

Running a Hardware Startup: Hind Hobeika on Staying Motivated Through Failure & Cultural Isolation

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Hardware startups face unique challenges. **Hind Hobeika**, founder and CEO at Instabeat—a startup that pioneered a revolutionary device that improves performance and motivation—discovered those problems firsthand. While she was completing her undergraduate degree in engineering in Beirut, Hobeika had the idea to create a tracking device that would allow swimmers to monitor their heartbeats and workouts in realtime. Her idea and early prototype impressed engineers and investors. In 2013, *MIT Technology Review* named Hobeika one of the “Top 5 Pan Arab innovators under 35” and *Forbes* featured her as one of 7 “Hottest Global startups.” But manufacturing a viable product from the original prototype took Hobeika over six years. Along the way, she endured cultural isolation, ran out of funding, struggled with problematic prototypes, and missed a deadline for delivering on a crowdfunding campaign. In a candid conversation with **Shikhar Ghosh**, Hobeika discusses the ups and downs of her founder’s journey, including having to move to different continents three times to find a reliable manufacturer. She provides tips on maintaining her focus and shares tactics for well-being that can help any founder undergoing intense stress. A lightly edited transcript follows the video.

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Hind Hobeika interviewed by Shikhar Ghosh at the HBS Rock Center for Entrepreneurship, on September 11, 2019.

Running a Hardware Startup: Instabeat’s CEO Hind Hobeika on Staying Motivated Through Failure & Cultural Isolation

SHIKHAR GHOSH: This is Hind Hobeika. She’s the founder of Instabeat, a company that has just come up in the market with a wearable device for swimmers, which tells you your heartbeat and other measures directly into your goggles regardless of which goggles you’re using. Can you tell us how you started this? How did you get the idea, what are the first steps in your journey on that?

HIND HOBEIKA: Yeah, so I’ve been swimming my whole life. I grew up in Lebanon on the Mediterranean where swimming is a core part of our day to day. And when I was in engineering school, as part of my varsity team, I started realizing that our coach was giving us our workout based on effort zones or heart rate zones. And then we were measuring our heart rate manually by counting the pulse after the set. And I kind of find that it’s a little silly to do that because knowing your heart rate after you’ve finished

swimming, while you're recovering, first of all is inaccurate. But also it's kind of useless because the only thing you can do about it is say, "Oh I should've swum harder or I could have swum harder." So that's when I felt for the first time the need of having my heart rate in real-time.

So, I started asking around and I looked for available solutions and I couldn't find anything. And at the same time I saw an ad for this competition that our dean has sent, saying that if you have a product idea or submit your final year project to this competition. And so that's exactly what I did. I submitted the idea for a heart rate monitor for swimming. And after the few rounds of interview, I got myself into that competition without really knowing that it was a reality TV show where you have to go for four months to Doha, and they would give you the right support and infrastructure to build the first prototype. So that's what I did.

During my last semester, I found a way to convince professors to let me follow my classes online, because one of my parents' hard requirements was you cannot graduate late. And so I kind of went through a hundred petitions to get that done. And then I flew to Doha, and over there for 10 hours a day, I was locked in a lab with 16 other candidates from the Arab world working on my prototype, and then at night studying for my schoolwork. I ended up winning the third prize of that competition. And I had a functioning, very big, bulky prototype that proved that heart rate could be measured from the side of the temple.

SHIKHAR GHOSH: What was it like being a woman entrepreneur in this competition with other, presumably mostly men?

From Engineering Product to Startup

HIND HOBEIKA: Yeah, I mean back then I wouldn't say I was an entrepreneur yet. I was an engineer, but being a woman and with 15 other guys, 15 other more conservative guys from the region, I was very isolated. No one would accept to talk to me on TV. And so a lot of the time the guys were hanging out and I was just alone. It was really, really hard. I would break down quite often. I would go swimming to relax. I was on very little sleep and I had the pressure of winning the competition, but also finishing my schoolwork to graduate. It definitely wasn't easy. Because the competition was in multiple stages, and I remember in one of the stages, I won, versus one of their guy friends, so they wrote a letter to the judging committee telling them that I shouldn't have won, it wasn't fair. It was a very hostile environment and it was the first time that I actually felt that being a woman was a disadvantage in that environment because I didn't have their support.

SHIKHAR GHOSH: So after you won the competition, how did you take this engineering project and make it into a company?

Early Fundraising

HIND HOBEIKA: It was very circumstantial. Back then, it was 2009, 2010. I finished my engineering school and I was looking for a job. I didn't think that I should be doing anything about the product. And then I got a call from the CEO of VariTech, which at that time was a \$6 million fund. And he was like, "Oh, I just spoke to your mom yesterday at dinner and we want to invest in your company." And I'm like, "I'm sorry, you must be mistaken. I don't have a company, I just have this product." He's like, "No, no, you can turn it into a company. Just meet with us." And so I actually met with them and it was the first time that it actually hit me that this could be a company, in some shape or format, and that it could be the thing I do versus the fun project I took part of.

Navigating a Term Sheet

So then a few weeks later they gave me a term sheet, and it was just like reading Chinese, basically. I had never heard of startups or any of the terms that were mentioned in the term sheet and I was trying to find help in order to negotiate that term sheet and it was just impossible to find. My lawyer who was a real estate lawyer would tell me, "No, these terms, they don't work," because they had no knowledge in tech. And then— Actually, I have a fun story. I actually asked my dad, who's an economist, to come help me with the negotiation. So my dad's like, "Yeah, of course. No problem. I'm going to read your term sheet and come with you."

So we get to the meeting with VariTech and he's like, "Okay, I want to start first. I think just don't waste your time with these term sheets and these kind of things. Just send an email to the CEO of GE and tell them, 'Hey, we have this nice product. We won this competition, why don't you buy the technology?'" And it was the first time that actually hits me that if I was going to do this, I was going to be on my own. And so I just Googled every term in the term sheet. I signed a very unfavorable term sheet, but this is a term sheet that got me out of my job and gave me some sense of security that I was going to do this full time.

