



An Interview with Bambi Francisco

Bambi Francisco, Founder, Vator.tv, speaks with Growththink University's Dave Lavinsky

Dave Lavinsky: Hello everyone! Dave Lavinsky here from Growthink and I'm really excited today to be able to interview Bambi Francisco. Bambi is the co-founder and CEO of Vator.tv. Vator allows emerging companies to showcase and market themselves to investors, partners and others, and share their news. Bambi has also raised two round of capital for Vator.tv, totaling just over \$1.6 million dollars.

Before Vator, Bambi was a columnist and correspondent at Dow Jones MarketWatch where she covered internet trends and investments across the public and private sectors. I'm really excited to speak to Bambi today about her own entrepreneurial experiences, as well as advice she has for entrepreneurs and business owners who are looking to raise capital. So, Bambi, thanks again for taking the time to speak with me today.

Bambi Francisco: Well, thank you for having me on your show.

Dave Lavinsky: Excellent. Let's start at the beginning if we can Bambi, can you tell us a little bit about the inspiration you had for Vator.tv?

Bambi Francisco: Quite simply, I was a columnist and correspondent at Dow Jones and what I found was that I was bombarded with a lot of pitches because I was a journalist covering start-ups. At first, I'd get thousands of emails in a year, many in a day, and so for every 100 pitches I would probably have time to do one story.

What I wanted to do was; I wanted to create a platform where all of the 99 that I would overlook would be able to find some exposure without me. I started getting people to put them up onto the system.

I talked to my friend Peter Thiel, he's the co-founder of PayPal and also runs a hedge fund now – he's pretty well-known in Silicon Valley. And I said, "*Hey,*

Peter, I have these people pitching their ideas in video.” It’s really interesting because they’re on a platform and I can tell whether I should take a look at them because I can tell, based on how many views their getting and I said, “This is an interesting way to get companies.”

Peter thought it would be a great idea to create a company and it would be an interesting way for that company to invest in [startups]. That’s how Vator, a year later in June, 2007 launched as an actual company.

For me, I thought it was a good betting tool to find companies to write about as a journalist. For him, he thought this was a good way to find companies to invest in. So, Vator launched in June, 2007 as a place, as a platform for start-ups to post a video pitch.

Really, it was quite simply that it was just to post a video of themselves pitching, mostly for investments. It’s changed a lot since then.

In two years it’s certainly become much more than just a platform for pitching.

Dave Lavinsky: Can you tell about what it’s become now?

Bambi Francisco: Yes, and I can tell you the lessons I’ve learned and why it’s become different. Today, thousands, or tens of thousands of entrepreneurs on the site, thousands of companies on the site, using their Vator profile as a way to market and promote themselves, and also, to create business development relationships.

So, while in 2007 we started as a place to post an investment pitch, it’s evolved to be a service that goes along with you throughout the lifetime of your company as a private company. What we found, is that people were posting pitches, video pitches, and then they’d leave.

Dave Lavinsky: Right.

Bambi Francisco: I mean, how often do you post a video pitch? How often do you even post a video update?

Dave Lavinsky: Right.

Bambi Francisco: So, what we needed to do was, we needed to make the profile because the videos were in the context of a profile.

Dave Lavinsky: Right.

Bambi Francisco: What we needed to do was make it more useful to an entrepreneur. So, today we took a survey and 47% of our core users are using the profile as a way to promote and market themselves; 41% use it for business development purposes, and the rest use it for investment purposes.

It's not just about pitching for dollars. It's about pitching to create partnerships to generate revenue, which are another form of investment dollars; probably a better form of investment dollars to be finding customers. So people now are using it and using it as a way, really, just as a networking platform to get exposure.

We're really happy with that because it's far more active and far more useful. So, and we do have lots of investors on the site and now we have investors coming on the site because they are looking for companies who aren't just pitching for dollars but really just networking to really build their company. And I think that's more attractive to investors and now we have, I don't know, 700 investors on the platform?

Dave Lavinsky: Wow. That's great.

