



**FACTOR
DAILY**

Outliers Podcast – Resilience

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***Pankaj:** Welcome again, to Outliers, Season of Resilience Podcast. As you all know we have been doing a new season of outlier's podcast, which is focussed on resilience, especially given the times we are in. I really wish these were better times to have tonight's guest with us, who is Deep Nishar. Deep, is a Senior Managing Partner at SoftBank's Vision Fund. He focuses on Frontier Tech and more importantly, I think, in my career at least, I have watched his roles at LinkedIn, Google and heard so many stories from many entrepreneurs about the way he leads product teams and so on. So, welcome to the podcast, Deep.*

***Deep:** Thank you, Pankaj and I echo your sentiments that I wish these were under better times and better circumstances. The world is undergoing a lot of stress and lot of anxiety and lot of uncertainty and I hope that our conversation today, helps us move in the right direction.*

***Pankaj:** Absolutely. Deep, there is lot of anxiety all around us. Founders are really anxious, even professionals are anxious. There is too much happening around us. To just jump into this conversation Deep, what do you think is going on from where you see the world around you?*

***Deep:** The **biggest challenge I think we are facing today is that there is so much uncertainty and there is so much , still so much gap in the way we understand the situation** and human beings in general, once we get over our initial disbelief at some negative scenario, tend to be reasonably good problem solvers. However, in order to problem solve effectively, we need to understand the parameters of the problem that we are working with and here, honestly, every single day, we hear new things about the virus, about how it spreads, about how to treat it and there are a lot of unknown things, so it's very difficult to go and problem solve. We are trying, it is very squishy, it's like trying to put *Jell-O* in a box, so it is very-very hard and I think that hurts us.*

***The second thing that I feel that is going on is we tend to try and jump into problem solving without understanding fully our energy and our emotion of what we are experiencing** and this is something I learnt many-many years ago when I was doing my start-up, that eventually we had to shut down after 9/11, and it is so hard to **first acknowledge, reflect and understand our energy and emotion and then same energy and emotion, what others around us are going through, our team, our family members, etc.** This is why, I think in this situation, we are getting a lot of calls to action, to tend to our own mental well-being, along with our physical well-being. It is so very important to do that. It is important to call your mom, talk to a friend about how you're feeling, what's going on and its ok not to have all these answers.*

*The second thing is we have to **acknowledge peoples' fears, our own fears and then encourage resolve** saying we understand, things are uncertain, things can be very bad, but as Franklin Roosevelt once said, **"The only thing we can fear, is fear itself"** and once we acknowledge that, I think we can create a lot of resolve to try and solve the problem the best we can.*

The other thing, we have to do, is to **be totally honest, both with ourselves and with people around us, and then give credible hope**. I still recall, about 3.5 weeks ago, the Governor of California, which is the state in which I live, Governor Newsom, he came on TV to talk about the Covid-19 crisis. This was the first state governor anywhere in the US, who came on TV to talk about it and one of the first things he said and he was being brutally honest, he said, *'look, 56% of Californians could probably get infected with the virus'* and California has 40 million people, that's about 22 million people and he just came out and said it and if we were watching this in a public gathering, I could've imagined, like a complete, oxygen would have been sucked out of the room, when we heard that, because that is huge. If someone comes and tells you, every other person around you, could get infected by the virus, that is harsh reality. But he was brutally honest but then he gave us hope. He said, 'look, but I am here to tell you, how we can reduce that number and we will do shelter-in-place, we will do social distancing, we will gear up our production of personal protective equipment, of mental aid, we will increase hospital facilities and I will do all of this and be transparent with you, every single day.

That, I think was one of the best examples of acknowledging how all of us feel around us and yet being a leader. Being brutally honest and giving ourselves and giving the people around him credible hope.

Pankaj: That's very well said, Deep. Actually, I have heard about this, but the way you tell it, that matters a lot. Deep, you were also talking about the start-up that you were building. Can you hand pick some of the lessons in your career where you had to battle a crisis or lead a team in the middle of a disaster and hand pick some of the key lessons that you learnt and illustrate it?

