



Growth Alchemy: Fuel Your Business with Capital & Culture

Rob Kornblum



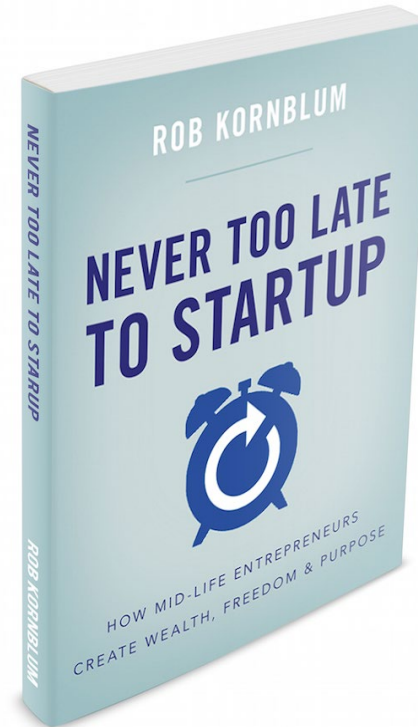
Who am I?

Recovering venture capitalist

Executive & entrepreneur

CEO Coach

Best-selling Author, Speaker



THE
HUFFINGTON
POST

Inc.

mc mass
CHALLENGE

BUSINESS INSIDER



Entrepreneur

business.com
discover, compare & save

 **Dartmouth**



Northwestern
University



GROWTH ACADEMY

REPEATABLE GROWTH PROCESS

**TEAM &
CULTURE**

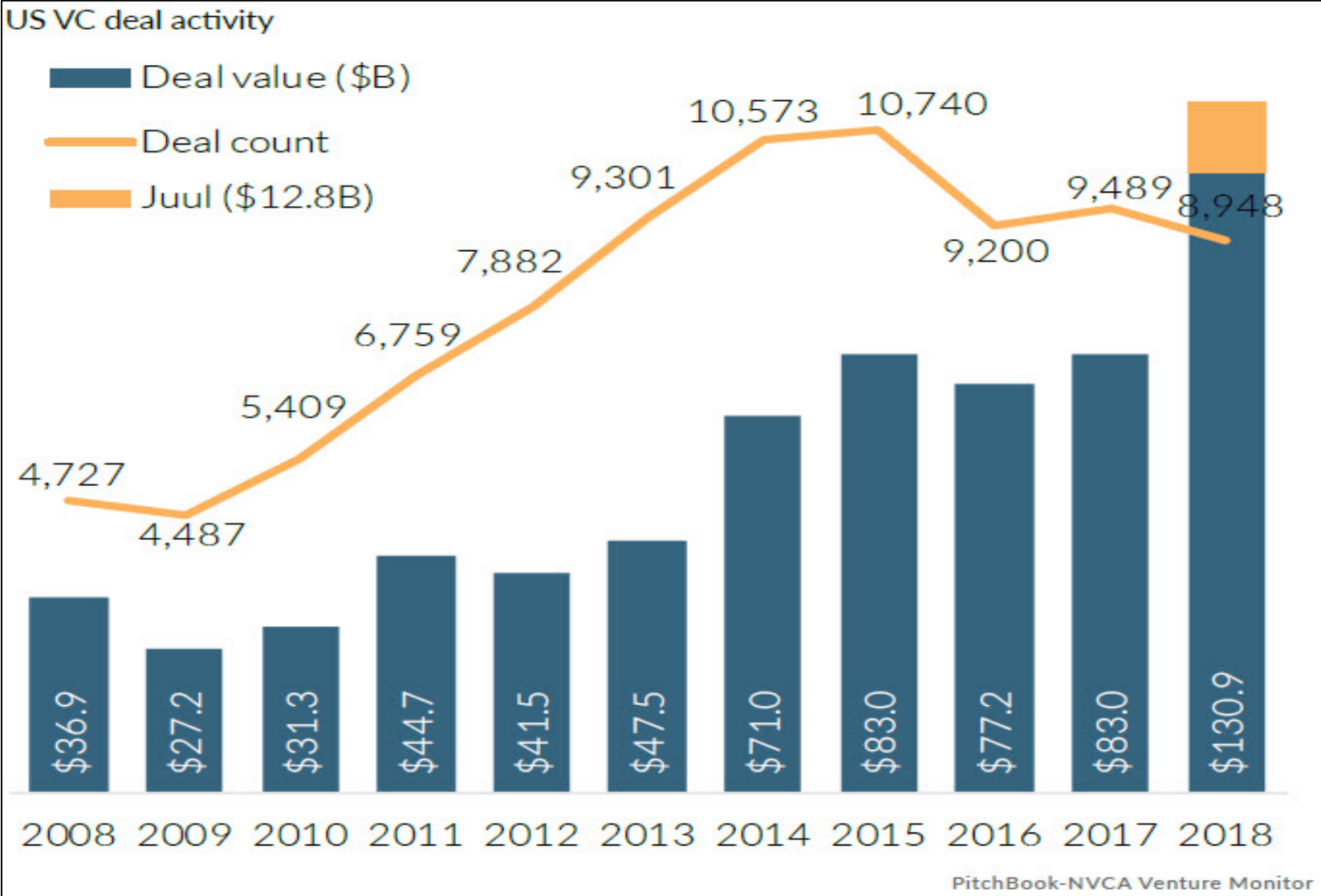
FUNDING

MARKETING

SALES

**SCALING &
EXIT**

VC Funding Has Exploded



