

URL: <https://stvp.stanford.edu/blog/videos/raising-money-and-recognizing-interest-in-vc>

Though Fluidigm is essentially a tool company, which is not very glamorous, says Worthington, they were successful in raising funding because they were a real, functioning company that already had customers and were able to prove a real market. Worthington recommends not wasting time with venture capitalists that are not immediately enthusiastic about the company. Once they make up their mind against the company, there is no use pursuing it. On the other hand, when there is that mutual connection, pursue the VC relentlessly.



Transcript

So raising money.. It's interesting.. Since we started Fluidigm has raised money and every poll of the fund raising environment that has existed since 1999, which include some very radical polls from the, you know, in 1999 when they figured you weren't at Biotech or pardon me if you weren't on .com you're junk.. To 2000, which was, you know, the human genome project and anybody who had a bio or anything in their business plan could raise money.. To 2001, which was just forget it.. Nothing is getting funded.. And then last year, Biotech started to become back en vogue.. But what wasn't at all en vogue was what we called tool companies.. The classic drug companies were suddenly exciting again but Fluidigm is a tool company, we're proud of it.. We build tools and allow other people to make important discoveries where that's in our blood, that's in our DNA..

I can tell you that when I wrote my application to Graduate School here as undergrad, I said that the thing I wanted to do more than anything else was build the tools.. So that's what I've always wanted to do and that's what we're doing now.. But that's not popular.. Really, so it wasn't popular in 2003 and the conventional wisdom was that no venture capitalist would fund a privatetool company and if they did, they would be at a punishingly well evaluation.. So that didn't happen.. We raised a lot of money and we raised it at a very high evaluation.. I think about, well, the number.... there was a 115 million pre so our post-money evaluation is right around \$150 million.. Why did that happen.. Well it happened because we had a real company..

We had margins.. We had reorders.. We had customers all over the world that you could call and you could ask, you know, how is this company doing.. We also had a good team.. I'm not talking about myself.. I'm talking about the rest of the folks at Fluidigm.. People who have had a real track record of success.. Our board of directors spoke for itself.. And I've learned this over the years raising money.. You walk into a room and you start pitching to a venture capitalist and a decision happens in about 30 seconds, it really does..

This is no BS.. In 30 seconds, that person is actually really jazzed by what you're doing and is going to spend the rest of the time convincing themselves that it's the right thing to do to invest in your company or they don't like it at all.. And nothing you can do will get them from once they were on track B over into track A.. So the lesson here is don't waste your time with track B, you know, as soon as you realized that somebody's tuning out and they're not interested in you after the meeting, don't call them back, it's a waste of time, really.. If they're going to change their mind, they'll change their mind and will come back to you.. But we need to recognize that spark when it happens and when it does, you're going to follow it all the way through.. And that's what happened.. We found that there were people that would sort themselves immediately and really like Fluidigm or they don't like us at all.. If they don't like this, you know what? That's fine.. They'll go invest in a drug company..

But if they did then they have a piece of the action...