

eDynamicLearning

Discovery

Entrepreneurship

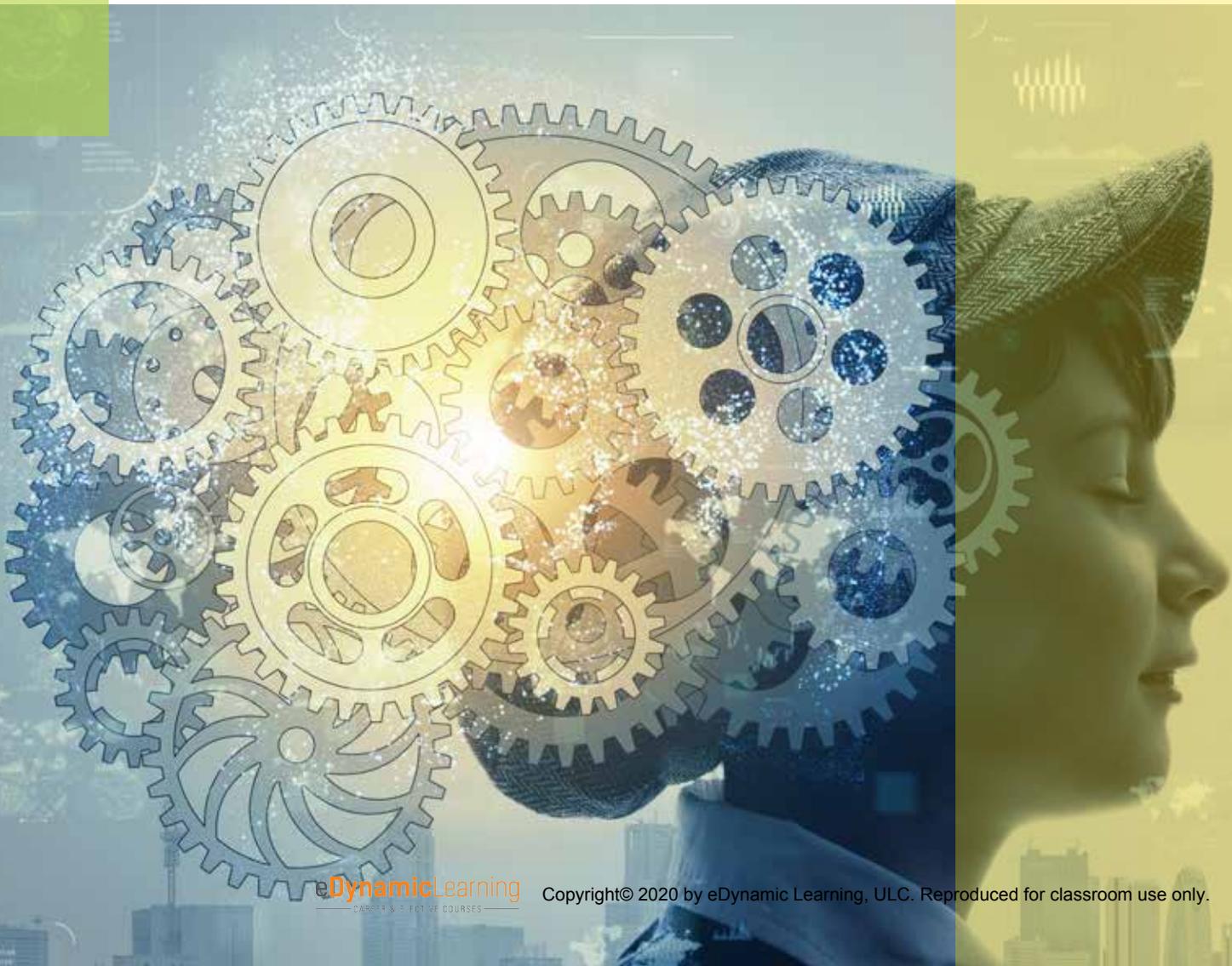


How Did Two Hackers Drop Out Of College And Earn Billions?

