

# THE ENTREPRENEUR

Jeffrey Tong : The Exploring Entrepreneur

February 2022



# From the W5 Projects Team

Dear W5 Community,

We are thrilled to share the fourth edition of The Entrepreneur by **The Western Entrepreneurship Association (W5)**. This Publication provides a platform for talented entrepreneurs to share their experiences and insights with students interested in entrepreneurship. We hope to incite passion, curiosity, and determination in our readers so that they can utilize the skills and knowledge from these entrepreneurs in their personal and professional lives.

Entrepreneurship is a challenging but exciting process that involves failures and pivots along the way. This publication sheds light on the obstacles and the rewarding moments you will face and how to navigate these different challenges to create an innovative, successful product for the future.

In this edition of The Entrepreneur, we had the pleasure of interviewing Jeffrey Tong, a co-founder of the YC-backed startup, Zelos. Pursuing a chemical engineering degree from the University of Waterloo, Jeffrey decided he wanted to do something more exciting and make a larger impact, so he started various projects to fix the needs of specific demographics. The lessons he learned throughout multiple startups and projects helped him explore the gaming, technology, and NFT spaces. Jeffrey was gracious enough to share with us how he navigated throughout his journey, the YC program, and his advice for aspiring entrepreneurs.

There are so many exciting innovations happening across the world today, and we hope to see young students at the forefront of these new opportunities. We hope this issue inspires you to think creatively about what the world needs today, and take that first step into making this innovative future a reality.

Sincerely,

**Alyssa Choi & Victoria Dai,  
Directors of Projects, W5**



# Jeffrey Tong



Jeffrey Tong is the Co-Founder of Zelos & Eternal, CryptoFin and Mirall. He is a driven individual who is excited about leaving an impact on the future, which is why he decided to pursue his passion for entrepreneurship.

## Tell us about yourself and how you got started with your journey in entrepreneurship.

My name is Jeffrey, and I grew up in China and immigrated to Canada when I was 9. I would say my parents had a huge influence on my childhood - my mom gave up everything to come to Canada. She eventually found her niche and started her mortgage company, which became a huge business - the biggest mortgage agency for Asians in the GTA region. And my dad worked in tech, so I got exposure to that when I was young.

Fast forward, I went to the University of Waterloo. I always liked coding and building stuff just to make my co-ops easier. In my first co-op, I built a script that ran everything, so I just played World of Warcraft every day. That gives you an idea about the kind of person I am - **if you can be more efficient, why not?**

I would say my true journey started when I built this application for a game called Hearthstone, with the goal of determining what time of day my brain functioned the best. So I built a simple database, then I posted it on Reddit. I came back and it was suddenly really big on Reddit - I got my first thousand users super quickly. And from there, I thought, 'Oh, I guess people like this, and I should build more stuff I would want as a player.' So I started building and building.

During this time, I got into the Velocity Program, an entrepreneurship program at Waterloo. We had tens of thousands users, and I started placing in tournaments, won the Velocity Fund, so I got some money from them to build more and hire people. Eventually, I realized there might be a real business to be built here, so I pivoted to a B2B direction where we gathered data across a bunch of different games and sold that data, whether it be to betting sites for Esports games, news sites writing articles about Esports, or professional teams that wanted to have an edge on their opponents. So that was my first real company that did pretty well, and I ended up selling that company to a news conglomerate that we were working with called Gamers Group.

## Why did you go from a chemical engineering degree to the tech-entrepreneurship industry?

I worked at Procter & Gamble during my third year, which I would say is probably the best manufacturing chemical engineering job you can get. Then, in my fourth year, I worked at ExxonMobil, which is probably one of the top oil and gas companies. I think many software engineers that are in co-op ask themselves, '*This is it? Do I really feel good about myself? Did I make an impact?*' When I was at ExxonMobil, there really wasn't much to do - you could do stuff but your impact was invisible, for the most part.

I'm one of those people who get really bored all the time. Chemical engineering to me wasn't exciting enough, **whereas the impact from making something and seeing it live right away was much more exciting. So I started learning very practical computer engineering, where it's very objective-driven.** For example, you have a bunch of people saying "I want to know the overall stats of everyone that uses the application" (we were tracking millions of matches a month) and "What is the best matchup of hunter against warlock, what are the percentages?" And suddenly, you have to learn more about how to set up more efficient databases and better ways to do things for so many matches. It didn't feel dry or anything, because after I learned it there was a purpose for it right away and then users would give feedback on how it is. So that kind of learning and development was very natural.

