

Transcript

[Starts at 18:28]

Dipti Nair, Editor-at-large, YourStory

Welcome everyone, I am Dipti Nair, Editor-at-large at YourStory. I welcome everyone to the YourStory and AWS webinar on 'Navigating Through Uncertain Times for Startups'. I hope everybody is at home and is safe.

Today, the world as you know is witnessing an unprecedented global pandemic and the effects of which, as we all know, is being felt by all the sectors and business and our lives.

Here at YourStory and AWS, we decided to start this webinar because we are committed to doing our best to equip the startup community with resources and support that is needed to steer the business through these certain times.

Towards that end, we are bringing speakers who can share their learning and their wisdom and their experience with early-stage startup founders and CXOs in a virtual fireside chat. Founders can use the mental, cultural and tactical framework shared by these speakers and build a strategy through the next few months.

May I now welcome Navdeep Manaktala, Director & Head - Digital Native (Startup) Business, AWS, to say a few words.

Opening by AWS

Navdeep Manaktala, Director & Head - Digital Native (Startup) Business, AWS

Good afternoon, my name is Navdeep Manaktala. Welcome to this very pertinent session on tech startups navigating through uncertain times. These are clearly unprecedented times, to say the least. This is not business as usual and it's a time of great stress and uncertainty. I am sure there is a lot playing on all our minds today – be it business continuity, well-being, communication, culture and not least, the impact on our businesses.

As was just mentioned, to address this, we have the privilege today of having a select sect of seasoned, and if I may use the term, battle-hardened entrepreneurs and investors who have successfully navigated their own way, their teams' way and organisations' through their fair share of challenging and uncertain times. While there is no instruction manual to deal with a time like this, we look forward to drawing from their experiences and thoughts today, so that we can formulate our own strategies of dealing with the current situation.

Towards this end, in this session, we have three panels – the first one talks about how to navigate the impact of business, the second one is about culture, communication and well-being, and the third one is about ensuring survival and business continuity.

While we have panels with very accomplished speakers today, a few quick thoughts from my side – one is that you are all leaders, and in a time like this, as leaders there are three things that you should essentially watch out for – one is your leadership, second is safety

and well-being of your teams, and the third one is business continuity. Your teams, colleagues and partners are looking at you and are picking up signals. So as to act with confidence. The second one is communication. Essentially four tenants I would recommend – one is making communication caring irrespective of who you are reaching out to – be it customers, be it partners, be it colleagues. Second, try to make it as factual as possible avoid speculation, no predictions. Third one is to try to make it as transparent as possible, share as much as you know, and the last one is to make it hopeful. This is super important in the context that we are living in today. The last recommendation from my side would be to act diligently, it's ok to over-react versus under-reacting. Especially when it comes to the well-being of our teams and the safety of our teams.

Finally, before we go a big shout-out to Shradha and Team YourStory for organising this. As always, they have the startup communities best interest front and center and also to all the panellists for making time for this session today. So, thank you again and hope you find the session useful. Stay safe.

Panel 1: How to navigate the impact on business

[Start at 25:50]

I want to begin by thanking Navdeep, the entire Amazon Web Services team, as well as the YourStory team for organising this panel and I also want to thank all the panellists. Just to echo what Navdeep said, clearly these are difficult times. And more than difficult, these are uncertain times. In many ways you all wish that you could rewind the clock by a month maybe, and this would never happen. As captains of your individual ships, you are the ones charted to navigate through this fog today, in an environment where you don't know how intense or how long this storm is going to be.

Just to quickly introduce myself – my name is Alok (Alok Goyal, Partner, Stellaris Venture Partners) I am a partner with Stellaris Venture Partners. We are an early-stage venture fund. I have been doing this for seven years, prior to which I spent 10 years as an operating guy in the software space, used to be the Chief Operating Officer for SAP India and spent a variety of roles with SAP and CIBIL, and prior to that, I was a strategy consultant and a software developer. Let me take the honour of introducing all the panellists. We have Ashish Kashyap, CEO & Founder, INDwealth, which is a tech based wealth platform. He was the founder and CEO of Goibibo and RedBus, which was one of the pioneers in the online travel space in India and was acquired by MakeMyTrip in 2016. He was also the country head of Google and prior to which he was the head of ecommerce for IndiaTimes.

We also have Pankaj Bansal, Co-founder & CEO, PeopleStrong, which is a well-known and leading HR tech company in Asia. Prior to this, he was part of the founding team of Altrance BPO division, which was essentially Huge Software. Pankaj is also an avid angel investor. Lastly, we have Pete Yamasaki, VP – Druva. In his role, he leads all the sales and business activities for Druva in their Asia Pacific region. Druva is one of the most well-known SaaS startups from India and is in the business of transforming enterprise data protection and information management in the cloud world. Prior to Druva, Pete has spent time in various leadership roles across both startups and large companies. In particular, he used to be a

business development executive for Cisco. Welcome Pete, and gentlemen thank you so much for taking out the time.

Just to give some context to people, we have two founders on the call who founded their companies prior to the 2008 downturn. This is clearly not the first situation they are seeing and I am not suggesting that these two situations are the same, but sometimes there are certain parallels to be drawn between different situations. Pete has been the block for a long time across various companies across various geographies. I am going to begin with Ashish and Pankaj first, given that you both started companies prior to 2008 downturn, I am curious to know when that down turn happened what were your initial reactions what were your guesstimates, if I may use the word, on the intraday down turn back then and what did you find out what different did you thought versus what really happened.

Ashish Kashyap CEO & Founder, INDwealth

Alok, thanks for the lovely introduction. And you are right that the current situation is unprecedented, but I don't see that it is mimicking the 2008 crisis, but I still can walk you through what exactly happened. We haven't talked much about it, but I would take this opportunity to share the anecdote of how it worked. I suppose at that time you were with Leone, if I was not mistaken

Alok – I was with SAP at that point

Ashish – It's interesting, because we were on the ground level of the building where Leone also occupied an office and it was an expensive real estate that time. We were backed by robust investors – Nesco and Kensett. They had given us seed funding, so essentially what we called at that point of time like an incubator to try and build multiple businesses and to somewhat mimic what or perhaps what Tencent has done in China. We did some social media stuff, gaming and we also did some vertical search and we incubated in various fields. But when the downturn happened, even the most robust started kind of receding.

What could turn out to be an opportunity, we essentially killed all the noise and just doubled down and tripled down upon one project which is Goibibo -- In which we were investing 100 bucks, we were now suddenly investing only 2 bucks.

We also moved out of the office and went into some kind of backyard. When we were developing Goibibo at the time we decided that we will only focus on domestic air ticketing. We will not do any call centres. We will keep our fixed cost structure very low. We had receded to a team of 10 people and this project was not even sponsored by our investors they did not even know.

Only after running this in and running through the dark clouds did the platform started to emerge and started to grow and it got its backing but I think at that moment of time it was clearly the most important aspect was survival and to make those choice and make those hard choices on one hand we didn't know whether ibibo would survive and had to take tough decisions. Essentially kill what was not required and just focus and double down on a few things. All of it was emerging and at the same time. I think we took quick decisions very fast and went behind things and put water into the seeds which would work.

Alok – Thank you so much Ashish. Pankaj, I am curious to know your perspective because you had started the business a few years before Goibibo started. I am assuming you probably had a larger team then. How did your business get impacted at that time in 2008?

Pankaj Bansal, Co-founder & CEO, PeopleStrong

Thank you Alok. Thank you everyone.