Bambi Francisco: Yeah, yeah. I mean, when we started I think, when we launched in June of 2007, I believe we had about 150 people on the site. So, it's grown a lot. And it's still a small community, I mean, I've put together estimates of, I believe, maybe 3 million entrepreneurs in the country. That's still a really small percentage. Obviously, the population may be 6 million around the world, so it's fairly small. So we're not going for a big, big market.

Dave Lavinsky: From a networking platform perspective, obviously there are much larger networks out there for entrepreneurs to meet and greet. Now one of the core advantages is that you are such a niche network that there are – as a percentage of members – there are so many more investors and so many other merging companies. Is that where the real value lies?

Bambi Francisco: The value lies in us being focused on being niched and vertical and servicing the entrepreneurs, is that what you're asking? Why our platform and our venue is different from say, a broader social network?

Dave Lavinsky: Exactly.

Bambi Francisco: Everything we do is about entrepreneurship. Whether it's in the newsroom, where we have 100 plus contributors, I believe Growthink is one of the contributors now, thank you.

But we have a number of CEO's, VC's and consultants who want to be thought leaders. And so, it makes a lot of sense that they have a platform to be able to publish stories to a relevant community of entrepreneurs.

And we look at say, now we have the micro-blogging feature on our company profile. We're turning that on slowly. We actually launched it around Christmas time with private beta users and just last week we launched it to the public. So we're slowly rolling that out where people can turn that on.

And what we've done with that is it's just a micro-blogging feature where you can send short messages on your profile, and a number of people love that and those posts are actually syndicated to Twitter. So you can reach out to the Twitter community.

Now the reason I bring that up is because on Twitter you'll blast out a post and sure you'll get millions and millions of people. It's like blasting out something at a concert and saying I just launched a iPhone app, and nobody really cares. Where if you said that on Vator.tv it's very relevant and you'll get more people who care and who will interact with you.

So that's where you don't want to get lost in the big social networks. What you want to do is find relevant communities to help you because it's tough as a startup. There's really no place for a startup where you can actually – unless you go to conferences, and those are definitely in demand, I think even more in demand – you still need to create your own community to build your business,.

And that's what we're trying to do. I think that's why LinkedIn and Reid Hoffman will say, we're also entrepreneurs, but at the end of the day it's sort of entrepreneurs and everybody else. The other professionals on that site were really trying to get focused on high tech entrepreneurs, not just any entrepreneur either. It's high tech, high growth company entrepreneurs. So maybe we'll expand beyond that, but for now we want to be able to make sure that we're servicing them.

Dave Lavinsky: That was the next question I had written down which was, the sectors that your serving, it's high tech, high growth companies that really fit in the venture capital profile, I would guess?

Bambi Francisco: Yeah, because those are the ones we believe that people want to aspire to become. They were not nothing that nobody wants to be a

franchise owner, those aren't the people we want to aspire to. Those aren't on the cutting edge.

So what we want to do is, we want to follow and identify companies and entrepreneurs who are really being disruptive. It doesn't mean we're going to close ourselves off to everybody else, but we really want to show, I guess for the lack of a better word, what's really sexy, what you want to aspire to be.

It's almost like the golf channel, where you're going to show Tiger Woods all the time and not just anybody who's playing golf. I want to show entrepreneurs, hundreds of entrepreneurs is you've seen that I've interviewed, like the Twitter CEO, and all of the CEOs who've really really made this kind of impact. I want to hear their stories. They tend to be in the high tech industry, so social media, digital media, social networks, mobile, clean texts, those are the areas that I'm really interested in and I have knowledge in. So, those are the areas we're attacking right now.

Dave Lavinsky: Got it. Now, just a quick point. I encourage everybody to watch some of these interviews, because there's a lot of great value and insight that you'll gain from that.

The next question I have has to do with using Vator as an entrepreneur. I know that with a lot of social networks and networking in general, you just can't take take, take – you have to give a little bit.

So, how does an entrepreneur looking for capital, or looking for revenues or partners, how do they go on and become a part of Vator without being a “me me me” person and being obnoxious and not being part of the community?

