



The Insiders

Episode 3

“What we are able to do is we're able to go there and look at this piece in terms of we see innovation happening within companies and it's not just happening in the boardroom anymore, it's happening within tech stacks, and the CTOs are now having a lot more decision power in terms of what comes within infrastructure.”

Welcome to the Insiders, a podcast on the latest advancements, challenges, and successes in innovation and technology. With industry leaders sharing their personal stories, we humanize the world of innovation and inspire listeners to push their boundaries and celebrate real humans shaping our collective future.

Marc

All right. Well, good morning and welcome to the Insiders Podcast. I'm Marc Low, head of KPMG Ignition here in Vancouver, and very excited to have Jayesh Parmar with us today. A little bit of intro on Jayesh. So your entrepreneurial journey started in Saskatoon in Saskatchewan-

Jay

That's right, that's right.

Marc

... in the mean prairies of Canada, but you've risen through the ranks with some amazing success stories, incubated startups in San Francisco I believe. You're an alumnus of Toronto's Extreme Startups Program-

Jay

That's right,

Marc

... the Canadian Technology Accelerator of New York Vancouver's Hyper Growth program. Picatic, now Gunkii, all kinds of amazing stories, so very, very excited to have you here today.

Jay

Well, thanks for having me here, Marc. Excited to be here myself.

Marc

Very, very excited for the conversation. Lots of stuff to cover today. Let's start in the beginning, so explain to me growing up in Saskatoon. Just tell me a little bit about that experience and what that was like and shaped.

Jay

Listen, first of all, if you haven't been to Saskatoon, it's one of the prettiest, nicest cities that you could ever be to, especially in the summer. The people there are genuine, they're authentic, and they're extremely kind. It was a fantastic place to grow up. It gives you morals, values and ethics that you can only dream of. And so that's where I started. I did my elementary school, I was born there. I went to high school, went to university, did my undergrad there, and that's where I got my chops, if you will, in terms of starting business.

Marc

Okay, but having said that, you didn't go from university straight into startups, right? You were a teacher first.

Jay

Well, yeah. Here's the background of it. I'm a first generation Canadian. My parents are immigrants, and the mindset around that and being Indo-Canadian was you're going to school. There's no ifs, ands or buts about it. You're going to university, where that was your thing. And I respect that and I love it, and in my mind, it was like I got effectively a bachelor's of business watching my parents, if you will, and so the idea was if I'm going to go to school, I want to be a teacher. I want to be a phys ed teacher if I have to get my ticket, if you will. And I did become a teacher for 12 years, a phys ed teacher. I taught grade five, seven, and it's the closest thing I'll ever become to a rockstar.

When you walk into a classroom and you're a phys ed teacher, the kids are excited to see you, and 100% it is. But at the same time, while I was in university, I started up my first business. After, while I was a teacher as well I was starting up businesses. So I worked for 12 years as a teacher, but part-time I got an opportunity to run these businesses. It was a really unique experience where I had big foundational businesses and I would teach for a few hours a day, and so that was this little world. But in Saskatoon, where it takes about 15 minutes to cross town, you were able to be able to do those things and have those hats on.

Marc

Well, that strikes me. Give us a sense of what era that was.

Jay

Oh, I'm dating myself now too. I'll back up a little bit here. I started my first business while in university, and so we're going to 1997.

Marc

This is early stages of the internet.

Jay

This is early stages of the internet and I was 20 years old. And again, it was entrepreneurs are generally problem-solvers. They see an opportunity, input A and output B, and hopefully we can extrapolate some value through that. At that time, the problem that I wanted to solve, and again, 20 years old, was my best friend at the time who now is listed as one of the top optometrists in BC. And so at that time, BDC had a student business loan that they were putting out, and 20 years old. So what we decided to do is apply for it, write a business plan, which effectively it was an essay because we didn't know how to do a business plan.

That was core of business plan. No, we kept that part out. What ended up happening, fast forward, is we got \$3,000. We went to the pawn shops, we bought a whole bunch of DG equipment. We then pitched the university paper and they did a full-page spread, and we went from making \$50 a day at our part-time jobs to making \$500 a night. And then as I was in university, that went up and we started putting on our own parties to making \$5,000 night. And we were kids, we were going to Hawaii and Mexico for holidays. But that was a real first experience of really creating value, small enterprise value if you will, but serving our needs. So that's where that first business started and that's entwined with school, so it's all intermingled and all has until a certain point where I did retire

from teaching.