The whole idea or thought at that time was to pass through this whole maze. I had witnessed 2008 but I think Covid is more complex. At that time I was leading a fairly largish team and at that time we had to tell them that we had almost burnt out all the funding we had. We were running like zero and those of you who wish to leave can leave. I remember three people left and others continued saying they will continue. We said we will try to help your jobs, I was sure because I was the HR Director and we were in the HR community and that's how the journey began. Second critical that happened was we requested the top members to become contractual employees and that saved a lot of headaches and heart burns there. We did that and we corrected something at the top. We hired a lot of senior people from the corporation. That's the learning we had. Thirdly, we spoke to some VCs and we gave them an offer that gave us a targeted view that after two months you will invest in us. They gave us a target and we said we will come back to you, of course we got a lesser valuation that we wanted, but I think the whole lesson that we learnt was the lack of funding is terminal. I think that keeping echoing valuation is normal. Let's not worry about it but lack of funding can be terminal, on that basis we still work.

Good thing that was we got a meeting with Mukesh, we got 10 minutes and we ended up spending 45 minutes with him, the critical part was not that meeting but the positive conversation it flowed in.

Reliance gave us a project which was fairly a large project and we could deliver it well. We implemented it fairly well and that created positive news in the market. Fourth thing is that because we had learned ourselves, the structure became much thinner so we decided that we will start building our product. By that time we just kept debating should we or should we not. Those things helped us.

Alok – Pankaj that is a fantastic story and you referred to one of the lessons from 2008 which is to have cash in the bank and I want to move to Pete. Pete, you have been a global executive across geographies and I am sure that the memories of 2008 are still very vivid, any lessons that you learnt from those times that you think would be applicable today as well for entrepreneurs.

Pete Yamasaki, VP – Druva

Ya, and I think very dependent on the company you are at. I will speak about Druva first. I came on to Druva after the 2008 crisis and I have been with the company for a long time and I am quite familiar with our history and strategy. Druva was very early in its life cycle and time, Druva was just getting started trying to find its niche developing its products and it hadn't yet been brought to market.

The credit crunch in 2008 didn't have a major effect on Druva, because we did not have a lot of existing business. Now, does it delay the opportunity to grow? Yes, but the risk is much lesser than that time and it's easier to adjust. When we look back, there are some opportunities that came out in that time because when you are in that situation, sometimes smaller companies can be at an advantage because you don't have as many things to fit and deal with, that can sometimes be an opportunity. Such instances clear the mind and provides a fertile ground for creativity. One of the opportunities we also saw as a company, because we were shifting to a subscription business, was companies were also looking for ways to switch from capex to Opex, that provided the opportunity to do this business model. I think it depends from company to company, but there are times like this where opportunities can present themselves.

Alok – Now Pete that is an excellent point. I used to work with SAP in India at that point and were running a day's sales outstanding of more than a year, essentially we were writing contracts, but not collecting cash. And we realised at that point that cash is king and we made some changes to our DSA policy and the cash collections ideal went on to 1/5th and it has remained the same after I left.

Some of these situations create the opportunities to change business processes that may turn out to be for the long-term for the company. Let me shift focus. Enough of 2008. At least as VCs, we are talking to our portfolio companies, everybody is taking a relook at their operating plan. As you can imagine, the operating plan has a revenue side of it and the cost side of it. Part of figuring out of what is going to happen to your company is to figure out what is going to happen to your top line.

Different founders are reacting differently, they are saying 'I grew 5X last year, maybe I will grow 3X this year', some guys are saying 'no, life is tough, it's going to be pretty bad, maybe I am going to be flat this year.' We are finding that it depends on the industry, but even despite that factor, we are finding different levels of optimism and pessimism between founders in terms of how to figure out that on the tough line not knowing what this crisis is truly going to be. Let me go back to Pankaj first this time, if you are in their shoes how would you be assessing the impact and what would be your advice?

Pankaj – One thing I am clear about is that our treatment can't be more painful than the current one. I can't build a solution that will just remain painful eternally, no one will follow. First thing we have to look at is to do it in a structured way. I will take a graded approach on the cost. Once I take a graded approach and I say this is my base cost and then I build my plan on top of it, which means for 18 months I need this much of cash for a smooth and structural look and this is how we will survive. If things turn out to be better, I keep investing more, but I will not touch 18 months plan unless it is absolutely necessary. My approach will be very base plan kind of an approach. Second thing I will look at and spend time on is the product. Most of them are guided by the new customers or the existing customers. Can we make sure that we focus on our product road map which makes us leaner and smarter? It always takes a back seat, most tech companies would relate to that approach. These are two very important things I would look into, I can get into details if you want.

Alok – To reiterate, you are saying that you will take the 18 months approach and make sure there is enough runway for 18 months and that base plan you don't want to touch because

what if there are surprises on top of it, yes you will take incremental approaches on top of it but that you don't want to disturb.

Ashish, you are a founder now - you were a founder then. How would you think of this situation and would you have a similar thought process?

Ashish – If I were to look at it on a more generic level, then Darwin's theory is slightly more important which is survival of the fittest. I would look at surviving as the most important aspect right now. Whatever it takes, the main thing is to survive. The company in more interesting situations have been capitalised backed by Tiger Steadview, Dragoneer and others ventures, but having said that, we too would constantly watch every penny that we spend. It would also be the question of the status quo and we would improve our services in a particular way for our spends. But at a generic level, the ones which will survive this crisis have a very high probability of winning, because we will see a lot of disruption, we will see a lot of deaths, of not just startups but also of established companies. The opportunity to survive can challenge the established players.

Alok – Pete let me take a slightly contrarian caution to what Pankaj and Ashish are talking about, which is, I am speaking to certain founders who are saying what if we end up reacting too much? Would that mean that if the crisis does not last as long or I am actually not in a position to capitalise I will need to hire people, I will need to ramp up again I am going to lose six months in that process and others might actually surge ahead in that time frame. How will you sort of answer their concern?

Pete – I think it's too early to know how this is going to play out. I think one of our key investors, Sequoia and I think they are on one of the later panels, shared a very good opinion letter to their leadership. They referred to this event as a Black Swan moment, it took me a little while to understand what that means, but the more I looked into it makes a lot of sense, I think it's important to understand what is a Black Swan moment, these are events like 2001 2008, it's something that we could never have expected and it's something we can't rationalise. If we go out two years from now, we will look at this and say 'yes this could have been expected, this can be predicted and we will have a better idea of how to handle it.' But this is the first time we are running to a case exactly like this. Previous cases were different and the way they manifested was different. 2008 ended up with a credit crisis, this is not that this is really going to affect our productivity with everybody because everybody switched to work from home. What I would say right now is we don't really know how long this is going to last, we are not at a point where we can make a complete decision on that but we can have a balance on that. I think right now the best case scenario is that we see weakness for the next six months with a very sharp rebound. I think we also have to say based on what we know that this could actually last longer until there is a vaccine. We can have a weak economic environment for 18 months, which could have ripple effects and actually last longer. We have to act now, based on what we know, which is not the fine amount of time. I think some of the decisions that we make now will have to adjust a month from now and we will have to keep an eye on those key factors. We have to look where there is exposure, we sell to all markets and we know that the travel and recreation industry is going to be hit and it's going to be heavily hit for a long time. We will have to expect that there is going to be decline in that. We have to also expect that there is going to be some decline in the global economic visions-- now how much, we don't know. So, I think we have

to make some initial steps on those adjustments to our cash spending, and how we market our headcount. But I think four weeks from now, we have to be very careful and listen to the market and be ready to make adjustments at that time and it's going to be a worry. You don't want to react too quickly and use those resources four months from now. So somethings you should hold that decision. But there is information that you have now and I think the companies that are going to do the best are the ones who are going to be realistic and act quickly and make those decisions quickly. I think that's very important.

