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Payal Kadakia is the founder of ClassPass, the health and wellness app that connects users to fitness classes and other health-positive experiences in 30 countries worldwide. Kadakia is also the founder and artistic director of The Sa Dance Company. Kadakia's first book, *LifePass: Drop Your Limits, Rise to Your Potential*, is forthcoming in February 2022. In this conversation with Stanford adjunct lecturer Ravi Belani, she discusses reconciling her dual identities as a business leader and a dancer and her belief that we are our most successful when we bring our whole selves to work.



## Transcript

(techno music) - I am Ravi Belani, a lecturer 00:00:09,800 in the Management Science and Engineering Department at Stanford University and the director of Alchemist, an accelerator for enterprise startups. And I'd like to welcome you today to the Entrepreneurial Thought Leader series presented by STVP, the Stanford Technology Ventures Program which is the entrepreneurship center in the School of Engineering at Stanford and BASES, the Business Association of Stanford Entrepreneurial Students. Today, I am delighted to welcome Payal Kadakia to ETL. Payal is a first generation Indian American growing up in New Jersey. Now, she went on from New Jersey to go get a bachelor's degree in management science from MIT. Don't hold that against her. And then she went on to be a consultant at Bain, worked in strategy at Warner, and also was the founder of her own dance company, the Sa Dance Company prior to co-founding ClassPass as its CEO and then chairman. ClassPass is the world's largest healthcare club aggregator and the leading app for all things, fitness, wellness, and beauty. ClassPass was one of the first startups to hit unicorn status, a billion dollar valuation in this decade, and then was acquired in October of last year. Payal is also the author of a new book, launching, I believe next week called *LifePass: Drop Your Limits, Rise to Your Potential*.

And really this book is a calling card. No pun intended. It's an invitation to your calling. So with that, please join me in giving a virtual welcome to Payal Kadakia. Welcome, Payal. - Hi, how are you? 00:01:39,300 How's everyone doing? Thank you for having me. - It is great to have you. 00:01:41,863 And so Payal, I really think that you're story is gonna resonate deeply with certainly a lot of the Stanford community that's here in attendance, but also just the broader entrepreneurial community. And I wanna start out just by acknowledging that there are a lot of bejeweled brands in your bio that I just read with a lot of cache. You know, you've got MIT, Bain, ClassPass, unicorn ClassPass that others are gonna likely instantly identify you with, but in your heart, is that how you identify yourself? And if not, how do you truly see you? - That's a deep question how I truly (laughs) see myself.

00:02:24,766 But, you know, I am obviously very honored for, you know, the things I've been able to accomplish in my life. And you know, that first list of check marks, I guess for me, was really driven by a want and a need to prove to my parents that their sacrifice of coming to, from India to America was worth it. You know, I really think that I wanted to make them proud. I wanted to do the right thing. But at some point in my journey, I had to really step into my own light and step into, you know, a way of really building my own expectations for my own life and career and trusting that they had given me enough of

a foundation to take that leap. And that's, you know, when I started building my own dance company and obviously starting ClassPass. But, you know, the core of who I am and I think, the people who knew me before I started ClassPass, my closest friends, all knew this about me is, most people see me as a dancer because that's really what was my passion. Everyone at MIT knew me as the girl who was always dancing. And even at Bain, I was the girl who invited the entire office to my dance shows and that was who I was. And I fought to really keep that in my life.

And it really became the cornerstone of why I started ClassPass. - Well, I really wanna dive into this 00:03:40,130 because one of the things that we like to focus on are these salient moments in the entrepreneurial journey. And one is the moment of entry. You know, I call it the red pill moment of when you actually take that leap and go into entrepreneurship. But I wanna talk about that moment because in your book it almost feels like the first 25 years of your life could almost be titled straddling valiantly. Like you were straddling dual identities valiantly. In school, you talked about, you know, appeasing the white kids as a cheerleader in school, but then at the same time, dancing for the Indian community immediately after. And then going to Bain, or going to MIT and being at MIT, but also, you know, creating an Indian troupe on the side, and then going to, going on to Bain and then also dancing with the artists in New York at night. And so you were straddling up until you sort of had what I would call your red pill moment. Can you talk about that? And I think this issue, especially for a lot of Stanford kids about what do they do next after college- - Yeah.

Right. 00:04:39,900 - Is, I think a classic one and, you know, 00:04:42,240 getting that elusive job at Bain, which is what you had and what you got to pursue is sort of, I think what's also on the minds of many of the Stanford kids. - Yeah, and I think, you know, 00:04:52,670 being in college is an awesome time to really start thinking about who you are, right. And who you are without the definition of everyone else around you. And, yes, I lived with many identities that were almost put on top of me since I was very young and I separated a lot of them because that was the only thing I knew how. So, I had my American friends, I had my Indian friends, I had my creative friends, I had my Bain friends and it took me a little bit to start seeing that when everyone was coming together and I was able to really be my full self was when I really shined the most and when I was the most successful and felt the happiest, you know. And I think when we're, you know, going into jobs after college, I think it is important to obviously get real world experience. To be honest, I wanted to start a dance company, right when I left MIT and moved to New York. That was probably my, what I really thought I would end up doing. But, you know, I don't regret at all, working at Bain.

