Design in Venture Capital
How Design Drives Investment and Company Success

Irene Au
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Introduction

“How can I get a job like yours?” “How do you spend your time?” “What does a design partner in a venture capital firm do?” The frequency of these questions posed to me since joining Khosla Ventures two years ago prompted me to write this report. The role of design partner inside venture capital (VC) firms is still relatively new and undefined, with a little more than a handful of people holding this job title on Sand Hill Road. That prominent VC firms with multimillion-dollar portfolios would want to include designers as partners strikes many as a validating sign that design has finally arrived: entrepreneurs and investors value design so much that they want designers involved during the most formative stages of a company’s development. So, it’s no surprise that there would be considerable curiosity, interest, and excitement about this role as a possible career choice for designers.

My goals in writing this report are threefold:

1. To clarify and articulate what this role means to designers, investors, and entrepreneurs
2. To understand what my colleagues at other VC firms with a similar job title are doing
3. To answer commonly asked questions about the emerging role of design partner for curious parties

Rather than have my own personal experience be the definitive, authoritative voice on what being a design partner in a venture firm looks like, I sought to include multiple voices and perspectives from
others who hold similar roles. Although John Maeda from Kleiner Perkins Caufield & Byers (KPCB) offers a much broader definition of designers in his 2016 Design In Tech report (Figure 1-1), for the purpose of this report, I included only people who self-identify as designers and are apt to hold the title “design partner” at top-tier VC firms. Whereas some design partners make investments in their role, all of them act as operating partners, in which capacity they work with companies and entrepreneurs in their firms’ portfolios.

Figure 1-1. 2016 KPCB Design In Tech report (John Maeda)
Who Was Interviewed for This Report?

There are relatively few design partners in VC based on my criteria. I sought to include the perspectives of designers at top-tier VC firms including KPCB, Sequoia, Google Ventures (GV), Accel, New Enterprise Associates (NEA), and True Ventures.

Ben Blumenfeld
Ben is cofounder of the Designer Fund alongside Enrique Allen. Prior to Designer Fund, Ben was a design lead at Facebook for more than five years, where he helped build products for nearly a billion people and grow Facebook’s world-class design team. He was also the design director at Varien, which he helped build into one of the world’s leading ecommerce firms, and a designer at CBS where he designed many of their prime-time show web experiences.

Albert Lee
Albert joined NEA as designer-in-residence in 2015. In this role, he works closely with portfolio companies supporting them with product, design, and organizational development strategies and execution. He’s been actively involved in building the NEA Studio program, which has an emphasis on supporting nontraditional founders and also focuses on design-centric investments for both consumer and enterprise products. Albert has a deep background at the intersection of design and business. Prior to NEA he was the managing director of IDEO’s New York office, where he brought more than a decade of experience in digital product, communication, and venture design to bear. He was also named to Fast Company’s 1,000 Most Creative People in Business in 2014.

Jake Knapp
Jake created GV’s sprint process and is the author of Sprint (Simon & Schuster, 2016). He has run more than a hundred sprints with startups such as 23andme, Slack, Nest, and Foundation Medicine. Previously, Jake worked at Google, leading sprints for everything from Gmail to Google X. He is currently among the world’s tallest designers.

James Buckhouse
James joined Sequoia Capital as head of content in August 2014. He brought with him a focus on story-driven design and user
experience. He helps create exceptional user experiences for the portfolio and the partnership. He founded the Sequoia Design Fellows program, which helps launch the careers of high-potential UX and product designers. Previously, James led strategic story, design, and product innovation teams as Twitter's senior experience architect. James built his story skills while at DreamWorks Animation as a cinematographer and choreographer, working on the projects *Antz, Shrek, Shrek 2, Shrek the Third, Shrek 4D, Shrek the Halls, Madagascar*, and *Madagascar 2*. He also served as a production designer for New York City Ballet, Oregon Ballet Theatre, and Pennsylvania Ballet. His artwork has been shown in museums and galleries including the Guggenheim Works & Process Series, the Whitney Museum of American Art, The Institute of Contemporary Art in London, and the Dia Center.

**Jason Mayden**

Jason joined Accel following more than 13 years at Nike, where he worked on the designs of everything from Nike+ to the Jordan Brand. He also spent a year and a half at the hardware startup Mark One, best known for the smart cup Vessyl. He is a designer, lecturer, artist, collector of curious and wonderfully crafted goods, sports junkie, bookworm, equality in education advocate, 1990s hip-hop enthusiast, and social innovator. He is also a media designer/lecturer at the Hasso Plattner Institute of Design at Stanford University, aka the d. School.

**Jeff Veen**

Jeff is a design partner at True Ventures, where he spends his time helping companies create better products. He does this as an advisor, as well, for companies like About.me, Medium, and WordPress. Previously, Jeff was vice president of design at Adobe after it acquired Typekit, the company he cofounded and ran as CEO. Jeff was also one of the founding partners of the user experience consulting group Adaptive Path. While there, he led Measure Map, which was acquired by Google. During his time at Google, he redesigned Google Analytics and led the UX team for Google's apps. Much earlier, Jeff was part of the founding web team at *Wired* magazine, where he helped build HotWired, Webmonkey, Wired News and many other sites. During that time, he authored two books, *HotWired Style* (Hardwired,

John Maeda
John is a designer, technologist, and catalyst behind the national movement to transform STEM (science, technology, engineering, and math) to STEAM. He served as the 16th president of the Rhode Island School of Design (RISD), where, as chief executive, he repositioned the esteemed and historic institution to regain its top position in the new economy. An internationally recognized thought leader at the intersection of design and technology, Maeda now works with early-, mid-, and late-stage startup CEOs as design partner at KPCB in Silicon Valley.

