative AI field? - What thoughts-- 00:33:40,950 - Andreessen doesn't have a small amount of money.

00:33:43,440 They have over \$28 billion. So can you explain what stage Andreessen funds at? - We are completely stage agnostic. 00:33:52,770 So we invest PowerPoints, nothing is built yet, all the way up to pre-IPO. I myself have made several bets at the PowerPoint stage where nothing has been coded yet. So completely stage agnostic. - But if you can't go to Andreessen, 00:34:07,053 if God says, "You're not allowed to go to Andreessen," which pre-seed funds do you respect in the generative AI space? - I think it's still early to say, actually, 00:34:15,360 because a lot of the investors, their history with AI is also short. So I think the thing is as you're talking to an investor, you can ask, "How much do you really know about AI?" Or maybe that's not something you need as an expertise. Maybe the expertise that you need is more around recruiting and other parts about building your company. So be thoughtful of choosing someone you trust, you can partner with, but also can offer you the specific things that you need. A lot of founders, if they are first time founders, they have a set of needs.

If they're second time founders, they have a different set of needs. So you have to figure out, "what is the thing that will be "a complimentary skillset, complimentary network, "to what you already have?" - And how do you know when you're fundable? 00:34:59,850 Let's say you're doing a generative AI startup at Stanford. When do you know you should start having conversations with investors? - I think people should start fundraising 00:35:07,740 when the capital would cause them to take a different course of action. So if the capital would help you accelerate your business 'cause you already think you have product market fit, or if the capital is required to build out to your next milestone, that's when you start talking to investors. - Okay, terrific. 00:35:22,398 Next question, yep. Audience Member Thank you for your excellent lecture. 00:35:30,360 I'm (indistinct) and I'm student from Japanese university, and not a Stanford student, but I'm interested in entrepreneurship. You mentioned that many times that it'll be important to find something that naturally interests ourselves, but what actions would you recommend we take or what action you did take by yourself? - So the question is around 00:35:56,310 how do you find out what you're good at, what you're interested in? - I believe so, is that right? 00:35:59,744 How do you find out what... Okay, what you're...

Yeah. - I think its trial and error. 00:36:03,570 I mean, if you can read about it and decide, fantastic, you don't have to spend time trying but, to me, I had to try different types of jobs, I had to try different types of companies. I realized I'm much better as an early stage investor than a late stage investor. I realize now, I'm actually much more right brain than left brain, and I didn't know that. It took me way too long to figure that out. But it was only through trial and error, and really spending efforts to get to know myself and who I want to be, that I could figure that out. This is another thing I wish I understood earlier. There's a lot of stuff on social media that says you should find yourself. Take a break from life, take a break from work, go travel, find yourself.

I don't think life is about finding yourself at all. I think it's about creating yourself. I think it's about deciding what you wanna be and then becoming that. And that means that it might be a trait that you currently have that you don't like, you absolutely can get rid of it. You might mean, if there's a particular thing that's drawing you, a career, or a type of job, or a company that's your calling, then figure out how to get into that. So it's better understanding yourself and then trying different types of roles, internships, different companies. It can be doing things on the side. For people who wanna jump into venture capital, I recommend them doing angel investing or advising startups before they do it. Same thing with a bunch of careers actually. It's like don't go take a full-time banking job unless you've done an internship 'cause you will have no idea what you're actually signing up for.

And on the VC side, if you wanna go into venture capital, if you have money that you wanna invest, you can angel invest for 5,000, \$10,000 into a startup. Put your money where your mouth is, and decide if that's the track you want. And for those who don't wanna spend money that way, they can just give their time. It can be nights and weekends. You can advise companies on the side, see if that is a motion, a day-to-day thing, that you enjoy doing. And then, from there you can decide if you wanna pursue a full-time job in venture. - That's great advice. 00:38:14,333 Yes. Audience Member Okay, hi. 00:38:18,630 I'm a current junior studying symbolic systems.

I guess my question for you is surrounding your background, not having founded a company yourself but still in an investing role. I guess, have you faced backlash and challenges maybe from founders or your investing colleagues on this front, or do you kind of see it as an advantage to stand out in the VC space? - So the question is, 00:38:43,350 not being a founder or former CEO myself, am I disadvantaged or advantaged? I'd say, I don't see it as an advantage to not be a founder or CEO because there are definitely situations that founders face that had I been in the same situation myself, not only could I better empathize, I can know, from trial and error, what works and what doesn't. I am lucky enough to work at a firm though where a lot of my partners have that operating experience. At Andreessen Horowitz, we have a whole team of operating partners that are experts at a bunch of situations. And so, when I face a situation at a startup I don't know how to handle, I can go to them. Not every firm has that offering. And the firms that don't have that offering, I'd say it's a disadvantage to not have that kind of operating experience. But because, again, I have folks who are experts in talent, in recruiting, in people practices, in law, in corporate development, in marketing, you name it, whenever I hit a situation that I haven't seen before, I am able to go back to my colleagues and partners, and ask them for advice. That isn't to say it's insurmountable if you're at a different firm, but I think it means that you yourself need to build a network of operators who you can go to and say, "Hey, I'm facing this situation. "What would you advise in this particular case?" In venture capital, there's a couple things.

