

Mike Audi of TIKI Inc

Speaker1: [00:00:04] This is the Investor Connect podcast program. I'm Hall T. Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity and many other investors for early stage and growth companies. I hope you enjoy this episode. Interested in learning more about investing in startups, launching a new startup and need to raise funding the startup funding espresso as a daily podcast in a short, concise format delivered to your inbox every day Monday through Friday, the time it takes to drink an espresso? You can learn about startup funding. To subscribe, go to Investor Connect on org and put your email into the pop up box. But hello, this is Hall Martin with Investor Connect. Today, we're here with Mike Audi, founder and CEO of Tiki. Tiki enables users to make effective decisions about their data privacy while getting paid serious money. Users are in control with three powerful features. See your data control, how your data is used and monetize your data in a secure marketplace with trusted buyers. Mike, thank you for joining us.

Speaker2: [00:01:05] Nice to be here. Thanks for having me.

Speaker1: [00:01:07] Great. So tell us more about your background. What did you do before you started working with early stage companies?

Speaker2: [00:01:13] Well, I've always worked with early stage companies, honestly, I right after school, I went and started a company and I've been doing start ups in the data space pretty much my entire career. Prior to this, I was the co-founder of CTO of another data driven company that used basically we built giant software for big, big, big brands all over the world that use billions of data points to build post-sale customer touchpoints. So my background is how do you build stuff that handles billions of data points in real time to engage with people? And so out of that came my passion for returning the power of data back to users.

Speaker1: [00:01:52] Great. So what excites you right now?

Speaker2: [00:01:55] Well, I'll answer that in two ways, I'm super worried about our future of data, and I'm very excited about because of that worry. There's a lot of opportunity, right? The way I think about it is the last several hundred years we've all been the world's been consumed

by choices made around money, right? And the next hundred or so years will be decided by who controls data. We're moving to even more of a digital world and data is the currency of the internet. I mean, just imagine the power of data once you have things like Neuralink or genetic engineering. And right now, I'm super worried that all of our data is consolidated in a couple of companies we can all think of. And that's a big concern, right? You never want all the power consolidated with a few. And so I think that people are now aware of this issue. I joke often that when I really became passionate about starting a company in this space was when my dad asked me, like, what's going on with signal, right? I've been passionate about user data for a decade, but it's hit a tipping point where the rest of the world is also worried about their data. And now I think that opens up an opportunity to really address our problems with brewing under the covers for a long time. It's the beginning of the internet.

Speaker1: [00:03:03] Great. So you deal a lot with the investors and startups in the data sector. What's your advice for people investing in data startups? What do you tell them to do before they write that check?

Speaker2: [00:03:14] Look, who's behind the company. So I think the this is good advice, no matter what you're investing in, but in the data space, it's there's a lot a mad dash of companies and people into the space now that privacy has hit this tipping point where everyone's talking about it. There's companies popping up left and right with, you know, there's just like I would call, just not coming out of the data space. There are some people who are, you know, they've built their entire lives and careers in data. And then there's a lot of people jumping in this space. And when you're looking to get into something new that's hyper regulated, wildly dynamic, changing every day, there's new laws, new country, everything. Everybody's changing everything in privacy right now. You know, the best thing you can do is look for people who know no live, breathe that space, right?

Speaker1: [00:04:05] And so what's your advice for people running startups in the data sector? What do you tell them to do before they go out to raise funding?

Speaker2: [00:04:12] Think about why you're actually different and not like not almost not so much different, like the ways that we think of companies were different in the past. I think of a lot of the problems in the data space are because of how we handled and built businesses in

the past. And I don't think you could solve a lot of these problems by doing more of the same right. Like, you can't build another Facebook to solve a data privacy issue. So you need to think about how you're going to build a different type of company to address these problems that were created by the way we built businesses previously. You don't build a data privacy company like an advertising generating company, right? You can't, you know, they're at odds with one another.

Speaker1: [00:04:51] That's right. That's right. So we'll let's talk about the state of investing in data startups. How do you see the industry evolving from here?

Speaker2: [00:04:59] Well, I think we're going to see immense change, both in the B2C and B2B space. Personally, I'm most excited about the B to C space, but there's a lot of really cool things happening the B2B space, right? Even just the news of iOS 15 the other day, right? It's. You know, there's a lot of articles coming out of this death of email marketing, right? There's no more pixels, right? We've already heading towards a cookie less world. We're heading towards a pixel. This world data is being consolidated between a few people, what they call first party data or zero party data. We're going to see a whole change in how companies use data data to use ethical practices to source data like the world's disappearing from this gray market of, you know, data is kind of out there. But is it right we're moving to? We're going to move to a world where that's no longer acceptable business practice.

Speaker1: [00:05:46] And what do you think is the biggest change you'll see and say the next 12 months?

Speaker2: [00:05:51] I think the biggest unfortunate change is we're going to see a runaway of data for the major companies, big companies, right? The way I think of it is Facebook. And I don't like to give them props on anything, but they were not totally wrong in saying that Apple's app changes were going to impact small businesses. Inversely proportional to big businesses. Write the story I always throw out there is P&G came out and stated that they invested \$100 million in China to figure out how to basically work around Apple's AT&T changes, right? Small businesses can't do that right, so they're going to be at a competitive disadvantage, right? The stat that gets kicked around is businesses who heavily leverage data are one hundred and sixty two percent more likely to exceed revenue projections. And so you're going to see in the short

term, while the rest of the world starts to catch up as data becomes more scarce and more valuable, you're going to see this, I think a widening of the gap between big businesses and small businesses.

Speaker1: [00:06:54] Right. So tell us more about your investment thesis in the data space. What exactly do you look for to make an investment?

