

URL: <https://ecorner.stanford.edu/videos/extreme-focus/>

Delane Parnell is the founder and CEO of PlayVS, which is building the technology infrastructure for high school and college esports leagues. Prior to starting PlayVS, Parnell worked at IncWell Venture Capital, where he became the youngest black venture capitalist in the United States. In this talk, he explores his own journey from undertaking small-scale business as a teenager to building a billion-dollar company. He also explores the complexities of creating a multi-stakeholder business, and addresses how he and his team have responded to racism and gender disparities.



## Transcript

Narrator Who you are defines how you build.. 00:00:06,503 - I'm Ravi Bolani.. 00:00:07,370 And I'd like to welcome you to the Entrepreneurial Thought Leader Seminar presented by the Stanford Technology Ventures Program, the entrepreneurship center in Stanford School of Engineering and BASES, The Business Association of Stanford Entrepreneurial Students.. I'm a lecturer in the MSC department and the director of alchemists and accelerator for enterprise startups.. Today, we're excited to welcome Delane Parnell to ETL.. Delane Parnell is the founder and CEO of PlayVS which is building the infrastructure for high school esports.. Prior to starting PlayVS, Delane worked at IncWell Venture Capital, where he became the youngest black venture capitalist in the United States.. So Delane, just to kick things off, since all of us are not familiar with esports, can you start by explaining a bit about what PlayVS does for those who haven't heard about PlayVS yet? - Yeah, and so PlayVS 00:01:01,340 is a Los Angeles based esports startup that has built the official statewide and regional leagues around high school esports and the official national leagues for many games at the collegiate level.. And so we power high school and college leagues for a bunch of different video games.. And what that looks like is, kids are able to play League of Legends let's say on behalf of their school or their high school or college for state or national championship, depending on if it's the high school or college level as they will basketball or football..

And that's all powered through software that we built at PlayVS.. - Isn't that cool? 00:01:40,810 And this is not just small local sports, even though it is creating this amazing community, it's also big business Delane.. So how much have, you guys had also raised, it's a venture-backed business, just so people understand, how much capital venture capital have you raised? - Yes, so we've raised over a hundred million 00:01:54,890 in the past two and a half years.. I started the company January of 2018, so we've only been in existence for the past two and a half years, but over a hundred million from some really great investors.. - I like to say that you get a point for fundraising, 00:02:09,570 you get 10 points for building users and a hundred points for building an amazing and enduring community, but fundraising is sort of a necessary part to build these movements that you are, that's gotta be one of the shortest, unicorn puberty periods to going from zero to a hundred million raise in just two years and we'll dig into that in a bit.. But before we dive into PlayVS, you also have this amazing background as a serial entrepreneur, starting businesses even when you were a teenager.. Can you share more about that background and where your motivation and drive came from? - Yeah, absolutely.. 00:02:47,220 So I was born and raised on west side of Detroit, raised by a single mother.. And my mom and my aunt, and I had a cousin named Juan who passed away maybe a decade ago, they all used to encourage me to do different hustles, right? And kind of entrepreneurial endeavors even as I was a kid.. And my aunt in fact, her name is Olivia, she used to purchase me magazines, like business magazines, Inked Magazine, Forbes Magazine and she would encourage me to read them and I would and then I would do deep dives about everything that was interesting that I read..

And from there, I just sort of had this bug for entrepreneurship.. And so my brother and I for several years had a laning business called D&D.. We still argue about who was the true founder and CEO, but truthfully it was me all along.. (Ravi laughs) I had a business where I would download music and put it on flash drives for local DJs and they would pay me a weekly retainer to do so, and that was a pretty profitable business for me.. And eventually my mom, like she wanted me and my brother to both have summer jobs to stay out of the neighborhood, we live in a pretty violent neighborhood and so my brother worked at this meat packing place and then I ended up working at the cell phone store and the owner of the cell phone store took me under his wing, taught me to business, eventually I left, I went to own my own cell phone stores, this car

rental working venture, now I'm here.. But yeah, you know sort of started at this early age, mostly from a catalyst standpoint because of my mom and my aunt and my cousin Juan.. - Well, it's amazing how necessity 00:04:30,380 can be the mother of invention and also just the catalyst for bringing out what's already inside you.. So Delane, how old are you right now? - I'm 28, I just turned 28.. 00:04:39,660 - You're 28.. 00:04:41,670 And that may seem young everybody, but really, I think Delane's been an entrepreneur actually for 15 plus years with everything that you've done..

