

Noa 0:25

Okay, we're here with Amit Menipaz, former VP of eBay nonetheless, Amit, what's up, how are you?

Amit 0:31

I'm great. I'm having fun here in Israel.

Noa 0:34

What are you doing here in Israel?

Amit 0:35

I came for a combination of vacation and family events, bar mitzvahs and weddings and meeting some colleagues.

Ronen 0:45

So it's crazy because I was also in a bar mitzvah, family things like

Amit 0:48

I think I saw you there. I think.

Noa 0:52

Now's the time to mention that Amit Menipaz is actually Ronen Menipaz's brother but I think being former VP of Ebay sort of wins a position in coming to get an interview here.

Ronen 1:03

Yeah, he never answered my calls after he got that job.

Noa 1:05

So here's a great time to bond.

Ronen 1:08

Yep. Yeah, I want to talk to you about that life, by the way

Amit 1:10

Great. Great. All right.

Noa 1:13

So back to what you're doing here.

Unknown Speaker 1:15

Yes, I'm mostly on vacation and little bit catching up with some colleagues.

Noa 1:20

And how's it going?

Amit 1:21

Great. It's always refreshing to come to Israel, because people here are unafraid. They're unafraid to dream, they're unafraid to, they just assume that they can problem solve their way out of anything.

Noa 1:22

Are they right?

Amit 1:24

They are 90% right and 10% wrong. The part that Israelis usually get wrong, is their need to be the smartest person in the room, is wrong when you're trying to market outside of Israel. What you want to do is make the other people feel smart, which means that you have to dumb the ideas down so that it's simple enough for people to follow. But Israelis like to look really, really smart. So they like to complicate it.

Ronen 1:59

So you think the weakness is actually like cockiness?

Amir 2:02

Yeah, yeah .

Ronen 2:04

The dumb way of phrasing it.

Amit 2:05

Yeah, and the lack of, the lack of respect for the final finish. The final packaging, the final delivery and all of the support, that's considered to be, you know, not important. Important is the algorithm or the system or the hardware, but not the training manual and the support system around it and the pre sales. That piece seems to be like the non intelligent work. So what happens is customers get it and then they feel stupid, instead of customers getting something and feeling smart.

Ronen 2:41

So that's interesting. Question, do you think it's because of cockiness? Or is it because they don't, they're less listeners as people? Or secondly, maybe survival, because they're thinking about the sales, because they need the money. And they're not thinking of the end game because it has no ROI. They sell aggressively because tomorrow morning, the business, you know what I'm talking about like small startup like it tomorrow morning, there's no business and then they have to deliver and they don't think the step ahead.

Noa 3:14

I have like a third theory before you tell us what I actually think the answer is. And I think that a lot of the times, it's actually not cockiness, it's being insecure. Because if I speak in areally complex language, and you sit here and you're looking at me and you don't understand, you suddenly begin to think, Oh, you might start to think, well, she's such a professional, she knows what she's doing, I need her by my side, I need to buy her product, because it's sort of something that I can't even conceive. And at the end of the day, I think like when people reach some sort of level where they're confident enough in what they're doing, they're able to actually dumb down and explain, just, for example, if you take a doctor, like the best doctors are the ones who are able to totally explain to patients.

Ronen 3:52

And they can't write out on the notes

Noa 3:53

Yeah, but you know, and it can explain to the patient, what they, what exactly is the symptom, what the symptoms mean. And I think it doesn't make the doctor any less informative. On the contrary, it actually makes the doctor like, more accessible. And, you know, it's just makes him a better professional. And I think maybe, like, I think maybe people starting out have that, quote, on quote cockiness. And I think like maybe in utilizing the American culture, it's more built in to simplify.

Amit 4:21

Yes, it is much more built in to simplify. But while I what I will say is I've lived and worked in many different countries around the world, in Europe, and in China, and in Israel, and in the US. And I think the common mistake is when somebody is trying to sell across to a different culture, they project their own way of thinking on the other people. So for example, I spent six years selling Israeli technologies to the Chinese to create products for the European market. And I would have meetings between Israeli CEOs and Chinese CEOs. And there were three things that were completely opposite. And no matter how much I tried to prepare people for the meetings, they always came out using their natural tendencies under pressure. One is the relation to time, Israelis feel decisions need to be made in seconds. Otherwise, they're wasting time. The Chinese when they're making decisions, take their time, because this decisions they're making is on a time horizon of 5 -10 years. It's not for next week, whatever relationship they think of it as a relationship, not a transaction. Israelis are thinking of a transaction, not a relationship. And so because they have a different relation to time, the discussion is awkward. The other thing is Israelis are always relatively speaking, very risk tolerant, very optimistic, very begin every, every business, you know, presentation begins with global dominating idea. It's not small, it's big, it's huge. It's amazing. Don't ever talk about the downside. Whereas the Chinese always want to mitigate risk. So first, you have to tell let them, can convince them that whatever they're doing, the worst that can happen is still okay. And then they're willing to have a discussion. The third difference was the way of speaking, you would have a meeting where there'll be the senior person in the room from the Chinese team and his team, the senior person in the room, would usually just one person, and maybe another, from the Israeli team. And the

CEO of the Israeli company, wouldn't stop talking. And the Chinese CEO would say nothing. And then afterwards, I would be debriefed by both sides. And the Israeli CEO would tell me, that Chinese CEO, he's a complete idiot, he didn't ask one question, he has no idea what we're doing. This isn't serious, you know, why'd you bring me here? And I'd sit with the Chinese CEO, and he say, I don't trust that Israeli CEO. He didn't stop talking for a second, he doesn't trust his team. He's very insecure. That's not a leader. And so you have this dynamic in the room, maybe what's happening is people are projecting their what they think is the right way to behave, to show confidence in what they're doing. And it's often the opposite

Noa 7:04

Are they projecting or just being themselves

Amit 7:06

They're being themselves, but they're assuming the other person will react to being themselves in the same way that people do from where they come from

Ronen 7:13

It's a perspective thing, what does that mean? In Chinese culture, they see people who speak a lot as insecurity, you know what I mean? So even if he's very secure, that's how they see

Amit 7:24

They perceive him as insecure. So you need to be aware, if you're going to work in that culture, or you're trying to sell to that group, you need to be a little bit more self aware of maybe you're not even the best person to sell to that group.

