

URL: <https://stvp.stanford.edu/clips/a-mindset-for-founders>

Ernestine Fu, managing general partner of Brave Capital, shares a story from early in her career to encourage new and aspiring founders to understand how challenging company building is and how big the risks are. However, she encourages founders to take action, which has led to success for well-known companies that started small.



Transcript

- Don't just launch your idea.. 00:00:04,800 Launch your mindset and founding and building a category defining company is challenging by design.. This photo is from one year in my career when I was flying back and forth to Asia to negotiate a deal for a portfolio startup that I was supporting and I was on a flight to Asia at least one or two times a month for like 10 consecutive months and there was even one time where I went on this 10 hour flight to Asia just to be there for 48 hours so it was actually a 20 hour round trip flight just to be overseas for 48 hours.. Remember landing in the evening, going straight to a dinner meeting to prep for the negotiations the next day, having those negotiations and then literally flying straight back to San Francisco later that day.. Ended up getting that deal done but I also ended up getting United Global Services status for the first time ever and I share this example and have so many other examples to share on just how challenging company building is and how you have to really come to be prepared for that.. One of the things I also did in my early 20s was helping a lot of struggling portfolio companies.. So think of it like trying to make some lemonade out of lemons sort of situation and this happens so many times so often where a company oftentimes is running out of capital, not able to make payroll in a few months and I was in the trenches working on that.. It actually happens more often than not because early stage startups are often focused on building product rather than selling the product or even for instance in the case of more consumer oriented companies, you're often focused on growing the user base first before turning to monetization.. So I share these stories because that's how crazy, that's just a sneak peek on how crazy startup life can be and you just need to be mentally prepared where whatever time, effort, money you put into the effort, you could lose everything.. You just need to have the right mindset and be okay with that..

So action is your superpower.. Stop thinking and dreaming and start executing.. Here's a photo from a road trip I took from California to Boston and that cross-country road trip led me to launch a syndicate and community called MilVet Angels.. It happened when I was vacationing on this road trip that a friend had called me to let me know that a company called Anduril was raising its next round of financing and I had this idea of what if we bring together a group of military veterans, former public service leaders to support companies that are mission aligned and be able to match those, those two groups.. So decided to see if we could just get into the round and bring alongside us this community of special ops veterans, public service leaders, NASA astronauts, former government officials.. Ended up spending the next two weeks of the road trip on this flurry of phone calls, emails, negotiations, pages and pages of legal docs to get the deal done and with this group, ended up investing in that round and then a few months later, Anduril ended getting this one billion dollar DoD contract.. They've

since raised additional rounds of financing since then.. I share this story because I decided to just go do the deal while driving cross-country and taking that step towards working on one deal, ended up leading to this entire syndicate, this entire network called MilVet Angels and if you're planning to start a company, encourage you to not waste time trying to figure out the perfect startup, just go for it.. Don't get into this sort of analysis paralysis and even just to share two startup examples that started out small.. If we think about Airbnb for instance, it started off with just two product designers needing help paying their rent and they had some extra space in their living room that they could fit a couple of air mattresses at and they set up the mattresses, they set up free Wi-Fi, free breakfast, they tested it out and now we all know where that company is today..

Amazon as another example started out as just an online bookstore.. They then expanded to other categories, really fundamentally changed how people shopped and they then decided to diversify their revenue stream, launch products like AWS and so much more.. So really just going for it, starting out small is the lesson to impart here...