Pankaj – There is something called the OODA loop, which is being discussed a lot which is Observe Orient Decide and Act, whatever cost plan, you make a loop on that, so Observe Orient Decide and Act. Observe Orient Decide and Act. This should be a practice on whatever cost plan you prepare three months- six months- one year. That is what we are trying to do, I am just making a point if that helps.

Alok – Maybe one last question for Ashish and we are going to take one or two questions from the audience as well. Ashish, I think at least all three of you happen to be in business which I would argue are relatively virtual businesses, a lot of what you do can be done on the phone on the internet etc., remotely. There are lots of founders who have physical businesses whether that happens to be mobility that happens to be logistics, e-commerce where there is a very strong physical component to it and in their cases they are dealing with not just demand challenges, they are being hampered with execution challenges on the ground. Any advice which should be different for these kinds of founders.

Ashish – It's a tough one but my sense on the topic is that they go to work with the authorities. Many companies which are doing last mile deliveries are working with the authorities. For example, in the NCR region Big Basket, Zomato, and Swiggy were banned, and it was an order that just came out yesterday that the authorities have agreed to approve last mile delivery. They have to work with the authorities and articulate the problem, which could be very important. They need to come together at this point, they need to co-opt at this stage, they need to come together to solve the problem and you have to use a lot of creative ways of doing it. I don't think the answer is to put off the show. We need to find out how the work must go on. I have never faced a situation because I never had an offline business, but these are some initial thoughts.

Alok – We will take one question from the audience. This is a question from Mitul Kumar Mehta and the question is 'What are the key parameters to adapt, upskill and stay relevant. Can you highlight some of the common points?

Pankaj – My take here is that one is your productivity. What is that you can do that productivity remains relevant, for instance at our end we use our own product called zippy through which we are able to manage tasks. We are offering it free to customers so that task management will become the key. Second, whatever your key metric is, for instance most of the companies who look at either DAU or MAU as metrics. But I think these times constant communication with the buyer is important. The third is the metric around cash flow and not burning too much cash.

Alok – Let me take another question which has come from the audience: 'There are founders who have raised half a million dollar and they will raise the next round over the year end or

the next year in 2021. How is the fund raising situation going to change either by the end of the year or 2021?

Ashish – I want to repeat like a parrot - Anyone with half a million, find a way to plan their runway by three times, to Survive. Survive. Survive. Survival of the fittest. The second is the need to prepare for the future.

Alok – To add what Ashish said and even Pankaj spoke about it , you should plan that there is funding available for 18 months. But, you do need to plan for your business saying that ‘what if there is no funding for 18 months what do I do,’ and I think Ashish also said that survival is the biggest priority at this time. I would rethink and plan to go in that direction.

Alok – There is a question from Kalpana – ‘What should be the only best reason to let go of a team member or a resource in a small startup?

Pete – This is some of the hardest things, as a company we are also thinking of looking at that. We are more fortunate than other companies because we are in an industry that is very relevant. The number one thing is - we do worry about the safety and well-being of our employees but at the same time what do we mean by well-being, are we being conscious of their well-being. I think we have to go back to the other points, we are a startup too and we are looking potentially for an IPO in the next year, we have to expect and we have to prepare ourselves that it's not going to be favourable to do that if the next 18 months are longer. If we have to make our cash, we have to take a hard look at our business, we have to take a look at our staff and the first thing is to address the non-performers. I think in the previous market sometimes it was really hard to hire, it took a long time to address those non- performers and I think you have to take a look at that first.

But I also think you have to make deeper cuts in the company, and you have to look at the long term remedy of the company. You may have to make some hard choices now. If you don't make those choices now, you will have to make a difficult choice for the whole company and you will affect many more lives that way.

Alok – There are a couple of questions on Whatsapp which I am going to rephrase and these are more relevant on the enterprise side. ‘The biggest paradox is to keep the existing customers because they are already paying customers, at the same time many of them want to renegotiate the pricing itself. They are asking for it not because they are bad guys, but they are asking for it because they need to survive as well. How do you react to these requests or demands from your existing customers?

Pankaj – There is a three-tier engagement required this time: What your users think, what your middlemen aspire. Secondly, you have a product. We need to go back to customers and help them in improving the customers

Alok – Would that be different in a consumer business? If it's a consumer business would it mean that the customers would become the highest priority and they would make high demands to negotiate the terms? What would you do to keep them at this point?

Ashish – In consumer businesses, there aren't customized contracts. But having said that, in consumer business, my top priority would be to engage more with my current consumers

rather than starting to acquire more. I would use this opportunity and ensure that my churn is minimised and the engagement and activity metric with my current users are maximised. I would over service my current customers rather than getting aggressive about acquiring more users.

Before closing I would want to thank all the panellist and AWS and YourStory for giving us the opportunity and want to emphasis again that we do empathise with all the founders some of you are in lucky situation where you have sufficient cash in the bank or have the scale to be able to ride this crisis, for some might be more difficult times but as they say what doesn't kill you makes you stronger, I am sure everyone are going to come out of this and looking back will have some of the biggest learning opportunities.

Panel 2: Culture, communication and well-being

Just quickly introducing our next panel - we have Anand Jain, who is the Co-founder of CleverTap, Srikanth from Fractal and Shripati Acharya from Prime Venture Partners as the moderator.

Shripati – Thank you for having us and AWS and YourStory, for holding this panel in this difficult time for everybody. I also thank Anand and Srikanth for joining. Let me give a 30 second introduction of myself and Anand and Srikanth would want to introduce themselves too.

I am Shrpathi. I am a Managing Partner at Prime. We started Prime eight years ago. Prior to that, I was in the US and the Co-founder of a company called Snapfish which was an online portal and then various others roles in tech before that.

Anand – My name is Anand Jain I am the Co-founder & Chief strategy officer of Clevertap, we are a seven year old startup and we are in the user engagement retention space. We help consumer brands such as Hotstar, Jio, Vodafone, Zomato etc increase their retention and the conversion metrics so as to improve the customer lifetime value. We are three founders and we are based out of Mumbai.

Shrikanth – My name is Srikanth I am a Co-founder and Group Chief Executive of Fractal Analytics, its an AI firm and we are focused on Fortune 200 companies across the globe mostly in the UK, Australia also parts of Europe and a couple of parts of Asia. We serve about 100 of the Fortune 500 companies. Apart from that, we have incubated a few other companies such as Cure.Ai which is a health care AI company, Cuddle.AI which is in the space of business information and Ujinny.AI which does normal deduction and scale and does preventive maintenance. I have been part of that journey for the past 20 years. Fractal has about 1700 people across the globe and I have been not so fortunate to have seen two recessions before this and I would love to share some of those thoughts.

Shripati – Just to set a little bit of context, the idea in this particular conversation is how to effectively manage and lead the organisation in what is now a time of great uncertainty. We had seen recessions and very extraordinary events in 2001, during the 9/11 crisis and of course the 2008 financial crisis and all the panellists here have also done that. This is also a major crisis at a global level and in some ways very different in ways it is affecting the

organisation and also it is evolving. While we are in the middle of it and while we are staring at uncertain times, it's a good time to share our ideas and what it takes to both think about short term and long term impact on work culture, on work norms and both the good and the bad ones. With that as the context, Anand I was going to take it up with you. You have been in a global team. You are running a global team which is dual both in US and India, let me first ask my obvious question around working from home, how has that transition been for each of your two teams and what would you say is working and what is not?

