

TECHONOMY

TECHONOMY 2012 • NOVEMBER 11 – 13 • TUCSON, AZ

A Glimpse at the Next Generation

Speakers:

Sujay Tyle, VP of Business Development, Scopely
Sheel Tyle, Associate, NEA

Moderator:

David Kirkpatrick, Techonomy

Kirkpatrick: All right. Guys, so Tyle brothers, come on out here. You know, the reason I had these guys on the stage is because I think if the next generation doesn't do more than we've done, the world is screwed. And I met Sujay, and then he told me about Sheel. And I thought, wow, when I started hearing some of the things they're up to, I didn't want to stroke their egos, and I hope that they continue to keep them somewhat in check, but the fact is they're doing extraordinary things. You're 19, and how old are you now?

Sheel Tyle: I'm 21.

Kirkpatrick: They're brothers, they are 19 and 21. I want them to first tell us a little bit about themselves, and then I want to talk about how they look at the world. Sujay, do you want to just give us a short bio yourself?

Sujay Tyle: Absolutely. First of all, thanks, David, for inviting us here. I think a lot of the people here, the companies are companies that, you know, I was born, you know, when they were getting started or they started when I was a teenager, and so I've been following them very actively, so it's great to see a lot of those people in the audience today.

My background is a little bit weird, and it's kind of taken different—shape in different interests. You know, I started when I was 10 or 11 years old doing clean energy research and ended up doing about six years of clean energy research, creating a technology to take cellulose into bioethanol for much cheaper than what is commercially available. And I worked at companies like DuPont when I was 13 years old, 14 years old.

Kirkpatrick: He started working at DuPont when he was 13. I want to say that. And you have quite a few—you have several biofuel patents, right?

Sujay Tyle: There've been a lot of publications from the lab on biofuel development.

But, you know, it was a funny story about DuPont. They didn't allow me legally to work at DuPont when I was 13. So I had to beg somebody to let me in, and I was on none of the HR records and basically had to sneak in and out of the labs whenever there was an inspection in order to work there. And so I don't know how publicly I should say I worked there, quote-unquote.

I did six years of biofuel research. I went to Harvard when I was 15, ended up doing about three years of school there, kind of pursuing this environmental sciences passion. And in my third year of school, Peter Thiel offered this 20 Under 20 Fellowship, and I thought it was an amazing opportunity. I loved being in the real world, interacting with great entrepreneurs.

Then got one of those fellowships, left school, and I've been working on a mobile company now actually for the last 13 months in Los Angeles. Kind of tackling mobile distribution, mobile gaming, because it's been an interest of mine. It's just been a fascinating journey.

Kirkpatrick: But I know you intend to get back to energy eventually, right?

Sujay Tyle: That's the goal. I mean, I think one of the things I wanted to do coming out of school was work with an incredible team, build an incredible team, raise money, and see a product from conception to commercialization.

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Starting in bioenergy, I think the product life cycle is 10, 15 years. It's very difficult to do that and kind of stick with it as the first thing you ever do. And so I wanted to work on something that had a completely opposite life cycle, which I thought was mobile apps. We've raised a few rounds of funding, almost 50 people now.

Kirkpatrick: Great. You've got a pretty senior role there.

Sujay Tyle: I've been blessed to be up there and kind of see the company from the top down.

Kirkpatrick: That's cool. Sheel, just give us a quick bio.

Sheel Tyle: Yeah. So I think the difference between Sujay and I is I have a college degree, which these days I don't know if that makes me more set up for success or less set up for success.

I graduated from Stanford. I was 19. I was working at a company while I was at Stanford. I ended up realizing that there's this thing called venture capital, where this industry basically promotes the next generation of innovation. You work with entrepreneurs who are changing lives. I tried to do everything I could to get in venture capital. So I actually got an internship while I was in school at a firm called Bessemer, ended up joining them full time. Did a lot of emerging market stuff for them. And then joined another firm, NEA, about six months ago.

And one of the reasons I joined Bessemer and then NEA is I heard a story of a company called Cell-Tel. Bessemer had seeded this company, Cell-Tel. It's essentially the company that brought the mobile phone to Africa.

