



JASON CALACANIS: A CASE STUDY IN CREATING RESOURCES

Jason couldn't have told you 20 years ago he was subconsciously putting himself on the path to becoming the guy who invested in Uber when it was a \$4 million company. That's a career-making deal.

— Brian Alvey, friend, former employee, partner¹

He's not necessarily concerned about what others think about him. He's concerned about what he thinks of him.

— Jerry Colonna, executive coach, author, former VC²

I very often meet somebody who says, "I know Jason Calacanis." And I say, "Do you love him or hate him." Because Jason only wants it one of those two ways. He never wants you to be indifferent.

— Mike Savino, friend, former boss, serial entrepreneur³

On a warm spring day, Jason Calacanis, an Internet entrepreneur, angel investor, author, and podcaster,⁴ sat on the deck of his 8,500 square foot, six bedroom, 6.5 bathroom home. The house was situated on a very private lot of more than 2 acres with a swimming pool and tennis court in one of the most expensive neighborhoods in the posh San Francisco suburb of Hillsborough, California. Calacanis was reflecting on how he had gone from being a poor boy in Brooklyn whose parents fought about money to a position where he knew, did business with, was friends with, and lived among some of the most important people in the world of technology and

¹ Interview with Brian Alvey, May 3, 2019. Subsequent quotations are from the author's interviews unless otherwise noted.

² Interview with Jerry Colonna, April 23, 2019. Subsequent quotations are from the author's interviews unless otherwise noted.

³ Interview with Mike Savino, May 2, 2019. Subsequent quotations are from the author's interviews unless otherwise noted.

⁴ Jason Calacanis, Wikipedia, https://en.wikipedia.org/wiki/Jason_Calacanis (November 14, 2019).

Professor Jeffrey Pfeffer prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Funding for this case was provided by the Stanford Graduate School of Business. This case was reviewed and approved before publication by the case protagonist.

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investing—people such as Elon Musk of Tesla and Travis Kalanick, formerly of Uber, among many others.

Calacanis's reflection was prompted, in part, by a request to participate in a case study for Stanford's Graduate School of Business. "My," thought Calacanis, "I have come a long way from beginning college at Brooklyn College, part of the City University of New York, to being part of the curriculum in one of the leading business schools in the world."⁵

Calacanis, who had graduated with a bachelor's degree in psychology from Fordham, had always been fascinated with power, where it came from, and how to get it and use it. Maybe there was something his own path, including both entrepreneurial and investing activities, could teach others who were possibly less comfortable with, and less skilled in, the acquisition of influence—and the material benefits that influence could bring.

THE EARLY YEARS

Jason Calacanis was the middle child of three boys. Brian Alvey noted that Calacanis's older brother "is like a sales guy, bartender, a very gracious host, a lot like Jason's dad...and then his younger brother was a New York City policeman for many years, and then became a fireman."

Calacanis described his financially stressed family background:

Mom's a nurse, Dad's a bartender. The only fights they ever had were over money. My mom worked five jobs. Long story short, when I was in the summer before I was going to go to college, the Feds came in with shotguns and ATF jackets because my dad didn't pay \$100,000 in taxes after the 1987 crash. A lot of his customers had lost money in the stock market and couldn't pay their tabs. He lost everything and it broke him. I was 45 days away from going to Brooklyn College. And I got a call from Fordham University. The admissions person.

Calacanis's experience eventually getting into, and paying, for Fordham revealed a lot about his persona and the qualities that made him successful. He had scheduled a tour of Fordham because a friend who had gotten his Ph.D. there had told him that having some personal interaction would get them to be more interested in your success. Unfortunately, Calacanis got a rejection letter prior to the scheduled tour date. He called the admissions office and was told he would get another shot. He met with the admissions person, Ed Boland,⁶ who told him that he did not have the high school grades or scores to get into Fordham. But Boland told Calacanis to go to Brooklyn College, take the courses Boland would prescribe that would transfer, and do as well as he had done in his senior year, when he had gotten much more serious about school.

Calacanis started at Brooklyn College. But he also had a friend teaching a taekwondo program at Fordham's Rose Hill campus. That gave him an excuse to be on campus, he explained:

⁵ Interview with Jason Calacanis, April 7, 2019. Subsequent quotations are from the author's interviews unless otherwise noted.

⁶ Ed Boland, Hachette Book Group, <https://www.hachettebookgroup.com/contributor/ed-boland/> (November 16, 2019).