SHIKHAR GHOSH: At that point when you started, what was your expectation for— over here, when people start, they say, "Oh, I'm going to create this big company. I'm going to," whatever it is. What was your—

Cultural Challenges

HIND HOBEIKA: Yeah. So the first business plan was, we spend six months on prototyping and then we will find someone to license technology. So from that day, six months later, I still hadn't found an engineer in Lebanon who was able to do what I wanted to do. Actually I had found a bunch of engineers, but either some— It was just such a bad cultural experience. One of them had supposedly a family member die every week, which is the reason he gave me why he kept not showing up to work and he kept delaying the deliverable. And then one of them, I gave them some comments about the circuitry and they're like, "Who do you think you are to give me these kind of comments?" And I would say these are cultural challenges, but overall it was—

SHIKHAR GHOSH: It's mostly around the fact that you're a woman?

HIND HOBEIKA: I think it was a lot more to do with the fact that I was a young woman. So, in a country like Lebanon, age has its weight. And also with our parents, we grew up with the argument of, “I know better than you.” So people just don’t accept comments or aren’t used to having direction from someone that’s younger. Maybe the woman was a factor. I just don’t know how to separate. But basically overall, after six months of struggling, I understood that I was not going to find the expertise I needed in Lebanon. And that’s when I started to look outside. So very quickly that business plan of six months in licensing turned it into, we need much more time for the prototyping and we need much more cash for the prototyping. And the licensing was put on the side until we find a good team that’s able to really get the prototype to the next conversation.

SHIKHAR GHOSH: So from there you went on to actually build the product?

Building a Prototype

HIND HOBEIKA: Yeah, I mean, the idea was that if it were licensing or if it were commercializing the product, we have to refine our prototype to understand what our IP is and to actually build their IP and demo something to these companies. So we felt that the initial direction would have been the same. Like, we need a technical team, we need to find some patents around technology and need to better define our technology to present it to these companies.

SHIKHAR GHOSH: And so once you had the prototype sort of built, did you do much consumer testing?

HIND HOBEIKA: So, it’s very hard to do customer testing with swimming because it kind of requires the prototype to be waterproof. And most of the prototyping tools do not allow for waterproofing. So we were having conversations with swimmers and we were kind of testing on dry land the form factor, and sometimes the form factor would make it to the pool. But at that stage we still haven’t had a swimmer swim with a fully functional product and get the full experience, just because it was impossible to do so with just a prototype.

SHIKHAR GHOSH: So how did you then decide that, okay, this is what we’re going to go with, when you didn’t know that the consumers actually wanted the full–

HIND HOBEIKA: So I was at a point where we kind of had a prototype form, and basic function. We hadn’t tested it in the water, but we had tested it on dry land. And I had very positive conversations with a lot of swimmers, but it still wasn’t confirmed that it was a real need. And I was at a point also where the initial money I had raised from VariTech was almost over and I was struggling a little bit to find funding. And so I decided to launch a crowdfunding campaign in order to prove market demand.

Raising Money & Crowdfunding

I was out of money when I launched the crowdfunding campaign. So I hired an intern who was my sister’s friend, and both of us together emailed every single person in the world that has anything to do with swimming or tech or press. And that’s how we generated all of our orders. We got orders from a few thousand people in 56 countries. And basically,

we got so much coverage around the campaign that we got contacted by multiple swim brands afterwards and we got contacted by multiple investors who wanted to do a follow-on round.

SHIKHAR GHOSH: And so you raised money against that?

HIND HOBEIKA: So we raised money. We raised \$800K then and the idea was that now we have consumers who had committed cash, so now we have to build the products. The licensing model was kind of out of the gate. We started engaging with swimming brands to have a conversation, but we started to build the product with the prospective of manufacturing it and shipping it.

SHIKHAR GHOSH: And through that whole process, you made a promise that said you would deliver in a certain date. How did you know how long?

HIND HOBEIKA: Six months. Somehow, it's just six months of lines to people.

SHIKHAR GHOSH: What was your sense of— Why is it six months, not one year, not two years?

HIND HOBEIKA: I would say a lot of the sense was naivete. I wouldn't say that I had studied the chain of manufacturing and thought six months is a good idea. I had the belief that if we actually did get orders, I'm going to find someone who's going to make it super fast. So it was a lot from a place of ignorance and naivete.

Challenges Manufacturing Hardware

HIND HOBEIKA: And when I actually met the manufacturer, because at that time we had won an award at CS, so I was in CS and I got approached by a few people. And that manufacturer, he was saying all the things I wanted to hear. He said, "Not six months, eight months," which I thought, okay, two-month delay is acceptable. And he was giving me a very good pricing. He said that they worked with big companies before so he had the right experience. So that kind of validated the six months and excused it to eight months. And that was my plan, communicating to investors and how we would move forward.

SHIKHAR GHOSH: So he actually came to you and said, "I can see you have a product. We'll put together a plan, it's going to take us a little bit longer."

HIND HOBEIKA: Yeah.

SHIKHAR GHOSH: And he was the expert. So you said, "Yeah, that's okay. I can—"

HIND HOBEIKA: Yeah, because I didn't really understand the intricacies of the product, I kind of believed it. But I never made the assumption that maybe he didn't understand the intricacies of the product. Right. Because back then I thought that working with a big company equals you have really good experience and you can do anything.

SHIKHAR GHOSH: And when you give your word it's going to be—

HIND HOBEIKA: Yeah, I mean, US companies always keep their words, right? So coming from Lebanon, that's kind of the perspective and the limitation I had. Now looking back, looking for a manufacturer is such a different ballgame than actually looking for the software development company or a design company. You can't just look at their previous work. You need to look at exactly what the pain point of your manufacturing problem could be and try to find that being solved in a manufacturing partner.

SHIKHAR GHOSH: So if you had to advise somebody now about finding a manufacturing partner for a hardware product, what would you say?