Noa 7:38

So how can a person prepare to selling to a different culture,

Amit 7:41

You have to understand what it is that they appreciate and it's important to them.

Ronen 7:45

Wait, so let's play with that notion for a second. I'm really interested because you have also experienced and, you know, Europe, US, China, Israel, and Latin America. Those three examples, like the difference between. Let's do the same thing on Europe, US and Latin America, like what would be, what would I have they have to adapt to in the way I sell things or do business development in Europe.

Amit 8:06

I'll leave out Latin America, but in Europe, in Europe, things are

Ronen 8:11

Are we talking about all of Europe or is it north and south

Amit 8:13

There's differences in every country.

Ronen 8:15

Oh, okay. So as a whole?

Amit 8:17

But in general, the Europeans are more structured and consensus driven. And so you have to speak with lots of people and get them on the same page. There's not like a decision maker, there's a group. And there's usually a very set an exhausting amount of bureaucracy, that you have to go through with infinite patience in order to get where you want to go. And it's very formal. With regards to risk tolerance, that's where the different countries in Europe really manifest their differences.

Ronen 8:54

That's logical.

Amit 8:55

You know, the British are very worried about the PR aspects, but they're very willing to take business risks. The French are very conservative, relatively speaking. The Italians and Spanish are wide open in terms of doing stuff. The Portuguese are actually, I had wonderful experience working for a year in Portugal. Amazing people, really nice and friendly and very

Ronen 9:21

Where did you work there? In Portugal?

Amit 9:22

I was, at the time I started, I was paying an enormous amount of ridiculous rent in London, to work everywhere in Western Europe other than London, and I spent 11 months in Portugal launching a **Novedge**, which was a direct competitor to Portugal Telecom. And I was running the corporate division.

Noa 9:41

This was like before eBay life?

Amir 9:42

Before eBay, yes, a previous life.

Ronen 9:43

Was that before or after INSEAD.

Amit 9:45

That was immediately after INSEAD. I had to find a way. I wanted to stay in Europe to get some experience working in Europe. I owed money to Deloitte who had helped pay my way to INSEAD and I got one consulting company to pay the other, to allow me to stay in Europe. I And then in Portugal, I was the acting Chief Operating Officer and marketing director of Novedge, which was launching to compete with the local telecom company, which was internet voice and data. And, and I was, I was setting up marketing campaigns in Portuguese, which I didn't speak at the time, but I spoke French and a little bit of Spanish and managed to work it out. So they are very, more humble, and professional, and, you know, nice. Spanish and Italian characters are a little bit more macho, so there's a lot more provided.

Ronen 10:32
Right. And US?

Amit 10:36
The US, there's an enormous amount of and I don't say this in a bad way, I mean, this just to articulate a lot of superficial things are very important. How you look, how you present, how it sounds, you know, how things are packaged, everything is looked at,

Noa 10:57
Isn't that always true?

Ronen 10:59
No. They're kings of branding, right? Like it's logical, they act the part.

Noa 11:04
I mean, we're human beings. You look at these things.

Ronen 11:08
No, you look at these things, but I explained the importance, I think, during the, that is also from my experience, as well. In us, I think, I know actually they're the best country in the world of actually packaging, everything. Like if you think about, you know, there's basketball, for example, in Europe, and there's NBA in US, of course, there's better players, but the packaging, you know, you go to a game, everything is thought about, you know, the screen, you know, like the only culture they think is like, little similar as like Japan. Everything is like a movie, you know, I mean, like, you know, a restaurant is branded 'till the napkins, you know, they know how to market really well.

Amit 11:49
There's a really funny, interesting story about Japan. We created a virtual keyboard using technology from Jerusalem, with this Chinese operating company.

Noa 11:56

We?

Amit 11:57

Sorry. I was working with Israeli tech. When I was working for Uzia Galil, who was at the time considered one of the fathers of high tech here in Israel, founded Elron and 40 other companies. He retired and I helped to run his office. And our biggest effort was a joint venture with Hutchison Whampoa, which is a big Hong Kong conglomerate. And we were, they wanted to take these toy manufacturers and turn them into high tech manufacturers. And we brought Israeli technology to give them a competitive edge, we created a virtual keyboard, for the design for Europe, it felt light. And so we added lead, just a rock in the thing, just so it will feel heavy in your hand, because the Europeans need to feel like there's something there. But then when we priced it around the world, we were trying to get it down to below 100, like 99,99, we couldn't quite do it, like ended up at \$149 in the stores. In every market, we're trying to get it lower, get a lower get a lower. Than we sell to Japan, with a partnership with Panasonic. And they're, the higher they priced it the more it sold. Because the higher the price was perceived to be more valuable, more quality, right, it was the only place that's like 199 then they pushed it up to 299., and they sold more. So you know, the assumption is quality, expensive. I'm, I'm a better person. And so it's it was like completely backwards to every other.

Ronen 13:18

They also buy strategically, right? They can spend like if someone likes, they're extremists. So they, if they buy manga, they only buy the manga and they can save that money for that amazing, you know, like

Amit 13:29

The next thing.

