

My Initial Obstacle in Founding/Building Domeyard Funds

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Thanks to a myriad of UROPs and externships, I already had more “working” experiences than most of my intern class at the bank. Thus, my pre-senior year Wall Street internship should have been a walk in the park. But I was exhausted after a few weeks of working 15 hours per day, for a team with very low morale.

At the end of the summer, we each presented a final project: a stock pitch. I wanted to utilize my MIT “technical” background (6.001 and other beginner classes - after all, I was in Course 15). So, I scraped together a quant trading strategy. Unfortunately, my boss laughed during my presentation and mocked my strategy, telling me that his team is “anti-quant”. As I then expected, I didn’t receive a return offer.

Back at MIT for my senior year, I felt completely lost compared to my closest Course 15 friends, who were on career fast tracks in technology and/or consulting. But one thing kept me up at night. I wanted to know if my final project - my quant trading strategy - would actually work. I started an account on Interactive Brokers and traded the money that I saved over the summer. After a semester, I hadn’t received any job offers, but my quant trading strategy was doing fine. I had turned \$1000 into \$5000. Could I scale this into a viable business? I Googled phrases like “how to start a hedge fund”, and “how to fundraise for a hedge fund”, but the results were pretty useless.

I heard about *entrepreneurship* from a few ambitious classmates, but I didn’t know if that would be a viable career path for someone like me. I was Course 15, with a below-average GPA. ***What credentials did I need in order to become a full-time entrepreneur? How much money do I need?*** My family didn’t have money or connections to support me.

I realized, at that moment, that *getting money was my key obstacle*. I already had a business strategy, but I couldn’t incorporate my fund, or scale my strategy, or hire a team, without money. I soon got together with two other guys: a dorm floormate and a Harvard student we met in the annual MIT Trading Competition. We named our company Domeyard to help us look better by reflecting our fancy universities (MIT Dome and Harvard Yard). My co-founders were more interested in the technology and the research. I was focused on the money! My goal was to raise any amount that seemed big enough to get us going, and we really didn’t know what that meant.

As students, how could we raise money? Was there anything advantageous in our being students? We started trying to raise funds in the Spring of 2013, before graduation, by attending events on campus where VCs or prominent entrepreneurs were present. But unfortunately, I wasn’t prepared to answer the questions asked by potential investors, and especially the ones from the VC professionals. Here are some examples of their challenges that I struggled to overcome:

- ***How can you compete against a big company with infinitely more money and personnel?*** (In other words, how can you build a moat around your little startup?)
- ***What’s your valuation?*** (In other words, how do you come up with a valuation for a non-existent hedge fund?)!

And the usually *unspoken* question: ***Who do you guys think you are, to be trying to do something that so many other older and more experienced teams have failed at???***

Given all the issues highlighted above, if you were in Christina’s shoes, how much money should she have been trying to raise in her seed round, and how should she have attempted that?