Investors are Funding Recruitment

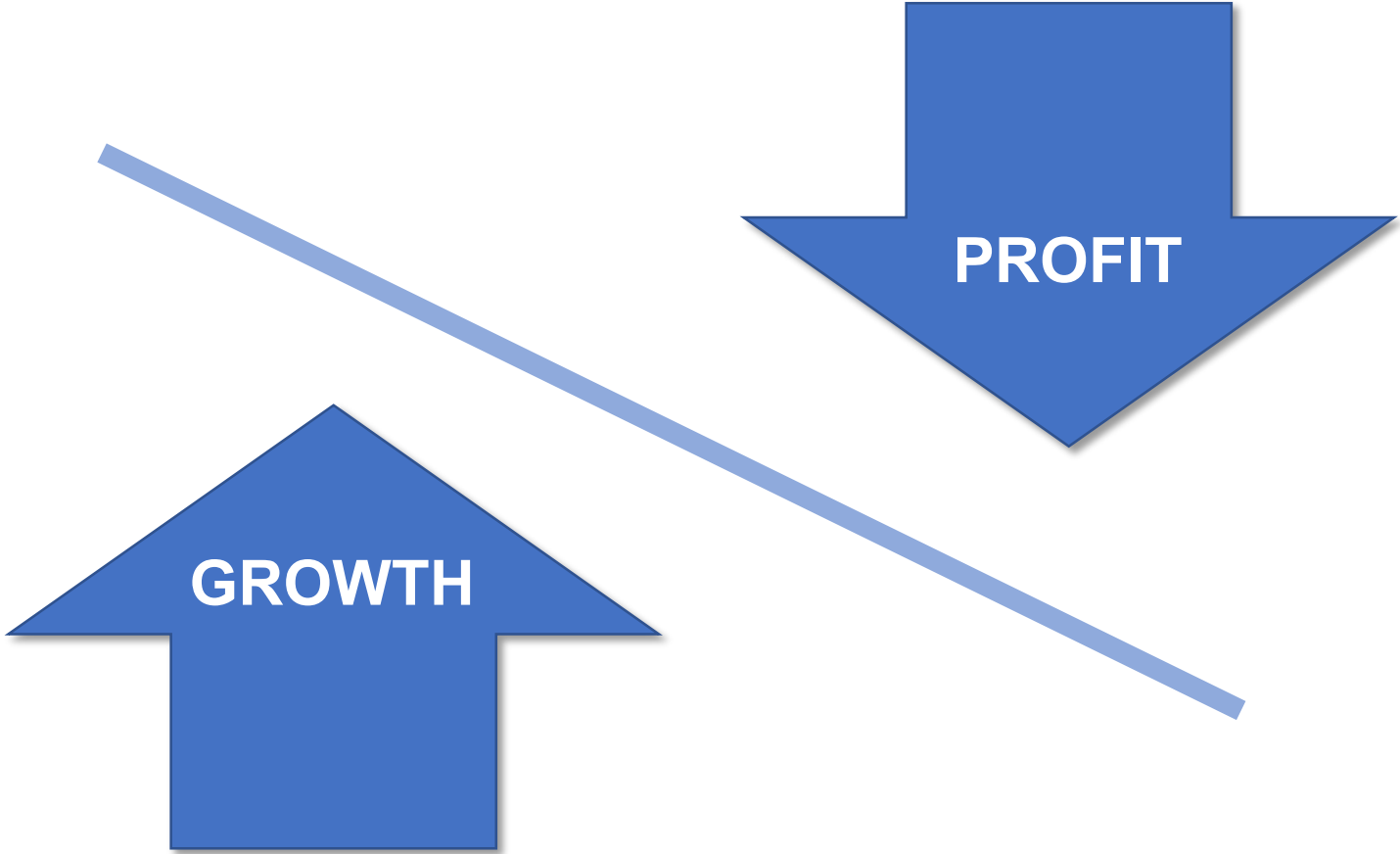
Company	Latest Round	Lead Investor
ZipRecruiter	\$156 million	Wellington
AllyO	\$45 million	Sapphire, Scale
SmartRecruiters	\$50 million	Insight
Glassdoor	\$40 million	T. Rowe Price, Tiger Global
Karat	\$28 million	Tiger Global
Jobvite	\$200 million	K1
ExecThread	\$6.5 million	Canaan, Javelin
Workable	\$50 million	Zouk Capital
Instawork	\$18 million	Spark, Benchmark
SeekOut	\$6.5 million	Madrona
Belong	\$10 million	Sequoia Capital
Entelo	\$20 million	US Venture Partners, Battery

