Behavioural and Fit Questions (Venture Capital)

Interview preparation summary · VC track

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INT.VB.1.a · Motivation and Fit

Give a specific, evidenced answer to why venture and why this fund in about ninety seconds.

The question why venture, and why us, tests whether your interest is specific, evidenced and honest. A weak answer praises innovation, founders or high returns, which any candidate could say. A strong one has three parts. First, why you want to be a minority investor in young companies, with no control and no leverage, in a business where most investments return little and a few return the fund. Second, evidence that you have already acted on the interest: a market map, scouting, written company notes, early employment at a start-up, or a view you recorded and later tested. Third, a fund-specific reason built from facts you can verify: stage, cheque size, ownership target, sector pattern and whether the fund leads rounds. Common mistakes are reciting the website, claiming to know partners you have not met, defining venture by what you dislike about other jobs, and hiding a gap such as no fund experience. Name the gap and say how you are closing it. About ninety seconds is a sensible target.

WORKED EXAMPLE: BUILDING A NINETY SECOND ANSWER FOR A SEED FUND

Maya Lindqvist, an invented product analyst at a payments scale-up, is asked: why venture, and why Alder Lane Ventures? Alder Lane is an invented seed fund of 50m that keeps 35% in reserve for follow-ons and plans 20 initial investments, usually leading. She has no fund experience. Build a ninety second answer and check one fund fact.

Answer: Why venture: I want to back companies before the numbers exist, accepting that most will not work. Evidence: I wrote 12 company notes and tracked which raised within a year. Why Alder Lane: it leads seed rounds with first cheques of about 1.6m. Gap: I have never invested, and I am closing it by writing a full memo on one live round.

> **Interview tip:** Every claim should have one fact behind it that the interviewer can probe. Say the gap yourself before they find it.

INT.VB.1.b · Motivation and Fit

Tell a strengths, failure and disagreement story with a clear structure, honest ownership and a changed habit.

Fund interviews use three behavioural staples: a strength, a failure and a disagreement. Each is a short story, not a trait. For a strength, name it, show one episode where it changed an outcome, and state its limit. For a failure, pick a real mistake that was yours, with a cost you can describe, then show the decision you would now make differently and the habit you changed. A failure blamed on a colleague, a market or bad luck fails the test. For a disagreement, show that you can hold a view under pressure and still update: state the evidence, say what you proposed, say how it was resolved and whether you were right. Venture adds a point: investors make decisions with thin data and are wrong often, so interviewers look for calm ownership of error, not polish. A common mistake is a disguised strength such as I work too hard. Keep the situation to a few sentences and give most of the time to your action and the learning.

WORKED EXAMPLE: REBUILDING A FAILURE ANSWER AROUND A NUMBER

Jonah Pryce, an invented analyst, entered a student venture competition and sized his team's market at 80m by taking 2% of a 4.0bn sector. A judge later pointed out that the product sold to about 2,500 firms at roughly 6,000 a year. He must tell this as a failure story in two minutes.

Answer: I sized our market at 80m from a top-down share of a 4.0bn sector and never cross-checked it. Bottom-up it was 15m, so I was out by more than five times. The mistake was mine: I took the quick method and skipped the check. Since then I build the bottom-up number first and explain any gap over two times.

> **Interview tip:** Choose a failure whose cause was your own decision, put one number on it, and end on a habit you can show you now follow.

INT.VB.1.c · Motivation and Fit

Describe credibly how you would add value to founders, with specific offers and honest limits.

Every fund says it adds value, so interviewers ask how you personally would. Founders at pre-seed and seed typically value help that is specific, timely and about a problem they have named: introductions to buyers or candidates, preparing the next round, pricing and sales design, or an honest second view on a hard decision. Generic offers such as strategy help or access to a network are discounted. A credible answer names what you have actually done, for example a hire you helped close or a customer you introduced, says how many hours it took, and states its limit: a junior investor cannot fix a product or run a company. Think about sequencing against runway and sales cycle, since help that lands after the cash is gone is useless, and about conflicts, since an introduction should never pressure a portfolio company or leak confidential information. Time is scarce, so allocate it by need and inflection point, not equally across the portfolio. The usual mistakes are overclaiming a network and offering help the founder did not ask for.

WORKED EXAMPLE: TURNING A VAGUE OFFER INTO A TESTABLE ONE

Rahel Osei, an invented associate, is asked: how would you help a founder selling software to logistics firms? Her first answer is: I would use my network. She knows she can name 30 target buyers and that about 20% of them are within one warm introduction of her contacts. Typical conversion from introduction to a first meeting in her experience is one in three. Rebuild the answer.

Answer: I would ask which problem is hardest in the next 90 days. If it is first customers, I can name 30 logistics buyers and reach about 6 of them through warm introductions, which should give around 2 first meetings. I would also review the pricing page and three recorded sales calls, about four hours. I cannot sell for them.

> **Interview tip:** Give a count and a time cost for every offer of help; a number makes it believable and shows you know it is limited.

