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**9B17M143**

yourstory: strategically communicating entrepreneurial journeys

Atul Arun Pathak and Sunil Kumar Sarangi wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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As Shradha Sharma, an Indian entrepreneur and founder of YourStory Media Private Limited (YourStory), returned from yet another meeting with a potential venture capitalist (VC) in July 2015, she reflected on her tumultuous journey over the last seven years. YourStory was a media and technology company focused on helping build an entrepreneurial ecosystem in India by creating and disseminating news stories related to entrepreneurs. While Sharma was filled with optimism about the prospects of YourStory, the discussions with the investor had made her realize that there were many challenges to be overcome. Sharma realized that YourStory had no option but to scale up its business far beyond its current size and scope, and it needed to do so rapidly. Sharma mentally reviewed her current situation:

YourStory has done well over the years, and yet there is so much more to do. We are leaders in our niche, and yet potential investors are not satisfied. They want us to grow to a much larger size. These discussions have made me question some of the key assumptions that I have always made about YourStory. I have to address the questions posed and design a comprehensive strategy to build the VCs’ confidence in YourStory’s growth prospects, and I should do so within the next couple of weeks to be ready for the next (and hopefully final) meeting for our first round of external funding.

BACKGROUND

About YourStory

Sharma launched YourStory in 2008. She had worked in conventional print and television business media for a few years and understood the dynamics of that sector. Sharma remembered the path that led to her creation of YourStory:

While working in the business media, I realized that when conventional media companies wanted to focus on entrepreneurs, they only focused on the large success stories. The smaller, younger, and high-potential entrepreneurial ventures were left out and received almost no attention or publicity via the conventional media channels; this was not just an Indian phenomenon but happened globally. This was the gap that YourStory focused on. I realized that the traditional media mainly limited itself to “breaking news,” while there were so many other interesting stories out there, especially related to entrepreneurs and their ventures.

Sharma explained why she had named her venture “YourStory”: “I firmly believe that if I celebrate your story, you will celebrate my story. That thought was the origin of me naming my start-up ‘YourStory.’”

To keep costs low, she initially worked mainly on her own. For nearly seven years, she sought no external funding and managed with her own funds. Sharma ran the business frugally, conserved cash in all possible ways, and kept expenses low. In the first two years, the venture struggled. It received nearly no revenues. At that stage, the main costs were those needed for generating news content every day and retaining visibility for YourStory in the market. She recalled,

I had very limited funds then. I could neither hire any employees, nor pay good authors on a per-story basis for content generation. That is where my . . . education and ability to write came in handy. For the first three years, I was writing most of the content on my own. Keeping my costs under control helped me survive the tough years. By the time the business broke even, I had only spent about ₹2 million[[1]](#footnote-1) in cumulative expenses. Things changed once we became relatively well known. By 2015, YourStory had been profitable for three years in a row.

About YourStory’s Founder

In 2003, Sharma obtained a master’s degree in history from the prestigious St. Stephen’s College in New Delhi. She studied further to obtain a postgraduate diploma in communications management from MICA, India[[2]](#footnote-2) in 2004. She worked for about two years as a brand advisor with the *Times of India*, a leading English-language daily in India. Subsequently, she switched to television journalism by joining CNBC TV18, an English-language business news channel, in 2007. Within two years, Sharma rose to become an assistant vice-president there. At that stage, she quit her job and plunged full time into starting her entrepreneurial venture in the field of media and communications. Sharma was proud of the awards and recognition both she and YourStory had received in recent years. She stated,

I won the L’Oréal Paris Femina online influencer award this year. Last year, I was ranked among the top five women entrepreneurs in the Indian start-up ecosystem by the *Economic Times*. Coming from a media group that we compete with directly, I especially cherish this award. I was pleased when I heard that YourStory was rated among the Top 500 LinkedIn influencers in the world in 2015. In 2013, [one of my ventures, SocialStory] received the Impact Economy Innovations Grant Fund from the Rockefeller Foundation, Omidyar Network, and Dasra. In 2010, I received the Villgro journalist of the year award.

