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A Strategy for B2B Disruption

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Gain credibility in an industry before you try to disrupt it, advises Voicea founder and Cisco Contact Center VP and GM Omar Tawakol. It helps immensely when the key players already know you by name. He explains how building a career and making deep connections in the ad-tech industry allowed him to gain traction and find a high-growth niche when he launched BlueKai.

Transcript

BlueKai taught me one rule of starting companies that I have.. I don't know if it's 100% true, we could have this debate, but my belief is that, if you're gonna start a B to B company, you need to be an expert in the area you're gonna disrupt.. And when I say expert, I mean to say, that if you go out to a handful of CEOs in that industry, they know you.. They know you by name.. Because when you're disrupting a B to B industry, the way decisions are made are quite complex, and they're unknown to you from the outside, everything seems simpler from the outside.. And if your competitor is started by a CEO who comes from indie industry, who has the Rolodex of the top CEOs, who can make decisions much faster, who can learn much faster, 'cause they don't make all the stupid mistakes outsiders do, they will beat you.. B to C companies are different because everybody's a consumer, and everybody can self-introspect and figure out things on their own, and you're usually creating these new categories that didn't exist and there is no expert who's more expert than you.. So that's my idea of B to B, I could be wrong, glad to debate it.. When I started BlueKai, I was in the adtech industry.. I knew a huge number of the buyers in the industry, the ad agencies, the publishers, I knew them well..

They knew me, we were at conferences together, on panels together, so on.. And one insight I had back then was that people, this was way back in 2007, and there was this huge growing digital ad business, where dollars were converting from the kind of TV offline world onto digital, very fast.. And they were all being placed according to contextual rules.. So if you're IBM you bought the Wall Street Journal's technology page to put an article, because the technology buyers read the technology section of the Wall Street Journal.. It was all place based.. And we had this idea that hey, instead of serving ads to a page, why don't we serve it to a person, based on the knowledge of the person.. That was insight number one.. Insight number two was, there's 300 ad networks, all these publishers, all competing to kill each other in this ad ecosystem.. I didn't believe I could build another ad company that would be better than Google, or like, at that time, Yahoo, and Facebook.. And I didn't want to build a company that would become number four..

Who the heck wants to do that? I wanted to be number one.. So I said, why don't I build a company that would supply the data for every ad company out there? And supply the data technology and never compete in the ecosystem with the ad players.. It was a really good decision.. 'Cause what we did, is we started out, got together a really good team, and we went up, within the first few months, we signed up eBay, Expedia, Cars.com, to supply us their entire real time data, live.. And then I built an auction marketplace, and think about these advertisers, at that time everybody was advertising demographically.. You go up to them and say, hey, I have real time data from eBay and Expedia, every search, every click, you can bid on it real time, the second they leave Expedia and eBay, you're gonna be able to show them an American Airlines ad to someone who just looked for a trip to Hawaii.. The ad buyers loved it, all the portals loved it, and we just started gaining liquidity very fast.. And if you remember, about 2007, 2008, 2009, the web started to become very sticky.. You'd se a product ad, and you'd see it, I really apologize for that...