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ESSAY

The non-death of Adam Neumann: Alt-exiting, serial-founding, and failing up in Silicon Valley venture capital

Tim White^{1,2} 

¹London School of Economics and Political Science, London, UK and ²King's College London, London, UK

Email: t.white2@lse.ac.uk

Abstract

Adam Neumann surely ranks among the most disgraced corporate leaders of our time. The former WeWork founder and CEO, who was ousted from the company in 2019, became emblematic of the corporate excesses and hollow boosterism of post-dotcom Silicon Valley. In the public imagination his name is synonymous with failure and fraud. But to the outrage of many he is back on the scene, securing unprecedented backing from venture capital titan Andreessen Horowitz for his new real estate venture Flow. This essay unpacks the non-death of Adam Neumann, interrogating why someone seemingly so untouchable is being funded at the highest level by one of Silicon Valley's most infamous VCs. I argue that, through his atypical 'exiting' of WeWork, whereby he extracted billions from the company without initial public offering or acquisition, Neumann attained a level of wealth and power that made him ripe for reinvestment. The case challenges the liberal 'fake-it-till-you-make-it' myth of Silicon Valley meritocracy. US tech today increasingly takes the form of billionaire VCs funding already-powerful, deceptive and ruthless repeat founders. It is this increasingly consolidated and cynical system that enables Adam Neumann to 'fail up'; rewarded rather than punished for his extreme misdemeanors.

Keywords: founder; real estate; Silicon Valley; US finance; venture capital

Introduction

Adam Neumann surely ranks among the most disgraced corporate leaders of our time. In the public imaginary his name is synonymous with, at best, failure and, at worst, straight-up scam-artistry. Neumann co-founded WeWork in 2010, overseeing the company's dizzying rise to a valuation of \$47 billion USD in 2019 – the most valuable US start-up at the time (Nguyen, 2022). The ascendancy of WeWork was a product of the post-dotcom era, low interest rate-induced, feverish capital flood into start-ups, as investors desperately fumbled to cash in on the next Facebook. It was not just venture capitalists like Benchmark, and to a far greater tune SoftBank's Vision Fund, that jumped on board; Wall Street stalwarts like Goldman Sachs and JP Morgan also joined the party (Platt et al., 2019).

A charismatic and messianic figure, Neumann promised that WeWork would not only provide flexible office space across the globe, but foster social transformation – it would 'elevate the world's consciousness' (Edgecliffe-Johnson, 2022). He positioned WeWork as a global technology giant equivalent to Google or Amazon. But upon attempting an initial

public offering (IPO) in 2019, WeWork's now extensively mythologized financial troubles and questionable business dealings came to light. The firm was hemorrhaging money – making losses of \$219,000 every hour it operated, \$1.3bn in the third quarter of 2019 alone – pushing rapid growth at the cost of all else (Perry, 2022). Neumann became such a liability that he was ousted from WeWork amid the botched IPO attempt. The firm subsequently saw its valuation tank to \$9bn and eventually filed for bankruptcy in 2023 (Helmores, 2021).

Neumann became a caricature of the corporate excesses and hollow boosterism of Silicon Valley. His dodgy dealings whilst at the helm of WeWork were innumerate. Neumann trademarked the 'We' brand and sold it back to his own company for \$6m (Edgecliffe-Johnson, 2022). He purchased stakes in properties that WeWork was leasing (Bastone, 2019). He smoked weed on private jets, threw extravagant parties, and flashed his wealth with multiple trophy homes whilst a toxic, misogynistic corporate culture developed (Nguyen, 2022). As part of the fallout, some 8,000 employees lost their jobs and found their stock options – sold as a major perk and trade-off for their low wages – worth next to nothing (Morrow, 2020). Meanwhile, as I will detail below, Neumann was handed vast payouts.

An irresistible story, Neumann and the rise and fall of WeWork has become the subject of countless books, films, and – perhaps most notably – the blockbuster Apple TV Series 'WeCrashed' starring Jared Leto and Anne Hathaway. Some of these accounts characterize Adam Neumann as a happy-go-lucky hustler that tried to make it big but failed. Others frame him as a straight-up scam artist and fraudster – conning investors out of vast fortunes to enrich himself at the expense of everyone else. Neumann is regularly compared to Elizabeth Holmes, the now-jailed founder of blood testing start-up Theranos (Perry, 2022).