Ronen 13:30

There's they're like, very niche and focused. Now they don't need a lot of stuff, they need that stuff.

Amit 13:35

It's a whole other world. They're the only ones also with a number one pop star who is an avatar, virtual reality pop star. Yeah. It's a really cool place. Somebody sued the government to get permission to his avatar.

Noa 13:48

Yeah, that's just weird.

Amit 13:50

It's a different world..

Ronen 13:53

So I have a question.

Amit 13:54

Yes

Ronen 13:55

Sorry. I just know you pretty well. But you're, you're born in Israel. You're age two you move to US

Amit 14:02

Year and a half. The country was really small...

Ronen 14:06

You couldn't handle it anymore. And then you moved to Canada, lived there. You finished your first degree there. And then your second degree you finished in France, in INSEAD. And while working for Deloitte? After or before?

Amit 14:18

Immediately after. Actually, I finished Deloitte and I came here to run a trade negotiation between the Ministry of Industry trade in Israel and Canada.

Noa 14:27

Just as a grad of INSEAD?

Amit 14:29

So what happened was after university, I studied engineering in Toronto. Then I did a startup with a friend of mine. Pre web browsers, we were training people on accessing Freenet corporate divisions, banks and stuff. And then it became a content management company. But somewhere in there, we couldn't pay the bills. So somebody had to get a day job. And since all of my family had fled to Israel and left me alone, I worked for Deloitte. And then yeah, and then I wanted to continue my education and I wanted to do it somewhere where I'm a minority. So I went to your friends, yeah.

Noa 15:04

Wait, why did you want to be a minority

Amit 15:05

Because I find it fascinating to learn how other people think, I realized we, we, as a family, we didn't know it. And it certainly didn't feel so rewarding during. But in retrospect, we moved roughly every three years, which was very hard as kids, at least for me, I don't know if you were conscious, but for me, it was, it was not easy. But for me, it taught me two things. One, not to be afraid of change. And two, I realized there's no normal, like, whatever I think is normal, whenever we moved to a new place, there was a different normal. And I find it fascinating.

There's like a semi anthropological, you know, passion I have to just see different normals. And I really wanted to, if I was going back to school, not spend it in North America, where I'd had worked, and I had the opportunity to go to Europe, and said, cool, that's like a lot of new normals only in a small area.

Ronen 15:58

Also INSEAD, their strategy...

Amit 16:00

That's right, they have a rule that says you can't have more than 15%, from one from any country. So by definition, you're there. And I learned way more from the different students I was with. The professors were amazing. But amazing experience was to sit in a case study group with a Russian and African, Asian, Israeli and a Canadian, and talk about a case of you know, setting up a business in Africa. And you get to the question of bribery, right. And for the Russian and the African is just the cost of doing business. It's like so natural, it wasn't even considered. It was a natural, that it was in the business plan. We were having a discussion, right, and they're getting so we're gonna need some, you know, some money for this official and not official, and we're like, What are you talking about? And then, and then you have people who grew up in, you know, Western developed, and they're like, but that's illegal. You can't do that. How do you do that? And then they challenge you they go really? What do lobbyists do? Don't you pay lobbyists in order to get government officials? How is that, and you eventually start to, you know, question your own assumptions about what is normal? And it's not a question of right or wrong, it's just here's all sorts of different ways that the world works. So that was fascinating. But the question I was about to answer when we went off on this tangent was, I ended up at INSEAD or the reason I went to the negotiations, because my sister, I called her to say, I'm going to INSEAD. And she said to me, but you always said you would join us in Israel? How are you going to do that, if you get into debt again, by going to school? Can't you come now just to see if you would like to live here. And so I said, you know what, you're right. And I postponed my studies for a year. And I needed to find an excuse to come to Israel. And so I, I don't even remember how somehow I ended up finding a job at the Canadian Embassy, where they needed somebody to organize this trade mission. And I set up, negotiate, there was 60 business delegates, and I set up all the deals, the briefs, between the ministry and then I got involved in the, I got to be in the negotiation, turned me off politics for life. Because I saw two egos sitting at a table that could do so many good things for each of their constituents and didn't because they just didn't want to give in. Like crazy agreements, like reduce taxes on bikinis. In Canada, there are no bikini manufacturers in Canada, none, right? In exchange for reducing taxes on wheat imports, there's not much wheat being grown in Israel, Canada has. But everybody was really proud afterwards telling me how they didn't give in. I don't know.

Noa 18:27

You had like zero experience for that job, right?

Amit 18:31

Yes, I had zero experience for that job.

Noa 18:32

So, I mean, I'm guessing telling them - listen, I need an excuse to come to Israel.

Amit 18:40

Obviously, that wasn't part of my pitch. What I, I believe the way I got the job was I came and I said: look, I came to the Canadian Embassy for an interview. I'm Canadian, I moved here. I didn't tell them why. And I know about business because I worked at Deloitte for three years. And I set up my own company. And the Trade Commission is about commercial agreements. And let me help you, they needed somebody to help not negotiate because you're not negotiate., you're facilitating the negotiation, but somebody who understands business and they're all government officials, so they brought me in because I had business experience to try and help make this productive.

Noa 19:21

I'm convinced that that sounds like you're qualified then

Ronen 19:25

No, think about the mediation here. So they're taking a Canadian that understands Canada and Israel.

Amit 19:30

By the way, I also speak Hebrew and I understand Israel, so most of the people in there, didn't, so I ended up being, I ended up actually, up until the actual negotiation I was having an amazing time because I everybody was becoming more and more dependent on me as the intermediary and I'd set up a coffee chain, second cup here, and saint cinnamon buns and the, like the Canadian companies came and set up the franchise based on the agreements that I helped to negotiate, so I felt super productive.

