

AJVC SLACK CHANNEL

**AMA#15 WITH KUSH TANEJA DATED
11TH OCTOBER**

SNEAK PEEK



Kush Taneja -
cofounder at FamPay, a
neo-bank for teenagers
aiming to bring
cashless convenience to
teens and their parents..

Kush and Sambhav, the cofounders, were drawn towards the entrepreneurial journey, during their engineering days at IIT Roorkee, where they both built a mobile app to be used at the college messes resulting in a dramatic reduction in wastage. Later they realized, that parents go through the trouble of giving physical cash or their debit/credit card to teenagers for their expenditure. Aiming to provide digital financial access to teenagers, relieving parents of this trouble Kush and Sambhav began building their product and got access to the mentorship provided by Y Combinator.

This year in July, FamPay launched a numberless card that could be used by teenagers as a debit card without actually owning a bank account. They went the extra mile to launch a numberless card that could not be misused if lost or stolen and can be paused, blocked, and managed at the fingertips on the app. Parents could load money on the card and FamPay provided them transparency to monitor spending. An IIT Roorkee graduate (2019), Kush had a short stint as a product manager before he set on his entrepreneurship journey.

**"IF YOU DON'T DO IT WELL, ANY
OTHER COMPANY/ COMPETITOR WILL
EAT THE FRUIT..."**

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How did you take the leap from your job to become an entrepreneur? What did you consider while making that decision?

I got 4 years of my grad college to make that decision.

So, I spent a lot of time with the founders and employees of the companies where I did my internships.

I used to observe their ambitions, lifestyle, and day-to-day challenges they faced.

So I considered two things:

- Because why not? (I had no single answer for it)
- Entrepreneurship requires a deep interest in problem-solving skills and I love it.

How did you find and convince your Co-founder?

I found my Co-Founder Sambhav on the very first day at IIT Roorkee.

There was no need for convincing him, we have worked on various projects in the past and we somehow figured this problem statement together.

You have recently released a numberless card for teens. Any particular advantages you see in a numberless card vs numbered card?

Numberless card is

- More secure! as it has no numbers so it has less chances to be misused.
- Sexy and clean. Our users love FamCard.
- It can be linked to multiple accounts, no need to change the card.
- It brings more DAU, because users open the app when they need the numbers.

How did you go about convincing people to back you straight out of college, with no experience or connections at all?

For them to believe in me, they had to believe in the mission. The only thing that helped was being super honest and self-aware with ourselves. It was very simple, Me and my co-founder, sambhav used to put a "Why" at everything we say/ discussed.

Why now? Why not Paytm? Why us? All the questions/ doubts they might have. And for some questions, there were no answers but only action! so we did. Be it an MVP or a strong user research analysis.

You started straight out of college, what is the one advice that you can give to a final year who is planning to start out?

Focus on the fundamentals, start with unlearning and believe in yourself!

Payments in Fintech has been notorious for mostly being a cash burning business. How do you see the next 12-18 months for FamPay? I remember you mentioning about very low CAC for your initial set of users. Can FamPay sustain that?

For the first majority of users, lower CAC can only be achieved with viral organic growth, or else you have to be patient.

In Fintech, credibility is the biggest hurdle! We still focus on finding various alternative ways to acquire new users that can reduce CAC.

Fintech has been a really competitive space. What do you think is the bigger problem here to solve? Retention or Monetisation?

I think in the early phase of every startup, Retention will be a bigger problem to solve and in the later phase Monetisation!

Since you guys started out on the problem of financial education earlier, how do you plan to get deeper into that segment in the future?

We believe financial education is just like learning to drive a car. It cannot be taught theoretically. Just like we started with providing a fresh banking experience to teenagers with an aim to teach them how to handle money, spend it or save it with challenges like "Save the streak".

We'll focus on making the entire financial journey fun later in their life as well when they start earning or investing.

You knew you wanted to startup. How did you go about deciding what product to build and arrived at a payments platform for teenagers?

As I knew I wanted to startup, I also knew I need to feel strongly about a problem statement.

Most of the financial products built in India are focused on adults and there's nothing out there for teenagers between the age of 12-18 years. They're still bounded to take physical cash from parents. I learned these facts when I was having a conversation with teenagers at an event.

