

# Digital Business Newsletter

For Entrepreneurs, Small Businesses, and Professionals

**VMG**

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# Talking to

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**Spoonshot**

*Research platform that leverages AI & Food Science to predict food trends*

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## Why entrepreneurship?

I was born and raised in London and have lived there most of my life except for the 6 years ago when I moved to Bangalore. If I trace my roots back to when I was a young child, that is perhaps when I was 5 or 6 years old, my father had a local grocery store in a small village in the rural part of the UK. This inclination towards entrepreneurship perhaps came from him. I spent a lot of time just being there in his store.

In High School when I was 15, a friend (who was also a budding entrepreneur) and I wanted to do something on our own. This was in the 90s when people were getting home computers for the first time and were struggling with them because it was a completely new world. We started knocking doors in wealthy communities near to where we lived offering technical support. Both of us had a passion for playing with computers, html coding, learning all the different aspects of Windows, etc. We setup a little service company and were fixing people's PCs and installing antivirus and doing all the really simple things for them because they didn't know how to do it. That was something that I had on the side during my school days.

I went to Aston Business School, Birmingham where I studied business management. A lot of friends of mine were studying courses like optometry, which was something completely alien to me. I saw the kind of textbooks they were using, some of them were really expensive. When I started looking into this, I found suppliers who were selling the same text books at significantly cheaper rates. I soon started to sell the same textbooks on campus for half the price of the campus bookstore. I guess I always had that entrepreneurial gene in me.



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### How was your journey after that?

It was interesting how the whole digital marketing world shaped up. There were things that I loved about it. You could actually scale and automate revenue streams. But, I struggled to see how this became a big business. I wasn't interested in being a solopreneur. I believe in the power of teams and collaboration, building culture and communities. The digital marketing business allowed me to travel the world and have a lot of fun and it was relatively successful for an individual business. But, it just wasn't something that you could scale in a way that appealed to me.

This was at the time when Facebook was just a couple of years old and there were some hi-tech things happening. As a person who was interested in the

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way that technology was emerging and evolving, I realized the need for me to get into that world. I had one year of experience in corporate IT and 4-5 years of experience in digital marketing, but I had no coding skills.

Around that time a friend of mine who was a recruitment consultant told me about a company called Just Eat, an online food delivery marketplace. I was surprised that I have never heard of the company because I thought it was a great idea. There was an opportunity there at that time which my friend said I would be a great fit for but I asked myself if I really want to go back to a “job”. I was really hesitant. My friend suggested that I go meet the team as he had heard really good things about the company. So, I went to them reluctantly for this job interview and felt extremely awkward.

I met the hiring manager, Matt who was the CMO. Within a few minutes I realized that he was a marketing genius, oozing with ideas. I knew that I could learn a lot from him. The job made a lot of sense to me as well. It was playing the role of a digital marketing consultant for all of Just Eat’s international businesses. They were present in 12 markets but most of their focus was on the UK, including Matt. He wanted me to travel to the other markets and help these businesses grow by applying my digital and growth marketing skills, advising them, sharing best practices.

After the interview they gave me an assignment to showcase my skills. I remember going to the wash-room just before giving my presentation. In there someone was wearing a gorilla costume, jumping around, making gorilla sounds. Whoever it was didn’t talk to me. When I got back to the presentation room, I was told that the person in the Gorilla was the CEO! At that point, I knew there was something different about this company, as strange as that sounds, and I just got a good feeling.

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Luckily I did get the job and it turned out to be an incredible journey. Just Eat isn’t very well known here in India. They were here for about 4 years at the time we sold the Indian entity to Foodpanda, Just Eat was the market leader in India in terms of orders. This was back in the early days of food delivery in early 2015, at that time Swiggy was just 6 months old, and Zomato was still only for restaurant discovery and table bookings.