Ronen 19:58

How many companies did you have acquire from Israel to eBay?

Amit 20:01

Three in Israel, one in Sweden.

Ronen 20:05

Let's talk about that for a second. A lot of our listeners are entrepreneurs and startups in technology. Now, most of the strategies in Israel, which is a totally different country we'll not get into it. Their exit strategists and not becoming Checkpoint or Wix.

Ronen 20:20

But as I was a vibe wise, like not getting to that level, having an exit strategy from the beginning.

Now, eBay is one of let's say, five companies that is logical from day one, that you're having an exit strategy, you know, Google, Facebook, eBay, Amazon, you know, they're, they're up there, top five, top tech. Now you bought in 10s of millions of dollars each deal, companies in various technologies and talents. One, what are you looking for when you buy a company for that kind of company? How can you plan an exit strategy better? The entrepreneurs? And three? What are the minuses of selling a company to a corporate?

Amit 21:00

Okay, so let me put my corporate hat on first, okay, as a buyer, what happens within the corporation is somebody is trying to pursue a strategy, they have a goal in mind. And as part of that goal, one of the things you can do to pursue it is to buy by talents, capabilities, skills, markets, customers, whatever it is, you can build it or you can buy it. That by part of the strategy is where there's an opportunity for entrepreneurs to be to exit.

Ronen 21:30

Wait ,how did the entrepreneurs know about that strategy?

Amit 21:33

Learn about the strategy of the company. For example, two of the three acquisitions that I made, were part of a very public strategy, because it was the number one strategic priority of eBay between 2015 and 2017. I was leading at the time, on what was known as structured, still known as structured data, okay? Which, a large part of that group actually was based in Israel. And I needed to make some heavy investments in machine learning, and computer vision, and predictive modeling,

Noa 22:05

As part of the overall strategy.

Amit 22:06

As part of my strategy.

Noa 22:07

That was the need.

Amit 22:08

That was the need. The strategy was not a secret strategy within the company. The CEO of the company, every quarter was reading out on this strategy, okay, to the public. And if you read about it, and you said, I could help in the strategy, you have a basis to have a discussion in this case. Right? And a lot of people approached me under that banner, we know you're doing stuff around this, we're also doing it, okay? And then what happens you get into the funnel of, great, what is it that they do that we don't know how to do yet and can this save us time or money or make us better than the competition? Okay, now, from the entrepreneurial side, right? You have to know first of all, what you're good at, and also what you're differentiated on. You can't just be

good at something and expect people to go, wow, I'll pick you, especially if you're trying to exit which by the way, you should never do. You should never approach any meeting as an exit meeting, you should approach every meeting as though your business is flourishing. You know, unless you're in distress, which is not good for you in negotiating. Nobody wants to buy a business that wants to get out of the business.

Ronen 23:12

Would I meet with eBay as if I'm trying to sell them something? What would be the excuse?

Amit 23:18

Here's the thing, if it's not a financial investment, if it's a corporate investment.

Ronen 23:22

Because usually it's the mediator, right?

Amit 23:33

Not always.

Ronen 23:34

Okay.

Amit 23:35

No, here's what I would say, at least in my experiences, the most productive and successful acquisitions have always begun as a business partnership. Even if that partnership was for the purposes, from my perspective, I was secretly testing them. Okay, as far as they're concerned, it was a business.

Ronen 23:42

Right, because you get team chemistry...

Amit 23:43

Now they kick ass on the business partnership, both on the results, the team chemistry, the reliability, by the way, I'll share with you a little geeky formula of trust, I learned from my mentor CTO, which works both within companies, but also between teams, trust equals capability, times reliability, divided by self interest. You have to know what you're doing. You have to be good at what you're doing. But you also have to keep your promises. And this is something that for startups, you don't know how big an impact it has on a corporate environment. And unfortunately, the startup is in a situation where the big company doesn't always keep his promises. But that's no excuse for you not to, because you're very much judged on that, divided by self interest. Right? No matter how good you are, if people think you're out for yourself, whether it's a department to people trying to do a deal or two companies, but other people get, you know, pushed away. So that's why I say I don't think any company should approach any meeting as though they're trying to sell, even if they are trying to sell the company, they should

approach the meeting as selling the product or the service or themselves, whatever it is that they think is a value, okay? Sell it, make it great, find a way to make whatever that person is trying to do better, okay? In my case, further my strategy, I see you can further my strategy, and I can trust you and you deliver. I might want to go to.

Ronen 25:06

What you're saying is work together. Now a lot of, this is an Israeli culture thing. I'm not sure if it's everywhere. But when you work together, you're scared, open quotes, that they'll steal the idea for you, the execution for you. And then what happens is sometimes they're scared that they will do it themselves.

Amit 25:23

Yes.

Ronen 25:24

Okay. Yes what?

Amit 25:25

Well, that's an absolutely legitimate fear.

Ronen 25:27

Really?

Amit 25:28

Yes. But, but, here's the thing. You have to do one of two things. Either ignore it, because you think that what you're doing could be copied, but you know, it's very hard, and you know that the big corporation is distracted by a million different priorities,

Ronen 25:42

But that's my question.

Amit 25:43

And the fact that they're going to focus on it is very unlikely, long enough to figure it out. But that means you really know what you're talking about. That gives you the confidence to say, let them try, they're not going to be able to beat me,

Noa 25:55

And also why would they want to if they can work with me

Amit 25:59

Any manager who's trying to do right by his company will always have a backup plan. You cannot bet on any particular thing. You're probably doing some build by comparisons. And when you come to the conclusion that the buy is better than you try and go for it. But you know what, if

the price is too high...

Noa 26:16

I'll do it myself.