Manufacturing Requirements

HIND HOBEIKA: I would say first of all, from a business perspective, the incentives need to be aligned, with maybe potentially the manufacturer having a bar a little higher so that you can keep it up to high standards. Because a lot of the limitations of small manufacturer is that their network is small and probably their capabilities and their quality requirements are lower. And so having a manufacturer that's little bit bigger, not too big, not too much bigger. So that's number one. And then number two, trying to guesstimate what are going to be the manufacturing pain points. So for us it was waterproofing, but more importantly it was having the product to be super flexible. So that actually was the hardest part. And then trying to find someone who's made flexible silicone electronic products and not just going to, for example, a goggle company, that expertise wouldn't be so helpful to us because it's not the same problem they're solving.

SHIKHAR GHOSH: So it's like, manufacturing isn't just manufacturing, right?

HIND HOBEIKA: Yes.

SHIKHAR GHOSH: That's too big of a category.

HIND HOBEIKA: It's too big. And also in manufacturing more than any other industry, experience counts. Someone who's had experience can preemptively see problems and solve them super quickly versus someone who's never done it before, who would have to go through multiple iterations in order to get to the solution. So experience does count tremendously.

SHIKHAR GHOSH: And each iteration is going to take you time and money?

HIND HOBEIKA: Yes, each iteration in a norming cycle, it's like a few weeks. Because you have to either cut steel or remove steel, and that costs a few thousand dollars as well. So the cycle of each iteration, usually it's two, three months. And so the lean startup model that is so popular in software doesn't apply at all in hardware because the cost of change is really, really high.

SHIKHAR GHOSH: So that means that if the cost of change is really high, you have to know what you're going to build at least to a pretty high degree before you commit to the manufacturing.

Testing the Product with Customers

SHIKHAR GHOSH: How did you go about testing to see that the actual product you were building was something that consumers wanted?

HIND HOBEIKA: So for us, testing was in two stages. So first of all there was the product testing to make sure that the product actually fits on every face and every goggle, and that was even before the manufacturing phase. So for that, the first step was hiring a human factors expert. And that person identified the major head shapes and then identified the most popular goggles on the market, and then came up with the first theoretical design where in the software it showed that if any person in the world wears any goggles and Instabeat, their goggles aren't going to leak, they're not going to feel it, and the center is going to be flush against the skin. So that was the first step.

Then we took this theoretical design and started swimming with it. First of all internally, on our team, and then obviously it leaked. So we got a camera, we got scissors and cutters and glue, and we started filming it to understand what exactly was causing the leakage. And then we would just take scissors, cut something, then swim again. Film it, see if they were leakage or not. And then iterate a little bit on that. And then we take the changes, implement them into the CAD design. We'd 3D print them overnight, then in the morning, take the new prototype, test it again. And once it passed on the internal team, then we'd recruit swimmers who'd come in and test for us. And it was very important in our swimming panels for people to have different head shapes. So we'd actually internally, in the most respectful way, try to classify people based on their head shapes, their nose shape, their temple shape, how deep their eye sockets were. And then we'd make that.

SHIKHAR GHOSH: So you'd actually call them in and say, "You have deep eye sockets, a big nose, you're beautiful to me."

HIND HOBEIKA: Yes. So we tried to be very politically correct about it because it's very easy to cross the line with these things. What we learned in testing is that some face shapes are so easy, they would just pass any tests. Like mine for example, which was very interesting, because anything I test just works. But then you'd have some people where nothing would work. And then for these people, we'd say like, "Hey, look, it leaks on you. So would you mind coming in a little more often?" And all these people are coming in for free, just to help and because they thought it was cool and why not? So yeah, every time it would internally pass, and we were at that point at seven people testing the product on the Instabeat team, then we'd hire a panel of maybe ten people that come. And each one of them had the swim with the eleven goggles. They had to push off the wall, flip turns to do four different strokes. And we had success criteria for the swim.

HIND HOBEIKA: It didn't pass. We do the filming process and then we kept doing that until we got to a form factor where 95% of the time, any person with any goggle would wear it instantly and would not feel it's there and we'd have an accurate measurement.

Product Iterations

SHIKHAR GHOSH: How many different product iterations do you think you tested in the study?

HIND HOBEIKA: So I would say vague design directions, maybe six or seven. But amongst those, there's maybe ten in each.

SHIKHAR GHOSH: So maybe 60 or 70 iterations on it.

HIND HOBEIKA: Oh yeah, at least.

SHIKHAR GHOSH: And at the end of that you came up with a product that you were happy with?

HIND HOBEIKA: Yes. At the end of that we had the form factor that we thought worked really well on any goggle and any face. So we knew that it wouldn't work on some people, but it would work on most people. And that was the best we could do with our time and budget because we couldn't iterate forever.

SHIKHAR GHOSH: So when you did that, your next step was then manufacturing this product?

HIND HOBEIKA: Yes.

SHIKHAR GHOSH: And so tell us the story of that.

HIND HOBEIKA: So that's when we took the design to Flextronics. And I have to say that the whole getting to the final form factor, I expected it to take us six months. No, I mean, I expected a stick of some time. It actually took us eighteen-month almost. So it wasn't a very long process.

SHIKHAR GHOSH: And that was mostly this process of going to the pool, trying it, coming back, trying it. There was no manufacturing in that?

HIND HOBEIKA: So there were manufacturing conversations, but then we were starting to discuss a design direction with Flextronics and they were starting to get a little tired of us saying we're not ready, we're not ready. But then after eighteen months, we got to the point where we were ready. And so the design direction that we had been discussing, we actually started implementing.

Searching for the Right Hardware Manufacturer

HIND HOBEIKA: And so I hired a design firm in San Francisco that was a block away from Flextronics that Alex, my advisor has worked with. And then we built a whole product based on the design direction that Flextronics gave us, which was to use their own pressure injection molding machine that they had used on Jovan products and other successful products.

HIND HOBEIKA: And so we went with this and then this is the design for the manufacturing phase. And then usually what happens after that phase is that they re-quote everything because now they have the exact details and they commit to the cost of goods here.

HIND HOBEIKA: And so when we finished that phase and we told Flextronics, okay, we're ready for the re-quote, that's when the account manager disappeared. And he started not being responsive, dodging the calls, sometimes answering and that phase of disappearing took six weeks. And then at the end, at the sixth week, he sent an email saying, "Oh hey, yeah, here's your proposal to get started. The team is ready. By the way, this is my last day at Flextronics. Meet during your new account manager."