Marc

At a certain point, you have to put that one on pause.

Jay

Yeah, yeah.

Marc

So how did that initial business then... which was Boom, right?

Jay

Boom Music. Yep.

Marc

How did that create the spark for Eventbrite? I'm sorry, not Eventbrite, Picatic.

Jay

Yeah, Eventbrite was the acquirer of it. Just evolution. As you start, I think good entrepreneurs and good businesses, they feel the pain. It keeps them up at night and they want to scratch that itch. In my case, we started putting on events. Now I'm really going to date myself here, Marc. It sounds a little bit weird for some people that might be listening to this, but there used to be a time where in order to put on an event, you used to give actual physical tickets to a record store and different local businesses, and they would sell them on your behalf.

So it was really difficult to cashflow management, do any type of predictive modeling in terms of how to put on these events. How many people are showing up? How do we pay our vendors? And so the idea was as these events started progressing and we started putting bigger events on, I wanted to scratch the itch. And the thought came in 2008 as we progressed the business, is we can use the web to do this. We can sell electronic tickets, which was an episode in itself from a conceptual standpoint. When we went to market, it was really tough for people to wrap their heads around it at the beginning.

Marc

Again, there's behavior change that's there, you're trying to educate a consumer base. You're bringing innovation to the market, but it's not necessarily I think sometimes the idea is that you come up with this amazing idea, you birth it into the world and you just assume that it's going to get snapped up, but that doesn't sound like the case.

Jay

No, it wasn't. And we're in a very conservative area of Saskatchewan, but at the same time, we're also in a handshake community where if you end up knowing a few people, there's a sense of trust. It was a blessing and a curse at the exact same time, but it worked out extremely well. So to go back a little bit, at that time the conversations I had was, "Well, here's how you purchase your ticket. You purchase it online." And we'd get pushback in terms of, "Well, do you want me to put my credit card number on the internet?" And so that there was a real blocker when it came to that in terms of understanding.

Now, common days it's like if it doesn't scan my credit card, I don't even want to put it in. Now we need it even more convenient. Back then it was like, "I am not doing this." And so there was a sense of is this a scam? Is what's happening? And then really looking at marketplace on the other side, it's like, "Well, how do I get my ticket?" It's like well, your ticket actually comes to your email, and there were flip phones back then. This comes to your email, and it's just like, "What do you mean it comes to my email?"

Marc

Then I got to print it off.

Jay

Well, and the thing was is, "Well, I like paper tickets." I was like, "Well, you can print it if you want." It's like, "I have to print it myself." You know what I mean? Which was just really hard. And so a lot of change behavior that needed to come into place, which as we started to grow and we started to develop the product and the world's evolved, people understood it and then it took off.

Marc

So tell me a little bit about those early stages of you've got this site and you're going to shift to an online platform. How did you test and validate and start to understand how the market was consuming those things? Because that's a whole process into itself, and you're trying to manage your own enterprise in terms of you're trying to grow this business. Cash flow is king. You're trying to get this thing going, but you're trying to educate a market and test what works. Just tell me about the early days there of how did you understand if people were going to go for this and what that initial piece of getting momentum was on.

This is all so interesting. When we talk to clients about the idea of creating new ventures or designing new products,

business model canvas and stuff, it's all very theoretical, but you are describing being on the absolute front lines.

Jay

And even to extrapolate that a little bit further, as we started to grow inside and I talked about their handshake communities, I'd give my cell phone or everybody would have my number. And the beautiful aspect of it is that they would just call me and they're like, "Jay, this is broken. Fix it," because there's so many different ways that you can break something, or there's use cases or different ways to consume product that we wouldn't have that user experience that created whatever outcome that they were looking for. And so that feedback loop and that handshake community was invaluable. As we grew, I wasn't getting a call from somebody in Victoria, Australia telling me that their product or they had a little frustration with something, it would be a Tweet and then all of a sudden we'd have to go out there and fix it. It helped us really get our foundation in the formative days.

Marc

Love it. Now, so that's the early stages of getting traction. This is all happening in Saskatoon, but tell me a little bit about what it was like to then venture out of that and the challenges that come with that. As you now develop product market fit but now you're trying to scale, there's a whole bunch of different challenges that come with that.