Amit 26:17

So so first of all, I'm giving you one option. One scenario is I know I'm smart and good enough and focused on just this thing. Nobody can beat me because I just do this. They can say they can, but they can't, they don't understand how hard it is. And sometimes it's good to let them try, because then they appreciate how good you are. Okay? So that's one approach. The second approach, which is the defensive approach, which is trickier, because then they're always worried, what they don't know, is you work out both legally, which is hard. But practically, situations where it's hard for them to know the secret sauce, until such time as they own the company. And the way you do that, for example, a lot of the work that I did was related to data is, when I did a bake off between companies, one of the ways I did it was I shared the same dataset. And the same problem with all the different companies, they got to take it and it gave him a time limit. Right? You've got six days, everybody come back in six days. In this case, I was trying to test machine learning and algorithms so I wanted, I didn't want somebody to human, to manipulate things human. So I gave a very strict timeline for very complicated problems. By giving everybody the same dataset and having them come back, it was really obvious who was faking, and who had something. Okay? And the people who were faking, I immediately removed them, the people who had something, now you begin partnership, where you just keep testing, until the point where you think it's okay, but the risk there is, you're much more dependent on the personal relationships, like...

Noa 27:42

Risk for who?

Amit 27:43

The risk for the startup, to build trust with the big company, is if I can never understand what, how you do what you do. And I'm going to keep asking until I do, I'm never really going to close a deal. And so you're going to be having to work overtime to make me trust you. Because I'm not sure that you're faking me...

Ronen 28:04

But that's anyways the job. Like at the end of the day, what do you buy in every company, any company, no matter what, how big it is, or whatever, you're buying the people itself, why? Because even if you have a product like Coca Cola, at the end of the day, there's like a team there, they're a key employees, then that's the real company, you know.

Amit 28:20

In the high tech world, you have IP, and then big company world, you have IP that is necessary for defensive purposes. Right. And so you may have assets that are not dependent on people,

okay? That you acquire control over just so other people can have it.

Noa 28:33

And also maybe because you think I'm gonna buy I'm going to acquire control, because I know that what if it's in my hands, I can now do it better with my team,

Ronen 28:41

It was a short term because the IP changes, you know, there's an update, three years later who does it...

Amit 28:46

Yeah, but you know what, and this is the thing that it makes life as an entrepreneur if you're trying to sell, also very hard. Things change and timing decides whether you're successful or not, it's not all about how good you are. And so for the moment that I needed you if you feel fulfilled the gap and all the other checks and balances and you are priced what I think is fairly, you go, and if not the IP changes the my strategy changes the person who's your sponsor in the company changes.

Noa 29:16

I've also heard of some formula for, and this is to answer you, that it's not always the people about when it's a good time to buy company and it's 3 d's. So it's death, depth and divorce. So these are three circumstances

Amit 29:27

For the buyer?

Noa 29:29

Yes, because it's three circumstances where this could be an opportunity and it's not depending on the actual people because you know, if it's a divorce and clearly you know, people are breaking whatever relationships there are and you know, buying the actual formula or, you know, whatever the company entails. Death speaks for itself.

Ronen 29:48

By the way, it's the same strategy if you want to pick up ladies.

Noa 29:51

Oh god... And then just last one, so debt so, you know, the people at the moment they got it to a certain place and there debt that in the company, but you identify potential, and you think, okay with my team with my people, I can actually make this profitable. So it's not I think it's not always about buying the people sometimes it's about buying the execution, a great idea...

Ronen 30:15

Usually, those are the same reasons that someone wants to sell as well. Like, I can't think of

someone who's like super successful, everything's amazing, making money, has total control. Maybe he wants a new adventure.

Amit 30:25

That's also a very small company perspective, though. Because there's another reason, which is usually the best reason but very rare. And that is a differentiated advantage. When you have a complementary advantage, you look at the same asset and go, I can make it 10 times more valuable. Because of what I know how to do that you don't know how to do. Okay, that doesn't mean you're in distress or you have a fantastic company doing great, right? Think of a content company, think of Disney right? Marvel produces the stuff nobody can distribute like Disney. Nobody can make money off the same character, like 76 different ways, every single day,

Noa 31:02

It's just the knowledge of that enterprise.

Amit 31:04

But that's what they bring to the table to negotiate. You're not, you know, these are not companies that, Pixar was not in distress. They were winning battle on content with Disney, but to build all of the distribution network of Disney.

Ronen 31:21

Impossible

Amit 31:22

Impossible, right?

Ronen 31:23

Very, very, very hard.

Amit 31:24

Very expensive.

Noa 31:25

So there's always a value like exchange of value.

Amit 31:29

I'm just saying you weren't listing only reasons

Noa 31:31

Oh, no, I'm not saying those are the only reasons

Amit 31:33

You get a good deal if small companies are in trouble

Ronen 31:35

But the synergy would be better for you.

Amit 31:36

But there's also good reasons. And I like to think that, you know, people are usually trying to do something good, and not necessarily always trying to take advantage of one another. The example of benefit is the first acquisition I made in Israel when I was still based here but just before I moved to the US. It was an acquisition of a wonderful group of people called the Gifts Project at the time, who came up with a very simple app for social commerce, before people could articulate what social commerce was. And I got so excited by them, I personally drove the launch with Facebook and PayPal and eBay with, they were just so committed and earnest to the idea to bring it to life and focused on it. And when it launched, there was such great PR for eBay, being the leader in social commerce, that the acquisition came out of, eBay not wanting them to be then used by anyone else. Right? Company was not in distress. Right? It was generally right. So I just wanted to give a counter example to the...

