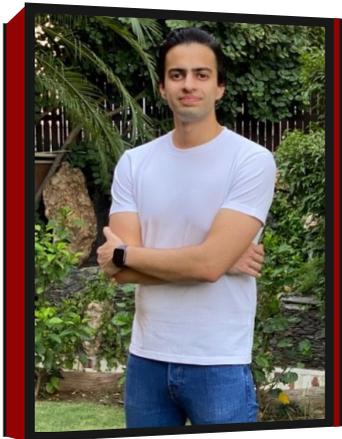


AJVC SLACK CHANNEL

**AMA#20 WITH UTSAV SOMANI DATED
22TH NOVEMBER**

SNEAK PEEK



Utsav Somani - India head of San Francisco-based **AngelList**. AngelList was founded by Naval Ravikant and Babak Nivi in 2010 but it was only in 2016, through Utsav, that the platform made its way to India

In May, Utsav also launched iSeed, his new micro-fund. With iSeed Utsav plans to invest in early-stage Indian companies, with a particular focus on technology companies. His aim is to build a bridge between Silicon Valley and India's startup ecosystem. Utsav completed his M.Sc. in Entrepreneurship and Innovation from Esade in 2012 and B.Sc. from Singapore Management University.

"DO NOT FUNDRAISE. FOCUS ON GETTING CUSTOMER LOVE FIRST. CUSTOMER LOVE IS THE NUMBER ONE FACTOR FOR ANY LONG TERM SUSTAINABILITY OF THE BIZ. FUNDING IS A SECOND-ORDER EFFECT....."

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Would love to know more about your approach and mindset while launching AngelList in India.

I approached Naval because I saw a clear problem. Founders were getting screwed when they wanted to raise capital.

Why pay fees. Who has the power? The creator or the funder - let's ensure that balance is ensured.

The creator - ALWAYS!

What are your thoughts on the future of fintech post covid? How can fintech leverage angellist post covid?

Everyone can leverage the channels available to them post / pre-covid.

Do not let anything define your distribution. We are living in a very interesting time.

Are you seeing Indian customers that are willing to pay for B2B SaaS enterprise grade applications?

Slowly and steadily.

What are some of the most important things you have learnt by working with Naval.

Create your own rules. Idols exist for a reason but you need to chart your own path.

What are your views on the future of vertical E-Commerce in India? In context of a services + product e commerce platform.

Interesting. It's going to evolve.

Horizontal vs vertical is an interesting debate.

Find a niche that you are so good at that it takes time for others to catch up to.

How do you see the podcast Market evolving in India, what are good products and services you see coming in this space?

Love how the podcasts are evolving in India. I run and create one for AngelList India. Information should be democratised. I hate conferences with paid tickets. It just is a form of gatekeeping. Quality podcasts should make it even for all.

Is valuation extremely important for angel investing.

Pricing is important but its dependent on other factors as well. Think of it as a market place. Demand and supply are important.

Which sector is underrated in India ?

Only your curiosity.

Which entrepreneur do you prefer to back-mission driven (borne out of personal experience) or opportunity driven (idea makes high economic sense with stronger execution skills and network)?

It's such a subjective question. Can be market dependent but also founder dependent in some cases. I wish there was a formula for this.

I always go by what Buffet says - find energy, intelligence, integrity and you will do alright.

Any tips you would give to a person looking for jobs at angel list?

We just opened 3 new roles. Try applying for them. Be thoughtful.

What do you think about Gagan Biyani's new cohort based learning startup?

Love it. Its the future. Next Stanford won't be a physical institution. It will look something like what On Deck looks like.

What are your views on startups targeting SMEs, like Khatabook, Okcredit. I feel insecure trying to start a media company when a notepad app gets \$300k valuation.

Never let the market humble you. Only people who should have that power are customers.

Since you manage multiple roles, how do you scan the startup ecosystem for new trends, with your limited time?

I have people smarter than me talk to me. I ensure I find time to chat with people who want to educate me.

Do you think investors provide a high premium to repeat entrepreneurs with successful exit at times!?

Lightning doesn't strike twice. Although folks feel otherwise and treat safety of capital otherwise.

What's your thought on the Freight Forwarding Industry in the coming years?

I wish someone told me Flexport could start from India.

Given that you spent considerable time in Southeast Asia, Wanted to get your view on the startup ecosystem and whether you see iSeed being heavily involved in this geography?

I think SEA cannot be ignored. Indian founders are taking notice and doing stuff there. We need to be watchful.

Some startups get early into making a board of advisors who work with the founding team on their field of expertise. Would you recommend doing so before series A (or during PMF evaluation phase?

Depends. If you are a technical startup. Earlier the better.

What value did your MBA fetch you? In a world where the importance of a traditional degree is diminishing,

I got some credentials. Nothing else.

Credentialism needs to be broken down.

What are some key attributes that have contributed to your success in the field of start-ups and innovation?

Read. Read. Read. Stay away from social media as much as possible.

A lot of people say that start-ups should raise funds as soon as they can - what's your take on it?

It's a drug. Take it when you can handle it.

What points to consider when pitching for fundraising for a pre-launch product?

Why are you unique. Why are you the person to do it.

I wanted to know your thoughts on rolling funds coming to India. Given that Naval has been a vocal proponent for this, how do you see rolling funds fitting into the Indian investing space?

Working on it. It's the future of raising and deploying capital. I hope regulations allow us to do it in India soon.

What is the major challenge faced by a VC during angel investing and how do you find the early trends of a sector/market?

VCs don't know shit. They are all just playing a game. Can you beat them at this game?

Generalist or Specialist - your take?

