

8 Extreme Factors Influencing World's Economies

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SMALL TOWNS BIG DREAMS

BHAVIN TURAKHIA
Co-Founder & CEO, Directi
←

DIVYANK TURAKHIA
Founder, & CEO, Media.net
→



BENGALURU: THE START-UP CAPITAL

IS GOOGLE DUO THE ANSWER TO FACETIME?

NOT A BUBBLE- A RAISED BAR FOR FUNDING

THE BOOTSTRAPPED BILLIONAIRES

THE TECHIE TURAKHIAS ON CHASING VALUE TO COMMAND VALUATION



FROM BOOTSTRAP TO BILLIONS

A lot many have those teeny-weeny trysts with entrepreneurship at an early age, or might have that one moment of glory but thereafter they are nowhere to be seen. However, that's not how the success story of the Turakhia brothers unfolds. They did it not just once or twice but many times becoming serial entrepreneurs and that too without any external funding. The world took notice when both the brothers sold their businesses at deals unheard of and making money in the internet domain. Here's more on the techie Turakhias.

By Punita Sabharwal

Having a modest beginning, Bhavin and Divyank Turakhia's father moved to Mumbai with a one room shared house. Half of that one room was filled with books. "Our dad, who was a CA by profession, would tell us 'you can do anything you set your mind on.' He would bring all kinds of books for us," remembers Bhavin. He claims, by reading he found his passion early on. From class 6th to 10th he had become an avid reader and finished reading almost 10-15 biographies. From Microsoft, Apple, McDonalds, Intel, everything he could lay his hands on. This was apart from the 30-40 books he read on programming to learn the subject.

"I was clear on two things, I want to start my own business and wanted to get into computer science," states Bhavin. He was lucky to have one computer dedicated in his

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Divyank Turakhia
Founder, &
CEO, Media.net



"I focus on value, not valuation. Valuation is a side effect. Value is what gets valuation; it's not the other way round."

Bhavin Turakhia
Co-Founder & CEO,
Directi

19 Turakhia brothers
96 got interested
in Internet
businesses

19 Brothers Bhavin
98 and Divyank
founded Directi

20 Divyank Turakhia
05 founded Skenzo,
a domain parking
platform

20 Divyank Turakhia
10 founded Media.
net an advertising
technology
company

20 Bhavin founded
13 Radix, a gTLD
applicant

20 Endurance
14 International
acquired Directi's
web businesses,
ResellerClub,
LogicBoxes,
Webhosting.info
and BigRock for
approximately
\$160M

20 Bhavin founded
15 Zeta in digital
payments space

20 Chinese
16 consortium
Beijing Miteno
Communication
Technology Co
acquires Media.
net for \$900
mn in cash.

school to his experiments. Studying in Arya Vidya Mandir, Mumbai, which had installed 13 computers in 1989, only 12 kids opted for computers, providing a dedicated system to Bhavin trying his hand at MS DOS. "It was an only boys school so there was no distraction for us," laughs Bhavin. Even after school hours, he either used to stay confined to the computer room or conduct classes for school teachers and students.

Remembering his childhood days, Divyank says, "Initially we loved building video games. When I was eight and Bhavin was 10 at that time we were dabbling in computers to build games and build programming, we built video games, so that got us interested. We would come back from school and be on the computer." Soon, Bhavin and Divyank (his younger brother who shared similar interests) started dabbling in consulting contracts and do networking for people.

