



Ambition. Discipline. Purpose.

The Journey of being an
Entrepreneur

PRESENTATION AT:

Location: LSE, Sheikh Zayed Theatre

Class Lecture:

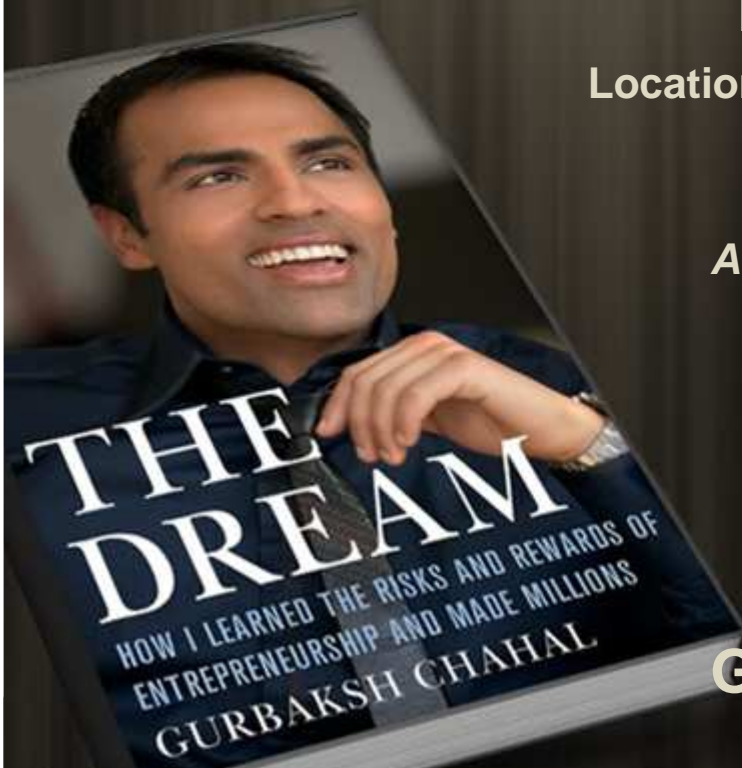
Achieving your Dreams

Date

October 2nd, 2012

Presented By:

Gurbaksh Chahal





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Disclaimer

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Stay in school

Entrepreneurship
is like a roller coaster
It has its ups and downs.
But it's your choice to
Scream or enjoy the ride.



WE BELIEVE ANYTHING IS POSSIBLE
WE SEE OPPORTUNITY WHEN OTHERS SEE IMPOSSIBILITY
WE TAKE RISKS. WE'RE FOCUSED. WE HUSTLE
WE KNOW THAT NOTHING IS UNREALISTIC
WE FEEL OVERWHELMING LOVE
WE EMBRACE OUR CHILDLIKE WONDER & CURIOSITY
WE TAKE FLYING LEAPS INTO THE UNKNOWN
WE CONTRIBUTE TO SOMETHING BIGGER THAN OURSELVES
WE CREATE. WE LEARN. WE GROW. WE DO
WE BELIEVE IT'S NEVER TOO LATE TO START LIVING A DREAM
WE ARE ENTREPRENEURS!

What you won't learn today.



- The next big billion dollar idea.
- The quickest way to sell a company for lots of money.
- How to get investors for your big idea.
- To be successful all you need is to think of something so different.
- How you will “change” the world with your business.
- How to write a business plan.
- How you will live a stress-free life as an Entrepreneur.