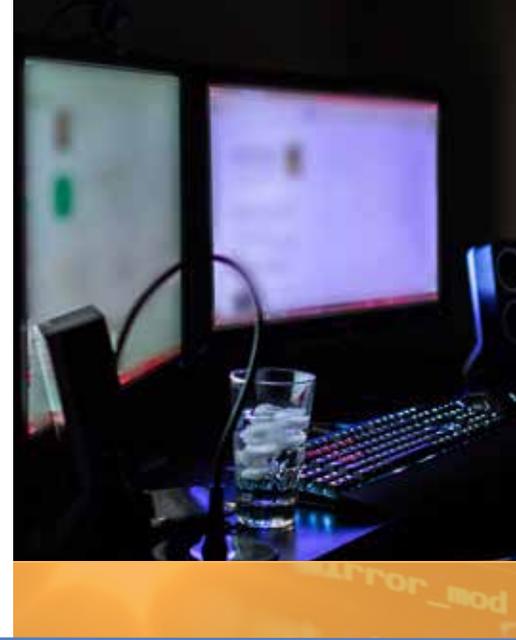
Thinkers. Dreamers. Doers.

People who takes risks, bet on themselves, and never, ever give up—these are the characteristics of an **entrepreneur**, someone who turns a vision into a business. No matter the industry or situation, entrepreneurs are special in the way they create opportunity out of nothing, all the while keeping their eye on the prize of growing a business and driving their brand, whatever it may be. But even though entrepreneurs are often lumped together as amazing “doers,” they are not all the same. There are entrepreneurs, and then there are entrepreneurs—people so creative and determined that their accomplishments reach mythological status. And stories of their success are nothing short of inspiring. So if you are looking for a real story about how people can change the world using nothing but their own powers, look no further.

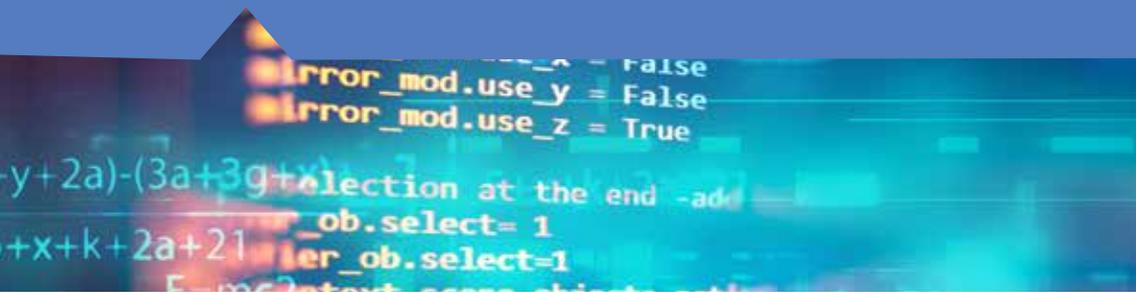
entrepreneur: someone who turns a vision into a business



This is the real-life story of two Brazilian teenagers, Pedro Franceschi and Henrique Dubugras — kids who spent their free time hacking systems and writing computer code instead of hanging out with friends or watching late-night Netflix. While Pedro was busy jailbreaking the first iPhone 3G, Henrique was programming video games by himself at just 12 years old. The two boys finally found each other on Twitter around the age of 16, where they bonded over a mutual love of technology and strict mothers who warned them against the dangers of hacking other people’s systems. And like most moms, theirs were right — Pedro and Henrique received legal threats from Apple and other patent infringements warning them to stop. But, of course, they didn’t! Together, these two young men would build some of the most successful tech companies the world has seen.