John Zeratsky
John is a design partner at GV and the coauthor of Sprint (Simon & Schuster, 2016). Before joining GV, he was a design lead at YouTube and an early employee of FeedBurner, which Google acquired in 2007. John has written about design and productivity for the Wall Street Journal, Fast Company, Wired, and Time magazine.

…and then there’s me:

Irene Au
Irene is a design partner at Khosla Ventures, where she works with CEOs toward company success with design and user experience. Irene has unprecedented experience building and leading UX teams, including all design and UX teams at Google, Yahoo!, and Udacity. She began her career as an interaction designer at Netscape Communications, where she designed the Internet’s first commercial web browser, integrated mail and news client, and web page editor. Irene also teaches vinyasa flow yoga at Avalon Yoga Center in Palo Alto.
Why Design + VC?

Most prominent VC firms have partners who are former entrepreneurs and operators with backgrounds in business or engineering. To understand why VC firms are interested in having designers join their ranks, it’s important to look at various factors that are driving change across the technology industry.

What’s Driving the Rising Interest in Design?

First, technology is increasingly becoming a commodity. Not that long ago, entrepreneurs needed a lot of capital to start a technology company. Companies had to build their own infrastructure that many companies take for granted today, thanks to off-the-shelf services like Amazon Web Services (AWS). And this is not just limited to the backend either; frameworks like Angular and Bootstrap make building a reasonably good-looking and performant UI much easier than ever before. Today, much less capital is required for entrepreneurs to create a product and start a company, leading to an influx
of products on the market. Design then becomes the differentiator for these products and companies.

Second, the rise of the iPhone demonstrated to company leaders how design innovation can propel a company toward capturing the market and people’s hearts. Apple’s success with its well-designed products set a higher standard for experiences that are aesthetically pleasing, easy to use, and delightful. Companies increasingly want to emulate that success by investing in design.

This investment is not just isolated to consumer-facing companies. People are now accustomed to the simplicity and power of applications such as Gmail and Google Docs as consumer users, and demand the same quality in the tools they use at work that they enjoy in their personal lives.

Third, as computing technology becomes smaller, cheaper, and faster, and the end of Moore’s Law becomes imminent, human factors become the impediment to superior user performance, not the technology. In the case of Nutanix, a startup that builds data center infrastructure, system administrators have long endured some of the industry’s most unusable and neglected UIs, and that “even” sysadmins, who are heralded for their technical proficiency, deserve well-designed experiences that let them accomplish more in less time.

With these factors at play, entrepreneurs crucially need to invest in design in its most formative stages or risk not being successful. According to Gartner research, “89 percent of companies believe that customer experience will be their primary basis for competition by 2016, versus 36 percent four years ago.” Eighty-one percent of executives surveyed by Accenture, a global professional services company specializing in strategy and consulting in digital, technology, and operations, placed the personalized customer experience in its top three priorities for its organization, with 39 percent reporting this as their top priority. VC firms that employ operators to support their entrepreneurs will naturally look to designers to help ensure their success.

Related reading

VC Firms’ Motivation

Ultimately, venture capital firms are interested in having designers as part of their team because they believe they will bring value to the firm in some way. Exactly what those expectations are can vary widely across firms. The expectations are ambiguous because there is no prototypical person in such a role to follow; the primary motivation is to get a great designer in the firm and then let the designer figure out where she can add value.

Generally, design partners are focused on working with portfolio companies to help them be successful, because it’s so crucial for companies to get design right. Most partners at VC firms have held operational roles at successful companies and draw from their practical experience to advise companies. In this case, design is no different. Designers might be advising CEOs or working directly with designers, product managers, or engineers to help them work through their greatest product and design challenges, or organizational challenges as they relate to design.

Although many entrepreneurs would be overjoyed to have design resources made available to them to do hands-on design work for their companies, most VC firms believe that such a model does not benefit the companies in the long run. The intention is to teach the startups how to build design capabilities and make design successful within their organizations, not to do the actual design work itself. James Buckhouse of Sequoia sums it up nicely for all the venture firms:

In general, our model is to teach people how to solve problems, rather than be their solution to solve every problem.

Jake Knapp of Google Ventures elaborates:

It’s important for us to do a little fishing alongside them so that we remember how to fish, and also to build credibility with them. That said, it’s really important that 90 percent of what we do is teaching them how to fish because it doesn’t scale for us to be their design team. We won’t be able to have that kind of impact if we’re doing the fishing. We’re doing the work alongside them but they are clearly doing the work in the sprint. That makes it an easier transition from when we’re there to when we’re not there.
Designers’ Motivation

One of the early pieces of advice I heard from a partner at a prominent VC firm was that the role of an operating partner “is not for everyone.” Operating partners act as coach and advisor, working through influence to make things happen. Particularly for designers, who often prefer to be hands-on and continue to make things, that kind of indirect ownership can be less than satisfying.

Universally, all the design partners I spoke with were drawn to the role of design partner because it offered a chance to learn something new, and because they passionately believe that design should be more integral to startups and the startup ecosystem because of the value design brings to businesses. All of the design partners had reached a high degree of success and proficiency in their careers by the time they joined their respective venture firms. Joining a venture firm and working with startups offered a new kind of challenge they had not previously experienced.

