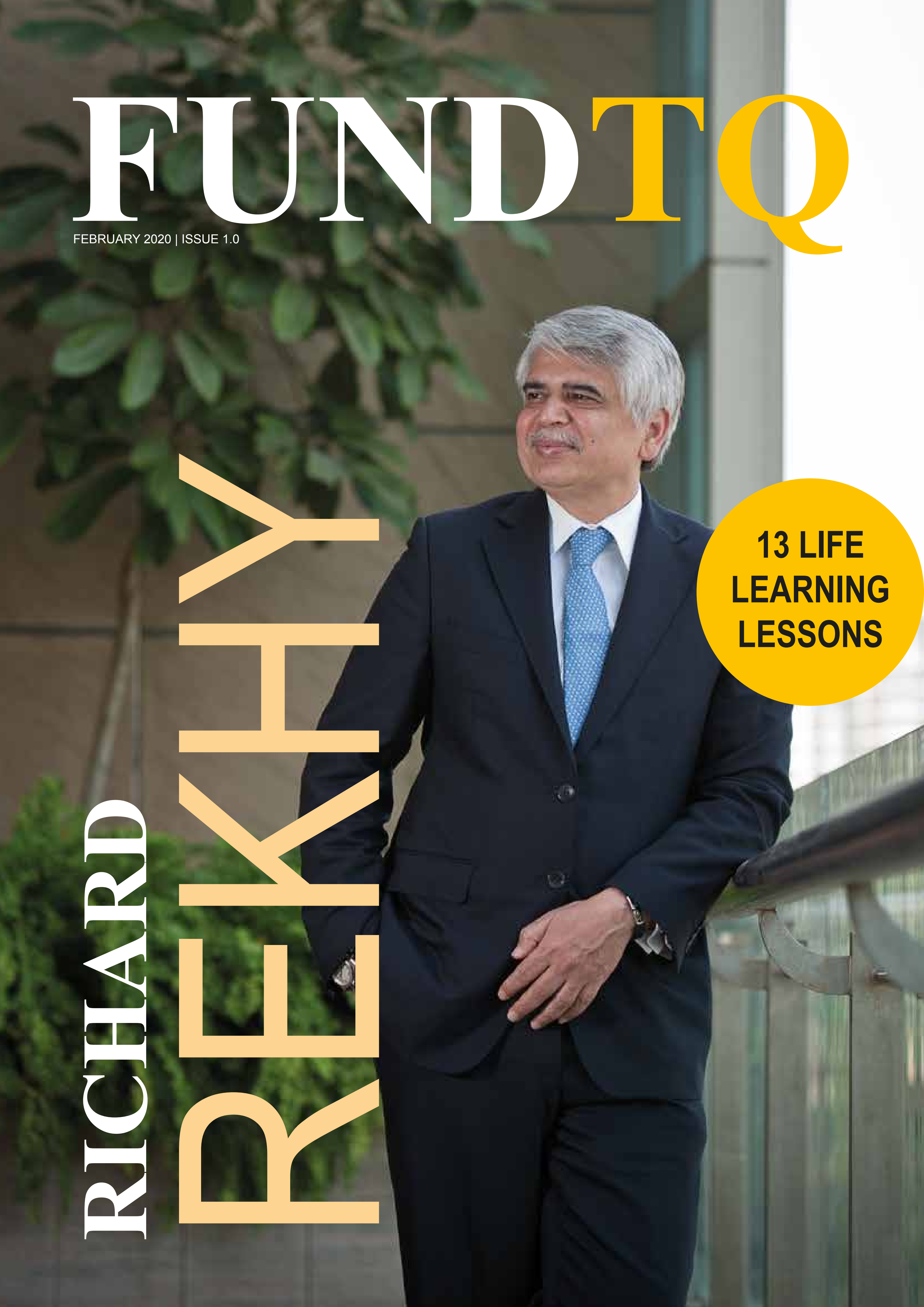
FUNDTQ

FEBRUARY 2020 | ISSUE 1.0



RICHARD REKHY

13 LIFE LEARNING LESSONS

FundTQ

Transforming Consulting with Technology

CREATING LEGACIES FOR TOMORROW

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OUR CHAMPIONS

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FUNDTQ

From the Editors Desk

Power of Persistence during rough times

We envisage to provide our readers with tools not stories to influence them. These practical tools would help existing and aspiring entrepreneurs to become a **better version of themselves**.