Wherever the account sits on the spectrum from failure to fraud, one thing seems apparent: Neumann is, surely, untouchable. He cannot be taken seriously in the business world. He will, one would assume, take his WeWork riches and keep quiet in his guitar-shaped California estate. It was therefore a surprise to many when in August 2022, Adam Neumann was suddenly all over the news again. He was launching a new real estate venture called Flow. The start-up was being backed by the Silicon Valley venture capital giant Andreessen Horowitz (a16z) to the tune of \$350 million, the firm's largest single investment to date – immediately propelling it to a \$1 billion valuation (Velsey, 2025). As if by magic, Adam Neumann was presiding over another unicorn.

The return of Adam Neumann sent the business media into a frenzy of collective indignation. Why on earth is a16z backing someone so widely derided, with another real estate venture that looks, by all appearances, incredibly similar to WeWork? In this essay I unpack the non-death of Adam Neumann. I argue that, through his atypical 'exiting' of WeWork, whereby he extracted billions from the company without an IPO or acquisition, Neumann secured a level of wealth and power that made him ripe for reinvestment. In particular, he funneled this capital into a real estate empire that would directly underpin his next venture. The case demonstrates how, at the increasingly consolidated US tech-finance nexus, failure is irrelevant, and ruthless, deceptive repeat founders are rewarded. This system allows someone as seemingly untouchable as Adam Neumann to 'fail up'; rewarded rather than punished for his extreme misdemeanors.

The WeWork riches

Before examining Adam Neumann's new venture, it is important to return to what happened at WeWork: the capital he amassed and funneled during his reign of the company and amid the protracted process of dethroning him. Important context for this was the outsized shareholder voting rights held by Neumann via WeWork's dual-class share structure. Neumann's 'super-voting' rights gave him 10 times the voting power of ordinary shareholders and 65% of votes on any company matter (Molla, 2019). This meant

he could engage in major transactions at the highest level with hardly any board involvement and was very expensive to get rid of (they had to pay a lot to remove his voting rights). This was emblematic of a broader trend in the founder control of US tech corporations in the unicorn era of 2014–2022, where VCs thirsty for a mammoth exit granted founders unprecedented power to win the best deals (Kampmann, 2025).

Leveraging his founder control, Neumann relentlessly enriched himself and pursued personal business interests whilst at the helm of WeWork. He cashed out \$700 million of his own shares when WeWork's valuation was soaring, and used his shares as leverage to secure loans (Edgecliffe-Johnson, 2022). Most notably, JP Morgan, along with UBS and Credit Suisse, facilitated a \$500 million personal line of credit secured by Neumann's WeWork shares (Tan and Basak, 2019). Neumann famously trademarked 'We' and sold it to WeWork for \$6m (he later repaid this) (Molla, 2019). He used WeWork as a vehicle to invest in a series of companies that aligned with his personal interests, such as an artificial wave pool start-up and superfood venture (Leskin, 2019). Neumann also directly made numerous (angel) investments while acting as WeWork CEO, including in a Pinterest knock-off, a co-working/hotel provider, a British energy start-up and an Israeli medical marijuana company (Leskin, 2019). In 2019, when WeWork's valuation was at its peak and Neumann's own wealth – on paper – hit \$13bn, he set up his family office 166 2nd Financial Services (Edgecliffe-Johnson, 2022). By 2022 this would be staffed with 50 people in New York and Miami, and would have invested in some 50 start-ups, from a mortgage provider to a company applying artificial intelligence to in vitro fertilization (Edgecliffe-Johnson, 2022). So Neumann leveraged WeWork as a vehicle to become a prominent venture capitalist in his own right, funneling his personal and corporate wealth into a plethora of companies.

Whilst WeWork CEO, Neumann also channeled his capital into real estate. The Neumanns spent over \$80 million on at least five homes (Nguyen, 2022). More importantly, Neumann purchased stakes in buildings that WeWork was leasing or planning to lease. This included a 50% stake in an 11-story New York City building, and Neumann being the main investor in a real estate firm leasing properties in San Jose to WeWork (Bastone, 2019). The Wall Street Journal uncovered that between 2016 and 2017, WeWork had paid \$12 million in rent on buildings partially owned by Neumann (Brown, 2019). We see here how, from the start, Neumann was leveraging his tech capital to attain real asset wealth. From the earliest days of WeWork, he was already 'exiting'.

