Girish Mathrubootham @Freshworks

Girish 1: [00:00:00] First thing is what gives them the right to win in that market? You have to have spent a lot of time in the problem domain to be able to solve that problem. Number two, craftsmanship. everything that they do, whether it's a deck that they send or a product mark that they have, can I see them to be world class because you cannot win, in a global market without being a truly world class product.

And then their ability to hire a great team. The great founders who go the distance are the ones who are able to build a great team. If you hire a great team. the work will get done.

Scarlett 2i2 USB: This is 20 VC with me, Harry Stebbings. And what a special day, I think it's the first Indian guests we've had on the show in seven years. And I'm so excited for this and what better guest than garish? Gruesome founder and CEO of FreshWorks India's first SAS company to list on NASDAQ today FreshWorks has over 596 million in error with a $5.2 billion market cap.

Garish is also a founding member of SAS Boomi. Asia's [00:01:00] largest community of farmers and product builders. And on top of that, garish is also the founder of together fund a $150 million fund focusing on Indian B2B companies going global from day one.

ZIP: But before we dive in,

Let's face it, your employees probably hate your procurement process. It's hard to follow, it's cobbled together across systems, and it's a waste of valuable time and resources. And as a result, you probably are facing difficulties getting full visibility, managing compliance, and controlling spend.

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You have now arrived at your destination.

Harry: Girish, I am so looking forward to this. I've spoken to so many mutual friends before we do this. So thank you first for joining me today.

Girish 1: Thank you for having me.

Harry: Now, I think that great entrepreneurs are shaped early Girish. And so I want to hear how would your parents and how would your teachers have described a young Girish?

Girish 1: I don't think they would be very fond of me at that time. Uh, I was always, uh, the naughty, the revolutionary, kid, like who wouldn't fit [00:04:00] in. I, I've been, pulled up by my teachers for several times. like I've been asked

to leave the class in engineering. so I think, uh, I was always the one who wouldn't fit in or, or at least, Didn't try too hard.

Harry: I think naughty boy is always a good start to any school in Korea. Uh, we look at Freshworks today and it's this incredible business. Every business starts somewhere. 2010. It was not obvious. Take me to the founding moment of Freshworks. how did that come to be and what was that origin story?

Girish 1: before the origin story is, uh, I, I spent Almost 10 years of my career building products. I was an accidental product manager. My boss, threw a challenge to me saying, Hey, you're an authoritative person. You are in marketing, which is a very consultative role. So you should try building products.

I went and Googled for the term product manager roles and responsibilities in 2001 and, and, uh, 2002, I think. And that's how I stumbled upon being a product manager and I really fell in love and created multiple products. The Freshworks origin story I think there are two stories in it. One, in [00:05:00] 2009, I was moving back from Austin, Texas to Chennai, India. I was shipping all my household goods, back and amongst them was my price position, a 40 inch Samsung LCD TV. long story short, two and a half months later, my stuff arrives, the TV comes broken.

I thought, okay, I've bought shipping insurance, so it should be fairly easy to, call the shipping company and get the insurance process claim. And, uh, five and a half months of back and forth submitting multiple documents, they simply wouldn't, uh, process the claim. And, uh, so I went and shared my experience on, an online forum.

which is where I originally got the reference for the shipping company. So I wanted to really, uh, uh, hurt that legion, because I had a bad experience as expected, the community started engaging and, the president of the company came and apologized the same day. And the next day money was in my back.

And the backstory here is, in my career, uh, I have built, uh, for Customer support help desks in different categories, all on prem and what happened to me in my life was something which was intriguing [00:06:00] because, you know, in customer support, when you call a call center, when you call your cable company as a user, you always feel powerless, right?

Like you, it's you, one person against a big giant company. But here, what happened in my life was, hey, I was able to take on customer support, right? A

much bigger company, share my story, get other users to come and, see what's happening and then force the company to do the right thing. So I sensed a paradigm shift in the power dynamics here.

So when I started researching, the first thing I found was on YouTube, there was, uh, United Airlines breaks guitars. There was a song by a musician. I don't know if you've seen that. It's called United breaks guitars. this was happening on YouTube, this was happening on blogs. So that's where the idea to build a fresh help desk came about.

That's why the first product and the company was called Fresh Desk and, uh, so we launched in, uh, 2010.

Harry: So we launched Freshworks 2010. What happens then? Do we have like immediate product market fit? Is it very clear that it's working?

Girish 1: I launched the company in 2010. we launched the product in June, 2011. I'll tell you what happened. [00:07:00] Uh, March 18th and 19th were very, very important days, where, we were a small team of six people, and I was not coding. I was doing everything else, right? So one of the things I was doing was.

I was trying to participate in an AppSumo contest called the Lean Startup Contest, where the price was 50, 000 if you write a blog post on how your startup is a lean startup. So while I was waiting for the product to get ready, I was, as the CEO and marketer, I was trying to do these things to see if I could get some money.

I actually wrote a nice post on, Hacker News, uh, on how a simple comment on Hacker News. Made me quit my, comfortable job and start a startup.

So I shared that story and posted on Hacker News. It went viral on March 18th. It stayed on as the first post for like three, four hours and on the top page for like, more than, uh, a day, which is pretty incredible on Hacker News.