- It's a long journey.. 00:04:48,483 - It's a long journey.. 00:04:51,040 And Delane, I wanted just, just double click into this a little bit more because it's rare to have people with that path.. There's some schools of thought that say that there's a difference between little E entrepreneurship and big E Entrepreneurship.. Little entrepreneurship being it being like side hustles and starting sort of local businesses versus big E Entrepreneurship which is these venture-backed unicorns that you create.. Is that a false distinction? Do you think it is the same thread across both? Or do you think there is actually a fundamental difference between doing what you were doing earlier on and what you're doing now? - Yeah, I wouldn't give significance 00:05:31,210 to little or big E in front of entrepreneurship.. I think both are still pretty significant in the fact small businesses happen to be a backbone of our country in many ways and so while I like to acknowledge that entrepreneurship across the board whether small or big is tough, there is some distinction between the two types of businesses.. They just require different skillsets and that mostly comes with with scale.. - And it's scale.. 00:06:02,076 So you think it's, the differences is just knowing what those scales are, is the main difference between the two? Or is it something that is based on attitudes or approach? - No, I know tons of small business owners 00:06:17,870 who maybe own a handful of restaurants who are some of the most phenomenal entrepreneurs, most driven, passionate, capable entrepreneurs that I know and that just ends up being the type of business that they're excited about and that level of scale is something that they're excited about and so if they were to go out and start a tech company or any sort of venture-backed company, I'm sure they'd be just as successful as I am, if not more successful..

And so, so yeah, I don't think that there's a level of capability and I think that most entrepreneurs who find success even by owning some mom and pop retail shops, are likely, if they had an interest, could find success running a tech company.. - And was there a moment when you realized 00:07:06,460 that this is not just a hustle with PlayVS, that this is actually something much bigger? And when was that moment and can you just go into detail about that.. - Well, specifically with PlayVS 00:07:19,433 I never thought about it as a big business opportunity.. At the beginning I sorta had this, and I hate when people say, oh, I have this problem I wanted to solve because it really wasn't a problem but I had a niche that I wanted to scratch around, build enough infrastructure around esports just because I knew there was a lot of conversation around esports, but there weren't a lot of businesses being built that I felt truly captured the essence of why people play video games and have the opportunity to unlock what I think some of the biggest sort of areas of the space are from an enterprise value standpoint so I wanted to do that.. Like it wasn't that I wanted to build this massive business, I recognized that I needed to build a lot of value through revenue, through relationships and it would become a big business but I wasn't driven by that.. I was mostly just focused on solving a problem around.. People were talking about esports but there's no infrastructure online for people to play against each other.. How do I do that? Where should I start? What's my scarcest resource? The scarcest resource for me end up being these publisher relationships.. So how do you go and work with the publishers and get them to commit to develop API and give you assets to enable that online play and then how do I capture value for them and give that back to them so they feel like it's a fair exchange.. And that ended up being the reason why we committed our businesses, going to market at high school because the publishers were investing tons of money, hundreds of millions of dollars and the top of funnel for them which is they're professional leagues and they weren't really thinking about the rest of the pyramid..

