

URL: <https://stvp.stanford.edu/clips/three-years-of-no>

Backstage Capital founder and managing partner Arlan Hamilton describes how she went from living out of a hotel in Pearland, Texas to raising her first \$50,000. She emphasizes that her strategy didn't involve telling her personal story so much as emphasizing the opportunity she saw: a fund that could generate significant deal-flow by focusing on underrepresented founders.



Transcript

that it takes to do what you did.. Can you walk us through how many emails you had to send and how many meetings you had to have, and other hustles to get to your first cheque in the fund and how big that first cheque was? - Yeah, so, approximately three years of nulls.. So, nothing.. At least half of that, if not more, without a permanent resident and a lot of cases just really not knowing where I was gonna sleep that night.. And a lot of cases having like one meal, understood? Like actually, I'll break for a second to tell you that I went to course here at Stanford in this same hallway, like around the corner for two weeks.. That kind of, that's where I met my first LP Susan.. And it was a lot of million-- - Susan Kimberlyn.. - Susan Kimber, I say her name every time.. It was a lot of millionaires in this course 'cause it was like how do you spend your money better sort of thing, and I was the only one, that I know of, who was like broke broke.. And so, they didn't know I knew this in the class, but I would like figure out how to put together like a dollar 19, or a dollar nine with the taxes so I could go to Taco Bell down the street when I got back to where I'm staying and have like my dinner..

And that was 2015.. So that was like just a few months before I got my first cheque from Susan.. So, it had been months and years of that.. And I probably, I don't know the exact number but when I was featured on Gimlet's Startup Podcast series last year, and they recorded me for months before it came out.. And they had me just go back and do all this crazy vetting of diligence on me for me to say that you really do that thing that you said you did four months ago on tape.. So I'd have to go find the proof, the evidence and an email which thankfully, I still had, because I had these emails.. So I was able to look and like, just searching for a word or a phrase, I was like, oh my God.. Like, I talk about how much outreach I did, but my goodness, seeing them, I mean, I'm talking, hundreds of emails, maybe more than that, maybe even thousands over those three years.. - And how many nos do you think before your first yes? - Hundreds.. - And how big was that first yes after three years and hundreds of nos..

- Approximately \$50,000.. - \$50,000.. - In a world where, which was amazing and I will always be grateful to Susan for that because no one was doing anything.. But this is in a world where I had to compete with people that millions out the gate.. - And can you walk me through what's that like to, so, you, I can't fathom this, and I wanna just make this really clear for people.. So, you're going to these meetings, you're pitching these people, you're going to the Stanford class to hub-nob with the millionaires.. And you don't know-- - So I was hub-nobbing, and that is a good word for.. - And where are you waking up, where are you going to sleep, how are you dealing with the bifurcation of that world? Are you pretending you're one thing and then or-- - Absolutely not.. - Okay, so can you walk us through just what it's like-- - Okay, it was different at different times.. So I started out in Perlin Texas near, part of Houston..

And Perlin, when I first started learning about VC and the disparities and capital between white men and everyone else getting capital from venture capital, I was in Perlin, I was in an apartment with my mom.. I had my bedroom, I had a blow up bed and I had a whiteboard that I was teaching myself about cap tables on and reading Bradfield books.. And we got kicked out of that because we couldn't pay their rent so then we moved into a comfort inn.. And we shared a room and every night, or every morning, we'd figure out how to pay for the next night.. And sometimes, we'd go down and talk to the owner and he would see us coming and he'd be like.. And we'd be like hey man, hey, you're looking good, man.. How are you doin'? Yeah, can we get like a week, just you know.. And we just ended up, I mean, for like two years, it was the address to my driver's license because we live there and we just made our way.. And my mom would go out and get a gig and I would, she's on her 60s at that time.. I would go out and get a gig..

I was trying to get a car so I could work for Uber 'cause it was like the early years of that.. Couldn't get a car.. All of that.. And then, couldn't afford that anymore.. Moved to Pflugerville in Austin, north of Austin 'cause I wanna be closer to startups.. If I couldn't be in Silicon Valley, I wanted to at least be closer in Texas to startup world at that time and it wasn't at that time.. So Pflugerville in Houston.. And got a kind of a lifeline in the form of a small personal loan from Sam Oltin, which is whole another story.. And that helped us have an Airbnb for few months.. And like, 'cause he understood..

But while I was at the Airbnb is when I got the word that I was gonna be able to come here for this 500 startups program that you will have.. And I didn't have any money and it cost a lot of money.. Even though I was getting a scholarship, it cost a lot of money.. So, made my way here.. And I had about 10 days worth of Airbnb.. And in fact, there's a guy here who had his own company that was venture funded and I was staying at his place in East (mumbles).. And I couldn't pay him at the end of it.. And like, he let me, there's these people that have come and gone back to and thanked because he let me stay for a few days but I was in these classes.. So, to answer your question about what was I portraying myself as.. I was never ashamed of any of this..

I was actually proud that I was surviving, but I wasn't going to put my whole sad sad story to anybody, that wasn't important.. I tried that a couple of times and I'm like, wait a minute, that's not really what this is about.. Because what this is about is getting more funding to under-represented founders.. It's about missing a great deal flow.. It's about a fund that needs to exist...