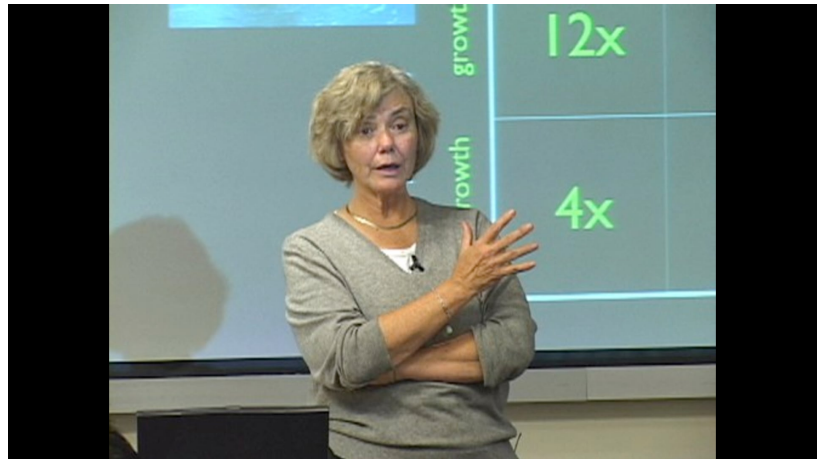


URL: <https://stvp.stanford.edu/blog/videos/surfer-model-of-venture-growth>

Eisenhardt explains her findings about teams and markets using the Surfer Model of Venture Growth. In her research, she found that there is great synergy between great teams and great markets. The returns obtained by this pair dwarf any other combination.



Transcript

All we found in looking at our research is an interesting thing.. What we found is what we call, "The Surfer Model of Venture Growth" - important key topic for today.. What's the idea if you can decode that two-by-two? It's saying if you start in a non-growth market with a lousy team, you're going to get X revenue and we will say, "In your wildest dreams, you're going to make a million dollars." Revenue of million dollars and that's even pretty good.. If you have a weak team and a great market or a great team and a weak market, you're going to get, let's say 4X.. But if you have the combination of a great team and a great market, the synergy of that - 12X is probably even low, it's probably more like 20X.. There is a huge synergy around great team and a great market, which is why it's the Surfer Model of Venture Growth.. Because if you think about how do you get a great ride.. It takes a great wave and it takes a great surfer.. And that's really what growth is about in ventures.. It's that combination of great teams and great markets...