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Make a New Plan!

How **Dwayne Johnson** and business partner **Dany Garcia** found their strength in hard times

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Editor's Note

"LEARN TO LIVE WITH IT"

When I think about it Covid 19, it has taken us places where we have dreaded to go before. Each one of us has racked our heads everyday to figure – How can I reduce the collateral damage to my business? Our two biggest fears right now are survival and uncertainty of the future. Our main goal now has to be business continuity – because your future business growth will depend on the new, stingy business practices that will emerge inside your business quarters that could well be the basis of the new normal for your business. In all the conversations I have had with SMEs and startup entrepreneurs during the lockdown the one sacred rule is that everyone needs to understand how much cash they have and adjust their business plans to have enough runways to ride this out.

On the other side, you have to plan how to re-distribute your resources and orient them to most useful (money making) avenues and plan shifts in your current business. The objective is not to leave your core business and start another business (which on the outside looks more profitable) but to identify value added services that could sail you through these tough times and maybe in long run get added to your business offerings but a word of caution - what looks like some additional revenue streams – maybe counterproductive in the long run. As an example if restaurants keep delivering gourmet dishes at home, it may impact their in-restaurant dining.

We are all together in this chaos and we need to learn to live through it with a more collaborative approach. This meaningful change is not going to be easy because as competitive people we are used to tortured conflicts and excruciating decisions. Small and medium businesses and startups and large businesses and talented business people need to create new collations to tide over this time. A small start could be to identify five or 10 businesses around you and form a small cluster to collectively share your assets, reduce cost, find customers, conjunct your best talent for making decisions and pooling in your networks.

We are nearing the end of a lockdown and much as fussed up all of us were about it when it started in the third week of March, our worry now is if it is safe to go back to our workplaces? How are you going to "Learn to live with it"? For the next few months disruptions and anxiety are going to be our constant companions. Things rarely go as planned, everyday commute to our workplaces is going to seem risky and as entrepreneurs we need to put methods in place so that work can continues to get done. Rolling with the changes will often take you to a better place than you could have predicted. Only when we embrace the idea that this chaos is to be accepted, even cheered, will we be ready to tackle our own impossible tasks.

Ritu Marya.

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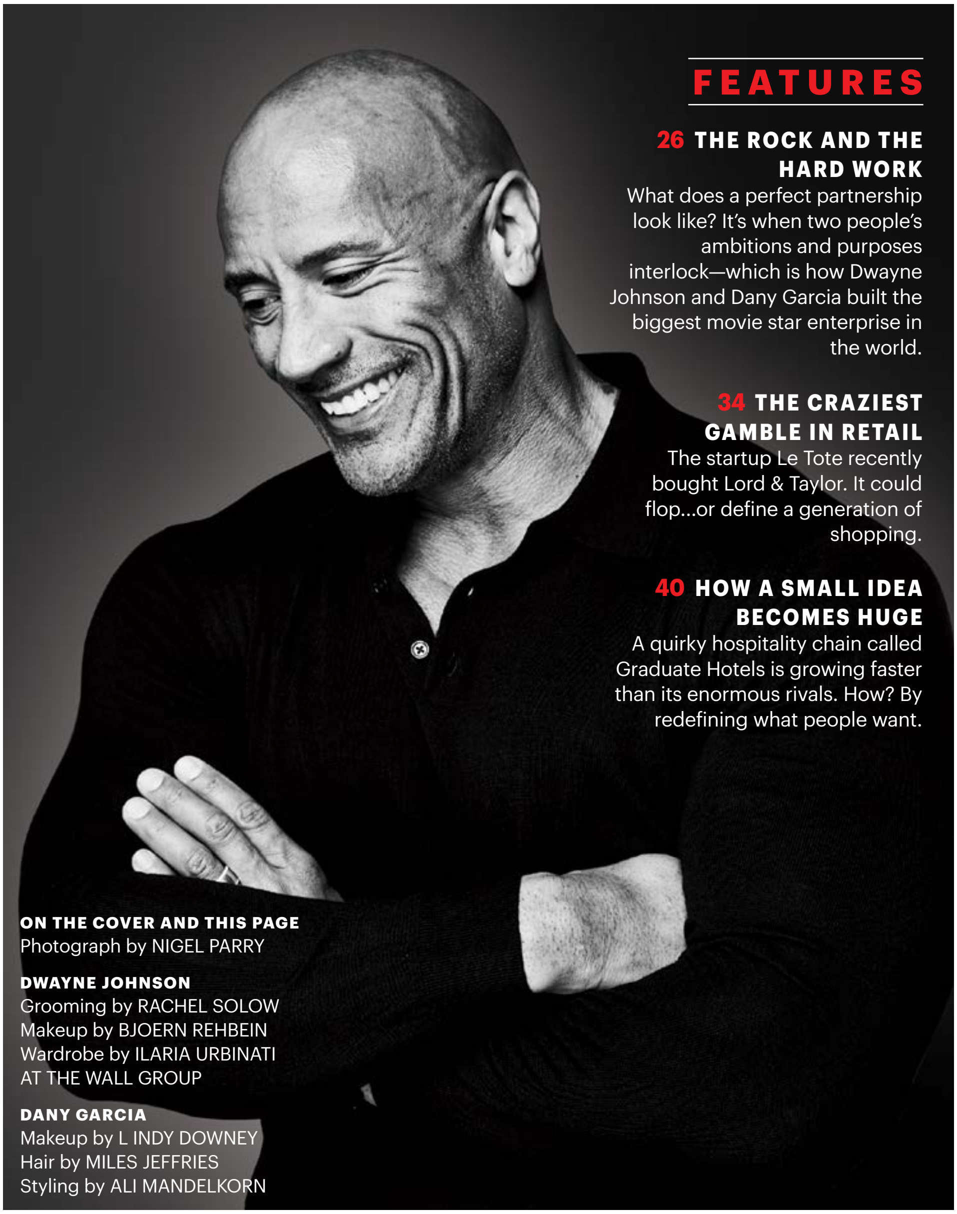

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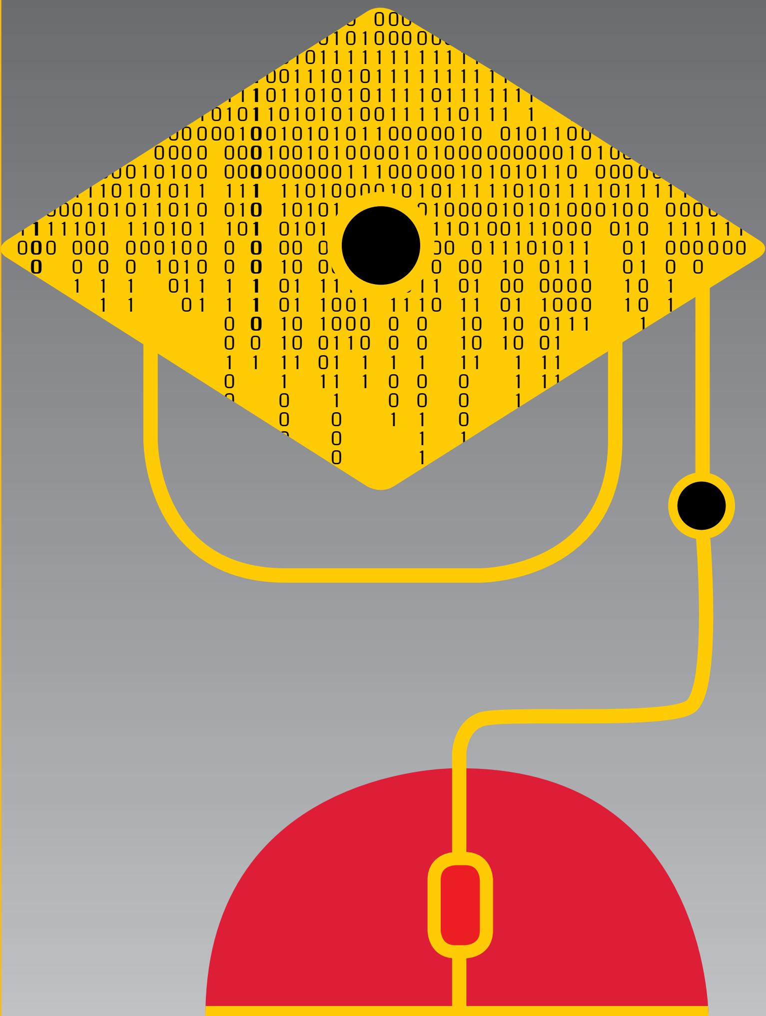
BUS I N ESS UNUSUAL

GROWTH



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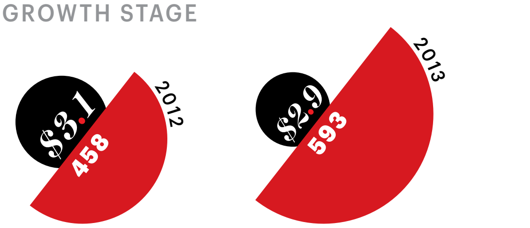
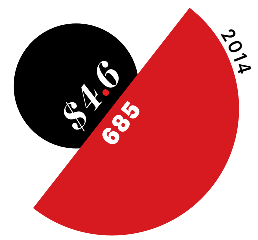
THE BILLION DOLLAR BOOM

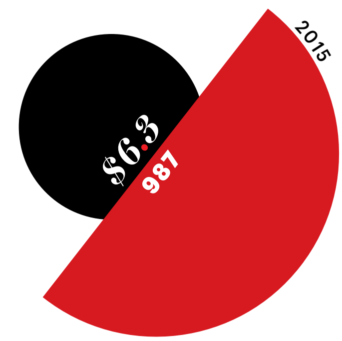
The Indian venture capital industry invested record $10 billion in 2019, driven by increased deal volume and larger average deal sizes, according to a report by Bain & Company's India Venture Capital Report 2020. The amount was 55 per cent higher than the money invested by the industry in 2018. The report, in partnership with Indian Private Equity & Venture Capital Association (IVCA), said there has been 30 per cent increase in deal volume and 20 per cent rise in average deal size in 2019 over the previous year.

THE $10 BILLION IN DEPLOYED CAPITAL WAS THE HIGHEST VC INVESTMENT IN INDIA TO DATE

PH-1: GROWTH STAGE





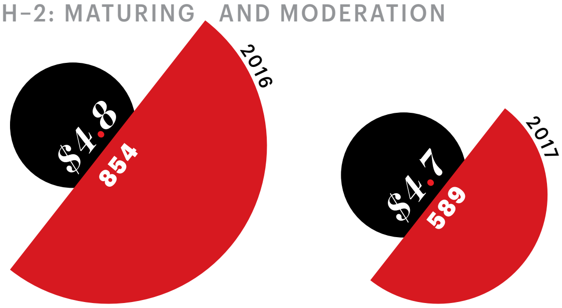


»Rapidly evolving start-up environment; investors feel positive about the expansion and scaling of first-generation start-ups »New VCs competing for investments in India

● Total VC investments in India ($B)

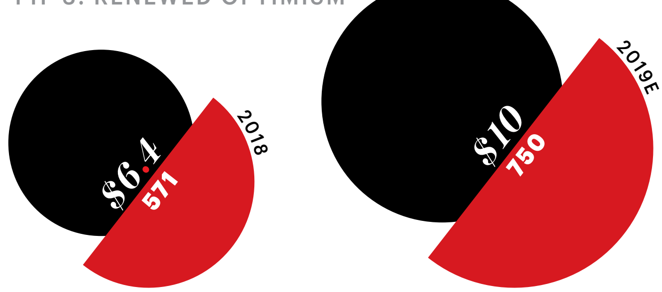
Number of VC investments

PH-2: MATURING AND MODERATION



»Fewer, but higher-quality investments »Caution around investing in start-ups due to lack of clarity on exits

PH-3: RENEWED OPTIMISM



»Marquee exits renew investor confidence »Emergence of sectors like Fintech and SaaS increased investor interest

THE INCREASED INVESTMENT IN 2019 IS PRIMARILY DUE TO INCREASED DEAL VOLUME, ALTHOUGH AVERAGE DEAL SIZE ALSO WENT UP

Total VC investments in India ($B)

$6.4 — 2018 VC investments in India

~$2.2 — Growth from increased deal volume **~60%**

180 more deals in 2019 than 2018; 50% were made by new funds investing for the first time

~$1.4 — Growth from increased deal size **~40%**

~$10 — 2019E VC investments in India

Percentage of contribution to increase in VC investments from 2018–2019E

Sources: Bain VC deals database; Venture Intelligence; AVCJ; VCCEdge

The 'VirusCrisis' crisis presents business with challenges but also some unprecedented opportunities: ❶We've acquired a precious resource: time for reflection. Use it to review strategies & portfolios. ❷Press the RESET button & recalibrate all costs & overheads. ❸Associates will have more time: solicit their ideas for business improvement. ❹Use the lull to build deeper personal relationships with customers. ❺We don't know how long the containment might drag on, but prepare the business for a U or even V shaped recovery!

ANAND MAHINDRA, Chairman, Mahindra Group

This is a tricky period for start-ups. You're going to have your backs pushed up against the wall in ways you didn't anticipate Embrace times like these. They force you to look at every little detail and raise your game Antifragile founders & teams will stand out.

KAVIN B MITTAL, Founder & CEO, Hike

If epidemic panic makes the top 10% of the world adapt to more efficient and self sufficient methods of working, it could result in some irreversible behavior that ends up in further job losses. We often forget that inefficiency is the largest employer of the world.

KUNAL SHAH, Founder & CEO, Cred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CHANGER, EXPLORER,
STORYTELLER,
THINKER, MAKER
BELIEVER, CREATOR,
TRENDSETTER,
STRATEGIST, DOER,
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to keep pushing the boundaries of your business.

EXPERT SPEAKS

CORONA'D! HOW STARTUPSCAN SURVIVE SUCH TIMES

VINOD MURALI, MANAGING PARTNER, ALTERIA CAPITAL

Since the global financial crisis in 2008 we have witnessed several micro cycles but the novel COVID-19 situation is totally unprecedented with medical, economic, social and possibly political ramifications. Most companies have already recast their plans for the next 12 months with sensitised revenue projections and the most important objective being Runway Extension. This is the effective time a start-up has for survival – which is based on its existing cash stock and the projected net burn or expenses. Any company with less than 9-12 months of runway currently is bound to be in significant stress unless their existing investors provide financial support. Venture debt is a useful construct for start-ups to shore up their liquidity ahead of time where the impact is seen especially during these kinds of difficult situations.

While there are numerous funding rounds in progress currently, there is an expectation of massive delays due to physical constraints. More importantly, in situations where funding decisions have not been reached it appears that virtual platforms may not be able to substitute an in-person meeting easily as a lot of early stage decisioning is based on judgement calls. Post termsheet processes are still continuing albeit with difficulty as some diligence steps may require physical presence.

THE CONTINUITY PLAN, ALIGNED AROUND FAMILY BUSINESS' CORE VALUES, WILL PROVIDE A SUSTAINABLE FOUNDATION FOR THE GROWTH OF BUSINESS GOING FORWARD.

IMPACT

1. Founders should expect elongated funding rounds with renegotiations at all stages. It's not done till there is cash in the bank! Termsheets will fall off and even during document negotiations, deals could break off.

2. Business impact is work in progress as it remains to be seen whether India is able to restrict community spread of the virus which will have a direct correlation to the timeframe for social distancing. The next few weeks and months will be spent in both understanding impact as well as rapid counter measures to mitigate adversity. There are some green shoots driven by enhanced usage of tech by a broader base of consumers facilitated by home deliveries on the B2C side.

3. While drop in revenues may not be controllable, expenses need to be managed during this period. Austerity is important and this may not be a bad habit overall for Indian start-ups as there is anyway a broader thrust towards profitability. The key is also to differentiate between flab and essential areas of investment and companies who navigate this well will definitely pull away from the pack faster. With a rising tide, all boats go up but this phase of difficulty is also an opportunity for real quality to emerge.

4. Investors are likely to have a bar-belled approach where there will be a lot of interest in companies perceived to be high quality / safer bets but difficulty for most others in raising capital. In bullish times, funding rounds are a matter of price or valuation but in bearish times many companies will not receive any funding interest at all unless they are seen to be strong. Another expected trend is for existing portfolio companies which are doing well to receive more inside rounds which will save them the distraction of fundraising and also allows for investors to double down on known, attractive situations.

Overall, these are unprecedented times across socio-cultural-financial parameters and desperate times need desperate measures. Everybody is hopeful that this phase is limited to the shortest extent possible but the real damage will unfold over the next few months and years possibly. Good luck to all founders as they embark on a tough job made even tougher now!

EXPERT SPEAKS

GOLDEN PILLARS OF AN IDEAL START-UP

JASON KOTHARI, EX-CEO, HOUSING.COM & AUTHOR, 'IRRATIONALLY PASSIONATE'

I have had the benefit of helping lead four business turnarounds – Valiant Entertainment, Housing.com, FreeCharge and Snapdeal. I've also been fortunate to work with visionaries like the founders and leadership of Softbank and Emaar Properties, the management team that turned around Marvel Entertainment, among others. These experiences helped me see patterns and gain insights, including the seven golden pillars for the ideal business. Hardly ever does a business meet all these criteria, but it can be helpful to keep these in mind when considering a start-up idea or an early stage investment. However, don't forget your passion is an important factor too!

1. LARGE AND GROWING MARKET SIZE: Many brilliant entrepreneurs with compelling business ideas don't attract resources because they are solving small problems that have niche markets. The problem here is even if you do everything right and 'win', the impact and rewards are still limited. But the years of time required, hard work, sacrifice and requisite risks are often similar to tackling larger problems. So the ideal start-up focuses on bigger problems and markets knowing that even if they're moderately successful, it's still likely to create a larger and more impactful company. Also, a growing market can be important in the long run because a rising tide lifts all ships.

2. HIGH MARGIN: A high-margin business can be seen as one with high unit economics. If you can consistently make a large profit per sale of your product or service, then naturally your business as an aggregation of many sales will have a relatively short and clear path to making profits and, eventually, large profits. Low-margin businesses require large-scale to turn a business profitable and give you less margin of error to operate, which creates more risk.

3. SCALABILITY: A scalable business allows you to increase sales rapidly and at low cost and is a golden combination with high-margin businesses. Many technology companies are high gross margin and scalable businesses—as a result, they have created massive value relative to the capital they required and therefore the space continues to attract enormous investment.

4. PROVEN MANAGEMENT TEAM: A proven management team is one that has done it before—maybe not exactly the same thing but as close to it as possible (and ideally together). This can dramatically reduce the execution risk. Business is a vast ocean and almost none of it is inherent knowledge; it's learning by experience. So relevant experience can vastly change a business plan from being pure theory to a high probability reality.

5. LESS CAPITAL INTENSIVE: A business that's very capital intensive can dilute entrepreneurs' and investors' ownership (and control) significantly over time and requires a higher return to justify the higher capital requirement. A lot of investors prefer to stay away from these kinds of businesses, and they can become particularly challenging during economic downturns when capital is scarce.

6. SUSTAINABLE COMPETITIVE ADVANTAGE: If a company is launched and is successful, it often motivates others to start similar competing businesses. Thinking ahead and understanding how you will sustain against this potential competition if you're initially successful is important, as it can determine the difference between a flash in the pan success, versus building a business of enduring value.

7. ESTABLISHED BUSINESS MODEL: Drawing on established business models can be critical in the probability of success of a venture. Creating new businesses and products or services is itself risky, so layering on top of that a novel business model further multiplies the risk. Of course, this is required sometimes if it's something truly disruptive, but then it should be clear to all involved it is high risk. A long and rich history of successful and unsuccessful companies exists, so try and maximize your learnings from this. History does repeat itself in different shapes and forms.

EXPERT SPEAKS

CORONAVIRUS CASTS A SHADOW IN CYBERSPACE

VINOD KUMAR, CEO & MANAGING DIRECTOR, SUBEX

While governments, businesses, inter-governmental agencies, and not-for-profit agencies are busy dealing with the fall-out of coronavirus (COVID-19), certain groups with malicious intent are using the outbreak as an opportunity to launch cyberattacks to infect devices and other connected assets through focused social engineering tactics. In the last 26 days, Subex's global honeypot has registered a slight dip in direct attacks using bought malware while the volume of phishing emails and other targeted social engineering activity has grown significantly. Our researchers are reporting a significant increase in social engineering attacks through a variety of channels across continents. This includes emails, social media posts and instant messaging content that is designed to trick the recipient into clicking on the link or downloading an infected file.

Some of these attacks could also be oriented towards obtaining ransom from victims by making them install common ransomware.

WE NEED TO TAKE A FEW PRECAUTIONS IN CYBERSPACE ALSO TO PREVENT DISRUPTIVE GROUPS FROM UTILIZING THE SITUATION TO THEIR ADVANTAGE

CORONAVIRUS IS THE LATEST THEME

These are what we call themed attacks that ride on a global scare or anxiety created by an event that influences citizens at a personal level. About 23 common file extensions (including zip, mp3, mp4, xlsx, docx, EPS) have been released by hackers in the last 26 days. These files have a malicious payload that could encrypt files, steal/exfiltrate data, drop backdoors and even corrupt data. The impact of these infections could present themselves long after we contain the outbreak of this virus. Possible motives for such large-scale attacks include creating an army of zombie devices (bots) to launch third-party attacks on specific targets, using these devices to infect other devices or mine cryptocurrency, selling the personal information of victims of these infected devices or even deploying adware to show ads within these devices.