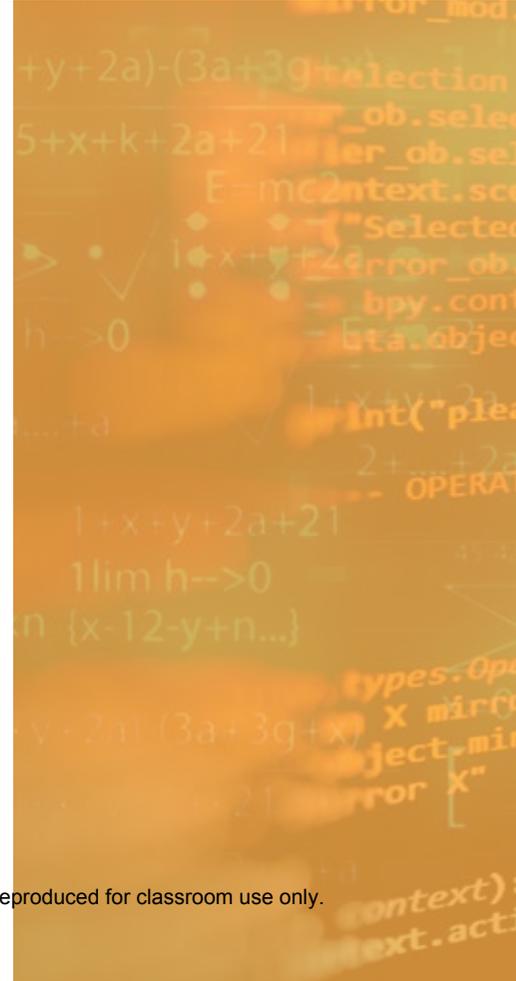


These two young men would build some of the most successful tech companies the world has seen.



First, using their unique skills, Pedro and Henrique put their heads together to start Brazil’s first developer-friendly payment processor, Pagar.me (‘Pay me’ in Spanish), that allowed for the creation of online staples like “Buy Now” and other online checkout options. But such a major project demanded more than just good intentions—it required cold, hard cash to get off the ground. So Pedro and Henrique got busy recruiting investors and raised \$30 million for their vision, eventually employing a staff of 100 before selling the business for a nice sum and heading off to California to begin college at world-renowned Stanford University.

Pedro and Henrique had tasted entrepreneurial success, and they wanted more. Sitting in a classroom all day when they could be out *doing* their dreams soon felt like a waste of time. So the young men dropped out of college and gave up an academic opportunity most people would die for. Talk about taking a risk!



Piggybacking on their previous work, Pedro and Henrique then put together a new business issuing corporate credit to other tech startups. They created a credit card with all the features a tech startup would need, such as higher borrowing limits, no personal guarantee, automated expense management, receipt tracking, and seamless integration with existing accounting systems. As members of a young generation, Pedro and Henrique's approach to financial services tapped into current industry trends and needs. Brex, their specialized payment system, was soon backed by co-founders and giant industry players like Visa and PayPal.

In just two and a half years, Brex grew into a bonified **unicorn**, otherwise known as a startup company with a value of \$1 billion or more. In fact, Brex became a double unicorn, pulling in a whopping \$2.6 billion in their most recent fundraising round.

unicorn: a startup company with a value of \$1 billion or more

Pedro and Henrique's story is so amazing it could make even the most seasoned entrepreneur stop and take note. And so the question on everyone's mind is, *how did they do it?* What is their secret sauce? What do they have that other entrepreneurs don't have? The good news is, their approach to success is no secret.

No Hesitation.

Pedro and Henrique did not mess around in their early years. They learned to code programs early in life and stuck with it. They both agree their "curiosity and entrepreneurial spirits" are what drove them to keep learning and pushing into their own territory. But things were not always easy. The teens were adept at coding, but they didn't have any formal business training in the beginning. So did they throw up their hands and scream in frustration? *Maybe, maybe not.* But what they *did* do was hop the learning curve stacked against them, skipping college altogether, and relying on their experience and ongoing connections to get them to the next level.

No Fear.

When most young people start college, they stay enrolled because they believe it is the right thing to do. And often times, it is. But in the case of Pedro and Henrique, college never really felt "right." Instead, both young men missed the independence and risk-taking environment of being entrepreneurs in Brazil. They just knew that college was actually holding them back from reaching their business potential. This is an example of true entrepreneurship because it reminds us that taking chances can look and feel like a "crazy" thing to do. Who gives up a Stanford education? Well, in the case of Pedro and Henrique, their desire to follow their vision and instincts was more important and meaningful than doing what was predictable and recommended. This nugget of courage and confidence is critical in the life of entrepreneur, where taking chances to bet on yourself is the name of the game.



No Guarantee.

Even though Brex eventually became a big fish in the world of financial technology, or **fintech**, the road to success was not all smooth. Just a few weeks into their new life as entrepreneurs, Pedro and Henrique realized they didn't know the US market nearly as well as they thought. At first, they pursued the Brazilian market, but that didn't quite suit their needs, so they quickly found themselves headed in the wrong direction. So did they panic? Lose sleep at night? Worry over how to fix the situation? Maybe. But one thing they did not do was give up. The boys examined the areas where their business plan was not working and shifted gears to make way for a larger vision of how their fintech payment idea could **disrupt** the business world by upsetting or changing the existing market through new competition and ideas. In this case, they realized their vision was too small and should also include the US tech industry as well. And as a result of this ability to adapt to an existing problem, Pedro and Henrique were able to pivot their idea into something wildly successful—namely, Brex.