HIND HOBEIKA: And the proposal was a \$275 an hour and a half a million dollar contract that would get us the first thousand units, which was extremely expensive.

SHIKHAR GHOSH: Yeah, you couldn't sell it for anything like that right now.

HIND HOBEIKA: No. And on top of that, the new account manager was not responsive at all. The previous account manager was extremely responsive up until the point where we got a quote and I was getting a completely different treatment from the new account manager. And I realized very quickly that this was not our path forward, that we had to change directions, to change manufacturing partners.

So at that point, I called every friend that had some manufacturing experience and begged them for an introduction, which they've made. And I called in a bunch of manufacturers as well. And the common response I was getting, I must've talked to maybe a 100, was like, "No, we don't do pressure molding. Sorry, this is too new. This requires equipment. We've never done this before. Your design is too difficult. We don't think we can do it."

I was looking in the U.S at first and I realized very quickly that this was not something that can be manufactured in the U.S. The expertise was not there or the amount of R and D required to get it there was not something the manufacturers were interested in. And so that's when I started looking outside, and another criteria we had then was we don't want to look for a big company, we want to look for a medium to small-sized company.

SHIKHAR GHOSH: You had the experience with Flextronics that you weren't that important for them.

Taking a Chance on a Small Manufacturer

HIND HOBEIKA: Yes, exactly. And at any point they can just drop us when they don't feel like it anymore, because it's more of a feeling than a business incentive. And so we found a small manufacturer in China who my friend was working with, and I went to visit them and it was like two people factory, completely empty. And at that point they had exclusively made vibrators for the last eight years.

SHIKHAR GHOSH: And there was no demand for vibrators?

HIND HOBEIKA: There was demand, but they had actually removed themselves as full time from the vibrator company and started their own manufacturing company. So they wanted to take on more clients. And so I found lots of similarities in the manufacturing techniques, because we also need a product to be waterproof, in touch with the skin, flexible and contains electronics.

So it was the good match we needed. Now the risk there was that it's two percent factory that's only done one product. So their expertise is kind of limited. It's there, but I don't know how much is transferable because they've not had the breadth of clients or of recognizable products I've seen on the market. But they made us an offer we couldn't refuse. So they gave us a contract that for 15K they would spend whatever engineering time is needed in order for us to get the first hundred functional units off of the tool. So not just prototypes, proper tooling. And it was a risk worth taking at that stage, because of us having spent so much money. First of all, wasting so much time and then spending so much money on design directions that wouldn't work.

I decided that I was just going to jump the end of it. And so we start working with them and the design phase went well and then we started tooling and then we got the first prototypes off of the tool, and I start looking at pictures in order to understand how good the prototypes are. And I just couldn't tell. I was asking a lot of questions, I was getting vague answers or I just felt like in order for me to get all the answers I need, I was going to be harassing them online, which was not something anyone wanted to do and which was just going to destroy the relationship.

And also for me, I was living in San Francisco and trying to manage the China portion. So I was living at night mostly, and this was exhausting. So I just booked a ticket for the next day and showed up to China at their factory, and I looked at the prototype firsthand and I'm like, "oh my god, this is not what I saw in the pictures, I'm going to have to stay."

Moving to China to Supervise Manufacturing

SHIKHAR GHOSH: So what happened then?

HIND HOBEIKA: So I learned a few things. Looking at the prototype, I directly learned that in the Chinese culture, they are not going to bring up a problem unless I actively ask about it and there are problems I can predict they're going to happen from our previous run but also there are problems that I don't know are going to happen.

So unless I'm there to see them, I'm not going to be able to ask the right question. And so I just decided to stay for however long it takes because all I wanted at this point was just to ship a product and to fulfill my commitment. And so we would have a prototype, I would go to the pool, I would test it out, we would do the reliability testing also in the lab, and then I would go back that same day. I would give them a list of all the changes we need to make.

They would implement them in the CAD right away and they had absolutely no problem working overtime, as long as needed to implement it into the design. And then the next day they would send it off to make the tooling changes, and they were very respectful of

the fact that I was there, and so they were accelerating their turnaround times tremendously.

Usually, tooling takes a few days to a few weeks to be changed, they were doing it in a few days always, because I was there and so I didn't have a reason to leave, and my two-week trip ended up being a nine-month trip, from the first prototypes that had plastic crushing and didn't work, to a product that actually had a 96% yield and that was passing 100% all of our reliability-testing.

SHIKHAR GHOSH: So you went there thinking you're going to be there for a week or so. You stayed for a whole nine months. What was it like in China?

Cultural Challenges

HIND HOBEIKA: It was very hard. From the small things— Because I always went with the perspective that I'm not moving there or I just always thought I was visiting. And usually when I'm visiting, I always try to embed myself into the other country's culture. So I didn't come with stashes of food and coffee and stuff, and that was the first and most important thing I struggled with.

Being Mediterranean and Middle Eastern, food is 90% of what I think of. Ten percent is business. But I couldn't find coffee in the morning and I couldn't find salads or fresh vegetables to eat because in the Chinese culture, everything needs to be cooked, and they drink tea in the morning or soy milk. So I struggled so much with these small things. They were super off-putting as well as no one in the city I was at spoke English.

SHIKHAR GHOSH: Which city was this?

HIND HOBEIKA: It was Xiamen. So it's a small city that is in the south, right next to Taiwan and Shenzhen. And it's four million people. I was in the suburb of that city and just pretty much no one spoke English, which means that I wasn't speaking. I was silent a lot at the time. Even at work, there was only one Chinese person who spoke English. So, most of the people I interacted with was based on body language and I had to learn the Chinese body language, which is very different from the Lebanese or American body language.

Dealing with Disappointments

And small things, like I couldn't go to restaurants that didn't have pictures in their menu, otherwise I can't order. And then I was very alone the whole time. So I was trying to keep myself upbeat, especially when product iterations didn't go well. And for the majority of my stay, product iterations didn't go well. Because in manufacturing it's one or zero. It's like the product works and it's shippable, or it's not shippable. There's no in-between.