Jay

At that time, I got an opportunity to go out there and pitch one of the venture capitalists came up to Saskatchewan, heard it and said, "Okay, you pitch." And this is how naive and green I was. I actually had a piece of paper on stage and I was doing my pitch because I did not even know what a pitch was, and so extremely green. And I remember getting I think it's a compliment, but the venture capitalist in the panel saying, "I'm extremely, extremely impressed on how far you guys have come with how much you don't know." And even to this day, I laugh about it because I was just like, "Oh, I get it now." You came into this, landed backwards and you got it. Entrepreneurial, there's a little bit of luck into it, but we just grinded. And so that's when we moved to San Francisco shortly after that, and then the world's changed.

Marc

Just a little bit, I'd imagine. Okay. Let's talk about that a little bit. So you moved from Saskatchewan to San Francisco, completely different universe. Now you're into a whole other echelon. How did that change your idea of what entrepreneurship meant? Did it change? What's your view?

Jay

100%. Listen, at that time, Alberta Venture Magazine listed me as one of the top 10 people to know in Saskatchewan to do business, so you really have this big fish, small pond ideology. I'm not sure if it was warranted or not, but it is definitely a small fish when you go down to the valley. And when we went down there, a lot changed. You realize, and the way that I like to analogize this is that especially if you're Canadians, imagine being the best hockey player in Guatemala, and then you come up to Canada and the kids playing on the street are better than you. You may have some raw talent, but they just got skills and moves that you have never seen. So as we went down there in the Stanford Posse, the PayPal Mafia, you end up seeing how the ecosystem runs at the smartest of the smart.

And there's a lot of humility that I need to get through in order to decide am I going to put my tail between my legs and go back home, or am I going to go up there and roll up my sleeves and learn the stuff that I don't know? And I have this really good story I'm happy to share with you.

One of the first networking events I went to is a whole bunch of CEOs and founders were around there, and I remember this vividly to this day. In Saskatchewan, what we do is we do a lot of small talk. Maybe it's a Canadian thing, how's the weather? How are things going? What's happening? And it's just great, and I like it and I enjoy it and it's fine, but when we're down there in these situations, I think a common thread that I found is how do we get to the point faster? How can I help you? It's not rude not to go out there and have all that preamble. Being around one of these networking events, I remember one of the CEOs bringing me to the side and just saying to me, "You're not ready," and at that time I was really offended and hurt by it.

And I was like, "What do you mean?" He's like, "You're just not ready. You got to get it together." And at the time, I did not know that he was doing me a favor. My pitch needed to be I had to get straight to the point, we're not having a half an hour conversation of a backstory. It's just like, "How can I help you? If I can't help you, I know somebody who can, and let's keep on going," in these environments. So there was just an ethos of culture and a way of working that was new to me. That also included the way that we raise capital and the signaling that happens in their business that I did not know at the time.

Marc

To pay you a compliment, that speaks to the stick-with-it-ness. Is that the? It takes a certain amount of moxie to be an entrepreneur in the first place, and now you're in this foreign world and trying to figure out how to swim in this new environment. And I think nobody would've faulted you to say, "Forget this, I'm going back to Saskatchewan. I'm going to see if they've got an opening in the PE department," but you saw it through and now into this amazing new chapter.

Jay

Well, and what it did teach me and what I'm glad is the biggest lessons out of that that I'm most proud of is my disassociation with comfort and my association to discomfort. And I realize, and it sounds cliché when you say it now, is that my greatest growth and the biggest leaps I've ever had was when I was most uncomfortable. So now it's the flip side, and when I'm uncomfortable, I become uncomfortable. When I'm uncomfortable, it becomes comfortable because I know that this is just how the sausage is made.

Marc

Right. So let's go down that rabbit hole a little bit. So in this time, you're gearing up. The story's starting to shift and the Eventbrite acquisition is on the horizon. That's a different cultural experience in terms of the size of the company and the structure and all that kind of stuff, right?

Jay

Yeah.

Marc

And as you're talking about comfort, we often talk about the idea of in a corporate culture, how comfortable are they with innovating, with pushing new product and so on? So tell me a little bit about as that story shifts into this new phase, how did that change for you in terms of how you're trying to operate inside this different larger, more evolved organization?