No Limits.

With experience, education, and an even stronger vision behind them, Pedro and Henrique now had to shoot for the stars. One of the biggest challenges for an entrepreneur is the art of **fundraising**, or generating money to back an idea, and they had yet to tackle this for Brex. They needed some big players in the industry to back up their idea with dollar signs—and they found it in the “PayPal Mafia,” a group of Silicon Valley’s richest investors who helped Brex raise a whopping \$50 million. But these god-like investors didn't just hand Pedro and Henrique the money—the young men had to prove their concept through a variety of **growth metrics**, or measurements indicating the likelihood of Brex's future success. These metrics included monthly revenue statements showing growing profit and shrinking debt, as well as the addition of other interested financial backers. Like a car that gathers momentum, Brex began to pick up speed—the more money and investors it gained, the more general support it received from the entire industry. And before they knew it, Brex was highly **capitalized**, which meant it found solid financial footing and way less risk.

Now, this kind of entrepreneurial dream doesn't happen every day, which is why the story of Pedro and Henrique is so special. But when you hear this kind of Cinderella tale, remember that these experiences are not impossible. Easy? No. But possible? Absolutely. From restaurateurs to scriptwriters to clothing manufacturers, generating solid ideas and executing them is no simple feat. This is precisely why entrepreneurs, despite their seemingly magical ability to get things done, also need to find inspiration in the people and projects around them — to keep their skills sharp and competitive while also recognizing what it means to really work for something and find success.

So if you are considering becoming an entrepreneur, you too will need to find some inspiring stories to keep your spirits up when things look dismal and to remind you of what it means to trust yourself and never, ever give up on your entrepreneurial dream.



Pedro and Henrique

fintech: industry of financial technology

disrupt: upset and change business by introducing new competition and ideas

fundraising: generating money to back an idea

growth metrics: measurements indicating the likelihood of future success

It's Time For Your First Big Pitch!

You have an idea. You have a plan. And it's time to make your first big business **pitch**, which means you have to present your vision to a group of interested parties with the hope that they will **invest** in, or fund, your startup. After all, you can't run your idea on love alone—it will need real dollars to take flight. But don't worry, we have the example of Pedro and Henrique to shed light on the subject. There are a lot of entrepreneurs in the world with great ideas, but most of those ideas never see the light of day because so many entrepreneurs struggle to find the proper funding to make their ideas a reality.



There are a lot of entrepreneurs in the world with great ideas, but ... so many entrepreneurs struggle to find the proper funding

Think about it this way. A bridge between two islands is a super idea—it brings people together, creates communities, and boosts convenience—but it will require design, labor, steel beams, girders, traffic barriers, and tons more construction materials to become a real thing. And all of these resources cost money. So the vision is the bridge, but the business is the building of the bridge—and that step requires investors with the financial power to make it happen.

capitalized: on solid financial footing and without much risk

pitch: a presentation to convince outside parties to invest in a startup

invest: to fund a business

The pressure is on. Your pitch could mean the difference between a successful startup and a total failure. What can you do to prepare yourself? How can you make sure your idea is well received? First: confidence. You will need to walk the walk and talk the talk of a true entrepreneur, which means you pretty much need the confidence of a seven-year-old boy who thinks he really is Superman. Just look at Pedro and Henrique—they certainly never let their age or lack of experience shut down their dreams! So as you move through the following steps for making the best pitch ever, take a moment to reflect on how you would accomplish these goals compared to what our two Brazilian dynamos did with their start-up business.



Tell your story....

Just like any story, yours needs to be good if you want people to listen. Investors will love to hear how you came across this idea, why it felt big to you, and what you hope to accomplish with it. Forget the spreadsheets for now and draw them in with tales of how you got where you are. Fill them in on the fears and the accomplishments, the good and the bad, and let them feel the excitement of your vision. Give them a reason to invest emotionally as well as financially by inviting them into your journey and letting them see the worthiness behind it. To start, think about your own entrepreneurial idea and then consider the journey you have taken up until this point. What are some of the roadblocks or challenges you have faced? How did you move past them?