It was, however, when Neumann was dethroned that he extracted, and subsequently funneled, the most eye-watering sums. Given his founder control, when Neumann became such a PR problem that he was eventually ousted from WeWork, the process of disentangling him from the firm would prove complex and costly. In total, Neumann received \$1.7 billion USD from the fallout (Pham, 2019). This included SoftBank buying out most of his shares for \$578 million, a non-compete agreement of \$185 million, a settlement payment of \$106 million, consulting fees totaling \$92.5 million, and a \$500 million credit line to repay loans (Helmores, 2021). As corporate governance scholar Charles Elson commented at the time, 'The captain rammed the ship into a bridge and then was given the value of the ship to leave' (Helmores, 2021). At this point, whilst the papers continue to focus on the story of failure, Adam Neumann has leveraged his power over WeWork to become a billionaire and venture capitalist. This strategic rechanneling of his WeWork riches – and proven track record of ruthless self-enrichment – would, ultimately, make him ripe for reinvestment.

Neumann's return as mega-landlord

Shortly after the WeWork fiasco, COVID-19 strikes and the office market plummets across the globe, further ransacking the firm's already-battered balance sheet. But free from this

sinking ship and immensely wealthy, Neumann set his sights on the next cycle. When interest rates were slashed in 2020/21, Neumann took the opportunity to scoop up residential real estate en masse. This time, he or entities tied to him acquired majority stakes in 4,000 apartments across the US sunbelt – in cities including Miami, Fort Lauderdale, Atlanta, Nashville and Tennessee (Putzier and Brown, 2022). According to a 2022 Wall Street Journal investigation, these stakes were collectively worth \$1bn (Putzier and Brown, 2022). As Neumann later reflected, he seized a unique opportunity to take advantage of cheap debt and the promise of an inevitable market bounce-back:

... it was COVID, cap rates for those who remember ... interest rates were literally at zero ... for those who understand real estate when cap rates are compressed, the value of the real estate goes up. (a16z, 2025)

Leveraging a variety of financial vehicles, Neumann targeted discounted, mid-to-high-end multifamily real estate. Acquisitions included the 22-storey Buckhead tower in Atlanta, purchased by Neumann's family office in 2021 for \$205m (using a \$150M loan from global asset manager Barings), Stacks on Main, a 268-unit apartment building in East Nashville for \$79 million (purchased in 2021 via Nazare Capital Management, an affiliate led by Neumann); and a 639-unit apartment complex in Fort Lauderdale (Farr and Cavanaugh, 2024). In 2022, a partner at Neumann's family office reported:

Since the spring of 2020, we have been excited about multifamily apartment living in vibrant cities where a new generation of young people increasingly are choosing to live, the kind of cities that are redefining the future of living. (Putzier and Brown, 2022)

In all, by 2022 the ever-opportunistic Adam Neumann has funneled his WeWork riches to become something of a real estate mogul; as well as cementing his role as venture capitalist with an expanding portfolio of start-up investments. He continues to be mocked in the media, but he has already strategically deployed his alt-exit gains and moved on to the next thing.

Enter Flow

Between 2020 and 2022, the Neumanns fade away from the public eye a little. There are occasional scoops about property acquisitions and start-up investments. There are some murmurs about future business plans. However, the general assumption seems to be that Neumann has largely put his days in the sun behind him and is now hiding out in his guitar-shaped California estate, quietly building a real estate empire. But in August 2022, the announcement comes: Adam Neumann has launched a new real estate start-up called Flow. And it is being backed by the Silicon Valley venture capital giant Andreessen Horowitz to the tune of \$350 million USD – at that point the largest single investment the firm had made – immediately propelling Flow to unicorn status (Velsey, 2025). The business media frothed. Reflecting a broader sentiment, angel investor Jason Calacanis scorned 'If a start-up is worth \$1b before it launches a product it's probably a scam' (Velsey, 2025). Female tech professionals quickly pointed to the deal as emblematic of the gendered injustices of Silicon Valley, with House of Wise founder Amanda Goetz commenting 'Me: can't raise capital for proven supplement company with over \$1m in sales. Adam Neumann: sneezes a new idea and gets \$350m from a16z. I hate it here.' (Lagorio-Chafkin, 2025). Then in April 2025 Flow raised an additional \$100m from a16z and undisclosed investors. This Series B increased a16z's equity stake to 25% at a valuation of

\$2.5bn (Berger, 2025). Soon after this second raise, Neumann told Bloomberg a future IPO was on the cards (Basak, 2025). How can we make sense of this?