And, uh, I had a website with a simple WooFoo form and the product was not ready. There were so many people who are coming in and filling those WooFoo forms, like hundreds of users had already signed up. So [00:08:00] I talked to my team on March 19th and said, Hey, we have all these people showing up at our door.

Can we cut down our scope and release something quickly and start engaging with these users? So March 24th, uh, we put out a beta, or, or at least an alpha, which we started sending out to a few customers. May 15th, we launched our beta version with 500, people trying our product, by August, uh, we had like 70 customers.

so we had a hundred customers in a hundred days, 200 customers in 200 days, we have not yet raised, uh, funds. Uh, so we were actually off to a great start.

Harry: help me out here because we often hear the trope that you should always be embarrassed of your v1. Were you embarrassed of your v1 when you look back now and do you agree with that scope or do you actually think that you should just ship as soon as

Girish 1: So, so I actually was terrified with the alpha release that we put out. I'll tell you, even though we had like 300, 400 users were signed up. I was worried that the product would crash. So I first sent it out to five people who had signed up way back in October. And then [00:09:00] nothing happened. Nobody came.

And then I sent it to 15 people and then I sent it to 30 people. So, so I was trying to see, make sure that, hey, the, uh, servers wouldn't crash, uh, because suddenly, a hundred people are coming in. Right. And, uh, I, I wouldn't say I was embarrassed. Uh, but today, if you look at the product and if you look at what was there, yes, uh, you could say that.

One of the things that worked well for us was we had priced our product very low. So we were fishing in a very different pond. Uh, so our product was priced at 29 per agent per month. That was the highest. Our competition, the lowest price was 29 a month to get started, right? So, so which means, uh, we had basic functionality that did its job.

Like you can call it a minimum viable product. Uh, I call it minimum desirable product, something that will work well. People are happy with the UI, they are happy with the price. and not surprisingly, many of the early customers that we got were really small, uh, SMB customers, uh, or educational institutes who didn't have large budgets.

And my learning as a product manager [00:10:00] has been that, you can always grow into, a much higher price point. You can build more features and create all these enterprise versions. but when we started, we were, really solving for that SMB. Customer with the basic product.

Harry: Do you think it's much easier to start low and go up than it is to start high and go down?

Girish 1: Start high and go down. Never never works in the history of software. You can tell me which company has succeeded in starting at Enterprise and actually winning in SMB. It's not happened, but if you look at many companies, including salesforce and Freshworks, we have all And now you can see hub spot and most of the companies always start small.

then it is possible to build over time and go up.

Harry: I think there's a couple of different aspects I just have to dig in on here. You also chose to be global from day one. if I was advising you, Girish, which is why I should never be advising you, I would have said that's a terrible idea. We should focus on a very specific region. We should dominate it.

We should build brand. Why did you decide to be global from day one? And what are some lessons from that choice?

Girish 1: Yeah, see the [00:11:00] fundamental lesson that I learned in life was taught to my, to me by my boss. He said, Girish, it's easier to earn 1 than earn one rupee.

you have to have worked with Indian customers to really understand how hard. It is to, do business, uh, with, customers in India, right? Especially, uh, when you are an early stage product, your roadmap will go for, uh, uh, they would hijack your roadmap, right? So but if we win globally and then go to India, like, the chances of success are actually even better.

Like if you see most of the. even Indian startups are doing well, like I would say BrowserStack, Chargebee, they're all global companies who first won globally and then, win in India.

Harry: Just help me understand though, why is that? Is that because Indian markets need social validation from external international markets before they will buy? what is the reasoning

Girish 1: I think, uh, to some extent that could be true, but also Indian customers are used to a services mindset. like if you go to US or Australia. Customers there know that they are buying a shrink wrapped product. They know that, hey, the product [00:12:00] is the product. If I like it, I'll buy it. If I don't like it, I don't buy it.

if I have some feedback, I'll give the feedback. If I need a feature, I'll ask and wait. imagine going to Microsoft Office and asking for a feature. Like, when are you going to get it? So, I think global customers have that awareness. Because Indian customers have been used to a lot of services mindset where they would say, Hey, why don't you come to my office?

I'll tell you what needs to be built and you build it.

Harry: Is there anything that you would do differently about your geographic expansion, sorry, knowing all that you do now? Or, back

Girish 1: I would, uh, do exactly the same thing because at the end of the day, one of the reasons for Freshworks success is the market, right? So when you are servicing a large market and you're able to service it with the right unit economics, that's the best formula for a startup to win. Uh, even if you have, uh, let's say average CEOs like me, so,

Harry: when you were priced so much lower than everyone else, how were you able to have attractive unit economics so early with such smaller ACVs?

Girish 1: you have to [00:13:00] understand the. Whole unit economics of, if you break down the CAC, the customer acquisition cost, uh, for, a SaaS startup that is being built in India versus the U. S. See, in the U. S., the CAC would be two third sales and one third marketing because salespeople are so expensive if you're sitting in San Francisco and, or, or even London for that matter.