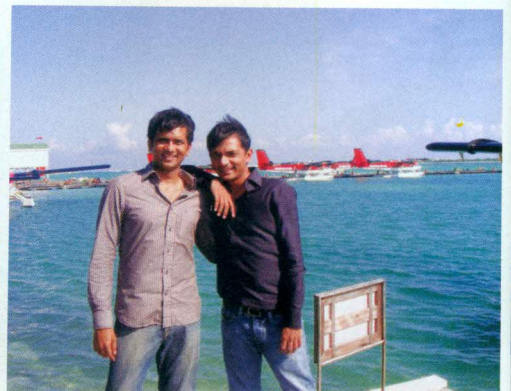
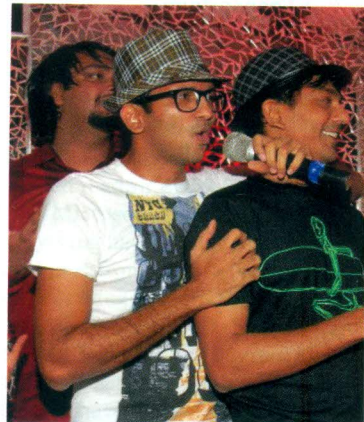
Remembering one such incident Bhavin says, "As we didn't have money to exhibit at one of the NASSCOM conferences being held in Delhi at Pragati Maidan wherein there were 100s of exhibitors, we would go to each of the stall and sell our products to them instead of them selling to us." K Raheja Group, NASSCOM, One97, People Group all formed their initial set of clients.

BILLIONAIRE BROTHERS

Starting business in teenage, building business via bootstrapping way, selling them at values unheard of, becoming serial entrepreneurs and repeating success again that's billionaire brothers Bhavin and Divyank Turakhia. Though they entered business in their teenage, it took them two decades to become billionaires. In the 90s, the Internet saw many names entering this space and vanishing way too soon or exiting their way with just few days of fame.

"We used to sell software to people to make money. I was 17 and my brother was 15, when we started the business," reminisces Bhavin. Both of them borrowed money from their dad to start the business. They paid it back in first three months of business. Initially, they were selling hosting and domain names. Tech businesses are those that can be maintained on a lower cost, as you don't need to make any major investments. For Turakhia brothers bootstrapping was just a given. The business was self sustaining that gave scope for them to focus on building newer businesses.

Bhavin and Divyank started Directi in 1998. Till 2003, they built multiple brands. In 2005, Divyank moved to the US market to look at opportunities outside and Bhavin focused on the Indian market. On the chemistry shared by the two brothers Divyank says, "It got to a stage where no two founders were required to run the business. We took no real time to build anything. Businesses have independently grown; we share the common goals and houses. We



10 TAKES FROM BHAVIN TURAKHIA ON TECH

1. Find your passion early on: The inception of the company started from my childhood days. I realized my passion in those days. I used to stay confined to computer room.

2. Seek the partner in crime: I was 16 and my brother was 14, when we started the business. We used to dabble in consulting contracts and do networking for people.

3. A family to fall back on: My father had been a major driving force, he used to encourage me. He was very supportive throughout my journey.

4. Build it the bootstrap way: Every few months, we start a new business. We take them to a point where they turn self-sustainable. Most of the investments come from the profits we make from our various businesses.

5. Know in and out of the business: Before I start a company, 8-12 months before that I am in study mode. I know every player, competition, revenue model, various verticals that exist, where are the gaps, what are problems that consumers face.

tory, taxation, countries, market size, everything.

6. On being a serial entrepreneur: I don't have to start everything from scratch. Because I have all the fundamentals in place it gives me support to have multiple startups at one point of time. I built 11 companies.

7. Build value, not valuation: We do not have a single business where we heavily discount our product or we give cash back and money to the customer to use. If I have to give money to my customer to use my product then my product doesn't have value.

8. Find your customers: Akshay Raheja was my school friend. Some class friends and their dads formed initial clients.

9. Read it to know it: My father invested a lot in books. I had read 30-40 books on programming.

10. Have Fun: There is not much fun in running alone. I know there are other people trying to solve similar problems at the spectrum. Each of our business has reached amongst the top five in the world.

need each other to support.”

In 2005, Divyank started building Skenzo. “The market was entirely western world for Skenzo,” remembers Divyank. That grew until the dotcom crash of 2008 happened. Divyank shares, “I had thought about Media.net at that point of time, however, I didn’t get time to focus on it.” This period gave time to Divyank to delve on this idea.