And so we went to them and say, hey, what if we created an environment where we train your athletes or these players to become esports athletes for your game, commit to having them play in the exact same format that you want them to play, with coaches and with the recognition from the high school governance system where a street is a sport as any other traditional sport.. And that was really appealing to publishers and so they gave us a shot and now we've obviously taken that and scaled that and also introduced this same sort of environment at the collegiate level.. - This is such an important lesson 00:09:41,440 and there are some questions coming in and I'll get into these questions a little bit later, but just to clarify, PlayVS is a for profit, it's not a nonprofit, there's some people that are asking that.. We'll get into the PlayVS model in a bit.. - Yes, we're for profit.. 00:09:56,170 - And we'll get into those details in a bit, 00:10:00,070 but I wanna just really relish this one lesson here, which is what a unicorn looks like when you're just starting out.. So when you were starting out, you didn't conceive of it as being a unicorn when you began, the impetus of what you just really saw was that there was just this need.. And did it feel like the same as the other sort of side hustles that you had before? Did it feel like another side hustle that you had done? - It was scarier truthfully, 00:10:25,100 because the stuff I'd done before like the retail brick and mortar businesses, those felt like shore fire, hey, people want cell phones, MetroPCS is new to this market, it's creating this sort of affordable cell phone option where there's no contracts, low barrier to entry in terms of getting started and people were really excited about that and so find a location with strong foot traffic and some plaza, open a business and people come in and it just sort of felt like it would be successful just given some of those dynamics.. When I started PlayVS, I had no clarity as to, if what I was doing will workout and there was just a lot of moving pieces, it's a business, but a foundation is built around relationships, relationships with several multi billion dollar entities, whom we have to get to care about what we're doing and see value in what we're doing for them to give us the rights to commercialize basically their biggest and most valuable asset, which is their games.. In this new category called esports where not many venture investors were putting dollars at the time or even understanding what esports is or was, and even at the publisher level, they were also still trying to figure out their competency, then from a distribution side, we also had to go to the NFHS and convinced them to give us access into all of their high schools and those

are 70, 80 year old white men that were trying to say, hey, you know what, we know you love football in Texas but make making video game a high school sport that was a unique in itself..

- And you didn't even in your own mind's eye, 00:12:16,293 you didn't have the vision of what it would become? (Indistinct talking) - I just didn't think that far along.. 00:12:22,740 I didn't think, I was day to day on, hey, here it is sort of three core components, here's the thing I need to focus on for each of them, maybe it was one of two things and then I just like, honed in on that.. - And then what was the thread 00:12:35,770 that kept you going day after day if you didn't know.... - I had no other option.. 00:12:38,830 Yeah, look, I had no other option.. I moved from Detroit to LA, taking a risk to come build this business, I committed a year of time to say, hey, if this doesn't work out in a year, I'm gonna do something else, whether it be in LA or somewhere else and so, I told myself that I would commit to this year to figure this out, I understood what the, sort of fundamental pieces the business were and day in and day out I just worked against that until it all came together.. But there was truthfully five or six months when throughout the process when I didn't know what was gonna happen.. I was pretty sure and I think people around me were sure that I wasn't gonna be able to get a business off the ground.. - And do you have now looking back in retrospect, 00:13:30,750 there's lots of founders that have that same journey, but very few founders actually succeed or take off.. Is there something that you attribute your success to now? If it wasn't necessarily having this clear vision about where things were gonna go and having full transparency into that, was it something process or process....

- Extreme focus, extreme focus.. 00:13:52,950 I don't think I've ever been more focused than that first year truthfully.. I moved to LA basically knowing not many people, all I did was go to work and go home.. And even when I went home, I had a mattress and then my entire living room was a replica of what my office looked like at the science building.. So desk, chair, same desk, same chair, same monitor, white board and it was basically all work no play for me and so I was extremely focused on learning the industry, developing a product, talking to players, talking to educators, talking to publishers, talking to state associations, talking to few people who would become future employees, just trying to figure out how we could fit into the space and build a business.. And during that time by the way, that first year, I guess the first eight or nine months I never talked to investors.. Most people sort of come up with an idea, they do some initial work and then they immediately try to start talking to investors to quote on quote build relationships for potential future raise.. I spent zero time thinking about raising capital or talking to investors.. I was super focused on putting a core of the business together and building from there not raising the around.. - Okay..

00:15:15,320 And you're glad you did that obviously, that was the right call.. - Yeah, I mean, look, 00:15:20,750 there was no other option for me.. I had a compressed timeline and I had to track against that.. - And did you give yourself a short term goal? 00:15:28,310 Did you say at this point, I know you referenced a year before, but was there something in your mind where you were almost your own governing body, where you said at this point in time, I'm either gonna take off or kill what I'm doing? - Yeah, no, look in a year, I figured, 00:15:41,980 look, the business had to be off the ground and so I had to be a real thing.. We didn't even have an entity at that point.. It was just like, hey, whatever the core of the business is, which I defined as distribution, IP and product, those are the things that I need to build against.. So on the distribution side, I needed effective distribution into high schools and I found that doing NFHS and state associations, so I needed to get that contract signed.. On the publisher side or the IP side, I needed to sign deals with publishers and I needed those publishers to develop resources to build APIs that would actually enable online play.. And then on the product side, like I needed to hire engineers and product managers and designers, et cetera, product team to build the product and then we needed to like take the product to market or at least get market feedback from the product.. And so that was sort of the objective and I'd just focused wholly on that..