Before I would go, I would find somebody to write me a letter of recommendation. I'd knock on Mr. Boland's door and I'd hand it to him. And he'd say, "Jason, do we have an appointment? Are you on my schedule?" And I'd say, "No, I'm here for the taekwondo class. I wanted to give you this letter of recommendation. And I thought you should see my second quarter grades." I did this three more times. So he had like five letters of recommendation. And then a couple of weeks after my dad's bar closed, Mr. Boland calls and says, "I'm leaving. I'm going to Yale. It's my dream job." And I'm thinking, that's a waste of a year. And he says, "But as I was leaving, they asked me if I had any requests as to how they could do things better. And I said I thought they should accept the most nontraditional student for the 1988 year." And I said, "Who did you pick?" There was a pause, and then Mr. Boland said, "You."

With his parents' financial situation, going to Fordham was going to be a financial stretch and Calacanis was often behind on his tuition payments. He described how he handled the situation of not being permitted to register for his junior year:

Okay, what works? Going to the top works. It's one of the big lessons I learned—go to the top. Everybody in between doesn't matter. So I walked into the dean's office and asked if the dean was in. And the woman at the desk said, "He's in his office." I said "Thanks" and walked in. I said, "Dean, I'm Jason Calacanis. I've really enjoyed my years here but I am going to have to drop out." And he said, "Do you have an appointment?" I told him no but that I really needed to talk to him because it was always my dream to go to Fordham. He said, "Sit down." I explained the situation and he goes, "Hold on a second." He called the Bursar and told me I was back on the payment plan. Then he asked, "Do you do computers? Do you know about the business school here?" I said, "Yes, they're on the ninth floor. They have the best computer lab." The dean says, "They're looking for someone to manage the computers there."

By the end of the meeting, Calacanis had a job earning \$8 an hour, a job that he started on the spot, compared to the \$3.50 he had been making in another computer job. Calacanis commented, "This kind of emboldened me. I got a couple of early signals that led me to believe that being bold and taking chances was a very smart thing to do."

BUILDING POWER

After Calacanis graduated from Fordham, he would walk by newsstands, or hang out at cafes, and see people's faces on the covers of magazines. He would wonder what they had done to gain such prominence. Calacanis continued the story:

Looking through the magazines, I saw the table of contents and then I saw the masthead, and there's like 100 people who worked on this magazine. Back then, magazines in the early 1990s were entrepreneurship, the equivalent of having a start-up. And I said, "I have to have a magazine." I had this absolute lock in my

brain: The person on the cover is important, but the person who picks who's on the cover is more important.

So Jason Calacanis, who had worked in computer jobs at Lam Research and at Sony just out of college, began his career in journalism, in publishing, in the early 1990s—a career that would form the foundation for everything that came later and a career that gave him a great opportunity to get to know important people.

His first magazine was called *Cyber Surfer*, with Brian Alvey working as his art director. After a dispute with the owner/backer, the magazine lasted only six issues. Then Calacanis started *Silicon Alley Reporter*, using the term, Silicon Alley, that was “coined in the 1990s during the dot-com boom” to refer to an area of high-tech companies centered around the Flatiron District in southern Manhattan.⁷ He commented: “It was 16 pages, and a photocopy. I wrote it myself. I designed it myself. I took the pictures myself. Fast forward five years, it was making \$12 million a year built off my credit cards, and I’m 27, 28 years old.” It also had become a 300-page magazine with a related publication called *Digital Coast Reporter* for the West Coast. Calacanis met Fred Wilson⁸ and Jerry Colonna from the New York venture firm Flatiron Partners pitching ads for the magazine, two people who would remain part of his circle of friends and business colleagues. Colonna recalled:

We began asking him to be a scout for us and to look at different opportunities. We would say, “We’re considering this investment in a company called GeoCities. What do you know about it? What do you think about it?” He came back with a pretty raw and rough, but accurate, analysis. He became part of the group. He was a hustler from the beginning. He did this conference and I was on the panel. I looked out and I remember clearly feeling like, “Holy crap, this guy is P.T. Barnum.” I don’t mean to be simplistic, but he has an audacity about him. He is unafraid.

In the first year, Calacanis began to think about how to get the magazine more visibility and more influence:

I decided to create the Silicon Alley 100, the 100 most important people—or companies—in Silicon Alley. I go around the table with my four editors and ask them to give me everyone they know in the Internet business, and we make a list of 70 people. How do we get the last 30? I said to call everybody on the phone already on the list or email them and ask them if they know anybody else in the industry. So the last 30 were lawyers, PR firms, accountants.