FILE TYPES OBSERVED INCLUDE:

»Corona_health_update.pdf (attributed to centers for disease control)
»Origin-of-corona_cnn.mp4
»Covid19_Mandatory_work_from_measures.pdf (spread using instant messaging platforms)
»Corona_safety_alert.docx
»Secondary_corona_infections.pdf

Emails seeking donations in the name of WHO have also been found. The in-bound volumes of these infected files vary with healthcare announcements by governments or not-for-profit agencies and we have seen three clear windows for detection of such infected files - 7am to 9:30am GMT, 3pm to 3:30pm GMT and 8pm to 9pm GMT.

MAINTAIN CYBER-HYGIENE

Similar to the measures recommended by healthcare professionals to prevent the spread of infection, we need to take a few precautions in cyberspace also to prevent disruptive groups from utilizing the situation to their advantage. Here are a few recommended steps:

»Rely on known sources for healthcare updates (these include the World Health Organization, federal or regional governments, publications of repute and your local healthcare professionals.

»Avoid the temptation to click on links shared via social media, instant messaging applications or any other source. News updates will anyway reach you it is just a matter of a few minutes. But if you click on a suspicious link, you could end up doing far more damage in the short and long term to your business\personal interests.

»Check the URL of websites carefully every time. If possible, use search engines to reach sites rather than entering the URL text directly.

»Keep all your software, OS, firmware and mobile applications updated. Do not skip updates.

»Report any suspicious emails or URLs to your cybersecurity teams.

We urge you to stay diligent and safe.

EXPERT SPEAKS

SUCCESSION PLANNING OF FAMILY BUSINESSES

DR AMIT K. DWIVEDI, ASSOCIATE SENIOR FACULTY, ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA

Globally, family-owned firms are considered as one of the core proponents of economic growth. Their success is important for a country's GDP growth and economic vitality. Farhad Forbes, co-chairman of Pune-based Forbes Marshall and chairman of Family Business Network International believes family businesses contribute to over 70 per cent of the GDP of most developing and developed countries. In case of India, this ratio is even higher as almost every small enterprise is family-run.

Transition is a once-in-a-lifetime decision in many family businesses. And this is probably the most daunting challenge that an operating family business faces. India has historical evidence of only a few family-owned businesses successfully passing over the baton. For most of these businesses, the critical issue is execution of succession plan and not strategizing the plan, according to a study by PwC in 2016. However, the 2019 PwC study showed that there is a greater willingness among Indian family businesses to set in place succession plans.

In order to ensure that succession planning has better longevity, it is important that the strategy adopted and the results expected from the same are communicated to all stakeholders at appropriate time. The continuity plan, aligned around family business' core values, will provide a sustainable foundation for the growth of business going forward.

Following are a few guidelines on crafting a succession plan.

1. START SUCCESSION PLANNING EARLY: Making an early head start on planning transition is better for the company and related stakeholders. As a criterion, the planning should start at least ten years prior to the actual handover. Long-term succession planning can give the successor sufficient time to learn tricks of the trade. Moreover, it will also instill confidence among the board of advisors and provide a grooming ground for the new entrant.

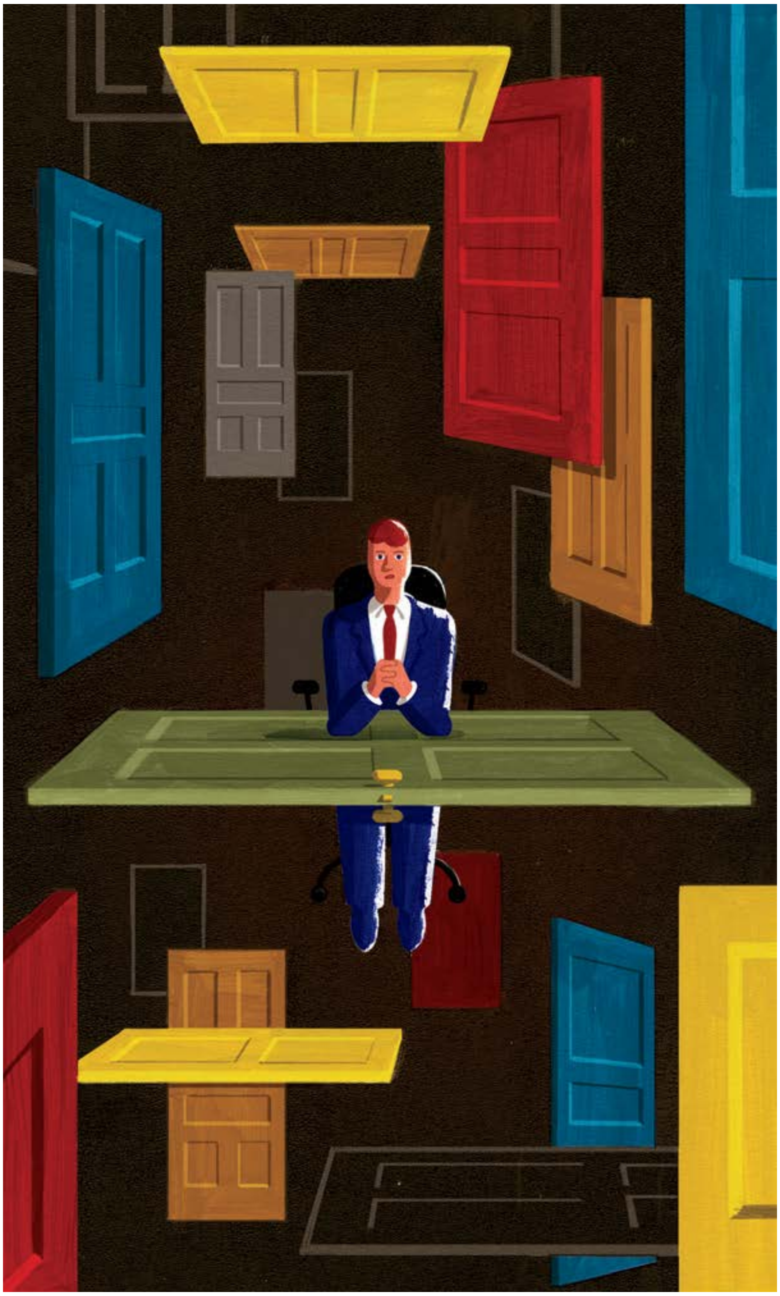
2. INVOLVE FAMILY MEMBERS AND MULTIPLE LEVELS OF MANAGEMENT IN THE DECISION-MAKING PROCESS: Making a succession plan without a consultative process, especially with family members and key people at the management, is bound to create discord. In larger organizations, this frank and open decision making process is of utmost importance as it becomes difficult for most middle and upper managers to have meaningful, consistent interactions with large number of employees.

3. TRAIN YOUR SUCCESSOR(S): The key to successful transition of business to successor is owners working jointly with successor for longer time duration. Though some entrepreneurs may find it difficult to let go their control and allow others to be in decision-making role, especially when successors are not from the family; the long-term rewards of pedagogics are always in the interest of all stakeholders.

4. GET HELP FROM EXPERTS: The failure of succession planning is too pricey. Hence, it is always better to take help from domain experts in carrying out a succession plan. Experts from the field of law, accountancy, finance and management should be brought for effectively devising the strategy. Now-a-days there are even firms who offer all these assistance under one roof so that the owners do not have to approach each expert separately.

5. DEVELOP A TALENT ACQUISITION STRATEGY: Even before handing over the baton, it is beneficial to identify the needed skill sets in candidates who are in the talent pipeline. Conducting career discussions with employees once a year is a great way to identify those who wish to advance and feel they are ready to make a move up the corporate ladder.

Succession planning in a family business is an emotional as well as an existential process. However rational it might be, the transition does take a toll on the incumbent's sensibilities. Hence, it is best to recognize this is a method to nurture future leaders.



Get That First Meeting

One big meeting can transform a startup—but how do you get in front of the right person? Six entrepreneurs share how they scored some coveted face time.

1/ Deliver the goods.

"I sent a fruit basket full of bee-pollinated items and a bunch of our Beekeeper's Naturals Propolis Spray to the Whole Foods Canada office, along with a long note about why I started a company that practices sustainable beekeeping to create clean, natural remedies. It got me an email in response, and though I still had to send a lot of follow-ups after that, I finally got someone on the phone. After that call, Whole Foods took us on."

—CARLY STEIN, founder and CEO, Beekeeper's Naturals

2/ Save your pennies.

"Our dream was to sell our CBD products in mass retailers like CVS, but we didn't have the right contacts there. We found a conference that would give us access to a lot of these retailers and buyers, but we could barely afford the travel, let alone the thousands of dollars for tickets. But we decided to find the budget—those face-to-face meetings would be our only opportunity to sell our vision. It worked: Once retailers decided they wanted to sell CBD, we were one of the first brands they called."

—KERRIGAN BEHRENS, cofounder and co-CEO, Sagely

3/ Manipulate fate.

"I wanted to get my nonalcoholic beverages in front of a big industry player, so I cased out a couple of places I knew he frequented and chatted up the bartenders there, convincing them to carry my product for a week and use my cocktail napkins as a promo. Everywhere he went, he was being offered Kin drinks or seeing my logo at his favorite venues. A week later, I asked two warm leads to introduce me within 24 hours of the other, and then I emailed him myself, as if I was experiencing the same serendipity he was. In the end, he suggested we meet immediately, I got the deal, and he became a mentor."

—JEN BATCHELOR, cofounder and CEO, Kin

4/ Just ask!

"No title at a company should ever be out of reach to any person. Our fears or lack of confidence create the idea we are not worthy of talking to a CEO. When I reached out to my first big investor, I called him directly. We are all human; why can't we all have human connection? Don't complicate it. If you want something, go get it. It really is that simple."

—JON BLANCHARD, CEO, BLVD

5/ Activate your network.

"When I first had the idea for Flex, I made a list of all of the things I didn't know how to do: regulatory, supply chain, fundraising, etc. I then created an email list of all my contacts and started a monthly email where I told people about my mission and vision, and included one specific ask, usually for a meeting with someone with one of those specialties. It was shocking to see how quickly I connected with experts in all the areas I was seeking help with. Five years later, I still work with several people whom I met during that time."

—LAUREN SCHULTE WANG, founder and CEO, The Flex Company

6/ Seek advice.

"In 2015 I was ready to scale Slice, a pizza delivery app, and knew I needed to surround myself with the best leadership possible. I looked up who was involved in the early days of Seamless and found Wiley Cerilli's Twitter handle and reached out. To his credit, he responded, and within a day or two, I was at his office. He ended up investing, joined my board, and the rest is history."

—ILIR SELA, founder and CEO, Slice

PHOTOGRAPH BY NICHOLAS PETER WILSON

"Naivete Can Be Really Helpful"

Jaime Schmidt built and sold Schmidt's Naturals for millions. Her advice: Don't focus too much on the challenges ahead. Just get going. **by LIZ BRODY**

→ DIRECT TO CONSUMER
Schmidt got great feedback by launching in the local farmers' markets of Portland.

The brand story is almost too perfect: One day in Portland, a 31-year-old woman stands in her kitchen, eight months pregnant, DIYs a natural deodorant, pours it into a mason jar….and turns it into a multimillion-dollar business acquired by Unilever for nine figures. No sweat. Or if there is sweat, it smells like ylang-ylang, or maybe rose.

Well, not quite. Jaime Schmidt didn't have a business plan in 2010 or VC funds ever. But she knew who *she* was, and that propelled her through the handicaps and copycats, the hard decisions and costly mistakes, the broken machines and crumbling products, on the way to building Schmidt's Naturals into a personal care line sold in Walmart, Target, and Costco. Today, she's still involved in Schmidt's, but she also has a new book, *Supermaker* (April), an investment firm, a website that supports underrepresented founders…and a passion for telling entrepreneurs this: It's never as easy as it looks.

You started by selling your natural deodorant jars at farmers' markets, and customers were literally in your face. How valuable was that?
Very valuable. And being in Portland, it's such a discerning market of customers. They want the cleanest, healthiest product, and they know what they're talking about. I learned very quickly that I needed to 100 percent know what was going into my deodorants and be able to speak to every aspect of each ingredient, including where it was sourced, because these customers wanted those details.

So *Portlandia* is true.
That's so funny. Definitely

PHOTOGRAPH COURTESY OF JAIME SCHMIDT

parts of it. They actually did a little spoof—it was this commercial for Mother's Sun Deodorant, made from all "the stuff that doesn't do anything." Then [*Portland Monthly*] had a quiz called Truth or *Portlandia*? And the true one was Schmidt's deodorant. So we were really part of that culture for a while.

By 2012, you were making natural lotions, sunscreens, and soaps, but you then decided to eliminate everything except deodorant. Why?
I just knew in my heart that to really have an impact, I had to do one thing and do it really well. I was getting slack from those close to me, like my husband, saying, "People love your lotions; you can't get rid of them." But I felt a lot more confidence approaching buyers and customers with one thing, and I knew that deodorant is where the opportunity lay. It was very new to the industry. There was certainly a need for it. It would have been a lot more challenging for me to make a case for my soap or lotion.

You never raised money. When were you first profitable?
The first couple of years were a little messy financially, but there was always revenue. Then two years in, we went in really strong with our D2C strategy: We built a new website and ran ads to bring attention to it, and those sales really kept the brand afloat.

Tell me about the labeling machine fiasco.
That was in January 2015. The employees had been hand-labeling for so long when we decided to buy a machine. It was a big moment. But we tried to be frugal and bought a used one—it was around $15,000—which was a bad move. It showed up with missing parts, broken pieces; it was so old that we couldn't find a manual for it. We tried multiple technicians to try and fix it, and nobody wanted anything to do with it. A big mess. And a lesson learned.

What was another lesson?
There's an assumption that when you make something in a smaller batch, you can just scale it up. Well, when you are working in larger masses, everything changes. I learned that the hard way. Right before launch with a couple of our sensitive-skin scents, we had built all this hype around these new products, we had all these orders. And we quickly realized that the batches were just crumbling.

What did you do?
We had to pull each ingredient until we could see exactly what the problem was. We figured it out, but there were definitely a lot of costs that went into it and disappointed customers, because we'd started shipping them out before we realized they were crumbling. We thought we'd done the proper tests, but we clearly needed to do more *scaled* tests!

As you've scaled as a business, how have you dealt with the copycats and competition?
It's been an ongoing struggle. The first time [I saw] a woman with a deodorant table at one of the farmers' markets, my heart stopped. I was like, *This can't be.* I *am the deodorant person of Portland.* When you see someone pop up like that, you can't help but feel you may have inspired the idea in them. She came over and asked if I wanted to trade products. I was friendly and said no. Later, I realized the value in competitors bringing awareness to the category, because there was still this reputation that natural deodorants didn't work or were for a niche consumer. If their product worked well, maybe people would be willing to try mine. There was one brand in Europe, though, that was blatantly ripping us off. We ordered an injunction. They removed the products from the shelf.

> “I KNEW THAT TO REALLY HAVE AN IMPACT, I HAD TO DO ONE THING AND DO IT REALLY WELL. AND DEODORANT IS WHERE THE OPPORTUNITY LAY. IT WOULD HAVE BEEN A LOT MORE CHALLENGING TO MAKE A CASE FOR MY SOAP OR LOTION."

When did you start thinking about selling?
It never entered my mind until we were approached in 2017.

And by then, Schmidt's Naturals was in about 14,000 stores in more than 30 countries?
Yeah. We'd had 400 percent year-over-year growth from $1.5 million in 2015 to nearly $25 million in 2017. And once we started getting interest from investment firms and big CPG players like Unilever, I realized we were actually at the point where we could use some new thinking and momentum behind the brand. But it was important to me that I stay connected. Unilever understood the value in our branding and marketing team and didn't have any interest in trying to undo it. We have a really good relationship. I'll be pulled into some of the brainstorming sessions and operate mostly as their spokesperson.

So now you're on to new projects, like your Supermaker website. Is that something you plan to monetize?
Our big goal is to tell stories of founders and feature brands that otherwise might not attract the notice of the press yet, and we try to prioritize underrepresented entrepreneurs. We had no plan to monetize it up front, but we're looking at that now.

Your investment fund, Color, seems to have a similar mission, focusing on underrepresented founders.
Yes. It's so trendy to get these sexy headlines for a funding deal. But I challenge people: Is that really the right move? Or maybe you just need to make a strategic hire. Or maybe a consultant. Having the experience of Schmidt's, which I truly bootstrapped, I understand that money is not always the answer.

So many entrepreneurs start a business because they see a white space or a business opportunity. What else do they need to have in those early days?
I really don't think you can compete without real passion. There's also a level of naivete I think that was really helpful. If I had been too informed of the competitive landscape and everything else, it would have really been intimidating. Of course, you can only get away with that naivete for so long. But in those earliest days it was beautiful—and critical to our success.

WILL TSO/ senior product manager, wedding planning tools
"I've worked at some really intense places, and the great thing about Zola is that there are really smart, sharp people, but everyone is also genuinely kind. One of our fellow product managers got a concussion recently, and our team got her a football helmet and signed it. I haven't seen those sorts of little moments working anywhere else."

KATHLEEN DETURRIS/ senior manager, recruiting
"I love the townhouse [the name for Zola's showroom for registry products] because it feels like home. It has a beautiful view, and it's great if I ever need to walk away from my desk and get a bit of a breather. My head's in my computer a lot, so the townhouse is a nice place to relax."

AUDREY DJIYA/ customer insights manager
"I serve as the voice of the customer across the organization. We send out surveys right after someone signs up with Zola, as well as right after they've gotten married, when people are really tuned in and most likely to give us feedback. We also leverage another firm to help us reach out to people who don't use Zola, so we can understand their preferences. That's a whole other population we could be reaching."

Inside Zola

Interviews by **HAYDEN FIELD**

DIAMONDS MAY BE FOREVER, but so are the stressful memories that come with planning a couple's big day. Zola promises to fix that. The New York–based company, which has raised $140 million since its 2013 launch, offers a host of wedding tools in one place, including registries, websites, invitations, and a soon-to-launch honeymoon-planning product. All that growth (headcount increased by 50 percent in 2019) required larger digs, so the startup moved into a new space in downtown Manhattan last year. Zola's headquarters now boasts a registry product showroom, a wellness space, countless fresh flowers, and plenty of shared spaces where engineers, product managers, designers, and customer service reps connect to discuss their one shared goal: making wedding planning as delightful as the wedding itself.

Photograph / ADAM FRIEDBERG

MELISSA TRENTADUE/ manager of community
"I'm pregnant, and one of the greatest things about this office is having access to our wellness room. Although I'm not pumping right now, my manager gave me permission to go in there and listen to a podcast or take a break. This sounds corny, but it's a very sacred space because it's for new moms, or people who need to pray. It's great to have access to a private space."

KEMY LIN/ product designer, registry
"I'm a product designer on the registry team. To a lot of people, your registry is a representation of who you are. Your family is looking really closely at it, for example. There's emotional intensity and stress involved in that point in people's lives, so that's pushed me to design in a way that's really simple and joyful."

VIRGINIA COOK/ mobile engineer
"I started about a year and a half ago as a rotation engineer, a new program at Zola designed for recent college grads to explore different teams and projects. First I worked on the application support team, then moved into building tools to help our employees work efficiently, and then I moved into product development."

CONNIE CYRAN/ senior director, merchandising and planning
"I went to Portugal to develop a collection of tableware for Zola to sell. I found a factory, worked with them on designs, and researched what would resonate with our couples—price point, quality, colors. It's beyond the scope of what solely a buyer does."

A Laptop That Acts Like a Smartphone

5G laptops are debuting, and they're promising something entrepreneurs need: nonstop connectivity. **by JOHN BRANDON**

Daniel Sokolovsky doesn't bother with laptops. He's the founder of the last-mile delivery company Jitsu and travels around San Francisco constantly. Wi-fi connection can be spotty or slow, so he can't rely on a device that needs it. Instead, he operates his business using an Apple iPad and an iPhone with LTE. It's fine, but what he *really* wants is a laptop that's just...always connected, like a smartphone. No wi-fi necessary.

Now, with the rollout of 5G laptops across the industry, he can get his wish.

5G is widely available in many cities, from Spokane to Boston, and companies like Lenovo, Dell, and HP are debuting 5G-enabled laptops. Their promise: No matter where a user is, they can open a laptop and instantly use the internet—thereby reducing fuss and increasing productivity. For example, imagine holding a Skype session with multiple employees while in a field, or at a restaurant with no wi-fi. And what if people on the call speak different languages? Your laptop's connectivity will be fast enough to translate speakers on the fly. For files, you won't know or care whether they are stored locally or in the cloud, because they're always just *there*.

We've been promised this before, in a way. Some laptops already use a 4G LTE cellular data connection. But the signal isn't that fast or reliable. 5G can change that. "The idea of cellular in a laptop means not having to think about connectivity," says Frank Gillett, a Forrester vice president and principal analyst. "That's very convenient for mobile laptop users who work away from places with secure, private wi-fi."

Bob O'Donnell, the president and chief analyst at Technalysis Research and a well-known expert on 5G networks, says the rollout may even shift entrepreneurs' technology usage. "We're seeing much more interest in connected PCs timed with the debut of these 5G networks," he says. Both Gartner and IDC announced recently that PC shipments increased for the first time in eight years. And Avi Greengart, founder and lead analyst at Techsponential, says that we should see foldable laptops in 2020, and maybe even battery life that lasts 24 hours. (Many vendors promise it.)