For example, working with startups means that we are able to influence the design culture of the company during its most nascent stages. We can work directly with CEOs to help them understand the different levels at which design operates, and encourage the kind of thinking and behavior that sets up design to be successful. In contrast to working inside a larger company whose culture, people, and practices are already set, working directly with a CEO during a company’s earliest stages can be more satisfying and effective.

Moreover, working across a portfolio of companies gives designers the opportunity to be involved with a wider range of problems in a short period of time. This kind of opportunity is appealing especially to designers who are interested in developing a robust, repeatable process for using design to solve problems. As Jake Knapp explains:

I was really excited about being able to experiment with the sprint process with a lot of startups and with John (Zeratsky), Braden (Kowitz), and Michael (Margolis), who are very experimentation-minded and would push the process to get better.

Ben Blumenfeld and Enrique Allen were motivated to start Designer Fund because they identified a significant gap between the startup ecosystem and designers. Says Ben:

We saw many companies with high potential impact to benefit society in underserved spaces like health care, education, and produc-
Many of these companies were reaching out to us to hire their first designers which made us ask, “Why aren’t designers part of the founding teams of these companies?” Through extensive interviews with top designers we realized that there were a few themes that kept designers from being on the founding teams of startups. These areas of opportunity included design education, where institutions weren’t preparing designers for the demands and skills needed at startups, or connection building, where designers needed better connections to domain experts in spaces they were interested in. We created Designer Fund to address these findings with the explicit mission of helping designers build businesses with meaningful impact.

Whether they understand it explicitly or not, early stage startups crucially need to employ design thinking to be successful, and design partners can play a pivotal role in helping these companies through the most difficult stages of getting a company off the ground.

“At this stage, you don’t know what you are building and you have to figure it out. You are hunting for the right value proposition and product/market fit,” explains Albert Lee of NEA. “The cycles are super-short and are highly iterative, which appeals to a designer’s sensibilities, where you are constantly shifting, layering, tweaking, iterating, and revising.” The designers in design partnership roles seem to thrive off the ambiguity that naturally comes with startups.

Working with early stage startups is also highly interdisciplinary, offering countless opportunities to see a problem through a variety of different lenses. Startups by nature need people who can think about a lot of different problems (e.g., user acquisition, supply chain, and UX) under a lot of different contexts (clean energy, health tech, food, consumer products, enterprise, wearables, and so on). All the design partners interviewed for this report had diverse interests and perspectives that informed how they related to their roles—technology, architecture, ballet, yoga, sports, writing, fashion, entrepreneurship, academia, and executive coaching. It’s no coincidence that people with varied interests, those who might take on several different kinds of roles in different contexts or have interests that extend beyond their day jobs, are ripe for recruiting into a design partnership role.
“How Did You Get This Job?”

Rarely, if ever, do VC firms advertise for roles they are looking to fill. No one gets a job in VC by responding to an advertisement for a job. Moreover, most design partners weren’t even explicitly looking for a job in VC until someone from a firm reached out to them to solicit their interest.

Even though almost everyone describes their circumstances as “being in the right place at the right time,” they created their own luck in their own ways. Each person I spoke with had a relationship with someone from the firm prior to joining who recruited them into the firm. The relationships might have been forged through a prior working relationship, networking, or friendship. Perhaps their connection to a VC firm was with someone who was a prior investor. Or, the designer was already acting as a mentor to several startups in the portfolio. In other cases, a former colleague joined a VC firm and then later tapped into his network to recruit the designer to join the firm.

The moral of the story is this: if you are a designer and you want a job in VC, hang out with people who are in VC. Keep those weak ties warm.

Where there is a design partner in a VC firm, there is usually clear alignment between the firm’s interests and with the skills and experience the designer has to offer. Every firm is looking for something different. Some designers split their time between working with portfolio companies and working on internal projects for the firm. Other designers are incubating their own startup at the same time they are advising other startups. Whereas a design partner from one firm might camp out with a startup for an entire year to rebuild the product and brand, as Jeff Veen did with About.me, another design partner might be publishing massive annual reports on the state of design in tech, as John Maeda has done.
How Do Design Partners Contribute?

Not all designers at VC firms are acting as design partners 100 percent of their time. For example, here’s the breakdown for the designers interviewed for this report:

- Two design partners are working part-time at their respective VC firms.
- Two people spend 50 percent time on internal projects for the partnership.
- Two people spend 50 percent of their time as an investing partner.
- One person spends 50 percent of his time incubating his own startup (as an entrepreneur-in-residence).

Of the time allocated toward their role as design partners, they spend the majority that time (60–70 percent) with portfolio companies. The remainder of their time might be split among endeavors that include deal flow (cultivating relationships with entrepreneurs for possible investment opportunities, doing diligence on potential investments, and so on), building the firm’s brand and reputation by writing and public speaking, networking, doing internal projects for the firm, and working on horizontal efforts that benefit the entire portfolio, such as hosting events and workshops for entrepreneurs and/or portfolio companies.

Some design partners work exclusively with the CEOs of the startups in their portfolios, believing that it is a much faster way to get things done with companies. An alternative approach other design partners take is to serve whoever reaches out to them, whether they are designers, product managers, engineers, marketers, or administrative assistants. Regardless of who their stakeholders are, their endeavors fall into several categories, described the sections that follow.