Now it’s time to rank the list. My team is desperately trying to get me not to rank the list because they are afraid it will upset people. And I said, “That’s precisely why we’re going to rank it.” So who is number one? It’s obviously DoubleClick;

⁷ Silicon Alley, Wikipedia, https://en.wikipedia.org/wiki/Silicon_Alley (November 13, 2019).

⁸ Fred Wilson later went on to cofound Union Square Ventures, with investments in companies such as Twitter, Tumblr, Foursquare, Zynga, and Kickstarter. See [https://en.wikipedia.org/wiki/Fred_Wilson_\(financier\)](https://en.wikipedia.org/wiki/Fred_Wilson_(financier)) (November 13, 2019).

they have more money, a product, more employees. So I say, “Great, they’re number two. Let’s pick number one.” I want everybody to be talking about this list, and why the person who’s number one is more important than them. So I picked Esther Dyson. She’s a woman, Bill Gates calls her for advice, she’s invested in a lot of these companies, she’s a tech visionary.

For the next seven, eight years, my entire life was consumed with people lobbying me to figure out where they were on the list for the next year. I spent the next few years sitting at Knicks games and going to Nobu with the most powerful people in the industry who wanted to talk to me to get on the list.

Since Calacanis essentially had no money to distribute the magazine, he would “put them on a luggage cart and walk around” to the lobbies of companies in the Internet industry, companies covered in the magazine. The magazine had a map of Silicon Alley, and when a company was covered in a story, its location and name would appear on the map. Calacanis told Alvey to scan *Wired*’s UPC code, put it on his magazine, and then “put our magazine on the shelf next to *Wired*. *Wired* got our money, but we got on the shelf next to *Wired*.” He also went to the same cafes and magazine stands:

At Eureka Joe’s, which was the central hang out, I would put the magazines there and they would always be gone. I was like, “Wow, this is the best place.” And then one day I put 50 copies there. As I left, I saw the manager come out and throw them in the trash. So after that, I would come in when he wasn’t there or wasn’t looking and put our magazine in the middle of *Time Out*, or the *Village Voice*, or the *Learning Annex*. On the back page of our magazine, it said, “If you want to know what’s happening in the Internet, 10 issues per year, \$100.” That’s \$10 per issue. And then the Internet hit, and every day the mail would come and we’d sit there just printing money.

In year three of the magazine, Jann Wenner [founder of *Rolling Stone*] called. He invites me to his office and he has my magazine on his table. He goes, “I’d like to help you. I’m fascinated by the Internet.” So I tell him about the Internet, and he tells me about magazines. He says, “The cover is all that matters. Who takes your pictures?” “I do.” He says, “Get Frank Micelotta on the phone. Frank, I got a kid here. Will you meet him and do his covers?” Frank Micelotta, famous photographer,⁹ starts doing the covers, which look like *Vanity Fair*.

Lo and behold, three years goes by and I’m at this dinner and Graydon Carter [editor of *Vanity Fair*] walks up and says, “I love *Silicon Alley Reporter*.” And I ask him what he likes about the magazine. He says the covers. I thought to myself, “Every system has a hack, and all you need to do is find that hack.” Every system has a silver bullet. The hack can change but some are perennial. So I decided to start doing an event because that was a way to go up against the competition.

⁹ Frank Micelotta Photographer, Sonic Editions, <https://www.soniceditions.com/photographer/frank-micelotta> (November 14, 2019).

The New York Media Association was doing networking events with one speaker. I'm doing a three-day event with 50 speakers a day, with a main track and two side tracks. On the side tracks, put panels. So we'd kind of funnel people, who would start out on side tracks and give them another level to try to get to.

Anyway, that all blew up with the dot-com bust and then 9/11 happened. I went from having a *New Yorker* article¹⁰ written about me that tweaked everybody. And then, of course, it all went away overnight.

He sold the company to Dow Jones, but not for a lot of money. Shortly thereafter, he and Brian Alvey started a blogging company, Weblogs, which he sold two years later to AOL for \$25 million. Weblogs was a collection of 85 blogs, including AdSense, which generated \$1,000 a day,¹¹ and the popular Engadget.¹² To get the funding to start the blogging company, Calacanis approached Yossi Vardi, whom he had met at Esther Dyson's PC Forum. Dyson had given him a free ticket—recall she was number 1 on his first ranking of the Silicon Alley 100. Vardi, an Israeli technology entrepreneur, had just sold his company to AOL for hundreds of millions of dollars. Vardi agreed to be in for \$100,000. Calacanis continued the story:

I emailed the one rich and powerful person I had met when I was running *Silicon Alley Reporter*, Mark Cuban, and I said, "Mark, I'm doing this blogging company. Yossi Vardi has agreed to put in \$100,000. I wonder if you're interested." He wrote back, "I'm in." Then Yossi Vardi backs out because we have an LLC structure. Cuban's like, "I don't care, I'll take Yossi's 100." Then his attorney emails me and tells me that Mark wants to put in 300. And can we set up Mark's blog? So we set up Blog Maverick and Mark Cuban writes a blog about not re-signing Steve Nash, a perennial all-star [basketball] guard. The idea that ESPN didn't break the story and that he wrote a 2,000-word article about this on his own blog was the beginning of the blog revolution. We started a bunch of blogs. I made Cuban \$5 million but I made my first 10.