I don't regret at all, you know, dancing with another dance troupe even, in the middle of New York City because I had to learn how the real world worked. And I think that was a very important part of the foundation to what I did learn. That being said, I think by the time, you know, I really started charting my own journey and getting to this moment you're talking about, you know, I took a series of steps that were more aligned with my identity. So one was, not going to business school. So most of my friends after Bain were going off to business school. And I just in my heart knew that I wanted to dance and I wanted more time for this aspect of my life that I love so much. And I didn't know how old I'd be when I'd have to stop dancing. So I just was like, I need to do it now. So decided to get a job in corporate America, which I guess to me and most of the people here, I guess you would know that it was just a more sustainable lifestyle. I could go to the office at nine, get out at five, get to the dance class at six, get to dance rehearsal at eight, not miss a performance.

All that stuff was really important to me at the time. So that was sort of the first decision I took in my career that to some people, I think, felt like I was taking a step back, right, because I wasn't following the lineage that everyone else was, but I was fighting for my own passion and my own, you know, right to fulfill my purpose. So once I took that decision, I started building a dance company, which honestly for me, building Sa taught me more about entrepreneurship than I think any experience that I had had previously. Because it taught me how to lead. It taught me how to get people to go in line with the vision I had, even though it was a dance production. I was in the middle of New York City. I had to hire stage managers, lighting designers, learn how to sell, and sell out a show, and market it. I didn't know how to do any of that in the real world. And I learned to do it. And all those things taught me so many great things about entrepreneurship and being able to put something out there and feel the confidence of succeeding.

And it was a small show that led me to do a bigger show, a bigger show that led me to say, maybe I could start a tech company. And it was really steps along the journey that really got me there to, that got me to that moment where I finally said, I'm gonna start a company. - Okay, so it was almost, 00:08:12,260 so it was the entrepreneur, this, I don't wanna say the small E entrepreneurship, but it was the dance company entrepreneurship, which was, which cultivated and start building the muscles toward to getting to sort of towards the classic Silicon Valley style entrepreneurship. And I don't like, you know, if there is this notion of a classism, that one type of entrepreneurship is better, and I know that's sort of what feels like it's implied, that isn't the intention, but I wanna make sure that I'm capturing the takeaway correctly. But on that journey then, when you have that moment when you had built up the muscles to say no to, it sounds like the linear path of, or the predetermined path and took the red pill. - Right. 00:08:50,240 - You know, I call that, that red pill moment. 00:08:52,310 It felt like you could pursue the thing that you actually loved and not have to sacrifice that for the predetermined path. Is that right? - Yeah. I think a lot of things led me to that moment.

00:09:04,240 Well, first I had an idea, right? So let's kind of go to the moment that I had. I actually went to go visit a fellow, you know, Bain and MIT alum out in San Francisco. And this was actually the first time I was actually around entrepreneurs. At this time, this was about a decade ago, entrepreneurship was not what people were buzzing about. It's not

what my friends were doing. And so to be in a room with a bunch of entrepreneurs was actually a very different setting for me, which inspired me to say, whoa, what if I could think of an idea, maybe I could do this and pursue this career path. I was sort of unhappy in my current job at the moment and felt like I was once again, living two lives and needed to come up with a fix. So I was in that career shift mode anyway, mentally. And I decided to give myself two weeks to think of an idea. And I ended up looking for a ballet class 36 hours later that ended up being this epiphany of a tech problem that I'd knew I needed to solve.

And that was sort of that moment for me, that I really started putting my mind on strategizing if I could build this problem and if there was a market and all of that. But it still took me five or six months before I quit my job and really took the leap, right. So obviously ideas are great, but I needed to do a few steps before there. And I think a few things that I did during that time, which I thought was really important was, one, I did, you know, the qualitative and quantitative research I could do just from the skills I had, obviously from Bain and my friends. I did surveys. I talked about the idea to everyone I knew. And what was interesting is so many of my friends at that time said, Hey, can I give you money to do this? Right? And this was once again, like not the time when people were investing in startups or any of that. And so I was like, wait a second. I still have a job. I'm not ready to take your money.

What do you mean, you wanna give me a check? And I had another friend saying, Hey, can I quit my job and come and help you with it? So I kind of started putting it out there, which I really liked and really liked the feedback I was getting. And then the second thing that I really started doing was a ton of, you know, like I said, market research, really vetting the idea, seeing what was going on in the space, which I thought was a really helpful, you know, once again, analysis for me to take the leap. And then the third thing, which was honestly, one of the most important, and it's combined with, I think the money conversation we all kind of have is, I needed to get my parents on board, right? Like that was, I know that's something that you just think you're going to do, but I was still in my early twenties and my parents, you know, blessing was important to me. And so after six years of working, I thankfully had enough in savings. And this is a conversation I had with my dad where we put together a budget and I made sure I could live off of it. And we kind of predicted, I had three years of runway really, for me to live off of my salary. And by the way, I lived very frugally for those six years in the middle of New York City, because I knew that at some point in my life, I would wanna take a leap. And here I here I was at that moment. So I prepared myself financially. And I also then had a really serious conversation with my parents about wanting to pursue something I loved.

And I think because I had checked every box for (laughs) them along the way, they in their hearts, you know, were able to say, I believe in you, you've done everything we've asked you to do. You've done things well. Even the things on the side you're doing, like my dance company was succeeding and they really needed to like set me free. And they finally, you know, were like, Hey, why don't you quit your job and do this. And that really gave me that time to really go and fly. And so that takes me basically to January of 2011, when I really decided to go all in on starting the company. - Well, I love that.

00:12:40,860 I mean, I love just this lesson on knowing when an idea is good enough for you to actually put your one precious life against it. And there are all these signals of sacrifice of, you know, getting your parents consent, getting even people to give money before you've built anything, people to give you the time. - Right.