YourStory’s business model

Over the years, YourStory had evolved into many niche businesses, all related to the entrepreneurial ecosystem. Its most well-known offering was YourStory, an online media platform. Under the umbrella brand of YourStory was HerStory, an online media offering focused specifically on women entrepreneurs. Sharma had also started SocialStory, which was focused on social-sector entrepreneurs. All these brands were active in the online world. They were also used for organizing and sponsoring a variety of events and conferences to promote the entrepreneurial ecosystem in India.

YourStory

By early 2015, YourStory had become the top-ranked media platform focused on promoting the entrepreneurial ecosystem in India. Its main activity was publishing stories related to entrepreneurs and their ideas. It provided coverage to all kinds of entrepreneurs, irrespective of their sector, scale, or stage of life. In recent years, YourStory had provided a media platform to a large number of entrepreneurs in the web, mobile, e-commerce, cloud computing, social, eco-friendly, green, and creative domains.

YourStory worked with a variety of strategic partners. First, it partnered with technology giants such as Microsoft, Intel, Google, Amazon, Dell, Cisco, and VeriSign. The large technology companies benefited because YourStory was able to connect them with a focused audience of technology-sector entrepreneurs—risk-takers who were often the first to adapt new technologies, programming languages, and solutions put forth by large technology giants. Feedback from the early adopter tech-entrepreneurs helped corporations such as Microsoft and Google improve their offerings before releasing them to wider audiences. YourStory charged these large companies a fee in return for allowing them access to its huge and constantly growing database of start-up companies. As a matter of principle, YourStory did not charge the start-up ventures for these services.

Second, YourStory had developed partnerships with venture capitalists, private-equity players, and angel investors. Some of the big-name investors in the Indian entrepreneurial ecosystem that had partnered with YourStory included Sequoia Capital Operations LLC (Sequoia Capital), Accel Partners, Kalaari Capital, and Nexus Venture Partners. These financial investors were interested in spotting potential unicorns[[3]](#footnote-3) among the crowd of new start-ups. YourStory helped bring these potential investors together with entrepreneurs.

Finally, YourStory collaborated with many of the ministries and departments of the Government of India. These partnerships were important because the government aimed to promote an entrepreneurial climate and ecosystem in India. The Government of India had designed many schemes and supportive policies to help start-ups grow and prosper. YourStory disseminated information about these initiatives and helped the start-ups understand where to start and how to benefit from governmental support.

Over the years, YourStory had developed into an extremely strong brand in the Indian entrepreneurial ecosystem. According to Archana Patchirajan, co-founder of MyCityWay, “We really adore the way YourStory.in recognizes technology ventures. Like Mashable and TechCrunch, Yourstory.in is ‘the’ platform for entrepreneurs in India to showcase their dream to the world.”

HerStory

HerStory—started by Sharma under the umbrella of YourStory—focused exclusively on the stories of women entrepreneurs, leaders, innovators, and change agents. From her own experience and keen understanding of prevalent social mores, Sharma realized that women entrepreneurs found it especially tough to set up and run businesses in India. The HerStory platform gave space and an exclusive voice to stories and issues related to women entrepreneurs. Reflecting the sectors where women were actively engaged in entrepreneurship, HerStory had stories and news from technology, health, arts, crafts, and social enterprises. It disseminated news related to a variety of government schemes on skill development and funding that were available exclusively to women entrepreneurs.

SocialStory

While YourStory provided coverage of all kinds of entrepreneurial ventures, SocialStory focused on start-ups in the social and developmental sectors. The stories on SocialStory related to non-governmental organizations and social ventures in the education, health, environment, civic responsibility, clean energy, culture, and traditional handicrafts sectors. The platform provided visibility to entrepreneurs from these social sectors and gave those interested in social entrepreneurship a way to gain information about the people already active in that space and to collaborate with them.

