

AJVC SLACK CHANNEL

**AMA#30 WITH ANIRUDH PANDITA DATED
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SNEAK PEEK



Anirudh Pandita is the founder of Digital Aces ,an online digital entertainment company founded in 2014.

Anirudh did his undergrad from the University of Illinois Urbana-Champaign and proceeded to finish his MBA from the prestigious Wharton School of Business. He has worked as an Investment Analyst at various firms including Goldman Sachs and Bank of America, before deciding to quit and start Digital Aces in 2014, backed by in this Sequoia Capital, North Base Media, 3one4 Capital, and Axilor Ventures.

Pocket Aces is one of India's fastest growing digital entertainment companies. We are actively leveraging data and technology to create and distribute engaging content for the mobile-first consumer.

The company currently runs three socially distributed brands: FilterCopy, Dice Media, and Gobble. We also recently added Loco (India's first interactive trivia game show where audiences can win real money) to our portfolio.

Our firm is led by a young, innovative team with strong expertise in media, content, and technology. We are excited to work with a whole new generation of creators to bring audiences fresh, entertaining content.

Some of our partners in this venture are Sequoia Capital, North Base Media, 3one4 Capital, and Axilor Ventures.

ANIRUDH PANDITA



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How do you realize that "my product will definitely be in demand, sometime in future?"

1. There is no one formula. I think as someone who has started multiple things, I think it is important to know what mode you are in.

- sometimes you are building for yourself, in that case you know because you feel the pain
- other times you see a problem but you may not have the problem yourself, so then you need to switch gears and hang out with the people who have the problem.

Ultimately, it is all about pain and empathy. If you feel the pain and have empathy, you will develop a sense of conviction.

Demand you can judge over time with experiments and with a bit of guess work.

But remember the almighty market is not a static being, it is dynamic, which means you can't rest and if you are feeling frustrated, there is always a new problem

Will you ever venture into a full-time TV channel?

No - TV is dead.

Not the device itself but basically the way we got the entertainment to us.

The phone has eaten the television and we are just seeing the start of what is going to happen here.

Digital entertainment sector saw a huge growth in the past few years, esp. during the last year. How was the year for Pocket Aces and how did you ramp up for increased opportunities?

It was a really difficult year for the world and I think we as a company are incredibly privileged that we have been able to make a difference to our audience and customers' life during this tough time.

The lockdown itself increased boredom and drove huge adoption of digital products and services. All of those things helped us.

We have had a great year across our business lines and a lot of that had to do with the resilience of the team that works alongside me every day and every night at Pocket Aces.

how do you get people actually work for less, low or even no money when you begin with a startup?

People follow people and people like to solve problems. You are like a prophet, you need to tell them what your future team members what problem they are solving. That is your starting point.

After that it is you and how you treat them that will make them jump an extra foot for you.

Money will not matter at 2am when you are trying to solve a problem together.



What are your thoughts on the siloed social media platform structure prevalent right now? Since it has the structural issue of follower churn across platforms and building a follower base afresh on the next big platform, how viable does decentralised followership across platforms, implemented via blockchain seem to you?

1. I think every medium starts off as one medium then breaks into several sub mediums.

We used to have 1 television service then many services appeared and then the phone appeared and there was 1 big platform, now specific platforms for specific communities have existed.

Followership for many people will be platform specific and there is no good reason for it to move over.

Blockchain has many good applications in our sector but I think this may not be one of them or at least not a burning one any way, especially when I think from a customer's pov.

You started back in 2013 when internet wasn't this widespread in the country. I am interested to know the initial challenges you faced to reach out to the masses and increase viewership during 2013-2017 period?

1. I think the best way to start something is to have a long term vision and very short term focus.

Our initial focus was a lot about how does the world look in a world where the phone is the mainstay of entertainment? We kept thinking about how we could help consumers in this world. That's it. We weren't trying to do anything more than that.

Can you please share your experience on migrating from a financial background to the world of internet media and what made you take the plunge?

I was always interested in starting something. Going to UIUC I had heard of alums who had founded companies like Netscape, Paypal, YouTube etc., so there was always a huge fire in the belly to solve new problems via the startup route. Being from a family which had no entrepreneurs I had no understanding of how to do this. Banking and investing gave me that education. As someone who grew up in India and then abroad, I was constantly wondering why Indians abroad were transforming the world but the country was not progressing at that same rate. But that changed in the last 10-15 years for sure and I knew I had to be part of that journey, so that provided the motivation. Lastly, my partner, Ashwin, who was also my roommate in college, had explored the media space, and it seemed like we could make a big difference there, so that provided the final spark.

How do you keep yourself motivated?

I derive motivation from a variety of places (history, people, sports, arts) but most of all I feel a lot of this is a game and a performance sport, so I have always thought of myself as someone who is part of a team trying to win the league. That helps me stay motivated. If we lose, we come back the next day. If we win, we think about how not to lose and what we can do. That's the sort of thinking that helps me.