In this edition, **Richard Rekhy** is providing learnings to the entrepreneurs specifically the start-up economy founders to dream big and aim high while not getting scared of falling down rather learn from the failures.

Key takeaways

Revealing Impacticorns of the modern world influencing the startup ecosystem; Chasing impact than valuation

Learn implementable tools from pioneer experts as startups require right set of advisors more than funds

Making champions of tomorrow by **promoting failures** which is better than not trying

Building a value by consolidating knowledge from the best entrepreneurs and advisors globally to curate a practical guidebook

We are happy to know your feedback on this edition at **info@fundtq.com**

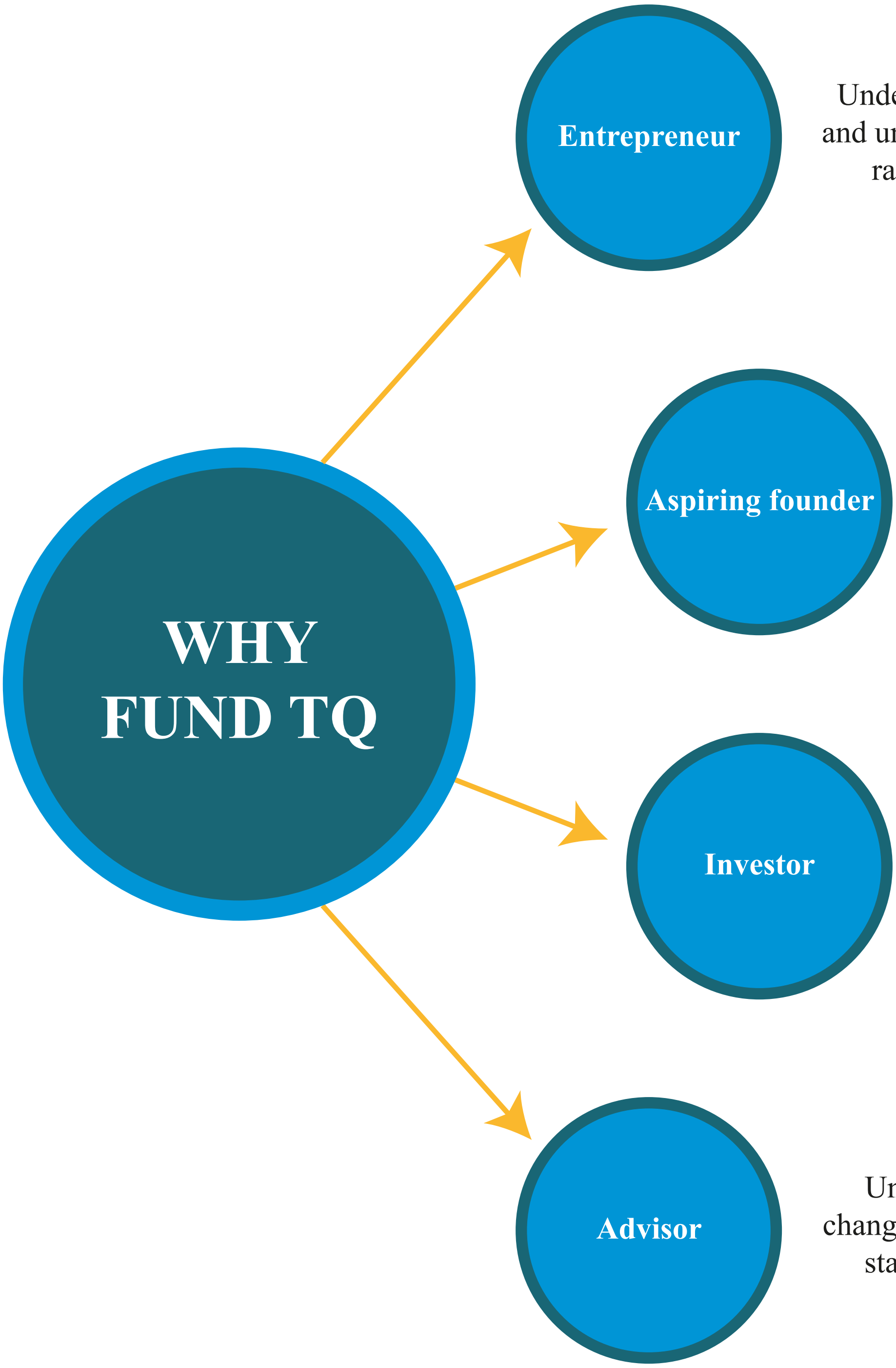
Stay Valuable

The Editor

Aanchal Malhotra

WHO SHOULD READ THIS MAGAZINE AND WHY?

We understand that your time is as valuable as money and you want to spend your time wisely. We ensure that going through this magazine anytime will be a worthy investment.



Understanding the dark side and untold stories around fund raising and valuations.

Organic learning and implementable tools from those who have already tried the path.

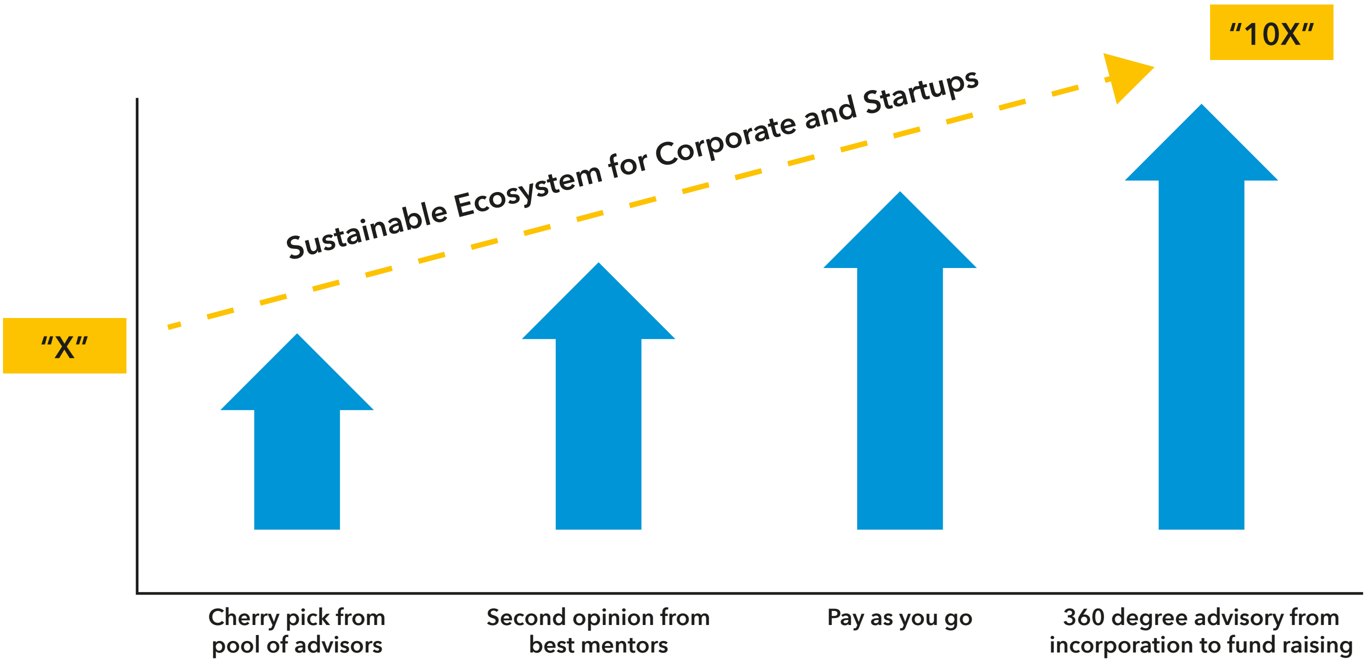
Understanding the psychology and expectations of entrepreneurs.

Understanding the changing environment of startup ecosystem.