Anand – We are about 300 employees globally, of which 100 plus -are based out of India Bnd not just US and India. We are also home in countries like South America, Bogotá (Colombia), we have offices in Dubai Singapore Jakarta and in Amsterdam and London. I think very early on in our lives as CleverTap, we learnt not to be face- to- face with each other and to work across remotely using tools like slack or some video conferencing tool like GoToMeeting or Zoom. Internally, we use Zoom. There were some parts of the team that were physically co- located like engineering or the success organisation, the centre of gravity for us was India and as engineering, you would like to do many things face-to-face -- you huddle up over a screen, you like debug or go tribute etc – that part of the organisation they have made peace with now. It's been 15 days since we started working from home, of just doing things remotely and not to worry about the other person who is in front of you. On the enterprise sales side, you would like to go meet people in person, you would like to see them, that engine has taken a little bit of a hit. We are now very comfortable to get on video calls and talk to prospects including existing customers than in person.

Shripathi – Can I ask you to elaborate a little bit on the enterprise sales side because I can see that on the tools side you are dealing with efficiently, maybe you are putting together some processes. I will table that question because I do want to come and ask you what are some of the processes to bridge that gap between face-to-face and online. Let me ask you about the enterprise sales side because it is not just a one way problem. It's not that the customer doesn't want a meeting, but are US customers and enterprise customers, willing to take meetings online and what is the user behaviour?

Anand – Enterprise customers, and as we are enterprises, love to meet people face to face. Seeing is believing. So sometimes, when someone shows up and educates you about their product itself helps. Last 15 – 20 days, the world has entered into a new reality and redefined the world. We parked a lot of face- to- face meetings and brought them online and I think enterprises are getting to a certain comfort level they are alright because their businesses have also gone online, whether they like it not, their employees work from home, with all social distancing happening all over the globe people are not showing up in offices and some places where the work places are still open, it's either alternate days or maybe a third of the workforce shows up at work. Even if CleverTap enterprise sales guy were to meet these customers, he could not get all of them in the same place like the people we want to meet, people from marketing or product or engineering. What we have seen in the last 15 – 20 days is it is absolutely alright to send a meeting request with a Zoom id or some online virtual id and people are ready to go with them. It takes a little bit of trial and error because sometimes the audio, we were looking at echoing audio and sometime the screen share might not work, the usual perils of talking to people online where you have to do a little bit of meeting lingo such as 'hey can you hear me?', 'Can you put on the headphone ?' I think that is for the first 10 minutes and then it settles down and then it just

feels normal. Last 15 days we have done all our meetings with video on and you can see the other person, it also gives you a little bit of a warm and fuzzy feeling. When you see other people, you feel reassured that the world has not come to an end.

Shripathi – Shrikanth your experiences. Your company is similar to enterprise customers that we have talked about, yet you have the added complexity that you are also managing some startups. Maybe you can touch on both of those aspects - what it means for working from home and its impact.

Shrikanth – This is one of the cultures we had defined back in 2015 that we should enable to work from anywhere. That was a good decision we made back in the day. We handle very sensitive client information. There are several confidentiality and other issues which are there. Even in that we said 'how can we enable a tech infrastructure to enable work from anywhere and at any time' and that is what has been very helpful. We had set that infrastructure and enabled it to work from home and on a general day 25% of Fractal may be working from home somewhere in the world and that 25% has become 100%. Of course it changes everything, but the tech has held up and it's very smooth there are no issues. Everyone is able to continue with each other. What we have realised though is that when we are trying to work from home, is that we need human connections. We get so much out of those coffee conversations and water cooler conversations. Just the fact that somebody else is there, we are making a face to face senate is huge and is disturbing when people are at home. There is a very strong need to connect, we are doing many more stand up meetings or daily meetings of various kinds. I am doing four town halls in a week --two in India and two in the US -- in these times and everybody dials in. In a general townhall there are between 300 to 500 people. We are doing that because there is increased need for communication, there is increased need for what is going on. There are a number of different changes that have changed, but mostly it's about how human beings respond to social isolation or social disconnection. Even the question that you asked about clients selling to them is one thing -- they can do digital meetings and that is not a problem. The first thing is, are we doing a human-to-human connection with them? Because they are in the same spot, they are going through the same thing. Because if it's all about business, I think, anything this crisis at the start is that fundamentally human beings' lives are all work home they all merge and mostly of them ever today. If you don't connect to them as people, as human-to-human and then get to business, you then really have that relationship. We have realised that we have reached out. We have spoken about it. This is the time to be more client-centric, people-centric than ever before. The human-to-human connection is crucial and all such conversations create that sense of warmth, that sense of 'we are in it together, we will get through this', 'we will drive this out' and so on.

Shripathi – What have been your spends in terms of both within the teams? Where the people have the benefit of knowing each other a little bit, I would reckon that the sense of working together might be a little bit easier than when dealing with clients to establish the connection virtually.

Shrikanth – Human beings are incredibly ingenious. We can figure out in every constraint post, any unreasonable impossible constraints, and people figure out a way to live a way to connect with each other. These needs are so important and so primal in some ways, that we

will invent ways to do that. In my own team, I had one person joining us on March 17th. She barely joined, she worked from the office for one day. Second day we had announced that we have to work from home. But we were able to onboard her. Yes, we are finding it hard to onboard new people right now, we haven't onboarded till we went on lock down, so we are not onboarding any new people -- but we have figured out a way to do Skype lessons or Zoom lessons. Somehow people are able to onboard her. She is now part of the team and I think humans have a way to figure this out and eventually the human need for connection is so high that these things get sorted out. The tougher the challenge the more creativity comes out.

Shripathi – Lets talk about what Anand mentioned about enterprise customers. In opening conversations with enterprise customers, you are a sales guy and you are having a top of the funnel initial orders. How many initial talks, because a week has passed, if you were to rate from one to ten, ten being as good as a face- to-face interaction? And now you are doing a virtual interaction in any sense. And I will ask you the same question, Anand. Shrikanth from your side...

Shrikanth – The in-person conversations are interactable. The context of the conversation, the location, a lot of different things are there. It's not just what is discussed, but it's also what is not discussed is super important. Where you are, where you are meeting them, what office they are in, they can sense the culture if they visit our office. If we visit their office, we get a sense of their culture and the context. All of those will be missing when people are doing remote work. Even in video, there is a context. There is atleast a home context. But if it's a phone call, then it's just voice and tonality on one side, and voice tonality on the other side. There is definitely some loss that happens. But this is a constraint that you have to work through, and we have. In the US, UK, and other markets, people are usually very good with first few phone conversations. They don't want to really meet you in person because that involves lots of investment of time and effort on either side to have an in-person meeting. People usually want to first establish the need to meet physically by meeting virtually first, so it's anyways the case. But the one thing I will have to tell you is in this kind of crisis, not in every crisis, but in this kind of crisis especially, it's super important that we don't come across as - 'Look it's all about our business... let's send you some more widgets because that is my target.' Then they are hurting on the other side. We have to be very careful that this is not about selling, it's about helping and supporting and first relating to them as another human being. It's very important that we don't lose our humanity in trying to sell. I get very upset looking at stuff that people are trying to sell to me today and I can see that clients will be that way when we are trying to sell to them right now. We are being very mindful in the environment we are operating in, and therefore be less pushy and be more helpful and make more human-to-human connection at this time specially.

Shripathi – Anand let me ask you, how are you seeing the efficacy of these forced virtual interactions- and if you can share maybe one or two tips here on how you can make some of the connections that Shrikanth is talking about better.