Ask Pedro and Henrique:

As you can imagine, these two young entrepreneurs didn't have much trouble with this part of the pitch process. Their story is both exciting and unusual, which surely perked the interest of investors and employees who wanted to get in on the bottom level of a great idea.



Tell your story to the right people...

Before you tell anyone anything, figure out your audience. Your story can be the greatest, most fascinating saga in the world, but it won't matter if the listener is not in a position to help you. This step involves researching potential investors who have both the motivation and the money to back your idea. Before you begin your pitch, you need to know who all the big players are in your industry—and who writes the checks. Once you understand the playing field, you can begin to **cultivate**, or prepare and develop relationships, with the right people to make your dream come true. Then you can design your presentation to speak directly to their interests and abilities, all the while highlighting how your special idea is the one they have been waiting to hear.

cultivate: prepare and develop relationships

Ask Pedro and Henrique:

As the first corporate card for start-ups, tech, and online brands, Brex really needed to target the “right people” to get their vision up and running. What they needed was to get in front of some seriously big fish in the financial world, folks who could not only see the brilliance behind their software solution but who could also cough up the dollars to make their model a reality. Co-founders of Paypal, Max Levchin and Peter Thiel, were their first ask, followed by Carl Pascarella of Visa and many more.

Tell your story to the right people in the right way...

Once your story has been tailored to excite the right people, you need to focus on making the best possible presentation. How will you arrange the facts of your story? How will you lay them out in a clear, concise way? Experts in the entrepreneurial world will tell you keeping it simple is best. The main purpose of the pitch is to show investors what your objectives are and how you will realistically achieve them. So that information should make up the backbone of your presentation. Use simple language that anyone can understand. If investors feel confused or unsure, they probably won't make the decision you want. And most of all, stick to the point.

Ask Pedro and Henrique:

The original Brex pitch focused on making the “smartest corporate card in the room,” which meant the business model was able to offer instant approvals and modern forms of payment to their clients, all with best-in-class fraud protection. They framed their story in the “right way” by making it clear to businesses that Brex offers a payment solution not found anywhere else—maybe something start-ups and small businesses didn't even know they needed, until now.



Tell your story to the right people in the right way and at the right time...

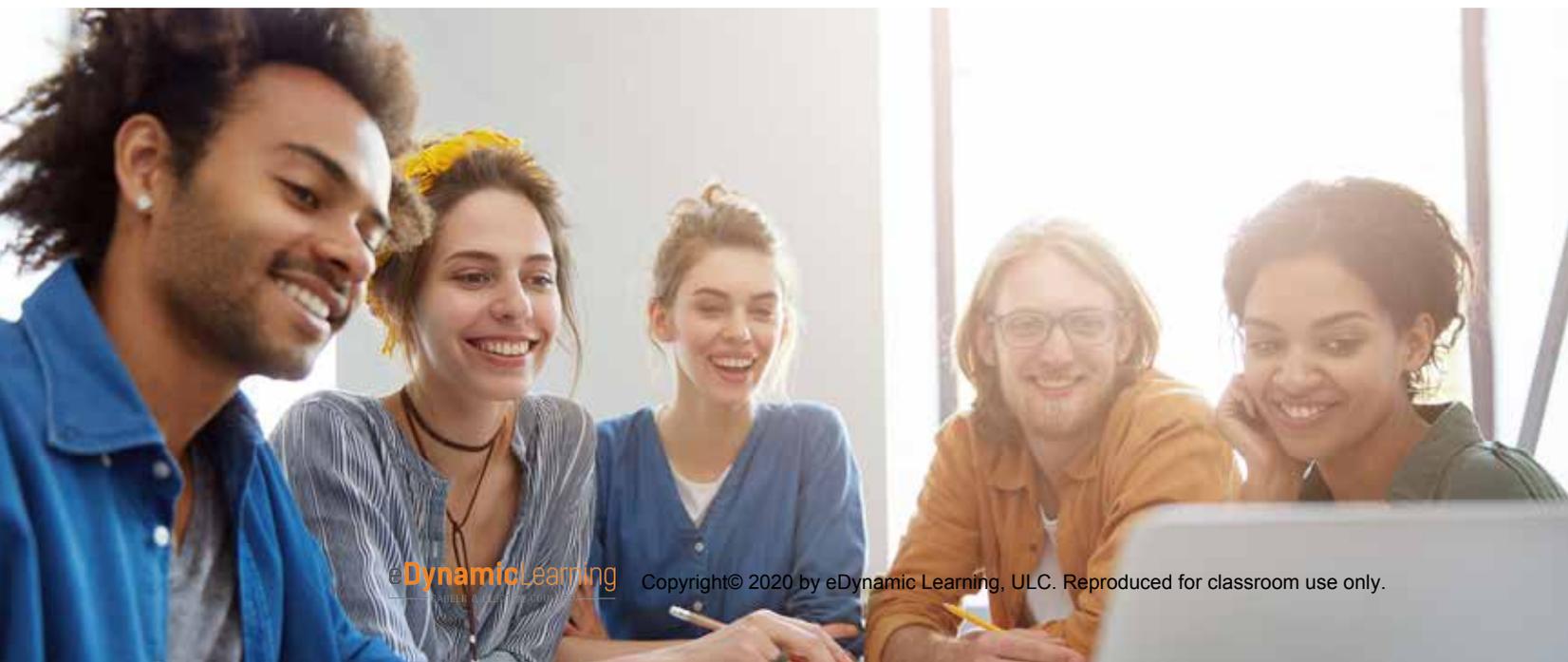
In the business world, timing is key. There are deadlines and calendars and revenue cycles. What's more, investors at this level are busy people, and they only have so much time in their schedules. So you will need to make sure your pitch includes some sense of timing around your project. In addition to setting deadlines for yourself, you must convey to investors how serious you are by setting up an ambitious timeline they can appreciate. Let them feel your urgency and desire to get moving on your vision. As sophisticated financiers, they will respect this level of discipline and probably look kindly upon your story—and on you as a truly motivated entrepreneur.

