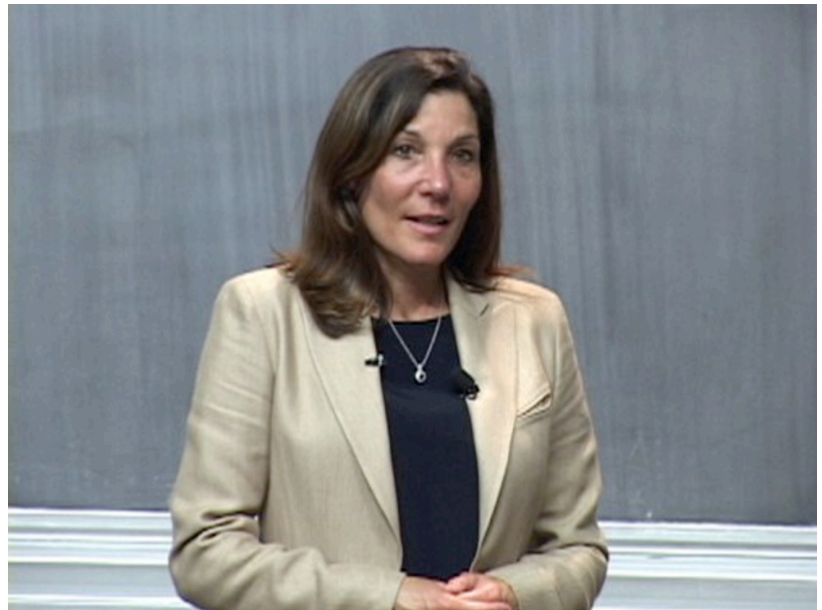


URL: <https://stvp.stanford.edu/blog/videos/who-owns-what>

Beth Seidenberg, a partner at VC firm KPCB, says that in the beginning of a company's life cycle, founders typically own the majority of a budding enterprise - often as much as 80 percent, sharing the remainder with seed funders. But as that company continues to flower and VC investors are brought into the fold, that number can drop substantially, with firms owning anywhere from 20-60 percent. Founders are motivated to increase their ownership stake, and the only way to accomplish this, says Seidenberg, is for them to increase the company's value overall.



## Transcript

At the beginning when you have angels and founders, the founders own most of the company, and the angels will put a little bit of money in.. Let's say founders have 80% of the company, and the angels will have 20%.. When you get venture capital money into a company, we will own a large majority; anywhere from 20% to 60%.. The money that we put in is really where we get our ownership.. It's the risk capital equation.. Going back to my comment about reasonable financing, if you look at the incremental build, if you're putting just enough money in at the right time, and your valuation goes up, you're not going to get diluted as much on ownership.. So for the founders, they want to maintain their ownership.. The only way they're going to do that is to increase the valuation of the company.. So we're all motivated to do the same thing...