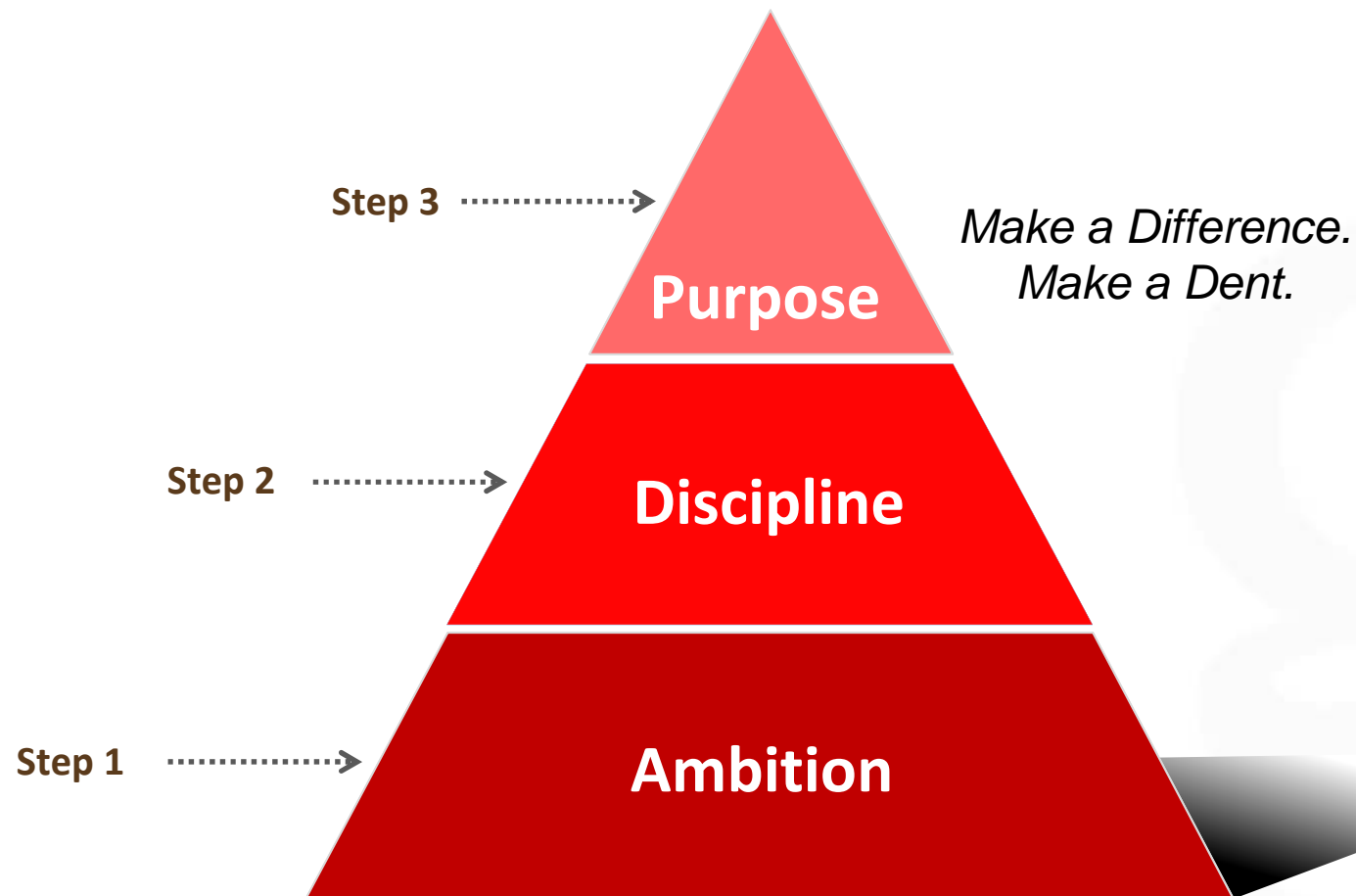
What I hope you do learn today?

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1. The definition of **Ambition, Discipline & Purpose.**
2. Fear is your worst enemy. Risk is your best friend.
3. Insomnia will become your best friend.

Hierarchy of Success

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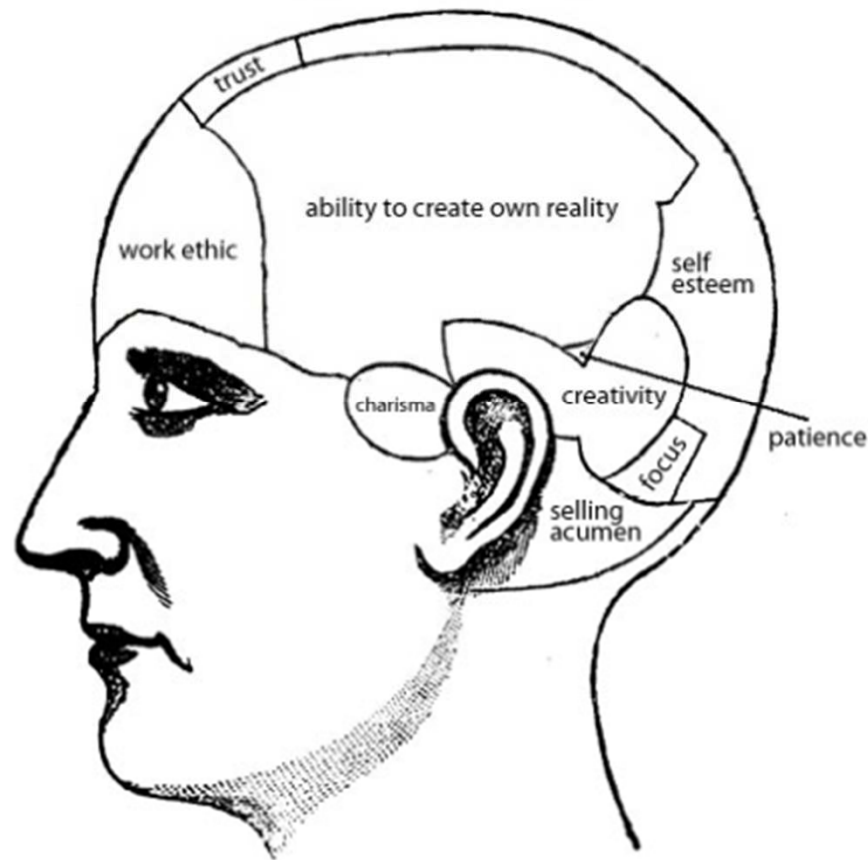


