

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