Events

YourStory organized many national and international events and conferences that provided networking opportunities for entrepreneurs. Its flagship events included TechSparks, MobileSparks, E-Sparks, EduStars, and WebSparks, and it partnered and actively participated in entrepreneurial events organized by others. For instance, YourStory was a principal partner for the Bangalore Business Literature Festival in September 2015. This event aimed to develop the culture of reading, writing, and publishing business literature (see Exhibit 1).

Entrepreneurial ventures benefited from the knowledge sharing and networking that took place at such events and conferences. For instance, Mir Abid Hussain, founder of emo2 Inc., said, “Thank you for the opportunity to present at TechSparks. It was very useful, and I connected with a good number of people for [business] development.” Potential investors also appreciated the forum as a place to meet new ventures. For instance, Shailendra Singh, managing director of Sequoia Capital India, stated,

We were very happy to partner with YourStory again this year and [always] look forward to participating at their TechSparks events. We find these events draw young, enthusiastic entrepreneurs from all over the country, and we thoroughly enjoy interacting with them and learning about their businesses. Sequoia Capital is strongly committed to investing in early-stage companies in India and we see this partnership with TechSparks as a wonderful initiative that keeps us connected to the entrepreneurial ecosystem in the country.

The various awards that were given out at these events helped many start-up ventures gain credibility and further visibility. For instance, the founder of Vindhya e-Infomedia Private Limited, Ashok Giri D., who won a “sociopreneurship” award in 2010–2011, stated, “This award not only gave us recognition for the commitment that Vindhya had in its mission but also was able to open doors to many diverse opportunities like prospective customers, investors, and likeminded social entrepreneurs. This was one of the very few platforms exclusively for socially committed organizations.”

Apart from large-scale national events, YourStory also regularly organized local-scale boot camps, entrepreneur meet-ups, workshops, and other smaller networking events. These were typically shorter, more focused networking and knowledge-sharing events that lasted from two hours to half a day, and catered to an audience of a few hundred participants at most. YourStory succeeded in attracting sponsors for all its events, and its success was dependent on conceptualizing, designing, and executing focused events that added value for the sponsoring companies. Sharma spent a large part of her time identifying potential sponsors, understanding their needs and motivations, and co-designing customized YourStory-organized events. She expended a great deal of effort in publicizing the events to the targeted group of entrepreneurial ventures.

One of the challenges Sharma faced was that some of the events were organized in partnership with organizations that were direct competitors of YourStory. For example, some events were organized by large print media houses such as the *Times of India* and *Economic Times*, and others by business news television channels such as NDTV Profit and CNBC TV18. While these media organizations were much larger than YourStory, they were also present in the online world and therefore, they were in competition with YourStory. Despite the apparent contradiction, Sharma realized that it was better to collaborate with these competitors on such events because everyone in the ecosystem benefited.

Current status

By June 2015, YourStory had published over 20,000 stories about Indian entrepreneurs. It had reached over 60 million readers and had garnered regular readership from over 50 countries. Sharma and her team had hosted over 220 entrepreneur-related events, in which over 1.7 million people had participated. YourStory’s campaigns and networking support had helped numerous start-ups achieve funding, and Sharma estimated that YourStory was directly or indirectly involved in about US$550 million of fundraising achieved by Indian start-ups. The firm reached over 4 million people daily via various channels on social media platforms.[[4]](#footnote-4) Its main sources of revenue were from tickets to its events, rental fees for exhibit space at its conferences, online advertisements, registrations on profile pages for start-ups, and premium-priced listings on the homepage.

YourStory had achieved annual revenue of ₹43 million in financial year (FY) 2014-2015, compared to ₹39.6 million in FY 2013-14. However, increased employee benefit expenses, managerial remuneration, and other expenses had resulted in a small loss of ₹1.9 million in FY 2015, against a net profit of ₹5.2 million in the previous financial year (see Exhibits 2 and 3). According to Sharma,

The YourStory platform reaches over 100 million readers every month. The company has evolved into various content-driven sub-properties, managed by our in-house editorial team who work with a network of freelancers that provide us content. We are growing rapidly and seeing good traction in revenue (one of the best among new digital media companies in India). We’re expecting US$3–$4 million in revenue over the next 12 months. We expect the native content [business-to-business] market to be around US$400 million in the next four years. The majority of the incremental spending is expected to be in digital [media]. We believe that we have a great chance of being one of the largest players in the segment with over 10 per cent market share in the near future.