Building a company on people, processes and partnerships has been the way forward for Directi. “I have a business philosophy - Build something that has more value for the consumer than the value of what you are asking from him. I focus on value, not valuation. Valuation is a side effect. Value is what gets valuation, it’s not the other way round,” says Bhavin.

Delving on what made him a success, Divyank says, “We did well in technology optimization business. On the way we found money in opportunities. I feel we were managing risks correctly.”

In 2014, Endurance International acquired Directi’s B2B brands ResellerClub, LogicBoxes, Webhosting.info and BigRock. At present, Bhavin is looking after the four businesses he started in last four years. In 2012, he started Radix and in 2014, 2015 and 2016 he started three businesses - Ringo, Flock and Zeta. Directi currently employs 1500 people.

On starting a new business every time and bringing it to scale, Bhavin says, “I just had to provide strategic guidance and it just takes five percent of my time. It took me eight to nine months to study the trends of industry and then I decided which business to start. After the research, we decided which business would work the best.” Bhavin feels if you are passionate about something it just takes some time to reach scale and a team of smart people to sustain it further. On the kind of people he likes working with Bhavin says, “Hiring is something we do better than anything else in terms of what we look for is people who are smart and can get things done. Somebody who is humble and nice, can maintain the culture what we built and somebody who is good in communication.”

Bhavin happens to be a big fan of Peter Theil’s Zero to One making his belief stronger in incremental innovation. Bhavin believes in building a sustainable enterprise. He states, “We don’t throw money and give discounts or cashback in order to acquire users.”

THE TURAKHIAS ON BUILDING IT TOGETHER

Media.net claimed to be the second largest player in adtech space. It is in direct competition to Google AdSense. Media.net in fact served Google rival Yahoo majorly and even had a buyout deal from them as reported in backchannel sometime back. Delving more on when he actually thought about selling Media.net, Divyank shares there were seven bidders in the final round. They were from US, Europe and China. Bhavin helped him in the final negotiation. “We have seen interest from a US company saying we want to acquire a majority share or the entire company. We said we are not looking at selling the company. We thought let’s explore, so we actually hired two bankers saying that there is one party interested are there any others,” shares Bhavin. On the role played by Bhavin, Divyank says, “I got to the point where we got the bidders; I was involved, it is something exclusive so he got involved. It continued for two-three months. He’s good at negotiation and transaction.”

Though adtech is a \$200 billion industry it’s very fragmented. Sharing more the deal Divyank says, “With this deal we are able to look at China, which is a much larger market for us.” Media.net is not looking at India for a while. Divyank says, “We have 90 per cent customers in the US, 5 per cent in UK and Canada and 5 per cent in the rest of the world.” Divyank shares, “We are already doing well in US, as that’s the largest market for us, a lot can be built in China, wherein a local partner could help.” Sharing reasons for this tie-up Divyank says, “First reason was it is the second largest market. Second is there is incredible talent in China’s tech market. Third is China’s capital market is strong.”

“The goals for Miteno are global that further helps,” adds Divyank. Media.net will continue to operate under Div Turakhia and its current management team. “We will unlock more opportunities. This is our second innings,” sings off Divyank, who dabbles his work between Dubai and US. Media.net has close to 800 people and is looking to grow it to 900. Since it’s a reverse merger in a public company it gives higher liquidity to media.net employees. Divyank is keen to continue investing in it for a much longer period of time.

The money from the sale will go in to diversified pool of global investment funds co-owned by Divyank Turakhia and Bhavin

Turakhia. On the plans of taking it forward Bhavin shares, “We have so much cash we don’t know what to do with it. That’s a bigger problem right now. There is really cash available but we don’t know where to deploy that.” That truly shows businesses are not built on money but passion. [Ⓔ]

BHAVIN HAPPENS TO BE A BIG FAN OF PETER THEIL’S ZERO TO ONE MAKING HIS BELIEF STRONGER IN INCREMENTAL INNOVATION.