Betting on the jockey?

Flow's product remains vague to say the least, centering around some claims about community, wellbeing, tech and merchandise sporting the phrase 'holy shit I'm alive'. The argument goes that residential real estate – a vast yet archaic asset class – is ripe for 'disruption' (a16z, 2023). There is, they suggest, an opportunity to build the world-leading customer brand for housing – an endeavour attempted by many, largely failed, start-ups emerging in the 2010s (White, 2026). a16z may indeed believe, to a degree, that by pumping vast amounts of capital into producing a digital interface and a suite of replicable property management and fintech products to sell to property owners globally, they could get a decent exit – perhaps to a large corporate like Airbnb or Blackstone. Flow is by no means a16z's first foray into 'proptech': they have invested in variety of real estate platforms, particularly for buying and selling homes, including Opendoor and Divvy. Flow's most tangible business promise so far is the possibility of extracting higher margins from residential assets. As Neumann boasted in an interview with a16z, by inserting 'our furniture... our tech... our team... our uniforms, our smell, our music, our art, everything that we do...', Flow is supposedly able to generate a 30% uplift on rental income (a16z, 2025). But Flow hasn't yet launched any large-scale public-facing platform or app. Whilst it is pitched as 'software eats housing', in reality – like WeWork – it appears to be a property operator with a speculative tech upside.

Amid the confusion about what Flow is or will be, a16z's central argument is that this is not so much about a particular product, but Neumann himself. It is more a bet on the jockey than the horse (Kaplan et al., 2009; Esen et al., 2023). Marc Andreessen and Ben Horowitz have done numerous events, podcasts and 'fireside chats' with Neumann; hours of in-depth PR to promote the new venture – including on-stage at the American Dynamism Summit and the Saudi-backed FII Summit. From these publicity stunts a clear 'rising from the ashes' narrative emerges. The prevailing story is that, after being ousted from WeWork, Adam Neumann was having an extensive period of self-reflection. He was lonely and down in the dumps. Then, out of the blue, Marc Andreessen calls him. As detailed by Neumann on the a16z Podcast:

Marc says to me Adam we don't know each other but let me tell you something about venture capital and high growth companies [...] it's hand-to-hand combat. [...] And I just want you to know that it's part of the game to get punched, and the question is not are you gonna get back in the game, the question is when. And just so you know you have a friend here that you've never met before. We've been tracking you and if you ever decide to do anything then call us. (a16z, 2023)

As the conversation continues, Marc Andreessen talks up the merits of investing in serial entrepreneurs with a history of failure:

The best forecast of being able to overcome a profound challenge in the future, which every entrepreneur deals with, is to overcome profound challenges in the past. And many of the great founders in history have had significant blowups at various points along the way. (a16z, 2023)

We see here the ideal of the tireless serial founder, fighting through adversity to realize their world-changing ideas. Explicit in these narratives is a glorification of failure: the idea

that (a) it is only by failing that you know how to win, and (b) the lines between a catastrophic failure and a huge win are very thin. As I will return to later, such a cheerful and flippant framing of failure obscures what can be more accurately described as fraud and deception.

There is, of course, considerable precedent for backing estranged founders in their subsequent ventures. That ‘chips on shoulders put chips in pockets’ is a common Silicon Valley truism. Andreessen refers to IBM’s previously convicted founder: ‘The guy who founded IBM, he founded IBM in his 40s. In his 30s he was convicted by the federal government of antitrust . . .’ (a16z, 2025). Analysts frequently implore the power of Neumann’s thirst for redemption, motivating him to prove himself and go even bigger next time. As Jason Lemkin of SaaStr Fund reflects on a16z’s investment in Flow:

Here’s the thing in venture capital. This type of hyper-driven founder that had a ‘pretty good outcome’ but has a chip on their shoulder . . . often builds something even bigger and better next time. They try to go really, really, really big the next time. And that’s where VCs make the real money. (Quora, 2022)