So will all connections now be made equal? Not entirely. There are two distinct versions of 5G. Sub-6 is slower but works inside buildings; millimeter-wave is faster but works best outdoors. (For now, Verizon is focused on millimeter-wave, and T-Mobile and AT&T are doing both.) Consumers might not notice the difference, but entrepreneurs may if their data usage is large enough.

None of that matters to Sokolovsky, though. "I know 5G will improve my daily routine and make me more productive," he says. To him, that's all that matters.

THE 5G 3

Three of the first-ever notebooks to support 5G connectivity.

Dell Latitude 9510

Available/ March
Price/ Starting at $1,799
5G Network/ Sub-6 only
Other perks/ Massive 15-inch screen, up to 30 hours of battery life, weighs only 3.2 pounds

Lenovo Yoga 5G

Available/ Spring
Price/ $1,499
5G Network/ Millimeter-wave and Sub-6
Other perks/ Crisp 14-inch screen, 24 hours of battery life, weighs only 2.97 pounds

HP Elite Dragonfly with 5G

Available/ Summer
Price/ TBD
5G Network/ Sub-6 only
Other perks/ Weighs only 2.2 pounds, uses recycled components

(CLOCKWISE FROM TOP LEFT) PHOTOGRAPHS COURTESY OF DELL (TOP LEFT AND RIGHT); LENOVO; HP

Up and at 'Em

Every minute of an entrepreneur's day is precious, including before you hit the office.
So we asked: What helps you get out the door, fast—and feel like the best version of yourself?

Give Thanks

"**The Five-Minute Journal (2)**. Each page provides a quotation to start your day followed by sections for you to write out three items of gratitude and three goals for the day. It's a very grounding exercise to start the day, and a catalyst for perspective and focus. Best of all, it really does take five minutes."

—NICK BROWN, founder and CEO, Soludos

Crank the Heat

"Making sure my hair looks great is always a time crunch, but it's something that can make me feel pulled together and ready to tackle the day. I love the **Dyson hair dryer (4)** because it cuts drying time in half."

—LAUREN LOVELADY, cofounder and brand leader, Each & Every

Armor Up

"I spend a lot of time out in the sun. Great for vitamin D levels, but not so for the skin. I swear by **Kiehl's Ultra Facial Moisturizer with SPF 30 (5)**. No-nonsense, high-quality ingredients, smell is great, and it's universal enough for daily use."

—JEFF JOHNSON, cofounder and creative director, The Arrivals

Cook Smart

"My **June smart oven (3)** is a lifesaver. I have two small kids to manage, and in the June, I can make them breakfast, myself hard-boiled eggs, and things for my son's lunch, all with just a few button pushes, since it recognizes the food we put in. We use it in place of the stove top, toaster, and oven."

—IVA PAWLING, cofounder and CEO, Richer Poorer

Chill Out

"I don't have much time for a proper morning skin-care routine, plus there isn't much need since typically I teach first thing in the morning, but I do want to look and feel my best as I am often on camera for Lekfit Digital. I rely on my **Skin Gym Ice Coolie Roller** and my **NuFace Fix**—two minutes of ice rolling to depuff and 10 minutes of microcurrent goes a long way."

—LAUREN KLEBAN, founder, Lekfit

Get Amped

"I like to start my mornings with the 6 A.M. Element class at [Manhattan gym] **Performix House**. It tracks heart rate and calorie burn throughout and makes me feel like I've gotten a jump-start on my day—and the competition. By the time other people are waking up, I'm walking to the office full of endorphins, ready to attack the day's challenges."

—BLAKELY THORNTON, founder and CEO, Civil Jewelry

Hydrate

"**Biotherm Homme Aquapower Refreshing Lotion** is a crucial part of my morning routine. This lotion is incredibly hydrating. As an added bonus, it also protects my skin from razor burn, which is great when I'm rushing out to early morning meetings."

—JULIAN REIS, founder and CEO, SuperOrdinary

Keep Moving

"My **AirPods (1)** are indispensable. My days are often booked from start to finish, but this product allows me to make the most of my time during commutes from Brooklyn to the city, and later, between meetings during the day."

—JOSH GUTTMAN, cofounder and CEO, Small Door Veterinary

1/

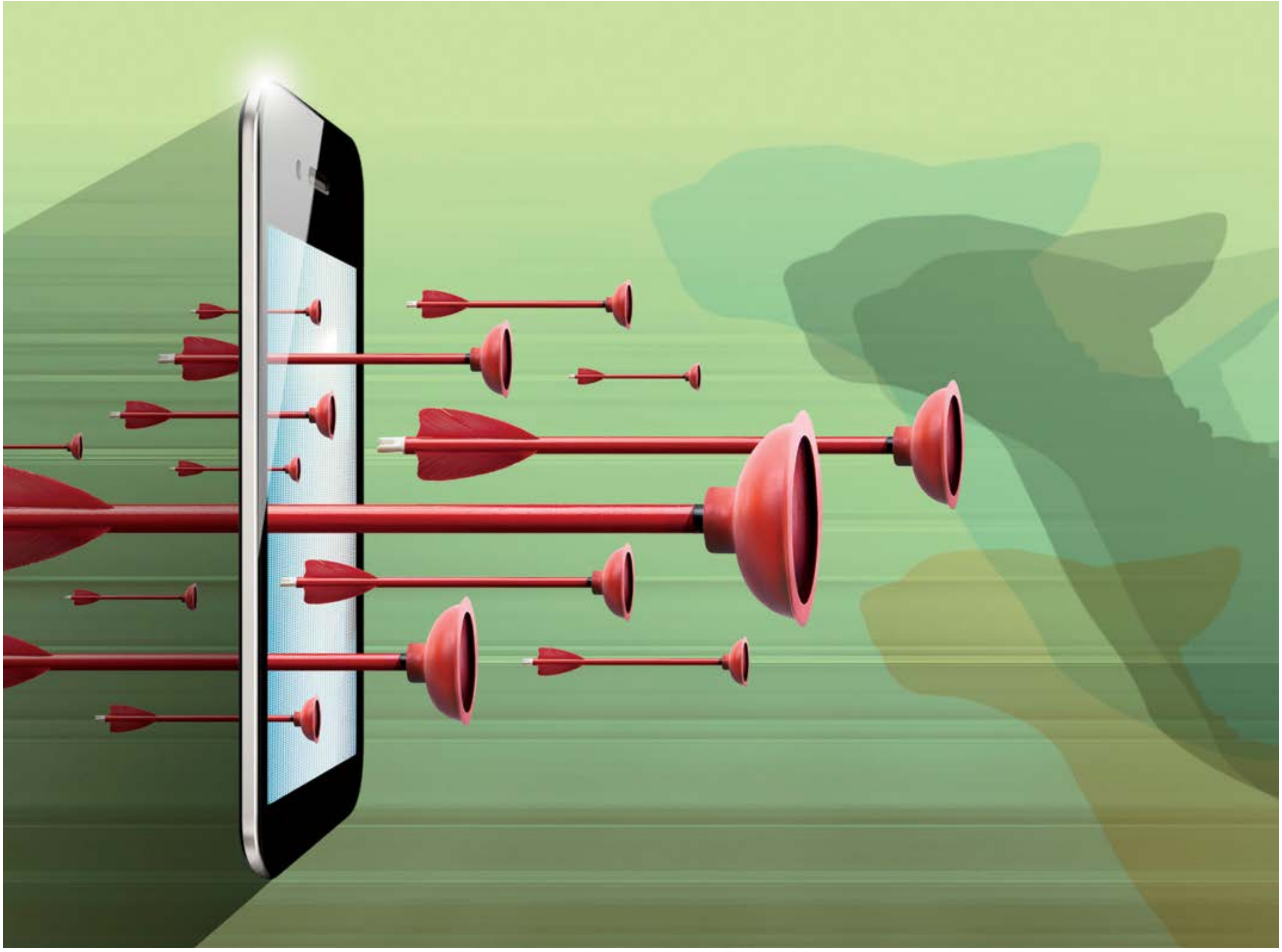
2/

3/

4/

5/

PHOTOGRAPH BY SHUTTERSTOCK/RAWPIXEL.COM (CLOCK); (CLOCKWISE FROM TOP LEFT) PHOTOGRAPHS COURTESY OF APPLE, THE FIVE-MINUTE JOURNAL, JUNE, KIEHL'S, DYSON



Calling Out Your Copycat

Founders are turning to social media to make noise when other brands encroach on their intellectual property. It's a splashy way to defend your company, but can it actually help protect it? **by STEPHANIE SCHOMER**

First there was Chillhouse. Then there was Chillology. And then things were not chill.

It started with Cyndi Ramirez-Fulton, founder and CEO of Chillhouse, which is a Manhattan-based "new-age spa." The company has attracted more than 100,000 Instagram followers who love its modern aesthetic and self-care ethos. In October, one of those followers alerted Ramirez-Fulton to another brand's account—and it looked eerily similar to Chillhouse's.

This other account was for a different self-care destination, called Chillology. It copied specific Chillhouse posts and captions; its products, services, and packaging showed alarming overlap; and the marketing for a Chillhouse pop-up at Miami Beach's Art Basel was being used to promote Chillology in New York, the only tweak being the variation in brand name and a lower quality in execution.

"It wasn't just that they were taking our brand that we've put time, energy, and creative juices into, but it was that they were making it look worse, and kind of dragging it through the mud," Ramirez-Fulton says. "I just felt like I had to take matters into my own hands."

What's an entrepreneur to do? Increasingly, the answer seems to be: Blast the copycat on social media.

There are plenty of high-profile examples. In 2018, Outdoor Voices founder Tyler Haney took to Instagram when she felt the design of her brand's leggings was being copied by competitor Bandier. (Outdoor Voices fans rallied around Haney, though Bandier ultimately defended its product.) In 2019, Shhhowercap founder and CEO Jacquelyn De Jesu Center posted stories that suggested hair-care brand Ouidad had copied her product's patented design. (Ouidad posted a half-hearted apology and said it would pull the product.) Also last year, a journalist took to Facebook accusing the *Crime Junkie* podcast of plagiarizing her work (a pile-on ensued and the podcast deleted several episodes), and in February of this year, podcast host Rich Roll tweeted that his audio had been inappropriately used on the *WeCrashed* podcast. (The episode was reedited, and Wondery, which published the podcast, publicly apologized.)

These kinds of success stories sound encouraging, but they're not always so simple, says Joseph Gioconda, an IP litigator and the founder of Gioconda Law Group in New York. Although it's tempting to call someone out on social media, he says the move is virtually useless unless an entrepreneur has filed for the relevant trademark protection, patents, and copyrights. "Because I can guarantee you: Success will breed people who copy you," he says. And if you're not protected, then all the tweets in the world can't save you.

"The law does not recognize a public outcry as a legally sufficient action [to defend IP protections]," Gioconda says. "And if you're too strident in your complaints, the other party theoretically *could* turn around and sue you for defamation or disparagement. You've got to be able to back that up."

Sarah Larson Levey learned some of this the hard way. In 2013, she launched a hip-hop-focused yoga studio called Y7—and she thought little about how to protect it. "We didn't trademark until the beginning of 2015, when we saw other studios start to have a 'beat-bumpin', candlelit' class, sometimes taking our exact class descriptions and adding them to their schedules," she says.

She moved quickly after that, with the assistance of a lawyer. Then, once she was buttoned up, she turned to social media—but not to call people out.

"It's the best resource [for finding copycats]," she says. "We do a sweep of hashtags probably every other month. It's hard to do otherwise—we wouldn't know about [an infringement] outside New York or L.A."

When she finds people ripping her off, her lawyers go after them. It all stays out of public view. "Every time you see any sort of infringement, you have to protect your trademark and send a cease-and-desist letter, because if you have a history of *not* defending your trademark, that can come back to bite you," she says. (It's a prudent point, Gioconda says: "If you sleep on your rights, you've let the other side take them.")

Jacquelyn De Jesu Center, the Shhhowercap founder, has taken more of a two-pronged approach to defending her brand.

She launched her modern, fashion-forward shower cap in 2015 and prioritized all legal protections. "One of the first calls I made was to a random patent attorney to learn how to protect this," she says. "I have a design patent, a utility patent, Shhhowercap's logo mark and word mark—two different things—and the phrase 'The shower cap reinvented.'"

Still, when she saw another brand copying her last year, she felt like social media could help. If she got enough attention online, she figured she could make her competitor stop—and it would be cheaper than going through any costly litigation. She consulted with her lawyers, who said it would be fine so long as she stuck to the facts.

"I posted on Instagram, and it went buck wild," she says. "I have 10.8 thousand followers. That's 10.8 thousand cheerleaders. Those voices are loud, and they're pissed for you."

But this raises another important point: Not all social media accounts are created equal. "The question is, how rabid is your customer base?" Gioconda says. "If you have tens of thousands of followers who live and die by your brand, [speaking out] is going to resonate. But if you're just starting out, and you don't have a strong identity and following, it may come across as though you're being petty, and that will just drag you down."

That certainly occurred to Ramirez-Fulton, the Chillhouse founder, when she was thinking about how to respond to Chillology. She didn't want to drag her company's Instagram page into the fight, but she had a good backup: Her own personal account has 50,000-plus passionate, engaged fans.

So she took to Instagram. She posted a series of stories to her personal account, detailing what had happened with Chillology and backing it up with side-by-side documentation of the two brands' online representation. Chillhouse's fans got vocal in defense of Ramirez-Fulton's business, and the founder of Chillology, Dacia Thompson, issued an apology, claiming that the employee overseeing their design and marketing acted independently and was subsequently let go. (This was reiterated in a statement made to *Entrepreneur* by Thompson.)

Ramirez-Fulton was happy with the result, but that doesn't mean she'll be quick to do it again. "Pick and choose your battles," she says. "There have been other instances where I have seen things from brands that feel similar to us, but I've never really taken it public." After all, the question isn't about making a splash in public. It's about how best to protect the brand, no matter what.

> HOW RABID IS YOUR CUSTOMER BASE? IF YOU HAVE TENS OF THOUSANDS OF FOLLOWERS WHO LIVE AND DIE BY YOUR BRAND, [SPEAKING OUT] IS GOING TO RESONATE. IF YOU'RE JUST STARTING OUT...THAT WILL JUST DRAG YOU DOWN."

"Help Me, or Destroy Me"

What's the biggest risk you've ever taken? For **Angela Gennari,** whose company provides security and event staff at the University of Georgia, it was putting her fate into the hands of a competitor. **by JASON FEIFER**

Angela Gennari didn't expect to win. She's honest about that. She's the founder of Titan Global Enterprises, an Atlanta-based company that staffs and runs security for events, and it's a small player in a giant industry. So when the University of Georgia's athletics contract came up for 2019 (which included its huge football stadium), she saw it as a good learning opportunity. She thought she'd throw everything she had at the bid, lose, get some great insight, and be better prepared next time. But then the unexpected happened: She won. "What a sense of release that was," she says.

The feeling would soon turn to panic. She discovered that her three employees overseeing operations were slacking—not filing important documents, not properly training new employees, and so on. "It could have cost me the company," she says. All three resigned. But now she was left to clean up the mess and shoulder the giant contract all by herself. It was impossible.

She considered her options. There weren't many. Then she thought of her son; she is a single mom and conscious of the example she sets. *I will not fail at this,* she thought, *because I have to show him that no matter what the obstacle is in front of you, you have to push through it and not let anything defeat you.* So she decided to do the one thing that might save the business—but that would also be the riskiest, craziest, most vulnerable thing she could do. She went to her biggest local competitor, Les Dupree of Dupree Security Group, and asked for help. Dupree could save her business...or easily destroy it. Here are the three steps that helped her survive.

Step 1/ Lay the groundwork. "I am transparent to a fault," Gennari says. This wasn't always true. In her 20s and 30s, she put on what she calls a "fearless facade"—but it pushed people away. "Now I realize that if I'm honest and tell people, 'Look, I am really nervous right now,' they step up." That helped her build great relationships, including with Dupree. They'd met at many events and developed a good rapport. "I've always chosen to show respect and work well with my competitors," she says, "because you never know when your competitor will become your ally." It was time to put that to the test.

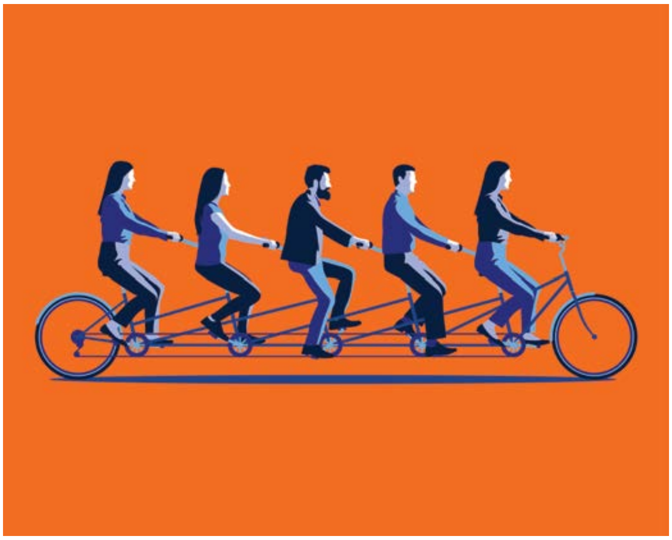
Step 2/ Own the weakness. Gennari wasn't in control of the situation, so she embraced it. She invited Dupree to lunch and said, "Look, this is what's going on in the business. I don't know what to do with this right now. But I'm coming to you because you have the chance to take me down right now—or you can advise me on how to get out of this craziness." Dupree chose option B. ("It was just the right thing to do," he says.) He helped her staff up with reliable people and advised her on how to fix the business's problems.

Step 3/ Strengthen the team. With a new team in place, thanks to her competitor's help, Gennari was able to staff up for the University of Georgia's football season. Everything went great, and she was grateful. She wanted to keep her team happy. One fall evening, the temperature suddenly dropped into the 30s, and her staff wasn't prepared. "We had a little cash in the bank," she says. "As an entrepreneur, you're constantly worrying about money—but I thought, *I'm not gonna let them freeze."* So she spent $10,000 on coats for everyone. "They were so appreciative," she says. Now they're all preparing for this year's season.

PHOTOGRAPH BY DEE FLORES OF DEELITE PHOTOGRAPHY

Keep the Team Together

If you really want to make your employees happy, stop thinking like a boss… and start thinking like an employee. **by ADAM BORNSTEIN**



Q I have a great team, but I'm worried about people leaving. How can I incentivize them to stick around?
—TOM, AUSTIN, TEXAS

ENTREPRENEURS KNOW how to make customers happy: We learn their needs and then create products and services to match. But too often, we don't do the same thing with our employees. We make incorrect assumptions about what workers value—and, in the process, overlook what will give them long-term stability.

It's based on good intentions, but the delivery is bad.

For example, some employers offer profit-sharing incentives. People like more money, right? But in the U.K., when researchers surveyed more than 13,000 employees across nearly 1,300 workplaces, these profit-sharing incentives got mostly bad reviews. Why? Because profit sharing is based on the company's overall performance. Employees don't feel rewarded for their individual effort. In fact, they feel like the rewards go to the people with the best positions—*not* the best workers.

So how can you offer something better? In my experience, which spans work with corporations and venture-backed startups to my own bootstrapped businesses, I've learned that all employees value three things: compensation and personalized bonuses, upward potential, and respect. Consider the following as you look at these variables through the lens of an employee.

1/ Compensation and personalized bonuses

Everyone wants a higher salary, of course—but your employees' feelings about money may surprise you. Research from Princeton found that higher income does lead to more happiness, but only up to $75,000 per year. Beyond that, pay increases don't necessarily lead to greater job satisfaction. What *does* matter is employees' perception that their value is rewarded fairly.

To do that, link bonuses—in the form of salary, benefits, or equity and stock—to personal contributions. Your company is set back every time you lose a valued team member; a short-term investment in employees (at the slight detriment of your P&L) could be your biggest unlock for long-term growth.

2/ Upward potential

The general expectation is that better titles mean bigger salaries, but don't overthink that relationship. Many employees join smaller companies for the opportunity of accelerated growth in terms of titles, responsibilities, and mentorship.

To help people who want to grow, attach personal meaning to what they do. A paper published in *Qualitative Organizational Research* stated that people are more incentivized when they feel personally connected to their work and feel that their work is tied to the success of the business.

Achieving this is as simple as understanding your employees' personal values and then making sure they have the opportunity to find those values in the work they do. When that leads to growth within the company, it will create a strong bond that's hard to break.