Deep: Yes of course, when you've had a long career and the body of experiences that we had, we would have gone through many crisis and many challenges, professionally and personally, in our lives. Now, even as I share my experience with Patkai, the software start-up I had started about 20 years ago with a team of people, I absolutely want to make sure that I'm in no way trying to compare those experiences with what we are facing as a world together because what we are facing is obviously very unprecedented and at an amazing scale, but perhaps my experience can give some hope, some guidance to people, then I can tell you that when I reflect on those experiences I wish there were many things that I could have done much better today.

So, obviously everything didn't go amazingly well at that point in time and I've since learnt many things that I share with my companies and entrepreneurs I work with every day. What happened was the following. We had started this company in the late 90s together to go address a very important problem in the B2B enterprise software space and then the big crash of 2000 happened in the stock market. We were still fortunate on the basis of what we had built as a beta product as well as the market's global stress, we were able to raise financing. Then we did the standard thing of raise enough money to get the first set of pilot customers and then we'll go raise some more money to take it full stream etc. It turns out that between the time we got our first pilot customer and we had to go raise financing, 9/11 happened. 9/11 was a big, exorbitant shock to the US ecosystem.

Everything froze, everything froze. People were not picking up their phones, people were worried about what was going on, this was the first large-scale terrorist attack in the west in many decades and definitely the first one on US soil and people were in shock, they were in disbelief and as a result what ended up happening was that our financing round disappeared as well as many deep strategic conversations we were having with very large technology companies in the valley. All of a sudden we went from a company that felt very confident and were hiring, to a company that had to worry about how will we make our payroll in 2 months or 3 months and that was a very difficult time and in the

midst of it, one of my co-founders who couldn't bear the stress, and decided that he was going to depart. That is also very difficult.

It's during tough times that you all come together and at that time I was very upset with him. But in retrospect over the years I've come to terms with his decision and it was the best decision for him and what was going on in with his life personally at that time. It was very hard and one of the things I realised and I spent a lot of sleepless nights during that time, because I felt responsible not just for the company but, the people in the company. We had about 30 people and I knew each one of them personally, I knew their families, I knew an individual who had health issues and if we were to shutdown he wouldn't be able to get health coverage and what would happen to them. I knew of people who had moved cross country and left everything behind to be with this company and help us move forward. It was a very-very challenging time.

I tried to shoulder that burden myself and tried to solve it all myself and I didn't remember the first thing when we started this podcast I was talking about, which is tending to my energy and my emotions. I looked at this as an engineering problem, as an engineer and I tried to figure out the parameters, saying I need funding, I need to do A, B, C, D and E, I should go out, I went on pitches, I need to extend the runway, what can I cut, etc. **Those are all interesting problem-solving techniques but, what happened was that my energy and my emotions internally, because I did not acknowledge it, were all bottled-up. They came out in very weird ways and they came out at times in very non-constructive ways and that was not good.**

The second thing is I burdened all of it on my own shoulders and that's a mistake, that's a mistake. I think real leadership is giving people a role and focus. We have to challenge the teams when we are faced with adversity, we don't need to come out with all the answers ourselves. If nothing else, we have to encourage them to help others, help each other and even if a small act of kindness gives one hope and gives one focus and that is another lesson I've learnt.

Pankaj: Wow! This is really deep, Deep. Thanks for sharing this because I see that resonate with many-many people and not just founders.

Deep: Yes, it's definitely a key life lesson I took with me, 20 years ago.

Pankaj: So, Deep, you know crisis comes and then goes and of course if you are building a start-up or even you're building a career, of course, these events will happen. How do you come out of these experiences? People are already talking about the post-Covid world and pre-Covid world. Now, as someone who's seen different cycles of disruption as well as crisis, how do you come out sane on the other side? It's something that a lot of founders are now asking. We all know how they get moulded and re-moulded each time but, in your experience of working with founders as well and in your own experience how do you think you can come out sane on the other side?

Deep: I think, it's a 12-step process, unfortunately. Let me perhaps give you **three things** that founders and individuals, we can do personally and professionally, right now that will help us come out on the other side in a better place and I don't know what that other side looks like.

