

So you want to be a venture capitalist?

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August 13, 2013

<http://venturebeat.com/2013/08/13/so-you-want-to-be-a-venture-capitalist/>

This is a guest post by Campus London chief Eze Vidra



You've always wanted to be a VC. Maybe it's the diversity of deals and the industry that attracts you. Maybe it sounds sexy. You are probably armed with a freshly minted MBA and some experience in finance and/or technology.

However, with very few job openings a year, landing that dream job in venture can be harder than you think. Here are some of my top tips to optimize your chances:

What profile do you need to work in VC?

The short answer: it depends. Judd Rogers from Boulder, Colorado tried to answer this question in his paper titled "How to be a venture capitalist when you grow up". He read the bios of 151 partners in US funds and looked at the 2008 NVCA Venture Census (including over 500 professionals working in the venture capital field in the U.S.). Most partners in funds were either successful entrepreneurs or worked their way up in venture capital.

There are plenty of books on how to be a successful entrepreneur, so this post is focused on how to work your way up in venture. According to recent studies, this is the profile of the average VC:

- The average partner is 46 years old.
- Of the 2011 NVCA Census, which included 600 respondents, 79 percent were men and 87 percent of respondents were caucasian. Sadly, it's not a very diverse industry — yet.
- Of the 151 VC bios scanned, 79 or 53 percent had an MBA. Another 15 percent had a Phd, JD or MD. In the US, 60 percent of the MBAs were graduates of Harvard or Stanford.
- They previously a job in consulting or finance.

Mark Suster, entrepreneur turned VC, posted on his excellent blog when he was recruiting for two VC analysts for GRP Partners. In the post, he described what a successful candidate may bring. I edited it and highlighted the most relevant bits:

"The chosen candidate will probably have worked for a very reputable firm that is either in technology, consulting, investment banking, media or a startup.

The likely candidate will probably have **graduated with an undergraduate degree in the past 5 years.**

We want somebody who is ready, willing and **able to debate tech** with us. Where do you think things are heading? What is the future of social media, digital television or mobile computing. We also have a very strong financial services practice so we welcome people with this interest area, too.”

If they won't hire you, blaze your own trail

There aren't many VC jobs out there to begin with. Competition is fierce. According to this anonymous answer on Q&A site Quora, it helps to prove yourself as a successful angel investor. To find out how, read Quote of Anonymous' answer to Venture Capital: How does one go about becoming a Venture Capitalist?

In the UK, equity crowdfunding is regulated, and using a number of platforms like Seedrs, so anyone, meaning not just accredited investors, can invest as little as £10 (\$15) to own a piece of a startup. While this means a very limited pipeline, it's a good exercise in due diligence.

The 10 commandments for the Venture Capital job seeker

1. **Determine if this is really what you want to do** – Guy Kawasaki created the entertaining VCAT – the Venture Capital Aptitude Test. Passed the test and still want to land a venture job? Keep on reading.
2. **Make sure you have 'real world experience'** – You have three routes available to you. You could start a company or land a role at an early-stage startup, work for a big corporation in a relevant role, or join a bank or a consulting firm. Different funds have different preferences, but regardless of what your experience is, you should be able to show that you were exceptional. [Note: You can still gain highly valuable experience being an early employee of a venture-backed startup -- you'll need to be prepared to live on a tight budget for a few years if you start your own business.]
3. **Go to business school, and ideally a top ranked one** – Having an MBA from Stanford or Harvard won't secure you a place at a venture firm, but it certainly helps. It pains me to say this (even though I have an MBA), but I know plenty of funds who won't even consider associates that haven't graduated from a top business school. Of course, there are exceptions, and the level you are entering the firm matters – VC interns and analysts can be hired right out of college. Chris Dixon, a serial entrepreneur who is now a partner in Andreessen Horowitz, shared his own advice from Business School: “Even if you go to one of these fancy schools it's still not easy to get a job. You need to network like crazy. I did a whole bunch of volunteer research projects for VCs when I was in business school. I came up with lists of investment ideas so when I got a few minutes with a VC, I could show them I was obsessed with this stuff.”
4. **Build your reputation** – Start a blog and set up a website, and maintain a social media presence. LinkedIn is the venture capitalist's preferred social network (85 percent of them are active on it according to the 2011 NVCA Venture Census). Seth Levine of the Foundry Group points out that Union Square Ventures doesn't even glance at traditional resumes, but rather asks for a candidate who is “web proof,” meaning they have a strong and consistent digital presence.
5. **Have passion for great products** – If you're going to invest, you better know your tech. Use the products that you're going to be investing in, whether it's downloading the newest ride sharing app or testing the alpha social network. Become what I fondly call a “beta whore.” Ask yourself, what are your favorite new 10 startups in 2013? The Ultimate Startup Intelligence Tools List we posted on VC Cafe will point you to get tools like: Betalist, MOMB and others.
6. **Network in a helpful way** – Nothing is more annoying than people who ask to “grab coffee” without any context or thought of the benefit to both sides (check out this coffee etiquette). Your network is only as good as your ability to connect people in it — make helpful introductions, hook up startups and help VCs get their job done. Rinse and repeat, and those requests for coffee won't feel like a drag to a VC. Get comfortable with the etiquette of making introductions.
7. **Teach and be generous with your time** – It goes without saying that startups have limited resources. Entrepreneurs could use some help looking at their marketing strategy or talking through their launch

plans. As investor Charlie O'Donnell recommends, "be selfless with your time". A great VC is a good teacher, so look for any opportunity you have to teach — alma mater, accelerator programs, hackathons, and so on. You'll learn a lot along the way.

8. **Never stop learning** – The biggest mistake you can make is assume you know everything, because your CV says so. Spend some time on online education sites like CodeAcademy, Coursera, Khan Academy or Udemy to learn more about the world you want to get into. Here's a long list of recommendations for learning in 2013.
9. **Be Informed** – In the fast-paced tech industry, you really need to be on top of your news. Find your Google Reader alternative, follow the top VC blogs (Fred Wilson, Dave McClure, Paul Graham, Chris Dixon or take your pick from this top 50 VC blogs list), and read tech news sites like VentureBeat. If tech news aren't fascinating to you, find your passion: clean tech, biotech, hardware are all relevant.
10. **Stay hungry, stay humble** – I often use the acronym "DBDB," meaning "don't be a douche bag." Even if you invested your dad's money in a couple of startups, it doesn't make you an expert. Venture Capital is a long-term game, and like any other profession, it will require you to spend 10 years to master the field. Give the same respect to the entrepreneurs you talk to, before, during and after you got the job.

Don't glamorize the profession!

The world needs startups. That's where the growth is going to come from, and in many cases, startups are catalysts for creating new industries and leap frog innovation. Think about it, 15 years ago, there was no Google, no Facebook, no Twitter. How many jobs and lives are currently relying on it for income, information or personal learning?

Corny as it sounds, in my view, the VC can make this innovation happen faster, and increase the chances of a startup succeeding. That said, there's many things that suck about being a VC. In part, because you will find yourself saying "NO" 99 percent of the time, and at the end of the day, the VC is the coach, not the player.