00:12:58,300 - And all those are actually key indicators 00:13:00,893 that it is actually something that could become big. Having, so one thing that I just wanna get very clear, 'cause I know the Stanford kids are gonna be thinking about this, whether they articulate this or not, - Right, 00:13:14,480 at Bain and you realized you could do what you actually loved and that Bain was not what you actually wanted to do with, for the rest of your life, even though you were a star performer. Knowing what you know now is the takeaway for a Stanford or MIT student, who's graduating with an offer to Bain and also has an idea as a startup. Would you say that you can start a company straight out of college? Do you have an opinion on that or would you recommend that people go get a finishing school experience like at Bain first, before or something else before they start a company? - You know, it's a great question. 00:13:45,850 And I would, depending on where you are with your idea, right? So if you're like, I don't have an idea right now, but I kind of wanna start a company. I don't know what to do. I recommend obviously going the Bain route. I, 100% has Bain helped me through so many aspects of being an entrepreneur. Yes, from network to obviously my ability to think and build, you know, business ideas and strategize, give me the credibility I needed to raise capital. All those things tremendously helped.

And like I said, there is something about real world experience that you just cannot understand. And I think, you know, once especially ClassPass started growing and I was in rooms with like other executives again, that, you know, I remember being in, when I was at Bain, it really felt more comfortable in a way to be in those settings for me. But look, I'm not saying to anyone, you know, if you have an idea, you should go for it. I think my, if someone's at a place where they're like, I have an offer from Bain and I really don't have a great alternative, I would say, do the Bain thing. Now my biggest advice though is don't get stuck on the train of staying there for years, right? Like it becomes one of those things where you're at these jobs, you're like, yeah, I'm gonna become a manager, then I'm gonna become a partner. And then, you know, I'm going to do the whole track. And I think if that's what you want, that's great. But know when to get off the train and listen to yourself about when you are really prepared for it. - So this I think is the key point for me. 00:15:10,180 And I apologize for this lighting.

This is the key point for me that I wanna really distill, because I think some people will say, Payal, it's easy for you to say follow your passion or your calling because you've now succeeded. And I think for everybody, who's gotten to the point where you are at, in life, who is overachieving. And I think the Stanford kids are also sort of in this bucket where it is sort of like the

marshmallow test when you're a kid, you know, the kids that are predictive of succeeding are the ones that will forgo a marshmallow when they're told to and not eat it. I dunno if you've seen that famous psychological test. - I haven't, but I understand it. Yeah. 00:15:43,639 - There's a basic YouTube video on, 00:15:46,820 if you can put a marshmallow in front of a toddler and tell them not to eat it, it's the hardest thing for a toddler to resist is to eat a marshmallow. But if they can, it's indicative signs that they can resist short term temptation for a longer term satisfaction. So if they forego eating one marshmallow, they'll get two marshmallows, but they have to wait for this duration of time. And the ones that can wait, it's supposed to be predictive of success.

And I would argue that that's a metaphor for all the students who end up getting into the Stanfords and the MITs of the world is that they're very good at, or we're all very good at self-sacrifice. And there's a certain type of sacrifice that's deemed to be a virtue of sacrificing your short term wants for long term gains. And then there's a different sacrifice, which I think is what you're talking about in your book, where you're sacrificing to the point of your soul really, or you're calling, being compromised. So how do you know when it is you're sacrificing as a virtue or sacrificing as a vice. - Great question. 00:16:42,590 And I also just wanna say, you know, we say the word success, and we really have to each define that on our own because it's easy to say getting into pain is success or building a billion dollar company is success. But honestly the most fulfilling part of any of it is the journey of doing it. And I think that's really what I encourage people to do, especially everyone, you know, tuning into this. I don't think I was ever told that, you know, to be honest, I think I was told to keep going for the next step in the rung of the ladder. And I wasn't told how do you go for a fulfilled life.

And that's part of why I wrote this book because I look back at my own journey and I know I made decisions that seemed really odd to people, but I was chasing fulfillment and look, it did lead me to success in what the world thinks. But honestly, I was fulfilled through the journey because I was doing something I loved and I truly, I never regretted dancing. I never regretted getting somebody to class, right? And the sacrifice I had to make for that mission and I think that's really what it comes down to is, why are you doing it? You know, and I talk about in my book is when you look at decisions in your life, you're making, what's the core reason you're doing it? Are you doing it for money? Are you doing it for power? Are you doing it for fame? You could probably tell yourself that, right, on a daily basis, which decision you're doing. Or are you doing it for love, passion, and purpose? And I think if you start living your life, knowing that you are chasing love, passion, and purpose, all the decisions in your life will start to make, be more fulfilling for you. Right? And success is, you know, and there's a lot of people who had great money success in their life or reached fame, but they are unhappy in their life, right? Because they did not focus on love, passion, and purpose. And so that is something that I really want people to focus on because in my story is really a story of someone chasing something she loved, fighting for something she loved in her life. It just happened to be the same fight everyone else was having. (Ravi laughs) - That's great. 00:18:57,870 You share some of your favorite quotes in the book, which I think now might become my favorite quotes and also then you add to them. You talk about in the book, this quote from Picasso or Shakespeare, (Payal laughs) which is that, "The meaning of life is to find your gift.