You have to source the company, you have to pick correctly, and then you have to win the deal. Not being a founder doesn't impact your ability to source. You can find them on Twitter, you can find them on LinkedIn, you can find them however you source them. Doesn't impact your ability to pick either. It impacts your ability to win that deal 'cause some of the hot deals are very obvious to a lot of people. You're up against other people who are former founders themselves. And so, in those moments, figure out what is it that you bring, that's still unique, to the table. For me, I might not be a former founder-CEO, but I have lots of thoughts on business models and strategies, and I can teach them about their equivalent in China, and no one else can do that. And so I still bring something unique to the table that I can attract founders, and convince them, and show them why I can have huge impact on their company. So it's about figuring out, what is your value proposition? It doesn't have to be "former founder-CEO." It's great if it is but if it's not, you have to have something else that you're bringing to the table.

- Thank you. 00:41:03,930 We'll go there. Audience Member Yeah, I'm a sophomore computer science. 00:41:08,250 I guess I just wanted to ask what advice you would have, for example, for a founder that had a company that perhaps either failed completely or perhaps just didn't become that massive success? What advice would you have for them on next steps or what they can do, or how they can use or leverage their experience for the better? - Yeah, the question is, 00:41:27,990 if someone had failed in a company, what's your suggestions for them to be a second time founder? I will tell you, actually, those are the most attractive founders to venture capitalists. They love people who are repeat founders. And it doesn't matter if the first one failed or not. And it's because life is, again, about learning and about trying different experiences, and for all the reasons why that first company failed, you learned something. You maybe learned how to pick the right founder or the wrong founder, the co-founder, right? Maybe you learned how to think about market size differently, or the importance of distribution and go-to-market, not just product. Life is not a "build it and they will come" thing. And all of those learnings, whether you over-hired you under-hired, you didn't talk to the right investor, those are all learnings that you take to your next company.

So it's basically betting... We're able to bet on someone that has learned all those mistakes already, it's great. So it's

actually perfectly fine if you have failed in the past. It's a very attractive thing to VCs. Ravi Yes. 00:42:35,310 Woman All right, the students on Zoom have 00:42:36,143 a question for you. "What is the biggest career risk you've taken?" - "Biggest career risk I've taken." 00:42:48,270 I mean, honestly, when I went to Andreessen Horowitz, I will tell you, my friends were saying that's a super risky move because back then, the brand was not what it is today. We were like 20 people, we're over 500 now. Back then, I was cold messaging founders, begging them for meetings, and they had no idea who we were. And I had to beg for the meetings.

Very easy to get meetings now, so completely different situation. That was actually considered risky back then. Another big one was I've been at my firm for a very long time now, there was a gap in between where I spent time figuring out our Asia strategy. I helped a bunch of our portfolio companies, whether it's raising capital or doing BD in Asia, broader Asia. And I had to go to all of our partners and pitch to them, "I'm gonna take a break for about a year "and figure out our Asia strategy for a bit." And that was also very non-obvious to a lot of people. Even this China strategy that I use, and utilize, and talk about, and share freely, is considered risky, or different, or unique, or just an outlier point of view, right? And I think anytime you're doing something that's not going with the masses, which happens a lot in venture capital, it's seen as a risk. But the reality is, again, if you have conviction, or if you've seen with your own eyes that there is some signal, or data, or insight that no one else sees, then you have to go with that, because that's how you're gonna find the alpha. - On that, we're gonna end it. 00:44:24,086 Thank you so much, Connie, for joining us, and thank you for coming back to the farm. Thank you to the Stanford community for coming and joining (mumbles), for the YouTube and Zoom communities for joining as well.

Next week is gonna be the final speaker for our winter quarter, and we're gonna be joined by the founder of Capital Art, Karabo Morule. You can find that event and other future events in this ETL series at the Stanford eCorner YouTube channel, as with everything else. And you'll find even more of our videos, podcasts, and articles about entrepreneurship and innovation at Stanford eCorner. That's ecorner.stanford.edu. Thank you everybody. - Thank you. (audience applauding) (techno music)..