We talk about the post-Covid world and people have conjured up these images and until we've experienced it we'll really not know what it means. I'm a Jain and one of the principles of Jainism is that "truth is multi-dimensional". The world we will see post-Covid may be different than the world that the person living next to us, the person who is our manager, the person who is coming and helping us in the

household will experience. **Because everyone reality has changed fundamentally and the new reality will be very different for each one of us.**

First and foremost, I cannot emphasise enough, at this point in time what we need to both personally and professionally, is tend to our energy and emotions, and focus on our physical and mental well-being because, if we are not fundamentally strong, physically and mentally, it's going to be very difficult for us to both, address the challenges as well as opportunities that happen on the other side.

The second thing is that this is a great time for us to establish trust for everyone in and around us, in our ecosystem. Let's be brutally honest but, let's also give each other a rational basis of hope. Telling our teams, telling our families that it will be okay, that's not good enough and people see through it. We have to give them a rationale on why it will be okay and that definition of okay will be different for different people. **This honesty should come with some rationale.** Then we want to establish our goals, priorities and most importantly our values, during this difficult time and companies talk about this all the time, like "oh yeah, we have goals, priorities, we have mission statements, people have values" but, **it's during a crisis that we really test what those values are. Re-kindling them, even as a family, in our personal lives talking to each other and maybe within our family saying "what do we stand for?"**. It's a very difficult time and if we don't understand what we stand for, it's very easy to devolve into something that's not a good situation. Understanding what the situation is, making sure, this is more probably relevant for a company, every company's situation will be different in this difficult time.

Developing the options. not just ourselves but, with the help of everyone around us, understanding the outcome of each option, executing against them and then as new data comes along, we have to reiterate on it because, as new things are being known everyday people are changing their approach and their tactics. So, this is iterative, agile problem-solving. Especially, in a company environment and in a smaller company that may not have a crisis plan already in place, this is super important to do.

So, Admiral James Stockdale is famous for something called the 'Stockdale Paradox' and he would say "prepare for the worst and hope for the best". That is what we need to do, during the crisis which **then I believe positions us well when we come out on the other side and we will come out on the other side, we don't know, when and we just don't know, how. But, that's inevitable that we will come out on the other side as humanity.**

Pankaj: Sure. That's reassuring to know, Deep. One of the things, I now see a lot of mid to late-stage companies in SaaS space or product space asking this question often is, what does this mean or any crisis for that matter, for product roadmaps, because everything seems disrupted and everything is in chaos? You've watched and you've steered product teams in some of the biggest and best companies in the world and I'm sure you've had instances of chaos, though I don't wish, I'm sure it was. What do you think of product journeys? What do you think product leaders or founders should be doing, who are in the middle of this?

Deep: So, it's an excellent question, because the fundamental question you are asking, is that 'how do you think of what the feature looks like and how does your product need to morph to be that?. I think brutal honesty become so important here. We may have been going gangbusters on a certain product path in a certain product journey and this new reality may change it completely. I'll give you an example of this and I really hope this doesn't happen but, I'll talk in extremes to make a point.

Let's say that we were busy making a product that required a lot of face-to-face time to explain the value proposition and also had features that became very valuable to users when they were face-to-face with somebody else. I'll come up with a very silly product idea. Let's say it was an AI-based emotional sensing product, that used your phone's camera to understand the person and you are selling it in a retail environment, in B2B spaces. You have CCTVs, it would tell you as people were looking at certain products in an aisle, if they were happy looking at it, if they were unhappy looking at it, if they were perplexed at what this was and based on that you could change pricing, you could perhaps change packaging and there is lot of data you could provide, which would say your sales would go up 30% doing that. Could be an amazing product and it could do it all while preserving the users' privacy etc., so you wouldn't get into any of that trouble. We have technology that can do emotional sensing using hi-fidelity images and video now.

In the new reality, it is quite possible that physical stores go away, everyone only does everything on e-commerce because of the epidemic and social distancing we don't know if we should be in physical spaces anymore. Again let's hope that that reality is not a permanent reality but, maybe for the next 6, 12, 18 months that is the reality for all of us. What do you do now?