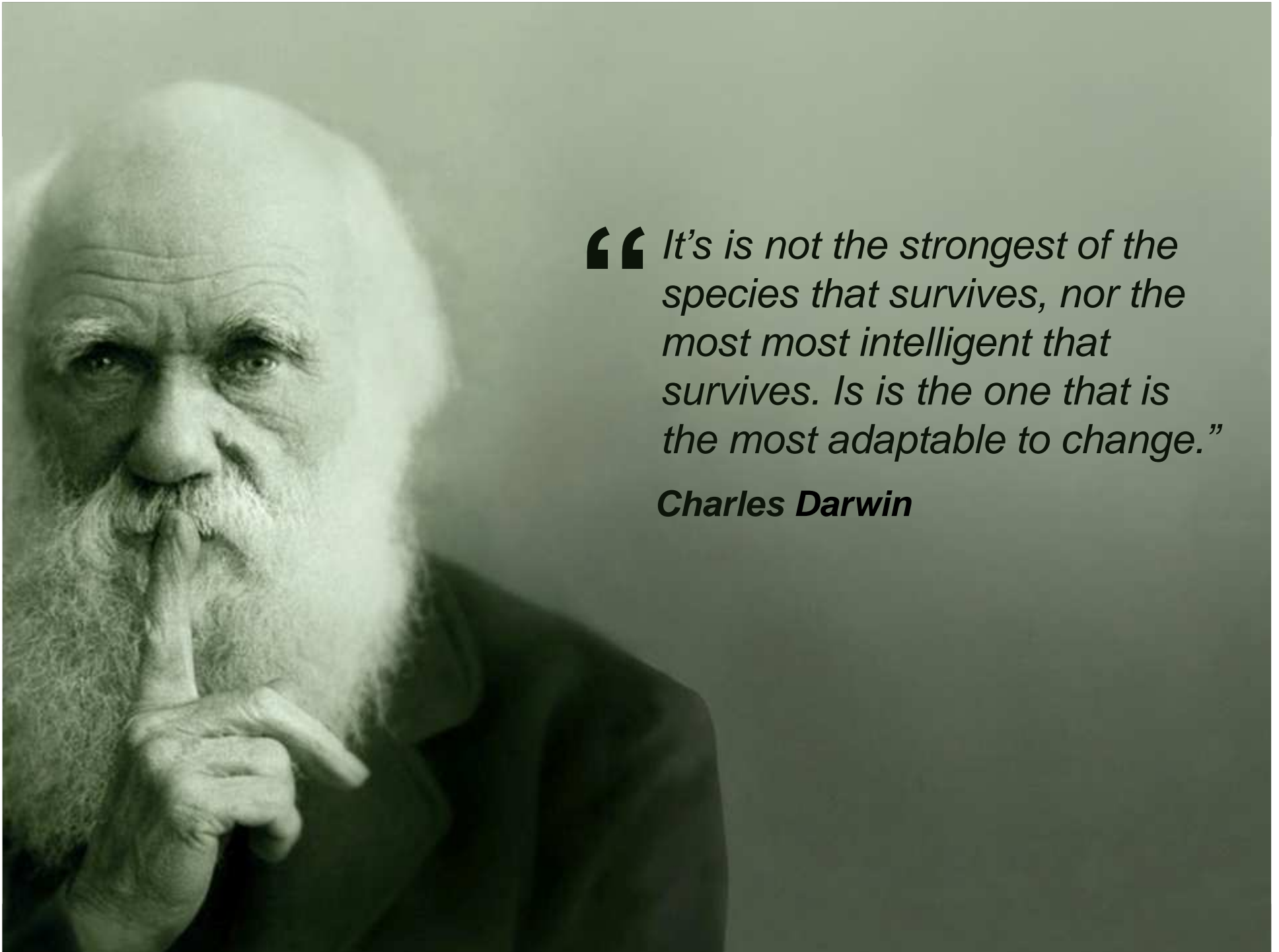
Marketplace Opportunity

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Realize Opportunity. Take Ownership.