Ask Pedro and Henrique:

Given that internet startups only became a “thing” during the dot-com era of the 1990s, these two entrepreneurs were naturally gifted with the “right time.” In many cases, choosing the perfect moment to pitch your great idea will depend on certain market variables—and even on certain social, political, or financial indicators. But in general, following some kind of trend that indicates a larger need is a perfect measurement. Brex's smart payment card took flight at a time when startups were in need of flexible forms of credit and accounting.



Remember, the purpose of your pitch is to snag financial support for your idea. This objective should always stay in the forefront of your mind, which means you need to focus on all of these elements. Telling your story to the right people in the right way and at the right time is almost like asking for a perfect storm (in a good way), where everything comes together for maximum effect. So think about your own idea and then walk through these steps, taking each stage as it comes. When you are finishing plotting out each step, you should see a strong pitch taking shape, where the right investors hear the right information at the right time. And you reap the benefits!



Quick Facts

Hey, Entrepreneurs! Did You Know?

Out of 7 billion people worldwide, 400 million are entrepreneurs. And the number is only growing. Will you join their ranks someday? If so, you should probably know some of the statistics you are facing in the real world of startups. One out of 18 people own their own business, which means you have a great shot at pursuing your own entrepreneurial journey someday. But it's not easy. The average salary for a **founder** who begins the business, hovers somewhere around \$55,000 a year—and that likely includes a 66-hour workweek! But fear not. Working hard in the beginning of a startup business is just one part of the experience. Another part is understanding the world you are entering and how it may affect your journey to greatness. Let's check it out!



founder: someone who begins the business

1. Almost half—**47 percent**—of entrepreneurs have some kind of advanced degree.
2. Entrepreneurs are **3 times** more likely to have been rebellious teenagers.
3. Many entrepreneurs—**52 percent**—were the first in their family to start a new business.
4. Entrepreneurs work a minimum of **47 hours** a week.
5. Startup businesses with **2 founders** tend to be more successful.
6. About **36 percent** of all entrepreneurs started their business while they were in college.
7. Being unemployed was the reason **21 percent** of entrepreneurs started their business.
8. Less than **1 percent** of all entrepreneurs came from either very rich or very poor backgrounds.

Can you take the next leap and think about why these facts might be true? Why not see if you can figure out some of the reasons behind these statistics.

Entrepreneur Quiz

Quiz: Are You a Natural-Born Entrepreneur?

Are you fearless? Competitive? A self-starter? Passionate? If you have some of these characteristics, you may very well be a natural entrepreneur. Yes, it's true anyone can start a business, but only some will succeed. Does this success depend entirely on hard work and experience, or is there more to it?

So are entrepreneurs born or are they made? Take this quiz to find out. If you answer yes to more than half of these questions, you may have the makings of a great entrepreneur!