Calacanis stayed for a while at AOL after the acquisition, with the title of senior vice-president and the job of figuring out what to do with Netscape. AOL had purchased the company for a lot of money but didn't really know what to do with it (Marc Andreessen, Netscape's founder, had stepped away to return to start-ups).

Calacanis then moved to the West Coast, first to Los Angeles and then to San Francisco. Because of his experience writing about start-ups and interviewing founders, Calacanis had developed a good understanding of what made entrepreneurs successful. He became part of the Sequoia Capital scout program; he and Sam Altman (now chairman of YCombinator) were among the first.

¹⁰ Larissa MacFarquhar, The Connector, *The New Yorker*, October 10, 1999, <https://www.newyorker.com/magazine/1999/10/18/the-connector> (November 14, 2019).

¹¹ Jason Calacanis, Wikipedia, https://en.wikipedia.org/wiki/Jason_Calacanis, (November 14, 2019).

¹² John Heilemann, "Suit 2.0," *New York Magazine*, <https://nymag.com/news/politics/powergrid/17398/> (November 14, 2019).

David Sacks, the cofounder of Yammer in 2008, which was bought by Microsoft for \$1.2 billion in 2012, and who would later run his own fund, met Calacanis at a TechCrunch competition that Yammer won. Sacks continued:

At some point I said to him, “You’re doing all the work of a VC, but you don’t have a business model.” He was doing conferences. He was doing the blog posting. He was creating a brand for himself, but he really didn’t have a way to monetize any of that. So I said, “Why don’t you create a fund and start investing because you’re doing all the hard stuff a VC does anyway which is like the content marketing and brand awareness, but you haven’t done the easy stuff, which is investing in the best companies.”¹³

Sacks became Calacanis’s first limited partner in that fund. With Calacanis’s other poker buddies and friends, he raised his first fund, and one person introduced him to others. He raised money from Jeff Skoll, and met Elon Musk. Calacanis noted, “It’s all like this little community I got myself in, kind of like a side pocket of the PayPal mafia.... I eventually became friends with Peter Thiel.”

THE CALACANIS OPERATION IN 2019

Over the years and particularly in the 2010s, Calacanis systematically built an operation that facilitated his blogging, writing, putting on events, providing information and opportunities to entrepreneurs and potential entrepreneurs, and offering experiences, including learning and networking, to angel investors. The size and scope of these activities had expanded dramatically. Calacanis was at the center and was intimately involved with everything.

Ashley Whitehurst began as Calacanis’s executive assistant. She later became his chief of staff and, in 2019, ran the investment syndicate operation. She had worked with Calacanis for about four years and because of her various roles, had a good overview of all of the activities of Calacanis and his team.

Calacanis had a relatively small staff—just 14 people in total, including 4 in Toronto who worked on marketing. Whitehurst described how Calacanis built brand awareness for all of the interrelated activities. Those activities were designed to create a large network of angel investors and others involved in the start-up ecosystem and a funnel of investment opportunities, most oriented around early-stage start-ups. He accomplished this by doing a number of interrelated things.

The most important component was *This Week in Startups*, the podcast that saw about 150,000 downloads per episode, and an ever-growing audience. Calacanis had now done about 1,000 episodes. Calacanis produced the podcast twice a week, on Tuesdays and Fridays. The entire podcast could run an hour or more, but his team would then edit shorter segments to post clips on Facebook, LinkedIn, and Twitter. Interviewees included successful founders, investors,

¹³ Interview with David Sacks, August 16, 2019. Subsequent quotations are from the author’s interviews unless otherwise noted.

authors—anyone from the world of technology and entrepreneurship who might have something interesting to say. The podcast sold advertising to sponsors, and this proved an important source of revenue to pay the bills. Whitehurst noted, “For people who are not in the network and are not getting an investment from us, that’s their connection to Jason, that’s where they’re going to learn about us.”¹⁴

The podcast had amazing reach and influence. Brian Alvey described one incident that provides an illustration of this:

Jason and I were with our families at the Monterey Bay Aquarium, which is not that close to San Francisco. A person comes walking up and says, “Are you Jason Calacanis?” Jason replies, “Yes.” The stranger continues, “I’m visiting from Sweden. We’re staying with some relatives, and we have my whole family here. I just told them, “I think that’s Jason.” That prominence is from a podcast, so imagine the effect of the CNBC appearances, imagine if and when he gets his own TV show, how it’s going to be.