Phrenology of an Entrepreneur





“ *It's is not the strongest of the species that survives, nor the most most intelligent that survives. Is is the one that is the most adaptable to change.*”

Charles Darwin

- “We’ve entered a major inflection point of our time, in which it becomes harder for companies to survive if they do not innovate fast enough.”

“Innovate or Die”

A Blast from the Past...

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Kodak



At its Peak

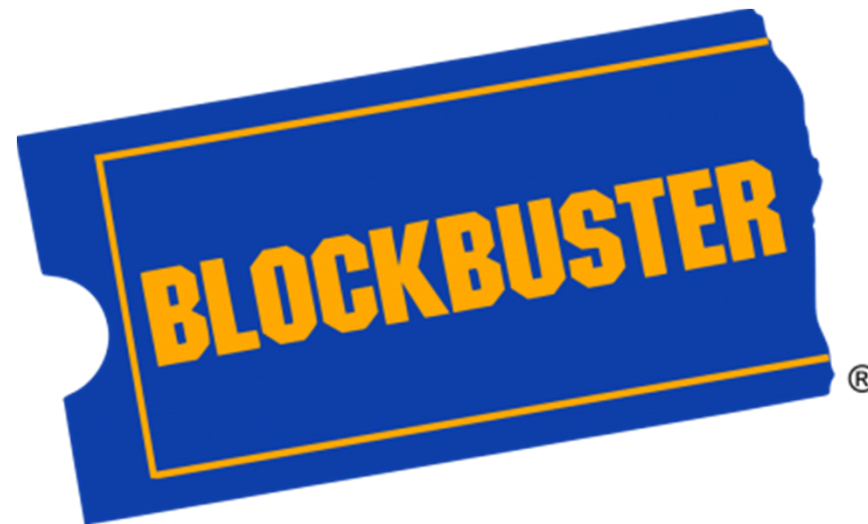
Employees: 160,000

Market Capitalization: \$28 Billion in 1997

Result: Filed for Bankruptcy, didn't innovate part of the digital revolution

A Blast from the Past...

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At its Peak

Employees: 30,000

Market Capitalization: \$5 Billion in 2002

Result: Filed for Bankruptcy, didn't innovate part of the digital revolution.
Dish acquired assets.

A Blast from the Past...

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At its Peak

Market Capitalization: \$83 Billion in June 2008.

At its peak in June **2008**, **RIM** was the fourth-most **valuable** company on the **S&P**

Result: Owned smartphone market before there was iPhone/Android. Failed to innovate.
Trading at below its cash value.

A Blast from the Past...

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At its Peak

Market Capitalization: Sold to News Corp for **\$580 million** in July 2005. At its peak, when News Corp attempted to merge it with Yahoo! in 2007, Myspace was valued at **\$12 billion**.

Result: Once owned social networking. Trumped by Facebook. Failed to Innovate. Myspace was sold to Specific Media and Justin Timberlake for approximately **\$35 million**

A Blast from the Past...

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At its Peak

Market Capitalization: \$222 billion in December 1999.

Result: Strategy of merging old & new media didn't work. Resulting in wiping out \$220 billion in shareholder value.

A Little About Me



- **Born** in Taran Tarn, Punjab, India
- Immigrated to United States a year after my parents in **June 1986**.
- Social Adaptation and Adversity
- Dot-Com Euphoria of the 1995 – 1998
- **Fascination with Double Click**
 - IPO at \$300MM, Peak at \$15BB
- Survival Mode
- Evolution from First Interview to becoming a CEO



Background

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DEC **1998**

Founded ClickAgents

DEC **2000**

Merged with Value Click for **\$40MM**

JAN **2004**

Founded BlueLithium

Focused on using Data and Analytics to create lift

OCT **2007**

Merged with Yahoo for **\$300MM**

SEP **2009**

RadiumOne Begins...

Becoming an **ENTREPRENEUR**

An Idea vs. Action



▪ The #1 Myth and #1 Question I get asked:

- How did you come up with the idea?
- Can you help me think of a great Idea to start a Company.

▪ The Truth

- Ideas are 1% of the journey. Some of the most successful Companies are copycats of an idea that already exists. 99% of it is all pure EXECUTION.