Bambi Francisco: Well I think the best example are those that have been in our private beta, and what they've done is, they've created their profiles and they've turned on their microblogging.

Today, anyone can turn on the microblogging, before it was private. Today anyone can turn on the microblogging, but you have to invite twenty-five followers first. Because the whole idea is you want to sort of give back to the community, you invite relevant people, other people are inviting relevant people, and hopefully everyone's going to gain some followers. So, that's pretty simple. So, you invite twenty-five new people to the community.

Dave Lavinsky: So there're twenty-five people that are not members already?

Bambi Francisco: No, they can be from within Vator, you just have to get twenty-five followers. We have this concept of followers. So if you look at some of our private beta users, they have nearly nine-hundred followers in several months.

And the reason they have that many followers is because everyone's inviting people, and they are also reaching out to people in the Vator community. We've have tens of thousands of people in our community now, so they're probably reaching out and saying, "*Follow my company, here.*"

It's almost like giving out a business card, you know, "*Follow me.*" Once you get twenty-five followers, they just have to show that they're interested in your company, then the microblogging features turn on, much like Twitter.

And what you do is just say, "*Hey, I'm going to have a meeting with investors,*" or "*I just launched a new UI,*" or "*I just launched a new product,*" or "*Hey, I'm going to be in Santa Monica,*" or "*I'm going to be in digital Hollywood,*" or "*I'm attending here, you want to meet me let me know.*"

They're using it in a very business context. For those who are out there listening who are not aware of what's happening, I would highly recommend that you follow companies and you can see how they're using it.

So when you do this, what happens is that Vator will recommend that other users follow the company. So if you're a very active user on your profile, we will recommend that Vator users and Vator new users follow your company. That's why some companies have ended up with nearly nine hundred in several months, because you're pushing their profile and recommending others to follow them. For them, it's great. And there are lots of others who have over five hundred users, because we're pushing our user base.

Over forty percent of the companies now on Vator, forty percent of the user base now follow companies. And that means that there's more opportunities for us to keep recommending new companies. For a start up there who wants to get followers and exposure for free, because all of this is for free, I would say create a profile and start microblogging because with that microblogging we actually recommend your company for others to follow.

The other way too is through the newsroom where we have a lot of CEOs who have become thought leaders, and so they're out there every couple weeks posting a column. We distribute it in our newsroom and we distribute it in our newsletters. That's another way for free they could market themselves.

Because I think that's a big trend, where you have a lot of CEOs who can reach out to the audience themselves and be thought leaders. And that's a form of marketing as well. So that's what I'd encourage entrepreneurs to do. If they like to write, if they have opinions, use this as a platform. Because Vator newsroom articles get distributed to Google news, Thomson Reuters, and other outlets.

So that's one way you could get a big distribution aside from just having your own blog. So we're trying to help entrepreneurs get their story out.

I would also say that if you don't have a company, and you're an investor or if you're a service provider – I would say that you can get very active on the site as well by following companies and by interacting with people on the site.

Dave Lavinsky: So the entrepreneur who specifically look for investors, they should get an account, start microblogging, publish to the newsroom. And by doing so, they will attract followers, including investors. Is there anything else you have to do, if you want to attract investors?

Bambi Francisco: No I mean, I think you can go directly to investors of course. But online doesn't change much from what happens offline. And what happens offline is that you really need to be recommended, you need to be referred to, right? For anybody – particularly angel investors. They want references.

And so what I'm saying is create your own buzz around yourself. And I think that's a better way to be in front of investors, as opposed to just pinging them – it's almost like cold calling them and sending an email.

It's just like any social network you'd use – if you use LinkedIn or Facebook – or even if you were on those entrepreneur networks like RaiseCapital.com, where you can reach out to an investor.

Cold calling just doesn't work. And I know investors on Vator are getting pinged. And that works, but I wouldn't be sending a ton of emails, or you will be abusing the system, and it's just like the offline world, and nobody's going to take your call again.

So what you need to do is use the platform as a way to create exposure around yourself...