The purpose is to give it away." That is great. And then you add to that saying that, this is Payal Kadakia. "Your calling is a passion that exists both for yourself and for the benefit of others. In order for this calling to exist, you must first discover it and then prioritize it." Can you expound upon that for those that don't know what they love or they don't know if they have a calling? Does everybody have a calling? And if so, how do they discover it? And then how do they prioritize it? - We all were put on earth with a unique gift and obviously, 00:19:45,030 and, you know, it's in service of other people, right? All of us have a purpose and it's on us to really listen for that and find that, right. And some of us, look, we find it when we're really young. Some people find it when you're older, you are never too old to find that in your life, right? And I think a lot of times society's expectations, the noise surround us actually end up confusing us and add a lot of clutter to us but that purpose is actually already inside of us. And sometimes the hardest to do is listen to it. I know that's what I struggled with right through my journey. I felt like even when I was working at Warner, I was getting all these signs. You know, I talk about synchronicities and I know that sometimes sounds like voodoo like, but I'm serious when I, you know, when I talk about the fact that, you know, when my dance company ended up on the cover of the art section of the New York Times, I threw away my GMAT books.

I felt like these were signs that, of telling me to go and pursue something that I truly cared about and that I was more in line with the things that you know, were more fulfilling for me. And I think that's really what people need to think about is the doors that can open when you go towards your calling versus all the doors you feel like you're shutting when you run away from it out of fear. - That's great. 00:21:01,070 I love there's also this parallel I felt between, in the book, between, you know, this idea of what you talked about what success is, how there's the artifice of success, these, you know, jewels that people like to collect. And then there's the real substance of success, which is what you were talking about, identifying what your intention is around love. And there was something I think that paralleled that when it came with actually building a great company, which is whether or not you're trying to build a product or solve a problem, can you talk about that? How in the early days of ClassPass, you were collecting these jewels, but they weren't moving the needle. And then what was the real substance? - Yeah. 00:21:47,330 and here's the solution, right? And we very tied to the solution we think of, but we have, forget that it has to work right for everyone else in the world. And, you know, I did this by making a mistake, to be honest. I launched our first product, I thought an open table like model was going to work in the class space.

Everyone else thought so too. I raised a lot of capital. I had a ton of funding and ultimately what ended up happening is no one went to class. And I, you know, I had all these false signals of success, which I talk a lot about in the book, which are

things like great fundraising, great press, you know, I had followers and email addresses, but when it really came down to it, I had no business model and I had clearly no impact on anyone's life 'cause no one was going to class. And this was one of the hardest times I think for our company. But it taught me one of the biggest lessons that I think truly made ClassPass the resilient company it was because I failed and I learned to get back up. And then many times over, I had to learn to keep getting back up and keep fighting for the mission that was at hand. We changed our product many times. We changed our pricing many times and I know, you know, it's always hard to make those decisions, but we were always doing them with a true north in mind. And I think in this day and age, when entrepreneurship is something that so many people are doing, I do think that is getting lost.

The sense of having a true north. And the biggest thing and I think I, someone even posted a Steve Jobs quote about this the other day, or he was talking about this and it's so true. If I cared 1% less about my mission, I would've given up at one of the roadblocks that came about. And believe me, a lot of challenges came up, right? It is a massive sacrifice to start a company. It is a 24/7 job and you put everything you can into it. And it's hard and things don't work. You get a lot of no's, you hit a lot of roadblocks along the way, but what keeps you going is that true north and saying, you know what, I'm gonna find a way around the tree to get to the other side, because I believe so wholeheartedly that I'm going to do this. So I really believe that people out there and entrepreneurs out there, when you start an idea, if you really don't care about the why. And I honestly, I feel like I was destined to create ClassPass since I was three years old and found dance. I really believe if you want something to last, right, and it, and realizing that entrepreneurship is a marathon, not a sprint, it's going to take time.

You have to have something that you're willing to work on till you die. (chuckles) (Ravi chuckles) - And for that why, 00:24:18,353 is the why what people think it is for ClassPass? - No. So that's a great question, right? 00:24:23,280 And I'm sure you guys have heard the Simon Sinek conversation on like, the what, the how and the why. And so obviously to the what for most people, it's a membership for classes, right, and a lot of people see it that way. And then the how is, okay, yeah, great, we like seamlessly book you, we allow you to search and reserve class is great. And then the why though, and this is our vision statement. It's every life fully lived. Okay. The why comes down to hours of people's lives that we've been able to improve, right. Now, who would ever see that from the outside.

Right? Of thinking that part of it being the true north. But to me, what really I cared about was how many hours of people's lives we really affected as we were building this company. And it took me a little bit to realize that that was the magic of the whole platform. Because guess what, if we had reservations, that means we had business that was going to our studios, right? We had people who were engaged and who weren't going to turn off of our platform, which meant we had a better business. So all those things always were impacted by the reservation number, which was the heartbeat of the business and heartbeat of the mission. But I think on the outside, no one would ever know that, right. Everyone always, obviously talks about valuation and talks about other things in the journey, but they don't always talk about the why. And they say this only a few people usually usually, you know, the founder and a handful of other people can ever truly understand the why. But I think when that gets lost in a company, the company usually loses it's, you know, it's innovation and its sense of why it exists. - But it's also, I think a key insight, 00:25:56,450 which I also deeply appreciate is, is that you also didn't connect the why to the what, or to the measurement initially.

And then once you actually realized it was reservations- - Yeah. 00:26:11,560 which was to save, to sort of for people's fulfillment, for their lives, to live their best lives. And that happens through the reservations that that became your north star metric. So the metric was tied to the purpose. - Yes, the mission. 00:26:23,200 Exactly, and I think a really good question to ask for entrepreneurs is, what problem in the world are you solving? And how do you know when you've solved it? Right? So what is that metric that really shows you that you're making progress towards that mission? And of course this should be in line with your business. And I wish I asked myself that question earlier on, you know, and I, once I discovered it was, it just became the true north of the company. And I'm glad I almost found it early on. And in all honesty, if we hadn't failed in the beginning, I probably wouldn't have felt it. Right.