Building Visionaries and Impacticorns[1] for tomorrow

[1]Impacticorn is the term coined by FundTQ, to denote individuals who are leaving impact and creating legacies for tomorrow by sharing their intense learning as well as failure experience with the world; so as to curtail the future failure rate of startups. These individuals are not merely chasing a Valuation game to become a "Unicorn".

You don't get what you want; you get what you deserve. We believe you deserve nothing but the best. Visit at **www.fundtq.com** for experiencing a whole new world of advisory. We are bringing a right set of advisors for you on our **Global Alliance Platform**.



So while you are busy expanding your business, our Advisors take the complete control by helping you select the best advisors and Investors, by following a Transparent Process coupled with "Pay as you go" mechanism.

We are giving birth to an #Impacticorn in each one of you. Come forward to share your priceless learning in our next edition and build your unique brand by unveiling the untold stories of startup ecosystem. We are letting you create a long lasting impact and not merely leaving orphan business models behind you.

Write to us for any kind of formal and informal advisory, believe us we are here to support you in all dimensions.

Please write for free consultation or ping us for merely knowing about us at **info@fundtq.com**

We know you want to become an Impacticorn? Please send your learning points you would like to share with the world and we will definitely get back to you for covering your learning during your startup or advisory journey.

Coming from a small firm to becoming a CEO of KPMG India was quite challenging, however it was exciting at the same time.

Starting off my career as an auditor in a medium sized accounting firm Ratan S Mama & Co. for about 13 years and then moving to Arthur Andersen before it was merged with EY in India, then joining KPMG and working at various roles was altogether a learning experience and exciting journey. I joined KPMG as a Partner heading Internal Audit and then became the COO of the firm within a span of two years. Within three years of serving the firm as the Head of Advisory after that, I was made the CEO for five years. The experience was priceless as apart from the Indian entity, I was on the Global Board of KPMG International.

Richard Rekhy joined team of FundTQ in our coffee table conversation. It was intense and motivating to see the enthusiasm and calmness as he took us through his journey.

The insightful interview will inspire you to believe that success has no boundaries. The organic learning has been reiterated here.

Richard Rekhy joined team of FundTQ in our coffee table conversation. It was intense and motivating to see the enthusiasm and calmness as he took us through his journey. The insightful interview will inspire you to believe that success has no boundaries. The organic learning shared with FundTQ team is reiterated here.

RICHARD REKHY JOURNEY

1984-1996
RSM & Co.
Established its Delhi practice

1997-2002
Arthur and Andersen
Served a short stint as a partner

2002-2004
EY
Arthur and Andersen got merged with EY

2004-2006
KPMG, India
Head of the Risk Advisory Services Practice

2006-2009
KPMG, India
Chief Operating Officer

2009-2012
KPMG, India
Head of Advisory

2012-2017
KPMG, India
Chief Executive officer

Entrepreneurial journey in Consulting has paved my road to success

The best learning in my entire life was when I set up the Delhi Office for Ratan S Mama and Co. and managed from scratch starting right from hiring office boys to filing ROCs and to getting clients on board. Selling a non-branded accounting Firm services in a highly competitive and new market at the Big 4 accounting firms prices was challenging.

People pay for the quality and you need not be a cash burn organization every time

Times were difficult in the beginning. However, I was not ready to throw in the towel. I stood through thick and thin and worked hard without drawing any salary for nine months. The major focus was winning the clients and building strong relationships through quality work and proactive service. At Ratan S Mama & Co., I realized providing quality service was key and people were willing to pay at Big accounting firm prices as well.

Determination and persistence coupled by hard work, which pushes entrepreneurs over the edge

With RSM & Co., I learnt to stand even during the most challenging times. People give up even in the anticipation of tough times. However, those who showcase determination, are able to hang in well and enjoy the fruits of success.

Joining KPMG proved to be another turning point. I learnt to think big, got international exposure and started working with larger clients. My discipline and hard work led the then CEO to recognize my credentials and I was included in Chairman's 25 (C25), a global program where 25 partners around the world go through a training in an elapsed period of 1 year. Within two years when KPMG was scouting for a new leadership, I was made a COO of the firm for three years. I along with the CEO took major decisions. Post this, I headed the Advisory Practice for three years. After three years, I got elected to serve as a CEO. In 2017, I stepped down as CEO and currently serving on the Board of KPMG Dubai.

