

# Golden Rules of Investing

## A Playbook for Outperformance



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In venture capital, the margin between good and great is razor-thin. Outcomes follow a power law — a few extraordinary investments drive the vast majority of returns. The best investors consistently identify these outliers, partner with exceptional founders, and help build enduring companies. The difference lies in discipline, pattern recognition, and value creation beyond capital.

Over the past eight years, I have had the privilege of investing in more than 200 companies and deploying more than \$100 million across multiple funds. As one of the Managing Partners of Alumni Ventures, now managing Alumni communities coast to coast, I've had a front-row seat to what works and what doesn't. These Golden Rules are not theoretical; they are forged from real-world experience, hard lessons, and hard-won successes.

They are designed to guide both our investment team and the broader community of investors who entrust us with their capital. This is how we win — together.

### RULE #1

#### Take Extreme Ownership.

The best investors own everything in their realm — from the deal flow pipeline to portfolio performance. No excuses. No blame-shifting. When a deal falters, we ask: "What could we have done better?" We operate with a military-grade sense of accountability. It's the foundation of our Team culture.

### RULE #2

#### Start with Conviction, Adapt with Data.

Great investors balance instinct with rigor. We start with a strong thesis — an earned insight about a market, founder, or product — but we never let ego blind us. We stress-test assumptions, interrogate the data, and course-correct swiftly. As uncertainty turns into probability, we ask: Can we live with the risk? And is the upside worth it?

### RULE #3

#### Bet on People First.

People build businesses. Numbers tell stories. The data matters, but the founder is the protagonist. We seek leaders with charisma, magnetism, and storytelling prowess. They galvanize talent, inspire investors, and will crawl through glass to win. As Peter Thiel said, "The best startups are led by people with secrets the rest of the world doesn't yet understand."

### RULE #4

#### Value Creation > Capital.

Money is a commodity. Social and intellectual capital are differentiators. The best investors don't just write checks; they unlock doors to customers, strategic partners, and future funding. Our edge is our network — the Alumni Ventures community. Access is our alpha.

### RULE #5

#### Seek Durable Moats.

The best companies create and defend valuable territory. Hamilton Helmer's 7 Powers framework is essential reading. We prioritize businesses with:

- Scale Economies (Walmart)
- Network Effects (Facebook)
- Switching Costs (Adobe)
- Counter-Positioning (Netflix vs. Blockbuster)
- Cornered Resources (De Beers)
- Brand Authority (Apple)
- Process Power (Toyota)

### RULE #6

#### Large Markets, Obsessive Founders.

Venture returns follow a power law. The outliers define fund performance. We hunt for businesses addressing multi-billion-dollar markets, led by founders with the stamina to endure adversity and the vision to scale globally.



### RULE #7

#### Cash Efficiency + Revenue Velocity.

Burning capital is not a strategy. We favor teams that achieve milestones with precision, extracting maximum value per dollar. CAC-to-LTV ratios, margins, and unit economics tell the truth. Strong numbers signal optionality — the power to raise on favorable terms or control their destiny.

### RULE #8

#### No Surprises.

Venture is unpredictable, but great teams mitigate uncertainty with preparation. We expect founders to communicate challenges early. Likewise, our team operates with precision. Deadlines aren't suggestions. If there's a problem, we escalate before it becomes a crisis.

### RULE #9

#### Go Fast, But Don't Hurry.

Speed is a weapon, but reckless haste is lethal. We strive for rapid, high-quality decision-making. "Hasten slowly," as the saying goes. Great investors compress diligence timelines without sacrificing judgment.

### RULE #10

#### Relationships Compound with Time.

Venture is a long game. Great relationships with founders, investors, and co-investors compound over decades. We prioritize reputation over short-term gain. The entrepreneurs we back today will refer the stars of tomorrow. Our investors become our evangelists. Trust is our flywheel.



On my team and across all Alumni Ventures, we redefine **VC** to mean **V**alue **C**reation. We leverage networks, intellectual capital, and asymmetric access to deliver returns that transcend dollars. We are partners in the trenches with founders, not just financiers. We challenge assumptions, open doors, and rally resources to tip the odds toward success.

### What This Means for You

If you are an investor, these principles are the filters through which we view every opportunity. If you entrust us with your capital, you are not merely buying into a portfolio — you are aligning with a

team that obsesses over execution and treats your money as its own.

If you are a founder, know that we invest in you because we believe you can create a generational company. We will challenge you, support you, and celebrate your wins as our own.

These are the Golden Rules. They have guided us to the top. And they will continue to drive us forward — with purpose, but for profit.

Let's build the future together. ■



**David Beazley** is managing Communities from Northwestern, UChicago, UCLA, Michigan, Ohio State, Purdue, Wisconsin, Duke, North Carolina, Georgia, AgTech and the Sports Fund. He has played a leading role in many aspects of the VC investment cycle: structuring transactions as a fundless sponsor, improving operations as a consultant, leading management teams as a CEO, evaluating opportunities as an investor and advisor, and selling companies as a licensed business broker. Previously, he founded Synergy Financial, a private capital and consulting firm for entrepreneurs, PE professionals, and family offices. He started his investment career as a professional advisor managing millions in assets. David has undergraduate and graduate degrees from Northwestern and played for the two-time Big Ten Championship Northwestern Wildcats Football Team. He serves on the NUvention and Kellogg Entrepreneurial Center Advisory Boards.

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**CONTACT US**

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