What Investors Are Looking For

- | | | | |
|----|------------|----|---------------|
| 01 | GROWTH | 02 | PROFITABILITY |
| 03 | INNOVATION | 04 | DEFENSIBILITY |
| 05 | TEAM | 06 | MARKET |



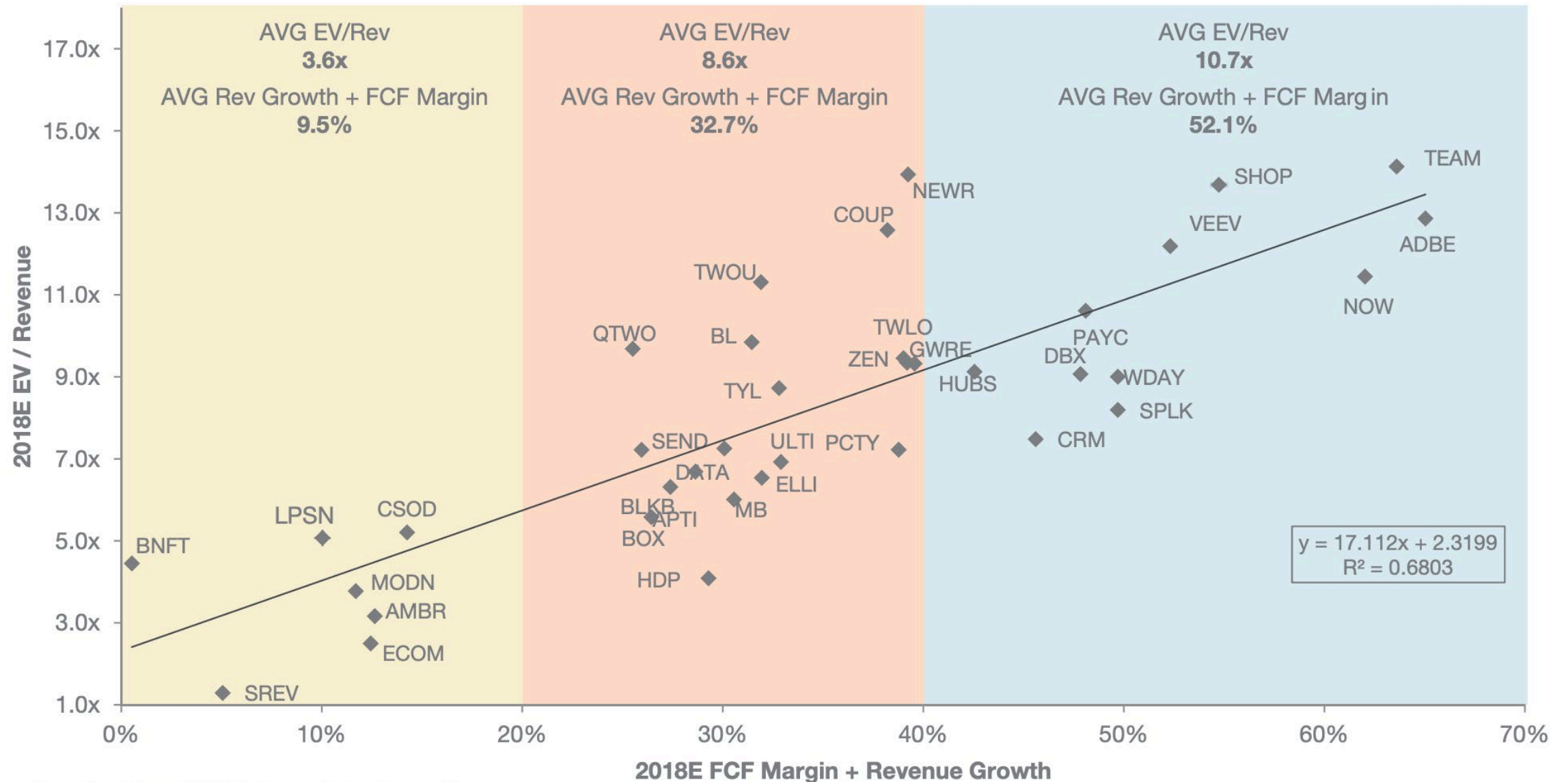
The Growth Tradeoff



The Investor “Rule of 40”

$$\begin{array}{ccccc} \text{Annual} & & \text{Operating} & & \\ \text{Growth Rate} & + & \text{Profit} & = & \mathbf{40\%} \\ (\%) & & (\%) & & \end{array}$$

Rule of 40 in Action



Source: Capital IQ as of 6/29/2018, Thomson Reuters, Company Filings.
 *Piper Jaffray estimate using EBITDA as proxy for FCF.

