

NEW ZEALAND'S E-MAG FOR ENTREPRENEURS AND BUSINESS OWNERS

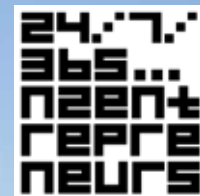
#nzentrepreneur

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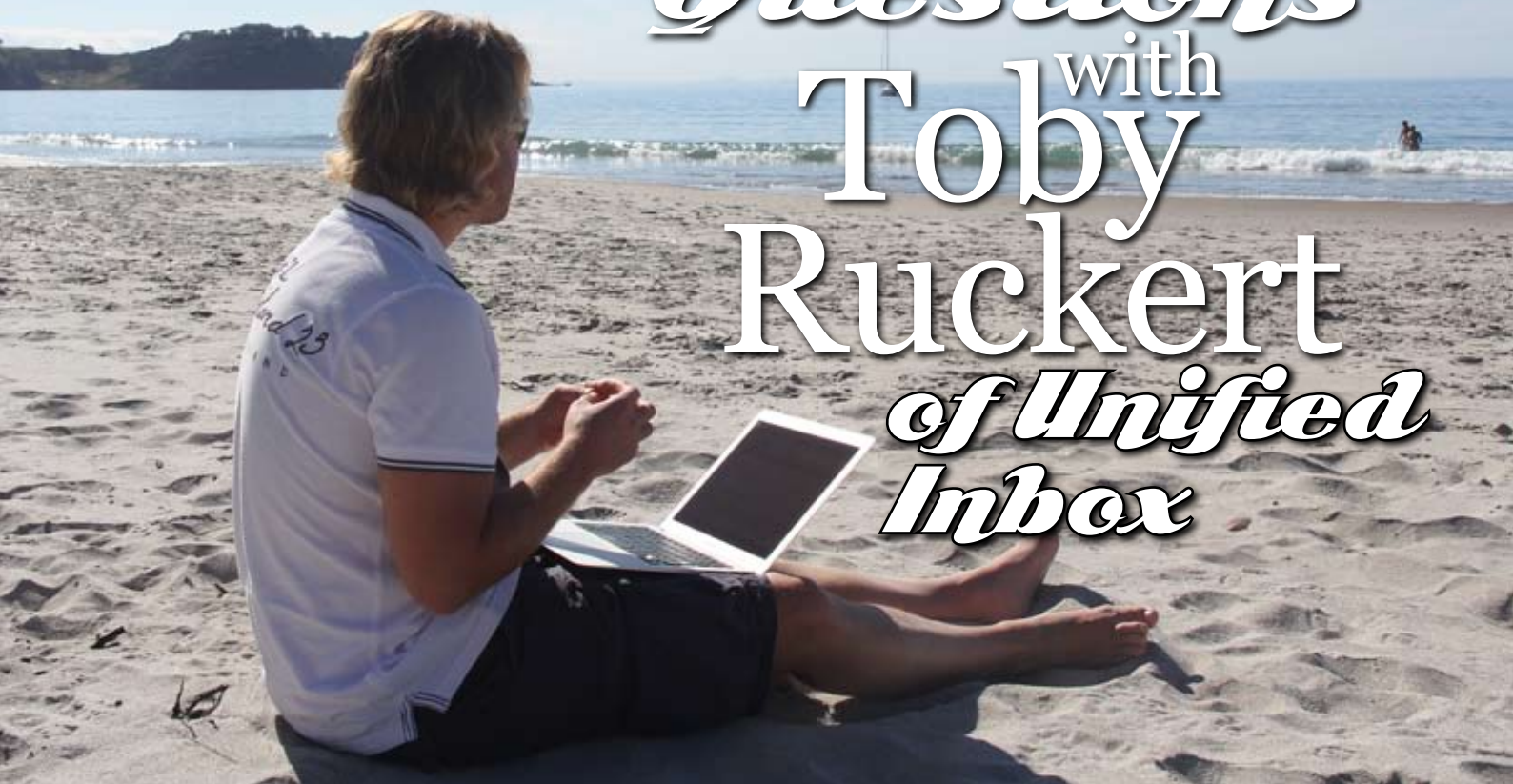
10 *Questions* with **Toby Ruckert** *of Unified Inbox*

Challenges Faced By Female Founders
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10 Questions with Toby Ruckert of Unified Inbox



Great businesses are started every day when people act upon an opportunity. Toby Ruckert is a classically trained musician, entrepreneur and startup founder, helping you to take control of your inbox.

