
Episode 116: Jalak Jobanputra And What It's Like To Be A Woman In Blockchain

Kelley: Welcome to Crypto Token Talk, a crypto 101 podcast exploring how blockchain technology applications like bitcoin, ethereum, and other crypto assets could change the world. Learn from blockchain experts, thought leaders and founders of some of the most innovative companies and world changing ideas of our time. I'm your host Kelley Weaver, CEO of Melrose PR, a leading blockchain communications agency. Thanks for joining us today.

Today, I'm here with Jalak Jobanputra, founding partner of FuturePerfect Ventures, a technology veteran with over 20 years as an entrepreneur and VC, Jalak is wildly renowned as a blockchain thought leader and pioneer, as she was one of the first investors in the blockchain space in 2013. Welcome, Jalak!

Jalak: Thank you, Kelley. It's good to be here.

Kelley Weaver: Such a pleasure. Will you tell us a little bit about your background and your journey into blockchain and crypto?

Jalak: Sure. It was a long journey, but one that I feel prepared me for all the potential that is in the crypto and the blockchain space. I started off as an investment banker in media telecom and technology in the mid-'90s. Worked on a lot of mergers and acquisitions and IPOs, including Netscape and a lot of the telecom privatizations that were happening around the world, the first wave of wireless licenses. That's when I really realized the power of connectivity and that people all over the world could benefit from greater connectivity. Of course, in those days, we didn't have mobile phones the way we do now. There was a lot of things that have developed since those days that have allowed us to create a more hyper-connected world, but I always knew that I wanted to work in that arena.

Jalak: In '97, I was living in London, moved back to New York and joined the launch team of a startup that distributed financial research online. I relearned to code. I had learned to code when I was ten, but as we know in the coding world, in the software world, languages develop and change. Then I also managed business development and product development for the company, but I missed doing deals. After I went to business school, I moved out to Silicon Valley and Intel recruited me to invest for them. I've been investing in venture in early stage companies since 1999. About five years ago, decided to start my own fund. I didn't want to start a fund that looked like every other venture fund out there. I started exploring what the trends, I thought, were in the next ten, twenty years, really looking far out beyond, I think, a lot of VCs were investing in the on-demand startups, a lot of e-commerce.

Jalak: I wanted to really think about what was as paradigm shifting as the internet was. I went to a bitcoin conference in 2013, and gelled this whole idea of the next generation of connectivity.

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I got really excited about investing in this space, and took a big risk with the first fund. About 70% of our capital invested was in the first wave of blockchain startups.

Kelley Weaver: I'm going to stop right there. You cut out a couple of times. I don't know if that's-

Jalak: Did I? Okay.

Kelley Weaver: Your phone or whatnot? If you can just say that last sentence again, investing in the last wave of blockchain startups, then we can sub that in, because it just blipped over it.

Jalak: Really? Okay. That's strange. I'm on my laptop, and it usually is pretty good.

Kelley Weaver: Then I'll just, actually, we can just, I think it'll be fine. I'll try to smooth it out, but I'll ask the next question.

Jalak: Okay.

Kelley Weaver: You were one of the first early stage investors to be funding blockchain. What was that like?

Jalak: It was pretty lonely back in 2013 and 2014, to be investing in blockchain technology. If you think back to that time, that was when Mt. Gox had been hacked, Silk Road was revealed as this marketplace that was using cryptocurrency for nefarious activity. A lot of people that I talked to were asking me why I would get involved in a space that was associated with such negativity. The way I looked at it was that bitcoin ended up being very resilient. Even though the price was hit very hard in 2013 and early 2014, bitcoin didn't die. I thought that was very telling in both a demand worldwide for this technology that created this ability to cross boundaries and verify transactions without intermediaries. Then also, the passion of the developers in the space. It was something that I became more and more impressed with the more I got engaged in the space. This is a group of developers who are not in it just for the money. We've certainly seen a lot of price appreciation since those days.

Jalak: I could tell from those early days that they were in it to really change the world and make the world a better place. That really resonated with me, and that's really what kept me going in those days when there weren't really many other VCs investing, certainly not any of the more well-known VCs. I remember going to dinners and I've been in the VC industry for a while. They would just ask me, "What do you see in this? Why are you so focused on it?" They weren't really sold. I think it really started happening, just over the last year, when people saw the price of crypto go up and ICOs and Ether become a development platform. That's when I think the rest of the world really started paying attention to this technology.

Kelley Weaver: What were some of the early investments that you made?