Cost of Operations

Throughout its existence, YourStory had maintained an extremely lean setup. For the first three years, Sharma had operated out of her own home and maintained only a skeletal staff. YourStory’s main costs came from employee salaries, sourcing news content, marketing expenses, and information technology. YourStory had grown to a team of nearly 60 employees by 2015. Most of the staff were either journalists or marketers. Employee costs were one of the biggest cost drivers for YourStory. Sharma explained:

We have a team of 10 engineers with varied experience who take care of building new products and applications. Our major expense is maintaining the team (mainly salary costs). The editorial or content team is our largest team in terms of both numbers and costs. The cost of content varies from ₹200 to ₹2,000, depending on the quality of the article and the influencer rating of the author. We believe that this high editorial cost is justified. We are proud of the fact that over 80–90 per cent of our content is from editorial/independent sources and therefore carries an unbiased message. Our paid-for stories are clearly marked as “sponsored” on the website. As such, we do not have large marketing expenditure; most of the expense on this is around promoting our events. On average, we spend 2–5 per cent of our revenue on marketing.

The news content that YourStory presented on its online media platforms was from a variety of sources. These included news-syndication organizations such as Press Trust of India (PTI) or Reuters, other news channels, the journalists employed by YourStory, and freelance journalists and writers. To ensure sustainable profit, YourStory had to keep its content costs low, especially on a per-story basis; thus, it had to be extremely selective about the kind of stories it sourced and the quality of news offered.

As an online media platform, YourStory had to constantly upgrade and scale up its technology infrastructure and remain up to date with the latest in technology to cater to its ever-growing readership. Because readers were increasingly consuming content on mobile phones and handheld devices, YourStory was forced to additionally customize its offerings to suit these needs.

competitive Challenges

YourStory faced direct competition from a few Indian online media platforms that focused on entrepreneurial stories. Among the prominent competitors was VC Circle Network, which was acquired by News Corp in 2015.[[5]](#footnote-5) VC Circle positioned itself as a source of news and analysis on Indian entrepreneurship, and followed a premium subscription model on its website. It also tracked innovations in technology; covered news stories about the infrastructure sector; provided an online database about venture-capital and private-equity deals in India; organized conferences, seminars, and events for entrepreneurs; and engaged in executive training and coaching. Another similar firm was Bangalore-based start-up NextBigWhat,[[6]](#footnote-6) which was founded by Ashish Sinha. It positioned itself as an online community of founders of start-ups and product marketers in the Indian technology sector.

YourStory also faced indirect competition from a variety of blogs where users shared stories (e.g., Wattpad and Figment), online business news sites, and magazines (e.g., *Businessweek* and *WSJ Magazine*). It also competed with conferences such as TEDx and TEDGlobal, and with sites such as Quora, which allowed users to interact in a question-and-answer format. In addition, YourStory faced some indirect competition from foreign websites like Mashable (see Exhibit 4) and TechCrunch (see Exhibit 5).

Expansion options

Sharma struggled with the question of how to scale up a niche, entrepreneur-oriented online media company to reach a mass user base of over 200 million users. Her challenge was to scale up the venture, grow its loyal readership, and gain market share in an extremely competitive and evolving media marketplace. She realized that she had many alternatives from which to choose.

Going Vernacular

One of the options Sharma was considering was tapping into the vernacular language market in India. This meant that the English-language stories currently being showcased on YourStory would be translated into various regional Indian languages. Sharma explained:

There is reason to consider going vernacular with our services. After all, the English language, despite being popular in India, has a limited reach. Stories in English are typically only consumed by urban, educated, middle- and upper-class consumers. But there is an entire other part of the vast Indian population that will remain left out if we continue to follow an English-only approach. We have the potential to expand the number of our news consumers significantly if we venture into vernacular language-based services.