Real world examples of this include Parker Conrad, who was fired from his previous company Zenefits, accused of fraud and failure; he then started Rippling which wound up a far larger company (Loizos, 2021). Another commonly invoked narrative is the success of Neumann as a salesman and the face of a brand. As Andreessen argues:

. . . there’s only two people in the world who have ever successfully branded and differentiated commercial real estate and one of them is currently president of the United States. The other is Adam Neumann. (a16z, 2025)

Marc Andreessen’s post announcing the original investment similarly invokes Neumann’s ability to ‘revolutionize’ whole sectors:

We love seeing repeat founders build on past successes by growing from lessons learned . . . Adam is a visionary leader who revolutionized commercial real estate with WeWork, and he’s now bringing that same energy to residential housing. (Andreessen, 2022)

In all, the recurring argument is that a16z is not so much investing in Flow, but Adam Neumann. And far from disqualifiers, Neumann’s WeWork misdemeanors are hard-won lessons that make him exceptionally well-placed to go at it again. But can a16z’s investment be explained purely by Adam Neumann’s messianic appeal, salesmanship and redemptive thirst?

Betting on the horse?

It is possible to see Flow as a safe real estate play dressed up as a start-up. What is significant, and significantly different, about Flow compared to WeWork is the ownership of the underlying physical assets. Neumann’s assets. A key premise of the venture is Neumann bringing most of the 4,000 apartments he acquired between 2020 and 2022 under the ownership of Flow. Crucially, a Wall Street Journal investigation found that as part of the initial \$350 million investment, Andreessen Horowitz directly acquired stakes in these properties (Putzier, 2022). It is perfectly feasible that, with their 25% equity stake in the start-up, this would be to the value of the \$350 million investment. Flow’s portfolio supposedly consists of stakes in some 3,000 apartments across the sunbelt, and around 1,000 completed or soon to open in Saudi Arabia (Wigglesworth and Scaggs, 2022). Most of

the former were acquired by Neumann before Flow was launched. There is, for example, ‘Flow House’, a 40-storey apartment block in South Florida; and nearby that 44-storey ‘Flow Miami’. Other dealings include Flow purchasing a 30% stake in Canada Global, an Israeli publicly listed real estate investment firm (Velsey, 2025). Through this, Flow raised funds towards the development of a former trailer park in Miami – an 16-acre site acquired for \$71.5 million (Velsey, 2025). As the Wall Street Journal investigation reflected, ‘Andreessen Horowitz’s investment... also turns one of Silicon Valley’s best-known venture-capital firms into a de facto apartment-building landlord’ (Putzier, 2022). Read this way, Neumann’s property portfolio provides collateral for the Flow investment: if they can hype it as a start-up, they might get a good exit. If not, they will probably get their money back and then some from the real estate.

The idea of a VC hedging against a start-up bet with a deal involving real assets is somewhat unique. Real estate is a low-multiples, high-capex business that is, by all appearances, structurally mismatched to a16z’s return profile. Is this a sign that a16z is diversifying? For a firm that normally focuses on the likes of crypto and AI, this venture gives them exposure to cold hard real-world physical assets. And sitting as they are on a vast pile of capital that needs to be quickly deployed, Flow presents an opportunity to deploy a large chunk of this in one. a16z’s fund-level strategy remains open to speculation. But what we do know is that Neumann’s existing asset wealth, attained through his atypical exiting of WeWork, plays a critical role in a16z’s mammoth investment. Far from being an untouchable failure, Neumann’s ill-gotten gains make Flow an easy place to sink \$350 million.

The Saudi connection

It is well-established that US Tech is increasingly courting Middle Eastern oil money (Silverman, 2025), and Flow is no exception. In 2023, Adam Neumann, Marc Andreessen and Ben Horowitz appeared on stage at the Saudi-backed FII Priority summit, heaping praise upon Saudi Arabia’s Vision 2030 and Crown Prince Mohammed bin Salman. ‘Saudi has a founder’, Horowitz proclaimed, ‘You don’t call him a founder. You call him His Royal Highness’ (Lane, 2025). Neumann also headlined the Saudi sovereign wealth fund’s annual ‘Davos in the Desert’ summit in 2023 (the same event he quietly no-showed in 2018 following the murder of journalist Jamal Khashoggi). Soon after this, it was announced that Flow was expanding into Saudi Arabia.