I'll tell you about one company – they are so active that they are so in my face every day. But not ping me, but actively using the site, and I see that they're gaining a following. They are so actively just working, and it's so evident that they're just working. So, to me, I would take a call with them, as opposed to somebody who's just ping me and asking me to sit down with me and can they show me their company. I mean, the whole Vator platform is designed for them to show me their company.

Dave Lavinsky: That's a really good point. I've done a lot of interviews with angel investors and venture capitalists, and there's sort of that six month rule, and a lot of them like to know you personally for six months to see your progress. And I guess with these companies that you're mentioning, it probably takes them a few months for you to keep seeing them. Not ping me, as you said, but posting and showing you progress – it builds a lot of credibility and trust. And after a few months of doing that, there is that level of credibility and trust that actually make an investment.

Bambi Francisco: You can't control what an angel investor is going to want, but you can control your own product and your own activity. Ultimately, what it comes down to what angel investors want is progress, more than anything.

If you call them and say, "*Hey, I have all these numbers and these are my metrics,*" you may catch someone's attention. I'm not saying that that's not the way to go, but I think, for the most part, they will see that by seeing your posts.

I've seen in number announcements, you know people announcing things on their profile, saying, oh, we just launched this product, we just hit this milestone. What you want is the angel investors to reach out to you and say, "I have been watching your progress and it looks great," and then that's good.

I've had investors approach me, because they followed what we've been doing on Vator. I haven't reached out to them. There's sometimes when I have reached

out to them, but many times, they're reaching out because they see the progress, and at the end of the day, it's all about your product and your progress.

Dave Lavinsky: It's such an incredibly important point is that if you're not looking for capital, the power changes so much when the investors are seeking you out versus when you're just one of thousands or more saying "Please fund me." It's a great point that Vator allows you to create some buzz in the community so that investors can easily follow you and contact you. It also saves you a ton of time versus making outbound contacts to X number of investors when a certain number of investors contact you. It's a much better fundamental dynamic.

Bambi Francisco: Yeah, at the end of the day, when you go the investor anyway, you need to give them updates. You're not going to go to them and say, hey, we started this company and we need money. And here's our metrics, here's our goal, here's what we've reached, here's our milestones we've reached.

What I've been doing now is following companies and seeing that they've hit milestones because of their posts on the site. What's great about that is that a lot of these companies would never have had the platform to do that in front of people who cared.

In the old days, you launched an application or you signed on a new customer, and what did you do? You tried to reach out to a tech reporter and say please give us exposure and cover this. Now there's multiple ways you can get that message out, and Vator is just one way. You could do it on Twitter, but if you post it on Vator, it goes directly to Twitter.

Right now, it's just another way to get your story out to anybody and not just that person who was the gatekeeper, the journalist. Now, you can make your own story. Maybe you get a small audience but at least it's an audience. At least it's

an audience, and it can get bigger. You need to take more control of your messaging and branding.

Again, I just look at the companies on the site who have been actively using it and actively getting followers. For them, it's like, wow, this is not only a great way to reach out to investors, but also those who become followers have relationships with investors, and those investors will invest, and it goes on and on. You need to start with a group of followers and then they're going to spread the word to other people to make recommendations that they should follow your company.

I would be actively using this site just to talk about your progress, NOT to say that you need money but to talk about your company, create awareness, and then that awareness starts reaching out to the investors. And then, if you have 500 followers, you can ping an investors on Vator, and he will say, wow you have 500 followers, I'll probably talk to you, as opposed to no followers, and I don't know anyone on the site.

Dave Lavinsky: Two things you are saying is one is, credibility factor, the fact that you have X number of followers automatically gives you credibility among investors, which is great. The second thing is that dual strategy, which is even if you have connections with other companies, you don't have to only have connections with investors.

I recently interviewed Ryan Allis, who as the CEO of Icontact, raised \$5 million in venture capital when he was only 22 years old, which is a pretty incredible story. And the way he did that, he sought out the CEO's of other companies that had raised capital. He befriended them and used those relationships to get introductions.