3/ Respect

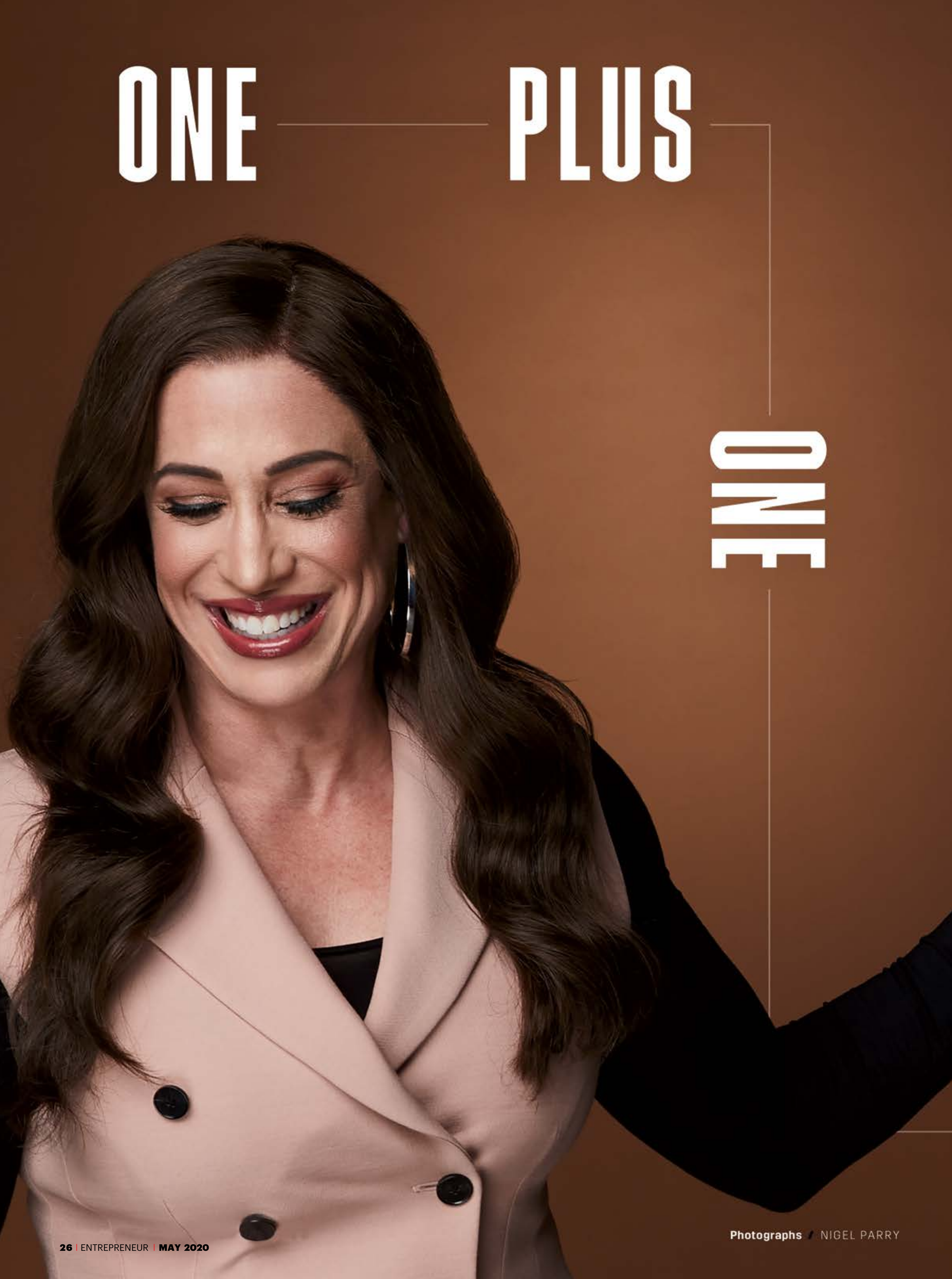
All employees want to feel heard—otherwise, research has shown, they can withdraw into apathy. Once that happens, not only will your business suffer, but your employee may move on.

The best way to establish trust is to give your employees the ability to challenge the status quo. Research from the University of Texas at Austin supports the idea that upward feedback is empowering (assuming it's delivered in an appropriate way), and the way you solicit feedback matters less than the culture you create. In my businesses, I try to listen first to all criticisms and hold off on challenges until the end of the meeting. If your team knows that you're willing to listen, you increase the likelihood that they'll share feedback.

Remember, there's no magic number when it comes to compensating an employee or making them happy; they'll stick around when they feel valued. It will give you a better chance of retaining talent, *and* a reputation as a good employer. And that's a big part of attracting the right people in the first place.

Adam Bornstein is the founder of Pen Name Consulting, a marketing and branding agency, and the creator of two12, a mentorship experience for entrepreneurs.

ONE PLUS ONE



Photographs / NIGEL PARRY

EQUALS BILLIONS

Dwayne "the Rock" **Johnson's** career was stalling.

Then **Dany Garcia** stepped in to help change everything.

by JASON FEIFER

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"THERE IS A BEFORE," says Dany Garcia, "and there is an after."

Here is *before.* It's around 1998, and at the time, Dwayne "the Rock" Johnson is a burgeoning wrestler in the WWE. Garcia is about halfway through a career at Merrill Lynch. They are newly married, eating dinner at a restaurant, and discussing Johnson's path. "I was having a little bit of a challenging time turning the corner in terms of my fame," recalls Johnson, "because I just, by default, am more reclusive and quiet. And I also can't hide."

Let's be clear: He can't hide because he's enormous. His biceps, then and now, are the size of other men's heads. People were recognizing him from across airports and creating a mob scene. So, sure, he had *fame,* but it seemed chaotic and uncontrolled, and not advancing his ultimate goal. He didn't just want to be famous. He wanted to be...bigger than that. More meaningful than that. But how?

Johnson and Garcia were talking this over at their table when another couple approached. The people were shaking nervously. "Excuse me," they said, "but can we have your autograph?"

Johnson wasn't in the mood. He slowly, coldly, looked up at them. "Sure," he said, in the tone of a man who'd rather say no.

The fans grew regretful. "I'm so sorry," they said.

"No, no, no; it's OK," Johnson said.

He signed his name to something and handed it over. They went skulking off.

Johnson turned back to Garcia, and the horribleness of his action sunk in. "We immediately, *immediately* identified it," he says. "I had an opportunity to make that person feel so good, and instead they walked away apologetic and feeling awful, when the reality is, I'm a lucky son of a bitch that somebody would care enough to come up and ask for my autograph."

"We knew we had to do the work. It's not like, 'This isn't gonna work.' It's like, 'This should work—you just have to do the work.'"

Johnson and Garcia are analytical people. They like to break things down—to see how A leads to B. So they decided to run an exercise. "And the exercise was: Let's think about what happens when all of a sudden they're eating, and they look up, and there I am," he says. "What's the conversation they have? The husband goes, 'Oh my God; there's the Rock. I've got to go over.' 'No, don't go over.' 'No, I have to.' And they work themselves up, and they come over. And that was very helpful for us."

There is a before and there is an after, Garcia says. That was the before. And this is after: At that dinner, where Johnson and Garcia were puzzling over how to build his career, they'd suddenly been given an answer. "We have the opportunity to make people feel good," Johnson says. "And that's a powerful thing to have."

It's a powerful thing for anyone to have—and everyone *does* have it. Every brand has it. Johnson and Garcia had intuitively known this. He once lived what he calls a "circus life," traveling the country to perform in wrestling matches at flea markets and used-car dealerships. The entire goal was to give people a great show; to make them feel good. Garcia, meanwhile, was the child of Cuban immigrants, with a father who worked in an auto body shop since he was 16, and who was ever grateful for his new homeland. Together, Johnson and Garcia understood the power of happiness—but in the haze of fame and the anxiety of career building, they'd lost sight of it.

No longer. They saw it now. And they saw that Johnson was in a position to do it on a massive scale. Because an emotion like this is bigger than any one person, no matter the size of their biceps. This is what people want, far more than they want a good wrestling show, or a good movie, or a good anything. They want a person who can deliver an experience. They want to be happy.

But there was something Johnson and Garcia couldn't have seen back in 1998. At that time, they were not actually equipped to fully seize the opportunity. Not yet. To do that, they'd have to redefine their partnership entirely. Because no business changes without the leaders changing, too.

HERE'S AN EXERCISE WORTH DOING. Ask yourself, *What am I at my core?*

We are salespeople, or accountants, or writers, or investors, or plumbers, or actors, or CEOs—but none of that is our core. That's just what we do. If you define yourself by what you do, then you are too easily disrupted. You could identify as a CEO, but your job could disappear. Then you are not a CEO, which means you are nothing.

So dig deeper. What drives you? Why do you aspire to the things you aspire to? What is the passion that, deep down, could fuel a dozen different jobs? I'll give you an example. I used to think of myself as a newspaper reporter, then a magazine writer, then a magazine editor...and then I realized that, no, these things are transient. They come and go. So what is my core? It is this: *I tell stories in my own voice.* I can do it here, in this story, or as editor of this magazine, but also in a talk or a podcast or anything else where I control the narrative. That's my core; I communicate. Maybe at your core, you build. Or solve problems. Or impact your community.

Today my core has taken me to a film studio in Atlanta, where I'm telling this whole crazy thing to Johnson and Garcia. It doesn't need a lot of saying, but: They aren't sitting at restaurants puzzling over Johnson's career these days. Garcia is his manager, and they are business partners overseeing a sprawling, complicated bundle of interests. There is Seven Bucks Companies, an enterprise that produces film, TV, marketing, and branding projects, which drove $1.9 billion in box office numbers in 2019. (As we talk, we're sitting in the production offices of one such project, a Netflix movie called *Red Notice,* which Johnson stars in.) There is The Garcia Companies, a holding enterprise that launches or manages investments in a wide range of brands. (Garcia also manages the actor Henry Cavill.) And of course, as stories about Johnson often stress, he achieved the status of highest-paid actor in Hollywood.

But I want to get underneath all that. So, the core. I'm telling them my own experience as a big, elaborate way of asking for theirs. *What* *are you at your core?* The question is hard enough for one person to answer, but a successful business relationship requires two good answers—two people who are self-aware enough to know what drives them, and how their core missions are complementary.

They ponder it for a moment. Garcia goes first.

"Focus," she says. "I have an incredible level of intense focus. And the ability to engage in the complete experience that's going on." She doesn't just want to tell a story, she says. She wants to tell "the story of the story"—to understand the biggest of the pictures. So this is her core: She digs deep, while simultaneously floating above.

Then it's Johnson's turn. To answer, he rewinds to another pivotal moment in his career, when he finally identified his core. In the early 2000s, he was transitioning from wrestling into movies, and the road was bumpy. "The business we were doing was OK," he says. "But there was more. There was something *more,* and I hadn't identified yet what that power foundation was. And then finally I felt like, to identify myself, I realized that it was important not to be narrow. I wanted to be a 10-lane highway approaching the world."

This is a good metaphor, so let's roll with it. Most people aspire to one lane. They want to own that lane—to go fast in that lane. But not Johnson. He was driving in one lane but realized there were actually nine other lanes he couldn't see. He was *stuck* in one lane. His core was this: Own all the lanes.

How did he plan to do that?

"I felt like I had to do a clean sweep," he says. It was time for a new regime—new publicists, new manager, new everybody, and it needed to be led by someone who shared the vastness of his ambition. So in 2008, he chose Garcia.

This was an interesting choice, because 2008 was also the year Johnson and Garcia got divorced. But they'd been friends since college, had remained friends despite the divorce, and she'd always been involved in his career, even as she'd risen the ranks to become a vice president at Merrill Lynch and then founded her own wealth management firm. "Dany's acumen was tremendous," Johnson says. "It was a very easy decision at that time."

Remember the core: A person isn't just the job they do, or even the kind of relationship they have. They are defined by something deeper. Johnson knew this. He needed another 10-lane-highway thinker.

So…what next?

"We knew we had to do the work," Garcia says. "It's not like, *This isn't gonna work.* It's like, *This should work—you just have to do the work.*"

"We're going to put in the work. You may not give us a credit now, but eventually we're going to become powerful producers in this business."

WITH GARCIA ON BOARD, it was time to get everyone else in Hollywood on board, too. That was going to take a little more convincing. So they started with some meetings.

"We would sit in a boardroom," says Johnson, "and we would have all these high-level studio and agency execs in there, and I'd say, 'We would like to build the biggest movie star enterprise on the planet. But then we would also like to look at this where there's not just a limited number of spokes on the wheel.'"

By that, Johnson meant he didn't want to limit his brand. It's a critical mindset. Malcolm Gladwell, the best-selling author and podcaster, once put this nicely to me: "Self-conceptions are powerfully limiting." If you think of yourself as only one thing, then you have access to only one set of experiences, and one set of potential accomplishments. Johnson wanted infinite potential accomplishments.

"OK, great," he remembers the executives saying. "How are you going to do that?"

"I'm not quite too sure how we're going to do that," he'd say, "but we have faith and we have the ability to put in the hard work."

As Johnson is recalling this moment today, Garcia cuts in. "That's such a Dwayne Johnson line—'I'm not sure how we're going to get there, but I know we're going to get there.'"

"You have to believe," Johnson says. "So we will be in these meetings and I'll say, 'Here's what we're going to do. It's going to be incredible, and we're going to trailblaze. It's never been done before. We're going to put in the hard work. I need everybody to buy in.' And everyone, of course, is like, 'OK, I buy it. Even if I can't see it, we're going to make it happen.' And I say, 'OK, great. I'm going to leave the room. Dany's going to take over.'"

It's like literally putting someone between a rock and a hard place. The Rock leaves, and now Garcia has the hard work of executing.

Garcia has a philosophy on growth: *Don't be the wrong kind of disruptive.* It's good to challenge the way business is done, but it's not good to make abrupt and unearned change. Richard Branson doesn't suddenly appear on Broadway, and McDonald's doesn't release a $75 dry-aged steak. If a person or a company wants to grow in a new direction, then Garcia believes they need to do it deliberately, step by step, to bring their customers and partners along with them.

This meant that Johnson couldn't go from one to 10 lanes of a highway all at once. They needed to plot a course, lane by lane. And the most logical first step was to gain more control of the movies he was in. "So the idea of a production company was very natural," she says. But rather than just launch a production company and insist on control, Garcia stuck to her philosophy. "We always did the work first to validate the credit that came," she says.

In Hollywood terms, here's what that means. When a star signs on for a movie, they typically send in a few pages of notes focused solely on themselves—which lines they'd like to improve, what scenes they'd like to change, ways they can look better and cooler. But Garcia decided to think bigger. She assembled a team and, with Johnson, built a production company called Seven Bucks (named for a moment early in Johnson's life, before wrestling, when he was cut from the Canadian Football League and had only seven dollars in his pocket). Then, even though Seven Bucks wasn't actually producing any of Johnson's movies, the company just started acting like it did.

This meant carefully combing over the entire movie, looking for opportunities to enhance every actor's role—not just Johnson's. "So, how can we improve the *other* characters?" says Hiram Garcia, Dany Garcia's brother and an old friend of Johnson's, who is president of production at Seven Bucks' TV and film arm. "What thematically can we do for the whole movie to make it better?" Their first big attempt at this was on *Journey 2,* where they focused a lot on helping Johnson's costar, Josh Hutcherson. Then they joined the studio's marketing meetings, which is something an actor's team rarely does.

"We were comfortable with knowing, right now, we're going to put in the work," says Johnson. "You may not give us a credit now, but eventually we're going to become powerful producers in this business."

In time, studios did give them credit. And did start paying them. And Seven Bucks would go on to produce all of Johnson's work, from *Jumanji* to the HBO show *Ballers,* as well as many projects he's not starring in at all. ▶

managers might call a *franchise,* or a repeatable concept built around what gets a great audience response. Everyone with a personal brand should develop their own franchises.

There's something else you'll see throughout his social channels: things for sale. Everything that Johnson and Garcia have built or invested in—from movies to brand partnerships to a tequila called Teremana that they just launched and also conveniently brought to the *Entrepreneur* photo shoot—makes careful appearances. Here, Lasry, the CMO, will offer a takeaway for other entrepreneurs: "One of the biggest learnings we found is that the more the audience sees just how truly involved [Johnson] is—from the production all through the marketing campaign—they are so much more interested." That insight helps inform these posts. It's not enough to just show a product and say it's for sale. No—you lead the audience into it and make them feel a part of the process. Johnson tastes the tequila. He refines the tequila. He thinks about the tequila. He works on the tequila. And then, at the end, he doesn't really need to sell it. The audience has already bought in. (Ditto for the story you're reading right now: Johnson posted an image of our interview a full month before it hit newsstands—to *Entrepreneur*'s great surprise, and delight.)

So that was another lane. "And then," Garcia says, "social media happened."

SOCIAL MEDIA IS A BUSINESS built on irony. It's driven by authenticity—when an Instagram or Twitter feed feels like the product of one person's hands and eyes. But as any social media influencer will tell you, "authenticity" does not happen by accident. It is the product of strategy. Posts are crafted and scrutinized. Data is examined; learnings are extracted. *Authenticity* is what happens when *willingness* meets *persistence.*

Johnson went all-in here, growing an Instagram following of 173 million strong. His colleagues always describe this in personal terms. "Dwayne treats it as a personal relationship he has every day," Garcia says. "He's always giving his fans a front-row seat to his everyday life," says Maya Lasry, chief marketing officer at Seven Bucks Companies.

But entrepreneurs should know: Effective social media *does* require more than that. And if you look closely at @therock on Instagram, you can see signs of it. The "front-row seat to his everyday life" is photographed beautifully and often packaged into video; that's a financial commitment to an on-the-go team whose cameras are trained on him. (During *Entrepreneur's* photo shoot and interview with Johnson and Garcia, for example, their team filmed the entire process for later use on his social feed. Most cover subjects don't do that.) He regularly posts his extravagant "cheat meals"—awesomely indulgent food that breaks from his strict athletic diet—and that's what social media

This is a valuable formula, because the end result—the sales—helped them continue to expand into other lanes of their highway. And that's what they started to do once they'd established ownership in Hollywood.

"We have a conversation: 'Take a look at our history. This is the amount of merchandise that people have engaged with Dwayne,'" Garcia says. "Translate that to 'This is why we should do this partnership with Apple,' or 'This is why Project Rock is fantastic.' You know, you can begin to give examples and case studies. People want to take a leap of faith, but we help them to take a leap of faith."

Some of these projects felt obvious—like, say, pairing Johnson with wellness or entertainment brands. There is, for example, Project Rock; that's a brand partnership with Under Armour. In October, they're debuting Athleticon, a two-day fitness event in Atlanta. They also invested in, and serve as advisers to, the water company Voss and social media ticketing platform Atom Tickets. And there's more. But you don't build a 10-lane highway just by doing the expected. Those are simply the starting points—the places from which Garcia can execute her philosophy of deliberate, step-by-step, bring-the-audience-along-with-you disruption.

That's how they ended up also investing in and advising a quirky, Portland, Ore.–based ice cream company called Salt & Straw.

"I was not looking for this at all," says Salt & Straw's cofounder and CEO, Kim Malek. "It was completely serendipitous."

Malek's friend had been doing some work with Garcia and offered

DWAYNE JOHNSON'S GROOMING, RACHEL SOLOW; MAKEUP, BJORN REHBEIN; WARDROBE, ILARIA URBINATI AT THE WALL GROUP; DANY'S MAKEUP, LINDY DOWNEY; HAIR, MILES JEFFRIES; STYLIST, ALI MANDELKORN to connect the two. Malek was hoping Garcia might become a Salt & Straw adviser, and maybe even a board member. Some emails turned into a meeting in Los Angeles, which was supposed to be 45 minutes but went on so long that Malek missed her flight. The two companies found a lot of common ground. They both think of themselves as storytellers—Seven Bucks with its myriad of entertainment and marketing projects, and Salt & Straw in the way it develops flavors. For example, it recently had a symphony play in its kitchen and interpreted the music into ice cream. And to highlight the amount of food waste that happens in America, it once made a menu out of ingredients that were going to be thrown away.

"I think they were excited about the opportunity to move into other areas that maybe weren't as obvious, outside the entertainment industry," Malek says. Soon they were brainstorming all sorts of projects—which eventually led to Johnson and Garcia investing in the company, and Salt & Straw releasing a series of Johnson-themed "Dwanta Claus" flavors, with a portion of the proceeds going to the Make-A-Wish Foundation.

The ice cream sold out in two days and has benefited Salt & Straw in ways Malek couldn't have anticipated. As she scouts locations for new stores, for example, landlords return her calls faster now. Though Dwanta Claus did leave some people scratching their heads: *Johnson, the very picture of fitness, promoting ice cream?* But Malek got it.

"I just think of the power of their appeal to everybody—they're a unifying force in the world," she says of Johnson and Garcia. "We need that. And if you think about it, ice cream is that, too."

It sounds exactly like the insight Johnson and Garcia had years ago—that their big opportunity wasn't just to make movies or sell products. It was to *make people feel good.* And Salt & Straw confirmed it.

WHAT'S THE DIFFERENCE between an ambitious business and a business that's achieved many of its ambitions? There's scale, obviously: more money, more work, more people. There's also risk tolerance. You might think that a larger organization has more to lose, but Garcia sees it differently. "We were actually very risk-averse" in the beginning, Garcia says. "We didn't have that understanding of the audience. But as you become more mature, it's different. You can actually take greater risks, because everyone has a sense of who this individual is, and so therefore the extensions make more sense."

By "individual," she means Johnson, but the same can be said of any organization. Once customers understand and love a brand, they'll follow it, too.

That may sound like common sense. But what Garcia says actually goes against the natural gravity of most companies. Maxwell Wessel, the chief innovation officer of SAP, once wrote this in *Harvard Business Review:* "Big companies are really bad at innovation because they're designed to be bad at innovation." Once a company succeeds at something, he argues, it learns to do that thing as efficiently as possible. It stops discovering new things and becomes an expert in itself. That's when it stops taking risks…which is when a smaller, more nimble competitor can come along and destroy it. Blockbuster versus Netflix. Sears versus Walmart (versus Amazon!). It's an old story.

This can happen with a leader, too. A leader can be amazing at overseeing one phase of a company—the startup phase, the cleanup phase, the first-burst-of-growth phase. They fashion themselves as the right leader for the moment, and they serve it perfectly. But when the company enters a new phase and needs them to be a new kind of leader, they're unable to adapt. Great and enduring leaders, therefore, are the ones that can change along with their company. They're a new kind of leader at every stage.

