

Digital Business Newsletter

For Entrepreneurs, Small Businesses, and Professionals

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Talking to Gary Jinks

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Morgan Hill, California**

Silicon Valley based entrepreneur, investor, and mentor

Entrepreneurs are visionary, passionate and focused on “doing” rather than sitting in a classroom learning. A successful start-up is not an individual, it is a team.

Gary, it's great to have this opportunity to talk with you. Tell me about how you help entrepreneurs.

I launched GLJ Group, a consulting company that was initially focused on corporate market entry, strategic relationships, conceptualizing their ideas and commercialization.

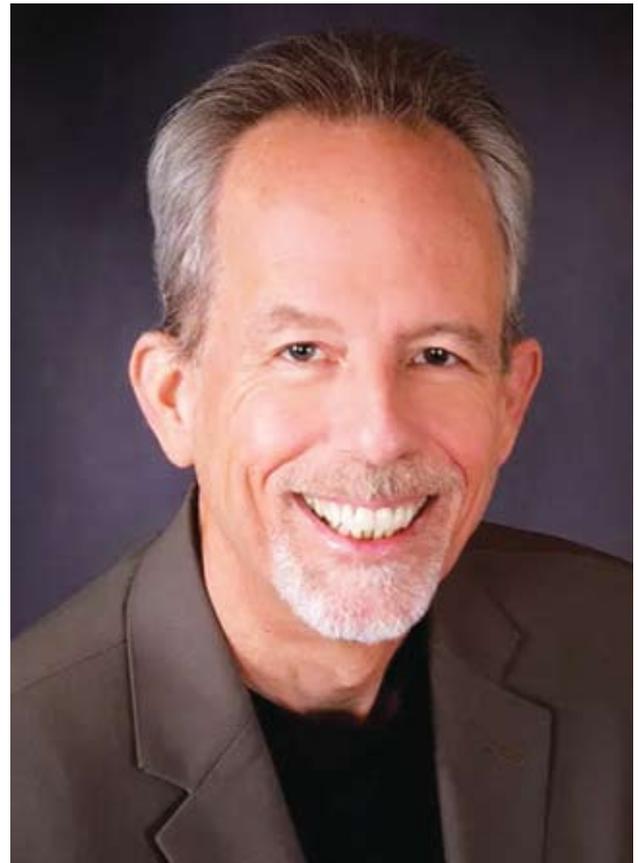
In 2006, we received a large contract that consumed pretty much all of our time, for a little over 2 years - 6 days a week and 12 hours a day. When I came out of that in 2009, the economy was in the downturn. As a business person you follow the money. So, I jumped back into start-ups because they are always growing in the Silicon Valley. Since then I helped launch well over 500 start-ups launch.

In 2011, I launched South Valley Angels as the Founder and Managing Director. We are a boutique investment group and have done about \$4.2 million in funding. I also help incubators and accelerators around the globe. I put my program together and implemented it the first time in Saudi Arabia with Saudi Telecom.

This was the first corporate innovation centre in Saudi. We started the first program in January 2016 and by Dec 2018, we had launched 21 start-ups. The most recent incubator that I helped open was SVI Hub in Sunnyvale California.

I work throughout the innovation ecosystem. I believe that we are in Startup 3.0, as I call it, which is Precision Innovation. My goal is to help entrepreneurs come up with and commercialize great ideas. If that does not work, we introduce them to start-ups where they can continue to work on the career that they now chose - entrepreneurship.

We work with the corporate and get the whole ecosystem working, We get great ideas commercialized.



What are some of the traits that create successful entrepreneurs?

Entrepreneurs are visionary, passionate and focused on “doing” rather than sitting in a classroom learning. A successful start-up is not an individual, it is a team. It is more about the traits of a team than an individual. The traits that make up a successful CEO is a clear vision, leadership and experience. Many CEOs I work with are 25 years old with limited experience. Most successful start-ups have CEOs or executive that is 45 years or older.

Experience gives one the understanding about fundamentals that can work. It helps to avoid wasting your business time trying to figure out the business concept.

Another trait is a CEO strategic perspective, not necessarily buried in the details the details. As a CEO it is also critical to have a good contact list. As an entrepreneur you need a CEO who would be capable

of bringing on a team and get working.

As far as entrepreneurs are concerned, they have changed dramatically from the early days or start-ups. In the early days the only people who did it was the crazy people of the Silicon Valley. In those days, investors didn't invest in products but in the vision of entrepreneurs. Most of the start ups had no products but they could see a clear pathway and knew what it takes to be there. They got funded back then because they understand how to get there.

Today's entrepreneurs have no vision. They show a product solving a problem. If I ask an entrepreneur about their vision, 99% of them would be silent or give me a mission statement. The visionary capability of seeing the future and how you fit is missing in today's entrepreneurial journey.

Another trait is the discipline - having the discipline to follow through.

Can you give me a couple of instances where your inputs and guidance actually turned somebody's business around?

I work directly with start ups where they need access and put things together. There was this one start up which converted pick up trucks into hybrids. I reached out to my contacts and got them a marketing officer who was retired from the department of defence. He previously ran their entire hybrid truck business for the military for 10 years. I brought him in as a partner on a \$2.5 million contract to work on what is now the standard for the vehicle to grid.