First and foremost, you have to be brutally honest and acknowledge that you know that in this new reality this product, however amazing it may be and whatever great feedback you've gotten up until now in your pilots, is not going to be very valuable anymore because the use-case has completely changed. Now that question is can you repurpose it and one possible way, once you acknowledge it, maybe one possible way you can think of repurposing it would be to say 'given in eCommerce situations, our computers have cameras, our phones have cameras, now that's a lot more intrusive because people are giving control of that but can I come up with a clever and interesting way in which they would give up control of that for this particular buying experience so I could perhaps provide similar if not exact same value to the e-commerce provider in this particular case, as opposed to the physical retail space. Maybe it's possible, maybe it's not. **But, that's how we have to first acknowledge the reality and then see if pivots are necessary and what to do about it.**

Pankaj: Yeah. I think the blunt honesty part you are talking about is getting reinforced even here.

Deep: Because **if you don't acknowledge that there may be issues with the way you are going forward then it's very difficult to change the path.**

Pankaj: So, I was coming to another product related question because I've asked this question in our last conversation about, how do you decide which features to keep and which not to pursue? In these times we talk about wartime CEO v/s peacetime founder and all that. How would you approach an established product and answer questions about what to build in terms of features and what to not? Is that too simplistic a question? How do you approach that?

Deep: Two parts to it, you made a statement wartime CEO v/s peacetime CEO. **I think every CEO needs to be a wartime CEO because you are going to war every single day. You are going to war against your competition, you are going to war against the shortage of resources for everything you want to do, you are going to war to try and get the best talent in your company, to increase your sales, your customer acquisition, your user base, etc. Unfortunately, for anyone running a company, there is no such things as peacetime.**

The environment in which we are, hopefully, and thankfully we may not have a real war, a physical war, but, what we do every day as entrepreneurs is nothing short of a war, in a metaphorical sense. In terms

of what features, etc. **I think crisis like this sometimes jolts us to look at the data that's usually staring us in our face.** I don't recall the exact answer I gave you but, I think I know I would have said when you asked me this question the last time we spoke, that could be that we have data that is telling us every single day what features are valuable and what is not. **The challenge is that we don't acknowledge that data because we have our favourites, we believe we are all Steve Jobs and that customer doesn't know what they want until I tell you what you want. Unfortunately, there was just one Steve Jobs and for the rest of mere mortals we need to actually ask our customers and more importantly, keep listening to what they are telling us by virtue of how they are using our products.**

I'll give you a good example of this, in the 2008 crisis, one of the companies that was pretty high flying and doing quite well until then, was a company called AdMob and AdMob used to sell ads for people who had mobile properties. So, think of them as basically doing Google AdWords but, not for PCs at that time but, also for mobile devices. At that point in time, Google had a very small flesh in mobile advertising, AdMob was one of the bigger players. After the 2008 aftermath, a lot of young start-up and companies went under, their business pretty much tanked overnight. I've heard this story from Ali Diab, who's now an entrepreneur back with his next company and he used to be the VP of Products at AdMob at that time. What Ali said is that even as their core business for providing ads to mobile browser-based sites was plummeting, he kept looking at that data and saying is there any ray of hope here? He found it in the form of a customer, a small customer they had in New Zealand, that was still doing about 2-3 million dollars of advertising a year and he's like 'Wow, that's interesting. The whole world has collapsed and this company seems to be doing well, what are they doing?'. It turned out it was a company that was building iPhone Apps. Just simple games, casual games on iPhones and their games were doing quite well despite the economic turmoil and they continued to use the AdMob advertising platform and they were doing quite well. That's when Ali and Omar, who's the CEO of AdMob, they said, 'maybe we need to re-purpose our platform, in order to support iPhone apps, not just mobile browsers' and then AdMob went on to become a fairly important company in that space, eventually Google bought them out for a lot of money.

So, I think the moral of the story is that, when one part of commerce, one part of usage for a product slows down, there is always another part and it may be related to us or it may be unrelated to us that comes up and the question for us is that 'are we looking for those signs, those green chutes that are beginning to emerge even among this disaster and are we positioned to take advantage of that?'

Pankaj: So well said, really well said.

Deep: Thank You.

Pankaj: Deep, if I go back past 27 minutes of our conversation, there are a lot of things you've said that would make up a good survivors checklist, if I may. If you were to handpick 3-5 top things that will make a survivors checklist, what would be they?