Whitehurst noted that the biggest live event was the LAUNCH festival, held annually in San Francisco for a decade before shifting to Sydney, Australia in 2018 and 2019.¹⁵ In 2015, the festival had some 15,000 registrants. Hosted by Calacanis, LAUNCH celebrated start-ups and future tech, and brought in entrepreneurs to meet with Silicon Valley pioneers. Calacanis planned to solicit interest from cities that wanted to host the event, and expected the venues to compete. The LAUNCH Scale two-day event, which would attract 1,000 to 1,500 people each time, was designed for companies that had a product and were in the market, and wanted to scale.

Other events were much smaller. A two-day course, Founder University, took place about seven times a year with attendance limited to 60 people. It remained very focused on teaching founders how to scale a start-up, with topics ranging from how to raise funds to having a lawyer from Wilson, Sonsini in the room where founders could ask any questions. Other founders who had scaled would come to talk about the lessons they had learned. Whitehurst commented, “It’s really just about trying to give each of these founders a playbook when they leave after two days, and we want to make it as helpful as possible with as much information as possible for them to spend the time.” Founders had to apply—compete—for the opportunity to come to Founder University.

Calacanis and his team also ran Angel University about six times a year, with somewhere between 30 to 75 people in the room. Whitehurst noted that there was never a charge for founders to attend events—but they always charged investors. Angel University, a one-day event, took place in San Francisco and other places like Boston. Once a year, an Angel Summit in Napa, California, brought together 75 angel and early-stage investors for great food and lots of fun activities. The Angel Summit was a two-day event; on the second day founders were invited to mingle with the angels.

¹⁴ Interview with Ashley Whitehurst, April 22, 2019. Subsequent quotations are from the author’s interviews unless otherwise noted.

¹⁵ LAUNCH Festival, <https://www.launchfestivalsydney.com/about> (November 16, 2019).

The smallest event, in terms of participants, was the 12-week Accelerator program, with only about seven companies per cohort. In 2019, there were six cohorts; Calacanis planned to increase the number of cohorts to 14 for 2020. The cohorts met once a week on Thursdays, with a company pitching to a panel of seven or so investors. Everyone in the cohort would be present in the room, so everyone heard everyone's pitches and feedback, followed by a speaker. Whitehurst commented: "It's really about giving these founders a network of investors as well as other founders, to make it a little bit less lonely, because being a founder can be insanely lonely."

LIFE IS A PARTY

Several themes ran through Jason Calacanis's actions and strategies. The first was the importance of socializing, and hosting people in a very nice fashion.

Calacanis's father was in the restaurant and bar business. Mike Savino, Calacanis's friend and former boss, believed that "the experience working at his father's restaurant taught him hospitality, and it comes very naturally to him." Calacanis wanted to make the people at his events feel special and benefited from being there. Savino noted that even at the early events, "the food was always very interesting." Sushi rolls, Krispy Kreme donuts, interesting and unusual food trucks—things that would make the events memorable.

Everything at a Calacanis event was supposed to be perfect. At the pitch events, every company that was going to be on stage was required to rehearse. Savino commented that Calacanis understood that even in the context of investing, "there's some entertainment aspect to this, and it has to go smoothly, and the audience has to be engaged. Everyone can put together a first event. The trick is how do you get them back to the next event? The first experience had to be a good one."

Calacanis was also part of a poker group that included people from Silicon Valley and Los Angeles—about 20 to 30 people, 9 of whom were regulars. Calacanis was a regular at the poker game. The group included the winningest player in the World Series of Poker, professional athletes, actors—a very interesting group of people.

Organizing a social event actually resulted in Calacanis's investment in Uber. Savino described how the investment in Uber came about. Kalanick had done a previous start-up and Calacanis knew him from his own media work. Savino recalled:

Going back to this whole idea of being social, he organized an event at his house and invited maybe 10 angel investors and 10 companies to pitch. He either cooked for them or had something catered that would be fun and amusing. And one of the companies he invited to pitch was Uber. Of the ten people, three opted to say yes, and seven said no.