Noa 32:41

I just want to emphasize that I mean, I'm not only the impression that it's always out of distress, I think it's, it's always about win-win in a way. I know, okay, when you buy a company, you're buying the people, but I'm saying that sometimes the people can only take the company to a certain level. And then when another bigger or more experience, or some sort of venture that has a know-how that company that they're buying doesn't, that's where they can scan and take that idea, or concept to many different levels. And I think sometimes along that road, and then the people that incited the idea or not, it's not about them anymore, and they're not necessarily needed anymore.

Ronen 33:18

Yes, and you have to remember, there's a lot of people involved, right, when we're talking about exits is, the entrepreneurs, but then there's, let's say, 20 employees. Those 20 employees do something, let's say five are important. Those five employees have all their interests in the hand, they have their own careers, their own, if you miss someone there, you're gonna miss the integration between the company to get to that point. Is just a lot of, but now I'm interested on the opposite. The opposite is like you found a company okay? Now I know your VP, second, you know in line, CEO is over you. Still getting the organization, to say yes. \$40 million into that company. Like that's the process. That's the length, it could finish in a month if it wasn't that right?

Amit 34:03

That is a very difficult...

Ronen 34:05

How do you do that?

Amit 34:06

When I promoted the structured data initiative, became a huge strategy where the company was going to commit a lot of resources to money, people, policies, everything globally. And I said, and part of this is I'm probably going to need to acquire some capabilities and talent that we don't currently have to bolster the plan. I went to the the M&A committee, and I explained to them exactly what kinds of things we're looking for, and what their role is in the strategy. And then what is the business value to the company. And in this particular case, what I said was, these companies are going to generate one point of lift globally, which at the time is worth about \$350 million of profit. If we do what I say we're going to do, we're going to generate every year \$350 million more profit, and then it's going to grow faster, right. So the promise was that these acquisitions will ultimately lead to that within a two-three year period. Okay, that was my business case. Then I had to prove that I had scoured the world to find the best, but appropriate size, you know, the perfect fit. And my way of proving it was after we went through the hundreds of different, you know, companies, hundreds, like, so there they are, I take advantage. So here's where if you're, if you're within a large global company, they have a corporate division, you can take advantage of them, like an internal consulting and say, okay, here's what I'm looking for, what are the top ones in every country? And then they come back with a list of 100 and then you go through it, and you bring your team of experts to work with you. And you sort of filter it down to the ones that look right in terms of size and capabilities, and whatever, you do some outreach, and calls and meetings and stuff, and then you shortlisted down to the ones you really want. And the only way I felt confident enough to stand in front of the CEO and the CFO and say, this is worth it, I think I know I can make this work, was by testing them with some sort of business partnership. I would do that, once I was convinced they could deliver, then I'd work out the right price, then I closed the deal and they would be always under the guise of a very specific 12 to 18 month integration plan, where they were, I was expecting them to deliver stuff from second third month, like there was very specific reason. And here's my advice to small companies who become part of a big company. I've seen both successes and failures. The successes are generally where the it's a strategy is so clear why they're buying the company, that they're almost, that they're not their own department, but they have their own mandate that they have to get right. And then the job of the acquirer is to just make sure the system accommodates them, okay, which means I had to do a lot of battles to make sure that the office supports them and this supports them, they get an exception for this exception for that, and, you know, make sure that they can work, right. But their job was to deliver exactly what I said they could deliver with no excuses, right. So I would remove excuses that were related to the corporate, they would need to remove excuses by the fact that it was technically very difficult what I was asking for. As long as we delivered results every quarter, people said, that's a successful acquisition. And that gave me the street cred to go and make another acquisition. Otherwise, it gets clogged up.

Ronen 37:11

My friend in biotech says it's like a transplant. You know what I mean? You put in the liver and if the body doesn't want it, then it just won't work.

Amit 37:17

But as opposed to the transplant where it's really up to the body to decide here, the mind has a role to play, right, unless you have aligned all the company around what they're trying to do there and why. Because for example, there's a lot of internal competition, maybe you acquire this company, and there's a division in the company that does things that they think is the same. And now you have to defend why they're doing either something slightly different or better, or you need them and not this group.

Noa 37:42

Was that stressful?

Amit 37:43

Incredibly stressful. Everything's stressful. When you make these decisions, for the person who's making the decision, you're stressed because on the one hand, you have the CEO, publicly declaring progress, which affects the stock price, immediately, every time you miss a target, people don't even understand what the targets are. We were doing, we were doing P Live coverage, which means nothing to you and doesn't mean anything else to anybody else. But he was reporting on it. And if we missed, you know, if it doesn't happen within the quarter, exactly the way you said, you're failing, if it happened a little better, you're succeeding, but everything's very sensitive to it. When you make the acquisition, you're making a bet, which now you have to prove is working, which you're not gonna be able to prove until two years later, but you have to show that it's working, you know, as you go. And meanwhile, you have all sorts of internal competition and or you're trying to influence the system to accept at the same time while you're running the operation, it's very stressful.

Ronen 38:31

You're also working, like in different countries, in some of the examples.

Amit 38:36

Yeah, that's, that I don't recommend anyone.

Noa 38:39

So how do you navigate that stress?

Amit 38:41

How do I navigate the stress? Oh, my gosh.

Noar 38:44

I mean, it's daily and it's not going anywhere.

Amit 38:47

I think the way that I'm wired, is once I dream of something, it becomes viscerally real to me,

and then I feel responsible for everybody who's jumped into the dream. And so even if I can't get up in the morning, that feeling that if I don't get up in the morning, somebody who needs my help, is gonna, is gonna get stuck somewhere, would get me out. And I would be more able to go and confront whatever situation on behalf of the teams, and the dream that I believed in, then I think hadn't been you know, for me, like, you know, if I was doing this for myself, I think I would have had much more opportunity to say, ah, this is worth it.