- And was there a moment in that first year 00:16:39,410 when you realized now you hit the inflection point, that actually this was gonna take off and what was that moment? - So it was November of 2017 00:16:48,780 before we even actually started the company.. I went down to Atlanta to meet with the NFHS and the meeting was supposed to be 30 minutes and I think it ended up going like two hours, two and a half hours.. We walked out, so during that meeting, because the meeting continued to go over, I could tell that they were really excited and obviously I started to get very excited myself because I'm like, hey, there's an opportunity here but at the end of the meeting they said, hey, you know how to scoop businesses, this could take two years, I think we're looking to make a decision within the next year.. And so every everything, during the meeting, all of our conversation made me assume that they were gonna make a decision shortly after this meeting but then at the end of the meeting, they say, hey, this could take two years, we're looking to make our decision within the next year.. And so I was pretty deflated, got in the car, went to the airport, got on a plane and when I landed, I ended up having a note from them not long after, maybe a day or two after that said, hey, we've never done this before but we wanna do this partnership with you guys.. Let's hop on a call and figure it out and we hopped on the call, we figured out the details and so from there I was like, hey, we're starting to see some light and it still almost died because we were in diligence on that partnership and a couple of the publishers that we also needed to partner with, they had teams internally to also land that partnership, because they were trying to build their own footprint in high school specific to their IP or the IP that they held if it was multiple games.. And so when they heard that the NFHS had decided to partner with us they were very upset because they're like, hey, this is a one person company and we're this massive company with all of these resources but they didn't understand why it didn't make sense for the NFHS to align themselves to one publisher, which is counter to their tradition.. And so for a second we alienated that group, which was quarter our business.. So even if we had the NFHS, even if we had a strong product, if we didn't have IP, then we had no games to plug in and so I had to earn their trust back and build relationship there and that took a little bit of time but it ended up working out and I made the bet that if I signed the NFHS, if I built the

product and I had clear vision, the publishers will ultimately get on board because this is an inevitable opportunity.. And so, yeah, and so it ended up working out, but there was a lot of ups and downs even throughout that process..

- Yup, that's so good.. 00:19:19,820 Obviously all's well that ends well and the whole adventure has been terrific but would you give your former self any piece of advice now looking back on that whole journey when things got born? - Yeah, look, I think some of the decisions 00:19:35,210 I probably reflect back on and wish that I would've done differently is I would have hired, I would have added more debt to our organization from an ops standpoint sooner.. This year we just hired a COO and built out basically an ops team, a growth team, a regional ops team.. We were pretty product in inch driven group prior to that and I'd always sort of reluctantly resisted, I guess not even reluctantly, but resisted hiring ops talent because we were so product in inch focused and BD focused to get rights and API that then built this product and then capture relationships with states to be able to even introduce esports in theater state.. And I felt like there had to be, there will be a tipping point where those things would be far enough along or then we could add ops talent in that level of depth and maturity to the organization that would allow us to scale even faster.. But I would have hired that talent sooner to give them an opportunity to learn the business as we did, because all of that work would have compounded and we'd be even further along.. And we had the capital to do so, we had strong relationships with people whom we end up hiring eventually anyway, even that early on and frankly, that was just sort of all miss time that we could have been making progress, we could have scaled in the business.. - And what were you thinking at the time 00:20:58,837 to prevent you from doing that and what do you know now that was actually? - That's what I've just said.. 00:21:05,150 I thought that we should just focus on getting those partnerships, getting at the state level, at the publisher level, building a product to even enable the experience and at some point, we have enough maturity there where we could always add that talent and take off.. And look that still ends up happened to be the case and we're fortunate because we have so much cash in the bank, we have a product, we're product market fit, we've generated revenue from day one and there's a lot of enthusiasm around our category but truthfully I would have done that differently had I known what I know now..

