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TRUE VENTURES [A]

"A gap in an early stage market represents True opportunity."

- Jon Callaghan, True Ventures

On a cold afternoon in December 2008, Jon Callaghan, co-founder and General Partner at True Ventures, was in the midst of his holiday blog post¹ when he glanced at the practical IKEA furniture that appointed his office and wondered if the days of opulent investing in the venture industry were a thing of the past. With the nation and the world at large reeling from the worst financial meltdown since the Great Depression² and many venture capital firms suspending investments and bracing themselves for the long road to recovery, the missing holiday festivities outside his downtown Palo Alto office seemed to be a sign of things to come.

Callaghan faced a serious dilemma. It was apparent that the U.S. was headed into a prolonged recession and his first instinct was to preserve the remaining capital in his funds to survive the downturn. The team at True wanted to use the remaining funds to support their existing investments, yet acknowledged that many great companies were started during earlier recessions. Having turned down two good ideas that week from seasoned entrepreneurs, the team was beginning to wonder whether sitting out the recession was a good idea.

Jon Callaghan – A Serial Entrepreneur and Venture Capitalist

"If you ride with the attitude that you are there to conquer, the mountain becomes your enemy, but, if you see it as an ally, problems become part of the natural flow."

or -Phil Chapman³

¹ <http://www.trueventures.com/blog/2008/12/24/happy-holidays-from-all-of-us-at-true/>

² Great Depression of 1930's

³ Excerpt from an article by Joshua Fawcett (see reference)

This case was developed by Sunil Shanker, Neeraj Gupta, Raj Rajamani, Mauro Sousa and Srikrupa Srivatsan with Professor Randy Haykin, at U.C. Berkeley's Haas School of Business. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management. This case was developed along with a "virtual case" of video segments that students will have access to along with the case.

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