Toby, when did you start Unified Inbox and how did the idea come about?

Looking back, I often ask myself that very same question. The correct answer probably is mid 2010 which is when I purchased the domain name “unifiedinbox.com”. At that time I saw a clear need for a unified solution in the communication & collaboration space and for the first time was also able to express my strategy clearly. I had also gained just enough experience in the space to see what I was getting myself into.

But when I really look at it, my journey that led me to Unified Inbox started much earlier: I used to do software testing for IBM (“OS/2 Warp”) during my school days and along with it founded a mailbox called “LIGHT-BBS” (BBS = Bulletin Board System) and got early access to a mobile phone. This was in the early 90s and gave me a taste of how email and electronic communication in general would likely evolve. Eventually the internet came, my mailbox crashed and the backup didn’t work either. “Fate intervened” I’d say but since then I’ve always been keen to find better ways to communicate and collaborate together using digital communication channels.

Yet, it was not until after coming to New Zealand in 2003 that I realised the importance of having smarter tools available that

would enable us to communicate and collaborate much more effectively across a wide variety of locations and time zones. I then first tried to optimize email (around between 2007 and 2009) but found this very hard to do as the problem with email was not recognised yet (junk maybe, but that’s it) and most investors had just changed their mode into backing social networking and B2C related startups, not B2B / enterprise ones.

The idea ultimately formed with the rise of social media and I just wanted to have one place to look at all my stuff, neatly organised and prioritised and without the fear of losing something in another communication channel or browser tab. A personal dashboard of sorts was what my original vision was. But where do you start creating such a dashboard? By creating a Unified Inbox first.

It’s funny that things in life often don’t make sense until (sometimes much) later. So chances are that Unified Inbox is just another stepping stone for my understanding of the “bigger picture” of life’s journey, a question I repeatedly keep myself asking. I’m a big believer in connecting the dots between what you’ve done in the past, what you are doing now and where you eventually want to go. Whilst nobody can ultimately control the future outcome, connecting the dots along the way simply helps to aim with greater accuracy.

You're also a classically trained musician. What's the history behind that?

I was lucky to have very generous parents who encouraged me in anything I wanted to learn. While it wasn't always easy for them to support me (both financially and because they didn't have experience in many of the skills I was after), they really went out of their way to accommodate my various desires to learn different subjects. Piano was one of them and one that I was naturally good at. By practising much less than my peers and reaching a similar (or even better) outcome in performances and competitions, I quickly realised I have something nice going here: small effort + big results. What more can you wish for as a kid when you just want to play? Things changed of course when I entered various music

competitions and, ultimately, university. There the standards were incredibly high + talent was ubiquitous and while I was certainly able to compete, I needed a new, additional challenge. That's when my passion for technology and innovation saw my venturing into various entrepreneurial ideas while still at university and starting www.viva-lite.com. Since then I am keenly aware of the importance of music (or any creative arts for that matter) and the power it can have on innovation, process, design and general creativity (for instance in sales and marketing) and really would like to promote this more, especially as there is plenty of scientific research and evidence supporting this theory. I also wrote a blog post about this titled "Music or MBA?" in which I explain my journey from musician turned entrepreneur.



