



# Ambition Requires Adaptation | Jen Wolf, Managing Partner at Initialized Capital

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*Jen Wolf, managing partner at Initialized Capital, shares her key leadership lessons, expands on the idea that ambition requires adaptation, and highlights the importance of solving conflicts early and often. This interview with The ExCo Group's Adam Bryant. is part of our Art of Leading interview series.*

Q. What's your leadership approach?

A. My background is very nontraditional for venture capital. I started out as a designer and worked at startups. I learned early on that startups are the best teachers because there's a lot of chaos. There are a lot of people who may be doing things for the first time, and you have to move quickly and drive a lot of innovation.

I've translated things I've learned from startups into "operating principles" at our firm. One of the main things I've learned is that ambition requires adaptation. If you want to achieve really big things and change industries, you must have a very agile approach and not be too fixed in how you think about and resolve problems.

That means having conflicts early and often and not being afraid to disagree. It also means deciding

things very quickly and being okay with the outcome. The pace of change and adaptability are happening much more quickly. When people ask me how to get a job in VC, I tell them to work at a start-up.

A second principle we've adopted from startups is transparency. I've always been obsessed with fairness. It's an essential thing that humans care a lot about. Building trust with people is important in the work environment for creating a strong culture, enduring a lot of change, and navigating difficult situations.

Transparency helps reinforce the idea that you're doing things fairly because you share your hiring, promotion, and accountability systems. The more you do that, the more people can buy into the company's culture and principles.

A third principle is the importance of acting long-term. In my work as an early-stage VC, I might invest in a company now, and it will take ten years to know if I made the right decision. That definitely influences how I work and interact with people inside and outside the company. I want to work with people who want to do the right thing long-term. Thinking and acting long-term helps people make better decisions.

Q. You mention your obsession with fairness. Is there a story of how that became so important to you?

A. I've worked in tech for a long time, and I've had many good experiences with teams and companies. But, as a woman, I often discovered that I was paid less than some people I was managing.

Q. What are the couple of X factors that you're looking for in entrepreneurs to decide whether you are going to bet on them and invest in their companies?

A. One is whether they have some unique passion about the market. How well do they understand this market? How much do they care about it? How obsessed are they with the problem they are solving?

We also look for people who like to build things to solve problems because that's a way to quickly understand if what you're doing is usable right away. That usually means they're an engineer, a product person, or a designer. When there's a problem, they're someone who says: "I'm going to try in a very hands-on way to get an answer to that." It's not just theoretical. They have the ability to combine the idea with the hands-on approach to building a product.

We also look for people who are self-aware. We can provide mentoring for our founders in areas where they are doing things for the first time. Mentorship is a two-way street. We can give them advice and thoughts based on past experiences that can help them skip painful roadblocks, but they also have to decide whether to consider those things or implement them.

A lot of the relationship is less about me telling them what the answers are and more about helping them get to the answer. So I want to know, can we have this mentoring relationship where they can work on the areas they're not good at yet and continue to leverage their strengths? We work with founders over a super-long period of time, so if it's a painful working relationship, it's not good for anybody. In the end, it's always their decision, but it's best when we have a two-way relationship.

I find that the best leaders are people who are okay with being wrong. We fund people who have

very strong opinions on things. They need that to be successful. But becoming self-aware is a skill you build and it does require you to look at the times when you're wrong. If you're just looking at all the times you're great, you're missing a lot of important lessons.

Q. You've obviously got a lot of drive and ambition. What were important early influences for you?

A. I've always been kind of a nerdy person. I grew up around the time that computers and the Internet were still pretty new. Early on, the user experiences were horrible, so I became very good at improving them, which allowed me to get many jobs. I could figure out Photoshop and other software programs very easily. They were brand new then.

Another thing I liked about the Internet was that it allowed me to get exposure to a lot of other things—not just knowledge but also culture and art. My parents were strict as first-generation immigrants, and the Internet was a way to get outside the narrow view of how they wanted me to see things. That was a big deal for me.

Q. Did your parents share expressions or stories around the dinner table that stuck with you?

A. My experience was sort of the opposite in that I found their approach to be too constraining in a lot of ways. I was actually the nerdiest student, but they were constantly afraid that I was on drugs. I would say to them, "I'm not on drugs. Could we let up on that so I can go to debate tournaments?" That's the level of nerd we're talking about here. Some of those constraints felt unfair to me, given that I had never broken any rules. I'm sure that influences my feelings about fairness now.

The other thing is that, for my parents, conflict was a one-way street. I never thought that worked well, and we would have the same conversation over and over because it was just never resolved in any fair or real way. So that's a big reason why it's important for me to quickly find resolution to conflicts. One of the biggest reasons startups fail is co-founder conflict. Having hard conversations is uncomfortable, but skipping them can be devastating.

I became very good at resolving things quickly so we could move on. I am very good at having direct conversations with people and trying to do it in an empathetic way. Things need to be resolved and not hang around for a long time and become toxic.

**These lessons from Jen Wolf, managing partner at Initialized Capital, are part of our Art of Leading interview series featuring powerful insights from top leaders.**