



Another agrees, "Don't expect a cover letter and resume to get you a job. Network as hard as you can. Send your resume to headhunters."

You should also consider joining the high-tech, investment banking, or entrepreneur clubs while you're in B-school. If you are serious about the VC industry, these are the kind of people you will want to cultivate relationships with. They are useful contacts and will one day provide great deal flow.

The key, according to those who have been through it, is to have someone who's pulling for you. Get in touch with undergraduate or B-school alumni in the business, meet as many people as you can, and make an impression. VC firms will rarely go to schools and interview. If they do, they are guaranteed to have hundreds of students vying for one or two positions. Usually, they rely on the referrals of trusted friends and colleagues.

Don't expect trick questions or cases to be thrown at you in an interview at a VC firm. These intimate operations depend on good chemistry between employees, so you should expect to meet every professional at a firm. Often, everyone has veto power. They want to get a feel for who you are and what you're about, since they'll be depending on you to make multimillion-dollar decisions.

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#### How to Move Up in Venture Capital

Your upward mobility in this business is determined by your firm's partners. There is no strictly prescribed path as there is at a large bank or consulting firm. Most insiders describe the system as meritocratic. If you prove yourself to be someone who is intelligent, possesses a keen business sense and excellent judgment, and "clicks" with colleagues and clients alike, you can usually expect the ultimate reward: partnership. Our contacts estimate that in most cases, however, it takes anywhere from five to 10 years post-MBA to reach this level. Most VCs can make VP within four years.

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#### What It Takes to Be Good at Venture Capital

Ambitious, self-starting, thoughtful, and diligent are all words that came up when we asked insiders to describe the qualities that spell success in this business. Firms look for people who "enjoy thinking outside the box" and "don't need to be told exactly what to do."

Banking is a helpful background. One insider stresses that you must have "experience in financial analysis. Once you get in, there's no real training."

Strategic consulting experience is also helpful. You must be quick to absorb facts on every topic in every industry and have an analytical mind-set. Flexibility and an entrepreneurial spirit are also important.

There are other necessary qualities that aren't as tangible but are equally important, like strong business intuition, social skills, solid judgment, and maturity.

#### Typical Day in Venture Capital

"Chaotic, to say the least," said one veteran. Others described their days as "hectic," filled with lots of meetings, a constant flood of e-mail and phone calls, and many informal tête-à-têtes with colleagues. One founder laid out his schedule for us:

- Reviewing business plans
- Interacting with clients
- Preparing materials
- Facilitating meetings
- Screening investment portfolios
- Working with portfolio companies
- Closing deals

#### Buzzwords in Venture Capital

- Registration rights
- Piggyback rights
- Tagalong rights
- Roll-up
- Angels
- EBITDA
- Incubators
- IPO
- Seed money
- Liquidity event
- Vesting
- Lead investor
- Series A (B,C,D)

#### Pros & Cons of Working in Venture Capital

##### Pros

- Flexibility
- Smart colleagues
- Exciting clients
- Intimate environment
- Autonomy
- Learning curve never flattens
- Constant challenge
- Ability to make decisions and influence events
- Close to all aspects of running a corporation without actually running it
- Diversity of tasks
- "There may be no better way to learn about how business works at a high level than a role in private equity. I was in consulting before I joined this industry and had no idea how little I knew about business."
- Working with a variety of industries and taking on a variety of roles

##### Cons

- All-consuming
- Frustrating at times
- Risky business

#### Misconceptions of Working in Venture Capital

- **Myth:** The same skills that will make you a successful consultant or investment banker will make you a successful venture capitalist.
- **Reality:** You can't learn this trade, you just have to do it. This industry has its own unique skill set. You can't walk out of an investment bank and into a private equity shop and know what you're doing.
- **Myth:** The pay packages for the successful in this business are substantial.
- **Reality:** Make that incredibly substantial. Partners take in between \$1 million and \$2.5 million a year at the top firms. Associates also make out quite well.

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#### Great Perks

Flexibility (have cell phone/BlackBerry and can work from anywhere)

Reasonable hours

Great compensation package