TechCrunch loves teaching entrepreneurs that the only way to succeed is to raise a shit load of money.

However, if TechCrunch published the profits and revenue created by these companies with as much frequency and fervor, we might see the media frenzy around venture capital for what it really is: a false positive.

I've raised $30M in venture capital, and have built three businesses with revenues over $50M. The question I most often get asked is whether raising venture capital is the right path for the business. Yet, a crucial question too often neglected is whether venture capital is the right path for the *founder*.

We often read about venture capital as catalyst for wildly successful businesses.

There's a great deal of money spent on making sure that venture capital gets the most media attention on funding a business.

Why?

Well, first there are hundreds of millions of dollars being moved around here. Second, there are big bets being made on businesses with even bigger promises to limited partners. VCs are under a enormous amount of pressure to get into the best deals. They need the PR to continue to market their firm.

As entrepreneurs read about the outsized returns and the big rounds, they assume that is the only path forward. Which couldn't be further from the truth. We do such a disservice to the entrepreneur who is putting everything they have into building a business by not thoughtfully exploring what the right funding path is for them.

We don't ask ourselves enough questions about what *we* want as founders. These questions guide us on our journey in building a business, but often get put aside with the excitement and fear of building a business. These include:

- What does success mean to me?
- What does success look like for me?
- How do I want to grow my business?
- What does ownership mean to me?
- How will this business help me grow?

How I Funded Each Of My Three Businesses

I've bootstrapped and raised VC money. Here's how I funded each of my three businesses:

Business #1 - Bootstrapping

I completely bootstrapped my first business. It was easy to do with a boutique consulting firm. It was initially just me, then I gradually added a tiny team. I scaled myself to only focus on landing sales with large insurers, while the team led the initiatives for which we were hired. I owned 100% of my business; it did not have any venture risk.

Business #2 - Bootstrapping + $30M in Venture Capital

The second business was a tech startup that started bootstrapped - just me and Microsoft Access. The business simplified buying and using health insurance. After six months I brought on a co-founder and an engineer that lived in India. We joined the Techstars NYC accelerator program to grow the business into a well-known consumer brand. That was a biggie right there. I didn't realize what this meant in terms of the weight I would carry for the rest of my journey. Raising this amount of capital meant we had no other alternative but to grow this business as fast as we could.

Within two and a half years, we scaled it to $28M in annual recurring revenue. I raised $30M over 4 years.

I owned 13% of my business but was making a bet that it would have a massive outcome. To work, we needed to get to 1M customers before the insurers took us down. It was exactly what VCs look for. It had venture risk in a highly regulated market with a proven way to acquire customers fast.

Some of the most critical decisions of the business were driven by overly enthusiastic investors. A few months after raising a Series A round the board was planning the next round, a $50M Series B. We had built the company with a small team that used a ton of automation & tech to scale. A lead investor pushed to have us grow from a team of 40 to a team of 160 within the next year to make the business more attractive in a $50M fundraise.

It's the one decision I regret the most as it changed everything. The business went straight into chaos gasping for air as it tried surviving the avalanche of new employees. No one made me do it, but I learned the hard way that if you are the rocketship company for these investors, you have more pressure than the other portfolio companies to produce an outsized return.

Had I taken the time to ask myself what success meant for me, I may have had a different journey. But at the time, my identity was tightly wound in the business. It was painful to think about the business not existing, as that meant I wasn't living up to the lionization of what an entrepreneur should be.

I wasn't ready for venture capital but I didn't know it at the time. I was on the speeding train, and all I could do was hang on.

Business #3 - Bootstrapping + Angel $$ + Customer Funded

Using what I learned from both of my previous companies, I bootstrapped to start. After a few months I raised a small angel round from other CEOs and operators. The business has venture risk, but this time I'm not taking money from VCs. Instead I'm focusing on being customer-funded and profitable.

Our scrappiness got us to profitability within three months of launching. This gave us leverage on who we take money from as we scale. I own 84% of my business and 100% of the decisions.

The daily pressures I have on the growth of the business come from customers rather than venture capitalists. It’s not as heavy, yet much more urgent. There’s less money, but oddly more time to solve problems. We don’t have to grow hastily.

I never imagined that you could grow a tech startup without the drama. Or that I’d want to. Entrepreneurs regularly talk about the best part of building a business is the exciting roller coaster ride. I’d beg to differ now that I’m on the other side. There’s a more human element to this company as I’m not growing it at all costs.

This hybrid works for me as I now know what success looks like for *me*. I want a big business that serves me, not drains me. Although I’ve raised a lot of money from venture capitalists, it turns out that for *me*, I’m a better entrepreneur without VC money. I’m calmer and less anxious, so my decisions have less of a sensationalism to them as the business is able to survive and grows without me.

The lionization of entrepreneurs creates an environment for false negatives and false positives. We start to condition entrepreneurs that the only way to make the business work is with venture capital. It distracts us from seeing that being a “great” entrepreneur is not measured on how much venture capital you raise.

As you’re thinking about how to fund your business, put a great deal of effort into asking yourself if this is the best path for the business, but more importantly for you as a founder. I’d encourage you to put aside the lionization of venture capital to ask yourself the tough questions that will drive how you build your business, and how it will build you.