My time and experience with Just Eat ignited the passion in me for food + tech. I got to learn about technology, product, software etc. I broadened my skills beyond marketing into sales, and product management too. The culture (known as the “jam”) was special and that was one of the reasons the company had a very successful IPO in London. Most importantly, this was personally rewarding from a learning and development perspective.

This fired up an interest in not just technology but also food tech. It became a key thing for me. Around the time of the IPO I moved to Bangalore to take up a COO role for the Indian division. We were market leaders and I was desperate to make it a huge thing in India. Unfortunately, the Just Eat Group did not want to invest in India at the level that was required. That was the time I figured it was the right time to leave the organisation and find the next challenge.

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My family had only been in Bangalore for just over a year at that point in time and we had a massive decision to make. We were meant to be here on a contract for 3 years. We loved living in Bangalore. It is a fantastic city with a great ecosystem for technology and great weather etc. Despite this, we decided to return home to London to attend family weddings that summer (2015).

A colleague of mine from Just Eat UK was working for a company called Osper. It was a children's bank account through a mobile app with a prepaid debit card. They aimed at teaching children how to save money, invest it and spend it sensibly. I was really passionate about helping young people understand the power saving and spending, and jumped at the chance to run their Marketing. Within a few days of working with the Founder & CEO, Alick, I started wondering why I had not started my own business. It was the right time to do it and working with Alick pushed me right over the edge. I knew that I knew the technology world and that I could build something. So, as much as I loved the role and the company, I decided to quit, after just 3 months.

We moved back to Bangalore and we settled in. It is a great place to start a technology business. There is a lot of talent and has all elements required to start a business. For the business idea itself, I realized that there wasn't a leader for personalization in the food industry, which is the most personal decision one makes 3-4 times a day. But how do you leverage technology to have a better food experience? How

many times have you been to a restaurant that has 5 star reviews and had 3 star experience? By reading online reviews you are taking opinions from people whom you do not know. You aren't aware of what they like or dislike. That is not exactly a reliable way of getting recommendations. The first thing I had to do was find a tech Co-founder. I met my Co-founder, Sai Sreenivas Kodur, who graduated from IIT (Madras) via LinkedIn, and we have now been working together for the last 4 and a half years. He has worked at Zomato and was working at Myntra at the time, a great guy with a wealth of experience. We both had a passion for personalization and kicked off the journey that was then called Dishq. It has of course evolved since then.

### **Looking back, what were the key moments in your journey?**

I often like to think about the path I not taken and what that might have led to. I also philosophically believe that all things happen for a reason and it will always lead to something better. That is the reason why it is of utmost importance to get over the lows of one's journey as quickly as possible. The outcome will always be something better - that is what life has taught me. I just fundamentally believe that.

When I look back at my journey right from 2005 after my graduation, I took the corporate job in a retail bank back then in the UK. I was project managing infrastructure projects etc. It was, honestly, very boring. There were 20 graduates going into the training program at the time. We had 2 weeks of on-site residential training where they put you into an intensive program. On day 1 there was this dinner to get to know everybody. I remember telling my group at the table that day that I would leave this 2 year program in 1 year. In all honesty, I took that job only because it paid a fantastic amount of money for a graduate. I used to play football on Sunday night with a group of friends and every time after

the match I would be depressed that I would have to go to work the next day. It was a horrible feeling. That is when I found the digital marketing space through a friend of mine.

I quit in the 11th month of the program. That was one key moment in my career. You have to be brave to make such decisions by embracing the unknown when you do not know what is going to happen next. You have to take that kind of risk and it's better to take it when you are early in your career and you do not have too many things at stake.

Another key moment was a year after leaving the corporate job, still not having generated any meaningful revenue, which could give me any kind of financial stability. I was literally scratching my head to understand why things weren't working and I was sleeping only 4 hours a night. My parents were pressuring me to get a job. To just appease them I applied for jobs in other banks and attended interviews hoping I wouldn't be selected. I even got a job offer from Barclays bank but I didn't sign the offer letter. The fear of not succeeding prompted me to figure everything out and suddenly revenue started coming in. Even in the current journey, my life is full of these examples.