Noa 39:32

So it's like a meaning that you felt, like a mission?

Amit 39:34

Exactly, I felt like I was doing something greater than myself. People had bet, believed I was making presentations to 1000s of people all around the world about what this is, how it's gonna work, how it's gonna save the company, turn things around. And in the two years that we work, the company went from zero growth to 8% growth, which is on \$90 billion company a nice improvement. It's a constant. It's a constant race and I have to say, I don't think I dealt with stress very well.

Noa 40:04

Why do you feel that?

Amit 40:05

Because, because I would never be able to de stress. Right. I personally ended up getting into, you know, situations where sleeping was very difficult. I knew I was in trouble when I had dinner, went at home one night, and I had been historically, I was proud of my ability to compartmentalize, you know, when I'm present, I'm present with the family and present. And I was having dinner, friday night dinner, we always do at home. Whenever I'm not traveling, I was having dinner with my family. And at the time, it was my five year old daughter, she's talking to me. And in mid sentence, she waves her hand in front of my face, because she sees that I have, like, I'm looking at her, but I've zoned out. And when she did that, she didn't do it as though she was worried like something strange had happened. She did it like it was a familiar reflex. And it scared me. Because I realized that it wasn't like just that night, I lost my concentration. It had gotten so that the family was absolutely experiencing the fact that my head was overwhelmed with a million crises, fires and decisions. And that's when I realized that I was like, I'm not, this is not, I'm not controlling myself anymore.

Noa 41:22

What did you do then?

Amit 41:23

One thing that helped me is to get up earlier and do some kind of sport. There was something about it that allowed me to kind of wake up, relax, and also think. The problem during the day was there was almost no time to think, because everything was meetings and crises and

problem resolution and emergencies. And in the night, if I came home at all, it was all about the family and their, you know, life. There was no time for myself. But there was also no time to decompress and think. And when I started to get up earlier, even if I meant I didn't sleep very much or at all. But that act of getting up a few hours early, and doing something

Noa 42:05

Few hours?

Amit 42:06

Few hours. Otherwise, I didn't have time. A few hours to go swim or surf. I got into surfing. Surfing was my Zen. I would go to the beach, even if it wasn't a good day, just to sit in the water on my surfboard.

Noa 42:19

Even if it was like, really cold?

Amit 42:21

It was always really cold. You wear a wetsuit, if you're in Santa Cruz, you wear a wetsuit, but it was, it was the only thing that would, you know, ground me. And then I go back and take on the world. But something like that helps.

Noa 42:33

And did the waving like in front of you stopped?

Amit 42:35

It improved. Improved drastically. Stopped? I don't know. It depended on you know, what was going on that day, week month. But the moment I was aware of it, I had to do something different and that really was the outlet to combination of you know, instead of punching something, do something. And also just being able to quietly think without people all around stressing out.

Noa 42:56

That's a good lesson.

Amit 42:57

Especially when you're trying to be the person who's calm. When you're trying, when you're the leader, you're constantly trying to be the person whose calm. You can't show, even if you're anxious. The last thing you want to do is add to the fire. Right? So everybody's coming to you, a flame, right? And you're you're going - okay, relax. But you know, the moment they walk out the door, you're going, shit..right.. So you need to find a way to decompress, and everybody needs to find their way. But it's, I couldn't believe how critically important it is.

Noa 43:26

And then like why, why did you leave?

Amit 43:28

So what happened was after running that program for a couple of years, my legacy to eBay is it went from being something that nobody knew talked about, or even people knew wasn't sure it's important, to a really critical part of the business and changed how we, they worked.

Noa 43:46

What was the legacy?

Amit 43:47

The structured data program. It affects every part of the business now

Noa 43:52

But like in a sentence

Amit 43:53

In a sentence? The strategy was how to understand eBay's inventory. For 20 years, eBay ran as a marketplace where people would list stuff on eBay. And eBay, the systems would have no understanding what it is. People could write whatever they want. There could be a million iPhones, but each one looks like another listing and people don't know what it is. The system in order to help connect buyers and sellers needed to understand, which meant sellers had to describe things in different way, which means adding structure to what was previously a completely unstructured experience. And buyers then could compare and see things in a completely different way. So by making that investment in the foundation, what it allowed for was buyer experiences that weren't possible before this happened and seller experiences and guidance, which wasn't possible. And then eBay can intermediate more effectively between buyers and sellers and run the business rather than just have it happen to like a landlord in the show. So that was the big change. Once people understood the inventory, that layer of the foundation I wanted to work on the next part which is personalization. If I know everything about the inventory and how to describe it. Now I needed to learn everything about you and how to describe you. And where the two overlap, magic happens. And the vision was to come up with an eBay store, which would be yours. So you don't want to see a billion and a half things, you should only see the 1500 things that are like so you, it says if you just came home.

Noa 45:15

Because I'm gonna buy more.

Amit 45:17

Because you're gonna buy more. And even if you don't buy, you feel comfortable there and you come all the time just to check it out. So to do that

Noa 45:23

And then buy more.