Materially, Flow has thus far launched a 1.1 billion Saudi riyal (\$293 million) real estate fund in collaboration with US and Saudi investors (Lane, 2025). This was raised to develop three large apartment complexes in Riyadh, which will contain towards 1,000 units upon completion (Dadouch, 2024). But the move likely forms part of a broader strategy to strengthen ties with Saudi Arabia. MENA business journalist Jamie Lane deems Flow a ‘geopolitical pivot’ – arguing this is about a16z and Neumann drawing in Saudi money for a variety of ventures (Lane, 2025). An a16z Podcast promoting Flow champions the unshackled business opportunities in the region. As Neumann gushes:

Saudi is phenomenal for those of you who haven’t had a chance to go. What I get excited about Saudi: the optimism, the vision. Ben I think might have coined the term a ‘founder-led’ country. (a16z, 2025)

This is, of course, not the first dealing either party has had with Saudi Arabia. The Saudi PIF is already a key backer of a16z and has recently been in talks with the firm to create a \$40 billion AI mega-fund (Turak, 2024). \$16 billion in equity and debt was pumped into WeWork from SoftBank’s Vision Fund, largely with money from the Middle Eastern Kingdom’s sovereign wealth fund (Nishant and Sen, 2023).

Flow may be leveraged as an opportunity to enter the booming Saudi real estate market – tapping into the region’s deep pockets and free market urban development opportunities. As Neumann reflected on stage at a property summit in Riyadh: ‘As far as I’m concerned, Saudi Arabia is THE best place in the world to do real estate.’ (Dadouch, 2024). There are various ongoing socially and environmentally disastrous mega-projects across the region, which a16z already play a small part in. For example, Marc Andreessen sits on the advisory board of NEOM, the controversial Saudi ‘gigacity’ (along with Sam Altman, Travis Kalanick and Masayoshi Son). At promotional events, Neumann and a16z talk excitedly about the possibility of building whole cities ‘from scratch’; Saudi perhaps presents such an opportunity better than anywhere else. As Neumann reflects:

... reimagining a city is a big undertaking. And actually one of the only places is Saudi Arabia ... they’re actually going for it ... and it’s very innovative and it’s very impressive ... they are actually trying to build new cities. (Dadouch, 2024)

In this vein, tech critic Shanley Kane has alleged that Flow is a mechanism for realizing the so-called Network State – creating new, anarcho-capitalist jurisdictions outside of existing governance regimes, where Silicon Valley elites are free to experiment (Kane, 2025). In this reading, real estate is leveraged as a strategy for territorial control and the establishment of techno-libertarian strongholds (see also Smith and Burrows, 2021; Jutel, 2025). At the very least, it is likely that a16z are using Neumann and Flow as a vehicle to become players in the Kingdom’s real estate market, whilst also strengthening their political ties with this significant cash source. For Saudi Arabia, this can be sold as helping to build a competitive technology industry; for a16z and Neumann it may help them tap a vast pool of capital, including for the former’s cash-hungry AI and crypto ventures.

This open embrace of Saudi money reflects Silicon Valley’s broader shift to the right. Whilst WeWork’s corporate image was one of an Obama-era liberal cosmopolitanism and tolerance to difference, Neumann now openly cozies up with prominent Trump donors and Gulf despots. Indeed, in ventures like Flow we see Silicon Valley and Gulf elites unified in their naked disdain for democratic governance and accountability (Slobodian, 2023; Silverman, 2025). Embracing serial founders with a history of deception and borderline fraud no doubt forms part of this picture.

Discussion

What does the non-death of Adam Neumann tell us about the state of US venture capital today? Firstly, the case prompts us to rethink the ‘exit’ of a VC-backed company. In the critical social science literature on VC (e.g., Cooman, 2024; Howard, 2024), the exit is understood as a distinct and momentous occasion: the IPO or acquisition. The prevailing image is Mark Zuckerberg taking Facebook public and becoming a multi-billionaire overnight. The goal of a formal exit event is framed as the definitive structuring logic of venture capital. Howard (2024: 101), for example, argues that ‘The effect of the VC process is to contract both time and space into an exit event that binds past and future expectations into legal contracts’. Howard continues:

Once contracted to the VC process, an entrepreneur has no escape aside from the inevitable exit event (including wind-down or bankruptcy), and the imperatives for that event need to coincide in no way with the imperatives of a start-up’s social or business goals.