Anand – There are four constituents that you interact with online these days. These are your employees, prospective customers and investors. You have to deal with each of them in happier timesThey would have to meet you, grab coffee, see each other face- to- face, even if the cadence is once a month. In these times, everyone is getting bombarded with online

meeting requests. These are not happier times, these are times of crisis. All businesses are sensing that and they are being extramentally pushy. Shrikanth mentioned a very interesting point -- this is not the time to sell. This is not the time to go for the hard sell. If you are an enterprise business and you have to make the numbers, you have to make sure that the sales are happening. But it's a very good time to use the online opportunity to learn what the priorities are, learn what the world needs on the other side, where are they investing their time, effort and energy, what are the noticing trends. Because with online you can reach any customer in any part of the world -- you don't have to physically travel. You can start forming a world view of where the world is headed. These things are never short term. This is not 'can I make this month's number' or 'can I make this quarter's number'; the crisis we are facing today, I think is going to last a pretty long time, whether we like it or not. This is going to last an extended period of time. So it's better to learn today and form your own worldview and use that to navigate through these difficult times. Online interactions, customers priorities might have shifted, prospects might have shifted. While they might be looking for a solution like CleverTap in the past, and maybe this is the third scheduled follow up call, and all of a sudden, this would not have been an important thing in their lives. Maybe they are in survival mode. Maybe they are trying to figure out what the discovery spends are and maybe your product is one of them that they are trying to get rid of, that they are trying to not kind of change midway. Be cognisant of that. You can't go for the hard sell. You have to acknowledge and accept that and say I am just setting in. I will take a few steps back. I don't want to sell hard today. If you try to sell hard, if you try to burn that relationship, you will not be able to sell even now or in the long term. They will not like you as a person, they will not like you as a company. Since the best of the times develop a bit of empathy and learning, as a business, you may not have all the answers, but it's best to be transparent on both sides.

Shripathi – I am going to underline a point that you said, which as a sales guy, you might have been at the end of the funnel to convert. But now the world has changed for them, their priorities have changed, they are looking at their own revenues reducing and so forth and obviously it will be very frustrating for the sales people and I think that is to be expected. Another point which Shrikanth brought and I want to ask you about the four town halls a week: I am presuming he is touching every office once a week. Are you doing the same thing? What is your initial impression on what it is to run these large meetings online and how does this compare to a physical meeting?

Anand – We have been very transparent in what we are thinking with all our employees. We shot off an email very early on, that first email was – Hey everyone, return to your home location, return to base, no more travel and we will see how it develops.

A day later, an email went out in which we said: Ok, things are really bad and this is a developing story every single day. We are locking down some of the offices, especially the Mumbai office. We shut down the Singapore office, and said we will tell you the rest very soon, and a few hours later, we said we are shutting down all the offices, everyone works from home. These are the guidelines and these are some things you have to do so that you make sure that you are protected and safe.

The reason I described this sequence was because in some other crisis, whether a financial crisis or any other circumstances, this would have been done in two to three weeks. The

Covid situation changes everyday, and you have to be cognisive about that, which was stated in our written communication. We have not done any townhalls across all the other locations. It's a massive logistical nightmare given all the timezones we are in but we have different leaders who have spoken to their teams. I show up in all employee meetings whether they are for a reason or to just celebrate a happier hour. We have done happy hours, don't judge me here, but only on odd days of the week, and it's ok to maintain a little bit of cheer in the team. There is a lot of news out there that may cause panic: There is a lot of uncertainty that employees might be facing here like: What is going to happen to the business? Are we revising our AOPs? Is pressure from the investors going to be there? A customer just called me. Maybe their business is in a crisis, and that news spreads like wild fire within the company because it might be a large customer, and what happens if that customer goes away?

I think every leader has to figure out how to navigate these times. My point would be to maintain a little bit of cheer in the team. I learnt this a few years ago that as a leader your life will always be in ambiguity. You may not have all the answers, you may not have all the clarity, but you have to absorb the confusion and deliver clarity.

We have done smaller batches. We have not done 300 people on a zoom call. We had an all hands sales meet that we called a 'Chew and Chat'. There was no agenda. It was not about whether we are going to meet the numbers or not. It was about, "Hey, is everyone safe out there? You are not the only one. We are all holed inside of our homes, and let's do the best in this situation."

Shripathi – As Shrikanth mentioned earlier. As we have customer empathy, we got to have employee empathy. It's just not asking about what is happening to the business. It's about asking: How are you feeling?

Shrikanth – I think that weathering through a crisis is the ultimate testimony of leadership, and it's also the time when you decide what is truly important to you and the business. The values of the company are their most clear during a crisis time. In happy times everything is growing nice and fuzzy, everything is important, and everything can be done and people can put money in various places and take care of everything.

When shit hits the ceiling, and when something like this happens, the leadership and organisation truly demonstrates what is more important to the company. Leadership has to be there. The townhalls that I am talking about are actually two townhalls a week for each location. One for all locations except the US, and one later in the day for US east and west locations. All employees have the opportunity to attend four townhalls a week, or they can attend two townhalls a week in their time zone because we think it's super important to communicate at this point of time they have a lot of issues, and to give a clear flow of information is very important.

People are thinking about what is going to happen and how the business is getting affected. They hear rumors, so giving them the state of your mind, the state of the nation, and communicating to them and telling them exactly what is going on is very useful, because that is what they are looking for. When I talk about leadership: This is the time when values of an organisation get established, because the typical way has always been that client

comes first. We say: Client before the team, the team before self.

But in a crisis situation like this: you can take care of your client, your team, and yourself when everything is going ok. But when you are in such a situation of uncertainty over safety and security, the issue is that you would have to first protect yourself and your family.

If you are not able to protect yourself, and if you and your family are having these problems: There is someone whose parents live in a different city who need a certain medicine and can't get it as it has to be procured from a different city and they are struggling right now. If you can't help them with that, they would not want to do anything for a client or a team.

The values of saying clients first and team and then self can work only if we take care of all the people in the team so that they in turn can take care of the team, and they can take care of the clients.

It flows that way and that is reflected in the way things have to occur. We have been in hyper care-mode: we are taking care of all the people and their issues more than ever before so that they can then feel safe and they can do what is needed for their families and for the teams and for the clients.

Shripathi – What would you say to me Shrikanth if I was an employee asking: Just how much should we plan for this? How long are you planning for this?

Shrikanth – Everybody wants to know the answer to that question be it your investors, your clients, and certainly your team. Everyone is trying to figure out how these guys are going to respond. Will they survive? How will they survive? What are the kind of decisions we make?

That is where values become so important, and communication is so important in this kind of situation. Take out clients for example. We reached out to every single one of them, and explained our situation. On day one of this crisis, we told everyone this is going to be rough, this may get rougher than anything we have seen before and we have handled very bad stuff before. But the good news is that we have raised a ton of capital to handle a situation like this. I am somewhat fortunate. We had a hypothesis that 2019 will be a recession because it was 10 years in the boom cycle. We decided that we should raise capital in 2018. By the time we raised the capital, it became 2019, which was a smooth and nice year. We didn't use that capital. But in 2020, we now have to use the capital, and so we said: Look we will use the capital as required, We haven't used a single dollar of that capital, but we will use it and make some losses, because keeping the team is super important. We might have to recalibrate, and we are sharing every single thing. Every single decision we are making, how we are not committing to new expenses, how we are not hiring new people, how we are eventually having to take a pay cut. Whatever is on my mind, I am sharing with them.

But what we have said is: Look, this is a really tough time. People are locked in their houses or in shelters across the globe, and the last thing we want to do is have people get fired. Because when you are firing people, you are essentially saying: Look I don't care about you anymore, because whatever is happening in your life, you just find another job, which is impossible at this stage given that everybody is locked down. That creates more uncertainty,

a lesser sense of safety with everything that is already going on. We said: look, this is not happening. We are not going to fire people unless shit has really hit the ceiling.