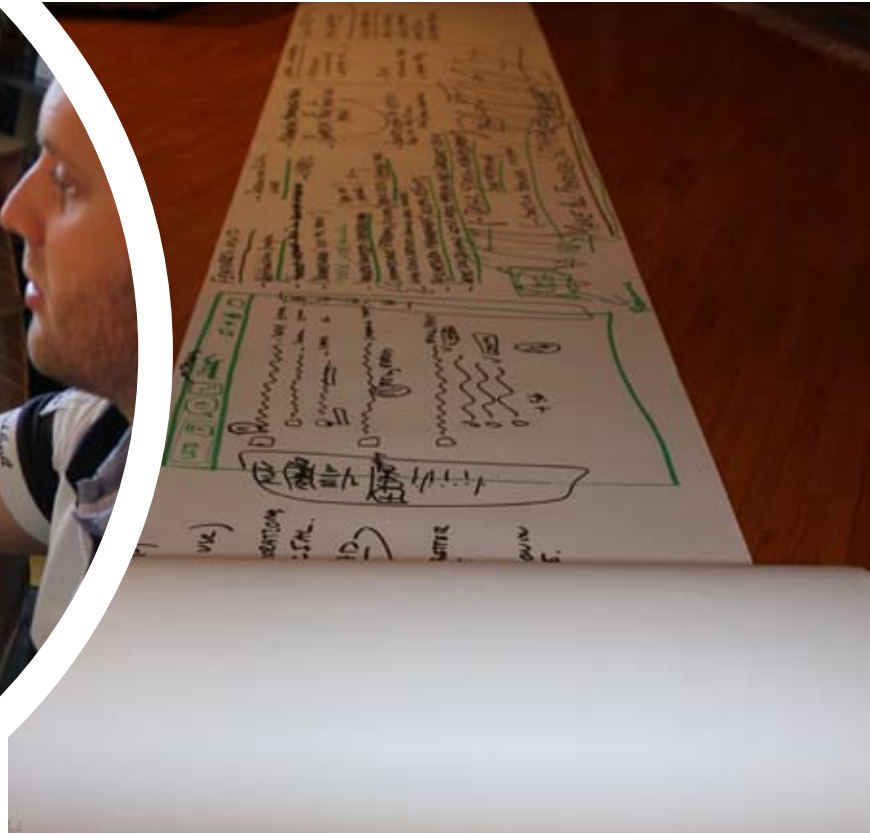
What are the three most important business skills you would advise up and coming entrepreneurs to develop?

Personally I consider Confidence, Balance and Intuition as three of the most important skills one needs to succeed in business. I'm not sure if I'd call them the "three most important business skills" as really, they are general skills and principles that can be applied to more than just business. But why these three?

Confidence - without it, it's next to impossible to recruit a team, raise funds, sell well, turn things around when you're hitting a dark patch and, ultimately, just get yourself started and register a company. You really need to have confidence in yourself first and foremost to stand in front of your team, investors, partners and clients when you're conveying an idea or a strategic roadmap. Without confidence, nobody will believe you. In order to have that confidence, two factors are essential, 1) know yourself (and keep getting better at knowing yourself all the time) and 2) trust your team (without it, you can't scale that confidence). Ask the "why" question above the "what" or "how" questions, both for things and people and with good answers, confidence arises. BTW: Trust and confidence go hand in

hand. You can doubt yourself from time to time to get to know yourself better and reach a more mature confidence level, but, be careful when doubting life's purpose in general. Chances are, that at this very moment, you're out of balance.

Balance - being an entrepreneur and particularly so in a young startup is incredibly stressful, hard work and comes with a lot of sacrifices. If you ask me when I went to the cinema the last time, I don't remember. Some time last year I think. Make no mistake, there is no shortcut to entrepreneurial success than through hard, hard work. But that's where balance comes in and where it is so important. For instance - I like movies and I like the cinema, but I'm not feeling lost or suffer, if I haven't been in a year or two. But, I really like swimming. Living next to a beautiful beach and not having a swim every day because my workload wouldn't permit it, that's impacting my personal and professional balance. There is no question, that every entrepreneur is facing the problem of work-life balance all the time, but there is the question of how you deal with it. Know what is important to you and have very clear techniques and recipes of how to consciously create balance in your life, especially when it's getting lost. Note that if you're the founder or CEO



of a business, there is an incredible connection between your personal mood and the companies general performance or even team members individual situations. So maintaining balance to me is a key skill that serves not only myself personally and professionally, but everybody else I'm associated and working with.