INT.VB.2.a · Taste, Conviction and Working Style

Show taste and conviction by stating what must be true, how likely you think it is, and what would change your mind.

Taste in venture means recognising early, before evidence is clear, which founders and products will matter, and being able to show that your past judgements were reasoned. Interviewers cannot see your track record, so they test your process. A convincing conviction statement has three parts: what must be true for the company to be a very large outcome, how likely you think each belief is, and what evidence would make you change your mind. Beliefs that all have to hold multiply, so three beliefs at 60%, 50% and 70% give a joint chance near 21%, which is acceptable only if the outcome is large enough. Consensus is not conviction: a view everyone shares is already priced. Equally, conviction is not stubbornness, so show a time you updated. Useful evidence of taste includes a written log of calls with dates and a record of how often your confident predictions came true. The common mistakes are praising a famous company, giving no reason a pass was a pass, and being unable to name a disconfirming fact.

WORKED EXAMPLE: USING A CALIBRATION LOG TO ANSWER HOW DO YOU KNOW YOUR TASTE IS GOOD

Tomasz Reyes, an invented candidate, kept a dated log of 20 predictions about early companies, each marked at 70% confidence, for example that a company would raise a follow-on within 18 months. 12 came true. The interviewer asks how he knows his taste is any good.

Answer: I kept a log of 20 dated predictions at 70% confidence and 12 came true, 60%. That is a small sample and shows I was a little overconfident. Of 10 founder calls 7 came true, against 5 of 10 market calls, so I trust my founder calls more. I now write down the three beliefs behind each call.

> **Interview tip:** Offer evidence of process, admit the limits of the sample, and show the log changed what you do.

INT.VB.2.b · Taste, Conviction and Working Style

Show how you work in a small investment team, including disagreeing with a partner and handling workload.

Venture funds are small, often two to six investment professionals, so interviewers probe how you will behave when every vote and every hour matters. They listen for ownership of the work you are given, a habit of bringing evidence, and a way of disagreeing that keeps the relationship. A good disagreement has a sequence: check your facts, raise the issue privately with the partner first where it concerns their view, state what evidence would change your mind, then voice it in the investment committee if still unresolved and material. After the decision, you support it fully and keep your note of why you disagreed so

the firm can learn. Junior investors are also judged on triage: inbound deal flow of hundreds of companies a month cannot be read in full, so you need written criteria and a fast first pass. Mistakes to avoid are staying silent to be agreeable, going around a partner, taking credit for team work, and treating a no as personal. Say what you would want from partners in return.

WORKED EXAMPLE: HANDLING A NEGATIVE REFERENCE CALL IN A FOUR PARTNER TEAM

Ines Calloway, an invented associate at a four partner seed fund, ran 6 reference calls on a founder the lead partner likes. Five were positive and one described the founder as unwilling to take feedback. The lead partner wants to take the deal to committee on Monday. She also screens 240 inbound decks a month. Plan the behaviour and the workload.

Answer: Five of six references were positive and one was not, so I would raise the one with the lead partner before committee, ask a follow-up of that referee, and put it in committee as one fact if it was still open. If we proceed I support the deal and keep my note. On workload, 240 decks at five minutes is 20 hours a month, so I screen against written criteria.

> **Interview tip:** Show a sequence: facts, private word, committee, then full support. Interviewers want disagreement without damage.

INT.VB.2.c · Taste, Conviction and Working Style

Handle gaps, missed deals and questions about outcomes honestly, separating decision quality from results.

Interviewers push on weak points: no fund experience, a deal you passed on that did well, a deal that lost money, or a contribution you may be overclaiming. They are testing honesty and learning, not trying to catch you out. Separate the decision from the outcome. A pass can be right and still look wrong later, because venture outcomes are skewed and unlikely. The useful question is whether, with what was knowable then, the reasoning was sound, and whether the same reasoning is leading you to pass on too many good companies now. Count your passes: a rule such as founder too young that has been applied five times deserves a test across all of them. For gaps, state the gap, give the nearest evidence, and give a concrete plan. For contribution, use I for what you did and attribute sourcing or relationships to those who held them. Mistakes include defending a pass by attacking the founder in hindsight, claiming a team result as yours, and answering with I was unlucky.

WORKED EXAMPLE: REVIEWING YOUR OWN PASSES

Priya Sandoval, an invented candidate, reviewed 40 early companies she had passed on over two years. Two of them later raised large rounds at valuations about ten times her pass price. In one, her reasoning at the time was sound given the evidence; in the other, she rejected the founder for a reason that she now sees was a bias. Say how she answers: tell me about a deal you missed.

Answer: I reviewed 40 passes. Two later raised large rounds, 5 percent. In one my reasoning was sound on the evidence then. In the other I turned down a founder for a reason I now think was bias, so that is the real miss, 1 in 40. I now record every reason for a pass and review the patterns every six months.

> **Interview tip:** Own the decision, give the base rate in one line, and finish with a rule you changed.

Summary of the Charta interview-preparation topic. Companies and figures in the examples are invented. Draft content, not yet expert reviewed.