So what does that look like for Johnson and Garcia, as Seven Bucks and The Garcia Companies have taken up more and more of that 10-lane highway? How have they become different leaders than the way they began?

"Oh, that's good," Johnson says, when I ask the question. Then he turns to Garcia. "You want to take that?" They laugh.

But Garcia has a ready answer. "What we did this year, we did not do last year," she says. "We are not attached to process. We are only attached to outcome."

Garcia's process has changed a lot over the years. She used to be involved in every conversation and all logistics, she says. But that's not what their companies need now. "So I became a different type of producer," she says. "Now it's 'How do all these enterprises work together? How are they tied to what's happening in the global economy? How does it tie to the global audience that he now represents? Who is he today after every film? And how does that tie back?'"

Johnson has a similar perspective. Leadership, for him, involves asking a lot of questions—and constantly forcing himself to see things fresh. "I've felt my leadership ability and qualities grow," he says, "but they could not have grown without the capacity to go, 'OK, let's always think this is my first day of school, first day on the job, and I don't know shit.'"

Garcia describes Johnson as "the deliverable"—he is both a creator of a product and the product himself. That puts him in a unique position as a leader. And Johnson agrees: He must be as good as everyone's expectations. He has to be the hardest worker.

"For me, what has really helped is just leading by example—really leading by example and always putting in the work," he says. "And if we fail, it's OK; we fail. But I'm always going to put in the work. These guys will tell you—you know, we'll fly to China, we'll land in Beijing at 4 A.M., we will immediately go to the hotel, then we're going to go to the gym, and then we're going to start our day. And it is a long day, right? But I'm right there with you. Yeah, we're going to do it together."

> **"For me, what has really helped is just leading by example—really leading by example and always putting in the work."**

These answers should sound familiar.

In the beginning of my conversation with Johnson and Garcia, we talked about our cores: What is the thing that fuels us? The thing we know how to do best? Garcia said it's to "engage in the complete experience"—to simultaneously dig deep and see the big picture. Johnson said it's to "be a 10-lane highway approaching the world." They figured out these things years ago, when Johnson was just a guy puzzling over his fame. Now their place in the world is very different. Their lives are defined by billion-dollar deals. But when I asked how they evolved as leaders, they restated a version of their cores: Garcia is digging deep and rising above. Johnson sees massive opportunity and is fully committed to owning it.

That's what happens when you have a well-defined core, and when you understand exactly how well it interlocks with your partner's. Lots of things will change after years of experience and billions of dollars, but the core will not. It *cannot.*

"Because the process, it's just a cycle," Johnson says.

"It has to refine; it has to improve," Garcia says.

"The refinement is so critical," Johnson says.

But the starting point is everything. ■

Jason Feifer is Entrepreneur*'s editor in chief.*

THE CRAZIEST BET IN RETAIL

A little startup called **Le Tote** recently bought **Lord & Taylor,** one of the country's oldest brands. What happens next may say a lot about the future of shopping.

by ANDREW LEONARD

Illustration / MICHAEL GLENWOOD

→ THE DIGITAL WORLD, IRL Le Tote's rental studio, at a Lord & Taylor in Yonkers, N.Y., lets customers interact with both brands in person; the store's exterior (*far right*).

THIS YEAR DID NOT START WELL FOR BRICK-AND-MORTAR CHAINS.

In January, Pier 1 Imports announced it was closing up to 450 stores. Later that month, two other prominent retail brands—the high-end audio manufacturer Bose and the paper-goods chain Papyrus—reported their own significant closures. And yet, on the same day that Macy's announced it was laying off 2,000 workers and closing 125 stores, I was arriving at the San Francisco offices of a startup called Le Tote...where a very different kind of thinking was going on.

Le Tote is not a brick-and-mortar business. It's a fashion-rental company. Users subscribe by the month and can rent and return (or buy) entire wardrobes. But last November, seemingly out of nowhere, this eight-year-old startup purchased the 194-year-old department store chain Lord & Taylor for $100 million. The move raised many serious questions, most of which boiled down to: *What?!?* In 2018 alone, Lord & Taylor *lost* more than $100 million. Why in the world would a digital firm want anything to do with a floundering mall cornerstone?

That's why, when I sit down with Le Tote's founders, Rakesh Tondon and Brett Northart, there seems to be only one question worth asking: *"Are you crazy?"*

PHOTOGRAPHS COURTESY OF LE TOTE

As Tondon and Northart explain all this, it's clear that their point-counterpoint pitch has been polished to a fine sheen—even if there's more of a "we'll figure it out as we go" aspect to their road map than most retail analysts might be comfortable with. But between the lines, a deeper narrative emerges that makes my initial *"Are you crazy?"* question moot.

That's because if you look closely at the world of retail, you'll see a curious shift. Many people once feared that the internet would replace physical stores. It's why brick-and-mortar stalwarts like Walmart, which came late to the digital party, have been racing to improve their e-commerce chops. But at the same time, the flow is going in reverse: Brands that began life online—from Warby Parker to UntuckIt—are now opening on street corners, too. Why? Because news reports notwithstanding, most of us still leave home to shop. Brands that aim to survive the ongoing shakeout all seem to agree: They need to be wherever the customers are.

"The reality is you are not going to be digital only, or offline only," says Northart. "Everyone is trying to close the gap."

"You've got to be contrarian," Northart says jokingly. Tondon smiles and says, "That's where the outsize returns are!"

Tondon and Northart are very much aware of the seeming incongruity. To a certain extent, they are even banking on it. Just in terms of press coverage, the Lord & Taylor purchase generated scads of headlines. That's useful marketing buzz for a startup seeking to bolster its brand in an extremely competitive marketplace.

But there's more going on here than just a media play. For starters, Tondon and Northart tell me they're responding to what their online customers have been demanding for years: expanded opportunities for "touch-and-feel," hands-on interaction with apparel. And armed with years' worth of data on customer preferences, the duo is confident that it will be able to personalize offline offerings in a way that old-school retailers just haven't been able to.

They also landed a unique deal with Lord & Taylor's previous owner, Hudson's Bay Company: Le Tote doesn't have to pay *any* rent on 38 Lord & Taylor stores over the next three years. That's a lot of free time to experiment and breathe new life into the retail model.

Tondon, 41, a native of Kolkata, India, and Northart, 35, a Californian from Sacramento, met a decade ago while working at Ridgecrest Capital Partners, a boutique investment bank headquartered in San Francisco. Neither had a background in retail, but both were alert to the potential of e-commerce.

The idea for Le Tote, says Tondon, came when he saw his wife swapping clothes with her friends while going through her second pregnancy. Few mothers want to keep their maternity clothes, but they keep having to buy new stuff over the course of nine months. *Wouldn't it be better,* he thought, *if they could just rent the clothing instead?*

This idea was already in the air. In 2012, Stitch Fix had established a subscription model for online clothes purchasing, and Rent the Runway had pioneered a rental strategy for special occasion looks. Le Tote combined the two. With the maternity hook and a simple catchphrase—"Netflix for fashion"—the pitch was good enough to get Northart and Tondon into the Y Combinator accelerator program in 2013 and secure venture funding. ▶

➔ TWO FOR ONE
In Manhattan, a holiday pop-up celebrated and promoted the brands' merger and offerings.

> "[It's] the **opportunity** to take an **iconic brand, dust it off,** and make it mean **something different** in the market."

Today, Le Tote customers pay anywhere from $59 to $129 a month to rent clothes and accessories, with an option to buy anything they like for a discounted price. The company does not currently release figures on customer retention and sales, but as late as 2017 it was projecting revenue "well north of $150 million" and claiming annual sales growth rates of 100 to 150 percent.

But, undeniably, the biggest players in the market remain Stitch Fix, which went public in 2017, and Rent the Runway, which was valued at $1 billion after its latest round of funding in 2019. Le Tote, in contrast, is estimated to be worth around $180 million, after raising $75 million in venture capital. (The startup borrowed an additional $75 million to purchase Lord & Taylor, with another $25 million due in two years.)

With less name recognition than those leaders, it makes sense that Le Tote felt it necessary to pursue an aggressive scaling-up strategy. Tondon says that as early as three or four years ago, customer requests for an offline Le Tote experience got him thinking that a physical store presence would be a smart move. Soon it felt like a necessary one.

"A lot of these digitally native brands are realizing there is a ceiling to how much you can scale, and how much you can really connect with a consumer online," Northart says. "There are real limitations, there is no tactile experience, there is a lot of lag and latency in the shipping experience."

But in sharp contrast to other e-commerce brands, which move into the brick-and-mortar world by leasing new stores under their own brand names, Le Tote decided to skip a few steps. It will move into Lord & Taylor's existing physical domain—meaning it won't have to build stores and it just bought a base of new customers who are already walking in the door.

Tondon says they'll present it like this: "Lord & Taylor, powered by Le Tote technology."

It all makes for the kind of grand experiment that industry watchers love. It's big, bold, and high-profile, and retailers will want to know: Can online and offline brands truly benefit each other? Or is this just a well-financed startup trying to stand out from the pack and a dying legacy brand with no other options?

In a few years, we'll have our answer. It could change nothing... or everything.

There are plenty of Lord & Taylors out there—which is to say, established brands without an obvious future. But for Northart and Tondon, Lord & Taylor carried particular appeal.

For one, it's unique. The company bills itself as the oldest department store in the U.S. Its regional footprint has historically been concentrated in the Northeast, catering to an affluent though not necessarily trendy clientele, with big-box, 150,000-square-foot stores. But despite that uniqueness, it was also distressed. After a series of ownership changes that started in 2005, when Federated bought 55 Lord & Taylor stores as part of its $11 billion acquisition of the May Company, the chain suffered from a sustained period of corporate neglect. In 2019, its most recent owner, the Hudson's Bay Company, sold the 106-year-old Fifth Avenue flagship in Manhattan to WeWork for $850 million.

And yet, despite all that, the brand wasn't dead. Many Lord & Taylor stores still exhibit strong cash flow. And of course, three years of free rent was simply too good to pass up. (As part of the deal, Hudson's Bay received a 25 percent equity stake in Le Tote.)

"We are carrying no long-term-lease liability," says Northart. "We get the loyal customer base, and we get a lot of inventory effectively for free. We also get cash flow out of the deal and the opportunity to take an iconic brand, dust it off, and make it mean something different in the market. For us, that was really compelling."

But now they'll have to actually fuse a digital startup with a dusty old brand—and plenty of industry insiders are skeptical. Lord & Taylor's clientele, notes Shawn Grain Carter, a professor of fashion business management at the Fashion Institute of Technology, "is geriatric." Le Tote's average customer, by contrast, is 39, part of the very generation blamed for the demise of the mall.

Scapegoating the internet for killing the mall, however, isn't completely accurate, says Mark Cohen, the director of retail studies at Columbia University and a veteran of the clothing industry (including a stint at Lord & Taylor). Decades of overbuilding set the industry up for a fall. The Great Recession exposed structural weaknesses long in the making. The internet, says Cohen, served as a "handcuff key," freeing customers from the chains they felt forced to visit.

"There was an enormous amount of duplication," says Cohen, "and now it's become a killing ground." But that doesn't necessarily mean shoppers *prefer* going online. They may have just preferred the many new options—which can be replicated in physical spaces, too. There's evidence of that. As late as 2018, e-commerce still accounted for only 14 percent of all retail sales worldwide.

Nevertheless, Cohen is puzzled by Le Tote's purchase of Lord & Taylor, which he calls "a nearly dead, antiquated brand."

"Here's a business that's lost most of its brand equity," says Cohen. "It's not making any money, and Le Tote believes they have some sort of a crossover strategy from internet-based rental to reposition it. I just think it's one of those deals where one party has more money than brains and the other party is desperately trying to get an asset off its balance sheet."

FIT's Carter disagrees. The real estate alone, she says, is well worth the obvious risk. "They can put their rental showrooms directly into these stores so the customer can physically test the merchandise before they rent it," Carter says. "This gives Le Tote an omni-channel business strategy. It's smart."

In fact, it gives Northart and Tondon an immediate edge that many other digital-first businesses have spent years sharpening. If their bet here is right—and yes, that's a big *if*—then it could be one of the defining ideas in the next phase of retail.

There are online stores, and there are physical stores. And for years, they seemed at war with each other. In 2012, Michael Preysman, the CEO of the online clothing store Everlane, told *The New York Times Magazine,* "We are going to shut the company down before we go to physical retail."

That's changed. Today, Everlane has one store in Boston, two stores in New York, and three in California. Men's clothing chain Bonobos, founded in 2007 as an exclusively online retailer, has 62 stores. Even Casper, creator of "the internet's favorite mattress," has opened up a chain of shops.

At the same time, a host of brick-and-mortar veterans are getting into the rental game. Now brands like Macy's, Urban Outfitters, and Banana Republic are offering services like Le Tote's, where consumers can rent and return clothing.

In other words, retail is becoming a big mishmash, with everyone moving into everyone else's turf. And when Le Tote purchased Lord & Taylor, it came to embody this industry shift. The company is now a little of everything—a digital brand that went brick-and-mortar, *and* a brick-and-mortar brand that went digital. What happens next may be revealing, both for Le Tote and the industry at large.

Tondon and Northart say they have a detailed plan of experiments and innovations they are going to roll out in the next three years, though they are reluctant to provide hard details. ("Why tell our competitors what we are doing?" says Tondon.) But they will say this: Even though they took over Lord & Taylor, they don't intend to run a department store.

By the end of their three-year trial, Tondon and Northart expect they'll be moving existing Lord & Taylor workers into smaller, newer, more curated stores. They're certain that the era of the everything-to-everyone department store is over, and they have no interest in letting the model linger. Convenience will be emphasized, and shoppers will be able to use stores as places to drop off and pick up rental boxes without the hassle or wait times of shipping. "What customers really, truly want," Tondon says, "is the ability to buy online and pick up in-store, or go into the stores, swap out old clothes, and wear the new ones home."

The part of their strategy that is the clearest—and the part that could actually make these new, smaller, more focused stores work—is their intention to leverage Le Tote's greatest advantage: its data on what customers like and don't like.

The majority of Le Tote's products are rated on 15 different attributes, all related to fit, style, and comfort. After crunching data, Le Tote can pinpoint specific fabric materials customers found too itchy, or determine that certain sizes in specific brands are generating an excessive amount of fit complaints.

"We ask you very detailed questions," says Tondon. "If an item doesn't fit, we ask, 'Is it too long, too short, too tight in the hip, bust, waist, shoulders, arms, inseams?' So if, for example, customers who are size eight are all saying that an item is too tight in the waist, clearly there is a problem with the way we are creating those garments."

Le Tote's algorithm also takes into account more exotic factors, like "fashion adoption curves" that vary from city to city, as well as local weather patterns. The ensuing one-to-one personalization that decides which clothes will go into which boxes (and eventually, stores) results in different offerings for Los Angeles in the summer and for Cleveland during a cold spell.

"Customers get access to this unlimited closet," says Northart, "and we are the trust layer that sits between those customers and the closet."

This may sound compelling—the online world's obsession with data, driving decisions in physical stores. But FIT's Carter says it isn't entirely unique. "All retailers say, 'Oh, we know what our customers want,'" she says. "The customer votes every day. They either want it or they don't, and when they don't, it's a markdown. There is no mystery."

Perhaps. But to Tondon, data can be used to solve brick-and-mortar's biggest problems. For example, there's the issue of discovery. Fewer and fewer people want to spend their time searching through racks of clothes. He paints a future in which a Lord & Taylor sales associate will draw upon your Le Tote profile to know your preferences the moment you walk in the door, and therefore be able to swiftly direct you to exactly what your heart desires.

Lord & Taylor brings value to this equation, too. The average tenure of existing Lord & Taylor sales associates is a stunning 18 years—something Northart sees as a huge positive. Associates who are deeply embedded in their communities possess "tribal knowledge" about their customers, and that knowledge can be leveraged into helping those customers test out new services. But when I ask whether such veterans are likely to be comfortable with the new technologies Le Tote relies on, Northart shrugs. "Some are, some aren't, and that's something that we'll have to figure out as we start to evolve the experience," he says.

In theory, Le Tote's data on consumer preferences will also allow it to micromanage store inventory so as to satisfy drop-in customers without having to stock everything under the sun. "We want to get people a much more self-serve experience," Tondon says. "The store will automatically recognize you and be able to give you recommendations, and then with a touch of a button, those items can be queued up in the fitting room."

Whether or not the 150-plus-employee Le Tote will be able to turn around the 4,000-plus-employee Lord & Taylor is, of course, a question that can't be answered in the short term. But what first sounded crazy—*check out the online startup that's moving into the mall!*—may actually make more sense than the idea that there was ever really a fundamental difference between shopping in a store and shopping on a computer.

From the late-19th-century days of the Sears catalog, customers have always gravitated to the most convenient option. Can Le Tote and Lord & Taylor be the modern answer to convenience? Perhaps. If they pull it off, Tondon and Northart may create a blueprint for the next generation of retail. And if not? More storefronts will likely close—but new ones will also open, and customers will keep shopping.

Andrew Leonard is a technology reporter in San Francisco.

“AS WE GET BIGGER, WE NEED TO THINK SMALLER”

When Ben Weprin founded **Graduate Hotels,** he thought he’d created an eccentric brand that would never really scale. Six years later, it’s raised nearly a billion dollars and is building bespoke lodging next to colleges nationwide. Now he’s wondering: How much can you grow a company that’s based on local charm?

by Clint Carter


Graduate
NASHVILLE
101

B

Ben Weprin, CEO of the company behind Graduate Hotels, is standing tall on the unfinished rooftop of the building he has spent four years willing into existence. Once complete, this will be the only hotel on Roosevelt Island, a two-mile crust of grass and concrete that runs alongside Manhattan's eastern shore. "Every time I'm up here, I still can't believe this is happening," Weprin says. "It's unreal."

Many New Yorkers might say the same. For most of them, Roosevelt Island is little more than a curious patch of land they cross over while driving from Manhattan to Queens. A hotel there? *Why?* As Weprin stands on the roof, he seems to revel in the counterintuitiveness of it. Today's sky is wet and heavy, and in the distance, the Chrysler Building appears as a cold silhouette against a gray background. "Over there is the old insane asylum," he says, gesturing to what this place was once most famous for. "That's where they'll put me, eventually."

But Weprin doesn't appear to be insane. Instead, he's an entrepreneur with a keen eye for opportunity, and he's building here on Roosevelt Island for a specific reason: Cornell University has opened a new campus called Cornell Tech. That means Weprin will do what he does best. He'll build the hotel that every Cornell student will want to hang out at, and every visitor will want to stay at—not just because it's there, but because it feels like *theirs*.

At 41, Weprin could pass for a graduate student. He is certainly dressed the part—worn leather boots, Army-style camo socks, a plaid button-up emerging from the navy-blue collar of his quarter-zip mock-neck sweater. As his brainchild, Graduate Hotels is a chain that romanticizes the college experience. It allows alumni to relive their past and recruits to see their future. Using yearbook photos, student ID key cards, and jars full of No. 2 pencils, the hotel aims to re-create the feeling of limitless future a student experiences while rooting at the homecoming game or partnering up with a study buddy whose pheromones imply more than academics.

"We're focused less on demographics than on psychographics," says Weprin later on, over a cup of coffee. "It's all about that state of mind you have when you're in college."

If it sounds like a small idea—well, it's not. Since its launch in 2014, Graduate Hotels has grown to 22 properties, with three more scheduled to open this month, followed by five more throughout 2020. All of them sit either on or adjacent to the campus they serve. Initially, the brand took aim at secondary and tertiary markets, where campus life dominated the local economy. "I thought this would be a cute little seven-to-10-hotel portfolio in a few college towns," says David Rochefort, Graduate's president. "We'd have a little fun and sell it off, then we'd move on to the next thing."

But that's not what happened. The first 10 hotel openings came and went, and the brand kept growing. This year, in addition to New York City, Graduate will open in big markets such as Tucson and Dallas. The question is: How big can a niche idea really get?

As a teenage shoe salesman in Dayton, Weprin learned how to close deals. He attended business school at the University of Tennessee, began managing hospitality assets out of college, and then formed AJ Capital Partners—the AJ is for "adventurous journeys"—to buy his first hotel in the midst of the 2008 financial crisis.

"Literally, I was out of my mind," he says. Maybe so, maybe not—but he was also now the proud owner of the Hotel Saint-Barth Isle de France, in St. Barts. It actually did well. Soon, Weprin began adding to his portfolio properties, mostly around his home in Chicago.

One of the early acquisitions was a shuttered Days Inn near his apartment in Lincoln Park. People advised him not to buy it. They said it was too far from downtown and he'd never get weekday guests. There was a reason it closed, right? But Weprin saw the nearby zoo and DuPaul University as untapped traffic drivers. And Frank Baum had lived nearby while writing *The Wizard of Oz*. Surely those hyperlocal factoids could lure guests away from more traditional business centers.

PHOTOGRAPHS COURTESY OF GRADUATE HOTELS

→ CHECKING IN A rendering of the front desk at the soon-to-open Graduate Hotel on New York's Roosevelt Island.

In 2012, the old Days Inn reopened as Hotel Lincoln. Its success proved out Weprin's instinct, but more important, it planted the seed of what would eventually become Graduate Hotels.

