Forbes: What Entrepreneurs Evaluating Venture Capitalists Can Learn From The Way We Evaluate Baseball Players

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Rob Lalka, executive director of the Freeman School's Albert Lepage Center for Entrepreneurship and Innovation, is featured in a Forbes article about what baseball can teach entrepreneurs about venture capitalists. The author, Mark Newberg (TC '02, L '06), argues that venture capitalists should evaluate their portfolios not on the basis of home runs but rather on “venture slugging percentage,” an average that measures the consistency of fund managers. While the “swing-for-the-fences” mentality has only worked for a small percentage of fund managers, such an approach would support a broader range of investments. Newberg quotes Lalka on the emergence of venture capitalists who work with high-return, scalable companies, even if they all don’t become the next Facebook.

> “Finding an investor who shares your values and goals can make all the difference for an entrepreneur,” says Rob Lalka, Executive Director of the Albert Lepage Center for Entrepreneurship and Innovation at Tulane University’s A.B. Freeman School of Business. “If everyone’s priorities align from the very start, you can also align incentives and decision-making criteria in the short and long-term, which benefits investors and founders alike.”

To read the article in its entirety, visit forbes.com:

https://www.forbes.com/what-entrepreneurs-evaluating-venture-capitalists-can-learn-from-the-way-we-evaluate-baseball-players/