

URL: <https://stvp.stanford.edu/clips/investor-product-fit>

At first, thredUp co-founder and CEO James Reinhart struggled to convey the opportunity he saw to wealthy male investors who never sold or bought used clothes. His breakthrough came when he pitched a female venture capitalist with children, who understood both the problem and the opportunity. He advises founders to seek out investors who are likely to understand and empathize with their idea.



Transcript

- It was really hard because you're trying to convince, 00:00:07,720 a bunch of, generally speaking, like, wealthy, white people, wealthy, white men that you're gonna sell used clothes on the internet.. (chuckling loudly) And that's not necessarily like investor product fit.. And so, I think one of the things that I learned in that process was, at the time, we were more focused on the kids business, because kids was like a natural replacement cycle, kids grow, our first tagline was, "Clothes don't grow, kids do." And so, what I realized in that process is I needed to find a really sharp investor that also happened to be female and have kids and appreciate what this is like in the life of a normal person.. And so, when I found Patricia Nakache, who is at Trinity Ventures and teaches a class at Stanford, coincidentally, I think she got it, you know? And like our conversation was, she was like, "Hey, I really get this, tell me how you can make money." And that's a very different conversation than, I don't even know how this works, right? And so, I think that was the difference in the fundraise process.. And I give Patricia a lot of credit for seeing it and getting it and getting it right...