Design partners, like their peers in the firm, work independently with a fair amount of autonomy over what they work on. Design partners rarely, if ever, turn an entrepreneur away if an entrepreneur approaches a design partner for help. How deep they go might be partially informed by the priorities of the partnership and where they can be most effective. For example, if the VC firm has a sizable
investment stake in a company, it behooves the partnership to prioritize that company and direct its resources to ensure that company’s success.

Other inputs that can influence how a design partner spends his time is the effort-to-payout ratio, affectionately referred to by James Buckhouse as the “juice versus squeeze ratio” (“Is the juice worth the squeeze?”). For companies that are mature in their understanding of design and design practice, they might need less help from a design partner. At the other end of the extreme, companies that are struggling with foundational issues like getting their technology to work and scale or building out the team might not benefit much from a design partner either. The sweet spot is somewhere in the middle, where the company understands at some level the potential value of design and has the requisite curiosity and eagerness to engage with the design partner.

**What Do Design Partners Work On?**

Design partners work with portfolio companies in a variety of ways. These activities range from building design capabilities for portfolio companies, to teaching them how to use design to solve problems, to coaching and advising on design leadership and management. For the VC firm, design partners might get involved in diligence and deal review, or help cultivate sources of potential investments and a talent pipeline.

**Building Design Capabilities**

“Do you know anyone I can hire?”

Many conversations between entrepreneurs and design partners begin with the challenges of building in-house design capabilities. By this time, entrepreneurs might implicitly understand the value of design at some level, and they want to have a designer on the team to help execute the vision. Their depth of understanding of various design capabilities and skills, however, can vary, and needs can vary widely depending on the type of product being built. Design partners then usually advise on a variety of variables: what kinds of skills are needed, what level of experience is required, where to find qualified candidates, how to interview designers, how to assess candidates, and what kind of compensation should be expected. They
might help recruit designers, interview them, close them, and later when they are on board, advise them.

Although hiring designers and building an in-house team has become conventional wisdom, the hiring climate today proves to be very difficult for startups. Many do not have the brand to attract design candidates or even build awareness for their company because they are just getting off the ground. Most startups are looking for multiskilled designers who can help drive design strategy, interaction design, and visual design, and thus are less interested in candidates who are too junior to work independently and provide leadership to the company. Nor are they looking for candidates who are too senior who are less interested in doing hands-on design work. Paradoxically, designers often want to work in companies that are proven to be friendly toward design, yet early stage startups are desperately trying to hire their first designer in order to prove that they value design.

Because building in-house design capabilities can take as long as three to six months under the current hiring conditions, in some cases, hiring a design consultancy can help a startup get its product off the ground concurrently while it hires a full-time designer. Design partners can play matchmaker between startups with design needs and agencies or consultancies who best meet those needs.

Related reading

- Irene Au, “Understanding UX Skills”

Using Design to Solve Problems

“I help the CEO understand that design is not just about visual appeal.”

—John Maeda

Although the conversation with design partners usually begins with hiring designers, it often shifts to broader education on what designers do, and the different kinds of skills required to execute design well. Ultimately, though, the conversation comes around to how well a company can execute design and has a lot more to do with how a company thinks and behaves than the number of designers or kinds of people who call themselves designers are in the company. “Design” in this sense of the word is not about how a product looks
or behaves, but the overall mission and vision of the company, the values and principles that drive key decisions, ranging from how the company behaves and operates to what the product does and what the team should optimize for. Some might call this “design thinking”; if you’re among those who feel the term is overused, you might think of this level of design as “company design.”

For example, during the formative stages when a company is trying to find product/market fit, a design partner might work with the startup to find the best intersection between what the technology or business innovation has to offer and what the market demands or needs. Startups at this stage might not know who their users are, or maybe they have a set of customers and want to know more about them. The user journey is still being defined and discovered. Designers crucially need this information to design meaningful experiences; thus many design partners naturally find themselves initiating these discussions with startups to flesh out user personas, the user journey, and the narrative around the product.

Such conversations might happen organically or in a structured way through workshops that design partners facilitate. “I came from IDEO where we had to really practice and refine our facilitation skills. These skills have become extremely valuable in my role,” says Albert Lee.

James Buckhouse, who lectures at Stanford’s Graduate School of Business on the power of business stories, uses storytelling as one of the key tools for aligning startups to ensure that they can execute successfully.

The story you tell your internal team is what’s going to unify that team around what they should work on, what problems they’re trying to solve. That internal story is sometimes different from the external story. The external story might be the sales pitch, or the language they use to communicate with their customers. The internal story is the North Star, their raison d’être. A good internal story is a decision-making machine.

Storytelling is so central to how James collaborates with portfolio companies that he even made a template, which you can see in Figure 1-3.

Figure 1-4 shows an example of a journey story map. A journey story map depicts the transformation of a user from an initial state to a changed state at the end of an experience. This particular jour-
ney map shows Twitter’s World Cup experience. In this scenario, a person who starts watching the World Cup on TV ends up connected to a rich and lively community of fans, celebrities, and enthusiasts.

Figure 1-3. A storyboarding template by James Buckhouse

Figure 1-4. An example of an journey story map for Twitter (courtesy of James Buckhouse)
Related reading

- James Buckhouse, “Story Maps”
- James Buckhouse, “Four Types of Business Stories”
- James Buckhouse, “Tell a Four-Word Story”
- James Buckhouse, “Human Experience Design”

True to the experience of every designer who is drawn in by stakeholders to solve tactical problems, design partners often need to work upstream to get to the root of the problem. Jake Knapp describes:

> There are things that people expect designers to help with, and things they don’t think we’re best suited to help with. Earlier on in our life as design team at GV most people wanted us to help with tactical design stuff, and then we would turn it into what’s the question that really needs to be solved. Now we’re getting better questions.