And what you're talking is a very similar thing. Which is that, find other companies that may have gotten funded, or may know other people, and that's how you start a network successfully, into raising capital.

Bambi Francisco: Yeah, and I think what sounds like what he was saying, is that he found relevant companies, or relevant CEO's, who had relevant investors – and investors who understood his space.

Dave Lavinsky: Exactly.

Bambi Francisco: Investors who had the same investment philosophies. And so, yeah, capital is very different. Money is not, you know, the same from every source. It's very, very important that you understand who you take the capital from. And it shouldn't just be from anyone, and so when you are pitching an investor you better know a lot about them. And why you want them to be part of your venture. Is it because they have connections? Is it because they have the domain expertise? And it shouldn't just be because they have capital.

Dave Lavinsky: Right

Bambi Francisco: Because you're going to run into some problems down the road, if that investor has any control over your company at all. And you guys have different investment philosophies, different strategies, or that investor basically is dead weight and has no, you know has control, but cant help you or your company at all because he has no idea what's going on.

And so, I think it really is important to look at companies, and say like for Vator, we're a social network, we're digital media. Look at angel investors or look at VC's who have expertise in those areas, and go to them.

Because it is a relationship and I'm sure you've heard that before, and I've certainly after two years I've understood that it is so much of a relationship. Because you're with these guys, you're talking to them once a month, once every two months. And you rely on them for a lot, either for networking, or for relationship to open doors.

And if you have a bunch of dead weight investors who you just took money from, they're not going to be able to help you. And that's sad because you gave them equity in your company, and for what? For money, well great – but you know, the money only gets you so far. It's the relationship and it's the knowledge that the investors bring that are really, really helpful – at least I find.

Dave Lavinsky: Totally agree. Can you sort of move the conversation more towards the capital that Vator has raised based on that? You know when you first went out, I believe it you raised your first round around March of '07.

What was the status of Vator at that point? It obviously wasn't where it is today, what did you have to show at that point?

Bambi Francisco: Nothing really, we didn't have a platform. We had a very, very bad platform, with some videos – I believe we had about 50 at the time. 50 videos and that was it. If you went on the site it crashed because it really wasn't, it was created by somebody who built it for free because we ended up creating this really bad platform just to put the, it was like a place holder.

But we had an idea, I had an idea and I had a concept. And that was, and again when I talked to Peter Thiel, you know, we were, it was one of those napkin stage type environment where I said “*Hey Peter, you know, I've got this thing.*” And he said “*Oh, I wanna invest.*”

And it wasn't a company, so I like to say I was an accidental entrepreneur. It wasn't really, there really wasn't anything but, we had an idea that there could be something. And so I did go around to Peter – Peter was the very first one.

The next person who came on was Richard Rosenblatt of Chairman of MySpace. And these are people that I knew, I had relationships with, I say in hindsight that they probably invested more in my relationship with them then they did in the

concept. They invested because they thought that I had already had success, and that this was an interesting enough idea that a little money could go a long way. And so they were in. I mean Richard was just like “you know, I’m in,” and he got all of his friends – such as the Shopping.com CEO – and that’s it.

I went around to, I got the founder from FriendFeed, and some of the early executives at Google, early employees. And I did have to pitch them and sit down with them and talk about the idea. It was very much not the idea it is today.

But there was an idea that it would be an entrepreneur community and we would be bringing entrepreneurs and investors together and there would be some new components and competition components that would drive the users and registration. So they invested really without the company launching – the company really launched in June 2007.

I talked to VCs as well because I knew them and they thought this is such a tiny company and I am a journalist what do I know. I got rejected and Peter told me you got to speak to a 100 people and then you will get a few. So I spoke to 50 people and went out there and showed them the site, which wasn't really working, had 50 videos not traction and a terrible PowerPoint.

And I didn’t know what I wanted to raise. And I had a business model that went out 18 months, which is hilarious, which I found out later, because you need a business model that at least goes out 5 years. And I didn’t really have the right team in place to really get a lot of money, so we raised angel money.