Shrpathi – Essentially what you are saying, if I can paraphrase, is that look: We also don't know how long this is going to last but you don't need to worry about our existence, and our ability to deliver to you what we have promised. Let me ask Anand a more, putting the pause a little bit. So I am a sales guy and the first thing I am going to say is: Hey! What are you doing about my quota? Let's have a discussion about it. How are you going to take that? Because if you are communicating something similar to what Shrikanth is communicating, he will say: look, my whole thing is up in the air as well. So let's talk about this again.

Anand – Every leader, every enterprise sales company is navigating through the same thing. Their sales guys may have started the year with a committed quota from the top level. You might have a certain number that you may want to hit, and then you divide it by every quarter, and you track it on a month-by-month or a week-by-week list. Sometime in late February or early March, things started to get a little wobbly because of some parts of the world, and then soon, they ripped all of us.

If you are a sales guy, the honest answer might be we don't know when the recoveries are yet to start, or when we are going to be done with the pandemic and the paranoia side of things. I was telling someone that just because, let's say, the world is being declared disease free and that people will start eating out, we might just be saying let's wait a week or two more before we start our spends. That is the stage of fear where we don't trust anyone and are holding back, and then there would be an economic dip followed by a recovery. No one really knows that. It's something that you need to recalibrate, and you definitely will have to recalibrate as you revise your annual operating plans, as you recast your numbers, as you re-discuss with your board on what a good enough number might look. Again, as I said, it depends. Everywhere, there is some sort of development, and you have to be aware of that and you gotta take it up on a week-by-week basis. That is what we are doing. Everyday we publish a forecast, but then we adjust it a little bit knowing what we know the subsequent day, it's a bit of wait and watch.

This has never happened in the world before where all geographies all across the world have been in the same situation. In the case of a financial crisis, there might be a melt down in one part of the world, or some unfortunate event that was part of a particular geography. This has hit us all at the same time with the same intensity whether the governments acknowledge it or not. In that scenario it's very hard for you to commit to your annual numbers and that cascades to the salesperson and their numbers.

Shripathi – I am going to draw a conclusion on what you are saying. And it is: Hey, things are up in the air, and we understand. Lets handle the situation currently, and then we will come back to the numbers. But would you also recommend to the salesperson to give larger discounts? What would be your recommendation, because I might be tempted to do that.

Anand – Two things: Don't sell to someone who is not willing to buy, that was the empathy part. Don't ever do that in good or bad times, but sometimes you can be a little bit pushy, sometimes you can or sometimes you can tip them over. This is not the time to do that.

The second thing is you might sign a bad deal in a bad time, but the deal will stay with you even in happier times. So we don't sign bad deals. We would rather walk away from a bad deal than sign a bad deal and have it hang around with us for the next few years. The third one is for the existing customers: What you say and what you do is your track record and from your track record comes trust. It's better to kind of hold on to the existing customers, make sure they are with you in these turbulent times. Make sure that they are around you, listen to them. You say that you have surviving power, prove it to them.

Like Shrikanth we were also very fortunate to have raised capital last year. We did both our B and C rounds last year and are very well capitalised to carry through this. Hopefully, for the next two-and-a-half-years. But to the existing customers, they might not be doing well. Make sure that we are holding onto them rather than trying to get new business.

Shripathi – Shrikanth, you have been through the 2008 crisis. Would you also say: Guys, while I can understand things are scary out there and we are driving in a thick fog. Are you also encouraging them to think about the opportunities and how should one start thinking about it. Any advice that you would be giving to your sales force?

Shrikanth – Apart from the human-to-human connections that I have already mentioned, that is a very important advice to the sales and relationship folks also across the industries. The effect is very different: there are some industries that have huge demand surges right now that we are serving, and that is a positive impact for the clients, and right now, some of them have stopped promoting anything because things are flying off the shelves by themselves. So they have stopped promotions, their advertising strategy has changed as people are sitting and spending 60% more time in front of TVs right now than ever before. The kind of digital media they were doing has also changed, it's more fulfilment oriented because that is the kind of messaging that is working right now, and the content of the messages has also changed because you don't want to be pushy.

There are things that are changing and some that are experiencing demands. The industry, when this dust settles down, would have changed in many meaningful ways, and there are a huge number of opportunities that get opened up. Because of that, one aspect is that there are a number of memes that have come about how digital marketing is going to change, how the need for digitizing your processes and automating things might change.

There are a bunch of different things that might end up as big opportunities, like how healthcare is going to become more important. There are these pockets where people might need more help right now. Everybody's supply chain is disrupted, and if we can help them in their supply chain, that is a huge opportunity area for us.

So that is one aspect: To find all the bright spots in an otherwise dull and difficult situation. There are quite a few bright spots if you look for them, and certainly the idea is to look for them and see how we can help in those areas. Number two is that in every recession environment, companies that are not strong enough tend to have trouble. They are not able to serve their clients as they are not able to survive and all of that stuff and how we emerge out of that recession is very important.

Firstly, there will be a competitive set of winners. If you are one of the surviving lot, it's good

for you, but the second thing is that people make deep cuts thinking that this world is ending. It's the darkest before dawn right? At that hour, people make very tough crazy cuts and then they are not able to recover from it because things have improved way faster than they have imagined, and maximum pessimism at that time is the most wrong kind, and they make all those decisions.

So how you invest during this time is super important because you can emerge winning a lot of new businesses and new clients and new opportunities if you invest in the right thing. It's relocating the stuff that you have: people, money and resources. How can you put them in the right opportunity by not taking a very myopic view of this, and you are investing in the things that will become very important. One of those is being client-centric. Client-centricity is always important, in fact it's most important. In an existing crisis today, I think Anand has already mentioned it by giving to the relationships all that you have. If you are there for them at this point, and you are somewhat flexible on how you serve them, it's going to be really helpful in the long term.

Shripathi – Anand any thoughts on that.

Anand – I can't agree more. I think customer-centricity is very important, and the earlier point that there maybe newer opportunities that are emerging. We have seen a quite a bit of those ourselves. This is the beginning of a very good time, and I mean good in terms of priorities. It is in times of crises such as these where you really know what are the true things you really want to do in terms of the company, and you kind of shut down or shuttle all the previous things. So all those 'good-to-have' things go away, and all the 'must-have' stays, and within that, you will discover opportunities. We have seen some of the clients who have been affected deeply, especially travel and movie ticketing, but there are some in which there are a whole bunch of opportunities that have emerged. Gaming is one of them, streaming video, fitness. We have seen some that business come to us and we have seen some of that opportunity opened to us, which were earlier not very open, and some of them you got to balance. But again, I think customer empathy comes first. This is a great time to listen to your customers and see how their world is changing. They might actually educate you on the new opportunities they are noticing and that could translate into your opportunities.

Shripathi – So Shrikanth and Anand you are fortunate because you have enough fuel in the tank to go through it? What about companies which don't have a strong cash position? There are a lot of startups among our listeners, and what would your recommendation be on when you should fold and how long should you ride it through? How should you think about it because folding also takes time in terms of making ends properly. It feels very cruel to have worked for a company for three four years, and maybe you are about to raise money now... how should you think about these things?

Shrikanth – During the 2008 recession time, we had not raised capital. Now, we have \$325 million of capital since then. So it's a very different picture since then, and therefore we are able to do the right things. But even in the 2008 recession, the thing that becomes important is to understand what is truly important to you: what are your values, what do you really care about? The people who have that basic clarity can emerge out of this well because they know this is where we will need to focus its people or its clients or its product.

Whatever that is, the answers will be somewhat different for different companies. But I think having full understanding of this is the most important thing for me, and this is what I want to focus on because this is the time where you have to let go of a lot of different things that you were trying to do because they were good ideas then. But right now, you may not have the resources to attack them. Once you have that fundamental clarity, you can make speedy decisions. You can't make decisions fast enough in a situation like this. You have to be very quick with the decisions because if you say data has not emerged and let me keep waiting, by the time you have full clarity, it will be too late.