Uh, what we did was, What is today known as product led growth, so we actually do a lot of SEO work, uh, and, uh, Google ads and, and stuff like that. And look at the keyword density.

so we, we. make sure that, we are able to drive traffic for, from people who are searching for all those keywords.

the website is designed to get the customer into the product quickly without talking to anybody in sales. So the pricing is open and the products are built to be intuitive, do it yourself kind of product.

So the online buyer who's coming in feels like, Hey, I'm trying to do this and it feels simple enough, easy enough. I can do it on my own. And the pricing is here. You can put your credit card on file. There's no back and forth contract negotiation, no [00:14:00] redlining of contracts, uh, no non disclosure agreements.

okay. I like it. It's 29 a month or 19 a month for three, uh, seats. I'll just put my credit card and, and buy and go.

Harry: When you review that strategy and where we are today, do you think that keyword approach, that SEO focus, that keyword targeting, that approach would work today in the plethora of PLG mass that we have today?

Girish 1: It still plays its part, right? So, so, uh, I'll also tell you some of the, areas of research where we are working on. Uh, like search engine optimization. Now we have generative engine optimization, right? Like a lot of people are going to go to chat GPT and ask about, Hey, which software should I use, how do we make sure that the AI models are trained to tell customers that Freshworks is a great product?

that is where the future is going. If, if, uh, Google, people are not going to Google for search, but they're going to chat GPT. So, so we need to do that. But, uh,

Harry: Are you seeing people shift in terms of referral

Girish 1: Okay, I've started doing that. A lot of employees have started doing that. I'm sure you [00:15:00] have probably started doing that. Are you going to chat GPT more often now? if that is true, when we have questions we want answers. So we are moved from a world of search for keywords and get a bunch of links to, hey, I have a question, give me the answer, right?

So I think that is a very fascinating world.

Harry: a couple of things I just have to unpack before we move on to Enterprise and SMB. You mentioned the low pricing being really easy for them to sign up and just low friction. Yeah, Mark Andreessen said if I could have a billboard, I would have on it raised prices. What are your biggest lessons on pricing from the very successful low pricing you have?

And how do you reflect on them?

Girish 1: at the end of the day, pricing is all about who are you selling to? What do they care about? what is your entry wedge into the market? So, so if I have something that can solve a great problem for a large enterprise and, and I can increase my prices and charge whatever I want, then that could be the strategy that Mark Anderson is saying, but if, if I am the 601st help desk, like when we started fresh desk, There were 600 helpdesks already in the [00:16:00] market.

Uh, there is a website called helpdesks. com, uh, where you can go and filter and search what kind of helpdesk you want. So for us, we wanted to win by superior execution with better design, better UI, and, and a great price and, and then build our brand and then raise prices.

Of course, today we have customers who pay us, a couple of million dollars a year. There are also many customers who pay us over a million dollars a year. But we also have customers who start off paying, 29 a month. So,

Harry: Is this not a product marketing nightmare, Geerish? In the way that you have, you know, 500 people who all serve the same customer base or, you know, similar product suites. how do you think about the product marketing challenge of differentiation in such a crowded field?

Girish 1: one of the tools that we have used, uh, in, in product marketing, that's a great question, by the way. lot of times in the early years, right, when you are getting traffic to come to your website. You are not really controlling who's coming in. It could be a 5 percent company, or it could be team member from a 5, 000 percent company who's trying to come and buy [00:17:00] something.

So we, as early as 2013, We closed enterprise customers like Burger King, DHL, Pearson. So all these, uh, like teams of users from these companies came online, looked at the product. It solved for their use case. Of course, it was not an enterprise wide deal, but it was for one team within a larger enterprise.

Uh, like, If you remember, there was a company that Tesla bought, another Elon Musk company called SolarCity. So we entered SolarCity, I think with a 25 seat deal. two years later, when we hired our first, president of sales in the U S he went and spoke to SolarCity. We found out that 13 different teams were using it more than thousand licenses.

They were almost paying us a million dollars a year, but, under 13 different invoices. So the CFO was not even, uh, uh, looking at us in the top 10 vendors by payment. So, so we were flying under the radar because all these teams were using the product, packaging is an answer, which are a tool we use to kind of segregate the, uh, SMB players with, limited, uh, feature set. Uh, and, and we put all the [00:18:00] enterprise features, uh, like sandbox audit logs and all the other stuff into an enterprise plan so that larger companies can actually migrate towards that.

we have to remove the complexity that's in short, you have to keep the experience. consumer like, but all the advanced features need to move away and, and surface itself at the right time.

Harry: so I have so many companies that we're invested in now who say, Hey, we're in SMB and we want to scale to enterprise and I say, no, no, no. Like SMB market is so much bigger than you think. And building an enterprise business is so. Much different. It's a different business. Do you agree with that perspective?

Girish 1: See, if it was easy, everybody would have done it, right? See today, Freshworks has over 67, 000 customers and more than 2000 plus customers actually pay us over 50, 000 a year, so we have a long tail of SMB customers. like 87, I think 87 percent of our revenue comes from customers who pays over 5, 000 a year.

And so we have that long tail and we have a few big whales. [00:19:00] So,

Harry: Why do you have 13 percent then beneath? I always think like often your smallest customers will be your most difficult. They'll be the ones who complain the most on social, who just aren't champions, cut the bottom and you don't need them.