And that is why I found the problem statement and started building FamPay.

11-17 is the age band which you are targeting. What happens when the kid turns 18. Do they still remain in the banking system or will they opt out?

That is actually when independent banking begins. Just like they still use Instagram to send a message after turning 18, they'll be still using FamPay to send money.

Usage of Credit Cards by below 22 year olds is zero in India, compared to that of the US, do you see FamPay bridging the gap in India?

Right now, we are focusing on providing a fresh banking experience to the teenagers below the age of 18, who don't even have a bank account. slice.com provides credit cards to students of age 18-22.

What's your experience been like with the YC SAFE note? I've heard a lot of varied opinions on the same.

It's super founder friendly! Just very simple paper work and the round can be closed sooner than you think. They are great for seed rounds!

I have also applied for the upcoming YC batch and I am currently in my final year. Can you suggest how to prepare for interviews?

What to do if you get invited to YC interviews

- Read the preparation guide by Hacker Noon.
- Create a Google doc with your answers to most likely questions. (Try to prepare short, fast and simple answers which any layman can understand)
- Post your application draft or a short description and ask for practice (mock) interviews.
- Keep an eye on open land YC group for mock interview offers from YC alums and investors.
- I would also suggest going through all the information over the internet on the YC interview (quora post, paul graham blogs etc).

What's the customer acquisition cost? What's your sales strategy?

We focus on providing the best experience to our users so that they love us back.

Once they love us, they naturally start to recommend FamPay to their friends. That's our strategy.

If you weren't building your startup, what would you be doing?

Helping someone else build a startup.

FamPay is a super interesting idea. How do the teenagers react when they know that parents can monitor their spending? Wouldn't that influence them to rather not use FamPay?

We give them two accounts (one completely personal and the other with the parent). Considering they're smart about hacking a lot of stuff, they actually figure out when to spend from which account.

What's your hack/strategy for attracting and hiring good talent, as a young founder?

Any insights on how you built your initial team would be much appreciated.

Being completely honest, I wish there was one. As a young founder, there are so many challenges especially with hiring and leadership.

I started with reaching out to my friends, trust me they're the best.

What was your strategy to acquire the first 100 customers, what was the hardest part yet? The regulations? Product building? Getting Traction? Getting Investors?

So we reached out to our friends and family network, went to shopping malls, and various coaching centers to find a few 100 teens who might want to try FamPay.

Out of all these options, regulations were the hardest.

What is the one culture that you strategized to inhibit in FamPay since inception?

Being user-first.

How different is FamPay as compared to GoHenry?

FamPay's mission is to raise a new, financially aware generation of Indians who understand the fundamentals of personal finance and are capable of making decisions in their best long term interest.

We wish to grow with our users even if they turn adults.

Whereas GoHenry's primary focus is towards children and that to of US/ Europe.

As I know Sambhav from HPAIR conference and the amount of work you guys put in is really awesome, so here is the thing Sambhav talked about the cultural fit which is to test the new people joining Fampay, could you share more insights about that?

FamPay is on a mission to raise a new, financially aware generation of Indians who understand the fundamentals of personal finance and are capable of making decisions in their best long term interest. We need people who feel the problem statement and can help us with this mission. It's like a sports team focused on a single goal.

We are still learning from the early team, How they resonate with each other and make this a cult fit.

Please share a brief story of how you came up with the idea of building a payment product exclusively for teen-agers ? Also what are the pros and cons of targeting this segment of users?

Most of the financial products built in India are focused on adults and there's nothing out there for teenagers between the age of 12-18 years. They're still bounded to take physical cash from parents. I learned these facts when I was having a conversation with teenagers at an event.

Pros:

- High affinity toward a brand/ digital product.
- They are in their habit-building age.

Cons:

- The early user acquisition is super difficult.

As the tagline says, "India's first Neobank for teenagers", what was the initial thought process before starting something new? What are the pros and cons of being first into something?

Most of the financial products built in India are focused on adults and there's nothing out there for teenagers between the age of 12-18 years. They're still bounded to take physical cash from parents. I just felt the problem statement very strongly.

Pros:

There are no industry standards. The sky is your limit.

Cons:

If you don't do it well, any other company/ competitor will eat the fruit.