I heard stories where you had a Nigerian woman who now had access to the mobile phone and could suddenly order products on her mobile phone for her salon in the city center in Lagos, which was 100 miles away. And that allowed her to stay in her salon and make enough income so her salon could be in the black. And that was all because of Cell-Tel. So I wanted to do everything I could to get in an industry where I could promote that.

And so my main job is NEA. And then on the side, when I was running around different countries, I realized there are a lot of young people who are creating innovations, creating companies that are changing lives around them. Like a 19-year-old in Kenya, who is purifying water, who is selling bottled water at half the cost of importers, which effectively means that more people now have access to clean water than ever before. He's making six figures in profit and he's 19, but not getting venture funded.

So I was like, you know, I now have a small savings account. Nothing meaningful, but a small savings account. So what if I invest personally. What if I invest \$20,000 to \$30,000 in each one of these companies and rally other people who can invest more and hope to create an ecosystem of promoting youth entrepreneurship. Not just in the U.S. where people know it's here, but around the world where it also is there.

Kirkpatrick: So you dropped out of Harvard after three years at 18, you graduated Stanford at 19, but in the meantime, several years ago you guys started a nonprofit in India. Real quickly, just talk about that.

Sujay Tyle: Yeah, we started a nonprofit called ReSight together when I was still in high school. We both have very poor eyesight. Obviously our family was originally from India. We thought there were a lot of nonprofits in the space that were tackling the problem of eye care in underprivileged people who have eye disease and giving them access to surgery or glasses or whatever that may be. We took a step back and said there are actually two sides to this problem. It's not just that they're blind, but they're also impoverished. There's nobody solving the dichotomy here. Like people are solving the blindness issue, but they're still impoverished.

Sheel Tyle: If you can't see, you can't work in many of these countries. That's the tough part.

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Sujay Tyle: So we kind of tried to solve that entire cycle. Partnered with several hospitals in India, gave them the funds in order to fund surgeries of impoverished people, and then actually employed those people to go identify the next batch of patients. So it becomes a very cyclical process.

Kirkpatrick: You're really currently trying to help people get eye care and glasses basically?

Sheel Tyle: Yeah, the point is, so I was doing a little bit of retinal cell biology research when I was in high school. That was hard. I was not a Ph.D. I didn't know a lot of the biological pathways that I needed to know to make change. But what I realized is there are over 100 million people in this world with treatable blindness, even more with vision impairment that can be treated. But it's a simple distribution problem. Right. The treatments are out there already.

So although I was tinkering around, trying to figure out a pathway that could eventually create a solution that might solve macular degeneration, it didn't really matter if people are out there who can't access glasses or can't access cataract surgery, even though those treatments are already there. So we're like what if—we don't need a Ph.D. to solve a distribution problem. So that's what we're trying to do.

Kirkpatrick: Well, the fact is they're actually having some impact on this eyesight problem, and they did that on the side with all this other stuff going on.

The point I really want to ask you, I mean, when I was your age, I was getting stoned, and the most productive thing I was doing was getting arrested for maybe fighting the Vietnam War and feeling very virtuous getting stoned while I was doing that.

So what I want to know is, what do you guys think your lives so far say about your generation? And should those of us who worry about the state of the world and see all these challenges that must be addressed be a little more optimistic when we look at you?

Or are you guys just aberrations who are weird, because you did come from a life of great privilege. Your parents had money, and your father was a pretty senior executive in a major corporation. So it's not like you struggled up from a little village or anything. But you clearly have taken your lives extremely seriously, which I much admire. I just want to know, what do we make of that?

Sujay Tyle: I think, first of all, America should lower their drinking age, because it's very difficult for me to go to meetings when I can't get into the actual venues where these meetings are taking place.

Kirkpatrick: That's a good one.

Sujay Tyle: I think that's something new from our generation. We were very blessed by our parents. I attribute every single ounce of whatever success may be called. I by no means think I'm successful yet. There are a ton of things I want to tackle and can tackle and am still humbled by everyone I get to meet. But I attribute all of that to my parents.

My parents were born and raised in India and never really adhered to status quos. They taught us from a very young age that there are a few rules that you can break, that you can strive to break, and those are age barriers in what you can achieve.

