

URL: <https://stvp.stanford.edu/clips/build-your-unique-source-of-insight>

Connie Chan, general partner at Andreessen Horowitz, explains how her experience working in China has inspired a number of her investments. It has also influenced how she mentors her portfolio companies through different types of business models. She encourages aspiring venture capitalists to study abroad and go to new places so they can better understand people, their native products and find a unique source of insight.



Transcript

- I got lucky because again, in my career, 00:00:05,610 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.. Bites didn't work in the US, but scooters work fantastically well, right? So sometimes it's like an adaption, 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 Mobile, and mind you, I was raised like 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, 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 a Stanford network, maybe it is a geography, a city.. Maybe you have a bunch of alumni in L.A.. 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 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 the regurgitation of what you've read elsewhere...