However, [this shift represents] a costly option. First, we have to consider the cost of translating our English-language stories into vernacular languages. I recently explored a few technological solutions for automated translation but the results were not entirely satisfactory. At this stage, I envisage having to employ teams of translators who would translate our English-language stories into vernacular languages. Additionally, there is the cost of technology to ensure that our stories are presented or rendered in a user-chosen language. Also, I’m unsure as to whether we should begin with one or two languages at first and then roll out to all the major Indian languages, or go with a “big bang” approach on this. Our burn rate on this expansion option will depend on how many languages we choose to provide our services in.

Adopting a Hyperlocal Focus

YourStory was also considering the option of going “hyperlocal” with its stories, meaning its stories would not be limited to content that appealed to a wide, national audience, but could instead focus on local stories that appealed to smaller-sized but highly focused audiences in each geographic area. These stories would be about entrepreneurial developments taking place in a suburb, city, district, or state. The appeal would be very strong because the stories were about people in the vicinity of the readers. However, the appeal of each story would be limited to a small number of readers. It was possible that each story would only be read by a few dozen or a few hundred readers who belonged to the town or district featured in the story. Sharma described the opportunity:

I find going hyperlocal very exciting. Unlike mainstream channels, our hyperlocal focus would make us the preferred news outlet for local communities. I believe that people are as interested in news about the developments in their immediate vicinity as they are in larger national and global news. In fact, my hunch is that hyperlocal news would have a more loyal and regular readership; this is something that would appeal to anyone funding us.

Sharma realized that going hyperlocal was easier said than done. She explained:

The first issue is with content. While there is a mature market for development or syndication of content related to national and global stories, content for local stories is relatively scant. Also, quality of content is very variable when it comes to local news. Our costs—costs of developing content on a daily basis, monitoring quality, and ensuring relevance to the unique needs, tastes, and preferences of hundreds of local communities—seem like an insurmountable challenge. We currently have a team of about 60 people engaged with content-related activities. If we continue to follow our existing model, we will need 10 times that number of employees to achieve a hyperlocal business. This certainly doesn’t seem to be the right way to grow. I know that the market is attractive, but we need to find the right business model to service it.

Moving from Niche to Mass Market

Another alternative Sharma considered was moving away from an exclusive focus on entrepreneur-related stories to become a more mainstream news player. She explained that choosing a very generic name, YourStory, for her business made it “possible to expand the scope of our business beyond entrepreneurship to any kind of news.” She continued: “I have the opportunity to move in any, or even all, directions while leveraging the brand. I am considering making available more broad-based content related to entertainment, movies, and celebrity gossip.”

However, the issue was with the preferences and loyalty of YourStory’s existing reader base. Sharma worried that going from being a niche player that was fully focused on entrepreneurial ecosystem-related stories to being a generic news site would disillusion the company’s current consumer base. It would also dilute the YourStory brand that Sharma had built up assiduously over the years. She said, “Today I am fortunate to have the goodwill and affection of a core . . . loyal audience. In trying to reach out to a wider audience, I don’t want to risk losing my loyal customers.”

Sharma knew that, for her business to scale up massively (without a linear increase in costs), she needed to source stories from users themselves. She was considering developing technology that would allow readers to contribute their stories directly to YourStory. This democratization of content would give readers the power to share their own stories easily with the rest of the world. One option was that Sharma could develop the required technology in house. Another option was to acquire a company that already had such technology available. Sharma had come across one such company: Papyrus Editor (Papyrus), founded by Gaurav Tiwari in 2012. Papyrus had developed a simple online editor that helped authors create e-books using a straightforward user interface (see Exhibit 6).