I think America unfortunately puts a lot of these age restrictions on what you can do. The minimum age to work in labs, the minimum age to attend university, to go into the working world. From a young age, they said why don't you be rebellious, try to break those rules, and you'll discover the world of innovation at a very young age, and it will put a spark of passion in you.

Sheel Tyle: I would just add one thing. So to build on Sujay's story of our parents, my parents grew up in India, and they came here, the classic American dream. They applied to graduate schools that didn't have application fees, because they couldn't afford the application fee. For them, education gave us and them everything.

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Today, the world is in a place where that access to education is now universally available. There are companies online that help with that. There's technology that just allows you to read news from everywhere. So I don't at all think of us as aberrations. I think we're more representations of really the ambitions of our generation that is more connected than ever before.

And now there are more people also than ever before who are hungrier than ever before. Right? There's this, called the youth bulge all around the world.

Kirkpatrick: You mean hungrier for success and wealth and all the things.

Sheel Tyle: Hungrier for success.

Sujay Tyle: If you think about it, I don't have a family to take care of right now. I don't have kids of my own. I don't have anyone tying me down to a specific location. I have nothing else to focus on my life. Building on my career as best I can, because I'm really passionate about it, this is the one age in people's life where they can do that. I can travel whenever I want. I can work until 4:00 in the morning. Being young and kind of having that passion and drive is the time I think you should do that. When you don't have a family to take care of, when you can afford to be innovative.

Kirkpatrick: When you guys talk to your friends who are your age and you talk about all these—your work in the developing world in India and some of the investments that Sheel is making and you've been involved in some of that too, I think, in funding entrepreneurs in Kenya and elsewhere, do they say: What are you talking about?

Or are they all saying I want to help with that too?

Give us a little more of—what do you predict about your generation and the next five years of the world's future, what are we going to see? I guess I just really want to get a flavor of how positive should I be and should we be about how seriously this generation is going to take what you mentioned, Sheel, the aspiration, particularly of those billions of people who are struggling to get something. That's going to raise huge political problems all over the world when those people start to come up and it may start bringing us down. Are the American young people and the young people of Europe—what is the general feeling that we should have about how that's going to play out, in your opinion? Because to me, that's one of the biggest questions.

Sheel Tyle: Uh-huh. It's a tough question. It's a really tough question. I have hopeful—I'm cautiously optimistic.

So to your first question, what do people think when they hear about this, everybody is supportive. Everybody wants to jump on board. Often people are doing their own amazing things.

The second part, there are so many youth in the world. I mean, Libya, 50 percent of Libyans are under the age of 20. In Zimbabwe, 56 percent of people are between the age of 15 and 29. India's fastest growing population is under the age of 30.

So it is a scary situation that the world is in. But because there is so much access to education today, you have to take the youth seriously. I mean, you have to enable them to be in a position such that they can innovate. Right? You have to set them up so that they have access to resources. And that's not just financial. It's educational, it's mentorship, it's certain types of technology that are often a basis so you can innovate on top of that. You have to create that ecosystem so they can flourish.

So I think as long as we—and I think a lot of people in this room can help with that. As long as we can set up a platform to allow these young innovators, because they're all innovators, everybody is an entrepreneur in the developing world, to be able to innovate, then I'm optimistic. I'm really excited, actually.

Sujay Tyle: I'm actually a bit concerned about America's youth right now. I think I've seen this a little bit in my few years. I think one of the biggest problems that America has done is extended this common stable path. Especially when you think about the top 20, top 30 universities, you know, which is what this room is full of.

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You know, for a long time it used to be: go to middle school, high school, join the family business. And then from there, it got extended to going into an undergrad and going into industry. Lately if you think about it, it's gone from middle school to high school to college, and from college you go into four buckets. You go into investment banking, consulting, med school, law school.

Kirkpatrick: I thought you moved home at that point.

Sujay Tyle: Yeah. Med school, law school, then you go and go into business school or you go become a practicing doctor. And by the time you're 35, 40, you're finally in the real world with a couple of different opportunities. And by that time you have a family, and it kind of discourages innovation and discourages risk taking.

I think if we can tell our youth that you can be 10, 11 years old and actually do stuff in the world, you can actually go out and do something, make a difference, then you can kind of get off of this path early.