Jalak: I was part of the first, sorry. I was part of the first million dollars into companies like Blockchain.info, which is the largest crypto wallet in the world, into Abra, which is a wallet that

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has gained a lot of traction in the emerging markets. They started off as a remittance platform, bypassing Western Union and using the bitcoin platform. They saw such a demand for buying and selling and holding crypto as asset classes that they started offering more functionality on that end. Both of these companies have raised Series B financing, close to \$100 million dollars. It's really excited to have been part of the first money into those companies. Other companies in that category include BitPesa, which is the largest bitcoin blockchain platform in Africa, Everledger, which has used blockchain technology to build out a verifiable, immutable database for diamonds and other high luxury assets. They're based in London. There are about ten other companies in that category that we were fortunate enough to be really early investors, and grow with the entrepreneurs as the sector has grown and really positioned us very nicely to invest in the next generation of entrepreneurs in the sector.

Kelley Weaver: That's a really impressive list, and some pioneers in the space for sure. Can you tell us a little bit about what you're doing today and what you're looking for today? Now you have two funds, correct?

Jalak: Yes, yes. Our first fund was launched in 2014. We just recently started investing out of our second fund.

Kelley Weaver: What's the second fund about?

Jalak: The first fund's basis was around decentralization. If you read Don Tapscott's book, *The Blockchain Revolution*, we're cited in there as one of the first funds focused on decentralization. Blockchain is certainly the underpinning strategy of it, but what I'm really excited about and was part of the thesis in the first fund, but I think we were just too early with that thesis, is the intersection of other decentralized technologies including mesh networking, internet of things, and artificial intelligence, and the way these all interact with this immutable verifiable database called the blockchain, and how we can create new business models out of the intersection of all these newer technologies that are only possible because of all the connectivity that we now have.

Jalak: I'd say very much still investing in blockchain infrastructure, very interested in supporting the crypto asset class that's emerging. If you think about all the infrastructure that's been built around trading and financial services, a lot of that has to be built for crypto-specific assets. Security is a big area that needs, certainly, work, so we don't have hacks for the on-ramps and the off-ramps of crypto wallets. I would say I continue to be interested in emerging markets. I'm a strong believer that emerging markets will lead us to new business models, and it won't necessarily be the developed markets that create out of this technology to the same extent the emerging markets will.

Jalak: That's very much similar to what we saw in the mobile wallet technology with M-Pesa in Kenya. We saw them innovating in Africa because they didn't have banking and financial institutions like we do. They created a mobile money system that, it took us a few years to catch up to the functionality that they have in Africa. I see similar types of things happening in places like Southeast Asia, India, Africa, Latin America, where because there are not a lot of

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TALK

institutions already in place in these markets, we may see them take hold of this technology in a more creative and a bigger way than we do in the US.

Kelley Weaver: Very cool. Do you invest in ICOs as well as the equity or do you only invest in the early stage ventures in a more traditional sense?

Jalak: The bulk of our fund still focuses on equity. What we found is while ICOs are a great tool in the tool set for entrepreneurs to raise capital, and I welcome the ability for entrepreneurs to be able to do that and reach a broader audience with fundraising and capital access for their startups, a lot of them, especially at the earliest, earliest stages, are still looking for smart money to come in and really help them grow the business. Even if they're planning a token offering, often they're still doing an equity round first. We want to be part of that first capital in, and help with the strategy, help with our network in the space as well as the network in general of having been investing for so many years. I am also investing in pre-sales and also personally, I am a holder and an investor in the more liquid crypto assets. I think there's a lot of really interesting protocol-building that's happening with these crypto assets. I think we're still very early stages, and I think most of these companies will not survive through the next phase, but there are plenty that are being built now that will.

Kelley Weaver: What are the things that you look for in these companies that you want to invest in? Is it the entrepreneurs?

Jalak: Yeah, it's the same that I've always looked at, since starting investing in the mid-'90s. It's really, the team is first and foremost. Ideas and markets often evolve and change over time, but you want to back an entrepreneur that you know is resilient and can survive ups and downs in a market that's still very nascent. If I look at the first fund's portfolio, that's what we really looked for, and it's paid off. There was a crypto winter from 2014 to 2016 where crypto prices were stable or down. Companies may have started proof of concepts around the blockchain technology, but they weren't yet sold on the value proposition. These entrepreneurs really had to hang in there and believe in their mission, heads down, build out technology, and have resilience and optimism that the market was going to return in an even bigger way, which it did end up happening. It was those entrepreneurs that believed in what they were doing and made the sacrifices they needed to in the interim that have prospered in the last year as the market has grown. The team is first and foremost.

Jalak: You could still have a great team, but not a big enough vision. I believe in looking at the vision as well as the team. Also, what I find is, a lot of entrepreneurs aren't necessarily looking at the competitive landscape. Things have gotten very frothy very fast in the crypto markets. For every one company doing a certain thing, there are usually five to ten others that are popping up. I'd say especially since this is such global technology and we have the participation of entrepreneurs around the world, this becomes even more competitive of a market. The entrepreneurs really need to understand who else is out there and either collaborate or have a better solution than the other ones that are out there.