But what was good about the money that I raised was that it was from very relevant people, and people who actually could really help me grow the business and give me lots of feedback. My investors were definitely my partners in the first year, 2007. It was very important.

Dave Lavinsky: You mentioned that investors are partners and they're a lot more than money. Maybe you can talk about what they've been able to do for you, besides the capital that they've been able to bring to the table.

Bambi Francisco: Yeah, so very early on, we had an acquisition offer, and I had no idea how to do that and didn't even want to. So I brought Peter Thiel with me and said you have to sit down with them. He had sold Pay Pal to EBay and I said, you know, maybe you should sit down in this meeting with me.

And I had Richard Rosenblatt reviewing contracts and opening doors to the media world, so they opened doors to a lot of people in media. Even though I had a lot of those relationships as well, they were very helpful in doing that.

And then, today, now, they are very helpful in just listening to where Vator is. I try to send them the deck and ask them for advice. Richard Rosenblatt has been great in terms of availability and is at least every two months he understands where Vator is going and making recommendations and being there to support me. And he's very relevant because he's overseeing Demand Media and that's all about social networking and user-generated content.

There are a number of other investors who came along the way, a handful of them, and there's not as much that they can offer in terms of strategy and opening doors. And that's why I say it's really important where you get that money from. Because they need to understand, they need to have the big picture, so that they won't steer you in the wrong way. Because investors, once you get a lot of them, they will all have different strategies. And they kind of all have different visions, and you need to make sure that you've got the few there who really get it and are there to listen to you and give you advice.

I hope that makes sense.

Dave Lavinsky: It makes a ton of sense. It's really about the relationships, and you're talking about leveraging, you know, a lot of people that are able to be angel investors do have a lot of knowledge in relationships that you want to leverage, and you definitely want to go off to the right investors, obviously, that makes sense for your venture.

Can you talk a little bit about how you raised the first round of capital, and you raised about the same amount of capital less than a year later, and looking back on it, why did you raise it in two parts? Looking back on it, would you rather have raised it in one round because it did take a lot of time to raise the second round, and what advice do you have based on that?

Bambi Francisco: Well, people typically say that if you can get all the money upfront, or get the most money that you can upfront, but I have to say that I was glad that I did it in two parts. The second time wasn't that difficult, actually. It was a lot faster.

I think because we had more attraction. It didn't take much time at all. So what I liked about doing it in two trounces is that if I took it all at once, we would have burned through that money so quickly.

Dave Lavinsky: Right.

Bambi Francisco: And, what I've learned as an entrepreneur running a company, I've learned that if you have a lot of money, you can make some terrible, terrible mistakes – like blowing through it really quickly, applying it to areas that you really don't need to apply it to.

I think when you don't have as much money, and you start it as a very low budget thing, and it gains traction on its own, I think that's much better than getting tons of money and then just blowing it on marketing or blowing it on expenses,

frivolous personal expenses – which a lot of them become, but you don't realize it until later.

And, I am glad that that money didn't come by until a year later because I learned a lot in that first year.

Dave Lavinsky: Right.

Bambi Francisco: I learned a lot about what the product is, and my big lesson is, there's many, but the product is the marketing. I think that you don't start off putting tons of marketing behind a product. You let the product speak for itself, and you spend as little as possible on trying to go out there and advertising and marketing, not that we did a lot of that, but we did some, and that was wrong. Especially for a consumer web company, all the marketing efforts should be built into the product.

We also had a huge team outside of the U.S. We outsourced everything. We were spending tons of money and it was really slow. It was really slow. I would never, never have a startup, when you're trying to iterate quickly, have your development team outside the U.S. We have one person now who's much better than the six people we had outside the U.S. He iterates quite faster than everybody else.

Now, for one, we actually have a better idea of where we want to go, but two, it's also when I have a vision, I can mention it to him, and he can implement it. Whereas before, I had a vision, I'd say it to my C.T.O., my C.T.O. would say it to somebody else, and he would tell it to somebody else, so we spent 75% of the money on admin.