## Tell us (our readers) a bit about your startup company, Zelos, and its product Eternal.gg.

Zelos is the parent company of Eternal. We started Zelos two or three years ago and we thought we had a really great product, which was a cross-game battle pass - you could play challenges like getting a triple kill or something in a bunch of different games, like League of Legends, Valorant, Call of Duty. You could then earn points on our platform and then you can trade these points for items or skins within any of the games you played. There were a lot of problems with the product, but ultimately we realized this didn't work, and that our investors were investing in us as a team - me and my co-founder. So we quickly pivoted and iterated on various ideas - I think we worked on two other ideas, as well until we landed on Eternal, which was essentially a product we tested with a few creators, and it worked out really well, so we decided to dive into this deeper. **And then it just grew much faster than we anticipated, so it feels like we now have hints of product market fit.**



Therefore, we decided to pivot the entire team to work on Eternal.gg. Eternal works with the biggest creators in gaming to help them sell digital merchandise to their fans. Right now our main product is the best moments of gamers' streams. This could be them getting a pentakill, or it could be them failing and falling off their chair - anything in between. **We leveraged NFT technology to prove ownership of these moments and that's how we create them. Eternal will be our focus for the next few years.**

## What was the biggest challenge on your path to creating Eternal and how did you overcome it?

I don't really stress out, unlike a lot of people. That concept is very foreign to me, because you have to do stuff anyways, so you might as well just do it without stressing out. So, looking back, I think a lot of things happened that might have been not great. For example, Zelos, which had tens of thousands of daily active users - we shut that down. It's a pretty big thing to shut down, with years of work just gone, but for us, we thought '**Whatever, it didn't work out, so let's move on to the next thing.**' But the harder thing is finding product market fit. How do you know when you have it and how do you know when to invest more into it versus continuing to try new things? And people say when you find product market fit, it's very natural - you just know it's there. And because of that, Eternal itself has been pretty smooth for the most part.

## What made you and the team decide to enter the NFT and gaming space, and what do you think about its future?

My last company CryptoFen - which I sold to Coinbase - was when I really got into Web3. I dived into it because the idea of Ethereum is super interesting. The fact that you can have this globally verifiable computation process so that it's always true, and the idea of people truly owning their money and their value and governing everything themselves was just such an interesting concept, such that I wanted to just hack and build on it and see what was possible. **And it was really the community that made a lot of people stay. The people that were building it at the time were helping each other, staying optimistic, and trying to figure out how to make things better.**

And on the topic of its future, back in 2016, when I was in it, it was like you're either a crypto person or you're not. But now, crypto has grown into so many categories that no one can keep up with everything anymore - there's DeFi (decentralized finance), there's NFTs, there's games, and so many other things out there. I honestly feel like we're pretty much at a point of no return. There's enough large corporations and enough people building on it that this is going to be a thing - **it's just a matter of time for it to mature, much like the early days of the Internet.**

# How does Eternal stand out amongst all the rising projects coming from the booming NFT/crypto industry? Where do you see it going?

That's a great question. So everything in crypto right now - at least the consumer products - for the most part is very speculative and dollar-driven. If you look at NFT prices, a project is considered successful when it sells for hundreds of millions of dollars. But what Eternal is really trying to capture and do differently is that we're targeting the average user - the average non-crypto gamer. These people that use Eternal might not even know these are on the blockchain or are NFT - we built this very smooth Web2 and Web3 hybrid experience that allows people to experience the best of both worlds, and more importantly, allows us to onboard potentially hundreds and thousands and millions of users in the future. And that's what we're really focused on. **We're optimizing our NFTs for how we can make these valuable and how we can engage the creators using NFT as a tool. So our main differentiator is focusing on the average gamer and the fan engagement of the NFTs.**

And on Eternal's future, just like how every creator has a T-shirt that they sell to their fans, we want to be the same thing in the long-term with additional merchandise, whether it be NFTs or something else that's new. And there are different types of creators - streamers, Esports leagues, and professional teams are all types of creators. **We want to build a massive brand in the gaming space as a whole and work with various type of creators in the gaming space.** And right now, I'd say we're very much dominating in the streaming space, and we're starting to tackle the Esports space, too - there's a lot of exciting things happening there. So we're very much on a very strong trajectory to achieve what we want to, probably earlier than 10 years, closer to five years.