Because it would've just been easy to ride off of. Okay, great, people are going to class and we did it right and blah, blah. But I'm almost glad we fell off 'cause it made me fight for it and care of about it so much more that the amount of joy I had when that first reservation came through. I mean, I jumped for such joy. It took us like three years really to make like the actual product work and to get that reservation. And I remember always feeling that like when someone comes up to me today and says like, I used ClassPass and I went to class. I'm never bored of that. I will never ever feel like someone's told me that too many times, you know. And I think that's truly means that you can, you know, you wanna keep going. It's not about evaluation.

It is not about hitting a metric. It is truly about every customer who joins in their life journey on the product. - And so once more, I just want the students 00:27:42,690 to really get this lesson. We talked about the moment when you knew the idea was worth committing your life to, even though you didn't know how you were gonna do it, or if you were gonna succeed and there were these signs that you had. When was the moment when you actually knew that the product was working, that the company was... - Oh, yeah. 00:27:56,973 Few things happened. Well, we had now, had three products in the market 'cause we kept iterating and we were trying to figure out which one would work. But we launched ClassPass as a membership in June of 2013 and three months later, we basically started having that hockey stick growth that every entrepreneur is looking for. And so obviously the data was really great.

And I think one of the things I loved about it was, I wasn't at like thousands of customers, I literally had like 200 customers. Okay. It was not that many people. But I could tell in the growth rate, right, it was 50 to 200 to 500. It was going up exponentially, which gave me obviously a ton of confidence. But the beauty was actually in the emails I received from the customers. It was just a few, a handful of emails. I remember reading from customers reviewing the product and telling us that this product changed their life. And really honestly, when they talked about it, I felt like I had given them dance, what dance was to me in my life. And that was just a moment I will never forget.

And I knew we had created magic. We had created something that didn't exist in the world. And I knew, you know, I didn't know how big it was going to get, but I very quickly saw that this was a behavior that many people were searching for in their life. - And this is a common thread 00:29:16,750 that we hear across entrepreneurial stories is this idea of, in the absence of like nonlinear revenue growth, knowing you have true product market fit when people tell other people about it. - Yes, right. 00:29:43,810 We had to go and hire so many more sales people to make sure we had enough inventory on our product because we were scaling so fast. But that was my other, the other moment was I was in the elevator. This is probably in the fall. So basically like six months after we had launched the product and I was in the elevator of my building and two girls were talking about an app and they were looking at ClassPass and I was in shock, I forgot to get off the elevator. And I just couldn't believe it.

They were just raving about our product. And it was like hearing your single, I guess, on the radio for the first time. I'm sure that's how musicians feel. - Yeah. 00:30:19,940 Awesome. Well, I wanna, we're gonna turn to student questions in about five minutes. So students, you can start posting your questions, but I would be remiss if I didn't ask you about these. So the worlds of art and business and because I think one of the narratives in your stories is, is that you're straddling valiantly, these dual identities across different things, Indian-ness and American-ness, business and dance. You talk about your height, everybody, Payal's four foot eleven and she's openly admitted about that, about being both,- (indistinct) (laughs) 00:30:54,700 - Being short and strong and powerful. 00:30:56,330 And they are, it, there's this element of these having to be dualities.

- Right. 00:31:04,090 - And then there's also this moment and I'll just, 00:31:05,430 if I find the quote, I'll read it. But there's also this moment when you come to, when you realize that it doesn't have to be a duality, you say, and this is in the book from Payal. "Becoming comfortable with ourselves and becoming comfortable with ourselves in front of others are two different things. And both can be lifelong challenges. If people didn't believe in me, I knew I would find someone else who would. After splitting my identity for so long, I never wanted to be boxed in again. I'm a dancer and I'm a business person. I'm short and I'm powerful. I'm Indian and I'm American." Can you be an artist and a business person simultaneously? Or is the combination, you know, creating a business out of art, which is the Sa? You're, and I don't know if you're a business person and the, you're the artistic director and the business person in Sa Dance.

Let me just pause there and actually get your reactions on this. With art and business, does business systematically undervalue the artist where it's a toxic environment for an artist to be in, or is there an opportunity for the two to coincide? - So I think the magic is when both come together and, 00:32:18,950 you know, we use a bit of our, each of our brains and each of the sides of who we are and all of us have it in us. We just, really honestly, it's which one we tend to gravitate towards. And I think I got lucky through my life, I had a very big analytical side to me and I always had a very big creative side to me. And I allowed myself to really cultivate both sides of those muscles. And so by the time I was building ClassPass and I really gave my creative side the credit on ClassPass. I of course knew I had great background and, you know, from Bain and MIT and all of that, but it was really the creative, I think in me that was able to connect these dots and see something in the world that wasn't there before. And I do think, and I've learned this many times over. For people in the world who tend to really be the more analytical side and sort of not put their, you know, put their muscle into the creative side, it's harder for them to understand the creativity. And we tend to in organizations put a more of the analytical people on top of the creative people, right.