Girish 1: we are always looking for optimal ways to find, customers who are higher value customers, but it is the nature of the game. Like when, when you are dealing with search globally, you will attract. All kinds of customers, right? So we have our sales processes to, and, and our marketing fine tuning to take us towards the right customers.

But also we are, you have to remember that FreshWorks is a multi-product company. pretty much all of our $5,000 customers probably started off paying us a hundred dollars or $50 or whatever. And, and even some of our $50,000 plus customers are actually SMB customers who have adopted three, four products from us.

So, so this strategy of. keeping the long tail open feeding it and then letting customers grow and use multiple products and, and give us more value has worked well [00:20:00] for us.

Harry: What are your biggest lessons on when to do a second product? You have a product suite today. You mentioned that people using multiple, what are big lessons on when to expand to a second product?

Girish 1: have to do it when your first product is actually doing well.

what we have done at Freshworks always is when you have one product that's like, uh, the wheels are spinning fast, money is coming in. so while you're continuing that I always say that my job as product manager, I have to worry about The revenue that's going to come in 26 and 27.

My sales VP or my president can worry about the revenue that's going to come this quarter and next quarter. so product person has to worry two, three years down the line and do the work now, because when you do the work now, you will probably launch it next year and then it will start to build slowly and then for you to get momentum, it will take two, three years.

Harry: Honestly, Girish, when I listen to you, everything seems like it kind of just worked. And I know that startups are never like that. And so when we look at the movement from SMB to enterprise, the pricing structure, the global from day one, where did it go [00:21:00] wrong?

What broke and what are some lessons from

Girish 1: Yeah. So, so first of all, I'll tell you, uh, clarify that when we layered on. a second go to market motion. We were focused on mid market, not necessarily enterprise, so mid market, we define as 500 employees to 5000 employees because we found that, hey, that segment of the TAM is huge they are probably not big enough to have budgets in the millions of dollars for the enterprise systems and their needs are similar.

And so, the sweet spot for us could be in the 500 to 5, 000 employees. So that's when we overlaid, the second good market motion of now what we call as a twin engine model. one of the life lessons that I've had is You have to learn to live with the consequences of additions, right?

I will tell you that the number one challenge for Freshworks is, or for any company for that matter, is balancing this, to go to market motions, right? The needs are different. The friction, as you rightly said, product management, product management becomes hard, but we are also enjoying the fruits of that decision, We are a multi product company that is working in [00:22:00] multiple segments. So our revenue is coming from like, we are second product recently crossed 300 million in ARR. So now we have two, product lines north of 300 million in ARR. So when we are enjoying the fruits of that and, and the second product for service is squarely winning in mid market, it's the most

affordable alternative we are winning enterprise customers, uh, every day, every quarter.

and so. When you are enjoying the fruits of that, we should learn to live with the, uh, challenges and frustrations that come with that.

Harry: And what are the challenges and frustrations? I just want to dig in on those because I think that's where learnings come

Girish 1: Yeah. So, so I think, uh, um, there are tons in every department, so, so the, the number one difference in product management is when building for an inbound user, you focus on intuitive, do it yourself product.

When you're building for the enterprise customer, they are not going to do it themselves. Uh, you, you need an SI partner who will, be trained to use it. So product managers can actually build stuff that's not very user friendly. my challenge internally is how do I drill into my product managers [00:23:00] that even if you're building for mid market enterprise, it doesn't hurt.

to keep that intuitive, uh, user friendly interface. that is one of the, uh, stuff in product, right? pricing. Enterprise sales guys always want the highest possible price because they believe they can sell. when I'm selling to inbound users, the sticker shock will drive away website visitors.

So I need to make sure that the pricing is affordable and open. Uh, enterprise sales guys will want to say, Hey, contact sales. They don't want to publish the pricing on the website. So how do you balance this? So now we make a philosophy that our pricing will be open. Uh, it will be on the website. So, that's the company policy, right?

And the other important challenge would be hiring. When you're hiring leaders, it's incredibly hard to hire leaders who understand both the nuances of both these businesses. So if I hire enterprise sales or marketing folks. Who do not get the inbound side of business, then that part of the business could start suffering.

If I hire inbound folks who don't understand the enterprise business, then, that could also, we have made our share of, gone through our share of challenges in terms of getting [00:24:00] the right people who are experts on one thing, but how do you build a complimentary team where every, function gets its deserved leadership.

Harry: what are the biggest hiring mistakes you made there? I think hiring is one of the hardest challenges of business building.

Girish 1: Oh, so, so I think my biggest mistakes have been there. I'll, I'll give you three or four, right? Number one, I did not do ref checks on candidates who actually came through like investor referrals. costly mistake. I should have talked to people who reported into those leaders and got a style of their management style.

On a couple of occasions, I've gotten carried away by the resume. Like, Hey, they work for a great company, went to a great college. they should be incredibly smart. And so obviously there'll be a fit here. no, boom, didn't work out cultural misfits. my management style. I'm usually very hands off in terms of when I hire a new leader.

we, Yeah. Look at all the best candidates and then we hire the best possible candidate. Then I step out of the way and let them play the game. Also, a lot of us in India, like we have not been there, done that. So when you hire experienced talent, we assume that, okay, we are [00:25:00] going to learn from this candidate.