So this kind of goes back to his ability to organize. At that point it was a small group and it eventually became TechCrunch, and then he had an online falling out with the gentleman from TechCrunch, Mike Arrington, so Arrington started TechCrunch Disrupt, and Jason started LAUNCH Festival.

LIFE IS A COMPETITION

Jason Calacanis was clearly competitive. That competitive drive manifested itself in a number of ways. In its simplest form, he structured much of his business as a competition—as a way of engaging people and getting them to sign up for and come to his events.

Much like the people making the magazine cover decisions, the person judging founders or start-up competitions was in a position of power. Moreover, competitions appealed to people's competitive spirits. Entrepreneurs, almost by definition, were going to think they had the best ideas, the best team, the best product or service. Presented in a compelling way, and offering access to networks and events with real—and substantial—economic value, Calacanis's competitions drew great response, ensuring his continuing access to great talent and companies. (See Exhibits 1 and 2 for examples of email blasts on competitions to gain access to events).

Second, Calacanis was a perfectionist, in the sense of seeking to ensure that his events, his podcasts, his blogs, were as good as they could possibly be. Sometimes that made working for Calacanis somewhat difficult. Alvey noted he had worked for Calacanis six times and quit six times. Whitehurst pointed out that Calacanis was very direct. She commented, "He's not a micromanager until things aren't getting done to his specifications."

Third, Calacanis's competitive drive contributed to his persistence and resilience—people who didn't want to lose would not want to give up. And setbacks just motivated people like Calacanis to try harder. He didn't give up on going to Fordham when his parents suffered a serious financial reversal. After a legal dispute around *Cyber Surfer*, he just started another magazine. And when the dot.com bubble burst—followed by the 9/11 downturn—and his magazine faltered, Calacanis started a blogging company. After selling the blogging company and a short stint at AOL, Calacanis focused on startup investing. Reinvention and reimagining the start-up ecosystem characterized Calacanis's entire career.

Finally, Calacanis's competitive nature fed into his boldness and risk taking. He commented that early in his publishing career, he had learned an important lesson: "If you show dominance and a fearlessness to take on everybody, even if you didn't win, it puts you in a different category. And so the tiger had been unleashed, a little bit."

LIFE IS AN OPPORTUNITY – SEIZE IT

Research shows that people often were reluctant to ask—for help, for advice, for investments, for pretty much anything from others.¹⁶ That wasn't Calacanis, who was willing to reach out cold to just about anyone.

Here's just one example. In 2010, Rahul Vohra started a company called Rapportive, which developed a Gmail plug-in that let users learn more about who emailed them: what they looked like, where they worked, their recent tweets, their social profiles. Within two years, LinkedIn

¹⁶ Francis J. Flynn & Vanessa Lake (2008). "If You Need Help, Just Ask: Underestimating Compliance with Direct Requests for Help," *Journal of Personality and Social Psychology*, 95 (1), 128-143.

purchased the company. Calacanis had invested in the seed round. Why? Because he had seen the product and tried it, and immediately reached out to Vohra.

Vohra and his team had applied to YCombinator, and as part of that process, had included a url link to the product. He recalled:

The press accidentally got ahold of that link, and published it prior to launch. I remember one day we went off to the pub at lunch time, and when we came back my phone is blowing up. By the end of the day, we were at 10,000 users. The next two or three weeks had grown to many tens of thousands of users.

And the very first person to reach out to me was Jason. On either the first or second day, he reached out by email and said something like, “Hey, you don’t know me, but I’m an angel investor. I think your product is amazing. I’m hosting a thing in California called Open Angel Forum. I’d love for you to attend.”

My cofounders and I jumped on a plane and Jason took care of us. He gave us a platform. The people in that room that we were pitching to are extremely successful investors today. Jason, out of all of the people in the world, is the first to get in touch. He had an event. He combined the hustle with the resource of the event. In 2012, I sold the company to LinkedIn. I think Jason and I share a quality that leads one to stuff like that. He is extremely externally focused. He’s always on the pulse of what’s going on.¹⁷

Calacanis was always willing to try almost anything, and was disarmingly transparent about what he was doing and how readers/listeners could fit it. He asked for their help and involvement, and he often would get it. For instance, on June 2, 2019, as part of a longer email, he wrote:

My startup **Inside.com** has just launched its 48th newsletter, **Inside Cycling**...

My concept with Inside is to let the audience “vote with their email addresses” on the next newsletter we launch. As you can see, books, apps, fashion, health, and art are leading the pack right now.

To take you under the hood a bit more, we are offering writers \$4,000 a year to do 50 editions of a weekly newsletter. If that newsletter grows to 5,000 subs, we add another day or two, and if it hits 10,000, we go to 250 emails a year.