I've seen those obviously happen many times. And I think it's really, you know, important that we are aware of how creativity thrives in the world. I mean, it's not just brand, you know, I think, I feel like a lot of times people are like, oh yeah, like put the creative person in marketing and, you know, they kind of get boxed into. And I think even just the way you were thinking about the question, it's like, are you creative or business? Like, let's not even define them in that way. Let us allow ourselves to just be our (chuckles) authentic selves and bring all parts of us to the table. I don't know what other person in the world could have created ClassPass in the sense of, you know, and I was not proud of all these things before. Right. I was scared of, I was shy about being a dancer and in the business world before. And I learned that when, you know, it was both aspects of me being the someone who loved dance, who loved going to class on top of having this Bain, MIT background made me the perfect person to build this company. So it was all aspects of who I was.

And that's really what I think we need to allow people to do is really be all of who they are and take all their skills, right. Not just their business school skills, you know, it's, what else do you do outside of business school? You know, and I think, at Bain, I remember everyone always had different backgrounds, but we tended to really make it always about the analytical stuff, right, and the strategy stuff that we would know. But it was so many, so much of the other experiences we go through in our lives and the other skills that actually she shape our thinking. And we need to add them into our careers because if not, we're always gonna be living two lives. - And so is your guidance then, 00:34:51,610 if you're a founder, you have this virtue

of creating the world that you wanna live in, you have to pay the price of creating a sustainable and viable business model that you know, where you can continue to have the company be alive. But you get the reward of creating your own environment. Is the takeaway then to the students to start your own thing. So that you're, is that the best path for your full self to be expressed? Or is that also a false choice? Yeah. - No. I mean, 00:35:18,380 I think everyone needs to find how they thrive.

I realized at a young age that like I was a leader, you know, and I liked creating things. I don't think everyone's in that place like I think there are other people who truly, especially in the startup ecosystem, right. There's people who can be amazing teammates to a founder and make a vision come to life. I mean, I have been blessed with incredible people like that. There are great people who are investors, right? And that's also a different skill in the entrepreneurship landscape. And then there's other people who are, who make great advisors and mentors. And I think you have to know which one you are and they are a different set of skills and they are a different set of, you know, virtues like we were talking about from the beginning. And you really need to test that. I don't think for everyone it's, you know, create an environment you want, which means startup environment. It's find the environment that you feel the most comfortable in, but it doesn't have to be your own.

Everyone can really, and every culture is very different. It's really about experimenting it and honestly being very self-aware about how you feel in those environments. - Did dance help you cultivate a better body sense? 00:36:28,200 Like a physical sense of how you were feeling? I'm wondering if there was a connection or there's a competitive advantage even of being a dancer by the very virtue of dancing as a business person? - Well, I think it gave me a way to have empathy in a way, 00:36:47,500 because I was just so in touch with my emotions through dance, especially Indian dance, which is so connected to expression. I think it just taught me how to feel and how to express my feelings in a way that felt natural to me and a way to dream. And I think I just learned that at such a young age, that by the time I was older, I didn't wanna run away from those feelings. I tried to incorporate those feelings in everything I did from, you know, meeting investors to, you know, motivating my team. I like brought my emotion with me. I wasn't going to be like, okay guys, like, here's the, here's the plan. I really wanted to show up with all of who I was, which was all my emotions too. I don't think we should hide our emotions I think.

Especially when you're building brands and consumer lifestyle companies, how can we build companies that are void of emotion? You can't do that. It's, it will make everything stale. And I think, you know, that's why we, you know, and we're starting to see it like a new type of leadership, right, that actually does have that empathy, can understand the fact that even your team needs to show up with emotion. - Terrific. Well, we're gonna turn 00:37:56,090 over to the student questions. So this first question is, was there any situation that makes you want, that made you want to give up the business before? Was there was, I guess there was a situation that made you want to give up the business before and how did you change your mind? So can you walk us through that moment that changed your mind? - Yeah. 00:38:13,593 It's a great question. You know, I never really thought that I was going to fail and I know that's pretty crazy to say, but I just never, in my mind allowed myself to have the thought that this wasn't going to work. I was very committed to building it. There was a time in the period of ClassPass, I remember, I was in Techstars and I actually got maced and mugged.

I talk about this in my book. And I, it was a really hard time for me because I decided to act like nothing was wrong and sort of put myself back into leading my company without understanding that I needed to heal myself. And that was probably the hardest time I think, for me in the company because I wasn't in a great place, which is why I have, I tell every entrepreneur this, you need to take care of yourself. Because if you're not in a good place in all aspects of your life, you cannot be your best self in your company and a startup requires having a very healthy parent, you know, it just does. And so I think I learned a lesson from that experience, but it was a hard time. I wasn't really in a give up mode. I was just in a struggling time. And I think that happens throughout the journey, but I really never felt like I was not going to be able to do this. I just kept fighting and that's what resilience is, is you just cannot give up. - Is there a difference between grit and resilience? 00:39:44,150 So, you know, some people would say grit is just, you never give up and resilience is deciding what's appropriate for that time.

- That's a good question. 00:39:52,065 I don't think this is about just banging it over and over again until it works. Right? That's not it. I think it's about it's being able to feel it, take it in. I think with resilience, I don't know, I see it as there's like a bit more give like, like I felt it like, oh, that hurt, you know, and then being able to get back up, like, I think in a weird way, resilience has a bit more flexibility in it. Grit is just about like going through and like pounding it until it goes done. And I don't think it was about me pounding it until it gets done. It was about being like, darn, that did not work. Okay. All right.