There is a dark side to entrepreneurial journey

Entrepreneurial journey is a Rollercoaster; it has a glamorous and a tough side. People merely read success stories and presume that it is easy to become an entrepreneur however, there is a dark side attached to it which no one talks about. Many of the entrepreneurs fail in India. However, no one reads such stories. Entrepreneurship is not merely about success; its more about how to manage failures. One should analyze the failures and re-strategize their plan based on success and failure patterns, so they could avoid getting caught in the same trap.

We can divide the entrepreneurial journey in two categories: Ecosystem and Entrepreneur.

1. Passion and hard work have to be inbuilt in an Entrepreneur: Passion can make you go way beyond the limitations and achieve impossible benchmarks. Hard work never goes unrewarded. Hard work, smart work and letting people know that you exist are very important. Sometimes, you need to keep on working hard without expecting anything in return. Everything comes with double the reward you expected. I was not expecting to become a CEO of KPMG India. I was about to step down just six months prior to my promotion. However, staying put and having patience led it to happen.


Image Credit: Business Today

2. Commitment to the idea and motivation during failed times: One need to be committed and determined of achieving their target. The perception of going back to the job if the idea will not work makes the failure more prominent. This requires a lot of hard work. There might be times when things will not go as planned. One need to keep themselves motivated in the positive frame of mind and explore new ways to achieve the target. You need to accept you might experience both success and failure in life.
Even during failed times, live life positively and show up every day.

Impatience is a dream killer. People do not want to wait and struggle. Failure sometimes can bring the best out of you. Read the failure stories and understand the mistakes made by them. Push yourself to the edge and challenge yourself towards your goal. Do not lose track of anything. Speed breakers and turbulences can make you strong and sharp entrepreneur.

3. Capacity building is a game changer: Capacity building is lacking in most entrepreneurs today. One should spend time on innovating and strategizing, while delegating the execution to the next level. During this process, one might have to make a lot of sacrifices and also, one needs to overcome the fears of insecurity and losing control. If you start micromanaging, you cannot resolve bigger problems. While considering any idea, one needs to evaluate – can it become big. If not, do not pursue that idea.

4. Commercial sense plays a vital role: One needs to understand the entire startup business environment they operate in. Never base the entire evaluation only on founder's core strength, rather understand the entire environment the startup operates in. The environment of finance, people, investors, customers and others. If you have a great product which a customer will not use, it's a failure. Therefore, it is important to invest in people who could take care of all these things.

5. Frugal lifestyle goes a long way in an entrepreneurial journey: Entrepreneurs need to follow a frugal lifestyle. They must know analyze and prioritize the fund raise. They need to be aware of quantum and end use of the funds so as to avoid wasting them. Fancy offices, unnecessary employee strength, big cars, lavish meetings, business class flying are all not necessary for a startup. However, invest in people who have put in hard work in your company. It is important to utilize the money wisely.

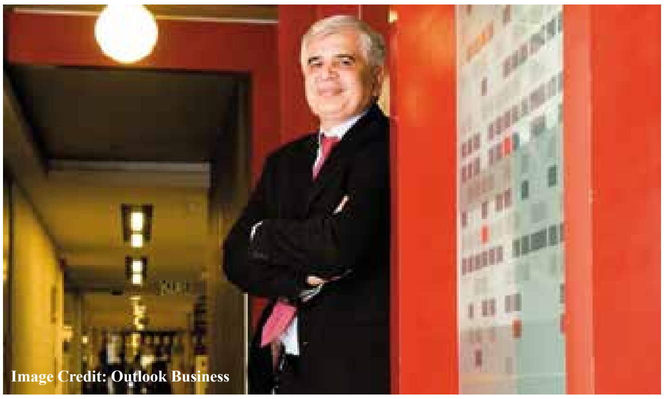


Image Credit: Outlook Business

6. Size matters in startup game: Look bigger than what you actually are. This will help you in negotiating with people and investors. Self-confidence and visualizing bigger picture would help you on the way forward.