Targeting Other Niches

Sharma stated that she was also eager to consider other niches that YourStory could expand into:

We have a track record of identifying and exploiting niches profitably; we have done so many times in the past few years. I believe that there are many other niches that could be targeted. For instance, one niche that I am actively exploring is that of extremely short stories. These stories would typically be three- to four-line news items that could be consumed very quickly by readers. I believe that a lot of our readers are busy people, and this service is likely to appeal to them. People could read such stories while on the move or when they took a few minutes’ break from their work. Also, such stories would be extremely convenient to consume on mobile and handheld devices. There are many other such niche ideas I am exploring all the time.

Yet Sharma realized that targeting niches was not without its challenges, adding,

[Going] after a niche has its challenges. If the niche is really small, it will not make us much money. If the niche expands over time, competitors will notice and jump in with their solutions. Entry barriers are typically low, and hence, profits will be affected once competition enters the scene. In general, my experience has been that targeting niches has kept the work environment at YourStory very start-up like. We are always in a project mode, going after one niche or another. While that has been exciting, it can also be very stressful.

Focusing on Start-Up Jobs

Another idea that Sharma was toying with was to start an online job portal focused on openings in start-up organizations. Because YourStory already regularly interacted with a large number of start-ups, Sharma believed that they would be willing to share their job openings on the YourStory portal. She was banking on YourStory’s goodwill and strong brand to kick-start this new business. She explained:

I am hoping that our vast network of contacts in the start-up ecosystem will be useful for the online job portal. Jobseekers know us from our website and from our technology events. That we are focused on start-ups is well known in the market. Jobseekers could look to us as their first choice of information when they are looking for a job with a start-up company in India.

However, Sharma was not entirely confident about venturing into a job portal because this was very different from her news-oriented business. Further, there were already many different online job portals in India, such as Naukri.com and Monster.in. The online job portal business was extremely competitive and would require YourStory to develop entirely new organizational capabilities.

Conclusion

Sharma had to make some quick and decisive moves. Having previously been part of many entrepreneur–VC conversations, Sharma realized that the possibility of massively scaling up was what attracted VCs the most, especially in the online media and technology space. Growing organically and at a relatively steady pace, as YourStory had for the last seven years, was not enough; nor was it enough to grow only by grabbing opportunities as they came up—investors were looking for proof of a big-picture strategic plan. It was important that Sharma be in control of her business’s direction. It was equally, if not more, important to *appear* to be in control of where YourStory was headed in the coming few years. Sharma was confident about being in the right industry and poised for rapid growth. At the same time, she understood that potential investors would translate their initial interest into actual investments only if she was able to demonstrate that YourStory had a coherent, comprehensive, and consistent story of its own.

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Exhibit 1: YourStory Meet-ups in May–June 2015

|  |  |
| --- | --- |
| **Date and Location** | **Meet-Up** |
| June 2015 in Bangalore | Fostering start-up innovation: YourStory meet-up with IBM Bluemix |
| June 2015 in Pune | YourStory Meet-Up: Pune, Mumbai: Come talk to us |
| June 2015 in Bangalore | YourStory Meet-Up: How to build hardware start-ups from India |
| June 2015 in Bangalore | YourStory Launch Fridays: The start-up launch pad for new products and offerings |
| June 2015 in Bangalore | HerStory Women’s Meet-Up: Come share your story |
| May 2015 in Bangalore | SocialStory: Decoding impact investment meet-up |

Source: Company documents.

Exhibit 2: Yourstory Profit and Loss account (in ₹)

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Figures for April 1, 2014 to March 31, 2015** | **Figures for April 1, 2013 to March 31, 2014** |
| Revenue from Operations | 43,029,070 | 38,161,562 |
| Expenses: |  |  |
| Employee Benefit Expenses | 16,323,936 | 13,842,922 |
| Managerial Remuneration | 7,848,012 | 2,562,180 |
| Payment to Auditors | 100,000 | 60,000 |
| Depreciation and Amortization Expenses | 828,015 | 502,499 |
| Other Expenses | 22,180,159 | 15,310,326 |
| Total Expenses | 47,280,122 | 32,277,927 |
| Profit before Tax | −1,431,380 | 7,401,685 |
| Current Tax | 468,231 | 2,240,176 |
| Profit (Loss) after Tax | −1,899,611 | 5,161,509 |

Note: ₹ = INR = Indian rupee; US$1 = ₹63.88 on July 31, 2015.