- And you know, this is a fast, 00:21:41,950 this is an incredibly complex business model because at least it feels like you have multi stakeholders and this is sort of a multi-sided marketplace.. You have the publishers, you have the schools, your users actually, aren't your customers, if I'm understanding correctly and that community..... - Yeah it depends on the business.. 00:21:59,120 So high school is like a B2B product, college is like a B2C product but it also has some B2B aspects of it too and so, yeah, there's a lot of nuances.. - And so can you speak to that? 00:22:07,770 Can you speak to, first of all, how did you convince the first schools to believe in the platform and sign up and participate because this is one of these things where when the flywheel kicks in, it makes sense, but just getting that flywheel to start, how did you solve that problem? The flywheel initiation problem with the first schools.. - Yeah, so it wasn't necessarily 00:22:26,460 a focus around getting the first schools, we had to get the first states.. That took us, so we signed this deal with the NFHS, we start the company January 9th actually, January 9th, 2018, signed this deal with the NFHS shortly after and then the NFHS essentially says, hey, our deal with the NFHS says, hey, if a state's gonna do esports, they have to do it with us and the NFHS has made us their official provider, an exclusive provider for basically online and offline esports.. But the NFHS can force States to adopt esports immediately so every state has their own board, their own process, their own calendar around, when they're gonna introduce sports and activities and for the most part, none of them ever introduce something that they learned about within the first year.. It normally is like they sit down, they have a couple board meetings that take place only a few times a year in about let's say gross wrestling and then once it's approved, they'll put it on the calendar to be added three years from now.. And so we're asking them to like not only learn about esports, which has a ton of complexities in itself and it's a sport that they don't understand, but also let us introduce it within months after them learning about it..

And this is also our first time ever running the league.. And so it's super scary for them and like educators struggle with change management and so yeah, so like, I mean, that was sort of the first process.. We didn't focus on school, we focused on state and some of the things we did there is that the next month we went down to Atlanta and we put together, an esports symposium we called it and we brought 20 or something states down and they flew down on their own dime 'cause we didn't have money at the time, but that also showed their commitment to like being a part of the process.. And they came down and they spent three days and we basically talked to them about esports, bunch of things that they had questions about, we took them to a game publisher, they got to see and talk to people who make games, understand that there's real career opportunity herE, we introduced them to the people in the pro scene and they understood like the career trajectory there as a player and a coach.. And that got them really excited and then basically over the next whatever, a few months from March, frankly even longer from March through August, we basically were on a road show talking to those same states, managing them through the funnel, teaching them more, answering more of their questions as well as talking to their boards and some of those boards will be as little as five people and as many as 20 people.. And so you understand the complexity there because in many cases that's a consensus driven board, everyone needs to be on board with the decision and so, and also there's just like a number of politics associated with that process and so yeah, eventually we get five states to decide to roll out esports in the first season and then we just work with those states about, hey, how do we reach your schools, what's the best process in getting the word out and we leverage channels that they own, we didn't really have internal capabilities to reach schools at that time, our players and most of it was CRM so email and it ended up working out.. But it was very ad hoc the first year and we were just like doing everything we could.. - And that's a really important insight.. 00:25:40,930 So there weren't any elegant hacks to shorten that sale cycle from three years, it was just hos, and I think this is also a theme, it was just sort of hostile.. - It was through force..