Intuition - normally I wouldn't call this "Intuition" but it really encompasses the other needs that come with it, such as ethics/principles, mindfulness and gut feeling (or having a 6th sense). While "there is no second chance for the first impression" you can always make up for a bad first impression with constant and continuous improvements - it's hard, but it's possible. However, if you've made a great impression first and then disappointed somebody, it is much harder to again instill trust and confidence into your leadership. Yet this is a key requirement to succeed, because sooner or later (and if you're at fault or not), you will disappoint people. It's a fact of life and only a matter of time.

To deal with this, that's where ethics and principles really matter. However ethics in today's world have a problem: they're either tied to certain achievements (he or she made it), religious beliefs (it is written that...) or scientific research (... found that...). So no matter what's the basis of today's ethics and despite having their individual merits, they all have their limits. Therefore being mindful is very important.

This applies as much to legal contracts as to hiring decisions and the spoken word or Tweet that as an entrepreneur I'm ultimately responsible for. The challenge with mindfulness is though, that it still revolves around a great deal of thinking. Thinking however takes only those things into consideration that we know, not those which we can't know yet. Just like big data analytics can be quite soulless and misleading by producing the wrong conclusions despite having great KPI's and metrics in place. Unless you can bend the light, knowing the unknown is not possible, but developing a gut feeling for

what's around the corner, very much is.

For an entrepreneur in balance, intuition is a data independent tool to develop continuous confidence and vision. It helps to detect ethical imbalances such as ignorance and overconfidence (or arrogance) before they lead to bad decisions or a lack of leadership.

I believe entrepreneurs and business people in general should focus more on learning techniques that help to strengthen these principles.

What would your advice be to any NZers reading this, who have an idea for a business but are scared about giving it a go?

Firstly, ask yourself why you're scared. Secondly, ask yourself if you really want to be scared of the answers you find to that first question. If your answer is yes, then don't start. But if you actually don't want to be scared, then just go for it, because the worst possible outcome - even of a "failed" entrepreneurial journey - is that you will have lost that fear of starting up and have a much better sense of whether or not giving it a go the next time is the right thing.

Honestly (and this is particularly true for New Zealand) - what do you have to lose? According to international research, New Zealand is the easiest place to do business in. It probably has the world's leading companies office and registrar system. Governments from all over the world are looking into replicating the ease of doing business from New Zealand into their countries. There is no capital gains tax and intellectual property laws are quite liberal (hopefully software patents will be abandoned in New Zealand, making it an even better place for software companies), so if you're actually making it big or plan sell your company in future, you naturally have a great setup in place here in New Zealand already.

The only thing I'd caution anybody is to start a business based



on an idea and giving up your day job. There naturally comes a time after starting a business when it requires your full attention and focus, but in my opinion it is not advisable doing so from the very beginning of the idea - unless one has proper funding of course.

Many people put off starting a business because they don't have any money. Does it really take money to make money?

Time is money, so yes, at least indirectly it does. From an entrepreneurial perspective, I'm treating my time like the most valuable thing I have, because it is one of the few things I have free will to control in my life and thus one of the key differentiators of being employed vs. being an entrepreneur. I believe it is very important not to forget to value the business you build with that time or at least the experience you get in exchange for it. More than cash, the prize is life experience or "It is the time you have spent with your rose that makes your rose so important." - as Antoine de Saint-Exupery has said so well, in his timeless book "The Little Prince".

And yes, it takes money to make money. Simply the fact that you'll naturally invest a lot of the profit (if you have a successful business) back into it shows that. As for outside investment consider the old saying: when the student is ready, the master appears. I'm not saying investors are masters. But when I look back on my own journey, I'm glad I did not have money at my disposal at certain times in my career because due to lack of certain skills or experiences, I would have just wasted it. So by building the business with the time you have available, simply treat that time at least as important as a \$ currency and try to develop a sense for when it is the right time to look out for capital. Note that capital raising takes a lot of time, energy and focus away of actually building your business (it is, in fact, a full time job), so if you have an idea that doesn't require up-front

financing for buying big machinery, to promote faster growth or accelerated development, then that is often a better place to be in, especially if it's your first business.