HIND HOBEIKA: So even if the product was a little better and still not shippable, it would still be such a downer every time. So it was really, really hard.

SHIKHAR GHOSH: And so eventually the product got completely done?

HIND HOBEIKA: Yes. Eventually, after nine months the product was done. It was working really well and we actually launched, and we are shipping it to customers all over the world.

SHIKHAR GHOSH: You've gone through this journey that's had ups and downs. How would you describe the journey now looking back? What's it felt like?

HIND HOBEIKA: You know, the entrepreneurial journey, it's just so difficult and I feel like now I look back and I tried to look at the very difficult moments and the very rewarding moments. Maybe rewarding is not the word, is more pleasant and happy moments, and I feel like the difficult moments far outweigh the happy, light ones, and sometimes the difficult moments overshadow the small wins you make as a business.

And I have to keep reminding myself that the product is maybe one or zero, but the business is not. And so every small little win counts, but somehow I shouldn't let difficult persons overshadow the small wins. I would say I had a lot of trouble actually removing myself from the final end goal, and being able to sustain myself all throughout the journey, because it did take six years to get the final product. So one of the challenges is also to dissociate my personal identity from the company or the product, because it's the only professional thing I've ever worked on, really worked on.

SHIKHAR GHOSH: So if you look at it, it feels to me like the negatives so far outweigh the positives. Then would you do it again?

HIND HOBEIKA: I mean, it's interesting. It's kind of a curse, of course, I would do it again. I realize through my journey that there are things that I'm doing now that I couldn't be doing otherwise. For me as an engineer, the ability to take an idea and turn it into a product that other swimmers are able to use, it's such an unbelievable feeling.

It's very hard and there's lots of negative feelings associated to it, but it's just such a nice reward. And I look at my personal growth in this journey and also growth mostly comes usually from negative places. But I've grown so much as a person and I see my personal relationships back then and now, and I see my romantic relationships back then and now, the growth wouldn't have happened if it weren't for all these experiences.

I wouldn't have had the initiative to seek coaching or to seek psychotherapy in order to further develop and deal with my professional life. I just feel like over all it's such a huge win and I would totally do it again. Of course, I would do it differently based on everything I've learned, but I feel like I've been cursed with the entrepreneurial bug of "this is bothering me, oh, let me create something so I can do it." Yeah.

Deciding to Be A Solo-Founder

SHIKHAR GHOSH: So if you think about that journey, it must've been lonely to be bearing the cost of all these things on your shoulder. Why did you not get a co-founder to share that?

HIND HOBEIKA: In the first year of the startup, I wasn't fully aware that it was a business, so I didn't really think I would need a co-founder. It was kind of like, let me figure out what to do with my swimming product. And then when it started becoming a business, I actually did have a conversation with someone that I wanted as a co-founder. And then I realized that they didn't have the same passion I did for swimming, and they weren't able or they didn't want to sacrifice the things I was willing to sacrifice to make happen. And so I just didn't move forward without partnership.

And then I just never met someone who would fit the co-founder role, or at least the idealistic role I've had for a co-founder. As time passed, it became almost too late to call someone a co-founder. So what I actively tried to do is to find people who would replace from a business perspective, a co-founder's role. So I had Alex as a partner and advisor, who would basically come in and try to see the gaps that were happening.

So he was kind of a hands-on advisor, and he would spend almost half of his day at the office just looking and observing and talking to me and doing working sessions, and he was able to identify a lot of the gaps that we had and point me in the right direction. And then Lauren was very much the co-founder support of— The first thing he did for example, called the board to ask to raise my salary, and then he would push me, almost oblige me to go on vacation. But also I was able to confide in him on business terms when it came to the startup.

Using Advisors

SHIKHAR GHOSH: So in some ways, you took the role of co-founder that's often done. You had multiple people doing parts of it.

HIND HOBEIKA: Yes. The only caveat to this is that you can never go to one of these people and say, "Hey, I'm thinking of quitting." Because at the end of the day you've hired these people and these people's incentive is attached to their compensation in the company. And they can leave at any time because they don't have the same commitment of a co-founder. And so there was always a line that I didn't want to cross and I always tried to also not overshare the personal side where I feel, I mean, I don't know firsthand, but I see from my boyfriend's relationship with his co-founder, the personal and business are so intermeshed and that in some sense it's really great because if your down moments aren't aligned, you can lift each other up and be very candid.

But if the down modes are synced, it can cause a lot of problems, and it almost becomes too much of a problem to deal with. And in these moments, observing them from afar I feel very grateful not having to deal with those, because sometimes there's just an extra problem that's just not good for the business.

SHIKHAR GHOSH: Yeah. So having the co-founder can dampen the oscillation, but can also exacerbate it? It can make it much worse.

HIND HOBEIKA: Yeah, absolutely. Sometimes it can slow down some decisions. Sometimes it can slow down the company. Sometimes the employees can really like a co-founder and leave because they hate the other co-founder. There's a lot of problems that

can arise from having a co-founder, and I feel it's almost the same process as finding your romantic match, only on top of that you need to align the business skillset. I thought that I was able to replace what a co-founder— Obviously this comes with the ignorance of not having had a co-founder and understanding the real value of it.

Navigating Cultural Differences

SHIKHAR GHOSH: So, if we switch topics a little bit. You're one of the unusual entrepreneurs in the world. You've come from Lebanon to San Francisco and then actually worked in China on— So you've seen multiple cultures and if you compare, you know, San Francisco to China, and for a company who's doing a manufactured product, what's your sense of that? Because you've tried to do manufacturing in San Francisco as well.

HIND HOBEIKA: Yeah. I'd even take a step back and compare Lebanon to the US. Where in Lebanon, people aren't self-initiators, so people need a higher force to give them direction and lead. And when I had the back office in Lebanon, it was almost like, the time when San Francisco was sleeping, [the] Lebanese office wasn't working. So it was extremely difficult to get them to be self-sufficient. And it was extremely difficult to get them to have a good communication with the US team.

