



## Stanford eCorner

### The Journey Never Stops

Cyriac Roeding, *Shopkick*

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Video URL: <http://ecorner.stanford.edu/videos/3202/The-Journey-Never-Stops>

Entrepreneur Cyriac Roeding tells the inspirational and engaging story of his journey in "breaking the egg," when he secured both his first major retail partner, and the subsequent funding, which made his company Shopkick a reality.



#### Transcript

The question was how did you break the chicken and egg problem with the retailers. That's a long story. I am going to try to keep it really short. Essentially, I went to a lot of retailers, I rented the smallest rental car I could buy - I could get and drove through the Midwest from retailer to retailer in late '08 and I knocked on the door and I said "hey, this is the future, you should really think about mobile." And they said, well we just fired our staff because it's the financial crisis so not really sure. So then finally I got one meeting and it was towards the end of my entrepreneurship at Kleiner Perkins. I had already spent five months there. I didn't have a retailer. And it was this call with Bestbuy at 7:30 in the morning. And we were sitting around the table and I thought okay, this is the moment when I have to go all in. This is it.

I had already spent countless months worrying about this. So on the call I went all in just trying to convince the other side, you can imagine how many calls they have, they don't really care. It was a conference call. It's worse to have. People are probably reading their emails and doing whatever. So you have to get across on the phone and be so present that the other side really feels the inspiration that this is something unique. My only goal was to get a meeting, a physical meeting. So they invited me, so I went there. And when I walked into the meeting, I knew that this was either the end of the road or the beginning of a road. And so I came in.

And I tried to explain to them how - what a fundamental shift this is in thinking about loyalty and about marketing and about how you run your business, because if you do the financial calculations, the foot traffic piece is by far the most important one. They don't know how to solve it. So I had my phone with me and I literally walked out of the room. I closed the door and I said, I am now coming back in and here is my reward just for being present, wouldn't that be amazing. And people thought I was funny and you know cool. And then sort of I went on with the presentation and I had all kinds of graphs and there were questions, lots of critical questions as you can imagine. Everybody is trying to kill an idea. It was finished. And then there was one sort of silence and then I asked the question. I said do you like it or do you love it? And I also knew that only if they would say love, they would possibly do it.

With like, they've not going to do it. It's not sufficient. And they were sort of like quiet and people were a little, you know, uncomfortable with that question. And there was one person in the room. She spoke up. She'd only been there for one year at Bestbuy and she spoke up and she said, we are very good here at killing ideas. This one we have to make possible. That flipped the entire conversation. Then after that meeting, I had to go through 40 meetings with 60 executives and pitch it over and over again and convince every single one because with one person against it, it would have broken. And there was one person who was not for it.

She was unfortunately responsible for loyalty. And so I had this weekend where I was sitting in my living room and it was

very intense and pinged my friend to create some screens and basically explain to her how their loyalty program and ours could be really great together, because it's not a competition. It's actually an awesome partnership where you can have more - you can reward people more and have more contact points. So, there were a lot of reasons why it should be working but of course she hadn't spent the time to think that through yet. So I pinged her and I said I want to have dinner with you. And she said I have 30 minutes at the office. And I said I want to have dinner with you. And it was Minneapolis. It was January. It was 12 degrees and it had lots of snow.

So I went there and I actually got her to get out of the office. We went to this restaurant and we had two wine glasses and a napkin. And I drew the whole thing out for her. And said this is how it's going to be. And this is how you can get 10x more contacts with your own people than you ever had before. This is why this works. And she looked at me, she said "this is brilliant, I love it." And I took a photo of the two wine glasses after she had left. I knew that in that moment shopkick was founded. And I took that back home and then I had to go through many more things to get a letter of intent which is not even legally binding. Then I took that back to Kleiner Perkins, I said, here it is.

And they said now we might fund you. Then I was brought to another meeting with 12 people in the room at Kleiner Perkins and I pitched my case with everybody in the room, all the great partners, you know Matt Murphy, John Doerr, Randy Komisar, Chi-Hua. There were all these great people and I had to pitch my case and then in the end they actually pulled the trigger. I thought I had messed it up completely by the way. I thought I walked out and I missed the last hurdle. It worked and that's how we started. But with that you just broke like one egg and then you go on you say, okay, so now I have a retailer - actually it wasn't even a deal yet, but it was sort of like okay, we want to do this, and then you have funding. Now you need the team. The team obviously was liking it that there was funding, that was helpful. Now you go to the next thing and you say, okay, so now we need technology and then the technology guys say do you have any? No, not.

Do you know how this works? No. Do you have a solution for the threshold problem? Not really. So it basically just keeps going. So my point what I am trying to make is, it never stops. And when you are an entrepreneur one of the things that I really believe in is that as an entrepreneur you have to be ready to be laughed at for a very long time. And people don't take you seriously and there are so many startups and all of that, right? 98% of the time it's very unglamorous to be an entrepreneur and 2% of the time it's freaking awesome. And that 2% makes up for everything else. And it's an amazing experience.