I remember getting \$5,000 from my grandma when I started Viva-Lite and now realise I was lucky in that regard. However getting lucky doesn't mean making the most out of it. Some of my relatives who got the same amount bought a car, went for an overseas trip or bought some new shoes. I used the same amount to buy and sell lamps. It was risky at the time, but looking back, it was the right decision. So if you can actually get your hands on capital to build your business, make it count. Until then, the less capital you need and the more lean you can be, the better.

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On a side note for how the times have changed - today I might try to get the \$5,000 from a crowd-sourced funding site such as Kickstarter or Indiegogo. The process of doing so will automatically force me into developing a clear thinking strategy how I can actually execute my idea, thus making it a more viable proposal not only for others, but also myself.

You've helped build a wide range of businesses over the years - how do you know when you're on to a good idea?

By keen observation and noticing when local + global interests meet. I might hear about a problem or challenge from somebody in one country and will try to validate this problem in a different place. To me that is one possible recipe of building a global business and coming up with good ideas for solutions to real world problems. This could also be one of the reasons why many people get their business ideas during travels. So if you don't have an idea which business you could start - travel :)

Another clear metric to know that you're onto something is if your "traction" shows this. Traction can have many faces such as investors knocking on your door, customers standing in line to buy your product, the press featuring you regularly and so on. Even competitors sending you lawsuits or somebody wanting to silence you by buying you out can be a sign of traction.

However, while traction is a powerful ally (i.e. to raise funds etc.), it is also an unsustainable one. The moment you start asking people what they want and primarily follow that path, you all too easily lose that very thing that brought you that traction in the first place - doing what you envisioned was right in the time to come. This is one of the hardest things to do and one of the problems I see with validating ideas and



building viable businesses. Many people don't really know what they want and businesses don't know what they need until a certain thing happens. That moment in time however always - per definition - is in the future and it is then when big, new markets are created that didn't exist before and when the next Fortune 500 company is born.

And is it true that building businesses gets easier each time?

I'm not sure about this one. I wonder what Richard Branson would say to this question just after he opened Virgin Atlantic and had to deal with British Airways at the time, though he was already an incredibly successful global entrepreneur.

No. I don't think it gets easier. Sometimes it definitely gets harder, as in my case, with Unified Inbox. This is logical in some way considering that overall life should make sense, and in entrepreneurs so by building up momentum for ever increasing challenges. So no business is quite the same and serial entrepreneurs would naturally look out for new challenges rather than repeating ones. Just like you probably wouldn't buy exactly the same car make and model again. Sure the process, such as legal, accounting etc. stuffs gets easier (and is known) and you also tend to work with trusted people that you know for years and therefore (hopefully) make less mistakes in selecting new ones.

But, thinking because you were successful once, you'd automatically be it again, definitely a "no". In fact, with every success, you have something "more" to lose. When you have

nothing, you can only give it a fair go and see where you reach. Once we have something, we tend to grow fears of losing something else. Questions like "Should I start this business even though I might be sued by corporation A and might lose all the money I made from my previous business?" involuntarily come and such fears have never been good for real innovation.

From that perspective it definitely doesn't get easier. Also one should never underestimate luck. No matter what you do right or wrong and which paths you choose, there is always a huge amount of luck involved in any entrepreneurial journey. This has to do with timing more than anything else, such as to meeting the right people at the right time, under the right circumstances and to think, say, feel and do the right things given that opportunity.

Maybe this explains why many entrepreneurs eventually become investors and then sit on boards and advise others rather than keep riding the entrepreneurial rollercoaster themselves. There are only but a very few true serial entrepreneurs anywhere in the world and this is true for New Zealand, too. No wonder, considering it takes several years and a fair deal of sacrifices to build a business up to a certain size or stability.

