The Hacker's Guide to Investors

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The world of investors is a foreign one to most hackers—partly because investors are so unlike hackers, and partly because they tend to operate in secret. I've been dealing with this world for many years, both as a founder and an investor, and I still don't fully understand it.

In this essay I'm going to list some of the more surprising things I've learned about investors. Some I only learned in the past year.

Teaching hackers how to deal with investors is probably the second most important thing we do at Y Combinator. The most important thing for a startup is to make something good. But everyone knows that's important. The dangerous thing about investors is that hackers don't know how little they know about this strange world.

1. The investors are what make a startup hub.

About a year ago I tried to figure out what you'd need to reproduce Silicon Valley. I decided the critical ingredients were rich people and nerds—investors and founders. People are all you need to make technology, and all the other people will move.

If I had to narrow that down, I'd say investors are the limiting factor. Not because they contribute more to the startup, but simply because they're least willing to move. They're rich. They're not

going to move to Albuquerque just because there are some smart hackers there they could invest in. Whereas hackers will move to the Bay Area to find investors.

2. Angel investors are the most critical.

There are several types of investors. The two main categories are angels and VCs: VCs invest other people's money, and angels invest their own.

Though they're less well known, the angel investors are probably the more critical ingredient in creating a silicon valley. Most companies that VCs invest in would never have made it that far if angels hadn't invested first. VCs say between half and three quarters of companies that raise series A rounds have taken some outside investment already.
[1]

Angels are willing to fund riskier projects than VCs. They also give valuable advice, because (unlike VCs) many have been startup founders themselves.

Google's story shows the key role angels play. A lot of people know Google raised money from Kleiner and Sequoia. What most don't realize is how late. That VC round was a series B round; the premoney valuation was $75 million. Google was already a successful company at that point. Really, Google was funded with angel money.

It may seem odd that the canonical Silicon Valley startup was funded by angels, but this is not so surprising. Risk is always proportionate to reward. So the most successful startup of all is likely to have seemed an extremely risky bet at first, and that is exactly the kind VCs won't touch.

Where do angel investors come from? From other startups. So startup hubs like Silicon Valley benefit from something like the marketplace effect, but shifted in time: startups are there because startups were there.

3. Angels don't like publicity.

If angels are so important, why do we hear more about VCs? Because VCs like publicity. They need to market themselves to the investors who are their "customers"—the endowments and pension funds and rich families whose money they invest—and also to founders who might come to them for funding.

Angels don't need to market themselves to investors because they invest their own money. Nor do they want to market themselves to founders: they don't want random people pestering them with business plans. Actually, neither do VCs. Both angels and VCs get deals almost exclusively through personal introductions.
[2]

The reason VCs want a strong brand is not to draw in more business plans over the transom, but so they win deals when competing against other VCs. Whereas angels are rarely in direct competition, because (a) they do fewer deals, (b) they're happy to split them, and (c) they invest at a point where the stream is broader.

4. Most investors, especially VCs, are not like founders.

Some angels are, or were, hackers. But most VCs are a different type of people: they're dealmakers.

If you're a hacker, here's a thought experiment you can run to understand why there are basically no hacker VCs: How would you like a job where you never got to make anything, but instead spent all your time listening to other people pitch (mostly terrible) projects, deciding whether to fund them, and sitting on their boards if you did? That would not be fun for most hackers. Hackers like to make things. This would be like being an administrator.

Because most VCs are a different species of people from founders, it's hard to know what they're thinking. If you're a hacker, the last time you had to deal with these guys was in high school. Maybe in college you walked past their fraternity on your way to the lab. But don't underestimate them. They're as expert in their world as you are in yours. What they're good at is reading people, and making deals work to their advantage. Think twice

before you try to beat them at that.

5. Most investors are momentum investors.

Because most investors are dealmakers rather than technology people, they generally don't understand what you're doing. I knew as a founder that most VCs didn't get technology. I also knew some made a lot of money. And yet it never occurred to me till recently to put those two ideas together and ask "How can VCs make money by investing in stuff they don't understand?"

The answer is that they're like momentum investors. You can (or could once) make a lot of money by noticing sudden changes in stock prices. When a stock jumps upward, you buy, and when it suddenly drops, you sell. In effect you're insider trading, without knowing what you know. You just know someone knows something, and that's making the stock move.