7. Lack of systematic mentoring system: There is no systematic mentoring available for the startup ecosystem in India. Followed by this, the capital availability in India is very low. If you get funding at a wrong time the project might fail. All these requires a proper mentoring service. Today, handful of startups have a Board of Advisors to guide them as they are the experts in their respective verticals.

8. Humility will make you win the world: If you want to build a great business model, one needs to invest in relationship and relationship can only work without arrogance. Success has many fathers. People tend to become arrogant when one gets successful. However, it is vital to keep oneself grounded regardless of their achievements. Humility and humbleness should become a prime quality in every entrepreneur. Always remember where you started.

9. Trust and following gut feelings coupled with integrity: Swiftness of action, agility and integrity are key to become a successful entrepreneur. People should follow their gut instincts. However, swiftness shall not be construed as desperation. This can lead to regret at a later stage. One needs to think twice before entering into any contract specially before signing any legal binding contract.

Another leadership trait which investor looks out in an entrepreneur is integrity. Integrity should not be financial but it should be of purpose. Don't sell something you won't buy.

10. Failure makes you a best version of yourself and one needs to be open about degrowing: I had my biggest failure when I could not make it to a Partner in Arthur Andersen. However, it was a game changer when I changed my perception of looking at things. Instead of becoming negative, I put my head down, worked even harder than before. In failure, first there should be an acceptance. People should understand that they might have failed due to their own shortcomings. Lack of self-awareness is a major challenge in people.

Purpose, learnings and improving yourself should be the prime motto. There are many people who live in a denial mode. They do not accept their failures at any cost. Situations might be unfavorable however; one should react to these situations calmly. During these times, try to push yourself and rise up otherwise it can truly become failure for lifetime. People need to celebrate failures. Failures are looked down upon and everybody wants to win. Society needs to accept failures otherwise nobody will try anything new. It will be a death of innovation. However, we need to take the learning and move forward.

Also, sometimes we need to degrow to growing big. You might have to incur losses or sell out part of business in certain cases. Degrowing doesn't mean you are a failure. However, respect and pride are important in business. You may sell everything but never ever sell your Soul and Respect. This will haunt you for your entire life.

11. Never jump at the idea of raising funds arbitrarily: Take funding only when you can do something substantial with it. Take as much money as is required by you. Do not set unachievable and overly optimistic targets which make you do wrong things. Surround yourself with family and friends who will support you at initial stage without going overboard. Chase larger funding rounds only when you are ready. Take achievable funding in tranches and always keep a goal in mind at every tranche.

12. Investors need to provide freedom to entrepreneurs: There is a demand supply mismatch. India does not have enough capital, and on the other hand startup ecosystem requires huge amount to capital. Global deals are merely pushing money outside India. Investors need to provide entrepreneurs with money for growth. They should be given freedom to utilize the money as well as run business smoothly. Pressure distracts them to achieve larger vision. The investor needs to ensure that there is a good governance in place to monitor but let the entrepreneurs run the business.

End of the Story: Mantras for fund raising game

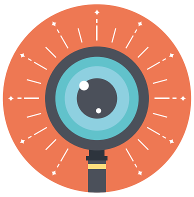
THE THREE MANTRAS FOR INVESTORS TODAY ARE:

Understand the founder, trust him as well as the his / her business. Do not interfere in their day to day management of business. Give them the money and let the promoter handle everything.

Do not expect quick returns on your investment. You may lose your money in this process as you are investing in an idea and not providing loan. The investor needs to take a necessary risk after his initial diligence.

Understand the project before putting your money and not after that.

THE THREE MANTRAS FOR EXISTING AND ASPIRING ENTREPRENEURS ARE:



Follow your Passion, Dream and Vision

Go for something that you are passionate about and dream big

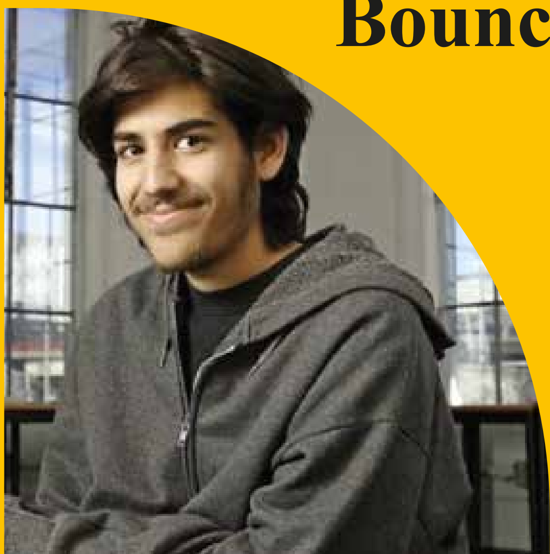
Do not become a control freak or a micromanager. Empower people and trust these people to believe in your purpose