Like, let me feel that, let me cry if I have to, call the people I needed to figure out what I'm gonna do and then decide I'm gonna create a plan, and go again, and try it again, and fall off, fall again, and get back up. That to me is really what resilience is. - Okay. Next question. 00:40:39,250 What is the one decision you've made in your business that you are most proud of? What is the one decision you wish you had approached differently? - Ooh, that's a hard one. 00:40:50,423 What am I most proud of? Honestly, one of the things I am most proud of is early on, there were a few, honestly, women I took a chance on, you know, and they were really young and they were like early in their careers and they joined the company in like customer service and some marketing roles. And they have gone on to literally launch continents for ClassPass and be a part of the executive team. And it makes me so happy to see that. I think that was, obviously I can tell you right now, obviously one of the things I'm most proud of is the impact we've had on people's lives. And I think that's obvious based on the conversation

we had, but one thing I just never realized was going to be so impactful was watching that journey and to see, you know, someone else's life and, and knowing that, you know, and even one of them, I remember, came from Bain and then she ended up staying and she was that person I like could not take out of the organization or my whole company would crumble.

And it happened within like three months, she was there and I just remembered thinking like, wow, I never had that opportunity. And I'm like, I just remember thinking like, wow, this, these girls' lives are changed because of it and I'm proud of that personally. And then with the decision, what was the decision that I wish I made differently? You know, in all honestly, and now I like reflect on this and it's just hard, it's just the situation I'm in. It kind of goes back to the woman thing, but, you know, I raised a lot of money and as I got, you know, and I would say even when I was raising my series A and B, there wasn't enough women giving capital at those stages to put on my board. And by the time I was raising my B, C, D, E, I mean, there was rarely a woman I ever talked to. And, you know, I just, I wish I was able to have just more women on my board. You know, it's something that I will always think about now going forward of how I make sure of that in every way I can. Obviously it's not always your choice, right, when you're raising capital, but it is something that I keep my eye on and help other woman. - And is there any advice for female entrepreneurs 00:42:59,470 that you think is, that you wanna relay that you might, that might be unique as a female going through the entrepreneurial journey? - Honestly, find, obviously, 00:43:09,190 something that you love to do and the more you can prove it out, the easier it's going to be. I think it was harder for me when I didn't have the data.

It became a lot easier when people just couldn't ignore me, you know, because my data was just so strong. I wish there was more women on the other side handing out capital because it would make people probably take the leap quicker, but no one can deny good work and a product that's working. - Next question. 00:43:38,960 Given that you've had so many experiences in academics, the corporate world, and fitness dancing, do you ever wished you that you'd be prioritized one aspect of your life over the others? Or how did you find balance between all of your identities? - You know, this is a good question. 00:43:53,210 I mean, I look back at my life and sometimes I'm like, whoa, like, should I have been dancing more? You know, and I'm the 39 now. And I am, you know, finally getting back into dance and the things I love. And I don't know, you know, I feel like when I started the journey of even entrepreneurship, I was like, oh, maybe I'll write a Broadway play and do that. And look, life takes you on a journey. I am trusting the journey and the decisions I've made in my life. But I know that I've made sacrifices.

I think personally, like, look, I got married later in my life, I had a baby later in my life, but I don't regret any of those things. I think I did those things when the timeline was right for me. If anything, I really didn't love that society kept bringing those things up. Something I do also talk about in my book. And I think it's important that we don't pressure people to do things on a timeline that's, that doesn't work for them because I was living my life with my passion. I think the hardest thing for me was always probably dance in my career and building ClassPass. (Ravi chuckles) - This next question is what do you think one can do 00:44:54,040 about the dilemma that might exist when one follows their calling before they're settled earlier in their career? i.e. the starting artist dilemma. So there are many people who, you know, follow their callings, but then the economics of it can be unbearable. - You know, this is a hard one.

00:45:11,570 And I feel like I see this all the time with artists that I wanna, you know, mentor and coach. Look, at the end of the day, you need to make sure you can live and be responsible. I think without those things, you don't, you just don't have the luxury to create in the way you want to and you end up, especially, I think in, and I'm gonna talk about artistry. I think I see a lot of artists then start hating their art because it becomes a job to them. Right. And so you have to sort of be careful on how do you translate those things into a way of life, right? 'Cause at the end of the day, we still all have bills to pay and all of that. And so you need to find a way to be responsible. And I remember, you know, for me when I was starting ClassPass, I mean, I took some like random jobs on the side. Like I think having education is so important and it allowed me to sometimes even make money on the side while I was, had no income building the company. And I made sure that I could always feel like I wasn't in a place where I was, you know, making bad decisions for my future economically.

And I think that's just an important conversation to have of how much money do you really need. Right. I think that's the other thing that a lot of people don't always talk about is don't compare your life to other people. I spent my first six years in New York, I barely traveled, I didn't buy any like clothes or bags or any of that. Like, I had friends who were doing that. I just didn't care about that. And by the way, they did care about it and they should spend money on that. I think it's really about figuring out what you cared about. And I went ahead and put down a check for \$30,000 for a dance show 'cause that's what I cared about. And so I think it's a matter of figuring out in your life, what money means to you coming up with a budget that's going to work and then finding a way to make that, you know, not take up your life and building a plan so you can take that leap when you're ready for it.