Deep: So, that's a good question and this is something that I've given quite a bit of thought to because I'm helping entrepreneurs in about 15 companies that are part of SoftBank's portfolio that I have led in that segment. So, I've had to give it some thought, I've had to talk to them about and there were **3 things** I came up with and they may not be unique but, they are a good framework and I got good feedback from our founders about that framework.

The very first thing which I cannot emphasise enough is ***'Care'***. Care for yourself, care for your families, care for your team. Until you know that people who are around you, that really care about, it's very difficult in a crisis to take the next step. This care if physical care, to stay healthy. It is emotional care, having mental health wellbeing, it means reading a meditation session with your entire team every day. It means going out for a walk and just listening to the birds. It just means reading a book, whatever that might be. It also means being generous and that is such a difficult statement to make in the times right now when things are difficult to have, companies don't have a runway, they don't have capital, people may be fighting over that last bag of rice in a grocery store, they may not be getting milk for their young children but, generosity is not about dollars and cents, it's about mindset. It is about, 'do I have something that may be so much more beneficial to the next person? If that's the case, can I do that for them'.

Not being knee-jerk in our reactions, this is not the time to make our teams work twice as much for half the pay. Some companies may choose to do because they are like 'otherwise, we'll have to fire people. Let's all work hard, let's work seven days a week'. When you are worried about your very existence, when you are worried about loved ones around you, whether even if you had means you might not be able to put food on the table because it's not available, it is difficult to spend all their time thinking about work.

It's a paradox but, *if we go back to the core that everything has to come from care, a place of caring and compassion, I think it's a great first step.*

The second step then is ***'Continuing'***. You have to think about how you're going to stay in business, how are you going to extend the runway? You need to pivot to something that is more meaningful and viable right now, this was the e-commerce example, the made-up example that I gave. You want to involve your company and people around you to say 'Hey, we need to continue our business what are the best ideas we have?'. You will be shocked because the salesperson who is out in the field talking to customers every day will probably have a much better sense of what the customer really wants today, because of their relationship with workers, because of their interactions than perhaps the CEO sitting in the office. **Really listening and thinking and coming up with a joint continuity plan is important.**

The final thing, the final part of that framework is ***'Longevity'***. How we come out of it stronger than ever? Staying alive is a good first step, that's not the only step. We have to have a 3, 6, 12-month plan and strategy which needs to be better than staying alive and having continuity of business. **This is I think also equally important in our personal lives.** There was a story, I don't know if it was substantiated or not, saying that there was a spike in divorces in China after crisis sort of heft because people you know were not used to being with each other for so long, cooped up in small apartments and tempers flared and people started seeing the worst in each other. I don't know if this story is true or false but, I think there is an important kernel of truth in there which is, we have to use this time to make the relationships in our lives stronger by seeing the good in each other and then talking through the things we don't like about each other so that when we come out of this and we go back to our 'normal ways' of doing things, we do it with a renewed understanding of each other.

So, I would summarize the 3 steps really as being *emotional in our interactions and hyper-rational in our actions.*

Pankaj: This is again a good one. Especially the last one and ya, I'm going to look up about China divorces spike to find out if it's a fact but, I can understand illustratively what it means even if it's not true.

On a more final note, Deep, one of the questions that again many founders are asking is '*Should I go on?*' because this is also brought a situation wherein there are tough questions that are coming up about whether they should stay invested. So I know there cannot be a perfect answer to a question like this and if there is then I'm really thrilled to hear it but, what would be the signals that can help someone decide or make a decision around '*Should I give it in or continue?*'.

Deep: I think **that's an amazing question that most founders actually don't ask themselves.** So, I'm glad you are seeing more founder ask that question.

It turns out that many companies shouldn't be companies they should just be product ideas. Many products shouldn't be products, they should be features of an existing products. You know as entrepreneurs we believe that we started with a kernel of an idea and we try to blossom those kernels into something that is bigger, so a feature can become a product, a product can become a company and a company can become a very successful enterprise and that's how entrepreneurship works and I'm supportive of it and I've participated in that.