This is how most venture investors operate. They don't try to look at something and predict whether it will take off. They win by noticing that something is taking off a little sooner than everyone else. That generates almost as good returns as actually being able to pick winners. They may have to pay a little more than they would if they got in at the very beginning, but only a little.

Investors always say what they really care about is the team. Actually what they care most about is your traffic, then what other investors think, then the team. If you don't yet have any traffic, they fall back on number 2, what other investors think. And this, as you can imagine, produces wild oscillations in the "stock price" of a startup. One week everyone wants you, and they're begging not to be cut out of the deal. But all it takes is for one big investor to cool on you, and the next week no one will return your phone calls. We regularly have startups go from hot to cold or cold to hot in a matter of days, and literally nothing has changed.

There are two ways to deal with this phenomenon. If you're feeling really confident, you can try to ride it. You can start by asking a comparatively lowly VC for a small amount of money, and then after generating interest there, ask more prestigious VCs for larger

amounts, stirring up a crescendo of buzz, and then "sell" at the top. This is extremely risky, and takes months even if you succeed. I wouldn't try it myself. My advice is to err on the side of safety: when someone offers you a decent deal, just take it and get on with building the company. Startups win or lose based on the quality of their product, not the quality of their funding deals.

6. Most investors are looking for big hits.

Venture investors like companies that could go public. That's where the big returns are. They know the odds of any individual startup going public are small, but they want to invest in those that at least have a chance of going public.

Currently the way VCs seem to operate is to invest in a bunch of companies, most of which fail, and one of which is Google. Those few big wins compensate for losses on their other investments. What this means is that most VCs will only invest in you if you're a potential Google. They don't care about companies that are a safe bet to be acquired for $20 million. There needs to be a chance, however small, of the company becoming really big.

Angels are different in this respect. They're happy to invest in a company where the most likely outcome is a $20 million acquisition if they can do it at a low enough valuation. But of course they like companies that could go public too. So having an ambitious long-term plan pleases everyone.

If you take VC money, you have to mean it, because the structure of VC deals prevents early acquisitions. If you take VC money, they won't let you sell early.

7. VCs want to invest large amounts.

The fact that they're running investment funds makes VCs want to invest large amounts. A typical VC fund is now hundreds of millions of dollars. If $400 million has to be invested by 10 partners, they have to invest $40 million each. VCs usually sit on the boards of companies they fund. If the average deal size was $1 million, each partner would have to sit on 40 boards, which would not be

fun. So they prefer bigger deals, where they can put a lot of money to work at once.

VCs don't regard you as a bargain if you don't need a lot of money. That may even make you less attractive, because it means their investment creates less of a barrier to entry for competitors.

Angels are in a different position because they're investing their own money. They're happy to invest small amounts—sometimes as little as $20,000—as long as the potential returns look good enough. So if you're doing something inexpensive, go to angels.

8. Valuations are fiction.

VCs admit that valuations are an artifact. They decide how much money you need and how much of the company they want, and those two constraints yield a valuation.

Valuations increase as the size of the investment does. A company that an angel is willing to put $50,000 into at a valuation of a million can't take $6 million from VCs at that valuation. That would leave the founders less than a seventh of the company between them (since the option pool would also come out of that seventh). Most VCs wouldn't want that, which is why you never hear of deals where a VC invests $6 million at a premoney valuation of $1 million.

If valuations change depending on the amount invested, that shows how far they are from reflecting any kind of value of the company.

Since valuations are made up, founders shouldn't care too much about them. That's not the part to focus on. In fact, a high valuation can be a bad thing. If you take funding at a premoney valuation of $10 million, you won't be selling the company for 20. You'll have to sell for over 50 for the VCs to get even a 5x return, which is low to them. More likely they'll want you to hold out for 100. But needing to get a high price decreases the chance of getting bought at all; many companies can buy you for $10 million, but only a handful for 100. And since a startup is like a pass/fail course for the founders, what you want to optimize is your chance of a good outcome, not the percentage of the company you keep.

So why do founders chase high valuations? They're tricked by misplaced ambition. They feel they've achieved more if they get a higher valuation. They usually know other founders, and if they get a higher valuation they can say "mine is bigger than yours." But funding is not the real test. The real test is the final outcome for the founder, and getting too high a valuation may just make a good outcome less likely.

The one advantage of a high valuation is that you get less dilution. But there is another less sexy way to achieve that: just take less money.