Dave Lavinsky: Right.

Bambi Francisco: Then development. And so, I would say to anybody, unless they know where they're going to apply that money, I would say, take the money in, if you can take the money in. But I would try to spend as little as possible until you have a clear game plan. Because you can spend, I've seen it often, you know, with Vator, we're not profitable yet, and so, it's a concern. You look back and say, *"Wow, I shouldn't have spent that."*

Dave Lavinsky: Right.

Bambi Francisco: So, I'm glad that we did it in two tranches, and I think people should try to see what they can build on a lot less. Plus, the hurdle is a lot less. Fortunately for me, we didn't raise five million dollars, so my hurdle to give back to my investors isn't really that much. Relative to a lot of other companies raising multi-million dollar rounds, ours isn't that big of a hurdle, and so that is a lot less pressure on me.

Dave Lavinsky: Right.

Bambi Francisco: I think mostly it's just a learning experience. You're constantly going to be learning throughout whether you have the right team, whether you have the right product, and you just don't want to build up ahead of the product and ahead of the team that you--the right team. You need to have the right team, and it's so critical and so important to have the right team, and it's critical and important to make the right decisions to shape that team, meaning, let people go. Let your friends go, bring in somebody who actually matters.

Dave Lavinsky: Right.

Bambi Francisco: And there's a lot of that that happens at a start up, because you're hiring your friends. Those are the people you know and you're like *"Oh, ok I think you're good at this. Come on."* But then at the end of the day, they're really not the right people.

Dave Lavinsky: That's probably a tough thing to have to fire friends, is that something you had to go through?

Bambi Francisco: I did let go of one of my partners and I've let go of some people and brought in others, yes. And it is very tough and I didn't really want to do it in the beginning, but I realized that in order to shape the team, there are certain people who are super smart, super qualified, but not the right fit. Either they were too expensive or they didn't work at the pace that a start up needs.

Remember, at a start up, you're not working in a big company, you're holding an oar and you're rowing. So, if you've been a manager someplace else and you're used to having a lot of people doing things for you, that's not going to fit. If you're used to a comfortable, steady pace, entrepreneurs are going one direction one day and going the other direction the other day because it's fluid.

You're experimenting; you're trying, got to move on, try different things, and so it's a very different mindset from for somebody from hasn't worked in the startup world. And so you have to find those people and sometimes they're not the original people you started with.

Dave Lavinsky: So definitely, the "fit" thing is key. Particularly when you're working with people long hours and the success is ultimately based on the people working in it. I know you have to go in a minute so I have one final question for you if you can. Which is, what other advice do you have for entrepreneurs seeking capital for their businesses?

Bambi Francisco: I started off my company as a project. I'd say keep it as a side project, spend some time on it, maybe get some "friends and family" money involved, and get it to a point where you could actually make real money, like real customers. Then, I think that's one of the ways you could go if you don't know any investors.

But I think that's the direction I would go; I would definitely, again, start it as a side project. I think if you talked to, Mark Zuckerberg, he didn't go out there and get his money until he penetrated Harvard, and it cost him eighty-five bucks a month to run his servers, so he went out and got advertisers to pay for his eighty-five bucks a month. So if you have a small platform, such as a consumer-led platform, you can find customers, they're your source of venture investment capital because they don't own equity.

And at the end of the day, ultimately, you want to create a business, right? You want to create a business. That's the way I would do it. If you have the ability to get on sites like Vator and network with people, go to conferences, I would do that as well.

But, again, if I were to start another business again it's going to be a side-project and I'm going to find my customers before I go out there and try to raise some money. I'm going to wait until somebody comes to me and says, "*I want to put some money in.*" I'm not going to be knocking on doors.

Dave Lavinsky: Gotcha. Very, very good point. And if any entrepreneur could do that, that would save a whole lot of time and a lot of people would be more successful. Anyway, I really appreciate your time. Thank you so much, and once again everyone, Vator is located at www.Vator.tv. Bambi thank you for your time I really appreciate it.

Bambi Francisco: Thanks for having me.