Shripathi – How many months should I plan for this thing to last? I know you also don't know, but what is your opinion which you would tell a startup founder: if it's one year, then maybe I should fold? Or if it's six to seven months, maybe I should hang in there. What would you say?

Shrikanth – I will say: Plan as if things will start getting better in December or January at the very earliest, and if you have a plan that doesn't last till that time, I think it won't work. We will have to have at least that level of thinking that things will not improve. It is important to make some scenario plans and see if you can survive. We don't know where it is going, that does not mean you have no way to decide. Actually, take a scenario. If this is the worst case scenario, and this is my case, have those three best case and worst cases, and now we have to pre calculate those cases in the evolving situation and in this worst case, if I can survive till December, then you are in a good place. The folding or not folding question should not be based on this question, but fundamentally on if the product is good enough or the market is good enough.

This is about planning scenarios and planning cash flows in such a way that you survive. If the business is not good, then anyway it should be shut off, if not now, then later and even more important is to shut it right now because of the point in driving more. But if fundamentally, business is good, I would encourage that entrepreneurship is a story of resilience. We have to be resilient in such situations and if somebody is thinking: should I shut, then probably they are not meant for that. A true entrepreneur will say I am going to stay resilient, I am going to wait out this upto December and I will make a set of decisions that will help me to wait it out till December.

Anand – Become very resilient. Become a cockroach instead of trying to be a unicorn and survive. If you survive, you can fight the good fight for another day. The only goal of being in business is staying in business. There is no other goal, there are no other rules, if you can not die you can thrive. So, don't die.

Panel 3: Ensuring survival and business continuity

[Starts at 1:56:28]

Shradha – All of us know of the very hard times and hard days, and one of the things which all entrepreneurs are thinking about is money. How do they think about money, how should they preserve cash at this time and how should they think about cash flow. Sanjay Rajan, please tell us how we should be thinking about cash flow and money at this time.

Rajan – Glad to join this talk and thank you to the YourStory team and also AWS for inviting us. What I think is going to be important is how we will all interact and do business, and atleast for the foreseeable future, which is online, hopefully with video, but also without video.

Before I get into the specific money question, just to reinforce what was said just a few minutes ago in the previous panel, it's an unprecedented time, it's a global healthcare crisis of a scale and magnitude the world hasn't seen in more than over 100 years, and that really is the priority for the world, which is to make sure everybody safe and healthy.

I would say before we get to the money, I think the most important priority is taking care of yourself your family and your teams at your company specially from a health and safety standpoint, obviously with a health and with a 21 day lockdown, one part of that for many companies, which is to work from home, is done. But for many companies who have some offline components, especially ecommerce, food delivery etc, taking care of your employees and making sure that they are not just safe and healthy, but also having engagement is very important.

I think we will see that in about a week as people work from home. There are certain things that come before money that is important because unlike in the previous financial crisis, whether it is the 2008 global financial crisis. Every decade or so we get one of these, this is very different where people are worried about their lives, they are worried about their health, they are worried about their families and so on. I think I will start with that because hopefully let's spend a fair bit of time talking about that, because those set of things are as important as the cash topic.

I think when it comes to cash flow the way we think about it and what we've been talking to all our founders is first and foremost is to keep in mind the plan that you had two weeks ago is no longer valid, and for many industries, it's not valid because of your demand side. For many companies the demand will go either to zero, or it has gone to zero as of two days ago, especially if you are in many industries in India. Then there are few industries like tech and many be a few others, but for most startups, the business plan that you had for the year two weeks ago is no longer valid.

So the first operating principle is to make sure that you really think through and sort out a new plan. The way we like to think about it is coming up with a set of scenarios. What we know for sure is that this is not a one or two months scenario, and this could last for many months and possibly many quarters and sort of saying: look, let's say this is a two month phenomenon, and/or a four month phenomena and a 12 months phenomena, and that is sort of one axis, and the second one is what is your fundraising scenario.

Unless you are in the very final stage of closing a round of investment, I think especially if you are trying to raise a large amount of capital, it's going to take time. We are seeing rounds that are being pushed back, rounds that are not happening so on and so forth. For those of you who are interested, Sequoia put out something called The Covid matrix.

You can search for it, try to build out a set of scenarios that you think are realistic and based on those scenarios, you can figure out how much runway you really have because many

companies who thought they had 12 months of runway weeks ago now have only six months of runway or even four.

The way to think about cash is that your goal should be to try to double or triple your runway. If you have only two months of runway, you are actually in a world of trouble. But at least, try to get four to five or six months of runway. If you got a six months of runway, try to get to 12 to 15 months of runway, and then the entire exercise becomes how do you actually extend the runway.

There are a couple of things to keep in mind: Your revenue. Be very realistic of what is going to happen to the revenue. A couple of days ago I was talking to a SaaS company that their DSO is running about 70 days. They assumed that their DSO is going to get to 80 or 85 days. Well that is not a good assumption because when you get into a crisis like this, and this is most likely going to be much more severe than that we have seen in decade, your DSO is probably going to double.

If your DSO is going to be double, then that is going to have some pretty profound impacts on cash flow. In terms of what you can do on the revenue side, you can do a number of things. It depends on the industry that you are in and are you seeing new demand dynamics that emerge. On the cost side, the key thing to keep in mind is that there is no such thing as fixed cost. Things that we thought were fixed costs, things like rent, cost to our employees, software licences... there are no such thing as fixed costs. You should be renegotiating every lease. There are facilities that you don't need anymore and you should shut them down. You should renegotiate every single contract that you have, and by the way, this also occurs the other way. I was on a call where the team had not assumed that their contracts are going to be renegotiated. Nobody has called us yet, guess what is going to happen in the next four five six weeks? Every single one of your customers is going to call you, so you should renegotiate your contracts and you should also do the same.

We got to think about all your costs. So there is no such thing as fixed cost, and try to make everything variable as much as you can. Try to reduce your costs, and obviously, do it in a very thoughtful way. The last thing is what the team is going to do. Let's say your revenue went to zero, which is what has happened for a lot of industries in India, and maybe it's a three week phenomenon, or maybe it's a six week even a nine week one, but we know demand is going to be soft for a long time, what do you do in that period? There is no short answer, but the important thing is the plan that you had a week or two is no longer valid and your whole goal is to double and triple the runway that you have.

Shradha – Rajan that has been very helpful, Sanjay what are you telling your companies?

Sanjay – I think Rajan has made some great points. We are inside a room, and we are thinking and we are seeing that we are in a war time scenario, and all of us will have to be war time CEOs. Rajan made a reference to Sequoia. I remember I was in the valley in my more than one decade there, and there was this Sequoia spiral, this deck that had come out a couple decades ago which basically said you have two choices: you can make some really tough choices now. You cut now and you see the hockey stick later, or you just defer the painful decisions, and then you just fall off the cliff.

The only business element that is in control of a CEO is the cost they know that everything is going to delayed. I do agree with the scenario planning. There is a dooms day scenario, there is a favorable one, and then there is one which is fairly moderate. But what you can control is cost, so make tougher decisions now. It makes sense to make it now. Examine every expense and anything that is dispensable should be renegotiated or cut and it's going to take some really tough calls.

The interesting thing, Shradha, is that on the empathy front, everybody is on the same side but also it's fight for survival. Businesses are thinking about themselves. I think one interesting strategy that I can offer is think about your customers in their board rooms. What are their buttons? What do they don't get pressured on and if you help them, you become more critical to them. For example: let's say a certain sector needs to keep its lights on. What can you do? What can your platform do? Because then you are more relevant to them.