00:25:46,960 - Yeah it was through force 00:25:48,310 and I think that's very common with actually a lot of marketplaces as well.. Can you explain the business model and the revenue model because I think a lot of people don't realize that you can make money in esports and how it works.. - Yeah, so look, 00:26:03,170 while we focus on high school and college, we do have a broader vision beyond that and so I'm happy to also touch on that 'cause the business model will continue to evolve with every product that we build.. Our high school product, we make money on a seat based model.. \$64 per player per season, we offer two seasons within the high school calendar year so it ends up being 128 bucks per player per season as paid for by the school.. You know, schools will have on average, 18 to 25 players per season who participate so they end up having 30 something to 50 seats basically within 27, excuse me, like 30 something to 50 seats per calendar school year.. And at the collegiate level, we monetize by charging that same fee but directly to the publisher.. So publisher spend, let's call it \$64 per kid who plays and for the end user it ends up being free and there's other opportunities to monetize, sponsorship, media rights, et cetera but we haven't tapped into any of that.. - And are there ever any tensions 00:27:16,894 between serving your users, the students and the schools and these other constituents and are there any insights that you wanna share about when you're building a commercial business, that's also synonymous with supporting a community, how to manage those tensions? - Yeah, one of the most challenging aspects 00:27:40,560 of our business is that we're dealing with a lot of people with conflicting interests.. Kids wanna play games like Fortnite and Overwatch but oftentimes the state may not think that that's appropriate and it might not be the state association, but it could be the governor and the schools are built on some state ran or state funded fiber network and so the governor essentially has leverage against the department of ed who would typically be out of a sports, any conversation around sports and activities but now because it relies on the internet and the internet it's funded by the department of ed and the governor has some opinion, the association has to bring down a hammer or stuff like that and so we have to manage that, right, because our business gives us the sort of commercial rights to do things and we know that coaches which ends up representing the school and then the players also want these things but they might not understand some of the nuance there from how things just operate behind the scenes..

And so yeah, look, it's a little bit like circus and one, it just takes deep knowledge of understanding whom you're dealing with, who makes decisions within those environments, what the process looks like to get decisions approved or passed and just a lot of conversations and quality communication to figure things out.. It's not easy and we figure it out every day and we make a ton of mistakes in that realm but I think we've done a really good job.. Given our business has 30, 40 something partnerships with different organizations and many for profit companies, we've done a really good job at maintaining those relationships although there are conflicting interests from all of those parties.. Even publishers, right? Like there's like, we work with multiple publishers who have games and competing categories and we have to work with them to say, hey, everything that we do is gonna be standard, there's gonna be a universal standard and you can't get any special treatment.. Like many publishers don't even like that and so I think we've done a really good job at our team at understanding the conflict and where it exists and then managing against that but truthfully, it's not easy and I think in a business built against a BD structure like ours will face that.. - Yep, I think that's the tension 00:30:03,320 and the value of trying to build something which is a community platform and also a commercial enterprise.. Do you face issues with parents who worry about having their kids play Fortnite all day? - No, parents, 00:30:13,980 first of all, parents love us, parents love Fortnite as well by and large, at least from our experience, ultimately parents want their kids to be able to have activities that they enjoy and can do so in a safe environment and they also want them to be recognized for talents that they have.. And so if your kid is one of the best, let's call it Fortnite players in the country and he can play in the league where he can win prizes and scholarships and he can play with people at their school and be coached from a technical and mental aspect of the game by some faculty member at the school that you trust or they trust and that's a win win for the parents, it's the same reason parents introduced their kids to sports like football and basketball, so they can acquire all of those attributes that we find to be positive.. And so, yeah, so parents love esports and they love the games that we introduced and we obviously try to continue to introduce games that we find are friendly for this environment and also have a T for teen or lower ESRB rated.. And also just as an anecdotal story, I mean, this is when I realized how impactful the work we were doing..

As human moments like this I guess, we had this parent who has a son in Massachusetts, their family's in Massachusetts, he plays for some high school in Massachusetts, like JV League of Legends team I believe, and he never played in, like in his entire life through high school, I mean from like kid through high school, he's never played any sport, barely like he has any like social life and as she's scrolling on YouTube one day, sees this video where someone was profiling me and I guess they went to a school and also profile him and she found that her son was on this team and so she was researching it, comes across this video of me, sees her son's in this video, comments on the video and no one responds, finds our information, reaches out to us and we get back to her and she's like, hey, I'm just gonna fly to LA to meet you guys to talk in person, she flies across the country with her son to LA on her own dime, literally to come in for an hour and say to us repeatedly how impactful we've been, the work that we do has been to her son and her family and it's so crazy, the first 30 minutes I wasn't around, I was in a conference room, I walk out the conference room, come out to shake her hand, reach my hand out, literally her and her son are just pouring tears.. And it was so insane because I was like, I get really uncomfortable when people cry so I was like, could you please stop crying? (both laugh) - That's when you just have to say, thank you.. 00:32:47,560 Delane, that's when you just have to say, grant, you have to have gratitude.. But yes.. - I felt like a rock star a little bit 00:32:55,403 but it was such a profound moment, and I'm obviously super grateful for that moment and we've had tons of other moments like that, not as grand, but where parents express their gratitude, grandmothers, grandfathers expressed their gratitude, for the opportunities that we're providing for these kids and so moments like that really keep us focused on our mission which is, we wanna build this playground for kids, for all gamers frankly of any age to come and connect with their friends in playing competition.. And we want them to be able to do so safely and we want them to be recognized for their talents, their passions

