

## INDIA FEELS LIKE SILICON VALLEY IN 1998: US VC WENOKUR

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Some US venture capitalists may have become jittery about investing in India, but not Jeremy Wenokur, a longtime India backer and investor.

"India feels like 1998 to me in Silicon Valley," said Wenokur, who first came to the country in 2005 and helped venture capital firms Sherpalo Ventures and Kleiner, Perkins, Caufield & Byers set up locally.

While the two firms have exited India to focus on investing in the US, Wenokur chose to set up Lightbox Ventures, a \$100 million fund, along with the team that ran Sherpalo and KPCB in India.



Jeremy Wenokur

"We were obviously too early in 2005. It didn't materialise as fast as we thought," said Wenokur, who was in Bengaluru to meet with start-ups. "But now we have real revenue companies and you have to start seeing exits," he said. Wenokur, who led corporate development for Google in its early days, first came to India soon after making a \$5 million investment for Google in Baidu, China's largest search engine. A few months later, Google sold its stake in Baidu for \$60 million.

"China had this huge opportunity but it was difficult to do business. I thought India had to be a few years behind and started investing. What I didn't realise is that it would never have the PC generation," he said. Indian consumers took to mobile phones and mobile Internet, skipping the personal computer revolution that was witnessed in the US in the 80s and 90s. Now, he says, enthusiasm returned to India as mobile Internet has picked up in the country. "Now, there is this huge opportunity to build brands," he said. Wenokur is excited about ecommerce, online education, healthcare and start-ups that use the Internet to deliver services and products.

"You are now starting to see money pouring in," said Wenokur, pointing out recent investments made by late-stage investors such as Softbank and Tiger Global in India. Sandeep Murthy and the team that set up Sherpalo Ventures in India launched Lightbox Ventures along with Wenokur last year. The two exiting funds sold their stake in six of their portfolio companies to Lightbox, which plans to invest \$3-5 million in new start-ups.

"What really needs to explode is that big exit," said Wenokur, who sold his first company to Netscape, the Web browser developer, less than six months after launch.

Netscape, in turn, was acquired by AOL in 1998 and many new entrepreneurs were born from these companies. "If a company like Flipkart goes public, you will see a similar thing in India," he said.

Industry watchers say Indian companies are not on the radar of American companies that are looking to acquire start-ups.

"Sometimes it doesn't fit their corporate development plans," said Wenokur, who was part of the team that acquired 17 companies for search giant Google in its early days. "Big acquisitions may not happen right now. But you are going to see the IPOs first and then the M&A story," said Wenokur.