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TALK

Kelley Weaver: I agree with that. What has your experience been as a female thought leader in this industry, and a leader, or a pioneer?

Jalak: I'd say it was tough to be a pioneer in general in this industry. I think I was probably the first female institutional investor in this space. It was a double challenge in some of those early days. What really helped in that process was just the entrepreneurs I invested in and came across of both genders. I'm happy to say that we have close to 50/50 ratio in terms of genders that we have invested in. That's really a function of being open to all entrepreneurs, all over the world and just finding the best ones out there.

Jalak: As a woman, I'd say I am very pleased to see more and more female participation in this sector. It's come a long way since that first bitcoin conference I went to where it was really me and Catheryne Nicholson, the founder of Block Cipher. I remember just gravitating towards her because we were literally the only two women there. Certainly, we have a long way to go, especially with some of the worrisome culture we're seeing emerge at some of these conferences such as BTC Miami, but I just want to encourage as many smart people to get into this sector. Certainly, we need to make sure that we don't end up with a ratio that we ended up with the tech sector.

Kelley Weaver: You recently hosted an off-site weekend for women in blockchain, which I was honored to be included. What was your inspiration for doing that?

Jalak: The inspiration was women like you, Kelley, women that I have met over the last few years that fell down that crypto rabbit hole and are so well-versed and have built their own businesses or encouraged larger companies that they're a part of to start looking at this sector. I just selfishly thought, "Wouldn't it be great to get all of these women together for a weekend where we could really get to know each other, and also get to know each other's businesses?" As you recall from that weekend, there were plenty of deals that were getting done. That was really magical to see the bonding on the personal as well as the professional level of some of the brightest minds in the space. A lot of these women that were there, or all of them that were there, are really paving the way for the industry in general and then serve, I believe, as great role models for under-represented groups. It was really a function of wanting to get this group together and then see what came out of it. I'd say it even exceeded my expectations. That's how the Future Collective was born.

Kelley Weaver: What is the Collective Future, and what are some of the goals?

Jalak: The Collective Future was born out of our collective desire from that off-site to make sure that we keep the momentum going, that we harness the desire of all the attendees and so many other people around the world to ensure that we have diversity in this new technology and this sector that is emerging. The goals are really to bring visibility to women and underrepresented minorities who are doing great things in the sector, but don't necessarily get the coverage of some of the men in the sector. That was one of the goals for getting this group of women together for the weekend. I realized through the course of that weekend, that we need to make

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TALK

sure that all of these voices are heard, that we're not written out of the history when we're having such an impact on the early days of this technology.

Jalak: I know there are thousands of other people out there who are just as capable and are doing great things on the ground, so wanted the Collective Future to be one spot, virtually, as well as hopefully in real life, where we can gather these people who are doing all of these things in the sector and also pair mentees with mentors. We've had a lot of inbound interest on both sides there. Provide scholarships to under-represented groups that may not have the opportunity to travel to some of these conferences. I personally funded a number of women to attend hackathons, that wouldn't otherwise have been able to attend. I'd like to formalize that process to provide match-making opportunities to that end, to make sure that people aren't being excluded for lack of resources. We don't want the people who already have resources to be the only ones who have access to these conferences and the hackathons and insights and contributions.

Jalak: I've also received a lot of inbound, or the site has, on conference speakers and hiring in the sector. I do believe that there are a lot of companies that want to create more diverse environments, but may not have the networks to do that. I think the Collective Future can really help serve that purpose.

Kelley Weaver: That's so exciting. There was also a Blockchain Inclusive and Diversity Pledge by the Collective Future. Can you talk a little bit about that?

Jalak: Yes. I consider this such an important piece of the Collective Future and what came out of the weekend together. Just like we've seen Hollywood gather together to support women in the sector, the #metoo movement. I thought, "Let's create a positive pledge here that lets people know that it's not okay to have conference or after-parties of conferences at strip clubs. It's not okay to not have a code of conduct. It's not okay to create a sector that's exclusive instead of inclusive," so it's an opportunity for people all over the world to sign this pledge that says that they're supporting inclusivity. They're supporting this nascent industry to be aware of practices and create best practices. We allow the opportunity for people to just sign the pledge, or also put their own piece of the pledge in. I personally, or through FuturePerfect Ventures, opened up office hours for under-represented groups who want to bounce around ideas and get feedback on their business plans for companies in the sector.

Jalak: I've been doing a quarterly Women in Fintech event in conjunction with the Lower Manhattan Business Council here in New York, which just showcases female panelists, but is open to a broader audience. I have to say, we've had some of the most diverse audiences I've ever seen in the sector. I believe a lot of that is because of the ethos of what we're putting out there, which is that inclusivity matters, that we want to showcase women that are doing great things in the sector, and you can learn a lot while you're listening to these women. We're going to continue doing that. We just wanted to encourage people to come up with their own ideas on what they could do in their companies and their communities. I know a few members have committed to working with organizations such as Girls Who Code and Black Girls Code to make

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TALK

sure that there's blockchain and crypto-specific programming that's available in their training programs. It's been really heartening to see all the creative ideas that are coming forth.