Fundraising Process



PITCHING:

**BE THE
CMO, NOT
THE CPO**



BE THE CMO

Most pitches suck- I have been through hundreds of them

Most pitches are super heavy on the product, and especially the product features

Most entrepreneurs are inventors at heart.

So the pitch is **ALL ABOUT THE INVENTION**, and more specifically about the **FEATURES**

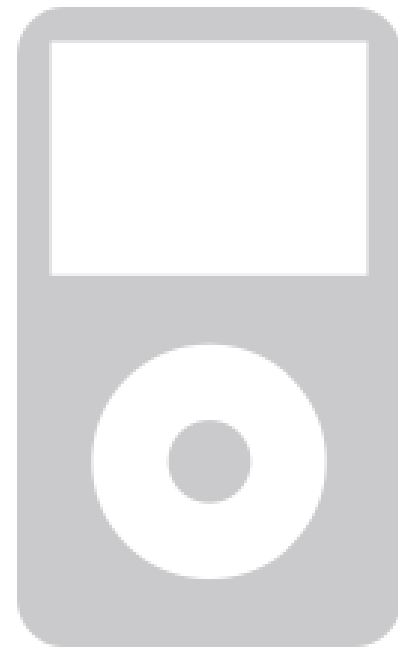
Inventors

**STORAGE FOR
1GB OF MP3S**



Marketers

**1,000 SONGS
IN YOUR POCKET**



VS

others
clog
ours
doesn't



Other vacuums begin to clog and lose suction the more you use them. A Dyson never does.

