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## Context to the nugget

In a world with an exponential increase in career paths and complexity around opportunity, it can be unnerving to make key decisions around Stay in India Vs Go overseas, Specialize in a field Vs Get a degree in Management etc. The multiplicity of options also make career decisions complex when people graduate from the best of the programmes. Karthik talks about how he thought about going to Wharton after IIMB and his choice to do I Banking, Corporate Development etc. till he got into Venture Investing.

## Transcription

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Deepak Jayaraman (DJ): I went to IIM-A from 1997 to 1999 and then I went to London Business School. So, the question that gets asked is, why LBS after a good degree at IIM-A? I noticed you went to IIM-B and subsequently to Wharton a few years later. So how did you think about it and what do you tell people when you get this question?

Karthik Reddy (KR): We're all clubbed as the double MBAs, so we're bound to get the question a lot. I met my wife while I was in the second program, so it justifies itself. Fate apart, I think, in some sense that is the answer. Mentally, I'm almost guilty of over-planning. So, in my roadmap, wanting to be in the US, wanting to do a quality MBA after I had gained sufficient experience in my field of interest, at least what I'd set out to do as an engineer, was plan A actually. So, my situation is a little different, where I actually had all these admissions and scholarships to consider and didn't unpack in IIM-Bangalore for two-three weeks, because I was still contemplating whether I should just go. And that was not for an MBA though, that was for an MS, but the plan was the same. I would go there, do two years of Master's because I needed an entry point into the US, probably in operations research or optimization, areas which I still curiously love and fund a lot of, though I don't have time to get into the guts of those. Those were areas of interest, and then I thought, yes, then it opens up an avenue to work in the US for three-four years and then the MBA is a natural extension of that, because I enjoy piecing together all the elements of tech business, etcetera. And the professors who'd come back to IIM-B convinced me that this was the place to be. They'd come back from the US. In fact, I met all of the guys who had come back from the US. That was my diligence. And it worked out OK, I think. Again, there are no regrets. So, there was a great experience at American Express for three years, a global organization sitting in India, in Mumbai. But that itch to go and work overseas and experience overseas had never gone away and I still highly recommend it to people. If there's an avenue to get abroad in any form, as long as you have a clear sight of the end goal, I think the path will figure itself out.

I tried to go laterally through a job, but none of the jobs were the kind I wanted. So, curiously, fate lead me to thinking, if I get into a very, very good B-school, then it justifies it, and I got into one, so

packed up my bags and left. Didn't think that much about it. And two–three transformational things happened. As I said, I met my wife there and made great friends. So, I think, business schools are about networks. How can you not appreciate that you just bought yourself into a global network? A lot of them have come back and are LPs in my fund. Those networks still are very valuable and so, there's no second guessing that. And, actually, for the business that I do, networks are very powerful. So, it's almost like, I went and did a second MBA for all my portfolio founders, in retrospect. They're gaining from it. So, there are lot of young Indian entrepreneurs who, by choice of what I do today, are actually gaining from my networks.

**DJ: They're leveraging your balance sheet of relationships.**

KR: Absolutely! So, I think, there's no crime in it per se as long as you know that you have gotten something uniquely different the second time around, though, I think, the need for it is dying down. I think, if your head is clear about the end state, I would advocate differently. I don't think this fresher going into an IIM is a good idea. It's avoidable if you can. If you're just hungry for being in a classroom back again, competitive, don't want the kind of jobs that you are getting, you are smart enough, you think you can crack a CAT-like exam and go into an IIM, which still is 50% of the pass, then maybe you should do it. But today, on the flip side, opportunities for those graduates have changed dramatically. We were the last batch of IIM-B who had zero foreign placements come into the batch other than maybe Olam or some of the trading houses which came on, unfortunately, day six, day seven. They were not sexy enough. That's changed dramatically. So, if you're truly, truly driven, either you chose that first path and say, the work experience really doesn't matter. But if I had to put my wisdom hat on, work for three, four, five years if you can, and then go and join the MBA and, I think, that's the reality — you just enjoy the class, the interactions, the professionalism, a lot more. Plan B was an extension of Rourkee.

**DJ: You've been an investment banker, you've worked on the tech side, and you've worked in corporate roles. What was the trigger for you to get into early-stage investing, if you were to think about the time you took that step?**

KR: Series of steps. So, when I went to the US, I went writing my essays and my essays basically said that I wanted to be a Wall Street guy. So, that was the natural path because I didn't know anything else. I landed there and this was the 1999 boom year in the Valley. So, I was there and I did a Silicon Valley trek and a Seattle trek, and it was transformational. I actually went for a demo day, like demo session or a conversation in Amazon, in Microsoft. So, we were looking at all the cutting-edge companies back then and, I think, it was like a switch went off saying this is where I want to be. Not necessarily the Valley per se but at the middle of understanding how technology can be transformational to business. And that could be sitting inside of a financial services company, sitting inside of a telecom company those were the kinds of jobs I started looking for suddenly.