So we let them play. Right. But what happens is one of the most important lessons I learned, which every CEO should do is. While you can be hands off the initial period of letting the leader transition and settle in, you have to be closely involved in all the big decisions. You have to be watchful of how they're treating their people.

So one of my OKRs now or or my performance objectives is when I hire a new management team member, getting them to success is actually, my OKR. So I need to make sure that,

Harry: What are the biggest lessons in what it takes for them to be successful in that period? Okay, you need to be on top of them more and you can't just leave them, but what does that actually break down into? As granular and specific as possible, I'm really interested.

Girish 1: I'll, I'll give you a couple of stories there. One, one of my friends, uh, Chandar, who's the CM of Coupa, uh, wrote a LinkedIn post recently, He said, uh, when, when you're changing jobs, philosophies are portable, playbooks are not. you can bring your philosophies and values, but you cannot take, bring your playbook and, and, uh, use it as a [00:26:00] template to run in the new company.

Right. And And the way I used to tell that one of my first meetings with every new leader that I hire, this is an original, uh, management, lesson from me. I said, I always ask, the leader, you need to learn to ask which cow, which ditch. there is an ancient Indian, fable which says, Hey, in a village, when a cow falls You first need to take the cow out of the ditch and then you fill the ditch with sand and then you go and educate the villagers on how to prevent cows from falling into ditches and the sequence in which you do these things is important, right?

And that is the original story and my adaptation of that is As a new leader, when you come with all your experience in a fast growing startup, you have to understand that there are already hundreds of cows that have fallen into ditches. So if you want to be successful at Freshworks, you have to ask the question, which cow, which ditch, which means?

Where can you help? What are the top two or three most important priorities or problems that you can help solve? Go and help [00:27:00] those cows from the ditches and then we will listen to you, give us a lecture on how, to prevent cows from falling into ditches.

Harry: What was the biggest cow in the ditch, to follow your analogy, that you didn't identify for a while?

Girish 1: 2015, we were really, really, uh, growing fast and, uh, we were hiring a lot of sales folks and, uh, the sales wheel was spinning faster than the engineering wheel. We didn't hire enough engineers we added like thousand customers or something like that. feature requests were coming, flying in and, uh, Our engineering team was actually involved in a Ruby on Rails upgrade, so we couldn't even ship enough.

And, uh, so I realized that, okay, how do you balance hiring, across the org? And, and so we did not have a process to do headcount planning in advance, uh, looking at, okay, where are the revenue numbers going to be next year and how much, Now we have a full blown headcount planning process, but, but that was a big mistake that I did, where I didn't hire, product developers enough.

Harry: [00:28:00] How do you think about the balance on the product suite? I was really interested, but I didn't want to interrupt your flow when you were talking about the different products. When you had, you know, you said your second product now crosses 300 million in ARR. You have a resource allocation question as the leader, which is I can put more money into growth, plow this forward, or I can do a third product and a fourth product.

How do you balance between investing more in that killer product second that works versus expanding further with net new products?

Girish 1: In the early years, the first decade as a VC funded company, see one of the things you have to understand in that inbound model, the secret sauce for Freshworks was the business model disruption of being able to profitably serve the long tail of the global SMB from Chennai. when I wasn't able to articulate it, as early as 2012, when fresh desk, the first product had not even hit a million dollars.

I was already working on the second product called fresh marketer. I had booked 40 domains starting with fresh. Uh, in, in 2010 and 2011. So I, my dream was to build a multi [00:29:00] product company and use that inbound, PLG motion across so many products. you also have to understand that when we took our first round of VC money, and then we spoke to some of our investors.

They actually, gave me advice, which is good advice at that time, 2012. Girish, your first product is not even a million dollars in revenue. If you build a second product now, you would be confusing the market. People will think you're pivoting from customer service to marketing. And if you're going to raise your next round of VC funding, that investor will be confused on why, you're doing this.

So I actually killed the FreshMarketer product that we built in 2012 because it was good advice. Uh, but then I actually convinced our board to let me build Fresh Service, which is today the 300 million product, because Fresh Service in a sense was help desk for employees. Fresh desk was help desk for customers.

So, and there was a company that Microsoft acquired called Parachure, which had done something like that. You had Parachure Parachure for CS, customer service. So, so in that sense, we are taking something that is already working, the ticketing knowledge based self service model. And what [00:30:00] is working well for external customer service?

We were trying to do the same thing for internal employee service. So I convinced our board to let me build the second product within that narrative of being a help desk for employees. And that product hit one and a half million in the first year and six and a half million in the second year.

And the board understood the power of the model. then my, uh, early VC investor Shaker from Axel said, Girish, what are all the products that you can build?

Harry: Have you ever had a product not work?

Girish 1: Yes. Uh, the two examples I can give you. One is a product called FreshConnect. this was the early days of Slack, uh, when we saw Slack, uh, uh, really growing, rapidly.