Thanks to the efforts of Jake Knapp and John Zeratsky, startups and larger organizations alike have employed the design sprint process to use design to solve problems in a short amount of time. First developed while working on the UX team at Google, Jake was particularly interested in developing a repeatable process that would allow teams to generate many ideas in a short amount of time, prototype the ideas, and test the ideas rapidly. Although many entrepreneurs believe that design costs too much time and money to indulge in a design process, design sprints have proven to save teams countless hours and money. As Jake points out, “We are saving companies time. Any startup has a limited potential lifespan. If we do a sprint with a company, they can get a longer runway, because we keep them from wasting time on stupid ideas.” Fortunately for the tech community, the GV team has codified its many years of developing and refining the design sprint process in a book called Sprint, from which everyone can learn and can adopt (Figure 1-5).
You can use design sprints to help solve a variety of problems. For early stage startups, design sprints enable teams to explore different concepts for the product in a short period of time. As companies grow and learn more about their market and users, some companies decide to pivot and change strategy. Design sprints can then help the team explore new directions for the company and envision a new kind of story or user journey. In a later-stage B2B company that exhibits waterfall-like tendencies for software development (where the product manager specifies the requirements and feature set and passes this on to designers, who then create the designs that engineers build), design sprints can help teach the cross-functional team how to collaborate early and upfront (Figure 1-6), with greater opportunity for design and technological innovation.

Design sprints in all these cases teach the companies a way to work that enables good design work to happen: a method that is collaborative, inspired by an understanding of users, allows for divergent thinking before convergence, and employs rapid prototyping, testing, and iteration.
Related reading

- Jake Knapp, John Zeratsky, and Braden Kowitz, *Sprint: How to Solve Big Problems and Test New Ideas in Just Five Days* (Simon & Schuster, 2016)

Regardless of the method, design partners are unlocking the power of design for entrepreneurs.

“There is an expectation that design is something that is done by designers, that there is a productive group of activities that people don’t think they can get involved with. It turns out those problem-solving skills are really valuable for the whole team.”

—Jake Knapp

“Design is often not what CEOs think it is. There is a perception that design is about making things pretty or that it’s about the polish. The next layer is not just how it looks but how it feels. The next layer is how to make money, how to generate value and revenue. When all that comes together, that’s what design is—where value proposition, business, and user experience all come together. It’s integrative; design is not an isolated activity.”

—Albert Lee
“We don’t simply provide a pretty, shiny solution. We obsess about finding the right problems to solve for the organization, market segment and/or consumer. I speak with and in some cases teach portfolio companies the core principles of design thinking with the sole intent of empowering the founders to see the strategic and economic importance of design as a critical differentiator.”

—Jason Mayden

**Design Management and Leadership**

Design challenges don’t just end with having an in-house team and finding product/market fit. The questions only seem to grow from there.

- How do we ensure consistency in our design and in the experience as the company grows?
- What’s the appropriate ratio of designers to engineers to have in the company?
- Design seems to be the bottleneck. How do we fix that?
- How do we scale the company and our design practice?
- What should the team structure look like? What kinds of skills do we need on the team and what is the proper level of experience needed?
- What should our organization look like and where should designers be situated within the company?
- What is the relationship between product design and marketing design?
- How should the design team field requests from stakeholders in the company and prioritize its efforts?
- How do we gain support for user research within the company?
- How do we get better at making design decisions?
- How can we create a better/more supportive environment for our designers?
- How do we get the developers to fix UI bugs and details that they think aren’t important?
- How can designers be involved earlier in the process of conceiving features and how they work?
- What does the career path look like for designers?
• How do we educate the company on the importance of design?
• How can we be more effective at working with cross-functional stakeholders?
• How do we expand internationally?

Design management and leadership skills can be mystifying for many startups because they have hired really great individual contributors as their first few design hires. These designers might be great practitioners but are new to dealing firsthand with the challenges of design management in their careers.

Design partners who have direct experience with the practical realities of leading design teams in a growing company can provide the much needed guidance and mentorship young companies seek. They might coach the CEO, or the head of product or engineering, and/or the designers already in place at the company on an ad hoc basis. They might do it during office hours, or through weekly, biweekly, or monthly one-on-ones. Although not everyone will commit to carving out time for regular one-on-ones, predictable, regular check-ins provide an opportunity to proactively work on issues rather than reacting to the latest fire.

At some point, the company grows so much that the organization must change. As Jeff Veen describes:

There is an inflection point where the founder can’t be head of product anymore and they realize they need a head of design or chief product officer. I work with a lot of founders on that transition. They want someone with the skills design partners have (design management, team management, team building, someone who knows what good design is). You have to get the organization ready for that transition; sometimes it means a reorg or grooming someone.

“What do you think of the design of my product?”

Design partners are frequently asked for their opinion on the design of an entrepreneur’s product. Entrepreneurs’ well-intentioned attempts at getting feedback from the design partner reflect a commonly held misconception that the “design expert” will critique the design and tell them how to change it. In reality, design partners will rarely tell entrepreneurs what the design of their product should be.
“People’s expectations are changing so fast: something that worked three months ago doesn’t work now. It’s humbling—when we started testing stuff, solutions I came up with didn’t work. We got a lot of reps and realize we are wrong so often that it’s better to help companies figure out how to find the right things.”