While AJ Capital was building its name in Chicago, university towns were thriving. During the 20-year stretch between 1993 and 2013, four-year college enrollment increased by 43 percent, and private developers stepped in to meet the increased demand for student housing. AJ Capital wondered: Could it do the same thing for hotels?

Having launched in the tumult of a recession, AJ Capital was acutely aware that shifting market forces can wreck a portfolio. But college towns could serve as a life raft in an economic downturn. "In '08, admissions actually *increased,*" says Rochefort. "People were going back to school for MBAs and grad programs."

"WE WANTED TO HAVE THE FIRST-MOVER ADVANTAGE, AND SCALE QUICKLY TO DISTANCE OURSELVES FROM THE COMPETITION."

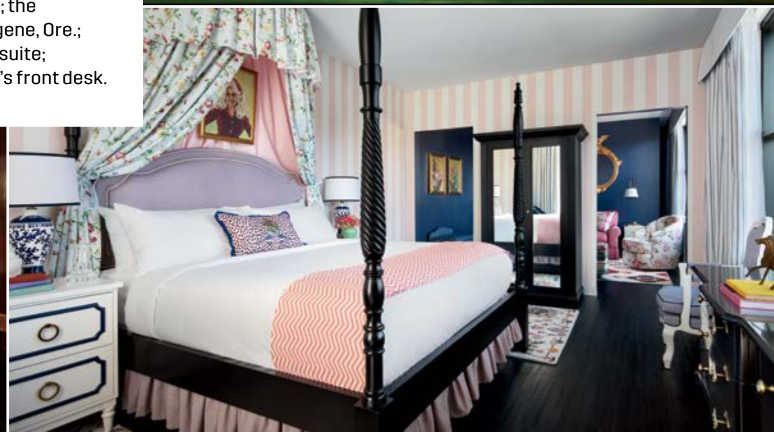
Once the idea surfaced, the team moved fast. They created a target list of 50 university markets, assigned each one a grade (based on size, attainable properties, and so on), and began making acquisitions. "We wanted to have the first-mover advantage," says Weprin. "And we wanted to scale quickly to distance ourselves from the competition."

In October 2014, AJ Capital opened two Graduate Hotels, in Tempe, Ariz., and Athens, Ga. The next year, it opened three: Madison, Wis.; Charlottesville, Va.; and Oxford, Miss. "We were acquiring existing hotels that we could convert quickly," says Rochefort. "We basically launched overnight."

As it opened its first Graduate Hotels, AJ Capital was attempting to raise money for national expansion. Again, Weprin met resistance. "Try telling a foundation, pension fund, or endowment that you're going to create a new market segment within a status quo industry that's been the same for the past hundred years," he says. "Good luck not getting laughed at and tossed out."

But after opening a handful of hotels with the capital it had available, the company had proof of concept. Then, money was easier to find. In 2017, Graduate closed its first funding round of nearly $500 million. Last year, the chain opened nine hotels and raised its second $500 million.

The brand is now a national name, but even as it spreads across the country, guests often assume that their Graduate is the only one of its kind. Because unlike a DoubleTree or Days Inn, Graduate's brand identity is too fluid to really pin down. "Some of the big-box brands are doing school logos, mascots, or colors and then saying



→ TO EACH THEIR OWN (*clockwise from top left*) Graduate's lobby in Nashville; the lobby in Eugene, Ore.; a Nashville suite; New Haven's front desk.

they've curated a hotel for the college experience," says Julie Saunders, Graduate's chief marketing officer. "But we're staying really true to this idea of storytelling through design."

Graduate's design team works with notable alumni, university historians, and local artists to skin each property in a way that feels like one big inside joke with the community. In New Haven, you'll find a pair of phone booths that call up delivery at competing pizza joints. In Nashville, you can sing a country song with a Chuck E. Cheese–style animatronic karaoke band. In Madison, you'll find portraits of "Scanner Dan" Mathison, a local guy known for hanging around campus and chatting with students.

The shape and functionality of the hotels is also unpredictable. The 304-room hotel in Minneapolis is more than four times bigger than the 72-room hotel in Madison. Amenities vary. So do the lobbies. In Charlottesville, the lobby resembles a college library, with a card-catalog front desk; in Fayetteville, Ark., it might as well be a bespoke hunting lodge. "It's really not a brand," says Weprin, by way of explanation. "It's a *collection*. But the common thread is that there's real purpose and meaning behind every square inch."

This kind of localizing can come with risks: There's a difference between a school's past and what people want to wake up to in the morning. In Ann Arbor, Mich., for instance, guests complained about photos of the Naked Mile, an annual nude run that was shut down in the early 2000s. And in Providence, they were unhappy to see portraits of Buddy Cianci, the former mayor who was jailed for racketeering. In both cases, Graduate replaced hundreds of framed art pieces in rooms with more agreeable references.

Ultimately, Graduate's goal is to do more than *reflect* the community—it wants to become part of the community. To draw in current students, Graduate maintains sprawling lobbies and coffee shops with free wi-fi. (What's a college experience without people studying, right?) And the company markets hard during orientation to lure freshmen who will spend four years growing with the brand. "If they can get students into their coffee shops and bars, and have parents stay there when they visit, then they're creating memories that carry into the future," says Bonnie Knutson, Ph.D., a professor of hospitality business at Michigan State University. "Then it's the first place they'll think of when they come back as an alumnus."

"IT'S REALLY NOT A BRAND; IT'S A COLLECTION. THE COMMON THREAD IS THAT THERE'S REAL PURPOSE AND MEANING BEHIND EVERY SQUARE INCH."

This way, Weprin figures, Graduate can draw a lifetime's worth of value out of each customer. They'll return to it again and again, the way they go to Disney World and reconnect with their youth.

But that does occasionally pose a challenge—like, say, if Graduate is opening on a brand-new campus with no past to revel in. What then?

It's the question Weprin and his team are wrestling with as they build out on Roosevelt Island. Cornell Tech is brand-new; there's no nostalgia to beckon. And that's not the only complication. "You can't actually dig down, or you go through the island and into the East River," says Rochefort. "And we have to build this in the middle of an operating campus."

Their solution: Sidestep Cornell Tech's historical scarcity, and focus on island lore. On the walls, you'll see references to the old smallpox hospital and prison that used to be here. You'll see both King Kong, who terrorized riders on the tram that goes from Manhattan to Roosevelt Island, and Nellie Bly, an investigative reporter who faked insanity to get inside the lunatic asylum. The building is modern, with floor-to-ceiling windows and an upscale rooftop cocktail bar. But in honor of the first settlers, the wallpaper in the rooms will carry a Dutch print.

It's not exactly nostalgia, so Graduate uses the term *newstalgia*—and you'll catch the vibe as soon as you approach the building. Outside, parked by the entrance, you'll see a DeLorean, the car from *Back to the Future*. "We're not chasing cool," says Weprin. "We're chasing timelessness; yesterday's past and tomorrow's optimism."

The Roosevelt Island project also allowed Graduate Hotels to test out a new business model. Rather than just build a hotel adjacent to a campus, this one functions as a public-private partnership. In exchange for a hundred-year lease on campus, Graduate is building and running this hotel on behalf of the university. This model, according to the company, opens up a whole new world of markets, increasing its original list of 50 target markets to 100. “We think this is the future of new campuses,” says Weprin. “There’s no precedent for what we’re building here.” In fact, it has already replicated the deal in six other places around the country—with likely more to come.

Clearly, Graduate Hotels has a compelling idea. But what makes it a truly *big* idea? That has to do with timing.

The past two or three decades have seen major shifts in the hotel industry. “Back then, travelers didn’t have TripAdvisor to help them do research,” says Bjorn Hanson, Ph.D., a New York–based hotel researcher and consultant. “So they wanted that very uniform brand standard, whether they were going to Maine, California, or Hawaii.”

But the internet fragmented the market. Once customers could read reviews, examine neighborhoods on Google Maps, and tour rooms virtually before they arrived, they became more willing to try new hotels. They might want a robust gym during a two-day work trip, or a rooftop pool during a romantic getaway. As a result, hotel concepts proliferated.

By Hanson’s estimate, there are now 400 hotel brands in the U.S., and the bulk of the ones you recognize fall under one of half a dozen umbrellas. IHG runs 15, Wyndham runs 19, and Marriott has more than 30.

Customers could be forgiven for confusing Fairmont with Fairfield, or Tryp by Wyndham with Tru by Hilton. “There are so many brands,” says Fevzi Okumus, Ph.D., preeminent chair professor at the University of Central Florida’s Rosen College of Hospitality Management. “To be honest, as a professor, I have to study to differentiate how A brand is different than B brand. They’re all trying to offer the same thing, more or less.”

This is what enabled Graduate’s ascent: The company saw a white space, or untapped market opportunity, that the bigger chains missed. “I think a number of the major hotel companies are surprised,” says Hanson. “Traditionally, those white spaces have been defined against price and service level—not by location and message. I don’t want to pick on any of my clients, but a few of them have launched major brands, and they would be very happy if they were growing the way Graduate is.”

It helps that Graduate owns and operates its hotels. Bigger chains, such as Hilton and Marriott, generally either franchise their hotels or outsource operations to a management company. Those models encourage uniformity, rather than bold design decisions.

To be fair, Graduate isn’t the only brand chasing campus life. A few schools, including Ohio’s Oberlin and Florida’s Rollins College, own and operate their own hotels, while Study Hotels, a Graduate competitor, offers sleek lodging off campus. But Study has just two locations. Graduate is by far the market leader—and its success is even getting professors’ attention.

Each year, Knutson, the Michigan State professor, has her senior-level brand-strategy students create a marketing plan for a real-world hotel. Last year, it was Hilton. But after Graduate dropped a hotel on the north edge of campus, she switched this year’s focus to the up-and-coming campus hotel brand.

As part of the project, students will hear from and present to Graduate executives. “The student newspapers will all pick up on it, too,” says Knutson. “It really positions them in a great way.”

And it’s a heck of a recruitment tool.

> **“[IT HAS TO FEEL] DISTINCTLY GRADUATE. OTHERWISE WE JUST BECOME A COMMODITY. WE BECOME EVERY OTHER HOTEL IN A BIG CITY.”**

Before he joined Graduate as the chief operating officer last year, Saxton Sharad was an industry consultant specializing in major markets. When he first sat down with Weprin, just over a year ago, he said, “Ben, how are we going to continue to be different as we grow? At two hotels, you can do it. At 30 hotels, it’s hard.”

As Sharad recalls, his new boss replied: “As we get bigger, we need to think smaller.”

The words resonated. “The passion in the way he said it, and his ability to really *mean it*, has been my motivating factor,” says Sharad.

While Graduate has grown to 2,300 administrators at the hotel level, AJ Capital’s corporate office has grown from about a dozen people to more than 140. And each new hire brings in more specialized expertise. “We have somebody who literally just picks antiques now,” says Weprin. “That’s all he does.” There’s also a Graduate librarian who fills fictional “yearbooks” with real stories to drive the creative design and food programs, along with people dedicated to sports partnerships, marketing, and branding.

“The downside is, maybe we take on too much,” says Weprin. “And I’d think that if I didn’t invest in the infrastructure. But that’s all we do. We just keep pouring resources back into the company to find the best people.”

The think-small approach has allowed the brand, which now manages a total asset portfolio worth $2.5 billion, to enter big markets like Nashville and Seattle without sacrificing its identity. Big cities offer more stories, of course. And the local yearbooks are generally fatter. But the focus remains small. “In the cases where we go into these bigger markets, we still stay true to being university-first,” says Rochefort. “So if we were to go to L.A., we would anchor ourselves to UCLA or USC.”

But some mission drift seems inevitable—and as Graduate grows, its hyperlocal focus is starting to weaken. In Seattle, Nashville, and New York, Graduate partnered with Marc Rose and Med Abrous, hospitality pros who created successful cocktail programs…*in Los Angeles.* And in Nashville specifically, you’ll see references to Johnny Cash, Emmylou Harris, and other local legends who didn’t attend Vanderbilt. “But the core DNA is the same,” says Saunders. “We’re not changing the messaging.”

When the Dallas branch opens this year, for instance, one of the stories driving the hotel restaurant will be based on a watermelon stand owned by the hotel’s previous owners. “It’s not as on the nose as other Dallas stories, but we have to make sure that it still feels distinctly Graduate,” says Sharad. “Otherwise we just become a commodity. We become every other hotel in a big city.”

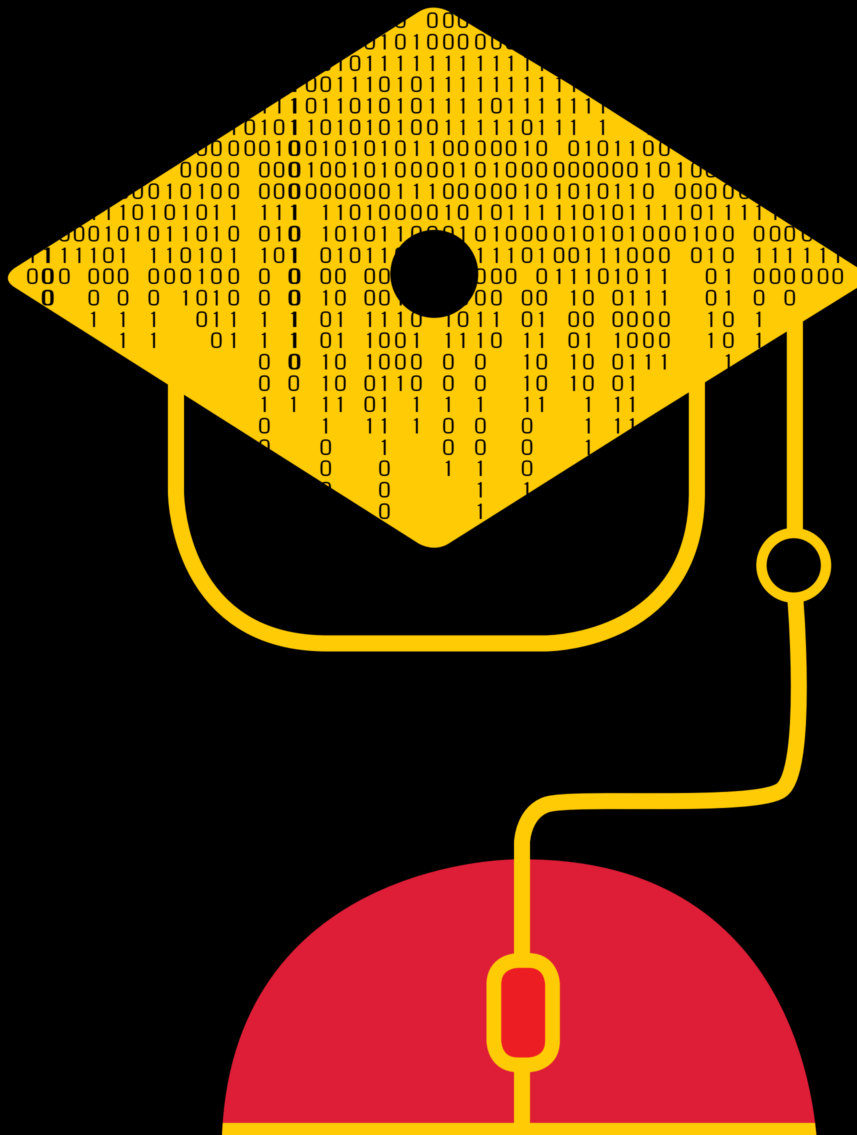
That’s how you grow big by thinking small.

Looking forward, the company’s biggest challenge might be that it will eventually run out of universities big enough to support a neighborhood hotel. Of the original 50 markets it set out to conquer, Graduate has branches open or in progress in about half, says Rochefort. Then it will check off all the available public-private partnerships, and after that—well, what?

The answer: Go global. Recently, Graduate announced its first two international hotels, in Oxford and Cambridge in the U.K. The company figures there are 10 U.K. markets that make sense, and then it will branch out further into Europe.

Just as each individual Graduate Hotel can morph to fit any college town in America, Weprin hopes he can continue reshaping the brand to find new avenues of growth. “There’s no example for what I plan for us to be in the future,” he says. “Most people are scared of change, right? Well, I’m scared of not changing. And we’re just getting started.” E

Clint Carter is a regular contributor to Entrepreneur.



STATE OF THE SMART

As laptops became an indispensable part of curriculum among students studying business management courses, other tools such as virtual classrooms, online libraries, interactive online platforms, among others, also became popular in institutes offering science and technology related education.

By Gunjan Joshi

Right from the inception of the prestigious Vellore Institute of Technology (VIT), chancellor Dr G Viswanathan had envisioned that the institution would offer tech-oriented education to students, who would in turn create an indelible impact on society. In 2001, when the institution attained the university status, information technology also started to make deep inroads into our lives. VIT harnessed this power extensively to break away from rigidity and offer freedom to students in their choice of courses. As a result, VIT introduced Fully Flexible Credit System (FFCS), which empowered students to choose their subjects, time slots and faculty members. Dr Viswanathan professes, "The institution has created an information rich, interactive online platform as a one-stop solution to cater to all the academic needs of students and faculty members. We have also initiated a digital examination and evaluation system to make the process more transparent. Further, we have established VIT Institute of Online Learning (VITOL) to facilitate the development of online courses. A world-class virtual studio facility has been created for preparing Massive Open Online Courses (MOOC) in Vellore campus."

"THE ACCESS TO RECORDED LECTURES THROUGH LECTURE CAPTURE SOLUTION PROVIDES STUDENTS THE ABILITY TO VIRTUALLY RE-LIVE THEIR CLASSROOM EXPERIENCE."

Dr Ramdas Pai, Chancellor, MAHE

"FACULTY MEMBERS HAVE DEVELOPED MORE THAN 500 DIGITAL COURSE MODULES AND A FEW OF THEM ARE HOSTED IN SWAYAM PLATFORM."

Dr T R Paarivendhar, Founder-Chancellor, SRMIST

"WE HAVE ESTABLISHED VIT INSTITUTE OF ONLINE LEARNING (VITOL) TO FACILITATE THE DEVELOPMENT OF ONLINE COURSES."

Dr G Viswanathan
Founder & Chancellor, VIT

"OUT OF 8,00,000 STUDENTS, APPROXIMATELY 2,00,000 STUDENTS CAME UP WITH UNIQUE SOLUTIONS IN HACKATHONS CONDUCTED BY AICTE IN COLLABORATION WITH MHRD."

Prof Anil D Sahasrabudhe
Chairman, AICTE

DISRUPTING THE OLD

Digital revolution in Indian education sector started with legacy private institutions like Birla Institute of Technology and Manipal Institute of Technology digitalizing their teaching-learning mechanisms. From providing computer labs to fully computerized libraries, the private institutes gradually encouraged digital practices. According to Ministry of Human Resource Development (MHRD), 2,769 MOOCs have been offered on Swayam in which about 1.02 crore students have been enrolled in various courses of private institutions till date.

In addition to this, there are about 225 such labs operational virtual labs in private institutions, with more than 1,800 experiments and benefitted by more than 15 lakh students. Prof Anil D Sahasrabudhe, Chairman, All India Council for Technical Education (AICTE) adds, "Almost 30 lakh students are registered on the portal. The number in itself is evident of its success and our vision is to make it 3 crore. As far as hackathons are concerned, there is a quantum leap in their popularity. Out of 8,00,000 students, approximately 2,00,000 students came up with unique solutions in hackathons conducted by AICTE in collaboration with MHRD where practical capabilities of students are tested."

DIGITAL INITIATIVES

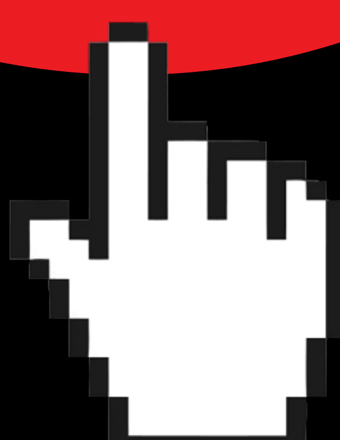
The usage of ePad (electronic writing pad) introduced by Manipal Academy of Higher Education (MAHE) in 2015 was one of the key initiatives towards digitalization of their teaching-learning techniques. The monitoring and identification is done using fingerprint camera and scanner during the exam. The automated secure upload of encrypted digital answer booklets to 'epCloud' is done after completion of exams on the platform. The automatic recording and distribution of classroom lectures was another revolutionary step towards digitalization in this institute. The procurement of research software applications such as Pure (a research intelligence solution) and Sci Val (offering easy access to research performance of more than 11,000 research institutions from 230 nations) was another milestone in this direction.

Dr Ramdas Pai, Chancellor, MAHE adds, "The access to recorded lectures and other study material through Lecture Capture Solution provides students the ability to virtually re-live their classroom experience on an anytime-anywhere basis. It also assists the teacher in self-improvement. Students can learn at their own pace in a manner that suits their style of learning. The courses provide interactive, multi-sensory learning, combining the simplicity of classroom teaching with a powerful visual medium that captures one's imagination."