In Lebanon, we tend to hide the problems and even if we need to lie about the problem, we lie, with the hope of it getting fixed soon so that it justifies the lie. And I've had this problem with every Lebanese contractor I've worked with, where it's like, "Oh, I was just pressing send when you called," and then the email never arrives because actually nothing is ready. Versus in the US it's almost the opposite, where the relationships I've had were very honest ones and people turn you down from the start and turn down business if they're not 100% sure that they can commit to it.

I've had so much clashes between the US and the Lebanese team where the Lebanese team just says lots of things that the Americans find disrespectful. And at the same time, the Lebanese weren't able to work on an independent structure. Taking that to the manufacturing, that was more on the development side, so taking more to the manufacturing level. When I started to talking to US manufacturers it— They work from 8:00 to 5:00, Monday to Friday and they try to preserve their cashflow and it seemed like they were extremely risk-averse. Going to China where there's so much competition in the manufacturing and they are so hungry for business that— Also what helps them is that Chinese people do not mind working a lot. As long as the overtime is paid, they are going to work.

The challenge in that working culture is that problems aren't necessarily lied about, they're just not mentioned. And so, if I don't ask about a problem or— They would just never mention it and if I find out about it they'd be like, "Oh yeah", versus a Lebanese person would say, "No, no way. Oh my God, it's the first time I see it." And versus the American person would come and even maybe before giving you the solution, they would be like, "Here is the problem. Please be aware of it because this is the risk you're taking."

This was the first realization I had, and the reason why I stayed because I realized that if I don't know what I don't know, I'm not going to be able to solve it from far. Chinese culture was also very interesting because, you know, it's a little bit like Lebanon where they're not used to young people giving directions to older people. So I had that challenge to overcome. And also it's-

Being a Young Woman Entrepreneur from Lebanon

SHIKHAR GHOSH: Was there a gender issue as well?

HIND HOBEIKA: I mean there were no women managers, right? So it was de facto. I never was disrespected though. I mean, of course, maybe in Chinese I was, but I wouldn't know about it. But I would also say like, the first time I went to the factory I was wearing green pants and I could see the owners did not take me seriously at all. And I understood that actually in the US people don't give any attention and weight to the dress code, versus in China, that was extremely important. And so on my second trip, I had a completely different wardrobe and a completely different attitude, to be respectful and mindful of the Chinese work culture.

SHIKHAR GHOSH: At a couple of places along the journey, you were running out of money, you were behind schedule, you know, a lot of things. And you were considering whether it was worth going on or not. And so, if you'd chosen not to go on or if you couldn't raise the next round of money what-

HIND HOBEIKA: You know, when I was in Lebanon in the first phase, failure was not even a conceivable option. Like, it would've been so detrimental to my relationship with my parents, to the relationship with the press. Back then, I was getting so much coverage because I was an Arab woman that was starting a company, and the press almost didn't care about what I did and where the product was at they were fascinated by the Arab woman angle-

SHIKHAR GHOSH: In a tech company.

HIND HOBEIKA: Yeah. Which was really funny because I always felt like, okay, I mean it's not my fault I'm an Arab woman or I didn't do anything to be one. Like that's just who I am. But, you know, I was getting so much coverage and attention because of that. And it, kind of, make me feel like an imposter a little bit, where I was struggling with so many problems and I wasn't- In my head that I wasn't able to live up to the expectation the press has set.

Expectations for a Woman Founder from Lebanon

And actually people in a culture like Lebanon give too much attention to that- to the press and to the status and to the show. So even when it came to my mother actually, she was telling me things like, "You cannot dress like this, you're a CEO," or, "You cannot buy this car, you need to buy this. It's \$10,000 more because you're a CEO you can't drive a small car," or "You cannot fly economy. You have to fly business class."

And then I'm like, "Well we're a startup. We're a few people." "No, you're CEO you're the most powerful woman. I read it on XYZ." So it was like they had never even— I just couldn't deal with myself going back home to my family, to my friends, to the people who thought I was the most powerful woman and tell them, "Hey, actually it didn't work." And so that was one of the things that was driving my stubbornness.

The other thing was that, we had taken money from a few thousand people in 56 countries and told them we're going to ship you a product and, you know, if I don't ship them a product, in a place like the US it's called, "Oh sorry, you were going to file bankruptcy and I'm really sorry for your money." In a place like Lebanon, they call you a thief. And like, that's the last— I just couldn't associate my business and myself from these cultural aspects. And so a lot of that drove my stubbornness, you know, and my shame. Like I felt that this was my commitment and my way to get out of that loop. And coming to the US, obviously, these get dampened because it's a culture that accepts failure far more. Everyone has tried something and failed and it's actually, kind of, celebrated in the US or it's normal.

HIND HOBEIKA: And I've met so many people who failed to deliver on their crowdfunding campaigns, who have lost hundreds of millions of dollars when I felt bad about losing a few hundred thousand. That, kind of, reset the bar a little bit, but given my origins and background, it's very, very hard for me to detach myself from that and to actually find my self-worth beyond those external criteria.

Staying Healthy and Balanced as a Solo-Founder

SHIKHAR GHOSH: So what do you do when the downs and the challenges and so on are just beyond your control? How do you keep yourself healthy and how do you think about that?

HIND HOBEIKA: I must say that it took me a lot of mistakes to learn to keep myself healthy. So the first few years of the business, I stopped doing sports. I almost stopped swimming. Like every time the prototype would not work, I would just avoid the pool. And I stopped swimming. I gained a lot of weight. I was taking zero care of myself. On top of that, I was in Lebanon where I had a big social clash with people there. And so I kind of found refuge in working. And so I had no social life as well.

The first few years I was still very high on the work itself. So that kind of sustained me and gave me an excuse not to be healthy. But when I had the first hit of, like, I need to raise— I'm out of cash. I need to ship to these people. I cannot fail. So that hit was more than a professional one. It actually made me like, "Okay, who am I? How can I take care of myself?" And so, at that point I picked up running and so I started running— Maybe running away from my pain, but I was running half marathons and marathons and I found peace a lot in running.