Yashish - The systems we have been able to deploy beautifully and seamlessly I think on a national scale, is running a sales call centre from home with 20,000 dispersed employees is something I don't know is being done anywhere. So that's working beautifully, but now it opens up everything for me. Tomorrow I want to open up a centre in Chennai, I am not going to go and rent a building.

I can just tell you have already given notice for four of our buildings. We have 9 or 12 buildings, but we have already given notices for 4 of our buildings. So I think 50% of our capacity, even after the crisis is over, is back at the offices, and that's a huge learning. Please also understand there's a big cost for us for running all the buildings and the kind of infrastructure. So that's been the positive

I think as I said, out of all the 17 odd business units we run, everyone which has invested in the backend system where stuff could happen without a single paper, have had almost no impact or positive impact, and the 5 or 6 business units that had a paper or some physical involvement, those are almost down to zero.

I think that's a great learning: If your back end is strong, it will be able to hold up. If it is not, you gotta build that.

But work from home is perfectly fine. I think that is working beautifully.

In fact one other thing we are doing is that we are now offering to all banks and insurance companies because it's a dream for anybody to be running an entire sales office from home.

We don't just have the technology, we have the compliance, the security and the product and the performance management. The entire system is in place, and guess what? I have maybe about 4,000 extra employees right now because the productivity increased.

So the average talk time has gone up by 40%, So I obviously don't need about 4,000 people. We are still paying them, and what we are trying to do is that's why we are offering it to the insurance companies and banks because it's a ready facility ready to go from day one with people.

Shradha - Last question before I go to Sanjay, Yashish, have you revised your revenue projections?

Yashish - Absolutely, as I said, out of our 17 business units, 12 have almost no impact or positive impact and 5 have, what we have said as for the next 3 months their revenue is zero. It's not zero, it's about 10% of what was happening earlier because we just don't expect those events to happen. Look: insurance is holding up beautifully. I think for us, it's a massive opportunity because clearly

people are not walking into banks for insurance right now, and for the physical side, the last thing you want is for somebody physically coming to meet you to sell insurance. So I think being in that whole position on the digital front is really playing to our advantage at this stage, and I think we will come out of this very strong. That's fine. I said we are expanding the marketing spend.

When I look at lending, the fact that the e-KYC is not there. So in the rear view, I think about 1 month or so the e-KYC will be sorted. Once that is sorted, some kind of lending will happen, but it will be very safe.

You see, at this time, I wouldn't lend because people are going to be under a lot of strange conditions. When we are going to pay back or not I don't know. So in the last 24 hours, we have pretty much heard from all the digital lenders, all of them said: guys we are not lending for the next few months. From everybody you heard. That's right, so no short term loans, nothing, because that's the situation.

Shradha - Thanks Yashish. I think these are some of the things that will guide us, because what I hear from you is that this is a great opportunity from an insurance side, but there are some verticals which will not be growing for the next quarter. So you are looking at revising your revenue estimates and numbers. So this helps because for most of the entrepreneurs now is the time, they will be planning for their next fiscal.

Yashish - I think one more thing I would like to add is we have done our identification of the people that we don't require and I am not talking about short term. I am talking about the long term because we will only take decisions that can last up to March next year or beyond.

So on that itself this has given us an opportunity to relook at our costs again, and there is a lot of opportunity there. But at the same time, what we have also done is that we have guaranteed all employees at least the next 3 months of salaries so that the confidence is there that at this time we won't hurt anyone, but in the long run we may not require a lot of people and that is all true.

So we have been fairly open about it and transparent about it. While we have certain decisions, we probably let those people know that in the long term they are not required, but for the next 3 months, everything continues as usual. Nobody expects this crisis to kind of last more than 3 months, as in the shutdown etc.

Shradha - So I have a question for you Yashish. this relooking at the number of people that you require for your business. Could you also see it more clearly because of this crisis or you had planned this before?

Yashish - Me and my team have always had divergent opinions on this. I am slightly more focused on the cost side of it, and I see a lot of opportunity all the time. All of my team doesn't. I wouldn't like to say it, but I think it is also the management versus founder mentality, because management feels good about having more people somehow, whereas our founder is very conscious because they have money going out of the bank every time they are paying somebody, so to me it's just that nothing more than that. Whereas a manager, and unfortunately some founders along with them also believe if the revenue grows even a little bit while costs are much higher, that doesn't really matter.

I think that's just a thinking gap. I think businesses of that sort, and I can just tell you there were some businesses of ours that I will not name here, which were of the type which can show very rapid revenue, but we didn't know why we were doing them, so all of those have been shut down and that's very crystal clear. They can display quick revenue, what you would call a pictorial revenue but don't have genuine legs, like the affiliates business where you call somebody else's business your

business for a while, especially if it's payout lead etc. So that stuff for now we are very clear that we are not doing.

Shradha - Ok honestly, this one is the most honest and very useful conversation that we are having and I am saying thank you for saying things as they should be because this is the time where entrepreneurs are all figuring out what to do, and how to go about it and this really really helps Yashish.

Now coming to Sanjay, I know that you are the one VC in India who can perpetually be optimistic. Tell me I want to understand a few things: is Blume going to slow down investment in the next one or two quarters, because that is what I am hearing from most of the investors is that they are looking to take another look at their current portfolio companies, and not look at investing in new companies, that is one. And the second thing is Yashish saying that for him, the insurance business is a good opportunity to take a poll position. What are some of the other sectors, and some of the other areas where you think there is opportunity at which entrepreneurs should look at in the current time.

Sanjay - I will take both the questions. I had some thoughts when Yashish was talking. As far as the VC industry is concerned, as far as Blume is concerned, we remember that VCs is the business of deployed capital. We have to deploy capital: if you go slow now, you have to catch up later. I like one thing that he actually said: that no smart VC or founder should make short term decisions. A decision we make must be for 9 to 12 months, and not the next 3 months. So if you go slow now, you will have to pick up later, so I would encourage the market and the entrepreneurs to think of this not for just next 3 months. Anybody who wants to raise should have enough. Maybe an angel round, and not worry if you are not able to see a VC for the next 1 or 2 months.

As far as Blume is concerned, we have got quite an active backlog I would share with you that we have put our ICS on a temporary kind of hold for a while, but we still have a very active backlog. We look at companies we met last year, from January to March, so we will be active. It's just that we are going to take some time.

It is just that we have to spend more time with the existing family and the existing portfolio. Again I think that for entrepreneurs that are teaching now it's a great time to pitch product versus investor. Let's look at some examples Shraddha, you look at, let's say the startups, and the third wave talkies, they are going to go through a bit right now, just because the retail is shut, when we think of our own companies, whether it is Bounce or Yulu, they are experiencing zero revenue, the fact that the government shuts down something for the national safety they are going to go through a hit, but I think it's a great time to engage users with products.

For example if you have a policybazaar, like Yashish has his act and his companies act together, but let's say this a large company that's hurting and your platform can be a backbone of that company, it's a great time to pitch that product platform to the large customers, and by the way if VCs are gonna take notice, because that's gonna come up with the board meeting. So I think there are very creative ways to pitch: Can you be helpful to their companies? Can you be helpful to them? I think that's an interesting way to take stock of the current situation.

I think the second question was about sectors and opportunities. What are the areas that might take off? So let's think about it: We talked about the future of work. In one sense, the future of work is already in the present right? I think what is going to change is that a lot of enterprises are going to move online. I mean we talk about the cloud all the time, but basically if you look at things like

education fading. The whole enterprise behaviour is going to move online, think about a zoom webinar: That's an interesting area.