Source: YourStory financial returns (Form AOC-4-031215) filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India.

Exhibit 3: Yourstory Balance Sheet (in ₹)

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Figures as at the end of March 31, 2015** | **Figures as at the end of March 31, 2014** |
| Equity and Liabilities |  |  |
| Shareholder’s Funds |  |  |
| (a) Share Capital | 136,210 | 102,160 |
| (b) Reserves and Surplus | 13,811,307 | 11,463,023 |
|  |  |  |
| Share Application Money Pending Allotment | 0 | 0 |
|  |  |  |
| Non-Current Liabilities |  |  |
| (a) Long-Term Borrowings | 0 | 0 |
| (b) Deferred Tax Liabilities (Net) | 0 | 0 |
| (c) Other Long-Term Liabilities | 0 | 0 |
| (d) Long-Term Provisions | 1,476,336 | 0 |
|  |  |  |
| Current Liabilities |  |  |
| (a) Short Short-Term Borrowings | 0 | 0 |
| (b) Trade Payables | 1,177,068 | 500,972 |
| (c) Other Current Liabilities | 2,061,864 | 670,965 |
| (d) Short-Term Provisions | 1,647,685 | 3,555,072 |
|  |  |  |
| TOTAL | 20,310,470 | 16,292,192 |
|  |  |  |
| Assets |  |  |
| Non-Current Assets |  |  |
| (a) Fixed Assets |  |  |
| (i) Tangible Assets | 1,082,755 | 977,434 |
| (ii) Intangible Assets | 657,903 | 1,117,077 |
| (iii) Capital Work in Progress | 0 | 0 |
| (iv) Intangible Assets under Development | 1,309,097 | 0 |
| (b) Other Non-Current Assets | 440,000 | 350,000 |
|  |  |  |
| Current Assets |  |  |
| (a) Current Investments | 0 | 0 |
| (b) Inventories | 0 | 0 |
| (c) Trade Receivables | 7,967,685 | 2,295,530 |
| (d) Cash and Cash Equivalents | 5,615,768 | 8,672,765 |
| (e) Short-Term Loans and Advances | 0 | 50,634 |
| (f) Other Current Assets | 3,237,262 | 2,828,752 |
|  |  |  |
| TOTAL | 20,310,470 | 16,292,192 |

Note: ₹ = INR = Indian rupee; US$1 = ₹63.88 on July 31, 2015.

Source: YourStory financial returns (Form AOC-4-031215) filed with the Registrar of Companies, Ministry of Corporate Affairs, Government of India.

Exhibit 4: Profile of Mashable Inc.

Mashable was a global, multi-platform media and entertainment company that referred to itself as “the go-to source for tech, digital culture, and entertainment content.” Its website received nearly 45 million unique visits every month, and it had over 28 million followers on social media websites. Mashable was founded in 2005 by Pete Cashmore, when he was 19. It started as a blog and was soon transformed into a website that aggregated people’s social media activity. Mashable had raised $31 million in funding by January 2015, and had received equity funding from well-known investors such as Tribune Digital Ventures and Time Warner Investments. Mashable was clearly interested in the Indian market; apart from its global website, it had recently launched Mashable India, which provided content that was customized for an Indian audience. Apart from India, Mashable had such customized offerings only for Australia, the United Kingdom, France, and Asia. The company derived its revenues from online advertising, offline events, and from the website’s job board. The website benefited tremendously from the rise of social media and the increasing willingness among businesses to pay for sponsored content. Mashable’s advantage was that it related technology and social media to more general topics such as culture and politics.