9. Investors look for founders like the current stars.

Ten years ago investors were looking for the next Bill Gates. This was a mistake, because Microsoft was a very anomalous startup. They started almost as a contract programming operation, and the reason they became huge was that IBM happened to drop the PC standard in their lap.

Now all the VCs are looking for the next Larry and Sergey. This is a good trend, because Larry and Sergey are closer to the ideal startup founders.

Historically investors thought it was important for a founder to be an expert in business. So they were willing to fund teams of MBAs who planned to use the money to pay programmers to build their product for them. This is like funding Steve Ballmer in the hope that the programmer he'll hire is Bill Gates—kind of backward, as the events of the Bubble showed. Now most VCs know they should be funding technical guys. This is more pronounced among the very top funds; the lamer ones still want to fund MBAs.

If you're a hacker, it's good news that investors are looking for Larry and Sergey. The bad news is, the only investors who can do it right are the ones who knew them when they were a couple of CS grad students, not the confident media stars they are today. What investors still don't get is how clueless and tentative great founders can seem at the very beginning.

10. The contribution of investors tends to be underestimated.

Investors do more for startups than give them money. They're helpful in doing deals and arranging introductions, and some of the smarter ones, particularly angels, can give good advice about the product.

In fact, I'd say what separates the great investors from the mediocre ones is the quality of their advice. Most investors give advice, but the top ones give good advice.

Whatever help investors give a startup tends to be underestimated. It's to everyone's advantage to let the world think the founders thought of everything. The goal of the investors is for the company to become valuable, and the company seems more valuable if it seems like all the good ideas came from within.

This trend is compounded by the obsession that the press has with founders. In a company founded by two people, 10% of the ideas might come from the first guy they hire. Arguably they've done a bad job of hiring otherwise. And yet this guy will be almost entirely overlooked by the press.

I say this as a founder: the contribution of founders is always overestimated. The danger here is that new founders, looking at existing founders, will think that they're supermen that one couldn't possibly equal oneself. Actually they have a hundred different types of support people just offscreen making the whole show possible. [3]

11. VCs are afraid of looking bad.

I've been very surprised to discover how timid most VCs are. They seem to be afraid of looking bad to their partners, and perhaps also to the limited partners—the people whose money they invest.

You can measure this fear in how much less risk VCs are willing to take. You can tell they won't make investments for their fund that they might be willing to make themselves as angels. Though it's not quite accurate to say that VCs are less willing to take risks.

They're less willing to do things that might look bad. That's not the same thing.

For example, most VCs would be very reluctant to invest in a startup founded by a pair of 18 year old hackers, no matter how brilliant, because if the startup failed their partners could turn on them and say "What, you invested $x million of our money in a pair of 18 year olds?" Whereas if a VC invested in a startup founded by three former banking executives in their 40s who planned to outsource their product development—which to my mind is actually a lot riskier than investing in a pair of really smart 18 year olds—he couldn't be faulted, if it failed, for making such an apparently prudent investment.

As a friend of mine said, "Most VCs can't do anything that would sound bad to the kind of doofuses who run pension funds." Angels can take greater risks because they don't have to answer to anyone.

12. Being turned down by investors doesn't mean much.

Some founders are quite dejected when they get turned down by investors. They shouldn't take it so much to heart. To start with, investors are often wrong. It's hard to think of a successful startup that wasn't turned down by investors at some point. Lots of VCs rejected Google. So obviously the reaction of investors is not a very meaningful test.

Investors will often reject you for what seem to be superficial reasons. I read of one VC who turned down a startup simply because they'd given away so many little bits of stock that the deal required too many signatures to close. [4] The reason investors can get away with this is that they see so many deals. It doesn't matter if they underestimate you because of some surface imperfection, because the next best deal will be almost as good. Imagine picking out apples at a grocery store. You grab one with a little bruise.

Maybe it's just a surface bruise, but why even bother checking when there are so many other unbruised apples to choose from?

Investors would be the first to admit they're often wrong. So when you get rejected by investors, don't think "we suck," but instead ask "do we suck?" Rejection is a question, not an answer.

13. Investors are emotional.

I've been surprised to discover how emotional investors can be. You'd expect them to be cold and calculating, or at least businesslike, but often they're not. I'm not sure if it's their position of power that makes them this way, or the large sums of money involved, but investment negotiations can easily turn personal. If you offend investors, they'll leave in a huff.