- You know, can you talk about these transcendent values 00:47:03,800 that have shaped you that have, that are throughout your life? I mean, one of the things that I keyed in on was it feels like there's a huge value in community that is a source for you. You're, of all the dances, you talk about, one of your favorite dances I think is Garba. Garba is, gang, is a communal dance. You cannot do Garba, maybe you can, but you really can't do Garba on your own or even one on one. - Yeah. 00:47:28,010 And you, throughout your life, create communities. You create these communities that you want to exist when they don't exist. And it feels like there's something about a community where the virtue of it is that you can't control your own community, you have to be in an environment that shapes you and you have to create that environment to surrender to. And I

don't know if I'm reading too much into this, but can you talk if about, is community a significant factor in what moves you and how is the relationship between community and art and community and entrepreneurship for you? - For me, it's always been about doing things 00:48:04,000 and like seeing how other people feel like. I think I talk about that in the book as my calling about even when I danced, when I was younger, it taught me in my life how I can make someone feel something and I've always just loved sharing, you know.

And I think community is sharing, you know. And it gives you a way to be in service of other people, whether it's through conversation, through creating products, through dancing and art. And I've always loved finding people who want to, you know, create with me in the same way, whether it's my dance community, obviously my team at ClassPass, I love people who truly want to impact the world and that fires me up, you know. And I think we all need to be surrounded by people like that because it makes us even dream bigger. Right. I wanted that Eleanor Roosevelt quote about like surrounding yourself with people who think about ideas, right. It's really one of the best things you can do. And I encourage people, especially at, you know, these, the young age, you know, that you guys are at. Like, I think I made a decision, I remember this in, it was probably a few years after college, me and one of my friends, she was actually, she went to Stanford. Her name is Melanie Kannokada.

I don't know if anyone here knows her, but, Melanie who want, she went to McKinsey, but wanted to be an actress. And I was at Bain and wanted to dance. And we luckily became really good friends and we became roommates and we would spend our Friday and Saturday nights staying home. We didn't go out. All of our friends would go out. We would stay home and she would work on her auditions and I would show her my dances in choreography. And I think having each other was critical to our ability to enjoy our lives at that age and not feel bad and sort of like have a friend that was going to support our dreams that we really had because it felt it, both of us felt like we were doing something that was different. And I think the more you have people like that in your life and surround yourself with those people, you're gonna feel better. Right. 'Cause there's always gonna be that momentum of that gush of people who are telling you to go in the same exact road society's pushing you into.

But if you start having, you know, if you see that glimmer in someone else and you see that some, you know, someone, something's connecting to you go and talk to them and figure out, you know, what kind of friendship and what kind of, you know, relationship you can have. Because, you know, I think people forget that we all need to be around different types of people that, to really unleash ourselves. - Payal, you know, one of the core themes 00:50:40,090 for the school of engineering for certainly for the last few years, and this year is principle driven entrepreneurship. The idea of in difficult times, when you have conflicting interests, having a principle driven framework of some values that you appeal to make a decision, especially when times are tough. And especially maybe when times when the capitalist answer maybe orthogonal to the values driven answer and choosing a values driven answer or deciding how you're gonna navigate difficult situations with values or principles to the, if that does resonate or map with situations that you wrestled with on the journey. Is there a moment or a story that you can share in your journey when you were principle, when you had to be principle driven or whether when there was a value that you appealed to navigate through a difficult time? - Yeah. I think one of the hardest was 00:51:34,940 when we had to sunset our unlimited product, which was my heart and soul. Like I loved our unlimited ClassPass product model, but it was bleeding our business. And it was obviously out of principle and, you know, at the same time it came out of a need to really fix it for the mission, because I remember showing up to the office and I think one of, someone on my team was interviewing me for social and asked me this question of, you know, how many times do you work out? And I'm like, I work out every day, you know? And she's like, wait, don't say that we don't want people to work out every day. And I was like, what have we created here? You know, like the antithesis of everything we started this company for.

And that's when I knew we had to get rid of it, you know, cause it wasn't aligned with the mission, pushing the team in the right way. And it wasn't aligned obviously with our business at that point. So that was a really hard, hard, hard decision for me to make. It was probably really one of the toughest in the ClassPass journey. - And Payal, you dedicate the final part 00:52:37,840 of your book towards the life pass method, which is a way to identify your own personal mission, set goals and priorities. Do you wanna distill as for final, as with final thoughts on what the life pass method is and how people can cultivate their own sense of a personal mission and purpose? - Yeah, you know, once again, 00:52:56,390 I don't think anyone's ever told us in our lives how to set goals and really build expectations for ourselves. And I realized about this is about seven years ago. ClassPass was about to take off. So once again, I had just like checked all the boxes and here I had a startup that I knew was going to work, but I looked at my personal life and I just felt like things were not going well. I stopped dancing.

My health wasn't good. I was single. I felt like my relationships were, weren't great with my friends. And I realized I needed a system that was, you know, as good as the one I usually did for my professional life and my personal life. And I'm sure, you know, most of the people here are pretty type A, so they'd probably get themselves in similar situations. And so I needed a system that I felt like started with my intentions and my thoughts and emotions that would help me focus in on the areas of my life I really wanted to set goals in and then set really good goals. And that was something I trusted myself with. I knew if I set a goal, I was going to do it because that's how I trained myself up until that point. But I didn't know how to set goals in my personal life. And so I finally did, and I mean, I met my husband actually a month after I started doing that.

And then obviously a lot of other things happened in my life too, but I really credit that, to keeping me balanced and fulfilled through this, you know, through this journey. I think people always ask me, I've made a lot of career decisions, I've

made, you know, I've had, I had a baby, a family, all that stuff. And I danced a ton through this journey too. And everyone's like, how do you do it all? And what I just do is I, it's a quarterly process. I just prioritize what I wanna do in that quarter. And I do it really well. And then I move on and I go and do something else. So I get to live like multiple lives. And I think we all should, we should be iterating on ourselves the same way we iterate on our companies. (techno music)..