—Jake Knapp

“When people ask what their product should look like, my reaction is, let me talk to the person who designed this thing. I broker conversations between the CEO and the designer. The worst thing is to have an outside opinion on work you weren’t doing without understanding the context.”

—John Maeda

“I put a lot of effort into teaching people how to do product reviews. All the engineers come to the product reviews and they bring in design thinking and ask good questions.”

—Jeff Veen

“It’s not my job to tell them how to make it better. They are the domain experts and if I inject my own preferences and uniformed feedback, I may derail their momentum by providing a ‘helicopter critique.’ I try to empower them to discover their creative voice. I challenge them to ask themselves if they have done their best to know and serve the consumer and their respective market segment.”

—Jason Mayden

“I tend to not tell people what to do, but I practice a type of problem extraction where I pull from them issues and challenges they’re having and partial ideas for how they might solve it. My role is to synthesize their partial ideas to suggest a way forward, and then on top of that a way to do that better or easier. I try to never put myself in the position where I’m the one who is telling someone to do something and they choose to do it or not but I am the one listening and reframing and augmenting and accelerating the good ideas the leaders and founders already have.”

—James Buckhouse

**Deal Flow**

According to CB Insights, 36 percent of the 25 startups with a recent fundraise in their “Internet Sector” category are designer cofounded. Twenty-one percent of the so-called global “unicorn” startups across all sectors have cofounders who have embraced design or come from a design, arts, or human-centered background including architecture, design, music, visualization, fine arts, and media arts. VC firms are increasingly interested in connecting to designer entre-
preneurs for the same reasons they believe design creates value for businesses.

Some design partners are a source of deal flow for their firm. For example, some design partners are so well-known that their presence at a firm draws entrepreneurs to the firm to seek funding or sways them to close funding with that firm.

In Jason Mayden’s case, being African American and coming from the fashion, sports, and performance-technology worlds means he has an entirely different network than the investing partners at Accel.

My main role at Accel is to connect them to a new and different founder community, with my thesis being centered around the concept of “cultural alchemy.” The next generation of founders will pull inspiration from global networks—the digital age has shattered the concept of being identified as being “from” a certain city, culture, or ideology. You have to dig deeper below the surface and get to the core of the founder, which may lead to a blurring of the lines between stereotypes and the reality of who a founder truly is. Cultural Alchemists are people who consume and understand technology but may have a limited perspective on identifying themselves as ‘tech people.’ They love to solve problems by leveraging technology to develop new skillsets and broaden their knowledge networks. They come from unique and various backgrounds. They are global polymaths that seamlessly blend youth culture, relevant colloquial nuances, and creative self-expression. If I successfully do my job, I will be able to identify new types of founders while working with existing portfolio companies to identify, adopt, and scale this new way of thinking about the consumer.

### Identifying, Growing, and Cultivating Talent

Identifying and cultivating the next generation of talent is the bread and butter for VC firms, and for design partners, this priority is no different. Whether the outcome is a connection to someone who founds a company that the firm wants to invest in, or knowing a designer that can be recruited to join a portfolio company, relationships with designers are essential and a natural part of the job.

Design partners identify, grow, and cultivate talent through a variety of ways. Attending and speaking at conferences is one way to make connections and nurture relationships in the industry, and make the brand of the VC firm known to designers.
Programs such as KPCB’s Fellows Program, Khosla Ventures’ Design Internship Program, and NEA’s Design Residents Program aim to place young talent (students/interns, new graduates, and people with one to three years of experience) in startups and pair them with mentors in industry. For people relatively new to industry, programs like these are a great way to gain practical work experience and insight into how startups work. However, for the program to be successful, startups need to be large enough to be able to absorb junior people into their company. Startups that are too small might not have the bandwidth or the inclination to mentor junior people; startups that are sizable enough to do so might already have internal recruiting resource that can find individuals in a more targeted way.

Whereas the programs above serve more as a pipeline for interns and junior hires into startups, Sequoia has adopted an apprenticeship model in-house with its Design Fellows program. Designers can apply for a three-month paid fellowship in which they apprentice under James Buckhouse’s supervision for portfolio companies. Because he takes on only one to two fellows at a time, James is able to provide direct oversight and mentorship for their work.

Some designers also focus on training and mentoring designers in their portfolio companies at a broader scale. In some cases, this might be done by cultivating community among these designers so that they can mentor each other. To build specific skills and capabilities that startups often lack, Khosla Ventures and True Ventures have hosted design-focused workshops with notable speakers and authors in the design community.

Designer Fund’s Bridge program was created specifically for designers to help them navigate how to be successful within startups. Designers apply for acceptance into the program, which meets weekly for 12 weeks. During this time, designers connect with one another and invited guests to get advice, network, and participate in peer feedback sessions. By cultivating community through this program, Designer Fund has successfully placed designers in several of its portfolio companies.

Aligning with his mission to change his partners’ view of where creative talent comes from and to cultivate a new creative class, Jason Mayden has reached into underrepresented communities such as Oakland, East Palo Alto, and local community colleges and connected them with startup accelerators like YCombinator in what he calls
an “Exposureship.” The concept of an Exposureship aims to align each student with someone who might be a few steps ahead in their career development who can inspire them and provide a familiar, more relatable example of a particular area of interest. Mayden believes that “if you provide them with a tangible example and reveal to them the similarities between themselves and established founders, they will most certainly see themselves as capable and competitive. We simply want them to know that they have what it takes to win, within.”