## Tell us more about your experience with the Y Combinator program.

So everyone asks me why I went to YC, because I had a pretty decent entrepreneurship experience already. And to be honest, a lot of stuff from YC I'm sure is very valuable, but my team and I already knew it pretty well. The value we got out of it was the highly customized feedback from the actual partners. So we went because our group leaders were going to be the founders of Twitch, Kevin Lin and Michael Seibel. We learned a lot from them. Michael Seibel is just insanely smart, great at thinking and helps you form new mental models about problems. Kevin Lin knows the creator space super well and is very connected in the space. **I would recommend any new entrepreneur who doesn't have connections in Silicon Valley to definitely do that program.** Now, I'm super good friends with Kevin, so at the end of the day, it was definitely worth it.



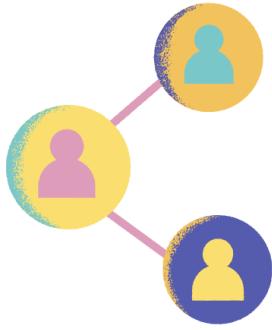
## Tell us a bit about the other businesses you founded - Go-Pexo, OverStats, Mirall, and CryptoFin. What are some stories behind them?

High-level **serial entrepreneurs** are just people that have failed so many times. It's not a good thing to be a serial entrepreneur unless you've been in every business for 10 years. In the IPO, there are very few people that are legit serial entrepreneurs who have done well. Realistically, **I sold my other companies because either I didn't have the knowledge to grow them or I didn't have the connection to make them into bigger businesses.** That was very much the case for Overstats. I didn't have the connection or the knowledge to grow this company into a bigger deal. Thinking back, it's a massive company I could have made by being the ultimate source of data for anything esports-related. But I just didn't know how to fundraise, marketing, BD, or have the connections, so I decided to sell the company for a decent amount of cash at the time. It helped me bootstrap the next business I could build.

Then I built CryptoFin. I think **the timing is another important factor.** Connections and knowledge are something you can control, but you cannot control market factors. For CryptoFin, we were way too early for that particular audience. However, if we did stick it out for two to three years, it could have been a massive business as well. But there were also some other problems. There were certain issues with the founding team, which also was the big number one reason YC companies fail. At the end of the day, we decided to exit to Coinbase. It was the smartest choice at the time. My co-founders have stayed at Coinbase and have done extraordinarily well for themselves as Coinbase reach IPO because we sold pretty early and got a lot of equity.

*I think Eternal is the first one where the founding team is amazing, the founder market fit is great, and the timing is pretty good as well. I also have the knowledge, connections and everything we need to build a massive business.*

## What would you think would be the most important suggestion in building a successful founding team?



To some degree, a founding team has to be **super passionate about the problem you're solving or are experts in the problem.** I think **playing games is an excellent way for vetting out a co-founder** because it allows you to rage at each other but still be okay to continue playing and working together. You're not going to know until you work with someone. **Here's a data point from YC: they want at least one engineer on the team, if not both engineers.** Having two engineers at the beginning was very helpful because the business person can only do so much when there's no product. It was amazing to have both my co-founder Derek and I build and understand the product. It's also great that now as I transition out of engineering, I can understand the other perspective and have a reasonable estimate about the time needed and expectations. But many teams still succeed with pure business people.

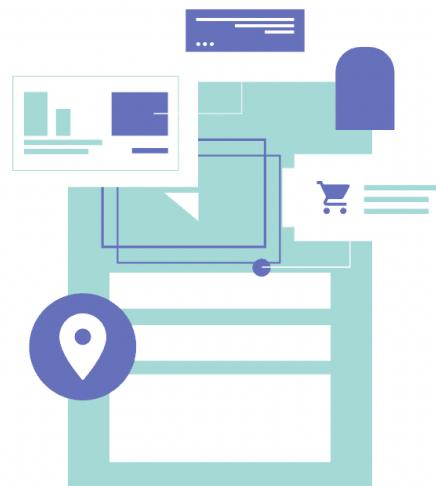
# What has been your favourite experience or project that you've worked on so far in terms of your long entrepreneur journey?