ARE YOU STRETCHING A LOT MORE THAN REQUIRED?

NAME: VG SIDDHARTHA
COUNTRY: INDIA
FOUNDER OF CAFÉ COFFEE DAY, OPERATES GLOBAL CAFES

NAME: ADOLF MERCKLE
COUNTRY: GERMANY
FOUNDER OF RATIOPHARMA, A PHARMA COMPANY

Fall to Bounce Back



NAME: AARON SWARTZ
COUNTRY: UNITED STATES
FOUNDER OF REDDIT, A SOCIAL NEWS WEBSITE

NAME: JODY SHERMAN
COUNTRY: UNITED STATES
FOUNDER OF ECOMM, AN ECOMMERCE PLATFORM

The dark side of success

"You will always be in the game till you quit yourself"

The quick read of the article will suggest you the how it is important to not stretch beyond limit. The sudden death of VG Siddhartha shocked the entire country. Success has many fathers however downfall has none. Coca Cola's and ITC's decision of taking over Café Coffee Day (CCD) is not seeing light of the day. On the other hand, Yes Bank denied Café Coffee Days' (CCDs) decision to sell off its logistics company, Sical Logistics. It is explicitly true that a business cannot succeed without a visionary founder or passionate successor.

Can we stop another CCD's story to happen?

A man's death never gave such a fright to anyone than a person who was a successful entrepreneur, being self made with excellent values and principles. Who played a vital role in revolution of dark side of Café Coffee Day's story? Was he only the one or are there others who are dying everyday? What had happened with the entrepreneur with half a billion dollar revenue to commit suicide? Is it important to choose your advisors rightly?

The entire learning in the article has been put together below.

Be fearless and believe in yourself; even failure is a lesson

Decide firmly your business model and align with your vision

Benchmark and choose your investors wisely

Rise above the valuation game and market perception

You can fall, but you need to bounce back quickly.

There are several other stories of founders committing suicide while not accepting that they could fall.

Adolf Merckle was the 94th richest man in the world and richest man in Germany in 2007 with net worth of $12 billion. He was owner of the largest pharmaceutical company in Europe which later expanded in real estate and manufacturing. In 2008, he made a bet on the stock of Volkswagen anticipating it to go down. However, things went against him and he lost three quarters of a billion dollar in a single transaction. Overall, he lost $3 billion and realized he didn't have the honour of the richest man in Germany. He surrendered to the thought of falling from the position.

Aaron Swartz, co-founder of social news website Reddit, committed suicide at the age of 26 years. Aaron built surprisingly innovative things to change the flow of information to the world. He was not aware of the legal repercussions of the actions he took during his entrepreneurial journey. He got caught up into severe legal suit for downloading articles from the academic database MIT.

Jody Sherman was exceptionally driven personality with self belief and persistence. He was a serial entrepreneur who believed in getting back up and cofounded Ecomom, an online marketplace. who committed suicide after his company went insolvent.

"Become valuable and not merely valued"

When one dives deep into these cases, you realize that one shouldn't forget that even a niche and ever growing business model may fall. However, your work doesn't define who you are. What are the reasons one couldn't succeed against all odds? The dark side of success insists us to ponder about your advisor's and investor's support in strategically growing your business or draining out. Global startup ecosystem is blossoming with one of the niche business models, so does the investment space. The startups are yearning to get funded in whatever means possible. There is a herd instinct in entrepreneurs to become unicorns. However, one needs to understand that being a unicorn is an illusion and valuation is just a number which the market perceives for a particular business model and at a particular period of time.

