

# What Do You Love And Hate In VC?

Venture Capital › Interview Preparation



Venture Capital investing sounds like a very glamorous and exciting career path. Like every career, however, it has a number of upsides and downsides. Here is our list of what is great and what is bad in venture capital.

## The Good

- Helping companies grow into something big is very rewarding, both personally and financially! There is a sense of ongoing accomplishment that you cannot find in many careers.
- Getting to see the latest technologies can be a fantastic experience for those who love technology.
- Meeting interesting, different people is a major plus as you'll get to meet people from all walks of life who are passionate about the business they are trying to build.
- Not having to deal with the boring, day-to-day operational stuff is great. As a VC investor, you're only involved in the strategy and key decisions, which is the most interesting bit.
- The lifestyle is much better than what you would get at banks or consulting firms (although you may need to spend a lot of time on the road trying to find the next Google), and gives you a lot of freedom.
- If you make the right investments, you can earn astronomical amounts of money.

## The Bad

- You don't make much money as a junior employee, and reaching partner level can take a lot of time. Even when you make partner, you need to work very hard to find the right deals.
- VC is very cyclical - you tend to make a lot of money and get good returns when the stock market is moving well, because that means you'll be able to do great IPOs.

- Not every deal is a success. You'll have lots of failures, lots of problems, and lots of disappointments. Failures are the norm, and big successes the exception.

- VC investing can be a nasty business. You need to invest at the cheapest valuation possible (which means "pressuring" the owners). You will need to replace people through sometimes not-so-nice ways (see the movie Social Network). Also, you need to fight hard to find and keep the most promising companies, not only against other VCs, but also against other partners/colleagues in your fund who may want to compete and appropriate the deal to themselves.

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