**More recently, my favourite experience is talking to some of our users.** We used to think that many of our users were just NFT flippers, but we recently learned a lot of our users are just fans of the creators selling NFTs. These are our “dream users”. We realized their experience with Eternal was literally what we theorized and what we hoped would happen. Our theories are coming true, but we didn't know that until we talked to them. The fact that they care about the creators and collect creator moments while selling other moments was encouraging. They told us they would check if the creator has signed their moment every morning after they wake up and grab a coffee. **That was a magical moment to realize the idealized product we want to build is happening, and people enjoy using it.**

**Another exciting experience is witnessing my growth as an entrepreneur.** There were many things people talked about that I didn't understand and couldn't contribute to when I was younger. **As I matured as an entrepreneur, my perspective on problems and questions started changing.** I feel blessed to call some of these people I used to look up to as friends now. I can communicate with them, ask for their knowledge and feedback, while they would do the same with me. Sometimes, I look internally thinking about who I have a support system from, such as all these outstanding entrepreneurs, my wife and my family, all my friends, and it feels surreal.

# Where do you see yourself in the future? What are the aspirations for your career? Do you see yourself keep working on Eternal or pivoting to other options?

The dream scenario is to **take Eternal to IPO and make it a massive business**. Then on the side, I love **helping entrepreneurs and younger people**. Everyone started somewhere, and someone has helped them, so everyone wants to give back. People are listening, so feel free to reach out to people respectfully, write an excellent intro email about what you want to do for them, and people will respond. That's true for everyone out there. I want to keep helping entrepreneurs that want to start a business for the first time, help them not make the same mistakes I have. Lastly, I would definitely **invest while working on Eternal**.



## What would be the one (or few) pieces of advice that you would give your past self if you had the chance to go back to the beginning of your entrepreneurial journey?

The world has really changed, so a lot of the same advice that people used to get, such as going to Silicon Valley is no longer valid because that's no longer a shilling point for talented and intelligent people. But, of course, investors are still around Silicon Valley, so that's important for entrepreneurs. **So I would say it's essential to build genuine connections with a few people in your life.** [Jeff ran out of ideas, so he asked his co-founder Derek] Derek says, **don't wait until you feel you have another experience, just get started. Just getting started is the best way to get better. There's no better way to learn.**



## Rumour says that when you become an entrepreneur it's difficult to maintain a good work-life balance. Is that true and how do you balance work with your personal life?

I didn't think that was true until I looked back on my own life and realized that's probably true. **I like to compare entrepreneurship to marriage.** Honestly, once you release the business, your work and life are very similar, and you just can't stop thinking about your company. It's similar in a relationship as well. When you first get into a relationship, you keep thinking about this other person. This lasts forever because there's always crazy stuff happening. I would constantly be thinking about the company and its operations. I'm lucky my significant other is very supportive, and she's taking care of many other things in my life, so I don't have to worry too much. Overall, I don't think I have too good of a work-life balance, but a lot of work becomes fun. For example, when you go to conferences, there's a lot of fun in talking to various people. In theory, we stop working at five, but our brain doesn't stop thinking. If I get an email at 10 pm or 11 pm, I'm going to respond to the person, or I'm going to tell someone else on the team to do some work. **Luckily, our entire team is super dedicated. Everyone loves the product and wants to succeed as much as the founders do.**

## Do you have a favourite quote that we can share with the W5 readers and the community?

**[Derek]** "You miss 100% of the shots you don't take." - Unknown  
**[Jeff]** You probably never thought about this, but around 90% of the time that you will have spent with your parents was done from the ages of 0 to 18. - Donn Felker

# Closing Remarks

Jeffrey Tong is a **fearless entrepreneur** who quickly analyzes the needs people have and innovates to meet these needs. His diverse background in engineering, coupled with his exemplary leadership skills, have propelled him to be an excellent innovator in the gaming and tech space.

To summarize this issue of The Entrepreneur, you may face challenges and pivots in your entrepreneurship journey, but the most important thing is to be resilient and never afraid of failure. We hope you can keep Jeffrey's insights in mind along your journey.



1. **Have fun while doing it.** Starting a new company or project will be a lot of work, but if you find value in developing your knowledge and making a tangible impact, and build a supportive network that will be with you throughout the process, it'll be worth it.
2. **Just get started.** Don't be afraid of not having enough experience. The best thing to do is just get started, and you'll be able to figure it out as you iterate along the way.

We would like to thank Jeffrey Tong for sharing his experience and recommendations with The Entrepreneur and our readers. Be sure to check out Eternal at [eternal.gg](https://eternal.gg)!

The W5 team thanks you for reading this issue of The Entrepreneur. Get involved in W5 events and stay connected through our socials listed below:

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Website: <https://www.w5entrepreneurs.com/>

Please reach out if you have any questions, comments or thoughts!