This gives us the ability to offer an awesome steady job to work-from-home writers on a topic they love and reduce the risk around starting a new newsletter.

If you know someone who is a great writer, and who wants to write a niche newsletter, hit reply and introduce me to them.

¹⁷ Interview with Rahul Vohra. April 23, 2019. Subsequent quotations are from the author’s interviews unless otherwise noted.

My goal with Inside.com is to go 10x, from 50 newsletters to 500, and have each newsletter hit \$200,000 in revenue and have a full-time, well-compensated writer (or two half-time) on each one.

If we can hit 500 newsletters doing \$200,000 each, we will have \$100 million in revenue and be a unicorn. I've never created a billion dollar company myself and it's all I have left on my bucket list.¹⁸

BEING ENTERTAINING CREATES OPPORTUNITIES

Two people noted that Jason's "hero" was Howard Stern,¹⁹ the shock jock, author, actor, and producer, with an incredibly successful radio interview program. Calacanis himself had become a very skilled interviewer.

A lesson Calacanis learned either from Stern or from his own intuition was that in order to build an audience, it was important to take stands, to be controversial, and to not worry excessively about what anyone else thought about you.

When Travis Kalanick got in trouble for the "bro" culture at Uber, Calacanis came to his defense. On CNBC's "Squawk Alley," Calacanis argued:

Travis is going to turn into one of those legendary CEOs. When you look at technology companies you can count on one hand or two hands the number of executives who have built a company from five people to 5,000 or 50,000. That said, it is well understood in Silicon Valley that "what got you here will not get you there," and Travis understands this very well. Like Airbnb, Uber had to fight to even exist.... If you spend all your time fighting, sometimes you get a fighter mentality.²⁰

When Facebook talked about launching Libra, the cryptocurrency, Calacanis posted a blog on why it would not work, and how bitcoin was more likely to go to zero than to be worth a lot. He wrote a blog post about the dangers of launching a product in a huge company's ecosystem. If the product or app was successful, the large company—maybe Facebook or Google—would try to copy it. Calacanis was always willing to say what he thought, with logic and evidence, and all the better if it departed from conventional wisdom or offended some people. That ability to attract attention was why CNBC had been after him to become a regular on their network, something he had yet to do.

At an Ev Williams [the Twitter cofounder]'s party, Michael Ovitz [cofounder of the Creative Artists' talent agency and former president of Disney] walked up to Calacanis and told him he loved him on CNBC. Calacanis asked what Ovitz loved about him. The reply: "You always tell

¹⁸ The Jason Calacanis Newsletter, June 2, 2019.

¹⁹ Howard Stern, Wikipedia, https://en.wikipedia.org/wiki/Howard_Stern (November 14, 2019).

²⁰ Harriet Taylor, "Travis Kalanick will be 'legendary' like Bill Gates, says Uber investor," CNBC, March 1, 2017, <https://www.cnbc.com/2017/03/01/uber-ceo-travis-kalanick-needs-to-stop-self-inflicted-wounds-jason-calacanis.html> (November 14, 2019).

the truth. Whatever anybody's thinking, you just come out and say it. You take a side and you defend people and you don't split hairs."

Calacanis's engagement with the media and on social networks, his book on angel investing,²¹ and his own interview program had given him enormous visibility. Alvey commented on how when he and Calacanis were starting out, people did not really understand start-ups. He noted:

When Calacanis and I started the blog company, start-up was not a popular word. People didn't really know. "I created a company." "Well, that's weird. You're not working for somebody." "No." "Are you unemployable?" "No, I just have this idea." There wasn't a way to explain that to people.

Alvey described how people came to learn about the world of start-ups, and the important niche in that learning that Calacanis played. "One of them was the movie, *The Social Network*. The other thing is [the television show] *Shark Tank*. It is the number one show watched by entire families. And the third thing is *This Week in Startups*."

LIFE IS HELPING OTHERS

Many people mentioned Calacanis's willingness to help others. David Sacks commented:

I think the interesting thing about power in Silicon Valley is that it is achieved by giving something to the community, to the community of founders. And I think Jason does a good job giving advice, giving time and energy and help to start-ups. To having them on his show, writing blogs. That's the thing that helps you advance in Silicon Valley, is contributing to founders.

Sacks noted that Calacanis was sort of like the Ellis Island of Silicon Valley, in the sense of helping people literally from around the world. "He's got a lot of founders who aren't from the Bay Area, or their start-ups aren't here. And he plugs them into the larger Silicon Valley ecosystem."

WHY KEEP UP THE SAME PACE?