So I could see that enterprise collaboration was actually gaining momentum. And this was even before Microsoft teams had launched. theory in my mind was, if I look at how our customers or our employees were using Slack, so they would get a customer service ticket, and then they would go on Slack and ask somebody for help.

And then that person would say, okay, send me the link to the ticket. And then they'd copy paste the ticket link. And then, the person would go there, they need to have a [00:31:00] login, and then they would read the customer context. And then they come back on Slack and offer help. So we found that, okay, Slack is actually winning because enterprise software is broken in collaboration. So what we wanted to do was bring context and collaboration together. Like while you are, working on a customer service issue, how can you collaborate on that ticket then and there, like how you do in Word doc, right, Google doc.

but what had happened by the time we were late, like we took. More than two years to launch and by the time both Slack and Teams have actually started winning so many users when we took it to our customers, the CIOs actually told us, Girish, we are already dealing with Slack and teams. We have to standardize on one.

Please don't give us a third. So I think we were late and we lost the game. But

Harry: do you know right away when a product isn't working? Or do you think it takes time to know?

Girish 1: I think you will know at the end of the day, customer adoption will tell you pretty quickly. Uh, whether it's working or not, right? So, and, and we knew that. So what we did was we conceded, [00:32:00] collaboration. So today our same fresh connect code that we built is integrating with slack and teams.

so we conceded, collaboration to Teams and Slack.

Harry: Can I ask you, when you think about your leadership now, we've spoken about so many different aspects from the pricing, from the geo expansion, to the building, hiring teams. How has your leadership style changed, Girish? How have you changed as a leader?

Girish 1: one of the things I've always believed in is my job as a leader is to create an environment of performance, hire the right people and get out of the way.

personally I'm more like a jack of all trades, right? Like I, I don't write code,

My style has always been, believe in the power of a team, build the right team, hire great people with a learning mindset and with the right passion to excel in whatever they're doing, create an environment of performance, get out of the way.

Harry: How do you create an environment of performance?

Girish 1: you find people who are passionate about what they do, that starts with our hiring process and the context in India, you have to understand is everybody finishes computer science engineering and then figures out what they want to do in [00:33:00] life.

Right? So, so I have folks working in sales and pre sales and marketing who are all computer science engineers, right? So, that, that's a very different context, which means our hiring actually identifies Thanks. What are they really good at? Because if you are truly playing to your passion, you don't have to work for a day in your life.

Somebody said that, right? So, so what becomes play? So that is core to getting the right people on the job, right? And that's the first thing for environmental performance. Second thing is all about culture. How do you treat people? We build genuine relationships. our, our manager training program is called lead with heart.

So I've never done empty pep talks, sugarcoated feedback. Like if I am happy with somebody, I'll tell them I'm happy. If I'm unhappy with somebody, I just do it in private, but I actually tell them. What didn't work out. I am still friends with all the people I've fired and let go also, because it is never personal.

It's all about having that open conversation, telling people why something is not working, working out and why [00:34:00] we have to part ways. So, creating

that environment of performance means you need to act when you have made bad hires. You need to, I've also said in one of our early versions of our culture code that, Don't be a jerk.

Even if you're brilliant, don't be a brilliant jerk. Right. Uh, and, and we have seen that, uh, like it's not, it's about team winning, not about an individual superstar winning.

Harry: has there ever been a moment where it feels like the culture is broken?

Girish 1: in pockets as the company grows larger, specifically around COVID, it was incredibly hard to build culture on zoom. like I felt that we had taken a few steps back

like the next two, three years has been incredibly hard. But nobody coming into office, people jumping from Zoom meeting to Zoom meeting. I still don't know how to build culture when nobody's coming into the office.

Harry: Can I ask a bit of a weird one, but in the journey that you have as an entrepreneur, you change financial profiles as well. I always ask this cause I think it's such an interesting one. How do you reflect on your own relationship to money?

Girish 1: So money doesn't really change a person. It only amplifies who you really are. and, and also the [00:35:00] other, thing I believe is, uh, the purpose of money is to serve society so beyond a certain need, I have no interest to kind of keep accumulating more.

And, uh, so I, I believe, It's more about giving and giving back.

So for me to truly succeed in life, you need to unleash your purpose. we have this incredible opportunity to make an impact on so many lives, lives of our employees who have been with us for so many years. Uh, now when they share their stories of them buying a home with cash or being able to spend for their, uh, uh, siblings, weddings and things like that, or, we have a software academy where we, take, uh, students who can't afford college, teach them, uh, software skills and then place them in companies.

FC Madras is an example where we are helping young sports people build into athletes.

Harry: I did just want to ask, when you were talking about young people and purpose, what do you advise the thousands of young people today who don't know what their purpose is?

Girish 1: See, I think, uh, this is where, uh, the Maslow's need hierarchy has to play in. Uh, [00:36:00] it is quite common for young folks to not worry about things like purpose because, and, and I'm sure all of us are familiar with the Maslow's need hierarchy, right? First comes, uh, the, the physiological needs, then the safety needs, then the, uh, social needs and esteem needs.

I think people have to go through the journey. and when you don't have enough for yourself, you're not going to be able to think about purpose.