Jay

Okay, so we're jumping a little bit here. We're jumping, so I'm going to tell you a little bit. Let me give you a backstory, is that with Picatic, it grew and it started to service the world, and our way of doing things is very similar to Eventbrite in terms of the service. It was a service-based. But what we did is we did something a little bit different, is we created an API for our products. So brands, developers, so we partnered with Airbnb, we were working on a relationship with Facebook and they would build on top of us. So think of it as an iceberg. The bottom of the iceberg, we're there. At the top, you build

whatever the heck you want to. And we used our consumer product as a legion in order to go out there and create something that is more defensible and has a bigger LTV and brings in bigger revenue and less churn.

So that was the business, and then one day out of the blue, our biggest rival and came. This is a unique spot. And first, let me digress. Eventbrite is a phenomenal company, their founder and CEO, her name is Julia, is just absolutely an amazing, amazing person. And it's important when you're exiting the company to find out where you're going to land because your team that is near and dear to you that if one had gone into war, you want to making sure that they're in an environment that's going to go and serve them well. So digress a little bit, we had them just LinkedIn us and that was it. You think there's a sophisticated, algorithmic process in terms of how acquisitions happen.

Marc

They're cold hits on LinkedIn.

Jay

LinkedIn, just like, "Hey, Jay. I see what you're doing. You want to trade some notes?" And next thing you know, we end up working through it, which is a fun experience. It's a full contact sport there as well. What I did learn going through the whole entire process is that we have more in common than we don't. So as we started having dinners and we started talking about it, it's like, "We're trying to solve the same problems. Our minds are almost in sync." And so it worked really well in terms of the acquisition and getting to the other side. Now, as we moved on and we got involved and we moved in, it's a completely different world. As a small team comparatively, we can move faster and more and more agile, as a big team they can move a lot further, and that's what we noticed. But it was definitely a lot slower.

Marc

There's one thing you brought up there, which I want to just jump into real quick, which is that's actually news to me. I didn't actually understand that that was the Picatic model where you had this initial market entry point, but that you were building infrastructure. That's a different business model entirely, that you're allowing companies to then leverage the stuff that's in your backend, in a way. That architecture of how you changed the business from an innovation standpoint, as you think about business models and distribution and all that kind of stuff, was that intentional or did that evolve organically?

Jay

100% evolve in terms of market. One, take your competitive landscape. Eventbrite still has one of the biggest footholds in terms of what we call the single sign-on model, the consumer model that are putting on small events, and we knew that we are not going to be able to compete at that level with them. What we are able to do is we're able to go there and look at this piece in terms of we see innovation happening within companies and it's not just happening in the boardroom anymore, it's happening within tech stacks, and the CTOs are now having a lot more decision power in terms of what comes within infrastructure. And it's like well, now leaning on that model and pulling on that string, if you will, there's a real opportunity to really come inside.

Now, when we start getting involved in organizations and companies from an API standpoint and they start developing on top of us, we are now intertwined. We are partners, we're not just a service. So that evolved just out of the simple fact is how can we distinguish and differentiate ourselves and also create more LTV, less churn and more enterprise value? And so that's how we looked at it, and it just evolves. As you take a look at the competitive landscape, we take a look at in terms of what people are doing. And Stripe was our biggest partner at the time, and we were probably their biggest partner in Canada at the time, and we really were inspired by what other APIs were doing in terms of their modeling. It was like, "Okay, the evolution is happening and how we want to be part of this?"

Marc

That's a fascinating evolution because it is a completely different business model. You have to configure your company and the way that you're pushing your product updates and your product roadmap. It changes everything.

Jay

It does. And at the end of the day, these are four key KPIs that I like, and I'm really foundational in terms of how I think. It's cost of acquisition, lifetime value, churn, and average revenue per user. And I started taking a look at this and we looked at it in terms of like our CAC versus our LTV is if we have a top-

Marc

Before you start throwing out acronyms, for the audience who's maybe catching up-

Jay

Sure, sure. Sorry, and I appreciate that. Thank you. So we had this big audience that are using us, and that's our top head of that funnel. And inside that big net, there's a whale in there. How do we create and be able to take that whale and service them to a greater extent? In this case, if you're going to go out there and put a line out and you're trying to fish for that whale, it might take you a year to 10 years. But if you have this big net, we're probably going to catch a whale every catch we go, which is going to be less time, less money, less effort and more revenue, and that's the model that we put in together.

