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The art of VC is knowing when to seem crazy

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The longer I'm in venture capital, the more I'm convinced that the art of VC is about knowing when to seem crazy. I'd wager that the majority of multi-billion dollar companies started with an investment that looked crazy from the outside.

My former colleague [Rob Stavis's](#) Series A investment in Skype was crazy. The Skype founders had also founded Kazaa, and couldn't enter the US because they [were afraid of being arrested](#). Invest in fugitives?! That's what 137x in two years crazy looks like.

Common wisdom in 2006 was that my former partner [David Sze's](#) Series B investment in Facebook was crazy. \$500m valuation for a social network?! [That will ruin the firm!](#)-crazy. Of course, we all know how that turned out.

When [Jeremy Levine](#) and I invested in the Series A of Pinterest, the team was just five people. The search barely worked. It was going down all the time. \$10m round?! I felt seriously crazy at the time. Crazy good. Crazy excited.

That's what it's all about. Knowing when to take the bets that look crazy from the outside, but are the source of deep conviction from the inside. [The trick of course, is that you need to pick your moments — as my former partner Reid Hoffman reminded me, you need to be both contrarian and right.](#) And you definitely can't be crazy for every deal — then you're just being reckless. The very best investors pick and choose those moments with incredible precision. To me, that's the sign of someone who has truly mastered the art of VC.