But I think it's okay. Like when I reflect back on my, younger days, I did not actually have a lot of purpose. It was more about, Hey, I need to first make money. I need to provide for my family. I need to do all these things and then once you it, it dawns on you, like once you become successful, once you make, money and then you realize, okay, what do you want to do?

there is time. It's okay.

Harry: do have to ask, India and Europe are often characterized in the same way, which is every generation we say, ah, now's the time for European tech, or now's the time for Indian tech, and we're still kind of waiting.

There's amazing companies like Freshworks or Spotify in Europe, but there's not that many. Why is now [00:37:00] different, or is now not different,

Girish 1: this is the time I would now say now is the time for Indian tech product companies. And this is going to be the decade of India as a product nation. what I am seeing, we are living the reason why I even started a fund called together fund. And we, I'm a co founder of an organization called SAS Boomi.

We just had. Our annual event, two weeks ago in Chennai. So in 2016, when we first came together as a bunch of founders, there was a grand total of 40 SAS companies building global products in India, We, didn't find any ecosystem, so we decided to create an ecosystem.

last year, there were over 3, 500 companies, uh, in India and 1, 000 people, 1, 000 founders attended, SaaS Boomi. This year, there are over, I think, 6, 000

companies, in SaaS and AI in India. And, uh, 1600 of those founders were attending our event and so we are just seeing this tsunami of startups happening.

And I will also tell you in the last two weeks alone, at our [00:38:00] fund together fund, we have received 150 applications from startups in two weeks. we have never seen this kind of deal flow before. this is really, really happening.

Harry: The other challenge that people put to the ecosystem and they put it to Europe too, is the lack of liquidity markets.

Girish 1: that's changing now. That was the that's the old perception. So when you look at what has happened in the recent years, the flip Walmart acquisition of Flipkart showed that a very large MNA can happen in India. The Freshworks IPO on NASDAQ showed that, hey, you can take an Indian startup and actually list in the U.

S. the local listings are actually even more attractive when you look at Zomato and Paytm and so many other, uh, startups actually listing in India. So, there are also been PE exits, like PE backed exits. So all different kinds of, liquidity has actually been demonstrated now. And yes, that was the complaint against India that, Hey, there is no liquidity, but it is starting to change.

Harry: what's the biggest misconception about the Indian tech ecosystem? What do you hear that you're like, Oh, fuck's sake. I wish that would change.

Girish 1: People think that we will [00:39:00] build for India first and then, go global, uh, as opposed to many of the Indian SaaS product companies are actually starting global on day one. And that I have found many times when I'm talking to LPs and investors, don't get it because the US company would sell in US and Australian company would sell in Australia first and then branch out.

So they're all coming with that, preconceived notion. where we had to educate them saying, Hey, these are global product companies that are getting customers internationally from day one. And there is a playbook for that.

Harry: in terms of those incredible companies than founders that are building in these markets. You then choose to be an investor as well. We see the together fund logo behind you. Talk to me about that decision, Girish, because you could just be an angel investor.

Why, like, institutionalize it with a fund? And in your decision making framework, why did you decide that was the right decision?

Girish 1: Yeah. So, so I think I, I was angel investing before starting the fund. I have made around 60 or 70 startup investments. But most of my investments are small, like, uh, 25, 000 is, could be the average, [00:40:00] check size. Right? So when we created SaaS Boomi, uh, we started opening up our playbooks and, uh, sharing this with startups because the dream was about India as a product nation, See, when you look at it from outside, it'll Girish is doing fresh works. He's doing tech. Uh, SAS Boomi is doing together fund and also is doing FC Madras. Why are you doing all these different things? Right? Like, uh, in my mind, it's a unified connecting theme. how can I be a catalyst in creating world champions from India or world beaters from India?

for the first three, it is India as a product nation. So when we, did all the work in SAS Boomi, we still realize that our startups had to go for funding from traditional investors, While they are very savvy financial investors, there was very little operational expertise that any investor in India actually, brought to the startups, which means you could end up with a good investor or a bad investor sometimes looking at Excel sheets and not really understanding how to help the startup. this is why when, when Manav and I, both of us co founders at Zazboomi talked [00:41:00] about this, he proposed this idea. At that time, there was not a single VC fund.

was focused on B2B global SaaS products from India. Today, everybody wants to invest there, right? But when we started the fund, even today, we are the only operator led fund in India, and, uh, we are the only fund that's focused on SaaS and AI investments only. generally all the VC funds were sector agnostic.

Like they would invest in consumer internet, they would invest in marketplaces, they would invest in FinTech, they would invest in SaaS, invest Like we believe that we can build an operator network and truly help these startups succeed. Really scale. And that's how we can be a catalyst in that journey of creating the next few global product companies from India.

Harry: Is it harder than you thought? I find a lot of operators who move to venture are like, God, it's more hard work than I thought it would be. Is it different to what you thought it would be?

Girish 1: See, I think it is hard work, but I will say I am tired, not stressed because it's like playing a game. Like I see I'm always anyway, play, uh, working with startups. Even when I made say like 60 to 70 startup investments.

