

# INVESTOR TRICK QUESTIONS

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If you're lucky, you will encounter investors who ask you trick questions—"lucky" because such questions indicate that the investors are interested and sophisticated. These questions provide an opportunity for you to show that you're sophisticated, too. Here are the typical trick questions and appropriate responses.

Investor Trick Question	What You Want To Say	What You Should Say
<b>"What makes you think you're qualified to run this startup?"</b>	"What makes you think you're qualified to run this venture capital firm?"	"I've done OK so far, getting us to this point. But if it ever becomes necessary, I'll step aside."
<b>"Do you see yourself as the long-term CEO of the startup?"</b>	"What did your limited partners see in you?"	"I've been focused on getting our stuff to market. I will do whatever is necessary to make this successful—including stepping aside if needed. Here are the logical milestones at which we can make this transition . . ."
<b>"Is ownership control a big issue for you?"</b>	"I'm going to be putting in eighty hours a week to make this successful, and you're asking me if I care how much of it I own?"	"No, it's not. I realize that to make this successful, we need great employees and great investors. They all need to have a significant stake. I will focus on making the pie bigger, not on getting or keeping a big part of the pie."
<b>What do you see as the liquidity path for your startup?"</b>	"An IPO that sets a new record for valuation."	"We know that we have a lot to do before we can even dream of liquidity. We're designing this company to be a large, successful, and independent entity. Right now, our heads are down, and we're working as hard as we can to do this. An IPO would be a dream outcome—plus these five companies are possible acquirers in the future . . ."