A while ago an eminent VC firm offered a series A round to a startup we'd seed funded. Then they heard a rival VC firm was also interested. They were so afraid that they'd be rejected in favor of this other firm that they gave the startup what's known as an "exploding termsheet." They had, I think, 24 hours to say yes or no, or the deal was off. Exploding termsheets are a somewhat dubious device, but not uncommon. What surprised me was their reaction when I called to talk about it. I asked if they'd still be interested in the startup if the rival VC didn't end up making an offer, and they said no. What rational basis could they have had for saying that? If they thought the startup was worth investing in, what difference should it make what some other VC thought? Surely it was their duty to their limited partners simply to invest in the best opportunities they found; they should be delighted if the other VC said no, because it would mean they'd overlooked a good opportunity. But of course there was no rational basis for their decision. They just couldn't stand the idea of taking this rival firm's rejects.

In this case the exploding termsheet was not (or not only) a tactic to pressure the startup. It was more like the high school trick of breaking up with someone before they can break up with you. In an earlier essay I said that VCs were a lot like high school girls. A few VCs have joked about that characterization, but none have disputed it.

14. The negotiation never stops till the closing.

Most deals, for investment or acquisition, happen in two phases. There's an initial phase of negotiation about the big questions. If this succeeds you get a termsheet, so called because it outlines the key terms of a deal. A termsheet is not legally binding, but it is a definite step. It's supposed to mean that a deal is going to happen, once the lawyers work out all the details. In theory these details are minor ones; by definition all the important points are supposed to be covered in the termsheet.

Inexperience and wishful thinking combine to make founders feel that when they have a termsheet, they have a deal. They want there to be a deal; everyone acts like they have a deal; so there must be a deal. But there isn't and may not be for several months. A lot can change for a startup in several months. It's not uncommon for investors and acquirers to get buyer's remorse. So you have to keep pushing, keep selling, all the way to the close. Otherwise all the "minor" details left unspecified in the termsheet will be interpreted to your disadvantage. The other side may even break the deal; if they do that, they'll usually seize on some technicality or claim you misled them, rather than admitting they changed their minds.

It can be hard to keep the pressure on an investor or acquirer all the way to the closing, because the most effective pressure is competition from other investors or acquirers, and these tend to drop away when you get a termsheet. You should try to stay as close friends as you can with these rivals, but the most important thing is just to keep up the momentum in your startup. The investors or acquirers chose you because you seemed hot. Keep doing whatever made you seem hot. Keep releasing new features; keep getting new users; keep getting mentioned in the press and in blogs.

15. Investors like to co-invest.

I've been surprised how willing investors are to split deals. You might think that if they found a good deal they'd want it all to themselves, but they seem positively eager to syndicate. This is

understandable with angels; they invest on a smaller scale and don't like to have too much money tied up in any one deal. But VCs also share deals a lot. Why?

Partly I think this is an artifact of the rule I quoted earlier: after traffic, VCs care most what other VCs think. A deal that has multiple VCs interested in it is more likely to close, so of deals that close, more will have multiple investors.

There is one rational reason to want multiple VCs in a deal: Any investor who co-invests with you is one less investor who could fund a competitor. Apparently Kleiner and Sequoia didn't like splitting the Google deal, but it did at least have the advantage, from each one's point of view, that there probably wouldn't be a competitor funded by the other. Splitting deals thus has similar advantages to confusing paternity.

But I think the main reason VCs like splitting deals is the fear of looking bad. If another firm shares the deal, then in the event of failure it will seem to have been a prudent choice—a consensus decision, rather than just the whim of an individual partner.

16. Investors collude.

Investing is not covered by antitrust law. At least, it better not be, because investors regularly do things that would be illegal otherwise. I know personally of cases where one investor has talked another out of making a competitive offer, using the promise of sharing future deals.

In principle investors are all competing for the same deals, but the spirit of cooperation is stronger than the spirit of competition. The reason, again, is that there are so many deals. Though a professional investor may have a closer relationship with a founder he invests in than with other investors, his relationship with the founder is only going to last a couple years, whereas his relationship with other firms will last his whole career. There isn't so much at stake in his interactions with other investors, but there will be a lot of them. Professional investors are constantly trading little favors.

Another reason investors stick together is to preserve the power of investors as a whole. So you will not, as of this writing, be able to get investors into an auction for your series A round. They'd rather lose the deal than establish a precedent of VCs competitively bidding against one another. An efficient startup funding market may be coming in the distant future; things tend to move in that direction; but it's certainly not here now.