No clogging, No loss of suction

dyson

dyson.com

PITCHING

In your pitch, you need to “position” the company properly

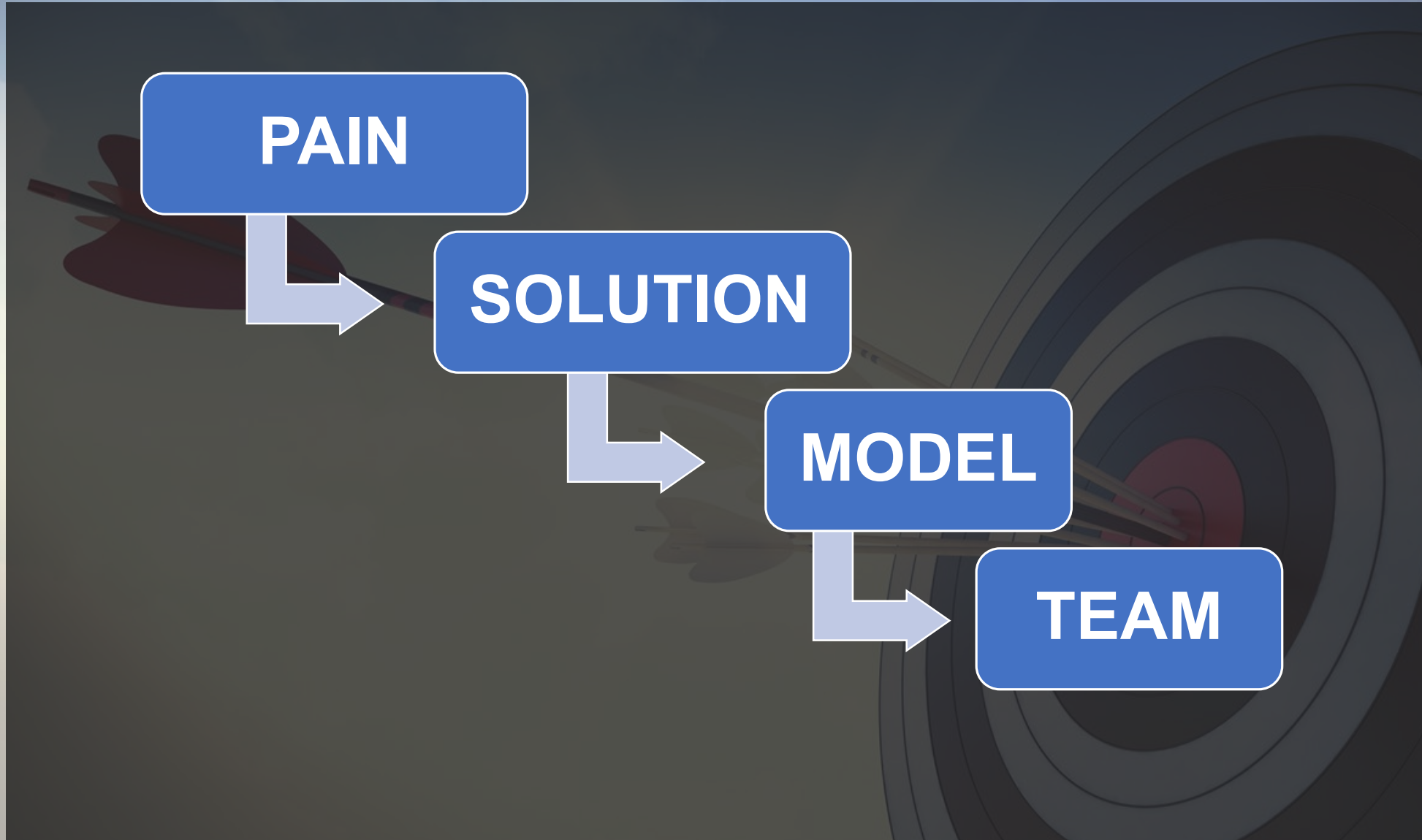
Emphasize the customer problem, then the difference in your solution.

Businesses exist to solve customer problems.

Uber founders- “Getting a cab sucks, imagine if you could use your phone”

Zappos founder- “Man, going to shoe stores sucks, but no one wants to buy online because sizing is hard and shipping is expensive”

A BRILLIANT PITCH





“Ideas are great, but companies succeed or die based on execution.

Like most VCs, I’ll invest in a B idea with an A team, rather than an A idea with a B team.”