In his early years, Dr T R Paarivendhar, Founder-Chancellor, SRM Institute of Science and Technology (SRMIST) fought heavy odds during his transition from a graduate to a professional engineer. He was therefore driven by a passion to empower the socially and economically downtrodden youth by making educational facilities affordable through technology. At SRMIST, students are encouraged to take up MOOCs, exchange programmes and entrepreneurship as their final year project. There are extensive provisions for online learning platforms with inbuilt capability of delivering four-quadrant content, as per Dr Paarivendhar. He explains, "These have a greater impact on learning outcomes through flipped classroom pedagogy utilising student's screen time for effective learning by involving them in the entire delivery process. Students take up online courses from Swayam/NPTEL platforms in lieu of conventional classroom courses. Faculty members have also developed more than 500 digital course modules.Ⓔ

JAPAN
AN OVERLOOKED E-COMMERCE OPPORTUNITY

By Amyn Gillani



When Elon Musk announced that Yusaku Maezawa would be the first commercial passenger to fly around the moon onboard a SpaceX spacecraft, the name of the Japanese entrepreneur and billionaire didn't immediately ring a bell for many. Maezawa made a fortune after founding Japan's largest e-commerce fashion retailer Zozotown. Last month, he launched a startup competition, offering to invest up to 30 billion Japanese yen (about $280 million) in the businesses of 10 entrepreneurs in his home country.

This past summer, Maezawa sold a majority stake in Zozotown to Yahoo Japan for nearly $4 billion. With the deal, Yahoo Japan, which is owned by Softbank, is looking to double down on the country's attractive e-commerce sector and catch up to Amazon.com and Rakuten, another domestic heavyweight.

Yahoo Japan chief Kentaro Kawabe said the company wants "to make e-commerce its main growth driver."

Japan is sometimes overlooked by companies trying to expand abroad or set up shop in a new country. However, the nation has plenty to offer for established businesses and startups in the e-commerce sector alike, and its e-commerce sector boasts impressive growth potential.

GROWTH OF E-COMMERCE IN JAPAN

Japan has continuously ranked among the top five of the world's largest e-commerce markets. Not only that, but its e-commerce market is among the fastest-growing globally, boosted by a very developed economy, highly urbanized population, high internet penetration, and single-language culture. Ecommerce businesses there also benefit from the small country size and excellent infrastructure, allowing for speedy delivery.

The internet penetration rate is above 93 per cent, and surprisingly, it remains on that level even for older generations.

Thanks to these factors, Japan's e-commerce sector is expected to keep growing actively in the years ahead. Analysts have estimated that Japan will remain among the world's top five when it comes to online sales. Ecommerce revenue is forecasted to grow by about 6 per cent annually between 2018 and 2022.

EMERGING STARTUP ECOSYSTEM

The competition for online spending is high in Japan's market, where tech is very advanced, internet usage extraordinarily high, and citizens are flush with money. Nevertheless, big foreign firms such as Amazon have gained a strong foothold there, while domestic players such as Yahoo! Japan and Rakuten are also well positioned. Aside from the heavyweights, there are a handful of up and coming e-commerce companies. These are mainly focused on two segments: customer-to-customer e-commerce, as well as marketplaces, focused on young female customers.

There are a few up and coming e-commerce marketplaces in Japan focused on selling to young women interested in affordable and trendy products.

The consumer-to-consumer, or C2C, e-commerce has grown strongly over the past years. These marketplaces offer consumers to sell to other consumers, the most prominent example being eBay, but the segment also includes online auction sites, and platforms to sell handmade products, such as Etsy.

Japan's C2C market has expanded significantly over the past years, reaching some $6 billion in 2018. This growth, however, was mostly driven by one hugely popular app that allows people to buy and sell second-hand items: Mercari.

The app has been downloaded more than 100 million times and has around 18 million monthly active users, with total annual sales of about $3.9 billion in 2018. This compares to Yahoo! Auctions 16 million users and $8.3 billion in total sales, and Rakuten's Rakuma with 8 million users and an estimated $1.4 billion in annual revenue.

Mercari said recently that it would try operating brick and mortar stores to unlock the untapped potential of tens of millions of users in the Japanese market.

Ecommerce businesses that focus mostly on young women are Wowma! and Qoo10, both of which offer cheap apparel, cosmetics, and other affordable products.

The success of Wowma! and Qoo10 makes sense because Japanese consumers expect prices to be markedly lower on the internet. Unlike many other countries, where the gap is much more narrow, nearly half of products in Japan can be bought cheaper online, when compared to prices in local brick and mortar stores, according to American Economic Review.

> **93%**
>
> The internet penetration rate is above 93 per cent, and surprisingly, it remains on that level even for older generations.

INNOVATION IN THE COUNTRY

Before the emergence of Silicon Valley, the world was looking to Japan, when it came to the next significant technological innovation. Benefitting from this long legacy of technological disruption, Japan has much to offer to startups and founders. While legacy businesses such as Sony still play an essential role, there is a growing number of startups ready to follow their footsteps. As the example of Zozo shows, Japan's startup ecosystem is marked by blockbuster acquisitions and mergers, as well as IPOs. Often traditional companies will buy an innovative startup or invest via dedicated funds.

However, this propensity for deals also means that established players can buy out the competition. Something that was demonstrated when Rakuten bought rival flea-market app Fril to merge it with its service. One crucial difference to other e-commerce markets is that in Japan, the older generation is a key driver of online sales. This means that gearing your business towards the elderly can offer a massive business opportunity here.

This fact gains even more importance once you consider that Japan is an aging society, with about a third of people above the age of 65. Not only are elderly in Japan avid smartphone and internet users, but they also have much money to spend. The monthly consumption of people in their 50s is nearly $3,000, significantly higher than that of people in their 20s, according to Japan's Ministry of Economy, Trade, and Industry.

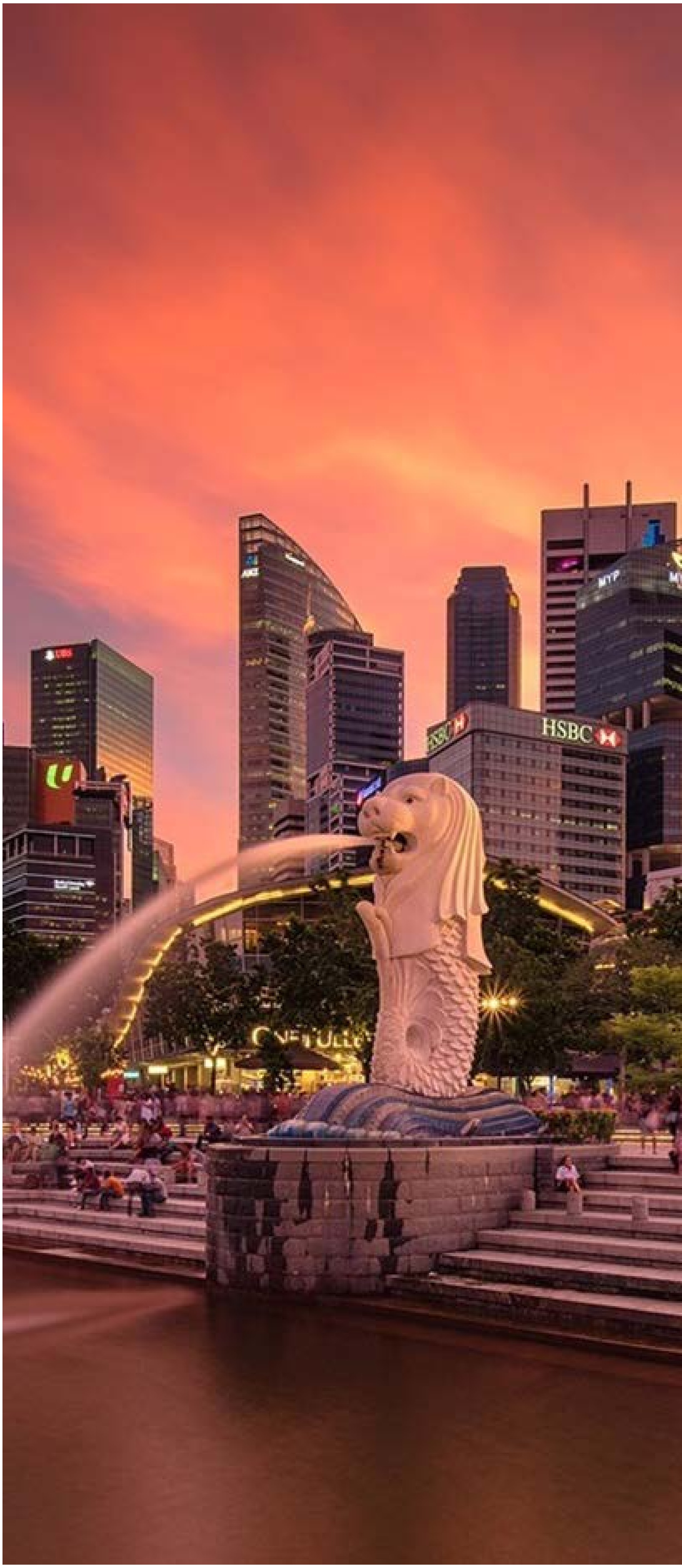
Japan's e-commerce industry is set for further growth in the years to come. The country offers a massive opportunity for startups and e-commerce businesses looking to expand into new markets. But entrepreneurs thinking about selling their products in Japan should also be mindful of the peculiarities of the market, such as the importance of elderly buyers and the intense domestic competition.

To be successful in Japan, you will have to spend much time on localization and research, but if done right, its steadily growing e-commerce industry can bring huge rewards.

A New Decade For Asia's Tech Capital

3 Things That Will Define Singapore's Startup Scene in the 2020s

By David Yang



Singapore is the jewel in the startup-studded crown of Southeast Asia's emerging tech world. The city-nation headquarters 80 out of the world's top 100 tech firms, ranks as the globe's second easiest place to do business, and registers first for human capital like citizen knowledge, skills, and health. The ecosystem has given rise to five unicorns – including one decacorn worth at least $14 billion – and the allure of strict intellectual property laws and favorable government regulation portends the creation of perhaps many more.

At the same time, the start of the new decade brings new challenges. The neutral nation finds itself caught in the middle of trade discussions that are impacting the global technology chain. On its tech scene's homefront, meanwhile, recruitment battles for an ever-dwindling pool of talent are ramping up – all while the city-nation grapples with the task of diversifying its industries to reflect long-term societal goals. With great power comes great responsibility; and as Singapore aims to keep attracting the world's most elite tech firms, efforts in three key areas will prove crucial to preserving its place as the startup powerhouse of Southeast Asia.

For those eyeing a launch in Asia's tech capital in the coming years, here are the three things which will define Singapore's tech ecosystem in the 2020s.

1. **COURTING REGIONAL AND INTERNATIONAL PLAYERS**: Singapore's startup ecosystem is built upon globalization. Multinationals and startups alike feel at home thanks to the government's active support of foreign investment and business. Singapore's corporate tax policy is pro-market, new business registration is simple, and protection of intellectual property is a national standard. In a recent survey of more than 100 international startup founders based in Singapore, participants ranked its business-friendly government policies as the top factor in their decision to relocate. However, weakened global

markets threaten the status quo. Singaporean trade and tourism are struggling in the fallout of coronavirus, as they are largely dependent on strong demand from China. The local market is bracing for impact as banks revise the growth rate to 0.3 per cent from 1 per cent in 2020. Recession looms, and that is without factoring in the larger geopolitical machinations at play.

Regional growth provides a buffer as Southeast Asia's quickly digitising population demand better online services and spurs new tech adoption across industry. Furthering links with neighbors and staying out of trouble with the big players has worked well in the past for Singapore – and it will be interesting to see how this tactic works during the 2020s.

2. **A TURN TOWARDS DEEP TECH**: The government, meanwhile, is putting its money where its mouth is. Singapore is combating any business complacency with new budgets for new industries and long-term national goals. Singapore Finance Minister Heng Swee Keat told The Straits Times during a visit to the United States last year fundamental transformation is necessary to maintain the competitiveness of the city-state's economy in the years to come.

The minister wants Singapore to become the "Asian node of technology innovation and enterprise" - and one look at this year's annual budget shows the government means what it says. The annual government budget, released in February, looks to support the growth of startups and small to medium-sized enterprises with US$6 billion in the coming three years.

Deep technology startups are the big budget winners with $216 million announced for businesses in urban solutions and sustainability, health and medical biosciences, advanced manufacturing and agri-food. The country's turn towards deep tech coincides with global industry growth of more than 20 per cent per year.

Assuming a 1 million Singapore dollar co-investment per startup, this new budget is expected to create up to 300 potential startups in a field with major potential in each of the United Nations' sustainable development goals (SDG).

This initiative simultaneously supports deep tech business while feeding (literally) into long-term projects like "30 By 30" – a food security policy that aims for Singapore to produce 30 per cent of its food by 2030. Watch this space.

The annual government budget, released in February, looks to support the growth of startups and small to medium-sized

US$6B

in the coming three years.

3. **THE CONTINUAL BATTLE FOR TALENT**: Singapore is a victim of its own success, most notably so in the battles among tech firms for finding and keeping talent. The downside of bringing the world's biggest companies and brightest startups to an island city-state of about 5.5 million people means an inevitably tight labor market. With competition and rental costs only increasing, the battle for human capital shows no signs of slowing. The talent crunch makes it hard to attract and retain good employees. This is only exacerbated by tighter hiring laws introduced in 2018 that make it more difficult to secure internationals on work visas.

However, startups can find the right workers with the right attitude. Founders are best advised to find the best fit for their given company instead of the best talent, and provide better opportunities and clear progression to keep workers motivated.

Startups must cater to their point of difference and focus on that when competing against the globe's biggest companies. It has been the only way to harness local talent in the past – and it looks to be the only way forward, too.

WHERE TO FROM HERE

There is certainly more cause for optimism than anything else in the coming decade for Southeast Asia's most important startup ecosystem – and this is thanks above all to the government's relentless dedication to business. Singapore has thrived due to its pro-business climate, and the government's attitude is unlikely to waver in the face of international uncertainty.

Singapore is aware of the macro and micro threats to its startup empire, and the country is attempting to navigate troubled waters with new industry and regional growth.

The tech capital hopes its minimal bureaucracy and strong business support will continue to see startups flock to this corner of the Malay Peninsula, come what may. Regardless of what the world does throw at Singapore, its ability to court local, regional and international business should hold it in good stead.

Enabling Financial Inclusion in Asia: **How Smartphones are Revamping the Traditional Credit Scoring Model**

By Peter Barcak

Historically, credit-lending favoured consumers in developed markets over those in less affluent emerging markets. This lack of ability to obtain a credit loan induced a vicious cycle; a lack of loans means consumers cannot build credit scores, in turn making it challenging to secure a loan. Fortunately, AI-enabled alternative credit scoring is upending this, creating opportunities for online lenders and fostering financial inclusion across the region.

Research by the World Bank indicates more than a billion Asian consumers lack access to mainstream financial services and other corresponding benefits that come hand-in-hand with being 'banked'. Saying that, with 51 per cent of Southeast Asian consumers being mobile-first Internet users, smartphones are transforming this. Mobile Internet use enables the creation of new instruments available to assess consumer creditworthiness, opening up access to debt capital markets.

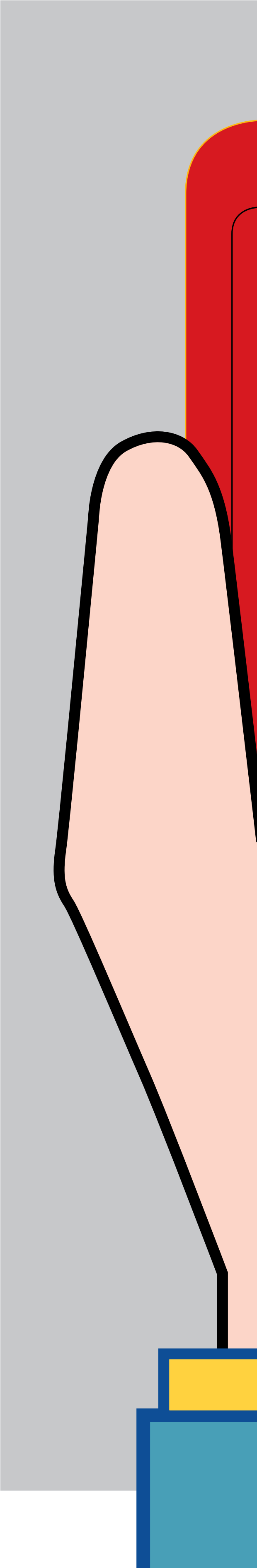
Smartphones' role in financial inclusion

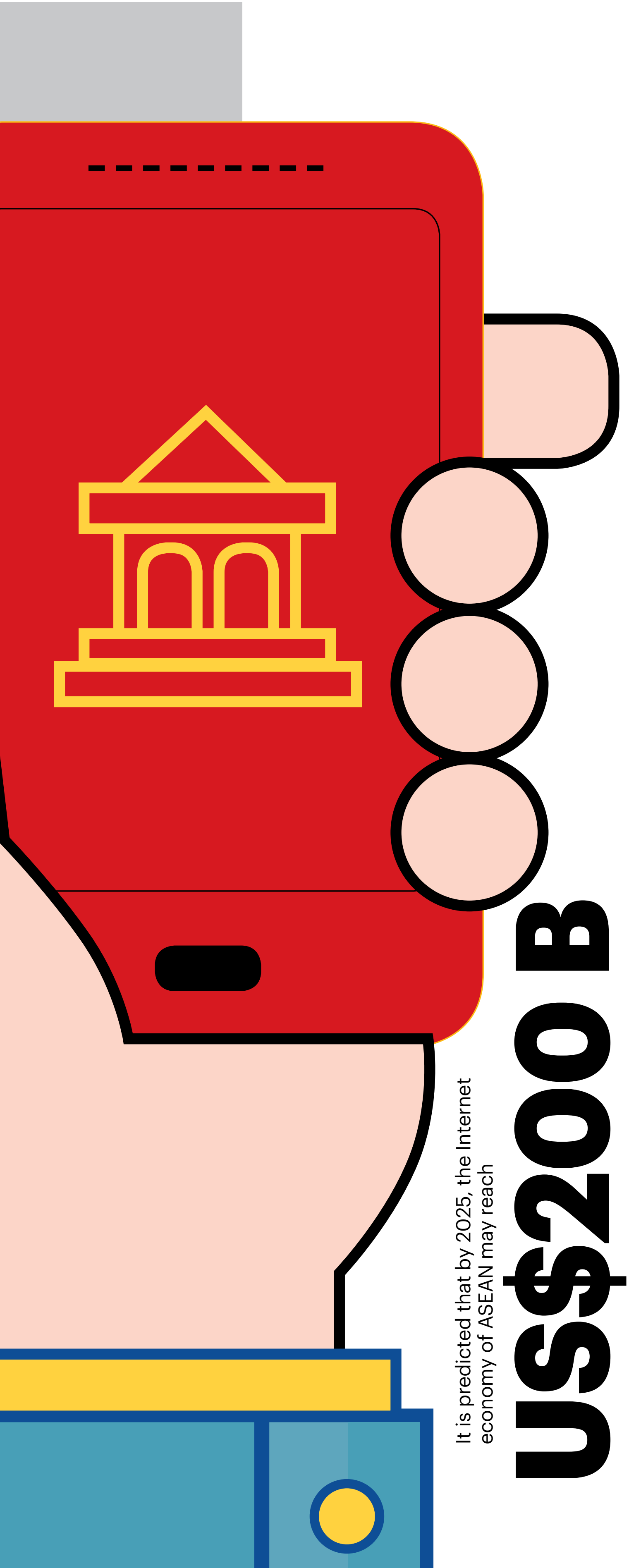
Smartphones can play a key role in fostering financial inclusion among the global unbanked population, especially in Southeast Asia, where, as previously mentioned, mobile Internet usage has seen tremendous growth. This was observed when CIMB Bank Philippines expanded its consumer base by signing over 1 million customers in 10 months via its all-digital mobile banking platform, propelling it to become an ASEAN regional market leader. It is predicted that by 2025, the Internet economy of ASEAN may reach US$200 billion. Already, ASEAN leads in mobile Internet use at 3.6 hours per person daily, ahead of China (3.0 hrs), the USA (2.0 hrs) and the UK (1.8 hrs). In the Philippines, where 77 per cent of the population of 105.7 million as at 2018 is unbanked -- with 67 million Internet users -- CIMB Philippines leveraged anonymized metadata from customers' mobile phones to underwrite customers for personal loans. This aided the bank in enabling a seamless underwriting process and extended credit to a broader market without impacting the cost of risk. Smartphone metadata has great promise to advance financial inclusion. Analysts can glean behavioural insights into consumer behaviour, and by using this data, they can then convert consumers into customers. These insights relate to the willingness to pay back a loan, as well as loyalty, behavioural consistency and ethical standards.

An Accenture study estimates that banks who improve accessibility for under banked stand to generate an estimated $380 billion in annual revenues, there is substantial financial opportunity that financial institutions (FIs) can capitalise on. Platforms that can enfranchise the under-banked and unbanked generate new opportunities and build brand strength. Customers on such platforms will come to associate the financial brand with the financial instruments and opportunities they can then access, creating a virtuous cycle centred on the financial brand.

Trust and cybersecurity

Financial institutions (FIs) and fintechs need to emphasise greater transparency -- and therefore trust -- in their business, alongside security, given the sensitive personal and financial information they store. While transparency is a key element in building trust, it does not automatically build trust, requiring mindful communications that are purposeful and grounded in ethics. Without being self-serving or violating confidentiality, thoughtful transparency creates an information environment where people can trust they'll be able to access pertinent information to operate with integrity and make informed decisions, as well as enter genuine professional relationships. With the mean cost for a data breach in ASEAN for an organisation amounting to S$3.6 million in funds and 22,500 records per breach being compromised, security is paramount to maintain trust. Trust -- a crucial differentiator -- is more important as regulators worldwide implement





It is predicted that by 2025, the Internet economy of ASEAN may reach

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data privacy standards. For businesses, this means secure systems and processes must be underwritten by the intangible of trust. FIs need to assume a breach will occur and plan to mitigate damage, given that preventing an attack is impossible; consumers interact with their money in diverse ways and hackers will eventually find a way. If end-users fail to see any benefit and security in a new innovation, then it will not achieve a meaningful outcome. Revenue cannot be traded for trust in the long run, so customers must be able to control the quantity of data accessed; have transparency of how that data is used, and be able to explicitly consent to data access. All this is part of sustaining trust.