17. Large-scale investors care about their portfolio, not any individual company.

The reason startups work so well is that everyone with power also has equity. The only way any of them can succeed is if they all do. This makes everyone naturally pull in the same direction, subject to differences of opinion about tactics.

The problem is, larger scale investors don't have exactly the same motivation. Close, but not identical. They don't need any given startup to succeed, like founders do, just their portfolio as a whole to. So in borderline cases the rational thing for them to do is to sacrifice unpromising startups.

Large-scale investors tend to put startups in three categories: successes, failures, and the "living dead"—companies that are plugging along but don't seem likely in the immediate future to get bought or go public. To the founders, "living dead" sounds harsh. These companies may be far from failures by ordinary standards. But they might as well be from a venture investor's point of view, and they suck up just as much time and attention as the successes. So if such a company has two possible strategies, a conservative one that's slightly more likely to work in the end, or a risky one that within a short time will either yield a giant success or kill the company, VCs will push for the kill-or-cure option. To them the company is already a write-off. Better to have resolution, one way or the other, as soon as possible.

If a startup gets into real trouble, instead of trying to save it VCs may just sell it at a low price to another of their portfolio companies. Philip Greenspun said in Founders at Work that Ars Digita's VCs did this to them.

18. Investors have different risk profiles from founders.

Most people would rather a 100% chance of $1 million than a 20% chance of $10 million. Investors are rich enough to be rational and prefer the latter. So they'll always tend to encourage founders to keep rolling the dice. If a company is doing well, investors will want founders to turn down most acquisition offers. And indeed, most startups that turn down acquisition offers ultimately do better. But it's still hair-raising for the founders, because they might end up with nothing. When someone's offering to buy you for a price at which your stock is worth $5 million, saying no is equivalent to having $5 million and betting it all on one spin of the roulette wheel.

Investors will tell you the company is worth more. And they may be right. But that doesn't mean it's wrong to sell. Any financial advisor who put all his client's assets in the stock of a single, private company would probably lose his license for it.

More and more, investors are letting founders cash out partially. That should correct the problem. Most founders have such low standards that they'll feel rich with a sum that doesn't seem huge to investors. But this custom is spreading too slowly, because VCs are afraid of seeming irresponsible. No one wants to be the first VC to give someone fuck-you money and then actually get told "fuck you." But until this does start to happen, we know VCs are being too conservative.

19. Investors vary greatly.

Back when I was a founder I used to think all VCs were the same. And in fact they do all look the same. They're all what hackers call "suits." But since I've been dealing with VCs more I've learned that some suits are smarter than others.

They're also in a business where winners tend to keep winning and losers to keep losing. When a VC firm has been successful in the past, everyone wants funding from them, so they get the pick of all the new deals. The self-reinforcing nature of the venture funding

market means that the top ten firms live in a completely different world from, say, the hundredth. As well as being smarter, they tend to be calmer and more upstanding; they don't need to do iffy things to get an edge, and don't want to because they have more brand to protect.

There are only two kinds of VCs you want to take money from, if you have the luxury of choosing: the "top tier" VCs, meaning about the top 20 or so firms, plus a few new ones that are not among the top 20 only because they haven't been around long enough.

It's particularly important to raise money from a top firm if you're a hacker, because they're more confident. That means they're less likely to stick you with a business guy as CEO, like VCs used to do in the 90s. If you seem smart and want to do it, they'll let you run the company.

20. Investors don't realize how much it costs to raise money from them.

Raising money is a huge time suck at just the point where startups can least afford it. It's not unusual for it to take five or six months to close a funding round. Six weeks is fast. And raising money is not just something you can leave running as a background process. When you're raising money, it's inevitably the main focus of the company. Which means building the product isn't.

Suppose a Y Combinator company starts talking to VCs after demo day, and is successful in raising money from them, closing the deal after a comparatively short 8 weeks. Since demo day occurs after 10 weeks, the company is now 18 weeks old. Raising money, rather than working on the product, has been the company's main focus for 44% of its existence. And mind you, this an example where things turned out well.

When a startup does return to working on the product after a funding round finally closes, it's as if they were returning to work after a months-long illness. They've lost most of their momentum.

Investors have no idea how much they damage the companies they

invest in by taking so long to do it. But companies do. So there is a big opportunity here for a new kind of venture fund that invests smaller amounts at lower valuations, but promises to either close or say no very quickly. If there were such a firm, I'd recommend it to startups in preference to any other, no matter how prestigious. Startups live on speed and momentum.

