



Stanford eCorner

You Don't Need to Drop Out of College

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As undergraduate students at the University of California Berkeley, Jessica Mah and a friend had an idea for a product that solved their problems managing business finances. Mah describes the value of finishing college, and some of the early customer insights gained while building the first iteration of the product.



Transcript

So by the time you got to college, you were kind of an experienced entrepreneur? Not quite, I thought I was, that's the problem and... Alright. Okay. So when you started this idea in college, did you know you wanted it to be a company or did you know it was just a good idea that you were solving a problem for yourself and your friends? I thought it was a great problem to solve and I didn't know if inDinero would turn into a real business. But at the worst case, it would be a fun project to build, we use it help manage our own money for the future and if we could sell it to other businesses that would be even better. Great. So you were an undergrad in computer science? Yeah. Alright. And so you have this idea. What did you do next? I mean did you coded and then went out and put up assignment, that said, need money or what did you do? Well...

Was there an entrepreneurship club or how did you go from, you know, I am coding away until like - I think I want to start a company and raise money? We actually started building it to learn how to program in Ruby on Rails. Okay. Like we've studied computer science through our classes but we didn't know how to do web development that well. And we didn't know how to make something that we could sell to other people. So we thought let's just build it, let's program it for fun. So, are you saying you didn't learn anything practical in this school up north, is that...? Well, we learned like computer science fundamentals but we didn't really know how to build a product and sell it to people and iterate on it quickly. And so, then what did you do? You built it and...? Yeah, we built it, we started signing people up and one thing we did early on, which I still think was really smart to do was setup the sign-up page such that it would take in the credit card number and we would say we are charging \$20 or \$30. And see people would entering their credit card number. And we did this without even showing screen shots, without having a fully built product and we just wanted to see people would put in their credit card and we never charged them. But people put in their number and that's when we thought, wow, we could pull a real business out of this.

And how many people signed up that gave you confidence, 5 or 50 or...? Over 100. Really? Yeah. Wow. Okay everybody now you know the first secrets, set up that webpage. Right? And then what did you do? After that we decided instead of getting internships that summer, why don't we build this full time for the entire summer. So we started looking for money to fund our living situation and... And had you graduated? Not yet. Okay So, this was actually, at the end of my junior year at Berkeley and we found out about this cool VC program, Lightspeed Venture Partners offers a grant to students studying engineering up to \$36,000 and we applied for it with the idea of inDinero and we got the money and we decided to go forward with that. And so, what did you have to do for this internship program? It was pretty simple. We just had to fill out a few page applications saying what inDinero is and why we are passionate about it.

And why we are qualified to actually build it. And we just waited and we got the money. And the money, it paid for our rent, it paid for our server costs and that was really great. And so that was your summer, you were starting to code the product even more... Yeah. ...under this internship. What happened next? After that we thought why don't we drop out of college and do this

full time. And we are going to edit this part out for the university... Well I didn't drop out. Say that again.

I told my parents I was going to drop out, they were petrified and ultimately I got connected with a family friend, who was one of the early people at Rackspace, and he told me that he too was considering dropping out when he was running his company but he was convinced by another family friend not to do that. And the reason being is even if inDinero was a great idea which isn't that great, it's going to be there for many years and there's nothing more invaluable than to finish college. Can you say that last part again? I mean I am not just saying that because I am here... Then give the money back. ...I truly believe that. I really believe that and I thought I could just learn a lot in that last year of college, have a lot of fun and when I finished, I would come back and proceed with my company.