But, these kinds of crisis really gives us an ability to pause and reflect and say that the 'original objective, the original version, the original idea I had is it still relevant in today day and age?. If it's not relevant in its entirety is it relevant in some partial form?'. If it's not relevant at all then what does this enterprise have to become because an enterprise is not just the idea it's also the people and the resources and the experience you've built trying to get to that idea and is their value in the team that we've built? Is there value in the experiences you have accumulated and the knowledge of the market space that you can repurpose and pivot as in the AdMob example. They stayed in mobile advertising but, they went from browser-based to apps, which at that time, by the way, was a huge technology deal and a very big change because people were not sure at the end of 2007, early 2008 whether apps were going to be a big thing yet or not. So, they were making a big pivot at that point in time.

So, I think, asking yourself, being brutally honest, encouraging your team to ask these questions, knowing fully well that they will start worrying for their jobs if they see that the founder or the CEO is perhaps asking existential questions but nevertheless important questions. **How do you generate that constructive conversation and that brutal honesty amongst your team and with your founders, becomes very important. The final question I would ask,** and this is a very important question to ask ourselves, as founders, as entrepreneurs, etc is '*in these difficult times will we be scared to death or scared to life?*'

Pankaj: Very well put. Very-very well put, actually.

Deep: Thank you Pankaj

Pankaj: Before I let you go Deep, I know this question I would've asked in this conversation in round about ways but I feel it's a different ask, but still, from what you see around us, Deep, how do you think this crisis is going to mould or re-mould us as individuals, as companies. People are talking of mass extinction of start-ups, lot of things people are already imagining how they will not exist or change but if

you were to pick 2-3 key defining things as you see today, that will mould or re-mould us as individuals and companies as enterprises or companies. What will be 2-3 of those things?

Deep: I don't even think that there are 2 or 3 things, ***there is perhaps one fundamental thing in my opinion which is how do we explain our place in the universe*** and let me elaborate on that.

In general, when we are running very hard, our whole world revolves around ourselves, as individuals, our companies, our family units etc. For us that is the most important reality of existence. Everything else is there to support that reality and existence. With today's uncertain times that reality has been completely jolted and it is changed and it will change us forever, hopefully in positive ways but sometimes the negative ways.

We will have scars, physical, emotional, otherwise and we have 2 choices, we can view those scars as ugly marks that we need to somehow pretend didn't happen or didn't exist and cover them up or we can view them as badges of honour and a proof of our resilience.

The scar that a *Jawaan* gets on the front-lines because of a bullet, that's the sign of resilience, that's a badge of honour. The scar that a breast cancer survivor gets on her chest, that's a sign of survival, that's a sign of resilience, that's a sign of courage that she displayed through that entire ordeal and her loved ones and her family around her, did the same. ***So, I think this is a time of reflection for us, to think about what we are going to take away from this brief period in history, forward in our lives and in the lives of our loved ones.***

I'll end with one thought, that I have had many times, in Hindu philosophy, in Indian philosophy, in general when people die, we get cremated and then people do different things with those ashes. Sometimes people keep them in homes and in a sacred and private place in their homes and sometimes they go and spread those ashes in holy rivers, some people spread them over mountains. I've many times thought what would I want to do with my ashes and time and again, my thought comes back to I would love for them to be strewn in my backyard, in my garden, because I love going out there, it gives me a lot of peace. My roses, different flowers and trees that we have lovingly planted over years and I would want my ashes to continue nourishing, something that I cherish so much and I think that is the fundamental thing we should take away.

Whether, metaphorically, we survive this crisis or not. Physically, I hope that we all do but metaphorically in term of our companies, the things that we have built around us, some of them will get damaged financially and economically. ***Do we want that lack of survival or that creative destruction to then foster new creativity into the future.*** My company didn't survive after 9/11 but the thoughts, ideas and the reflections that I formed there, I was able to then channel into other entrepreneurs and other companies, other enterprises in the future and I hope it fostered more creativity and more constructive outcomes for those companies. It didn't work well for my baby and something that I had created but it helped other peoples' babies and other creative forces that were unleashed in the world subsequently.

I think if we have that outlook then whether we survive or not survive today, ***can what we have learnt and our creative destruction help prosper more creativity and more constructive forces in the future, then I think, we as humanity would have gone through this phase in a very positive way.***

Pankaj: I got you. You take care and it's a privilege to talk to you again.

Deep: You as well Pankaj. Thank you for reaching out. I hope this is helpful and valuable.

*** *Ends* ***