– Amit Raizada, Vision Ventures

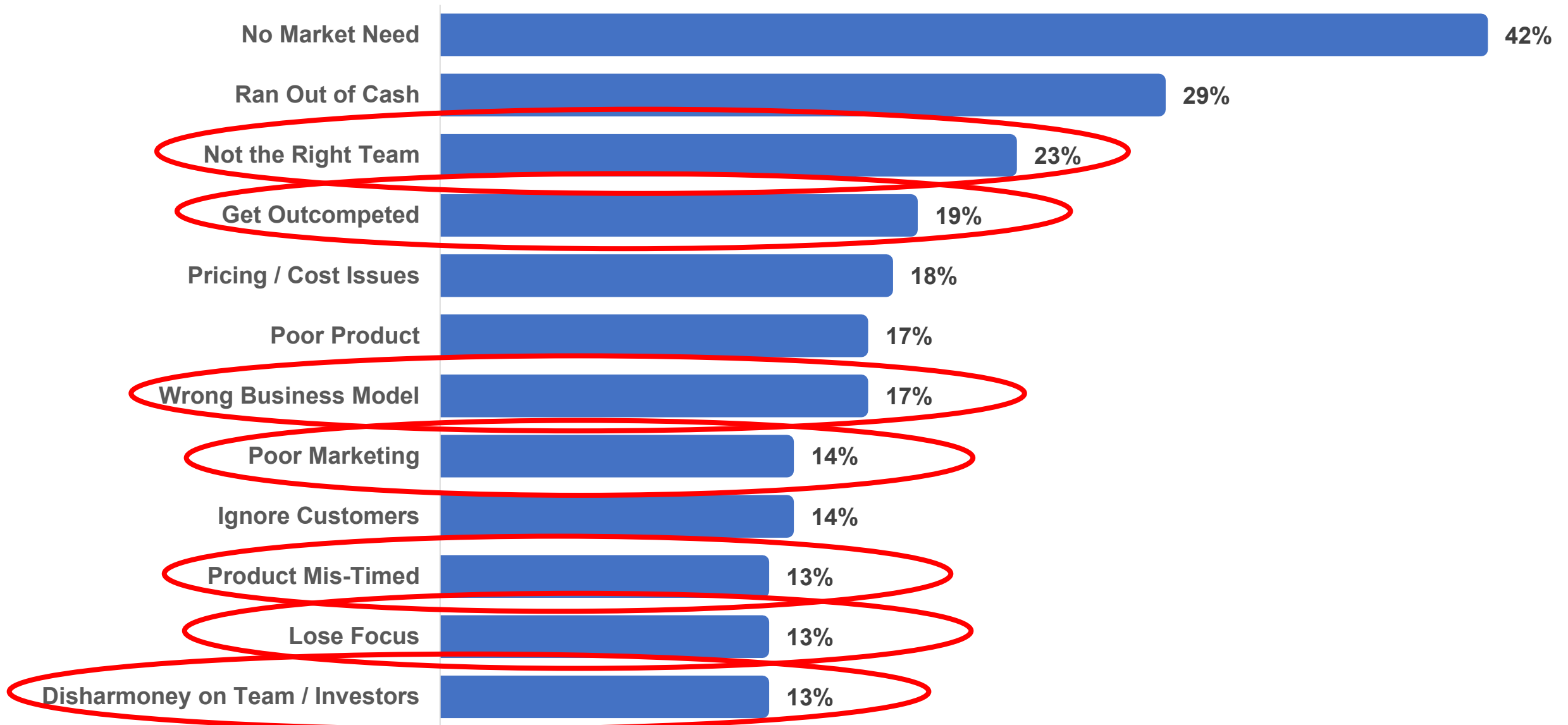
“I like to invest in companies that smart people are joining.

Capital should follow talent, not talent following capital.”



Fred Wilson, Union Square Ventures

Top 20 Reasons Startups Fail





LOOK MOM, I MADE A REAL ROCKET OUT OF THE MACARONI PROTOTYPE!





**CULTURE
FIT**



"If you are not willing to fail, you can't innovate. If you're not willing to build a vulnerable culture, you can't create."

- Dr. Brené Brown

A word cloud featuring various traits and values. The words are arranged in a roughly circular pattern around a central point. The words vary in size and color, with larger words like 'Learning', 'Curious', 'Passion', 'Love', and 'Adaptable' being more prominent. The colors include red, green, blue, purple, and yellow.

Service oriented
Timely
Learning
Data driven
Warmth
Collaborative
Curious
Competitive
Respectful
Growth oriented
Compassionate
Safe
Process based
Passion
Innovative
Ownership
Reliable
Customer focused
Improvement oriented
Love
Fearless
Entrepreneurial
Open
Relentless
Family
Risk tolerant
Rules oriented
Adaptable
Energy
Quality

