

Ideal Profiles for Venture Capital (VC)

Venture Capital › Interview Preparation



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There is in fact no "perfect profile" for VC jobs, because VC firms themselves can be very different and have different strategies. So how can you know if you would be attractive to VC firms? There are still a few characteristics that will give you an idea of your chances:

Academic background

You will have much more luck if you studied science at school: engineering, biotechnology, computer science, etc. The reason is fairly obvious: the large majority of VC deals occur in the technology space, so it helps if you are actually able to understand the technology in which you are investing. PhDs are quite popular too. Marketing studies can also be a useful background to some degree (as you need to sell a product in all cases), but it is not as popular/common as a science background. Accounting / Finance / Business degrees tend not to be very popular except at the largest VC firms where more financial modelling would typically be required.

How about MBAs? Again, this is not a very popular degree at most VC firms unless you have a related experience beforehand (in VC, engineering, sales, etc.), but the degree tends to be more popular at the larger VC firms.

Professional Background

Again, it varies. However, these are the most popular backgrounds:

- Engineering

- Product development

- Research

- Sales or operational experience at firms with a similar focus to the VC fund investments (Internet companies, software companies, etc.)

- Entrepreneurs who have experience launching, managing or working for high-growth startups (even if it failed – failure actually teaches you a lot)

How about bankers and consultants for Venture Capital?

Investment banking (M&A) and strategy consulting (McKinsey, Bain & Co, BCG), while useful experiences, are not among the most popular professional work experiences and can sometimes even be a disadvantage. The reasons are obvious if you think about it:

- Bankers and consultants tend to work with larger, more established companies > VCs work with small companies that are growing fast.
- Banking and consulting are very hierarchical > VCs are always very small and have very flat structures.
- Bankers and consultants are used to be given clear tasks to do > VC is much more informal and independent.
- Bankers and consultants tend to have a lot of pride (i.e. arrogance) about working for big firms on big deals with big clients > VCs need to be very humble to be able to get business with startups. In brief, the only reason why VCs would hire a banker or consultant would be largely because that is where you tend to find bright people, so bankers and consultants with the right personalities and experience still stand a chance, particularly at the bigger VCs. But often those that can break into VC can combine banking/consulting experiences with some kind of entrepreneurial experience.

Personalities

This is the most important differentiating factor, in our opinion. VCs will look for this type of evidence:

- Entrepreneurial drive: a curious personality (knowing about the industry, asking questions), originality of thought (coming up with ideas), "street-smart", the ability to get the seemingly impossible done
- Raw intelligence: the ability to evaluate interesting opportunities quickly (i.e. calculating or estimating market size), and use tangible facts to support arguments and decisions
- Charisma: an ability to convince people to work with you, and find the right people to help,
- Great communication skills: an ability to communicate your passion, solve conflicts, and fire people when necessary

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