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## Who You Know Matters

It has been said that getting a start-up funded is as much about who the entrepreneur knows as what they know. It's a proposition that strikes many people as unfair. After all, "who you know" is at least partly an accident of circumstance, while what you know is more about personal achievement.

There are two problems with that train of thought, though. First, who you know (as indeed what you know) is usually a product of some combination of circumstance and effort. Just as people can choose courses of study and such, folks can choose to grow the breadth and depth of their networks beyond what circumstance "gives" them.

Second, while being rewarded for networks arising from circumstance may seem unfair to those not so rewarded, it happens. Everyone variously benefits, or is encumbered, by many life events from birth, ranging from what country they were born in, to how wealthy their parents were, to their genetic profile, even to the time of year they were born. For example, studies show that professional athletes are much more likely to have been born in the last quarter of the year, more so than the first. This circumstance of birth associated with creating bigger and stronger athletes than their peers in the early years of organized youth sports, actually results from more playing time and coaching.

To see how this all plays out in real life, including the real life of high-impact entrepreneurs, consider an example. Say you have two young engineering graduates with otherwise comparably venture-worthy start-up business plans. Jane Doe just finished up her degree at an Ivy League university. John Doe just finished up his degree at a state university. Both ended up with virtually the same set of engineering skills, and are in other ways as comparable as two people can be. Let's also assume that neither Jane nor John had any ideas about being an entrepreneur when they applied to school, so Jane's Ivy League matriculation was an "accident" in terms of how it plays into her post-graduation entrepreneurship dreams.

Knowing only the above, which of the two entrepreneurs is most likely to get funded, faster and on better terms? I'd bet on Jane, wouldn't you? Because her Ivy League pedigree

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almost certainly comes with a head start on John in the “who you know” department. Even assuming (as we are) that John is, in all other senses, Jane’s entrepreneur-equal, Jane likely starts with a network of fellow students, professors, and even local entrepreneurs and venture investors that she met during her years in an Ivy League school that would be virtually impossible for John to match during his years in a state university. Lucky Jane.

But, Poor John? Not so fast.

I’ve probably met several hundred venture-funded entrepreneurs over the last thirty-plus years, and one thing they virtually all have in common is a passion to do whatever it takes to turn their vision into reality, including figuring out who can help them; how to meet those folks; and well, how to leverage those people to get whatever needs doing done. Further, the venture industry has grown several-fold over that time, and technology has made identifying and connecting with folks much easier: the time, energy, and even capital needed to build an effective network has substantially declined.

The point here is that any otherwise credible would-be entrepreneur – let’s say John –who lacks either the capability or the interest in meeting, qualifying, and leveraging a network of folks who can introduce them to potential investors, customers, partners, team members, etc. is, just not properly equipped for entrepreneurial success. Good entrepreneurial teams, even those with a very strong rolodex, almost always include folks who are willing and able to cultivate strong networks.

So, yes, Jane the Ivy League graduate, in our example, has a head start in terms of “who she knows” over John. You go, Jane. My advice to John? Focus on your success and not the success of others. If that kind of handicap is something John is going to spend his time resenting rather than addressing, his career as an entrepreneur would not likely to go very far, even if had had Jane’s network at the get go.

The bottom line is that we are all a jumble of “accidents of birth” and personal choices (many of them fortuitous). While some enjoy a better mix of circumstances than others, to spend one’s time lamenting that is to waste time which could be spent doing something about it. So, yes, it is about who you know, among many other things. So, start building your network now. It can be hard work, but it’s a core part of the entrepreneurial life, and of an entrepreneur’s success.

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