



# Finance Secrets of Billion-Dollar Entrepreneurs

Venture Finance Without Venture Capital

by Dileep Rao



Non-Fiction - Business/Finance

258 Pages

Reviewed on 01/10/2021

## Book Review



**Reviewed by Randy B. Lichtman for Readers' Favorite**

For anyone looking to start a business, improve their current business, or scale their business, *Finance Secrets of Billion Dollar Entrepreneurs: Venture Finance without Venture Capital* by Dileep Rao, Ph.D. is an excellent book that brings together academic research and use of principles by successful entrepreneurs into a practical framework for business finance. Based on interviews with 30 billion- and hundred-million-dollar entrepreneurs, Dr. Rao found the majority of those he interviewed were successful and retained control of their companies by avoiding or delaying venture capital (VC) in financing their ventures. In addition, he conducted research on 80 additional billion-dollar entrepreneurs. He found that 90% of those entrepreneurs finance their ventures without VC, and 80% never use VC at all. He encapsulates lessons learned from his research in this book, which provides strategies for business owners to become “finance smart.”

*Finance Secrets of Billion Dollar Entrepreneurs* is an excellent mix of theory and application as each of the principles Dr. Rao introduces has been utilized by the entrepreneurs contained in his research. The entrepreneurs featured in his study include the founders of Best Buy (Richard Schulze), Capella Education Company (Steve Shank), Medtronic (Earl Bakken), Great Clips (Ray Barton), Fastenal (Robert Kierlin), United HealthGroup (Richard Burke), and many others who have proven that sound financial management principles, when carefully chosen, can bring great success to a business. Since a start-up possesses little history on which to base projections, Dr. Rao provides valuable information on how to choose the correct method of financing based on the stage of development, as well as alternative financial instruments other than venture capital. It also offers lessons on developing the right capital structure for the business, as well as the importance of preserving and utilizing cash flow to survive and thrive. Dr. Rao's experience as a serial entrepreneur, an investor, and a Clinical Professor of Entrepreneurship, support the sound principles presented. This book provides valuable information on financial strategies for entrepreneurs, supported by extensive primary and secondary research, and conveyed in an effective and compelling manner. Highly recommended.



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## Author Biography

 I managed five turnaround businesses and succeeded on four. We also financed more than 400 businesses and projects using venture capital, equity, debt, development financing, and investment banking. After retiring from financing, I became a consultant to the U.S. Department of Health & Human Services to help turnaround failing businesses in low-income areas. This is when I saw the need for skills before capital. So I became a professor of entrepreneurship and started to interview unicorn-entrepreneurs to find their secrets. Then I analyzed more unicorn entrepreneurs. In all, I have financed, interviewed, or analyzed more than 120 unicorn entrepreneurs. My last two books discuss their innovation and business strategies (Nothing Ventured, Everything Gained) and their financing and launch strategies (Finance Secrets). They show entrepreneurs how America's best entrepreneurs took off without venture capital.