Translate Values to Behaviors: Energy

Positive Behaviors

Build up your teammates

Leave people positively charged

Present constructive feedback to the source

Accept critical feedback

Make people want to work with you again

Negative Behaviors

Talk behind people's back


Stir the Pot

Energy Vampire

Founders Have to Live the Values



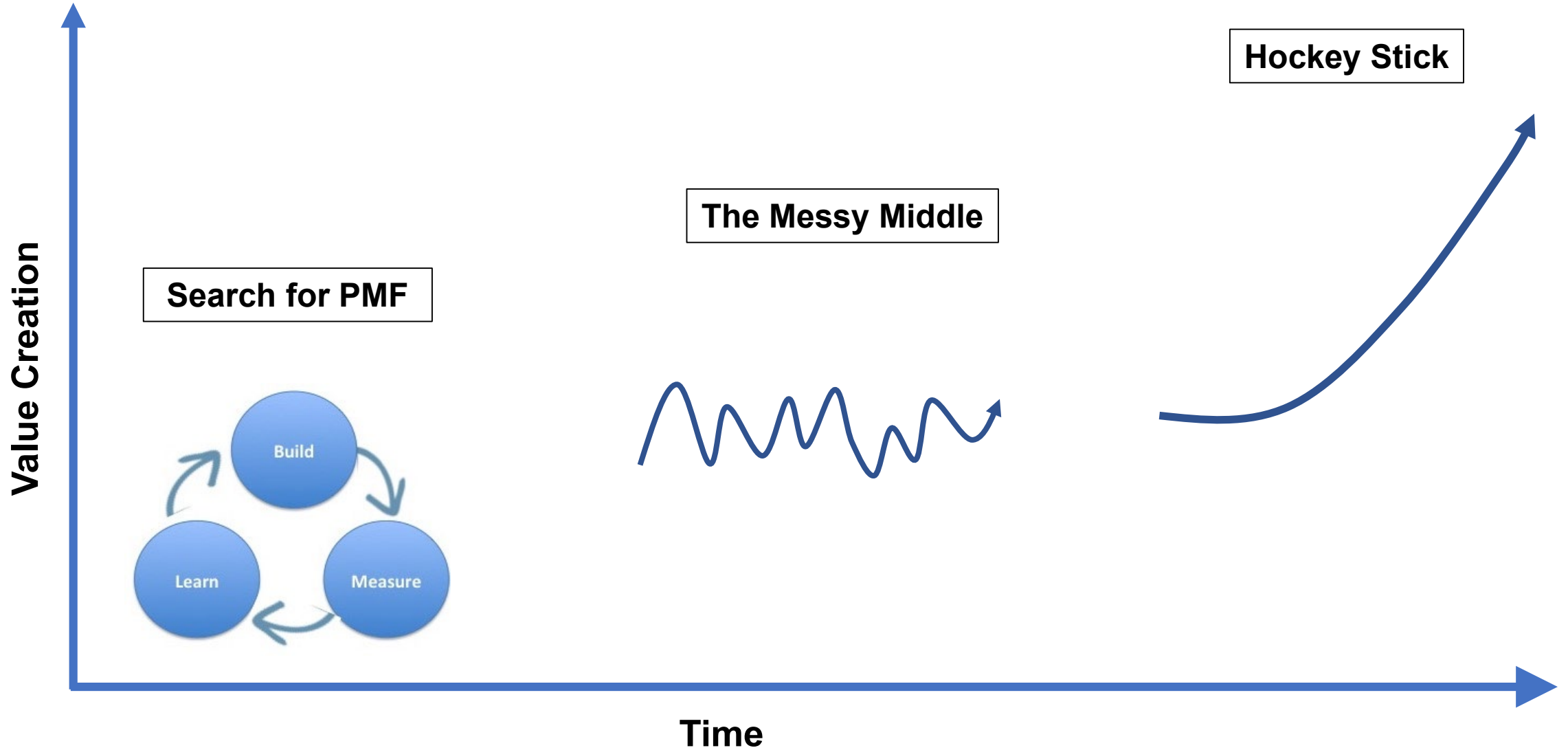
- Define the values in behavioral terms
- Support the culture as it grows and evolves
- Communicate values and mission over and over
- No “brilliant jerks”



A venture investment or VC relationship is like a marriage, except that divorce is nearly impossible.

- Bessemer Venture Partners

The Messy Middle



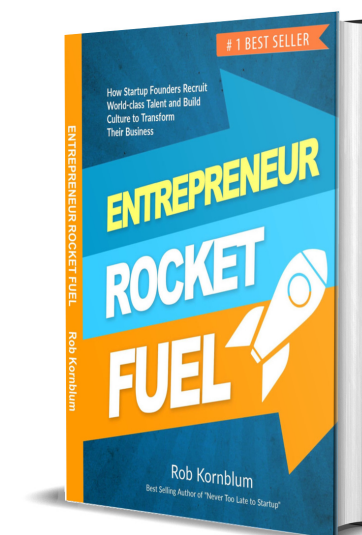
For More Information



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THANK YOU