Source: Created by the case authors based on content from “About,” Mashable, accessed September 4, 2016, http://mashable.com/about; Michael Dunlop, “Interview with Pete Cashmore, Founder of Mashable.com,” Retire@21, accessed September 4, 2016, [www.retireat21.com/interview/interview-with-pete-cashmore-founder-of-mashable-dot-com](http://www.retireat21.com/interview/interview-with-pete-cashmore-founder-of-mashable-dot-com); and “Mashable Overview,” CrunchBase, accessed September 4, 2016, [www.crunchbase.com/organization/mashable#/entity](http://www.crunchbase.com/organization/mashable#/entity).

Exhibit 5: Profile of TechCrunch

TechCrunch was a technology-media company focused on profiling start-ups, reviewing Internet products, and providing breaking news related to technology-sector developments. Founded by Michael Arrington and Keith Teare in 2005, it was primarily an online publisher of technology industry-related news, and it now had about 37 million page views per month. It attracted over 12 million unique visitors and had over 2 million followers on social media platforms such as Facebook, Twitter, and LinkedIn. TechCrunch provided an open database about people, investors, and start-up companies (called CrunchBase), and this resource was popular within the technology community. It also organized and hosted a large number of events, conferences, and meet-ups worldwide. These provided revenues to TechCrunch and allowed players in the technology industry to mingle and network. TechCrunch was acquired by AOL in 2010. It had expanded beyond text-based stories into videos, technology demonstrations, interviews, and feature pieces. It also annually hosted The Crunchies Awards, which were considered prestigious in the technology sector.

Source: Created by the case authors based on content from “About TechCrunch,” TechCrunch, accessed September 4, 2016, https://techcrunch.com/about/#about-tc.

Exhibit 6: profile of Papyrus editor

Papyrus had been set up with a goal of simplifying the process of creating e-books. It aimed to enable authors to self-publish their books. Its objective was to enable the democratization of user-generated content. Papyrus provided a service whereby authors could create e-books in a format like a blog post. It supported a variety of file formats for e-books and thereby provided authors with flexibility. The technology made available by Papyrus allowed authors to edit covers of their e-books using a simple drag-and-drop editor. It also allowed them to import content from the web and create new content easily. It allowed authors to make the book ready for sale with a simple push of a button. Papyrus was backed by The Morpheus, a start-up accelerator.

Source: Created by the case authors based on content from Team YS, “YourStory Media acquires e-book creator Papyrus Editor,” November 30, 2015, accessed August 1, 2017, https://yourstory.com/2015/11/yourstory-acquires-papyrus-editor/; and Disha Sharma, “YourStory Acquires e-Book Publisher Papyrus Editor,” accessed September 4, 2016, www.vccircle.com/news/media-entertainment/2015/12/01/yourstory-acquires-ebook-publisher-papyrus-editor.

1. ₹ = INR = Indian rupee; all currency amounts are in ₹ unless otherwise specified; ₹1 = US$0.02 on July 31, 2015; [↑](#footnote-ref-1)
2. Formerly known as Mudra Institute of Communications, Ahmedabad, MICA was an autonomous, non-profit institution that offered a wide range of academic programs focused on marketing and communication. [↑](#footnote-ref-2)
3. “Unicorn” was a term used to refer to a start-up that had scaled up to be valued at at least US$1 billion. [↑](#footnote-ref-3)
4. “YourStory Will Reach Every Indian Home; Raises Series A Funding from Kalaari Capital, Qualcomm Ventures, T V Mohandas Pai and Ratan Tata,” YourStory, August 17, 2015, accessed July 26, 2017, http://yourstory.com/2015/08/yourstory-funding/. [↑](#footnote-ref-4)
5. “About Us,” News Corp VCCircle, accessed February 1, 2016, www.vccircle.com/about-us. [↑](#footnote-ref-5)
6. NextBigWhat homepage, accessed February 1, 2016, www.nextbigwhat.com/. [↑](#footnote-ref-6)