# Studios Return 2-3x VC Funds

Do You Know What To Look For?

Do You Have Access?

Let's Solve This ———

# Here's how to access and select the winning studios



# 5 Reasons top VCs are betting big on Venture Studios:

- 1. Higher success rates
- 2. Faster time to market
- 3. Capital efficiency
- 4. Founder-level equity
- 5. Portfolio diversification

### Powerful due diligence framework:

### The four customers of a venture studio

- 1. Studio Investors
- 2. Studio Staff & Partners
- 3. Entrepreneurs
- 4. Follow-On Investors

#### Customer 1: Studio investors

#### Key questions:

- Is the studio's financial model sustainable?
- What's the track record of returns?
- How transparent is the studio's operations?

#### Customer 2: Studio staff & partners

#### Red flags:

- High turnover rates
- Lack of expertise in target industries
- Insufficient support for portfolio companies

#### Customer 3: Entrepreneurs

#### Critical factors:

- Equity distribution
- Level of operational support
- Access to networks and resources

### Customer 4: Follow-on investors

#### Crucial considerations:

- Acceptable cap table structures
- Portfolio company performance metrics
- Studio's ability to attract quality follow-on capital

# Studio founding team: The cornerstone of success

#### **Essential Elements:**

- Track record of successful exits
- Ability to support fundraising
- Deep industry expertise

# Red flags in studio design: Lessons from the trenches

- Unsustainable pace of company creation
- Misaligned equity distribution
- Unrealistic growth expectations

### The importance of balanced design

- Meeting all four customers' needs
- Providing founder-level value
- Aligning with ecosystem norms