**Investing and Diligence**

Some design partners do spend up to half their time investing, and to that end, their backgrounds as designers inform their investment thesis. Ben Blumenfeld and Enrique Allen, for example, look specifically for entrepreneurs who are designers to support, because their investment philosophy is driven by the belief that design and design thinking result in better products and create better business value.

Jeff Veen looks for areas for which design is a competitive advantage:

I have been particularly interested in companies that are using design and user experience practices to compete in areas where there already are dominant players. Almost every category of enterprise software, for example, is vulnerable to competition from new products that are more intuitive to use, or employ new design language from the world of consumer software. For lack of a better term, design can be disruptive.

Furthermore, many partners take advantage of their expertise in UX to vet entrepreneurs. Jeff explains:

We do a fair amount of diligence on markets and trends, but ultimately it comes down to spending time with the founders, seeing what motivates them, and understanding what they’re going to rely on when they make decisions, prioritize their efforts, and optimize their products. And in that, I look for people who fall back on user experience methods, who are empathic, and have good taste.
Common Challenges

The challenges design partners encounter are nearly universal. Some startups simply might not want to invest the time and energy to engage in design. Maybe they have not fully bought into the value of design, or their attention is focused on other priorities.

On the other hand, the CEO or founder might embrace design’s value, but the rest of the team does not. In such cases, the design partner can serve as a valuable ally in helping to change the culture and getting everyone to understand the value of a true product-focused lens.

Some design partners choose to work exclusively with CEOs because they believe it’s the fastest way to effect change. Most partners will avail themselves to any person who reaches out from a portfolio company. When a design partner becomes intimately involved with a company to the extent that the broader organization feels comfortable enough to reach out, it’s an opportunity to serve the entire culture. The feedback and stories shared from the depths of an organization can offer rich, raw details that enable design partners to more effectively coach CEOs to help them get better.

Among the greatest challenges encountered when elevating design’s value in a startup is getting the startup to embrace prototyping and user research. Prototyping might not be considered worthwhile because it is viewed as coding effort that is thrown away, whereas user research might be vilified as “asking users what they want.” Misconceptions about user research are often pervasive and not well understood, and entrepreneurs often lack prior experience with high-quality, effective design research to understand its value and role in product development. Design partners might strategize with internal advocates to champion research and find ways to gather user insights to inform design decisions, even in the absence of someone formally in a design research role. From its early days as a VC firm, GV has had a user researcher, Michael Margolis, on its team, which enables it to carry out user research when startups don’t have that resource (and often they don’t). Michael’s contributions help to kickstart their design sprints so that startups have a real understanding of their users, those users’ behaviors, and their needs, before doing any design work.
What Success Looks Like

If the design partner role is to help startups realize the full potential value of design, the return on investment is the ultimate barometer of success in VC. Given the life of a fund, one doesn't really know what the outcomes are for 7–10 years. But there are nearer-term measures that partners can look at.

For example, if the design partner’s presence, assistance, or brand draws entrepreneurs to the firm, they are helping the firm win deals. If entrepreneurs believe the design partner’s involvement is valuable and helps to change the course of a company positively, that is success. Success also translates into giving portfolio companies a cohesive story. Tracking a company’s NetPromoter score (NPS) is one way to quantify that which is inherently qualitative (though very difficult to trace a design partner’s contributions back to that score).

When running design sprints, clarifying goals and metrics upfront makes quantifying results possible. GV design partners are careful to establish goals and related metrics every time they run a sprint. For example, GV helped Slack reach and sign up non-tech companies as customers. In a series of sprints done together, it prototyped and tested competing approaches to Slack’s marketing and onboarding. Slack built and shipped the successful solutions in August 2015. Since then, its daily active users have tripled.

GV also helped Foundation present complicated genomic cancer data in a simple cover sheet. Together, they prototyped and tested their paper test report with an oncologist in the field. They improved the report’s cover page until oncologists could quickly and easily understand the results after a quick review between appointments. Foundation raised $106 million in a 2013 IPO, and is now valued at $539 million on NASDAQ.

What constitutes “success” might be deeply tied to the design partner’s personal mission for being part of a VC firm. Here’s how Jason Mayden defines it:

Success is when I become the norm rather than the exception. I want you to see someone who looks like me and who comes from my neighborhood, and give them a chance. I sincerely want to encourage founders to adopt the mindset and principles of mission-driven, servant leadership. If I am the first and only person like me in my role for years to come, then I did a horrible job.
So, You Think You Want to Do This Work

The number of designers in VC has gradually risen over the years, but the role is still emerging and naturally ambiguous. Designers often ask us how they can best prepare themselves for a role in VC, or position themselves for such a role. The diversity of backgrounds and experiences of people working as designers in VC today is a testament to the fact that there is no one “right” path.

“I think there are many different ways to do this job effectively. We do it in one way, and even on our team we have different flavors. Some have very different background and approach. The next person who becomes a design partner will have a totally different way of approaching it.”

—Jake Knapp

One cannot overstate the importance of having firsthand, direct experience making products and running organizations:

“You have to make things. There is a class of investors who are operators, and that's the value they bring to the table. The same is true for design. Having lived it is very important.”