Love it. Generalist if I have to pick one. World changes fast but not fast enough.

I am building a platform for skill-assessments based internships. Any advice!

Make sure its the only thing keeping you awake.

When you identify companies you have strong conviction in (at iSeed), do you prefer to make a concentrated investment or take an initial position & follow on/double down depending on performance?

Identify. Double down only when I have help in that conviction. I support at the earliest stages but post that its the game for larger check books.

What do you think about services based marketplaces and their future in India?

Great marketplaces follow the model of high liquidity. Very few services can qualify for it.

How can a founder who doesn't have any reference utilise AngelList platform better for raising funds?

Absolutely. I am on u@iseed.vc if anyone wants to do a longer chat.

How are angels viewing travel space right now? Given the lockdown cabin fever, vaccine, and revenge travel sentiment are you seeing travel space warming up for 2021?

Tough times. I hope it changes.

How open are you to meeting and listening people with great ideas, strong team and a robust MVP? Do you reply to cold emails? If yes, can you help me with your email id?

Covid has all bummed. I love cold emails. Prefer them over warm intros. Warm intros bring a certain bias and cold emails show initiative.

How Angels look into the early traction before investing or even considering a startup worthy of investment? Is it the sole parameter at early stage?

Very subjective. Can only answer on a case by case basis.

What is your take on building a platform with Pre-background verified Jobseekers?

Why not.

Do angels invest early in tier 2 market as pilot ,and then take on the market in the tier 1 at POC stage ?

Any angel who sees an opportunity that is offering a liquidity capability - they will invest.

How can one escape the MBA IIT tag in India and make it to product companies ?

Find out what you are good at uniquely. Sell the shit out of it.

What was the idea behind starting iSeed?

We are lacking the bridge to Silicon Valley. The funds have the money, who has the knowledge.

There are some overlap between new startups from sectors such as Edtech, AgriTech, Social Commerce etc. How do investors like you take a call if you have already invested in a startup from the same sectors? Like Sequoia is an investor in both Byju and Unacademy.

As an angel, I stay away from conflict. Funds can differentiate since they have many partners.

In which global markets do you think PM Fit for a consumer tech startup looks most like it does in India?

Subjective. I would go more with metrics like retention.

Any difference in working with a defined incubator and a family office? Which should be preferred.

Neither.

Incubator makes you feel insufficient.

Family office is a bunch of inexperienced operators pretending otherwise.

What do you look for in startups with young founders who are in college or barely have working experience?

Passion and hunger.

Overarching to broad theme of desire.

What are the first few things you notice on a pitch deck that convinces you about the product?

The story. It's all about the story.

What could be a perfectly humble way according to you to reach out to investors over cold mail? Do you suggest attaching deck over the first mail would be helpful?

Teaser deck at least. Make the email crisp. Respect the time of the reader.

What's the best way to attract funding for an early stage start ups in today's highly volatile market?

Building something that people use.

What keeps you awake? Anything you are chasing currently?

Success. Happiness.

How much do you see India's per capita income increasing over next 3-5 years? Does this parameter matter? Are we anyway serving the top 40 cr. people only?

I hope it changes. We do not have to be a limited society. I want tech to be inclusive.

What would your advice be to students with multiple interests who find it difficult to narrow down on a career path?

Be early. Be crazy. Experiment.

Advice for the founders who are going to send cold emails to you now.

Make it so crisp that I love reading them. Include a joke - I am on u@iseed.vc.

Founders who have worked in VC world have an edge over founders who haven't when looking for funding?

I certainly think so. When you see 50 pitches a week - you better learn.

What was the idea behind what convinced you to invest in a content marketplace? Is it the rate of growth, PMF, CAC? What are the top 3 metrics you look for here? And starting iSeed?

The team. Also, they are launching a more SaaS style place where Pepper becomes TopTal for content rather than just remains a marketplace.

When early in your career you should work for a growth stage Startup or a FAANG like big corporation? Is product and growth are the best areas to work on to enter those Rocketships.

Always find a startup that is going to break out. Think of it as your startup investmentAny role. Once you are on a rocketship - it doesn't really matter.

Any sector you are bullish on?

Always open to new ideas. I thought Animall.in was funny but I was proven wrong. Remove any bias.

If given a chance, what would you want to change in Indian ecosystem?

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If the startup started as a typical 'dhanda' & has made substantial GMV on papers but the PMF of SaaS model is yet to be validated. How would you suggest to approach investors for fundraising? And shall the GMV of a lifestyle business be included in the new deck?

Do not fundraise. Focus on getting customer love first. Customer love is the numero uno factor for any long term sustainability of the biz. Funding is a second-order effect.

Your thoughts on impact investing? Will that become more mainstream in the coming times? Can that coexist (and even synergize) with the traditional VC/PE model?

It should. The world needs saving. Unlikely. Different risk/return profile.

How do you evaluate the founding team as an investor?

Impossible to point to one thing. I do not look at credentials. Always the passion and desire.

How do you find your idea? Is it serendipity (comes from tinkering projects to projects) or go on picking Industry and then look for ideas within that?

You do not find the idea. I think the idea has to find you.

How much does style or attitude matter ?

A lot. You have to want it and it should show in your attitude.

Person in India you would bet your money on ?

My AngelList India team. Few other folks I cannot name right now.

Do you think a degree in CS is required to start up ?

Not at all.

One thing that you would've done better?

Discovered that knowledge is free. Just login to Twitter and follow the right accounts. It is life changing stuff being dished out for free.

What's the ideal GMV growth for seed startups? In Marketplace models?

So much variation possible here. depending on stage, sector, vertical / horizontal etc.