Only using secure measures from the start, keeping customers in the loop to minimise indirect costs; minimizing the data accessed and anonymizing it where possible; as well as encrypting it, can only benefit companies. The investment in compliance might be tedious, but the yield in customer trust is compelling.

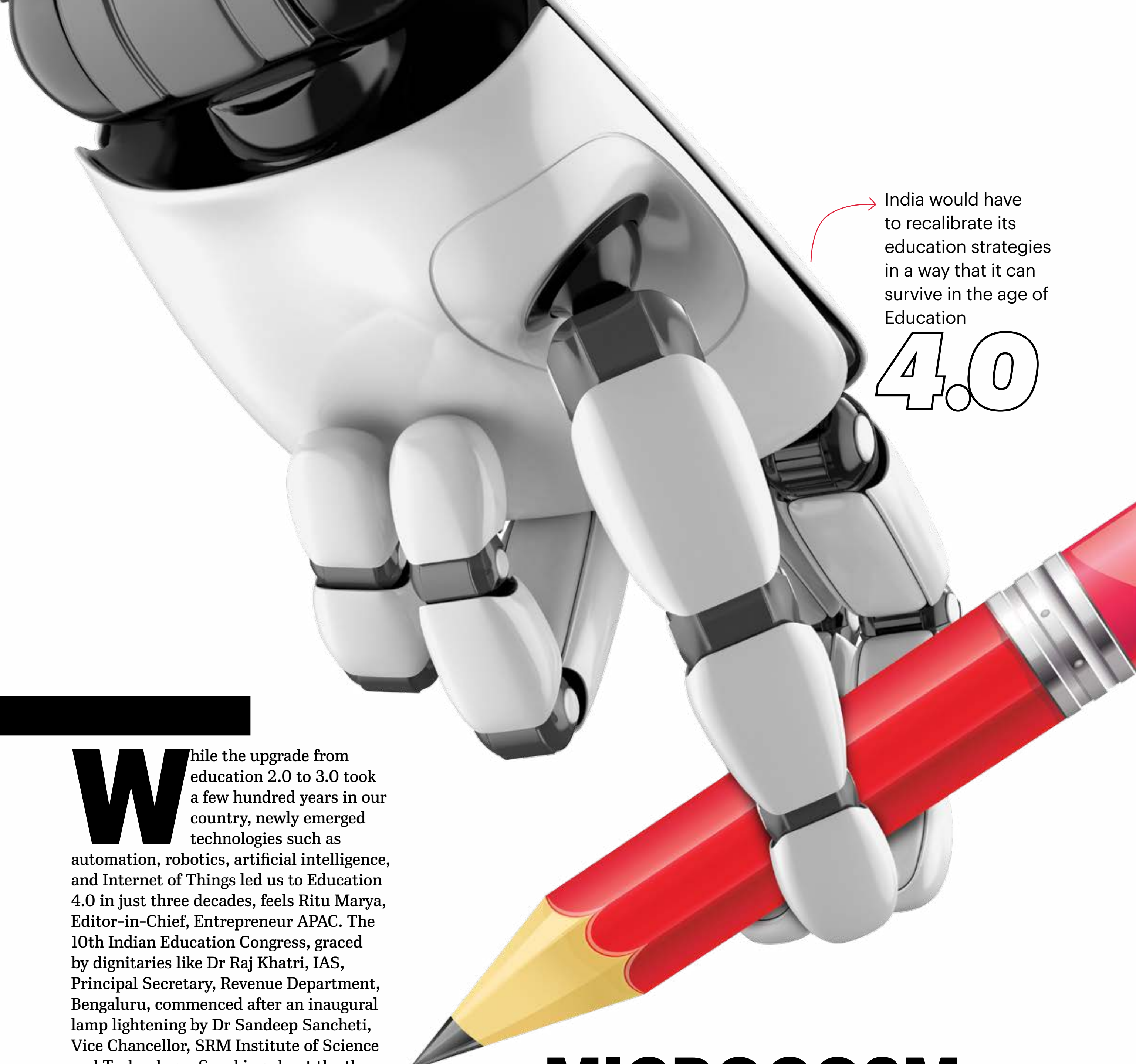
AI-enabled credit scoring

With increased investment in artificial intelligence (AI) -- a PWC study found most financial services decision-makers pursuing AI investments -- the main business advantages arising from AI are its enablement of 24/7 mobile banking and its augmentation of security and fraud detection. Part of a wave of technologies that includes blockchain, robotic process automation (RPA), and cloud computing in financial services, the key is leveraging to pull actionable information from unstructured data.

The advantage of AI-based credit scoring systems over traditional systems is their capacity to unearth hidden relationships between variables that are not always apparent to traditional credit scoring systems, as well as conducting a more nuanced evaluation of data. AI can provide complex, in-depth rules. Meanwhile, traditional credit scoring models employ simple rules, often rejecting borrowers who may otherwise be credit-worthy. Self-learning credit scoring models can continuously improve themselves via machine learning (ML) as new data feeds into the system. This opens the case for alternative credit scoring, which is critical to serving the unbanked. For consumers, this facilitates access to home ownership and consumer credit opportunities, as well permitting small businesses to access debt capital.

This also establishes a compelling case for digital scorecards' usability across different verticals, as the symbiotic relations that develop in financial services translates across industries. For instance, it can be deployed by travel booking companies, ride-hailing services, and e-commerce operators. The behavioural insights gleaned from metadata also have sector-agnostic applications.

Disrupting the high cost of credit assessment and verification is fundamental to facilitating financial inclusion. Financial identities for consumers translate to a larger customer base, with the potential to tie them into various ecosystems and rotate customers between services, as firms like Grab have done. Expanding from transport services into deliveries, financial services, and retail wealth management in Southeast Asia, services like Grab Finance highlight the potential of alternative credit scoring for driving both business growth and financial inclusion at a macro level throughout the region.



MICROCOSM FOR FUTURISTIC EDUCATION

The 10th Annual Indian Education Congress (IEC) organized at Taj Yeshwantpur Bengaluru on February 26, 2020 focused on creating a dynamic and engaging classroom experience for students through the role of new technologies such as AI, robotics and gaming.

By Gunjan Joshi

India would have to recalibrate its education strategies in a way that it can survive in the age of Education 4.0

While the upgrade from education 2.0 to 3.0 took a few hundred years in our country, newly emerged technologies such as automation, robotics, artificial intelligence, and Internet of Things led us to Education 4.0 in just three decades, feels Ritu Marya, Editor-in-Chief, Entrepreneur APAC. The 10th Indian Education Congress, graced by dignitaries like Dr Raj Khatri, IAS, Principal Secretary, Revenue Department, Bengaluru, commenced after an inaugural lamp lightening by Dr Sandeep Sancheti, Vice Chancellor, SRM Institute of Science and Technology. Speaking about the theme 'Creativity in Formal Learning: Raising through Informal Learning', Sancheti said, "The word innovation has now been replaced by disruption. Though these are overlapping domains but disruption means faster and bigger change. Disruption is the change which we don't accept and that goes unnoticed." One of his oft-quoted line is that a teacher should always tell his or her students the reason behind studying a particular subject or course, its relevance, where it is going to be used and how is it connected with past and future.

EDUCATION: THEN VS NOW

Institutes are now more focused on creating employment rather than imparting knowledge, according to Sancheti. Teaching is now replaced by learning and classrooms are replaced by MOOCs, industries, society, etc. He advised educators to become facilitators more than just a content deliverer, besides urging them to adopt an aggressive research, development and innovation approach. Namita Dalmia, Director - Investments, Omidyar Network India feels that the education sector needs to set standardized outcome benchmarks that measure the value of an investment.

Indian education exhibits a significant regional disparity. If we talk about higher education, 60.48 percent (AISHE Report 2017-18) colleges are located in rural India where educators employ traditional pedagogical approach. The case is similar with all levels of school education where most of the public institutions do not even have electricity. Implementing ICT-oriented pedagogical tools would be an idealistic idea at such schools. While delivering the keynote address on the future of education, Divya Gokulnath, Co-founder Byju's professed, "Education can be viewed from two perspectives, those who have access to it and those who don't. India is a relatively young country as compared to the United States, China and Japan. In such a scenario, one can ponder whether technology can bridge the gap of infrastructure? Technology can help in solving the challenges of lack of quality content, one-size-fits-all approach, and learning driven by fear of exams, in a confrontational way."

PERSONALIZED LEARNING

With the help of data science, it is easier to observe individual learning curves of students and hence provide them customised learning. Technology can make learning engaging by making students experience the concept. The speakers in subsequent sessions affirmed that with Augmented and Virtual Reality (AR/VR) as well as with the use of AI-enabled learning, a teacher will understand the learning preferences and capabilities of students well. India would have to recalibrate its education strategies in a way that it can survive in the age of Education 4.0.

Elaborating on the significance of short-term courses for bridging the gap between industry and academia, Phalgun Kompali, Co-founder, UpGrad said, "A lot of innovation is possible when we think of disrupting a classic three-year brick and mortar degree. It should be in every aspect including delivery model, concepts to be taught offline, its integration with industry visit, and whether it can be aligned with a test prep course. On unemployability, Kompali added, "Universities can offer skill upgradation programmes. We are trying to partner with universities in order to improve their curriculum and its delivery on campus. One of the biggest challenges is convincing universities that this needs to happen. Hence, it is great area of opportunities and impact for us."

EMERGING TECH

In a session where leaders brainstormed about how AI and data analytics could transform the conventional teaching-learning mechanisms, Akhila Prabhakaran, Scientist, Supercomputer Education and Research Centre, IISc Bangalore mentioned, "Artificial Intelligence is essentially a knowledge-base of domain accompanied with a set of intelligent algorithms that can learn from the domain. AI could be leveraged in identifying the weak students in a class. It also helps to generally analyze database of students or teachers, align it with educational goals of an institution, and predicting where an intervention of educators is required."

With the technological evolution infiltrating classrooms, a new pedagogical approach has to be given more prominence. It is a proven fact that education must keep pace with the world it is training students for. Delivering lectures through AR or VR tools, taking students on virtual field trips and using other online learning platforms encourage a more active participation in the learning process. Antarpreet Singh, Director, Digital Learning, Indian School of Business reaffirmed, "We have to find new ways of imparting education such as blending simulations for case studies. For example, with shrinking attention spans, it is difficult for a student to read 40-50 pages of a case study in Harvard Business Review. The process of learning, unlearning and re-learning is a holistic process that holds strategic connotations."

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Akhila Prabhakaran, Scientist, Supercomputer Education and Research Centre, IISc Bangalore

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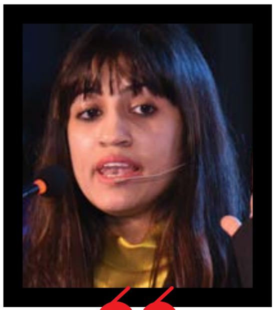
Antarpreet Singh, Director, Digital Learning, Indian School of Business



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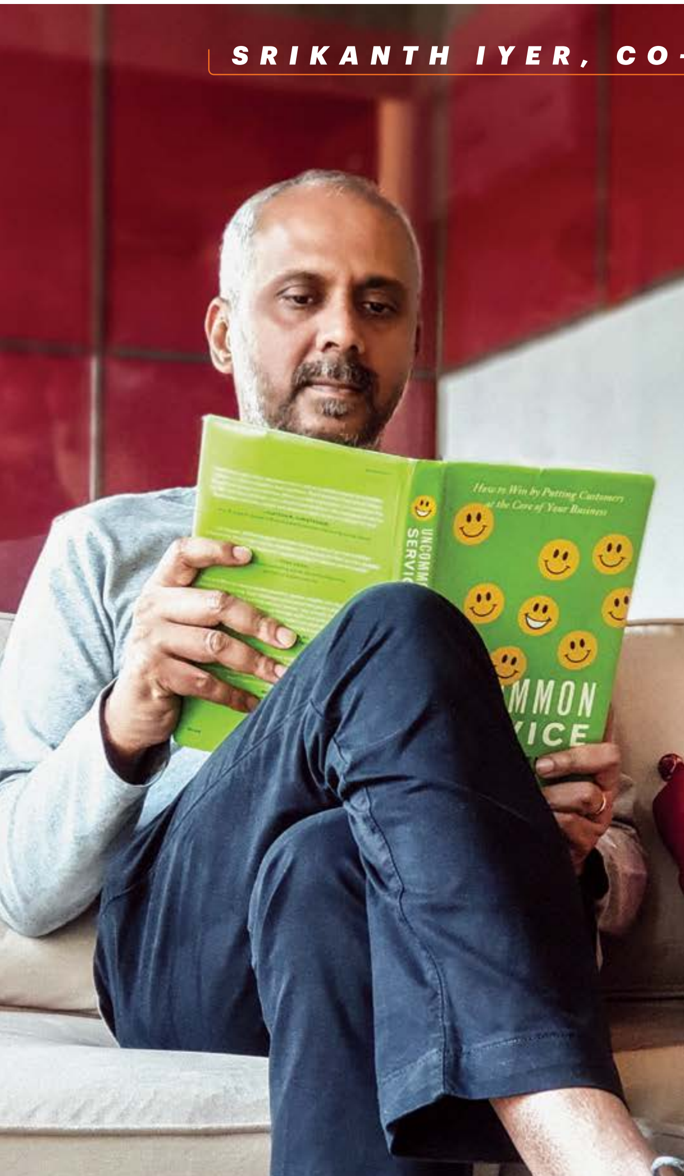
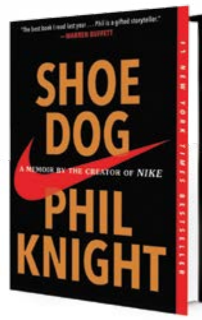
SRIKANTH IYER, CO-FOUNDER & CEO, HOMELANE



TALES OF A BOOKWORM

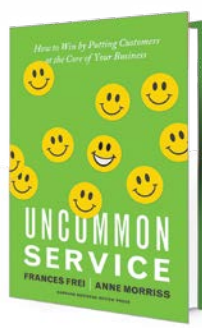
A jack of all trades and master of none in everything he does, Srikanth Iyer, Co-founder & CEO, HomeLane, believes that moderation is the key to life, including moderation itself. After successfully delivering home interiors in business hubs such as Mumbai, Hyderabad, Bengaluru and Delhi-NCR, in 2018, the company decided to take its footprint to Kolkata where it has done 7X more business than in any other city it operates in, over a comparable period. For HomeLane, Kolkata witnessed the highest adoption rate for its services under Iyer's leadership.



SHOE DOG

by Phil Knight

This one had me at the book title. Shoe Dog was a collection of insights from Nike CEO, Phil Knight's journey from a fearless start-up to one of the world's most profitable and innovative brands. Knight believes in letting people do their own thing and I could not agree more - telling people how to do things is nipping creativity and innovation right in the bud. The book talks about how when things get monotonous, a mentor and partner on board, who believes in you, can take you all the way. Having a support system at work is crucial to keeping your head in the game.

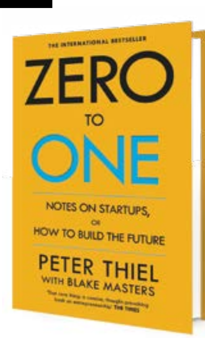


UNCOMMON SERVICE

HOW TO WIN BY PUTTING CUSTOMERS AT THE CORE OF YOUR BUSINESS

by Frances Frei & Anne Morriss

No business can be great at everything it does, it necessarily needs to be bad or very bad in certain aspects in the service of being great at other aspects. The book gave me clarity at a time when my business was hit by uncontrolled growth and was taking a big hit on customer experience and project margins. Too much variety is the enemy of achieving customer satisfaction and margins at scale. This has been a guiding light for the past 5.5 years and has inspired us to scale from 1 home per week to 25 homes per day.



ZERO TO ONE

NOTES ON STARTUPS, OR HOW TO BUILD THE FUTURE

by Peter Thiel

This book gives you a new perspective on innovation: it starts by asking the right questions that lead you to find value where you don't expect. 'Zero to One' taught me how the biggest leaps in progress are vertical, not horizontal. As CEO and founder of a brand myself, I found meaning in the importance of a vision to take my business from zero to one. My favourite quote from the book is "Brilliant thinking is rare, but courage is in even shorter supply than genius."

FINDING THE CONNECTION

By Rajiv Bajaj, Chairman & Managing Director, Bajaj Capital

I am 50 today and have been working in our family business of wealth management designed for middle income Indians, Bajaj Capital, since the age of 20.

All through these years, I have always pondered - what would I do, if I weren't born with this 'silver spoon' and had to take my own path, like many other entrepreneurs. I kept toying with semi- baked ideas like being a Creative Head of an advertising firm, since I have a dire passion for design, creativity and new ideas.

In my mid- thirties, with my mid- life crisis in full bloom, I intensified the search of finding the true me. I joined Entrepreneurs Organization (EO) around that time and formed a forum along with seven other entrepreneurs, working on goals around business, health, family and self-growth.

As I neared the age of 40, I realised the need to find my life purpose or 'Ikigai', as it is called in Japanese philosophy. This ancient wisdom is encoded in every Japanese person's brain and they would know their Ikigai very instinctively.

My curiosity towards this philosophy took me to many places. I visited Okinawa Island in Japan, which is called a Blue Zone, or a centre of healthy longevity, as it has the largest population of healthy centenarians. There, I met several elderly Japanese people and understood the prime and foremost reason behind their long and happy lives – they all knew their Ikigai, they all knew how 'to be happy every day' in their daily pursuit of choice, as per National Geographic magazine research.

I also met Professor Akhihiro Hasegawa from Toyo Eiwa University, Japan, who indeed is the only man I know to have done a PHD in Ikigai. I learnt from him that one's Ikigai gives a sense of fullness or value of living, countered to a feeling of emptiness despite immeasurable material success.

Ikigai is a deep emotion; anything which doesn't trigger an emotional response in you can't be your Ikigai.

This journey of researching Ikigai also took me closer to my own Ikigai, which was the study of human longevity and particularly, the interplay between health, wealth and longevity. I realised that helping people discover their Ikigai gives me true joy, and this became my own Ikigai.

Further, this helped me sharpen the mission statement of our company Bajaj Capital to 'financial well-being over a lifetime', as we stay committed to offering financial well-being solutions to investors. Therefore, finding my own Ikigai triggered a series of actions and helped us refine and align our Corporate Mission and discover our Company Ikigai.

This journey also led me and my wife, Anu to find our common Ikigai in total wellbeing, or how to live your life well with full vitality. This led to the birthing of our total wellbeing platform, OmniLife (theomnilife.com), which became an outcome of our common passion for wellness.

I consider it as a blessing, to wake up each morning with full energy and vigour to work towards my mission. Commercial success is hence, nothing more than a sweet fruit of this labour of love; the true joy is in the journey of following your purpose itself. The Ikigai Venn diagram has truly come alive in our lives, where our vision, mission, passion and profession have all blended together into one.

I invest time over the weekends in coaching people and companies, helping them to explore their Ikigai, and I find true joy in doing the same.

The Himalayan Trail

By Amrita Ghosh

The mountains are calling, and **Devendra Parulekar, Founder, SaffronStays**, must go. An avid traveller, photographer and a cyber security specialist, Parulekar abides by an idiom, 'Think big. Then, multiply that 10 times. That should be your dream.' In an interview with Entrepreneur India, he shares his experience of racing along the steep stairs, halting only for deep breath every 4-5 minutes on the way to the viewing platform, and getting short glimpses of the mountains along the bend.

What inspired you to take up trekking as a hobby?

The mountains are a great leveller. You may be the CEO of an organisation but in that kind of an environment, you're just as vulnerable and are subjected to the same elements as everyone else. One of the reasons why I started trekking, particularly high altitude trekking in the Himalayas, is because it changes your body and soul.

What lessons have you learnt from trekking?

Trekking is not a race - it's not a goal you achieve. But at the same time, you have a summit, and have to fight issues like lack of oxygen, altitude sickness, punishing long walks under the sun. There can be hail, snow, it can suddenly start raining but you have to keep marching. The mere journey, not necessarily the goal, gives you a great sense of accomplishment.

How often do you indulge in such activities?

Once a year, for a period of 10 days. My first trek was way back in 2004 in Nubra Valley. I had zero idea of what altitude sickness is, and we somehow prepared ourselves for it physically as well as mentally.

Your leadership mantra?

Leadership, to me, is all about looking at the change in the direction of the wind and adjusting your sails. The requirements change each day - a leader is expected to show the purpose and direction.

Entrepreneur you admire and why?

Steve Jobs, Elon Musk and Bill Gates.

Favourite travel destination?

Ladakh. It's also my favourite trekking destination along with the Himalayas.

Your idea of an ideal weekend?

Driving down to one of our villas with my family and sipping margaritas by the pool. Add to this, lots of board games and fun activities with my kids.

Your current read?

'The Anarchy' by William Dalrymple and Panipat by Vishwas Patil.

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