and we wanna bring these communities together.. And so love stories like that and we continue to work hard every day to get more of those stories.. - I mean, that is pure gold.. 00:33:46,293 I oftentimes say, you know that you're building something that's exceptional when people tell other people about it, when somebody flies across the country on their own dime with their kid, that's beyond special, you're hitting a well spring of a phenomenon, that's insane.. That's really insane..

I would actually love to keep diving in on this and we may, but there is an important issue that the students also have asked us to shed light on, which is we're going through an important moment in our country right now and these issues of identity and racial justice are really at the fore and I would be remiss if I didn't get your perspective on this issue.. So I'm curious about how significant of a role for you do you think race has played in your entrepreneurial journey or your founder journey? - Yeah, look that's a great question.. 00:34:36,460 You know, look, I think I've been, well from an identity standpoint, like first off I like to say that I'm extremely proud to be black and to be a black entrepreneur and to represent the black and brown community in tech, in gaming where there's few of us and I feel privileged and humbled and motivated to succeed given that I'm one of a few people who've raised as much money at this age from that community and I had this much success.. And so, look I think it's certainly more difficult I'll say and frankly, I think, even for me I think that I, it is not as difficult as it is for black women, black and brown women.. I think black and brown women probably face the toughest challenge in building companies, certainly raising capital because they sort of get hit with a double minority, right, they're women and they're black or brown.. And for me, at least I get the privilege of being man, which there is some privilege there, but look, it's difficult and luckily like I'm able to have investors who care less about the color of my skin and partners by the way as well who care less about the color of my skin and just more about my intellect, my drive, the things that I'm working on and also just my integrity and character.. We've had some challenges in our business just given the audience of stakeholders where some folks have not worked with us because they've said that a black person runs the business and that's obviously super challenging.. And this isn't from like a for profit side but we face this with stakeholders on the education side of the business and I think that that's obviously tough we don't lean super heavily into that and we don't even talk about that a lot externally, we sorta push through it but I'm proud that the team continues to support me and support each other and continue to dedicate themselves to our mission and never let racism get in the way of what we're built in.. And we're a majority minority company, most of the people who work at our company are either of color or women or some form of minority and so we're super excited about that and we wanna continue to hire people that represent my community and other communities to help us bring this company into life.. But, yeah, I mean, that was a very general question and so hopefully that general response also..

- I appreciate it.. 00:37:17,560 And I think it's a difficult thing to talk about also just because you only have one perspective.. Like I can't wake up in the morning and not be Indian, that's sort of what I am.. And so it's a hard question to even ask to compare, but I also think that makes it even more important for us to have these dialogues and these conversations, especially these stories around, if you have people that choose not to work with you because of the color of your skin, I don't think that that is something that people realize is still persisting or at least certainly I haven't.. Is there anything else or what else don't people realize that you think about the experience of being black or just being a minority in the process of entrepreneurship that we should be shedding more light into? Is there anything else to share? - Yeah, I mean look, 00:37:59,726 I don't think that there's like a laundry list that I could sort of recite, like there's just inherent bias that I faced that other entrepreneurs who look like me face because of just who they are.. I mean I've had, I've been in meetings with my team where people would dismiss me and sorta revert back to someone else on the team who may be a white male not knowing that it's ultimately my decision.. I've had potential partners that we we've talked to, who we've been able to uncover are racist who said I don't wanna be on the phone of Delane's on the phone.. Like there's been like a number of incidents that we've had just given the nature of our business that just frankly unfortunate and I think the first time it ever happened in this business it sort of got under my skin but this guy Lass who was Cuban in fact and was one of our earliest employees, he's no longer with the company, he started his own company, but I remember I like walked from my desk, 'cause like this happened, we're in a conference room and like we kind of took a breather and I like walked from my desk and I was just like taking a walk 'cause I was thinking, and I was just so like, you know, I forget it, it felt like for me we had so much success so quick I forget that this could be a factor in the business that I was trying to build given the audience that I'm serving, which ends up being this really broad audience but there's a subset where that exists there and we have to deal with it and they have that opinion of black and brown people.. And Lass walked up to me and honestly I had tears in my eyes and he said, yo, no one can build this company but you and I'm like, I'm on a journey.. And from that moment, I've never let it, it obviously bothers me but I've never let it get under my skin and we sorta just keep moving at the company..