Unfortunately, it never played out. The bust happened before even the summer internships. And in the US, it's very specialized, so either you take this leap of faith and somehow stick around in a geography and make it work, which may have happened. But when you combine visa issues and all that, it becomes complicated. So, took the view that let me try and get as much work experience around these areas that I like. And as a result, I got like this mishmash of work experience over a decade in a telecom software start-up, a Reuters-owned company which was basically a tech-led brokerage, what were called ECNs (Electronic Communication Networks). When that company got sold to NASDAQ, the trigger was like I'm still not doing what I want to do and maybe I should come back to India and invest five years in figuring out what I can eventually get into. And venture was always on the top of my mind. These firms that you see today, the industry was just getting born then.

**DJ: And why the move to India? Why was that a part of the equation as against doing this in the US?**

KR: I think it just takes much longer if fate hasn't dealt your cards well. So, if you're in the wrong industry, wrong geography, no visa, you need a visa sponsorship, you don't have experience, it's a very specialized economy. I tried all of that. It's not that I didn't try. Had a start-up idea going, thought maybe India is the right market for it, so I should come and sit here with that idea. So, there's a bit of everything. Came here and realized that I have run out of all my savings with this idea and I need to get back into the work force. And again, struggled, because no one could slot me here as well. The venture guys were just starting, so nobody was interested in taking one more US-returned guy, who just had ideas and energy, early thirties back then.

So, again, in India, I had a multitude of experiences, both looking at media and telecom as a banker and then working eventually with The Times of India Group, which was fascinating because it's such a vast array of media that you get exposed to. And in that process, thankfully, I started getting engaged with the early-stage ecosystem because Times was thinking of a corporate venturing program. So, all of these, I think. One, it came together and again, if I take a step back, I know I have a lot of young 32-year-olds in the team, but there is no substitution for just the wisdom of working 15 years across a multitude of industries, multitude of roles and I honestly think it makes me a better venture capitalist. So, like all entrepreneurs learn on the job, they are not born CEOs or CTOs etcetera, similarly, I learnt. I could have started at 32 and learnt on the job. I think I am better for the richer experiences that I gained. All of them add up.

So, eventually, to me, it somewhat ties into the first question, what do I do and why I do this? I think, working with a proxy for what I could have done if I could clone myself is what I eventually ended up funding, I think.

**DJ: Sort of vicarious involvement.**

KR: Absolutely! So, it's one step removed. It's actually many steps removed. But I enjoy the actual active engagement with those founders, rather than the passive. So, you can sit in later-stage companies and really not have that much of a touch with the core of the business or you can do early stage VC and actually influence a lot of things. We have done everything from stitching two co-founder teams together to naming a company to all of those. So, you could have done that three times perhaps in your lifetime, each one of those things. Here, I think, I do those two–three times in each cycle, and you are able to influence that. And the friendship and trust that you build with these founders is just fantastic. But you have to enjoy it, honestly, and I try to tell people that it's not something you can just copy your playbook; it has to be a personality. We have tried very hard to see whether we can distil that culture into the firm and not everyone is going to be a clone of me but the most important facets of what makes us Blume is something I try to enforce back into these kids as well.

## Reflections from Deepak Jayaraman

DJ: Couple of takeaways here for me. One is the point around having a consistent story in your head around why you are pursuing a certain career path. You might or might not have a grand plan around how it all comes together but at least the why behind the what needs to be compelling and consistent. As a prior search consultant at EgonZehnder, I would always look for the consistency in the story in the person's head as the person goes through life. And when that is flaky, I know that the person might be a good fit for the job but may not stick the course. The second is how Karthik thought about going to Wharton after a degree in IIMB. Having done something similar, my only

takeaway from this is that education serves multiple purposes across dimensions (learning, signalling and networks, opportunity to build career in a different market). There is no broad brush right answer to it but you need to be clear about what is the incremental edge you are seeking in the context of your journey. In today's world, with the unbundling of education and the arrival of MOOCs and unbundling of learning, there is a more fundamental discussion around the relevance of the MBA degree and the role it plays. The other phrase Karthik used that I liked in this context is that there is no playbook that can be copied from someone else - whether it is Venture Investing or planning your career. You have to find the answer that works for you given what you are solving for. I am reminded of the book Paradox of Choice by Barry Schwartz. In the book he says that you would think that consumers would be happy if you gave them more options than less. But if that number goes beyond a certain point, people often feel more miserable due to two broad reasons 1) Decision making becomes more complex 2) FOMO (Fear of missing out. If you had 25 options in front of you and you gave up 24 paths to pick the one you chose to walk on, people often lose sleep around how life might have been in the other paths). I believe it has become a lot more important today than it was 20 years back for people to be true to themselves, think about what gives them energy and ensure what they do is consistent with that. Else, dissonance will start setting in very quickly.

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## End of nugget transcription

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### **About Deepak Jayaraman**

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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