Jalak: I believe, with this collective effort, that we're not going to end up in the same place that we ended up with the tech sector, being so non-diverse and having all these harassment issues. We can get ahead of this, and create companies that are inclusive and also the next greatest companies of the future.

Kelley Weaver: I totally agree. I'm so grateful that you put this group together. The output of the weekend has just been fantastic. My pledge is to maintain at least 50% of my company, Melrose PR, being women. Right now, we're at 80%.

Jalak: That's incredible. I love that.

Kelley Weaver: Also, the listeners may have noticed, but every other episode has been a woman on this podcast. I plan to continue to have at least 50% of the episodes featuring women, because there are so many women doing incredible things in this sector, as you said. It's just, we need a microphone. It's exciting to be part of that conversation. I've noticed, since the weekend, there was a WIRED article Erin from WIRED put together. She visited during that weekend, and she put together a recap of what happened that weekend. I can put the link in the show notes to that article. There's also been subsequent press hits including an article by the New York Times, and you were recently on Laura Shin's podcast talking about this topic. I think you've opened up the floodgates of the conversation, which is incredibly admirable.

Jalak: Thank you. I'm so thankful to you and the other women who gave up your weekends without knowing what it was going to be all about. I don't think any one of you asked who else was going to be there. It was a leap of faith. It was truly magical and inspiring. I look forward to seeing all of you again, whether it's in that group setting or at these conferences, but it was certainly a really special weekend that I believe will make a lot of difference in the sector going forward.

Kelley Weaver: I agree. How can people get started in crypto? What do you recommend as first steps for listeners who are just trying to get in to this space, whether it's working or investing?

Jalak: I think there's so much more information out on the web now than there was before. I remember raising my first fund and trying to gather information on the sector to provide to prospective investors. I ended up creating a lot of materials. Now, it's a very different story. There are a number of books, including *The Blockchain Revolution* and *the Age of Cryptocurrency*, written by Michael Casey, that are great books. You mentioned Laura Shin. Her podcast has had fantastic people on over the last few years, who are at the forefront of a lot of this technology. I would say just immerse yourself in the information that's on the web. CoinDesk was one of the first online publications to focus on the sector. They have quarterly reports that they put out that delve into some of the cryptos in more detail. That's another good resource.

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TALK

Jalak: There are a lot of meetups. I've been shocked at the proliferation of meetups over just the last six months. It's just a matter of searching and seeing what's in your community. Reach out to people on LinkedIn. Reach out to people on, Telegram has become a de facto for a lot of communication on these sites, or on the sector. I would say just get out there and learn. There are no dumb questions right now, because this sector is so nascent. Feel like you can ask questions and learn. It reminds me of being in the internet sector in 1995 and 1996. It's wide open to get engaged with, so don't let anything hold you back. Everyone's trying to learn right now. There are new developments every day.

Jalak: A lot of people who are not necessarily software developers or finance people ask me, "How do I start to get more engaged in this sector?" My answer to that is just how the internet changed media, changed finance, changed fashion. Every sector that's out there was touched by the internet. I believe the same is going to happen with blockchain technology. If you know a sector really well and this is something I see you doing, Kelley, with PR. You got interested in crypto, and saw that there was a gap in firms that had specialized in the sector. You got yourself engaged in it and started a company around it. I believe there are opportunities to do that, both with large companies or, if you're more entrepreneurial, starting something on your own, but using the expertise you may already have and not feeling that you have to go and learn a program, and that's the only way to get started in this sector.

Kelley Weaver: That's amazing advice. Thanks, Jalak. How can people get in touch with you or learn more about what you're up to?

Jalak: I have a few avenues to get in touch with me. One is my blog, which is called The Barefoot VC. I've been blogging since 2008, basically since the financial crisis. It's very opportune that that's also when bitcoin was born, but I was very much inspired to start writing after the financial crisis and how technology and globalization together could create a new form of capitalism. That's been a theme of the blog ever since I started writing. Diversity and gender dynamics has also been part of the blog conversation. That's definitely a way to get to know me better, and what the fund represents.

Jalak: We're also on FuturePerfectVentures.com. I'm also available on LinkedIn, and my Twitter handle is @Jalak. I always welcome people to reach out. It's obviously a very busy time, but try to get back to people, especially entrepreneurs who are creating new companies in this space.

Kelley Weaver: Thanks again for joining us. I really appreciate it.

Jalak: Thank you, Kelley. I enjoyed it.

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