I have worked with a company that treated their company more like a hobby than a business. People who were involved had good day jobs and this was like their secondary hobby. They got accepted into the incubator, I sat with them to build on a strategy and a direction for them. In the process, we worked out a cost model. Once that was done, the entire outlook about their company changed. They quit their day jobs and focused on this business. They

are now rolling out in their 3rd country. I am not counting companies that I have funded because that is different.

As an investor, are you concerned about the lack of vision in today's entrepreneurs?

Absolutely! It is a big concern because merely having the best product does not guarantee anything. The best products gets beaten by inferior products time and again by better marketing, better teams, better positioning of opportunities etc. Investors look for opportunities and not value-benefit products. The product must clearly accomplish what it needs to do but lack of vision hinders the product

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from moving forward significantly. Yes, lack of vision is a problem. It misses the story we investors are looking for.

Have you worked with any companies in the Asian region?

Yes, we have several partners in India, Singapore, Korea. We have worked with lot of start-ups in India. There are very interesting projects out there. Many of these are in the mobile/remote medical field. They are trying to digitize medical records in India and help villagers and people outside of big cities to be able to get quality health care. There are other companies doing a lot of coding and programming, etc.

Incubators will replace universities for entrepreneurs in the future

How important is the educational qualification of an entrepreneur?

In some cases, it matters and in some cases it doesn't. I believe that incubators will replace universities for entrepreneurs in the future. Most entrepreneurs don't last for more than 2 years in school.

So, is education important? It is a yes and a no. Education is always critical. If you are getting into a technical field like coding, or science, etc. it is critical to have a background and an understanding of that science and that technology. If you are on the business side, things are not as black and white.

In my opinion, it isn't so much the education but the experience. For example, my question to somebody releasing the SaaS platform would be if they have been part of a team that has built a SaaS cloud platform before. If the answer is no I don't care where they went to school.

It is tricky, I think on the technical side you need to have specific knowledge and for many of the other things. At the end of the day experience is what matters.

When we talk of start ups, does it have to be only tech start ups?

Technology is synonymous to start ups. But I would argue that it is synonymous because the start up model began in the Silicon Valley which is focused

on tech. The Startup Model is based around creating an idea, getting private funding, explosive growth and likely acquisition; 95% of the start ups get acquired. So, in such a distinct model, technology is synonymous to start ups. However, the Startup Model can be applied to any business.

Technology has found the order magnitude, larger growth than many other things. It kind of works its way down that if you are a software changing something, it is the easiest way to get funded. Technology that changes something is next.

The real question is does the Silicon Valley start up model apply everywhere else in the world. In my experience, the answer to that also is a no. Not everybody has Google across the street and Apple around the corner, FB, Microsoft. etc. It can be adapted to local regional needs and economic growth.

The model is different in different locations but it is geared around technology in changing the world. In fact, I would say it is going to shift towards being even more towards the development of AI throughout business and process workflow. That will eliminate a lot of jobs and people out of there. In all these areas where robotics and AI will take over in a few years, it is going to be the technology that drives it.

What helps start-ups grow beyond their initial big idea?

First it is the money because without the money growth does not happen. So, you have to get money from somewhere.

It is equally important to understand how to apply the money to promote growth. It is important to understand how to leverage social media, connections, put together a marketing program that gets your vision and benefit out to the masses. That can be industry-specific to a certain degree. There is a variety of different ways how to get it done - working

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through potential partners and corporates or finding influencers who can help promote your product etc. That is a really big part of conceptualizing your ideas.

What causes start-ups to fail?

One reason is that it may be a great idea but it may not fit the model. It may not have a clear pathway to a hundred million dollars.

Another is not getting help. Entrepreneurs come in and they expect everything to be done for free. They may be successful in getting that but there will always be a reason for somebody to do something for free. Such entrepreneurs don't understand the value of money. They are just pennywise and pound wise foolish. They will spend \$1000 going to meet ups rather than spending a \$1000 to work with somebody that will do exactly what they want done in days rather than in months.

Another reason for failure is when the CEO just doesn't listen. They already know the answer. I know of companies that come to me for help and pay me to do things and won't listen do anything I say.

Tell me about the program you have to help start ups.

We are a Silicon Valley ecosystem with a global reach to regional ecosystems. We work through the entire Startup life cycle, from entrepreneurs with a concept through VC Funding or acquisition

It is a standardized approach tailored to each entrepreneur or company. It is geared to execution not mentorship to help entrepreneurs and early stage companies to stay on the right track. We go through everything from the beginning - conceptualizing the idea, strategic planning, financials, to talking like a

CEO. We bring experience and investors perspective to the table.

The outcome is a high sense of clarity of what you are missing, what you need, your challenges, risks etc. From there we can look into the ecosystem and determine if we can plug in resources, influencers and enablers into the environment to fill those gaps. We also help entrepreneurs connect with other start-ups as part of our entrepreneur career development programs.

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It is important to be honest to yourself and identify if your idea is really worth pursuing. Your idea may not be what you thought it was and you may not have everything you need to get going. I have seen some entrepreneurs keeping on pushing an idea and people not telling them why they are not willing to proceed with the idea.

We recently went live with a platform for the innovation community called Scaleup Stream. It is live now but will not officially launch until January 2020. You will be able to socialize with innovators, engage with experts and connect to resource. Come out, visit, and join the community.

Excerpts of a conversation with Kartik Isvarmurti, Managing Editor.

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