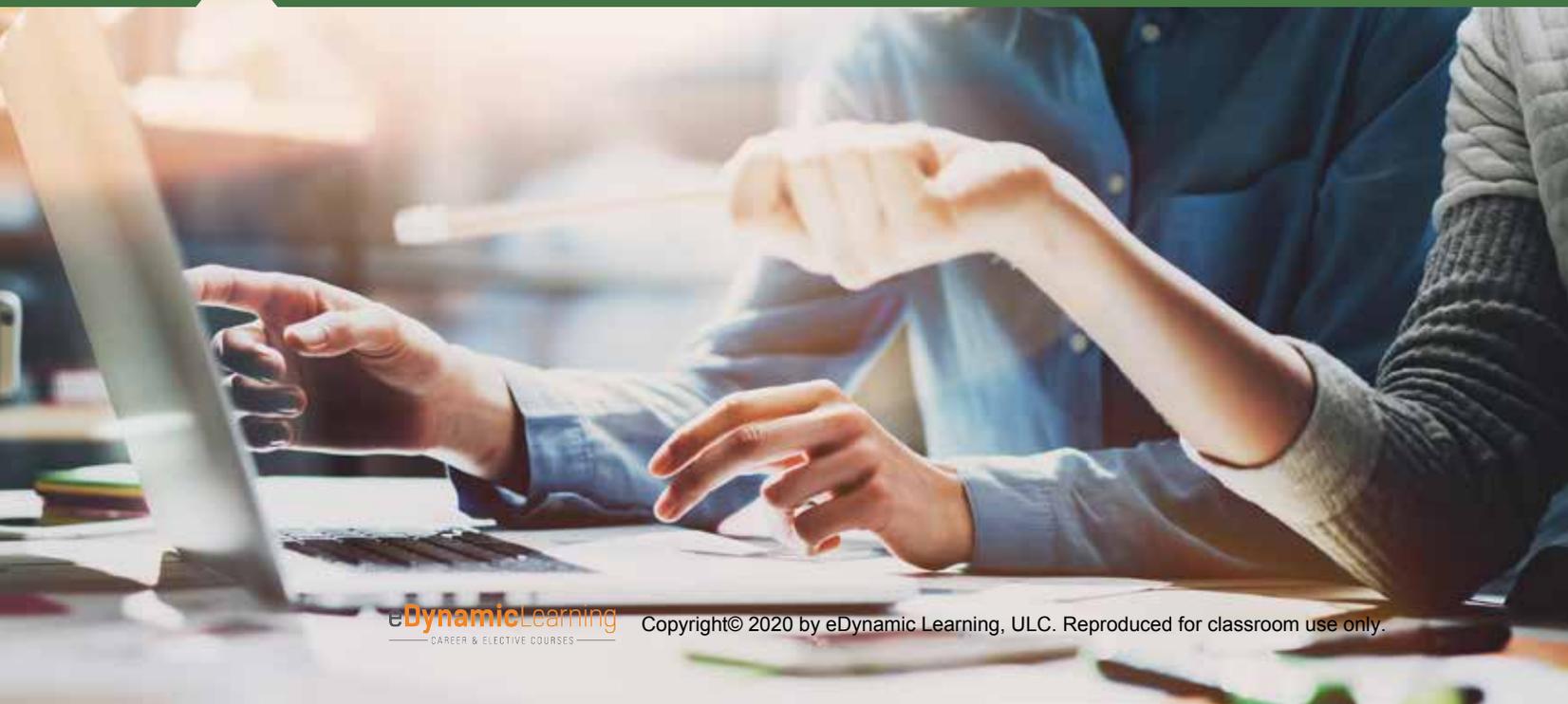
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- Do you enjoy learning new things?
 - Do people sometimes call your ideas “crazy?”
 - Are you comfortable not knowing the future?
 - Do you want to make the world a better place?
 - Do you like being in charge and calling the shots?
 - Are you innovative, creative, and an “out of the box” thinker?
 - Do you long to create something with deep and lasting meaning or value?
 - Are you good at making tough, sometimes unpopular, decisions?
 - Are you flexible and ready to pivot or shift gears at a moment’s notice?
 - Can you keep up a positive attitude when the chips are down?