Marc

Okay. Now we're really going to switch gears because you've mentioned this completely new chapter with Gunkii, a direct-to-consumer brand. Tell us a little bit about that story, because I saw that come up on LinkedIn. I thought this is way outside how I know your story to be so super interesting. I don't want to take away all your thunder, but started on Kickstarter, three times oversubscribed, big success story. So tell us a little bit about what drove that, first of all, and then just the experience of going to a completely different industry and all the things you need to be thinking about. From the outside it feels like a hard pivot, really interesting, but you got to learn a whole new lingo, language or do you?

Jay

I'm a lifelong learner and I like it. To me anyway, it's an interesting story, but I'll back up a little bit. One of the forcing functions of COVID was an opportunity, and I think for myself and the rest of the world, is just to slow down, to take a breath and to really evaluate life. And at that moment in time, it was post exit, I had an opportunity to come, and I shed modesty in this next piece that I talk about, but I married up in a big way. My wife, her name's Nicole Palmer, three undergrads, a master. She's working on her doctorate, Top 40 Under 40 performance marketer. When I married up in a big way, it's in a really big way. And an opportunity to really see the business that she created, it's an amazing, fantastic, beautiful business.

But as I looked at her business, there's another thing that came to aware is that in our household, it's called Friday Movie Popcorn Night. And so what happened with that is that every Friday, we have popcorn or some pizza and we watch Netflix. And it became the highlight of my life, and I realized that I probably missed 90 to 95% of them while I was running my company. So there's a few epiphanies that came through this whole entire process in terms of the forcing function of

COVID and slowing down is one, is that my wife's a badass and I hope I can say that, and the second one is I want to spend more time with my son and my wife. So fast forward a little bit, there's something that is really unique to say, is that I love tongue scraping.

Gunkii is a tongue scraper, and it's very Ind-Canadian and it's been around for 1,000 years. It's through the Ayurvedic system of medicine. So I grew up with tongue scrapers, and so this is a 20-year project. As I was a kid and we'd go on hockey trips or we'd be out on boy's trip, I'd always have a tongue scraper and my friends would be like, "What is that?" And I'd show it to them because my mom would bring them from India and be like, "Oh, this is a tongue scraper." So every time she went back they'd be like, "Hey, can you get me one?" So I was a tongue scraping dealer back 20 years ago, and they had these little flimsy-

Marc

You got the goods.

Jay

... I got the goods. And so we end up having... and it's a very, very... but as we evolved and bathrooms got a little nicer, my towels now match and I bought the electric toothbrush, I wanted to find a beautiful tongue scraper, a luxury one, if you will. There was nothing on the market and I was like, "Hey, listen. This is something that I want to bring to life." Now, from the business aspect, there's a few things that I saw and I thought and I was hedging around, is I was looking at in terms of really being able to see where the dust would settle after COVID. I think that the distributed team model was going to be extremely big. I didn't really want to go out there and do bricks and mortar, build a big office with the yoga rooms and the nursing rooms and the views and all that.

I wanted to be able to go out there and effectively build a company that is dependent on internet only and believed in a model that was KPI dependent, not time dependent, so working within your flow zone. I see this model in terms of what I call returnship in terms of attracting moms back into the workplace. I saw an opportunity where my wife and her friends and a lot of her friends that are highly educated, they come out of the workforce and they have all this education, and then what ends up happening is as their kids go to school, they don't want to give up pickups and drop off. So you have this massive talent, but they want to work on their own schedule, but now they also have a PhD in time

management. So how do we bring these key pieces together in terms of creating enterprise value?

Have something that has extreme product market fit, bring it into this world, and something that really does the next piece of the puzzle, which is create a for purpose enterprise within shared value. So every Gunkii that is sold helps children with cleft lip and cleft palate. It goes back to my teaching background in terms of how can I create something sustainable that is bigger than me and brings up all these aspects in terms of how I think business is going to evolve and change with the least amount of bloat as possible? And then how do we create in using marketplace?

And then I didn't realize AI was going to be a major drive in terms of how it's going to just democratize the workforce, and I don't know exactly how it's going to do it, but I know it is going to do it. But I just do know that that's the part of the world that I'm leaning towards. And now we have created a luxury tongues scraper that is now in over 50 countries

around the world. It's been covered by the Vogues and the GQs, and we are completely sold out of product repeatedly, and it's just a fun, fun, fun company. And so that's what it is. And on top of that, I get to spend all the time with my wife and I get to drop off my son to school and I get to pick him up after school.

Marc

Love it.

Jay

Thanks, Marc

Marc

Thanks so much for joining us. This has been Marc Low with the Insiders Podcast. Thanks for listening and we'll see you again.