—Albert Lee

“You have to have operational experience in your background, and putting every part of the team together.”

—Jeff Veen

Prior experience working with startups certainly helps. Participating in Sequoia’s Design Fellowship program, Khosla Ventures’ Design Internship Program, or KPCB’s Fellows Program can be one way to get valuable experience and build relationships with entrepreneurs and investors. An entrepreneur-in-residence (EIR) role can give designers an opportunity to learn what the world of VC is like and whether one would enjoy working at a VC firm.

Designers should build their own mini portfolio of startups they were casually advising before committing to joining a firm. With the exception of running the entire design organization for companies of the size and scale of Yahoo! and Google, there are not that many environments where one can get experience advising, mentoring, and/or overseeing many different teams at once. Designers need to create that opportunity for themselves. As John Zeratsky advises:

Check in with those companies once a week, and figure out what they need and what it takes to help them. Even though design is so
much more respected and desirable, companies are still bad at understanding how to apply it to their core challenges. Figure out how to do this for startups to get excellent skills and experience that would make you well qualified for the job.

Jake Knapp adds:

If you look at some of the people, like Irene Au, Jeff Veen, John Maeda—there are actually very few people with the caliber of reputation that make them eligible to be design partner. You want entrepreneurs to be excited because they get access to those people. If you don't have that kind of reputation (and heck, I don't!), think out what's appealing about the job and try to replicate that in some way. Maybe it's an opportunity at a big company or agency where you can work with different teams. Maybe it's advising startups on your own. Maybe it's something you invent. Look for the elements of the job, not necessarily the title ‘design partner.’

What other traits are essential for designers working in venture capital in addition to having experience as a designer and operator? Designers need to have a deeper understanding of how design relates at tactical and strategic levels. The engagement with CEOs usually begins at tactical conversations around hiring and seeking feedback on design; it's incumbent on the design partners to move the conversation to where design can offer the greatest value. Designers need to be able to have instant credibility with founders to be able to engage in such conversations, so a successful track record helps.

Emotional intelligence (Figure 1-7) is key to facilitating these conversations and uncovering the deeper issues that might be inhibiting good design work from taking place. Design partners need to be self-aware, with an accurate assessment of their own strengths and limits: when to chime in with an answer or opinion and when to back off and let the team find the answer itself. Inasmuch as great design is an outcome of an entire organization operating in alignment with its mission and values, so too must designers recognize their own mission and values and operate in alignment with that, and adapt easily to changing situations, overcome obstacles, and deal with ambiguity (self-management). Social awareness encompasses the ability to empathize with a founder or organization's situation and take an active interest in their concerns, being aware of the larger organization's issues, politics, and decision networks while recognizing and meeting stakeholder needs. Relationship management skills enable design partners to inspire groups and individuals they work
with; develop talent; influence a range of people without having actual authority over anything; initiate new ideas and lead people in a new direction; and build bonds and maintain relationships.

![Goleman's Emotional Intelligence Model](image)

**Figure 1-7. Goleman's Emotional Intelligence Model (2002)**

Last but not least, curiosity plays a huge role in a designer’s success and happiness in VC. Curiosity provides the fuel for conversations and inquiry with startups, to better identify opportunities, seek feedback, and iterate on critical product and organizational design issues.

**Related reading**


**Design Is More Than Meets the Eye**

The work that design partners do looks a lot less like moving pixels around and making things look pretty, and everything to do with the *inner spirit* of the company: why does the company exist; what is
the best intersection between what its capabilities are, where its interests lie, and the user needs it want to address; what does it value and care about that will drive its principles, priorities, and “don’t do” list.

When there is clarity on these questions, the attention turns to what kind of skills should entrepreneurs bring on board and how do they create an environment in which great design can happen. Design partners teach companies how to manage and lead design teams so that they can scale, be a strategic asset to the company, and help the company execute well. This purview is not just limited to the design team, but all the inner workings of the company: how it is organized, what incentives drive it, what principles and values guide its decisions.

Jason Mayden elaborates on how he approaches these conversations with entrepreneurs.

The conversation with founders always starts with their interest in design and design hires. I always employ the “five Whys” to get to uncover their true need. Why do you want a designer? Why is that the problem you are trying to solve? Why are you trying to add “X” to the organization? By the time we get to the fifth why, most founders understand that their first consumer is the organization and their first product is there culture. It’s refreshing to see them discover their own areas of improvement. Introspection and self-awareness are critical traits in great designers and great founders.

When people think about what “design” means, the first thing that comes to mind is often the aesthetics. Perhaps others consider “design” to refer to not only how a product looks but also how it works. In fact, John Maeda explains it this way:

This word “design” is being reimagined as we speak. It’s not as narrow as it was in the crafty design world, not as narrow as Stanford d.school thinking, not as narrow as pure UX design scale experts in tech. It’s some combination of these three: business, engineering, design people.

Although at the surface it might appear as if design partners do very little design, they are actually employing all the skills good designers exercise—design thinking, facilitation, emotional intelligence—to advise, coach, and work alongside entrepreneurs and their companies. Their collective efforts coalesce toward creating an environment in which great companies, products, and services can be conceived and made.
About the Author

Irene Au is an operating partner at Khosla Ventures, where she works with portfolio companies to make their design great. She has led the UX teams at Google (2006–2012), Yahoo! (1998–2006), and Udacity (2012–2014). She began her career as an interaction designer at Netscape Communications, where she designed the Internet's first commercial web browser.