What are some of the most important metrics that you look at as an investor. Probably varies a lot by industry but say for instance with saas businesses?

Yes, that'll vary a lot. In SaaS: net revenue retention, ARR growth rate, LTC/CAC.

Do you think poker has helped you make better decisions w.r.t identifying biases or just playing the man sometimes instead of the odds!

Second question was on Pocket Aces, given the surge in content due to multiple digital channels now available, how do you keep differentiating yourself from the rest and is there an endgame you have in mind?

Biases - yes for sure. It is something that really helped. But I feel a lot of poker is about drowning the noise and focusing on the cards you have and what is on the table. People often get distracted with the noise and play people. That is whole lot more difficult to do, so I always suggest play the cards, play the odds, follow the play, don't follow people.

Our mission is to solve boredom so we think from that pov i.e. what are consumer doing today to entertain themselves? what will they be doing 3 years from now? 5 years from now? That helps. We think customer-first and how best to serve them. That doesn't mean you listen to the solutions you give them but feeling their pain is the #1 thing you can do. Most creators think of themselves first. They are in a selfish pursuit imo.

There is no endgame, this is a never ending game and so every year is a new one and you come back with fire in the belly. when that fire dies you change the game.

What do you think is the "recipe" for viral content?

The recipe is to understand how users of that platform share content and participate in the community. Once you understand those levers you can drive virality. But remember all viruses don't have the same impact, so their spread is not the same. Bad year to talk about viruses but in a weird way it helps you understand how these numbers work.

What present innovations do you think will shape the way we consume content in the coming years?

I think content consumption is changing constantly because formats are constantly changing and we will continue to see that. I think a lot of the internet was set 1 of people creating and set 2 consuming, it will become a lot more about interactivity and authenticity. If you think of entertainment you have three axes, production, length, medium. On production, there is unproduced -> produced; one length short form -> long form. In that 2x2 you will see many companies emerge. Now put that on the third axes of medium (voice, video, gaming, ar, vr etc) and you have yourself many worlds.

What are the main ingredients you see for hiring someone? Also how do you manage the coordination among people and allow everyone to build upon each other's idea?

1. I completely agree. I believe people create products which create profits. One should never forget that.

I look for energy, intelligence, and integrity. Add some first principles thinking to that and you are well on your way to my team sheet.

On coordination - you need processes that serve you (not you serving processes which can happen). Also, as you get larger, aka your nodes expand, the edges of communication expand exponentially, so you must remember that as you hire more people. We ask folks to over communicate as much as possible. Also writing down things is an underrated skill I feel - especially in our country.

What are some of the most common heuristics you deploy to expedite your decision making?

Do I need to solve this problem right now, will it help us? Focus is important.

I use trees a lot and go down different edges

I think of reversibility a lot

Am I buying a call option i.e. is there much more upside than downside

Reverse the problem logically

Regret minimization (how will I look back on this problem in 10 years)

Am I aligning with the future or fighting the future? i.e. is the trend your friend

How did you get the idea for Pocket Aces?

we tried to answer a simple question:

"What will entertainment look like when the phone becomes the mainstay of the consumer's entertainment experience"

How did you decide on creating relatable content since before companies like tvf or AIB, this type of content was created by few individual creators on YouTube or social media?

We thought hard about how consumers shared content and we realized relatability allowed for sharing and that gave us free distribution.

Community driven content was key.

How do I finance the entire working capital gap??

We typically don't have a big working capital issue. When we were beginning our business this is something we were clear on. So we don't usually have a large working capital balance without a sense of who we are lending to or lending from.

How do you decide whether or not to go ahead with a project? How do you estimate the response or decide the viability of a project? Can you explain this specifically wrt 'little things'?

Our data-driven consumer insights help us reduce risk. So for Little Things, we had multiple short videos with mithila and dhruv that had done well. We were sure of their firepower. We knew the relationship genre with them in it worked well, which gave us confidence on the genre. Lastly, as I mentioned before we think of communities a lot, so everyone has been in a relationship or observed one, so we felt it was a sharable genre as well.

How important are one's academic credentials when raising money? What can one do to offset those, if they are quite so?

It can buy you some credibility and open a few doors but ultimately more than academic credentials it comes down to the size of the problem you are addressing and your ability to execute against that.

So pick big problems and make progress. The financing will follow.

On what basis do companies evaluate campaigns done with PockerAce? Anything apart from views + comments?

There are various parameters, engagement as you pointed out is one, others look at downloads or active users they pick up, yet others look at the brand impact.

What is the extent of importance one must put on meta discourse and knowledge management? Or should one focus on building, and not emphasise documentation too much?

I think talk is cheap

Write things down, it will help you tremendously.