21. Investors don't like to say no.

The reason funding deals take so long to close is mainly that investors can't make up their minds. VCs are not big companies; they can do a deal in 24 hours if they need to. But they usually let the initial meetings stretch out over a couple weeks. The reason is the selection algorithm I mentioned earlier. Most don't try to predict whether a startup will win, but to notice quickly that it already is winning. They care what the market thinks of you and what other VCs think of you, and they can't judge those just from meeting you.

Because they're investing in things that (a) change fast and (b) they don't understand, a lot of investors will reject you in a way that can later be claimed not to have been a rejection. Unless you know this world, you may not even realize you've been rejected. Here's a VC saying no:

> We're really excited about your project, and we want to keep in close touch as you develop it further.

Translated into more straightforward language, this means: We're not investing in you, but we may change our minds if it looks like you're taking off. Sometimes they're more candid and say explicitly that they need to "see some traction." They'll invest in you if you start to get lots of users. But so would any VC. So all they're saying is that you're still at square 1.

Here's a test for deciding whether a VC's response was yes or no. Look down at your hands. Are you holding a termsheet?

22. You need investors.

Some founders say "Who needs investors?" Empirically the answer seems to be: everyone who wants to succeed. Practically every

successful startup takes outside investment at some point.

Why? What the people who think they don't need investors forget is that they will have competitors. The question is not whether you need outside investment, but whether it could help you at all. If the answer is yes, and you don't take investment, then competitors who do will have an advantage over you. And in the startup world a little advantage can expand into a lot.

Mike Moritz famously said that he invested in Yahoo because he thought they had a few weeks' lead over their competitors. That may not have mattered quite so much as he thought, because Google came along three years later and kicked Yahoo's ass. But there is something in what he said. Sometimes a small lead can grow into the yes half of a binary choice.

Maybe as it gets cheaper to start a startup, it will start to be possible to succeed in a competitive market without outside funding. There are certainly costs to raising money. But as of this writing the empirical evidence says it's a net win.

23. Investors like it when you don't need them.

A lot of founders approach investors as if they needed their permission to start a company—as if it were like getting into college. But you don't need investors to start most companies; they just make it easier.

And in fact, investors greatly prefer it if you don't need them. What excites them, both consciously and unconsciously, is the sort of startup that approaches them saying "the train's leaving the station; are you in or out?" not the one saying "please can we have some money to start a company?"

Most investors are "bottoms" in the sense that the startups they like most are those that are rough with them. When Google stuck Kleiner and Sequoia with a $75 million premoney valuation, their reaction was probably "Ouch! That feels so good." And they were right, weren't they? That deal probably made them more than any

other they've done.

The thing is, VCs are pretty good at reading people. So don't try to act tough with them unless you really are the next Google, or they'll see through you in a second. Instead of acting tough, what most startups should do is simply always have a backup plan. Always have some alternative plan for getting started if any given investor says no. Having one is the best insurance against needing one.

So you shouldn't start a startup that's expensive to start, because then you'll be at the mercy of investors. If you ultimately want to do something that will cost a lot, start by doing a cheaper subset of it, and expand your ambitions when and if you raise more money.

Apparently the most likely animals to be left alive after a nuclear war are cockroaches, because they're so hard to kill. That's what you want to be as a startup, initially. Instead of a beautiful but fragile flower that needs to have its stem in a plastic tube to support itself, better to be small, ugly, and indestructible.

Notes

[1]
I may be underestimating VCs. They may play some behind the scenes role in IPOs, which you ultimately need if you want to create a silicon valley.

[2]
A few VCs have an email address you can send your business plan to, but the number of startups that get funded this way is basically zero. You should always get a personal introduction—and to a partner, not an associate.

[3]
Several people have told us that the most valuable thing about

startup school
was that they got to see famous startup founders and realized
they were just ordinary guys. Though we're happy to provide this
service, this is not generally the way we pitch startup school to
potential speakers.

[4]
Actually this sounds to me like a VC who got buyer's remorse,
then used a technicality to get out of the deal. But it's telling
that it even seemed a plausible excuse.

Thanks to Sam Altman, Paul Buchheit, Hutch Fishman, and Robert
Morris for reading drafts of
this, and to Kenneth King of ASES for inviting me to speak.

Comment on this essay.

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