Setting Non-Negotiables

I think there's a downside to being obsessive about an activity because this feeds the type A personality. So after that, I've learned to tone it down a little bit. But right now what I do is, my non-negotiable is sleep. So I don't put an alarm in the morning and my natural clock wakes up at 7:00. So that's what I do. And my second non-negotiable, that's more negotiable than sleep, is working out. Actually it's food, and then the third is working out. I've learned that these are the things that are opposite of, they cannot compromise on if I need to take care of myself.

SHIKHAR GHOSH: Food as in?

HIND HOBEIKA: Eating healthy. So I would not grab quick fries just because I'm out of time. I would rather not eat and wait to get a proper meal. That's consistent. Not saying to starve myself, but I just stopped the mentality of I don't have time. Let me eat whatever's in front of me, or I'm stressed, let me snack on whatever. I'm stressed. I'm going to go to yoga class or I'm going to take a walk or I'm going to eat a mango because food is comforting, you know? I can't completely avoid the food cycle. That's actually helped me a lot, first of all get to my natural body weight where I don't struggle with weight issues anymore and sports make me happy. I don't say that these things solve any of the emotional roller coasters, but it gives a good basis to deal with it. And then, now that's my basis.

I do psychotherapy continuously, every week. And then in very difficult moments I call extra, a coach, because psychotherapy and coaching are a little different and while psychotherapy tries to explore the past patterns to explain the current ones, coaching gives more concrete, tactile tips in how to deal with the situation. So I only do that in darker moments. I also am very to have now, a social circle and a partner who are in the same space, who really understand the struggles I go through. And I would say that almost, you know, the fourth most important thing, because without that it's just too long a day. Like this makes it-

Romantic Partnerships

SHIKHAR GHOSH: So you've had romantic relationships before where the partner was not in the same world that you were in?

HIND HOBEIKA: Oh absolutely. I've even had partners who couldn't deal with the fact that I was in the press, so they would like- I've had multiple bad romantic stories but I've had- They're also a startup founder. I've got press. They didn't get press, so they create an issue out of nothing just to destroy. And then I've had partners who would- just could not accept the fact that their girlfriend was working on something cool, so they would totally emotionally abuse and try to disparage everything I was doing. And you know, these are all things that were triggers and that I've had to work through.

SHIKHAR GHOSH: What about on the downside? You mentioned a couple of things when you're up, either press or you're doing something cool. What about when you're down and struggling, then what's the role of a partner then?

HIND HOBEIKA: So the previous partners I've had, usually they were supportive. We have this thing in the Lebanese culture where we kind of enjoy other people's misery. It's a very bad thing to say. Actually, what I've learned from my current partner, there's a quote in Greece that says, and it's not exactly what I'm saying, but it's like, "If your neighbor has a lot of sheep and you're jealous of them, you would rather destroy their sheep than getting yourself new sheep." I don't know why I'd have a sheep example, but anyway, it's that culture of like, in order for me to feel better, I'm going to destroy what's around me. It's like, when I was lingering in my moment of darkness, it was— They were supportive because that was something they were comfortable with, but it's more like on the positive highs that they weren't able to handle, because it was not— It was something that was challenging them and—

SHIKHAR GHOSH: That's really interesting then. It was almost, in the romantic partner category, the highs were more challenging than the periods of being low, where they could stay there and help you.

HIND HOBEIKA: Yes. And I would say I discovered my patterns mostly in romantic relationships as well, because I discovered my weaknesses in business through my weaknesses in the romantic partnership so that, when these clashes would happen, I would deal with them in such an emotional— and it would affect me so much, that has actually got me to understand that it affects me because I'm not separating myself from the business, because I don't know how to deal with myself. And so, working on learning how to actually take care of myself first, and then dealing with the partners. It's all interlinked, like it's impossible to separate.

Emotional Journey

SHIKHAR GHOSH: Right. But so much of what you've been talking about is really the emotional cycle as opposed to the logical, this is the business plan, here's what the go-to-market strategy is and all of those sort of things you can put down on paper.

HIND HOBEIKA: Yeah, I would say most of the Instabeat journey was an extremely emotional one. You know, it was driven from my passion of swimming. All of the people that I've talked to through this journey, whether it's investors or partners I've built a really strong relationship with, and a lot of that relationship is what drove the business forward.

HIND HOBEIKA: At every inflection point, yes, of course, we considered whether there was a market opportunity there, but a lot of the weight came down to, do I have the passion to persevere? Is this something we want to nurture and keep growing? So I think we gave a lot of width to that in all of the decision making.

SHIKHAR GHOSH: So now you have a product in the market and the company goes through yet another stage, which is you have a product, you've got to decide are you going to create more products, get into the market? You also have a competitor.

HIND HOBEIKA: Yeah.

SHIKHAR GHOSH: How do you look ahead and how do you keep yourself so driven for the next big thing?

Staying Motivated

HIND HOBEIKA: Well, that's a hard question. Given that the launch has been very difficult for— You know, we've been the only swimming technology for a very long time and the week we launched, and it hit us really hard because it was a good product that was built by a really good team of 40 people. So, it kind of felt like this was going to hit us really, really hard. The first work I have to do was to detach myself from the rush of the moment of the panic of the moment, and try to look at this from a long term perspective and reconnect myself with, why did I believe that this product was really a good product and why did I take the design decisions that I did that differentiates us from the competitors, and build the long term go to market plan based on these.

Now in the next steps of the company, I'm trying to look at multiple factors. First of them being how the market responds to this product, whether the unit economics makes sense, whether what it takes to actually send new products and then what is the possibility beyond this product? Is it more that's focused more on the swimming experience and building kind of an ecosystem around this hardware product? Or is it creating new hardware for the sport or multiple other sports? Or is it branching out in the swimming hardware, and doing more products around swimming?

So, I have a lot of ideas and dreams and these dreams kind of dampened with manufacturing problems, but now that the product is out there and I'm actually trying to listen really carefully to swimmers, I'm hoping I would get to pick one of those dreams to push forward. Even when the product launched, it's been so much work and it's been so hard fixing bugs, getting people, that I also forgot a little bit to celebrate the launch and enjoy it. But, I'm trying to find motivation and the feedback I'm getting because, at the end of the day, the reward comes from building a product that swimmers enjoy. This time around, I feel there needs to be more business equations in the sense of, is this a product that can scale in the market and is this a product that swimmers want?

