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# 101 Venture Capital Pro Tips

Things founders probably ought to know about venture capital

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## Why VCs say “No”

1. You aren't swinging for the fences
2. It's hard making a living at the horse track
3. The cream didn't rise fast enough
4. You lost momentum
5. No dry powder
6. The Goldilocks principle
7. Industry alignment
8. You're in the wrong place
9. Portfolio construction
10. An ugly capital stack
11. Lack of social proof
12. You're missing a champion within
13. Know when to say “No” yourself
27. Current Fund Success Opens Doors
28. Rock star entrepreneurs earn more than VCs
29. Microeconomics leads macroeconomics
30. Startups = transformative power

## The world of a VC

14. One thing every investor believes
15. Buy low, sell high
16. The power of liquidity
17. VC is the X-games of investing
18. Only 4 possible exits
19. VC firms are often startups themselves
20. VCs don't invest (much of) their own money
21. Money as inventory
22. 2/20 Rule
23. Returns? Go big or go home
24. VC occupies a tiny corner of finance
25. Most VC firms are slowly dying
26. The VC power law

## Is the Founder Worthy

31. Execution risk
32. Strategy vs. execution
33. Bet on the jockey
34. Are you a fanatic?
35. Don't go it alone
36. Recruiting is your resumé
37. Can you recruit “Originals”
38. Are you all-in?
39. You are your valuation
40. Nobody likes to hear their baby is ugly

## Is the Company Worthy

41. Venture capital might be wrong for your company
  42. Product risk
  43. Market risk
  44. TAM-SAM-SOM
  45. Never run out of cash
  46. What is tech?
  47. Projections are all created equal
  48. All projections are lies
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49. Don't say your projections are conservative
  50. Company beats pitch
  51. You need a monopoly and a moat
  52. Product/market fit
  53. Your magic ratio
  54. Profits cover a multitude of sins
  55. ROIC
  56. Have you nailed culture?

## **Pitching to Win**

57. VCs are people too
58. The preeminence of trust
59. Fear and greed
60. The steps
61. FOMO
62. Do Your Research
63. Warm intros are best
64. Nobody likes a taker
65. Prep for rejection
66. There is no conspiracy
67. Wacky pitch power dynamic
68. Know your pitch cold
69. Know your company cold
70. Your Story
71. Every story need a villain
72. VCs talk
73. Pitch decks
74. Deck Frameworks
75. Your Customer Acquisition Model
76. Authentic honesty
77. Stories in the statements
78. Keep the lines open

## **Coming to Terms**

79. Financial risk.
80. Term sheets
81. Exclusivity
82. Don't sweat the dumb stuff.
83. The founder's dilemma
84. Accredited investors and VC
85. Your 35 investors
86. Vesting schedules
87. Cap tables
88. Overhang
89. The miracle of preferred stock
90. Crowdfunding
91. Private placements and a PPM
92. Private secondary markets

## **Valuation Voodoo**

93. Valuation Voodoo
94. Market cap, premoney & postmoney valuation
95. True Valuation
96. Industry Avg. Multiple
97. ARR & MRR = recurring revenue
98. P/E ratios
99. Fundamentals are king
100. The valuation formula