### **Are you the same entrepreneur today as you were when you started?**

No, no way. I have grown up. When I started I didn't have a strong enough moral compass. I was willing to explore anything and wasn't really thinking of consequences. I have done things that I am not proud of. That way you get too money oriented. That doesn't go too well. When money becomes an addiction, it leads you to dark places in terms of your thoughts and behaviors. That is why I left my banking career. It was just not worth it. You can't learn anything if you are always successful. When I started resisting all the temptations that the world had to offer, the marketing business didn't work anymore. There are a lot of grey areas people have

to cross in that world to succeed, at least it felt that way.

In my current company, transparency is by far the most valued attribute and this is a two way thing - from the founders to the team and vice versa. You hear many stories of startups and founders saying everything is fine but suddenly they run out of cash. I had decided very early in time to never ever do that. Transparency is very important. The bank balance of the company, how many months worth of cash we have left, is for everybody in the company to know.

### **What are the challenges in scaling a business from the initial idea?**

It comes back to the fundamentals of why you got into the idea that you are doing. One needs to do one's homework. We definitely learned this the hard way. When we started Dishq in early 2016, we agreed on an idea and just jumped in. We didn't really do any homework. The reason for this is because we were both from the industry and felt that we knew what we were doing. We were completely blind to what actually can be the reality. Your foundation is built on false assumptions. You may be an

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industry expert but that is flawed thinking.

Within 12-15 months we pivoted away from a B2C app that we built. We didn't get any traction and pivoted it to B2B. We did some research on providing personalization API and food recommendations to food companies like Zomato, Swiggy etc. across the globe. People were interested in our product for sure but again we didn't research properly. We quickly pivoted to B2B to raise the funding just to keep the business alive. It was more out of panic.

We had customers this time and this is where it got tricky because we hadn't thought through the long-term impact of scaling the business. It was an API and selling an API as a product is very difficult especially in a nascent market. Food technology has well established giants who could build something in-house. Or there are also early-stage companies who were still figuring out the most important stages of their business and food personalization was not one of them. While our tech was good, it delivered the ROI to the customers but it was still a vitamin not a painkiller.

We still hadn't fully learned our lesson. When we tried to scale the company beyond the first 100 customers, people would sign deals but would never integrate the API. It would always get blocked in their own internal roadmap prioritization. We couldn't charge them unless they used the API. We soon realized we have to figure out another revenue stream. That is when we were about two and half years into this journey and decided we needed to pivot again after we did our homework thoroughly.

For the first time, not only did we do the homework, we had to do it because although we were in food technology we were in the FMCG side which we were not that familiar with. We were solving a

problem for which we had no insight. We had just heard about such a problem in the industry. We had to ask 10 level deep questions and drill down to understand the situation and the market. We can feel the difference now roughly two years later. Product market fit for us is purely organic; people constantly contact us and sign up. Earlier, we had to get out there and sell our API. It is all about understanding the fundamentals of what you are doing, have you really validated your product and the market?

Even if you feel you know the market, you must spend some time to really analyse. It pays to unlearn and relearn. It is also important to bring someone on board who will ask you naive questions.

### **What are your thoughts about Bangalore?**

We moved here 6 years ago when the economic situation was much better. For us this decision has worked fantastically. From a business perspective, it is highly competitive. The whole city lives and breeds technology, which is amazing. The community I live in is also amazing. We have entrepreneurs left, right and center and that provides a great network.

From a lifestyle perspective, for people like us coming from the UK where it rains almost all the time, it's fantastic weather here. The funny thing is that our Head of Business Development, who is from Bangalore recently moved to London. We have swapped our lifestyles. He is enjoying it over there.

I think every country has its own pluses and minuses. London has such a diverse community. The question one has to ask oneself is what one's goals are and then take a decision based on that.

*Excerpts of a conversation with Kartik Isvarmurti, Managing Editor.*

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