Amit 45:24

And then buy more. Obviously, at the end, we want to buy more. The thing I liked about eBay, though, was we weren't forcing you to buy stuff that we chose to force, you came because of stuff that other people were doing. Right? And so, then I went into what was called the vertical experiences and platform and came up with how to do that for people who love cars, and how to do that for people who love fashion. And for people who love cars, it was very easy, because it's very spec driven. And once we know what your car is, we'll only show you stuff that fits your car, which sounds self explanatory, but it's actually very hard to do. Yeah, very hard to do. But now once you have your check your car into the garage, your garage becomes your own personal eBay store for anything and everything you could have ever imagined. Not only the parts and stuff, but you could have branded shirts for Ford and Porsche, you know, toys, there was a couch, you know, that looks like a Porsche, whatever it is that you want you can have. And for fashion, it was an even more interesting experiment, because we were doing essentially all visual trumping right? You would start, we called her, Julie, our customer we're trying to sell for. She's a millennial, she's always dropping, even if she's not buying when she's looking at other people. She's going - ah, that's a nice purse, that's a nice one. So the idea was to start with a picture of something that she liked, and then have her share that with our search engine, which would then bring back the inventory that looks like that picture, and we could offer it at different price points. The branded, the unbranded, depending on what she wants to spend it on, and ultimately go through an entire shopping journey with complimentary items without ever having to type any text.

Noa 46:58

By the way, I have a suggestion for improvement for eBay. So as an online shopper, I've noticed that for example, Ali Express may draw you in in a way that eBay has not yet figured out.

Amit 47:08

How?

Noa 47:09

And they can just even look. Because Ali Express is luring you in and encouraging you to window shop, you can basically just enter that app and just scroll down till you're dizzy and want to sleep. And it's just goes on and on. And it's always and it's also personalized. So it's pretty relevant. And with eBay, you pretty much have to go in there and the first thing that you see is a search bar. And it's up to you, you initiate this and you're generating the feedback rather than being sold to. eBay is like very much behind in that respect I think.

Amit 47:40

Sure, absolutely, I'll pass it on, to my former colleagues.

Noa 47:42

It's on me. And umm, I know, we want to be respectful of your time, but you're saying you left because you just felt like...

Amit 47:50

So what happened was, there was a change in strategic priorities. The personalization effort that I was working on, basically needed to be cut in half to fund payments, because of deal with PayPal ending very soon. And so at that point, I said - you know what, I think this is a good opportunity to take a break and part as friends. I worked on the buy side, the sell side, the back end, the front end, every part of eBay, and I kind of wanted to do something different.

Noa 48:19

And now you're doing something different?

Amit 48:21

Now I'm looking at a number of different things.

Ronen 48:23

What would you say, after that whole adventure, what's your superpower?

Amit 48:30

I guess, I think we mentioned it earlier, I think I think my superpower is I have a really powerful imagination. For me, when we discuss an idea. It becomes very real. And once it can become that real, I walk around and the whole world, you know, needs to interact with it. And it draws people and resources and ideas and conviction. And you know, it's not like it's an overnight thing. You know, the structure data initiative was a nine year overnight success. I wouldn't have predicted it before but retrospect, you know, I realized wherever I was, I was just trying to be useful. That was actually a great quote from Jim Collins, who wrote the book Good to Great. He went to his mentor, which is Tom Peters. And he said he was, when he was trying to make the decision, I heard him speak, when he left Stanford about what to do, how to be, make sure he's successful. And he said to him, don't worry about being successful. Worry about being useful. And that always affected me because wherever it was, I was trying to be most useful, whatever it was that I was in charge of. How can I make this useful to help other people and...

Noa 49:37

That's great advice for anyone

Amit 49:38

That was, that's what led the career. I can't say I planned it but by doing that, it just became a bigger and bigger problem or opportunity to solve so I think that the key superpower is probably a very convincing imagination. I can convince myself which gives me the credibility to convince other people to give it a shot.

Noa 49:57

And your kryptonite?

Amit 49:58

My kryptonite is the word 'help'. Anyone to ask me for help, I need to help them. That's where I was falling with my daughter. I was trying to help too many people all the time. And I stretched myself too thin. I take it upon myself, because I assume, as the big brother in the family, and the role, I always had this rule of being the one who could help. And I, I needed to learn how to say no, I also have trouble asking for help.

Noa 50:29

Maybe this is a cry for help.

Amit 50:30

But yeah, I need help. I need help. Both sides of help have been my kryptonite, not because of bad thing necessarily. I just realized that I don't have...

Ronen 50:41

It's usually a leadership skill, by the way. Help is an anti-leadership skill. I'm not saying, they are great leaders that know how...

Amit 50:49

Yes, 'cause it distracts focus. You're right. I never thought of it that way,

Ronen 50:53

It distracts focus but also it's not showing that you're powerless so you don't have the answer. All kinds of stuff like that. I'm not saying that's the way to lead, there's a lot of leaders that do, but it's usually anti how people perceive a leader. He knows what he's doing, it's to be responsible...

Amit 21:07

Although I never had, that I'm asking for help on behalf of the team, the company, the family whatever...

Noa 51:13

That's right, that's it doesn't hit your ego.

Amit 51:16

That's right. Well, yes. Right. So help, help is my kryptonite.

Ronen 51:21

Amazing. So I'm personally not objectively happy here.

Noa 51:27

I'm objective, I'm happy.

Ronen 51:28

Yeah. I really want to do another session on like, e-commerce a little bit.

Amit 51:33

Sure, I know a little bit about e-commerce.

Ronen 51:35

So like a little bit of tips, how and what because in Israel and, and also like, at all, today, a lot of startups are starting around helping e-commerce and making an e-commerce platform. So I'm intrigued to hear about that as well. And I hope to do it soon. So thanks Amit.

Amit 51:51

Thanks for having me. This is a fantastic show just so you know, not because of my brother. I have listened to many, many podcasts while I exercise to de-stress myself. And they're fantastic. They're really finding the most interesting people that I haven't heard about before. Just have these great conversations that feel really authentic. It's really amazing.

Noa 52:10

Thank you. It feels like this was one of those authentic ones.

Ronen 52:13

Yeah, I told him to say that, I owe him dinner now.

Amit 52:16

A good dinner!

Noa 52:19

All right, bye. Thank you.