Speaker2: [00:07:04] I look for unique things that are I call ethically or morally sourced right in their root. People who are trying to solve fundamental problems for a real reason, I think the root. There's a lot of money to be made in data and data privacy, and so what's going to differentiate these companies and share long term success is going to be the companies that are rooted in a real problem for the betterment of either business or people or for a reason more than just making money, right? You see, like lot of these like data marketplace type of companies popping up left and right. I don't I find it hard to believe that there's going to be long term success in that right. I think it's going to become out of businesses that are rooted in trying to solve a bigger problem for a greater good.

Speaker1: [00:07:51] Ray, can you talk about one or two strips that fit that thesis?

Speaker2: [00:07:54] Well, I'll shamelessly promote mine a little bit, right? So we're out there. We believe that users deserve the rights of ownership to their data, and we believe that as a user, you deserve the ability to see, control, monetize your data, i.e. you own your data and you deserve an easy way to make choices about who collects it, how they use it, what they do. And if you want to monetize it, it's yours. You deserve revenue for that, right? And so we're out here trying to build a solution for everybody in the world in a couple seconds to swipe left or swipe right and make choices about what happens to their data in an informed way, not 40 page privacy policies. I mean, I'm talking little cards that look like Tinder that say, Facebook's tracking your face. Do you want to allow them to do this or do you not want to do this? Swipe left, swipe right. So that's one of the things that I'm personally very passionate about. One of the things that we're all about trying to bring this power back to people. I think there's a lot of interesting work being done on the infrastructure side as well in terms of how to build decentralized networks for these types of things, how to move data securely. There's a lot of really cool things heading in the what I'd call the password list space. That's one of the things that I think is really

cool. It's coming out of the new tech is let's get rid of passwords. Passwords are the root of like 80 some odd percent, maybe 80 to 88 percent of all related security hacks and breaches that we have. They're all related to passwords. Let's get rid of them like we don't need them. Like, let's toss them out the door. Apple's doing some cool work in that space with a lot of cool companies that are building on top of blockchain in that space. So that's another thing I'm very excited about. It's like, let's just fix that 80 percent of problem like that seems like a no brainer.

Speaker1: [00:09:28] Wow. It seems like that would be a good good thing to do there, for sure. So you see a lot of challenges out there in the data space. You've talked about several so far. But on the startup side, what do you think is the challenge they face more than any other as being a data startup?

Speaker2: [00:09:45] Well, it's hard, right, I think just generally, I think there's there's a couple of big problems you face, I mean, every every startup has trouble raising money. But in the data space specifically, it's very hard to build the technology needed without the money required because all of the tools that are out there are built in an in the opposite way, right? Like when we went to go start building Tiki, we had to start basically at the ground up and build everything from scratch because you can't use the common SDK and the common technology and things like they're all built in ways that they are either insecure or they sell data or they monetize data, or they're not starting it right. They're all built for this whole ecosystem. That is the opposite of what we're trying to do. And so that's a hard task and takes a lot of money, and raising money is never easy.

Speaker1: [00:10:33] And then on the other side of that table, what do you think is the challenge in the data space for the investor? What do you see them struggle with?

Speaker2: [00:10:41] Now, there's so much stuff, and it's hard to figure out what's good, what's real, what's different, right there is, I mean, every day I see a different start up in the privacy space pop up and they all kind of say the same thing and they all say the same words and they all talk the same. And so how do you sift through all that noise to find out which ones are really doing something innovative and which ones are, you know, just putting some words on a website, right? That's I think that's a big challenge right now.

Speaker1: [00:11:11] We're talking about data as one big sector, but really, there's a lot of subsectors and applications inside data and data privacy. You had to pick one or two of those subsectors that you think are really good opportunities for investors to pursue. What would you call out?

Speaker2: [00:11:26] I think anybody who's working on the problem of how data and end users interact facilitate compliance, anything that's based, I think, is the big untapped market. I mean, we've seen companies rack up billions in valuations on the analytics side, on the compliance side. There's a lot going over on the B2B. There's no one's really come in and take a take it a real foothold in how data intertwines with people. And I mean, really, people like there's you have these VPN type of companies that are more like a techie audience, but who's going after the how the regular person just goes about their day and what happens to their data, the compliance around that data? What's that worth? What's it mean to them, their digital footprint? What if they want to revoke things, right? All of these issues that we face around the intersection of people and data?

Speaker1: [00:12:23] Great. Well, in the last few minutes that we have here, what else should we cover that we haven't?

Speaker2: [00:12:29] If you want to learn more about user data ownership, what we're up to, the crazy, unique things we're building, you can check us out at Mint.com or we have an open crowdfunding campaign right now. It's Start engine e-commerce tiki. I mean, we just firmly believe, you know, I don't mean to say it in such a dire way, but we're a little bit screwed if we don't figure out how to return the power of data back to people before it's too late.

Speaker1: [00:12:56] Very good. So how best for listeners, get back in touch with you?

Speaker2: [00:13:00] Maitake e-comm go to the bottom of the page, there's a million links. All of my contact information, we believe in radical transparency. All of our code is open source. Everything we do, we publish all our designs, everything so you can join one of our communities. But you can just I mean, you can all of our contact information's there. So if you're really interested to come, come talk to us. We'll talk to you all day long.

Speaker1: [00:13:21] Great. We'll include those in the show notes. We want to thank you for joining us today and hope to have you back for a follow up soon.

Speaker2: [00:13:27] Thank you so much. Pleasure.

Speaker1: [00:13:33] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at [Investor Canaccord](#). Paul T. Martin is the director of Investor Connect, which is a 501c3 nonprofit dedicated to the education of investors for early stage funding. All opinions expressed by host and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.