Howard emphasizes the ‘singularity’ of the ‘exit event’, suggesting this results in something of a tunnel vision pulling VCs and founders in a specific direction. Yet the story

of Adam Neumann contests this notion of singularity. We see how, as soon as he could, Neumann started exiting WeWork and consolidating his wealth, including cashing out shares, securing loans (from major banking institutions) against his equity in the company, and funneling this capital into a variety of (particularly real estate) assets. He then leveraged his control over WeWork to demand huge payouts to leave, and once again funneled this capital into a plethora of assets. In so doing, he was able to secure his wealth and power, becoming a billionaire, a venture capitalist and a real estate mogul outside the parameters of the conventional exit route. Despite Neumann's seemingly terminal public disgrace, this wealth and power then made him highly re-investible for Andreessen Horowitz. This could not be more material: Neumann channeled his alt-exit gains into assets that would directly underpin his new venture, Flow, and a16z's equity stake therein.

Neumann is not alone in this atypical exit behavior. Before the company's IPO in 2019, the founders of Peloton sold over 2.3 million shares, cashing out \$39.2 million (Carson, 2019). The founders of Wise sold \$319 million in secondary shares in 2020 (Browne, 2020). Indeed, in recent years it has become increasingly common for founders and early investors to sell equity early. This is evident in the billions in secondary transactions in Q1/2 of 2025 among companies including SpaceX, ByteDance, xAI and Databricks (Retterath and Jaggi, 2025). Alt-exiting matters because it is part of how power is formed and reproduced at the highest level of the US tech-finance nexus today. In the post-dotcom era this has not only involved VCs 'imprinting' their logics upon investee firms (Cooiman, 2024). A feverish, founder-friendly system (Kampmann, 2025) has enabled Neumann and other tech founders to amass immense personal wealth and become autonomous powerhouses, building large portfolios of companies and assets, experimenting with new ventures and attracting further capital, regardless of whether they have successfully 'exited'.

Secondly, and inseparably, the case of Adam Neumann epitomizes the tendency for venture capitalists to favor already-powerful serial-founders. According to recent PitchBook analysis, repeat entrepreneurs far outpace first-timers in every metric, from valuation to deal size, and across all investment stages – whether or not their prior start-ups have had a successful 'exit' (Robbins, 2025). Industry analysis puts this down experience: the yearning for a reliable and seasoned leader who has been in the trenches and learnt from mistakes. No doubt, such a history proves founders' 'fitness as high-risk actors in a repeat-play game' (Howard, 2025: 11). Serial founders often themselves bring wealth, powerful connections, and other financial sources they can tap. For a16z, Neumann's resume fits the bill perfectly. He is deeply connected in the worlds of finance, tech and real estate. He has a proven track record, once overseeing the most valuable US start-up. And of course, he brings a large real estate portfolio to the table.

But Neumann and the 'failing up' of other disgraced tech leaders tells us something darker about the types of founders favored by today's largest venture capitalists. VCs are betting on the founder's ability to scale a business at any cost, including ethical and moral. They seek calculated, opportunistic, cutthroat individuals capable of lying on a regular basis and breaking the law with the highest likelihood of making them outsized capital gains. Neumann has demonstrated that he embodies these traits: he is a compelling and relentless salesman who will stop at nothing. His sharkish, atypical exit behavior – ruthless self-enrichment whilst expanding WeWork – holds the promise of future relentless self-enrichment via Flow. His willingness to court Gulf despots for cash further fits this profile.