Kirkpatrick: Your existence tells us that. Eden Full, who is 21 or 20, coming here tomorrow, another Thiel fellow, is going to tell us that too. I love what you say about the university accessibility—universal accessibility of information enables people like you to exist.

Let's hear some comments or questions from anybody else. Who has anything to ask these people or say to them. Anybody? I can keep going with them if you're daunted by their—you're intimidated by these guys.

Oh, Steffy, please.

Audience: It's fabulous what you're doing. How do you imagine when you're 50? What do you want to have achieved then?

Sheel Tyle: You know, I think one of the things that being in venture capital has taught me—and NEA has been a terrific platform for that; NEA is the largest fund I think in venture capital and, therefore, a global fund—it's taught me the general notion of efficient allocation of capital. Right. Putting money where there is the largest bang for that buck.

As I've been at NEA, I've also realized that you know who has even more capital, that they have to allocate efficiently? The government. So I was thinking—and maybe when I'm 50, maybe when I'm 40, maybe when I'm 60, I don't really know—but at some point I think I would like to enter more defined public service, where I'm able to efficiently allocate capital to programs, both domestic and abroad, that I think generate disruptive returns. So some notion of public service for me.

Sujay Tyle: I want to have ten stories, ten unique stories where I've made a very positive effect to one person's life in ten different ways, and be it creating technology that somebody is using that didn't exist before, be it bringing eyesight and a job to somebody. Just ten stories by the time I'm 50, and I think I'm maybe at half of one right now. So ...

Unidentified: What will you teach your children?

Sujay Tyle: Well, hopefully I won't be a father for a little while.

Sheel Tyle: Yeah, hopefully.

Sujay Tyle: Let's see. How do we teach our children that? I think the same way that our parents—I was blessed to—having gotten taught that by my own parents is just exposing them to be a rebel in the right ways at a very early age.

Sheel Tyle: You know, our parents did something interesting. And I only realize this when I look back. We didn't take vacations to the developed world. Any time my parents had a break, they took us—so we were in Nairobi in 1998, up until the day before the embassy bombing. We went to Rio in, I think it was like '99 or 2000, basically before most American investors were in Brazil.

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They took us to the real world. They told us that—we had this debate in the U.S., 99 percent, 1 percent. Did you know if you have an income of \$34,000 or more, you are in the top 1 percent of the world? It's like that is, therefore—we, therefore, live in a microcosm. So they wanted to show us the real world.

So I think when we have kids, we would do the same, show them what the real world is actually like.

Kirkpatrick: Well, we probably should have had your parents up here to figure out what the hell happened. (Laughter)

Let's get a quick question from Ping, and then we're going to have to wrap. I mean, the main thing was just to realize these people exist and draw your own conclusions and talk to them separately. Go ahead, Ping.

Ping Fu: Ping Fu, founder and CEO of Geomagic. I'm so happy to see you up there, because I kind of feel like the youths want to be you. When you're out there talking to the youths and working with the youths, how much is that then—do they listen to what you say and how much is that they actually want to be you.

Sheel Tyle: I think, actually, they want to be Justin Bieber more than they want to be me. And, actually, that's—it's an interesting point, because in many countries in the world—China is a great example—the super—the heros are people like Bill Gates. You go to these countries, they respect the entrepreneurs and innovators; whereas here the star culture is more celebrities. Celebrities are athletes, musicians, et cetera. That's good. But I wish there was more, I don't know—like Eden Full is a great example.

Kirkpatrick: But you know, Zuckerberg has changed that slightly. That stupid movie actually helped with that a little.

Unidentified: And your book helped with that.

Kirkpatrick: My book didn't help much, but the movie actually did help quite a bit, even though I hated the movie—I liked the movie, but—anyway, that was the great thing about the movie, is it really made a lot of people say, hey, it's cool to be an entrepreneur and a geek. Actually, I think geeks are cooler than they were. But your point is well taken, but we've got to wrap, unfortunately.

Thank you so much for the question, Ping.

Thank you, guys. Really happy to have you here. Thanks so much. Like I said, it's just to see what is possible. I really am very—very moved really by their existence.