Jason Calacanis had made a lot of money and was working incredibly hard; in fact, if anything, the pace—of angel investing, of events, of blogs and podcasts—was accelerating. Why keep this up?

Calacanis was competitive—he had been from an early age. And he also was on a mission to make entrepreneurship easier and the world of start-ups better for founders—all over the world. As Noam Wasserman's research showed, many founders lost their companies: The more successful they were, the more likely they were to be forced out of the CEO role.²² Calacanis

²¹ Jason Calacanis, *Angel: How to Invest in Technology Startup—Timeless Advice from an Angel Investor Who Turned \$100,000 into \$100,000,000*, New York: HarperBusiness, 2017.

²² Noam Wasserman, "The Founder's Dilemma," *Harvard Business Review*, February 2008, <https://hbr.org/2008/02/the-founders-dilemma> (November 14, 2019).

wanted to fundamentally shape and change the ecosystem for start-ups—he had been doing precisely this for years. And he wanted more power so he could have more impact on the world.

Calacanis commented:

I was actually thinking, “I wonder if I should retire?” With the Uber IPO, and some of these other things happening and hitting a bunch of unicorns because everything goes away, right? This planet, us. So I had this existential moment where I was like, “Is what I’ve built as big as I could build it? And would it be fun to see how big it could get.” And I thought, “It would be fun.” I asked my team, “How many investments are we on track to do?” And they said, “We’ll hit 30, 35.” I said, “Great. Let’s do 55 this year.” We hit 55. Then I said, “Next year, we’re doing 100, and the year after that, 200.” And they said, “How is that possible?” And I said, “Let’s figure that out.” That’s the fun of it. We’ll figure it out along the way. I had this realization about investing—that everybody’s scared, until they’re not. In the founder’s mind, everybody says no, and the first person that says yes gets a disproportionate amount of the credit for saying yes. Independent of the check size. There’s more free capital than there’s ever been, and everybody’s moved downstream. And I said to everybody on my team, “How can we go to the well?” Everybody wants to be down where the river runs into the sea. I want to go to the well. “Let’s make the well.” I can put people on the podcast and anoint them king and queen. I can build relationships with people with the podcast. And to some kid in Bangladesh or Hong Kong or Sydney, they have access to it and they can listen to it. And I can spend ad money so that more people listen to more founders. The people who make the big impact socially are people like Bill Gates. You’re not going to change the world by recycling at home. What’s going to do it is if you become the mayor. I have the domain name, mayorjason.com.

Jason Calacanis, over the course of a sometimes-tough life, had learned an important lesson that he was vigorously applying. With power, anything was possible. Without it, nothing was.

Exhibit 1
Inside AI Live May 21st: Speakers and Startup Competition

Friends,

In 29 days I'm hosting Inside AI Live here in San Francisco. We have a killer line-up, and I'm excited to announce that we are giving a \$100,000 investment prize to the winner of our Inside AI Startup Competition.

We need three judges (apply here) and seven start-ups to compete (apply here).

What a great group of speakers we have, all doing 20-minute tight talks that will get you thinking and give you some tactical advice you can take back to work the next day (no boring panels!!).

- Osh Agabi, Founder and CEO of Koniku
- Vik Paruchuri, Founder of Dataquest
- Gordon Hirsch Wilson, Co-founder and CEO of Rain Neuromorphics
- Mariana Matus, Founder and CEO of Biobot Analytics...

Only a handful of tickets remain, so buy yours now with the code jasonVIP for 20% off.
ailive.inside.com/

Best,

Jason

Source: Email from events@launch.co dated April 22, 2019.

Exhibit 2
LAUNCH Festival Sydney, June 18th and 19th

Friends,

Our flagship event, LAUNCH Festival, will be hosted in Sydney again this year on June 18th and 19th, and we would love to see you down under—as our guest!

We've given away 1,200 of the 1,500 free founder tickets. You can apply for one of the remaining 300 tickets [here](#)

Also, we just launched our annual startup competition with the winner receiving a \$100,000 investment & invitation to attend the LAUNCH Accelerator in San Francisco (pending due diligence).

The competition is open to startups from anywhere in the world and you can apply for the competition [here](#)

Last year we invested in three startups from the competition—not just one. Who knows what will happen this year...maybe we will invest in five!

Finally, we are hosting a competition to see who will host the LAUNCH Festival in 2020 and 2021. We might come back to Sydney, or take the Festival to another city. If you're interested in the process, please visit: host.launchfestival.com

All the best,
@Jason Calacanis & the LAUNCH team

Source: Email from festival@launch.co dated May 14, 2019.