Measuring Success

SHIKHAR GHOSH: So if you look at your journey now and you say, how do I measure success or what have I got? What's my return on entrepreneurship? How would you look at it?

HIND HOBEIKA: I would say for now, the return is all intangible things that if you knew me very well, you can directly see them. If you're a Lebanese parent, you probably have a harder time quantifying those. The returns on having a startup journey are immense. First of all, from a personal development experience, the person I am today is a much stronger, more confident, better partner, a better friend version of the person I was 10 years ago.

I'm much more open-minded but also with much more business connections, having worked with top people in the field, having gotten the chance to live in Lebanon, but also in the States, in the startup hub of the world, and then in the manufacturing hub of the world. Having interacted with completely clashing cultures and found a way to actually power through and get to my objective. I mean, these are successes, personal successes obviously, that just have no value.

I feel also that as a person, I found myself better through this journey in the sense of I know exactly what I like to do which is build the products and then talking to consumers and building something for them. I realize I wouldn't have gotten this chance through working at a big company. So yeah, I appreciate it tremendously, all of it.

SHIKHAR GHOSH: So if it doesn't work for whatever reason, or you sell it or something, if there's an exit, you'll go back and start another company, that that would be the dream?

HIND HOBEIKA: I think that's the curse. I think that now that I have seen the power of turning an idea into a product, I don't think I can do anything else. And I think having a tangible product is also such a cool experience. And I think that yes, software is easier to build, but it's hardware that changes the world. And so small little hardware products, as a minimum person, I don't have many, but the few I have actually make my life so much better and easier. And this is the kind of experience I like to create. I don't see myself being part of the 6,000 person team, working on a button, whether it's blue or green. I feel that I'm hooked to the bigger mission now. So yeah, it's a little bit of a curse because it's going to be difficult forever.

Advice for Other Founders

SHIKHAR GHOSH: So if you were giving advice to somebody or to yourself in the early part of the journey, someone's going to start their company and they say, "You've been doing this for 10 years, what should we watch out for? How should we think about it? What should we pay attention to?" What would you say?

HIND HOBEIKA: Yeah, I would say, first and foremost, don't lose yourself in the journey. It's very easy to do. And what I mean by that is too generic. I mean that, make sure to keep doing the things that keep you grounded and sane. So for me, this was sleep, this was food, and this was exercise. I think it's the same for a lot of people with different priorities.

SHIKHAR GHOSH: Some people might add connection, relationship.

HIND HOBEIKA: Yes, a little bit. But for me, I'm not even able to get there without those three pillars. So, try to do the things that keep you at a sane level. I can elaborate on this in so many different directions.

HIND HOBEIKA: I would say, in hardware, specifically take the time to really find the partner that can take you there, because of the difference between a partner that knows what they're doing and a partner that is kind of experimenting to get there, is like night

and day. And with the right partner, I've seen how things can go so quick and get you there in a much more stable way.

SHIKHAR GHOSH: And how do you find that right partner?

HIND HOBEIKA: By talking to people, mostly. I would not search on the internet for that.

SHIKHAR GHOSH: So, because you actually chose somebody who had never done this product before and you took a chance on them, and it worked out at the end, but that's kind of violating your rule going off, going with someone who knows what they're doing.

HIND HOBEIKA: Yeah, because they had a lot of similarities in the technique I needed, this is why I chose them. But I agree with you. I didn't have the resources to go to my top choices, but not by choice.

Coping with the Highs and Lows

SHIKHAR GHOSH: So anything else that you would advise them to do in terms of coping with the ups and downs from the expectations of that?

HIND HOBEIKA: I would say that this is so specific to each person. Each person has their different coping mechanisms. I think surrounding yourself with people who are going through a similar experience is game-changing. From actually asking them questions that can help your business, but also to confiding in them and finding out that they have similar struggles. So this kind of makes it a little more relatable.

It doesn't have to be a partner. But talking about the partner side, I would say that having a supportive partner is so important, and it's better not to have a partner than have a partner that is not supportive, because that can bring you down and destroy you very quickly. And this will test the relationship tremendously.

SHIKHAR GHOSH: I've heard a lot of that, particularly in the Valley, you go to gathering of entrepreneurs and everybody's killing it. Everybody's doing this amazing thing and you know that under the water they're sort of really scrambling-

HIND HOBEIKA: Yeah. Fake it till you make it approach.

SHIKHAR GHOSH: Yeah. Right. What's your sense of that? I mean, is that healthy?

HIND HOBEIKA: It's not healthy for me either. It doesn't work for me, the fake it till you make it. I feel like the first portion of my journey was a little fake in the sense that I had too much credit for something I hadn't done yet. That the second part of my journey, I tried to be the opposite. I tried to almost be too honest, and this was something my coach kept telling me. She's like, "Stop saying the product is not working. It's going to work. Just be a little more patient. There's a difference between not working and waiting for it to work."

I would say if it works to pump you up and to get you where you need to be and if it works for you, maybe do it. But I wouldn't say that these people would be friends. It just doesn't work for me. It has to work with your style as an entrepreneur. And for me, I always preferred the candid approach. I've even changed my style in the monthly newsletter I send to my investors. So at first it was like either I don't mention the problem or there's like, "We're running into issues, but we've almost solved it and it's fine." Now it's more like, "We have this issue, we don't know how we're going to solve it, but I have this one person who is spending time on it and we're figuring out how to do it."

So I just felt like the constant feeling of under-delivering was so big, that I actually reversed it and just started stating facts without promises. But that comes from my own trauma of the experience. Right? This is why fake it till you make it wouldn't work. But I would say in general, the words you choose to describe your story are so important and they can impact your perception. So it's one way to say, "The product isn't working," and it's pretty much the same story if I say, "The product now is going through iterations until it works." So, that is something that I'm working on, changing the language.

SHIKHAR GHOSH: Great. Thank you.

HIND HOBEIKA: Thank you.