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STARTUP LOTTERY

YOUR GUIDE TO NAVIGATING
RISK AND REWARD

GUS BESSALEL

Jones Media Publishing

The Startup Lottery: Your Guide To Navigating Risk And Reward

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DEDICATION

To the employees
without whom no startup could succeed

Acknowledgments

In early September 2021, looking out over the water from the deck of the beautiful Nags Head, North Carolina home of Leslie Miles and Jayson Schwam, I was reflecting on my eight-year run at Fugue. With the company's sale looming, the stark imbalance between the prospective payouts to the investors and to the employees came into sharp focus. As my wife, our friends and I discussed how to level the playing field, I became convinced of the need to educate and empower startup employees by sharing the realities of the startup game. Inspired, I drafted the table of contents for this book.

My startup odyssey started in the summer of 1991 when my friend and co-worker Neal Simon introduced me to his uncle, the late Mel Chasen, founder of Transmedia Networks, Inc. (now Rewards Network). Mel's faith and support enabled me to follow my budding entrepreneurial dream. My friend Tom Gorman joined me, giving me the confidence to leave my job and start my first company. Numerous friends and family, including my wife's brother and sister-in-law, agreed to invest, and with the help of a small but mighty team anchored by Frank Rothgeb, the company flourished. Having left my conventional career behind, I never looked back.

Being an entrepreneur can be daunting and lonely at times. The Washington-area tech and angel community has been a constant source of energy, education, and support. I cannot quantify the value I took from countless pitch sessions and networking events run by organizations such as the University of Maryland's Dingman Center

for Entrepreneurship, John May and Cal Simmons' Washington Dinner Club, and Tien Wong's CONNECTPreneur. I am indebted to the friends, mentors, and investors who provided wise counsel over the years, including Neal Simon, Peter Jaffe, Mark Joseph, Todd Klein, Ron Kaiser, Randy Domolky, and Jonathan Silver, the first VC whose fund we invested in.

For nearly nine years, I shared a mission and (until the pandemic) offices with a talented group of colleagues at Fugue. Special thanks to Josh Stella for trusting me to join him on Fugue's excellent adventure. Tim Webb, my partner in crime at Fugue, validated that Josh was on to something really important. Drew Wright, Fugue's co-founder, for all those late-afternoon, far-ranging conversations. My sincere appreciation also goes out to Phillip Merrick, from whom I learned more than I could have imagined. To my colleagues on the finance team, Mary Christine and Jenny Damiani, without whom I couldn't have done my job.

Thank you to Tom Knox and Dan Kahan of King & Spalding for helping me and Fugue navigate many thorny issues. And, thanks to the late Harry Weller of New Enterprise Associates (NEA), whose enthusiasm for Josh's vision was irrepressible. Harry's death in late 2016 shook the company and the entire DC-area tech community.

Writing a book is its own form of startup. You have an idea. You build a prototype. You test and iterate until it's ready to launch. I appreciate the early readers and thought partners who validated for me that there is value in the book's lessons—David Morris and Ankush Khurana from Fugue; Adam Dakin, Dreamit Ventures; Tom Kohn, American University; Andrew Sachs, Nobel Learning; Eric Schoenberg, CampusWorks and Columbia University, Whitley Cargile, Carlyle Group; Julia Beck; Roger Golden; Shelly Schoo; Lou Morsberger; and Kim Schulze, one of the savviest human resources professionals I know.

No founder can do it alone. That is also true of an author. I have been fortunate to have a committed group of talented collaborators by my side. A hearty thank you to Emily Owen, whom I distracted

(briefly) from her own startup to pick apart the manuscript and help me with the visuals. My immense gratitude to my editor, Marilyn Freedman, who set the standard and challenged me to set my ego aside and put in the hard work, matching my efforts with her commitment and enthusiasm. To my publisher, Jeremy Jones, thank you for your positive energy, discipline, and mentorship along the way.

In 1963, my parents left Argentina and came to the United States. My father came first in a pure act of entrepreneurship. With limited resources and speaking no English, he took a risk, established a foothold, and later that year, brought my mother and me over to join him. Their courage and perseverance opened the door to the opportunities available in our new home. I didn't have a choice in the decision, but I'm its biggest beneficiary.

I would not be where I am without the love and support of my biggest fans, my amazing wife, Amena Ali, and our awesome children, Sonya and Jordan. Amena and I have navigated the startup path in parallel, supporting each other's careers, strategizing, negotiating, and learning from each other's triumphs and tribulations. After witnessing up close our decades-long startup roller coaster rides, it comes as no surprise that our kids chose to pursue careers with large, stable companies.

About the Author



Gus Bessalel is a serial entrepreneur and author of *The Startup Lottery: Your Guide to Navigating Risk and Reward*, as well as a collection of articles on startup life and entrepreneurship available at thestartuplottery.com and LinkedIn.

During his 30-year startup career, Gus founded, managed, and invested in over a dozen early-stage ventures and raised over \$100 million in capital. He is a Harvard MBA and Inc. 500 CEO who advises startups through CONNECTPreneur, Georgetown University Venture Lab, East Carolina University, and SEEDSpot.

He has guest lectured to business students at American University, Johns Hopkins, and Georgetown and served as a startup pitch mentor for the Harvard Business School Alumni New Venture contest. Gus is also a co-founder of Compass Pro Bono, which provides free consulting services to nonprofits.

Gus resides in Bethesda, Maryland, with his wife Amena Ali, a three-time tech CEO.

For additional information including more of Mr. Bessalel's writing on startups and additional resources, visit:
TheStartupLottery.com