Like we don't even hold it against people, we don't even fight it, we just sorta keep moving forward.. And we do our part too, we try to do our part at least to make sure that the people following us either in the gaming space or other entrepreneurs of color who are trying to build companies, given the responsibility that we have, given how much capital and success that we've had, we recognize that responsibility, we try to do our part by delivering so that they get opportunities.. And we try to make sure that the people we associate with, at least from an investor level, they represent the things that we believe in.. When I raised capital for PlayVS in our Series A I didn't take a term sheet from any investor who wanted to leave unless they could accommodate two things, two contingencies, one, they had other black founders in our portfolio, and I was very direct in asking them that even in our earliest conversations and then two, they were okay with us having a woman represent the independency on our board when it came time to fill that seat.. And you had to be okay with that, you had to be willing to even write that in for me to take a term sheet from you and consider you even to be an investor.. So, we try to surround ourselves with people who believe in the things that we believe in and for those that we encounter who don't, we recognize that and we

sorta keep pushing forward.. - I mean, you are so right 00:41:16,230 that there are far too few black founders and board members and VCs that then there should be and for any either black or just brown or minority founders that are fighting the fight and going through the entrepreneurial gauntlet and having similar setbacks that they confront, any advice or guidance that you would give them as they're going through the process? - Yeah, look, find your tribe 00:41:45,890 that you can lean on to support you.. The journey's tough, don't get discouraged and know that there are people out there who value you for what you bring to the table and don't discount you for the color of your skin or your background and find those people and keep going, like, we just have to keep pressing forward, like we can't let racist hold us down or suppress us and didn't vote also too like one, like speak about these things, 'cause I think that that's also really important, like to have these conversations and don't feel uncomfortable having these tough conversations and don't try to do so by just like finding that one black friend and like asking them all of these things as if they represent every black person on the planet because it was interesting when black lives matter and like all of the protest started to happen, you don't understand how many calls and texts, emails I got like, hey, can you hop on the call, I just wanna talk.. I'm like I had to tell people like, and I'm a very direct person and so people know that about me, I'm like look, I'm not the one black friend that you have that you're about to like bombard with all of these questions, like if you wanna get involved and you wanna be a part of a movement, then one, you should like just acknowledge that maybe there are things that you don't understand that you wanna learn from and then there are conversations that are happening, you should go and be a part of those and then you should also have more of these conversations and also encourage like your other friends in your circle who may not be of color to, if they wanna be a part of that community to do so as well and in cases where you can donate or put your money where your mouth is, like you should do that as well.. But don't like just email me all day with questions about how do black people feel about everything, like I don't know..

But I think that we have to just keep pressing forward, find people who support us, work with people who support us, don't shy away from these issues, hire people who look like you, give them opportunity and then hopefully there's some compounding effect as more of us have success that some of the stigma, at least in tech and venture that exists around black people not having roles at venture funds or not being funded or lacking opportunity because of whatever in existence pipeline, non-existent pipeline problem, those things go away.. And that's like one of our primary missions at our company too, is that given that we're a majority minority company, we feel even more pressure to be successful because we know that when we are, we'll create a wave of wealth that'll flow back into minority communities and then hopefully more companies get started through that wealth, more opportunities get funded and then there's like some flywheel effect that happens just from PlayVS and so that motivates us, hopefully that motivates other people and just keep going.. - Oh, I think that's so powerful Delane.. 00:44:42,800 I think you're going to be creating movements on multiple levels.. And so Delane, thank you so much for your time.. I know how precious it is.. (soft music)..