Many other capitalist entrepreneurs have been rewarded handsomely for their ruthless and questionable business practices, and their ethical and financial failures. Former Uber CEO Travis Kalanick, for example, is infamous for his at-any-cost, aggressive leadership – flagrantly breaking laws, exploiting drivers and staff, and spearheading a misogynistic corporate culture. But after numerous scandals and lawsuits led to his resignation, Kalanick moved seamlessly on to found CloudKitchens – raising \$400 million from Saudi

Arabia's sovereign wealth fund in 2018 (Jones and Winkler, 2019). It is worth recalling that Kalanick's first major venture Scour, a peer-to-peer file-sharing company, also went bankrupt after facing a \$250 billion copyright lawsuit (Kosoff, 2015). Manish Lachwani, founder of the app-testing start-up HeadSpin, continued to raise funds from Alphabet's VC arm despite evidence that he had overstated revenue fourfold – altering invoices and lying about deals with major companies (Griffith, 2024). This is a pattern that has played out time and time again for decades among the Silicon Valley elite. Sean Parker, the first president of Facebook and co-founder of Founders Fund, had previously founded the music sharing platform Napster, which was shut down in 2001 due to a multitude of high-profile copyright lawsuits (Kirkpatrick, 2010).

The point is, this seemingly outlandish, corrupt and unscrupulous behavior is absolutely rewarded at the highest level in US tech today. Fraud and deception are structural and systemic – the result of a system that incentivizes hubris, law-breaking and reckless exploitation. These are not 'bad apples'; and they embody some of the largest deals underpinning the success of the biggest VCs. Saudi money plays an increasingly central role in this amoral system (Silverman, 2025).

The tendency for venture capitalists to fund already-powerful repeat-founders speaks to the broader concentration of power and control at the US tech-finance nexus, as evidenced in David Kampmann's analysis of VC as a hyper-consolidated 'winner-takes-all' game (Kampmann, 2025). Whilst the image of plucky outsiders prevails in popular understandings of Silicon Valley, the reality is immensely wealthy men profiting from each other's socially harmful ventures. This is evident in many high-profile examples today, particularly in the context of the AI race. Sam Altman, Open AI's founder, is another young serial entrepreneur who oversaw various business failures before, having made a fortune at Y-Combinator, securing billions from the likes of Peter Thiel and Elon Musk. Similarly, VCs including Sequoia and Lightspeed Venture Partners funneled large sums into Musk's xAI (Hammond, 2024). As part of this, we see a general blurring of boundaries between serial (billionaire or multimillionaire) founders and (billionaire) venture capitalists (Kampmann, 2025). A small, insulated network of investors and founders wield ever more control over capital allocation, reputation, and future opportunities – funding vain and cynical ventures like Flow. This insider circle is resolutely male-dominated, and Neumann's 'failing up' speaks to the highly gendered distribution of winners and losers in the start-up financing system. In 2024, companies founded by women took in just 2.3 percent of total VC investments (Founders Forum Group, 2025).

Finally, the non-death of Adam Neumann speaks to the centrality of failure in US tech, both ideologically and materially. a16z, Neumann and other powerful VCs and founders strategically deploy the narrative of failure, emphasizing lessons learnt and resilience and playing down incompetence and fraud. This cheery notion of failure makes it seem like building a successful start-up is something that any go-getter, grifter and risk-taker can do. But who actually gets to 'fail up'? A small subset of men in Silicon Valley, who can summon vast fortunes from across the globe. In this system, Adam Neumann can drive a company to bankruptcy, failing to get an exit and inflicting misery upon thousands of staff members – and yet still be rewarded at the highest level. The notion of failure implies consequences. But for powerful venture capitalists, it is a game they win either way. VCs like a16z are agnostic about individual failure – they triumph from the few companies that deliver outsized returns. More to the point, elite venture capitalists and founders are insulated from the consequences and risks of failure by the institutional infrastructure of venture capital (Howard, 2025), continuing to raise funds, attain high-level positions, and launch new products and companies as if nothing happened. For them, failure is simply part of the accumulation strategy: it is productive and generative. For everyone else, it can be terminal.

In all, the non-death of Adam Neumann illuminates a system that falls far from the mainstream liberal discourse on tech and start-up financing. That VCs fund entrepreneurial outsiders with the best, most innovative, most socially beneficial ideas. The ‘fake-it-till-you-make-it’ Silicon Valley myth of meritocracy: anyone can be the next Zuckerberg if they put their mind to it. Even the notion that these are pretentious but harmless individuals who create hyperbole around their non-existent products. In reality, the machinery of US tech today largely consists of VCs funding their like. This is a system that rewards calculated and strategic deception, ruthlessness and self-enrichment. It is ambivalent to failure and blind to social harm.

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