Is New Zealand a good place to start a business and are there any ways we can improve?

To start a business I believe it's one of the best places on Earth and that's one of the reasons I'm here. So "good" wouldn't do justice to New Zealand, it's definitely a great, possibly the best, place to start a business.

But there are definitely drawbacks, yes. New Zealand's beautiful outdoors and lifestyle temptations don't really help with being focused on business all the time - and at least for balance maybe, that is a good thing. But pushing harder and further from New Zealand often doesn't happen. It happens then when people move overseas and open overseas offices to serve bigger markets.

The biggest challenges here in New Zealand are:

- Lack of practical understanding around startups from the government (despite ease of doing business and great support in grants and services) - which could be solved by having more entrepreneurial-friendly government employees,
- No proper investor environment for startups (hardly any VCs and while there are a lot of property investors there are very few real angel investors that have been entrepreneurs themselves) - this will take time to grow,
- Lack of skilled people in certain areas - could be solved by making a startup visa initiative like Canada does,
- Distance to other markets (both location and time zone wise)

Learning from our mistakes is essential if we are to grow as entrepreneurs. What's one of the biggest mistakes you've made as an entrepreneur and what lessons did you take away from it?

Not sure if it is a mistake - but I think I started too many businesses too soon after another. By spreading my focus and energy across (at one point) 7 different ideas that I wanted to all turn into ventures, I lost the opportunity to really own one marketplace for one of these ventures. Today I consider this a mistake, but I don't know about my perception tomorrow.

Mostly there is no good or bad - history makes it so. To give an example: by losing that one market of one of the ventures, I certainly lost Mio. of \$'s in sales. But it also opened multiple new opportunities that I was forced to enter into afterwards and which - at the moment - are growing much slower than this big one would have. However seen overall - if only some of the new opportunities take off, they will eventually by far exceed the "owning of the one marketplace".

When analysing mistakes, I think there is an immediate-constant (clear) and delayed/ever-changing (clouded in time) take away for them. For instance, I clearly learnt that focus


is very very important and never to be underestimated in anything I do in my life or business. But I also realise that what is seen as a mistake today, may appear to have been a great decision tomorrow and what was a great decision today, doesn't appear so bright after all when time passes and the overall history changes. So while mistakes are providing a great learning opportunity, they need to be re-evaluate with the passing of time in order to get the maximum out of them.

Were there times you doubted yourself in building your business? If so, what advice would you give to those who have periods of doubt about whether or not they'll make it?

Yes, I noticed that I have around 3-4 such - sometimes quite severe - phases (of a day or two) every year (so around one per quarter) when this happens. This is almost built-in and could be compared to the four seasons. So far, I have not found a way to avoid this completely, but I found some ways to manage it.

At those times, I usually shut myself off the world and just want to be with myself, alone, to think and feel inside my "self". Big questions come up like "did I really want to get into this?" or "is this really still what I want to do?". "How did that happen?", "why did I take that money?" and "why did I make this decision?". It's a house or spring cleaning of sorts, recurring regularly every quarter. I got used to it now, but it was pretty tough in the beginning.

However, the reality is that without doubting myself, my business, and the decisions I've taken - chances are that I'm missing a big growth opportunity, both for myself personally and for my company (and my team) professionally.

One thing that I've been extremely disciplined with and that so far had the biggest positive impact on my life and business in order to deal with challenging situations both from outside and inside has been learning how to meditate and doing self-analysis properly. Doing "self-analysis" regularly several times a week, in a calm atmosphere and alone, I have been able to reduce the quarterly "doubt" attacks significantly. To reach a point where this "self-analysis" is actually valuable and really works, meditation has proven to be an invaluable tool. Both combined help driving life and work with an improved steering wheel and the ability to shift gears if and when necessary. 

To find out more about Toby and Unified Inbox, visit their website at www.unifiedinbox.com and www.tobyruckert.com