- **Examples:**



- **My Examples:** ClickAgents, BlueLithium, gWallet – entered into a crowded marketplace pivoted to RadiumOne.
- *Launched the product, got it to parity, innovated, and then separated from the pack through execution.*

Keep the Blinders Off

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- **Be Open to Change.**
- **Take the blinders off.** Look around. Don't be afraid to go off on all sorts of unusual directions, since that's where you might just find the most unusual—and promising—opportunities.

Valuation is built by Scarcity



- The biggest deals are when Companies are not **sold** – but when Companies are **bought**.
- Companies that are sold – are normally being taken over as a distressed asset – and usually are a steal or there is underlying multiple behind it. (Sales, Profit, etc.)
- 9 out of 10 times Companies that are **bought** – they are bought for emotion (scarcity value). That's where revenue and profit don't necessarily need to equate to a certain multiple.

Hire Only Rockstars

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- **Hire the smartest people you can find.** Smart people make beautiful music together. Lots of smart people, working in unison, can have the power and beauty of a Beethoven symphony.
- **Quality over Quantity.** Don't surround yourself around deadweight. Find that 1 person that does the power of 10.
- **Don't be frugal.** Find the right people for the right jobs, and pay them what they're worth. We all love and need rock stars.



Never Keep Yourself Vulnerable



- Never make someone have control of something in your business that can make you vulnerable.
- **Consider everyone replaceable.** If you don't – you'll end up in an unexpected situation where your destiny will no longer be in your hands.
 - ClickAgents Example

Asking for Help



- Don't expect help from others until you realize you can give them something.
- The business world is primitive and it's about what you can do for them. If you don't bring anything to the party – don't expect any charity from someone to do a favor.
- **No one helped me at ClickAgents. People offered to help me at BL only because they saw my success at CA.**

Need vs. Necessity

- **Understand the difference between need & necessity.**
- The dot-com world was the first example of this. The subprime fall out was the next example of this. Greed isn't good and remember **money is finite. Spend every dollar like your last.**
- **People will ONLY be impressed by is your performance, absolutely nothing else.**





- **The #1 characteristic any entrepreneur will need to have is: confidence.** If you lack it, that's okay. So, did I. But – I don't anymore.
- Confidence sometimes is the difference between landing a customer or not, selling a Company or getting kicked out of the market, hiring and retaining employees, and most importantly it allows instills a message into the marketplace your in it to win.
- The business world is a stereotype. Don't let it get to you.
 - (16 year old example, no high school degree)

- **A real successful business is not run by algorithms but by relationships.**
- **Relationships are everything in the life and most importantly business world.**
- **Never burn a bridge.** There have been many times I've been shut down, insulted, told that I was going to miserably fail, but I bit my tongue and I never burned a bridge. I let time and performance fix everything.

- Too many people in this world want a handout.
- Surround yourself around people that want to see you successful and are hungry.
- If you learn this early on, success will repeat itself.
- The AdRevolver Deal
 - Risk and Reward (\$500k to \$15 mil)
- MobClix
 - Acquired by Velti



Culture is Everything



- Your first 20 employees will make or break you. Hire the right DNA for the company culture you are trying to create - the first 20 will then resonate that same recipe across the next group.
- **One wrong hire on that first 20 can be detrimental.**

 We still think different.

I ♥ REJECTION

- **Everything happens for a reason.** Learn to accept rejection and embrace it. It will only make you stronger.
- No one wanted to fund me at ClickAgents, but I still sold it for **\$40 million**. I had 3 investors back out of funding me at BL, but I finally waited till I didn't need the money and I raised **\$11.5 million** and better numbers than the rest. And, one VC told me I was going to miserably fail at BL.
- Other Industry Examples: JK Rowling, Magellan, etc.

- **Always negotiate from a position of strength.** If you need something from the other guy, you've already lost. People want what they can't have. Become the thing people want.
- **Remember:** Perception is reality. What they see is more important than what is, so show them what they want to see and tell them what they want to hear. (Read that sentence again. It's really quite simple, and it makes perfect sense.)
- **Believe in yourself and SELL THE DREAM.** No product is perfect – no sales pitch is perfect. Only opportunity is.
 - Google Example after Netscape

- **Grow a thick skin—a very thick skin.** People will question your ability to succeed, and the loudest among them might make you doubt your own talents, so you'll need a thick skin to drown out the noise. The silence will help you focus on your objective, and you will prevail.
 - My Internal Board Example

Final Thoughts

- **Take the advice of that late great comedian, Jimmy Durante:**

“Be nice to people on the way up because you will probably meet them on the way down.”

- **Do the work. Keep your eye on the tiger. Fight like hell. Defy the odds. It's worth it. Never compromise your morals**



Stay hungry. Stay foolish.

- **Never forget where you came from, and never forget where you want to go.**