Spotlight On Women Entrepreneurs (and How They Can Help Men)

In 2012, 36 percent of all businesses were owned by women. That is a 30 percent jump from 2007—which means more and more women are joining the entrepreneurial world. Great news, but as a woman looking to create a startup, what do you need to know? Well, the United States comes in first as the best country for a female entrepreneur, with Canada, Australia, Sweden, and the United Kingdom following closely behind. But despite these encouraging stats, it is also worth noting the sad truth that countries like Tunisia, Egypt, India, and Pakistan still don't offer much opportunity for entrepreneurial women. So what's the bottom line? Taking on the role of a successful entrepreneur is not quite as easy for women as it is for men... but that reality hasn't stopped tons of women from following their business dreams. Feeling a little discouraged? No need! There are plenty of shining examples out there of women making it happen in a "man's world"—a world that is quickly becoming a woman's world too!



Taking on the role of a successful entrepreneur is not quite as easy for women as it is for men... but that reality hasn't stopped tons of women from following their business dreams.



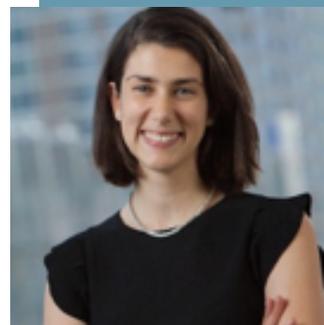
Cindy Mi

Meet Cindy Mi, CEO and co-founder of VIPKID, an eLearning unicorn that began in Beijing, China, in 2013. With \$825 million in total funding, Cindy Mi has pushed her educational business to the top, becoming China's leading online learning platform with over 500,000 paid students and 60,000 qualified online teachers in both the United States and Canada. If you ask Mi why she started VIPKID, she'll tell you, "The possibility of inspiring children in the future with the best teachers and the best content and the most innovative learning strategies is just amazing."



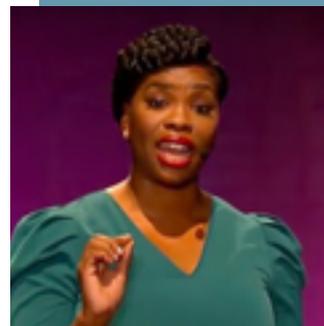
Nicky Goulimis

Meet Nicky Goulimis, COO and co-founder of Nova Credit, an online credit agency dedicated to creating a platform where immigrants can build their financial security when they move to a new country. With \$19.4 million in funding, Nova Credit has taken Goulimis to the moon, putting her in position as one of the top female entrepreneurs in today's business world.



Jasmine Crowe

Meet Jasmine Crowe, CEO and founder of Goodr, a sustainable food management platform that uses technology to lower food waste and fight hunger. Goodr uses the cutting-edge public digital ledger that instantly records transactions known as Blockchain that encourage businesses to donate more while still writing off expenses for their bottom line. This means Crowe has found a way to connect people with capital (businesses) with people who need capital (food charities) to create a mutually beneficial relationship that ends hunger—and Blockchain made that easier.



Now even though these statistics don't really apply to men directly, the overall effect of more women in the workplace translates into some pretty good benefits for men as well. Specifically, it means families living with a fully-employed mother and father figure can rely on better earnings and resources across the board. It also means men married or partnered with an entrepreneurial woman can depend on a certain amount of freedom to pursue their own visions, knowing their significant other is also out there in the world "pulling their weight" and working simultaneously to grab their own gold ring.



Last minute inspiration...

When you hear a stat like “up to 90 percent of all startup businesses fail,” try not to let it get you down.² Every type of employment, including entrepreneurship, has its drawbacks. Just ask some of the greatest entrepreneurs of all time—they will all tell you the same thing: believe in yourself, focus on what you love, build a great team, and do not give up!

“Whether you think you can, or you think you can’t, you’re right.”

—Henry Ford, Ford Motors

“Your most unhappy customers are your greatest source of learning.”

—Bill Gates, Microsoft

“Move fast and break things. Unless you are breaking stuff, you are not moving fast enough.”

—Mark Zuckerberg, Facebook

“If we tried to think of a good idea, we wouldn’t have been able to think of a good idea. You just have to find the solution for a problem in your own life.”

—Brian Chesky, Airbnb

Key Terms

capitalized: on solid financial footing and without much risk

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growth metrics: measurements indicating the likelihood of future success

invest: to fund a business

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unicorn: a startup company with a value of \$1 billion or more

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