URL: https://stvp.stanford.edu/clips/skills-founders-need-to-find-funding

Charles Hudson, founder and managing partner of Precursor Ventures, shares three traits he looks for in founders when he's deciding whether to invest: the potential to grow into their role, regardless of experience; comfort with ambiguity; and the ability to tell a clear story about their product.

Transcript

- I think I'm an optimist at heart.. 00:00:05,820 This is a plug for Stanford.. One of our single most successful startup companies is, and I think they were maybe a year outta school, Nathan and Sophia from Pair Eyewear.. Like, they're one of our most successful investments.. I invested in them with relatively little professional experience outside of that company.. So a couple things, I don't really care about professional experience.. My basic belief having invested now in hundreds of founders, you don't actually know who's gonna be a good CEO and founder until you put them in the job.. You can try to extrapolate, "Oh, this person managed a hundred people at Google." You don't know.. Being a CEO and founder's a really different job.. You have to do a lot of things you've probably never done before: hiring, firing, raising money, setting strategy, and, like, the buck stops with you..

So I'm an optimist.. I'm like, "I'm gonna bet on the people that I think will grow into that role when given the opportunity." So we invest in a lot of people for whom it's their first time being a founder, and many of them are within a couple of years of graduation from school.. So that's one.. Second, the big thing I'm looking for is some level of comfort, and this is kind of hard to test for, with ambiguity.. Because a lot of the early, maybe the first two years of startup life, when I look at the teams that either quit or get frustrated or don't make it, it's usually, like, the inability to sit with this, like, ambiguity around startup.. You're trying to find product market fit, you don't have it yet, you're close, and no one else can tell you what to do.. And the third one is the ability to tell me a really clear story about the world that you're trying to build, and, like, the product that you want to build and how the world would be different.. And that's something, I think, that's accessible to anybody regardless of, like, background or experience...