"You are what you think you are and not what others think of you"

Additionally, get this correct that there are no free lunches. Private equity is not a free money. Millennials and young entrepreneurs enter into investment contracts without anticipating about what could go wrong. There is a whole new era of investors who have started gathering their own investment funds and are shopping abruptly. However, a famous influencer once said "you are the average of the five people you spend the most time with". It means it's important to select your investors and advisors sensibly.

Till today, investors choose the companies they invest in based on their specific mandate which includes which sector to invest, ticket size, stage of investment, country to invest and other criteria.

"Choose your investors and advisors wisely"

It is high time for the companies to choose their investors and advisors based on a pre-defined criteria.

Choosing right advisor and at right time

Companies need to bring a right advisory board for their company. Startups should not underestimate the value of a right advisor who could mentor and stand in thick and thin of the Company. There are mentors who are willing to assist founders without any cost, scout for such people and don't be afraid of bringing them on board. Your business is your baby, however you need day care and teachers to flourish them after sometime.

Choosing right investor

Startups need to choose their investors based on the requirement of funds, never raise funds and sit idle on it. Startups are suggested to raise tranche-wise capital and only the amount required to achieve the goal of 18 months to 24 months.

The entrepreneurs need to question the investors based on their history, portfolio they manage and how they contributed to the business they invested in. Majority of investors do not have a vision of their own. They invest to make money quickly, however the major role of these investors should be to help turn around and transform the businesses by leveraging their investment portfolio, outlook on global market and experience of being in businesses during the ups and downs. They need to help the entrepreneurs to think beyond and take their businesses to next level.

Contrary to this, new age entrepreneurs have no rational way to raise funds from market. They raise funds from rich friends, family, old rich bosses and other informal ways. Investment is a marriage which could only work when both investor and entrepreneur have skin-in-the game.

"Be an influencer and not get influenced"

Don't get influenced with the sparkling private equity investor's portfolio. Believe in your intuition, meet the investors as many times as possible until you feel comfortable in entering into any investment partnership. You are accountable for your vision and your business model. No one can run it better than you. It is vital that the vision of both investor and founder aligns with each other for mutual growth than just boiling down to valuation numbers. At the end, make sure that your legal agreements robust enough to sail you through unintended situations.

And to VG Siddhartha, Adolf Merckle, Jody Sherman and Aaron Swartz - You are success and you are a leader, you did fall badly but we wish you could have bounced back.

Key Takeaways

- Failure is vital to give you a push, never underestimate its existence.
- Investors need to be patient and give founders with independence to achieve their vision
- Its vital to degrow sometimes
- Empower people to manage and implement your dream
- Never underestimate the role of an advisor in your entrepreneurial journey
- Everything comes for a price; Investor money is not a free money
- Choose your investors wisely

PLATFORM FOR STARTUP INFLUENCERS

FUNDTQ

BRINGING TOGETHER ENTIRE ECOSYSTEM OF FUND RAISING, STRUCTURING AND VALUATIONS FOR STARTUPS AND CORPORATES.

CHERRY PICK YOUR OWN ADVISORS FROM THE POOL OF EXPERTS FOR EFFECTIVE AND EXPEDITED SOLUTIONS.

EXPANDING NETWORK TO UNLEASH POTENTIAL

50+ INVESTMENT BANKERS	30+ GLOBAL TAX EXPERTS	50+ INDUSTRY EXPERTS
10+ LEGAL AND IP EXPERTS	40+ CONSULTING EXPERTS	50+ ASSURANCE EXPERTS

FEATURED INVESTMENT BANKERS AND EXPERTS



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We dare you to dream and aim high. Global Alliance platform will provide you wings to grow your advisory and collaborate with one of the best minds in the advisory network. Write to us to become a part of the network at

info@fundtq.com

Kindly Note:
Enrolling on the platform is free
We will make sure the quality is not compromised at any level
Only selected members shall be entertained after taking an interview

FundTQ

Transforming Consulting with Technology

VISION AND MISSION

REDUCING FAILURE RATE OF STARTUPS

CHALLENGING FOUNDERS TO BECOME VISIONARIES

TURNING PEOPLE INTO INVESTORS

REDUCING THE OPACITY IN ADVISORY SECTOR