I, I have spent time with [00:42:00] startups, so I enjoy doing that. I learn a lot interacting with these younger founders.

in terms of time, everybody has only 24 hours a day, and I get my time to play tennis and, and, uh, do the other stuff that I like, which is watching movies. And so everything else is work. So, uh, it just keeps going

Harry: What's the most non obvious thing you look for in the founders you back? So for example, for me, I look for early signs of exceptionalism in something. It could be an exceptional footballer when they were nine. It could be they made money selling cookies when they were eight, and made five thousand dollars, whatever it is.

What's non obvious?

Girish 1: three or four things. I don't know if it's non obvious or obvious. First thing is what gives them the right to win in that market? because sometimes I meet founders who say, Hey, I evaluated 160 ideas and I picked this one, uh, based on the 70 parameters that I looked at super smart founders, but I don't get excited by those founders.

So for me, you have to have spent a lot of time in the problem domain to be able to solve that problem. so what gives you the right to win in [00:43:00] that market? That's number one. Number two, craftsmanship. everything that they do, whether it's a deck that they send or a product mark that they have, can I see them to be world class because you cannot win, in a global market without being a truly world class product.

And then their ability to hire a great team. While this may seem obvious, many times you see people hiring just younger folks, fresh out of college. They don't have the ability to sell their vision when they don't have anything right. But building a product is not about you. I building a company is all about people, the great founders who go the distance are the ones who are able to build a great team. that's my opinion. That's the most important part of the challenge. If you hire a great team. the work will get done. but if you have great ideas, but you don't have a great team, then, uh, no matter what you do, you,

Harry: Final one. What's the biggest investing mistake you've made? I've made many.

Girish 1: I've also made many, I think, uh, see when I was angel investing, I am a very optimistic person, right? And [00:44:00] I love founders. And, uh, so it's

hard to say no. So a lot of times I have given them checks just to help them, Even when I'm not 100 percent convinced that the idea would work, so then I realized that I'm not really helping them So then I got my Angel investing bar also to be a little bit higher.

Harry: Is that a mistake? That was a deliberate choice to help someone. It's very kind of you.

But I don't think

Girish 1: Yeah. I thought you, you asked for investing mistakes.

Harry: Yeah, but I don't think that's a mistake.

Girish 1: Yeah. No, no. They were all investing mistakes because the companies won't don't I lost money. So I counted as an investing mistake. I don't regret my decision, but, from an investment standpoint, I think I, by the way, my. my one investment returned all my entire angel portfolio.

So, and I still have seven unicorns there. So

Harry: whoa, which one?

Which

Girish 1: B.

Harry: What price did you invest at ChargeBee?

Girish 1: I think it was 2. 4 million, pre money valuation, a 25K investment turned into a 3. 4 million return.

Harry: Wow, did you sell?

Girish 1: Yeah.

Harry: Well done, Girish. You can play for FC Madras for two [00:45:00] years now with that. dude. I love this. Can I ask a weird one?

Girish 1: So I, I think, uh, everybody has to go through that and be patient and be a good listener. I think that's the, secret. Okay.

Harry: That's your final, final edition. listen, I want to do a quick fire. So I say a short statement, you give me your immediate thought. Does that sound okay? So what have you changed your mind on most in the last 12 months?

Girish 1: Yeah. I always thought poker was gambling. I'm starting to learn how to play poker. And, I realized that it is a much better strategy game. It's not gambling.

Harry: what's your biggest weakness as a leader.

Girish 1: My biggest weakness is probably I don't, hold people accountable. I like to inspire. I like to tell people what needs to be done, but I expect them to do it. I'm not the kind of person who will like hold the whip like ask for status updates and make sure everything is tracked. And, and I think, uh, that's not my style.

Harry: Are you a head or a heart decision maker?

Girish 1: [00:46:00] Heart.

Harry: tell me you can have dinner with anyone dead or alive. Who do you have dinner with?

Girish 1: Jeff Bezos.

I always look up to, The vision and the audacity of how Amazon has grown, and again, from one product to multiple products, starting from literally a garage, like how we started. So I think, the company that's product and engineering at its core, not sales or marketing, underestimating the

Harry: the biggest mistake you see founders make today? final one for you. Where's Girish in 10 years? You've got TogetherFund, you've got Freshworks, you've got FC Madras. Girish then?

Girish 1: uh, maybe watching India play, uh, in a World Cup.

Harry: Girish, I've loved having you on. I heard so many good things. Thank you for being so open and for putting up with my questions. This has been a joy to do.

Girish 1: Thank you. Thanks for having me. I enjoyed it.

Scarlett 2i2 USB-2: I have to say garish was just such a great character to have on the show. And I so enjoyed that discussion. If you want to see the full video of that episode, you can check it out on YouTube by searching for two [00:47:00] zero VC. That's 20 VC. But before we leave you today,

ZIP: Let's face it, your employees probably hate your procurement process. It's hard to follow, it's cobbled together across systems, and it's a waste of valuable time and resources. And as a result, you probably are facing difficulties getting full visibility, managing compliance, and controlling spend.

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Scarlett 2i2 USB-1: As always, I so appreciate all your support and stay tuned for one of the best shows we've ever done coming this Monday with Daniel Dines. Founder of UI path.