



# Gurbax Chahal sees gold in virtual currency

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gWallet, the latest entry in the virtual currency space, is Gurbax Chahal's third start up – and he is all of 27 years old.

Chahal started his first company, ClickAgents, when he was 16 and had it acquired by ValueClick for \$40 million. His second company BlueLithium was acquired by Yahoo in 2007 for \$300 million.

He believes his latest venture will be bigger, many times over, than his first and second combined. Speaking over phone from his San Francisco headquarters, Chahal said currently, about a dozen companies distribute special offers from marketers via social gaming application on sites like Facebook and MySpace. In return for signing up for trial subscriptions from advertisers, users gain points towards virtual currency for buying in-game items, which is where gWallet comes in.

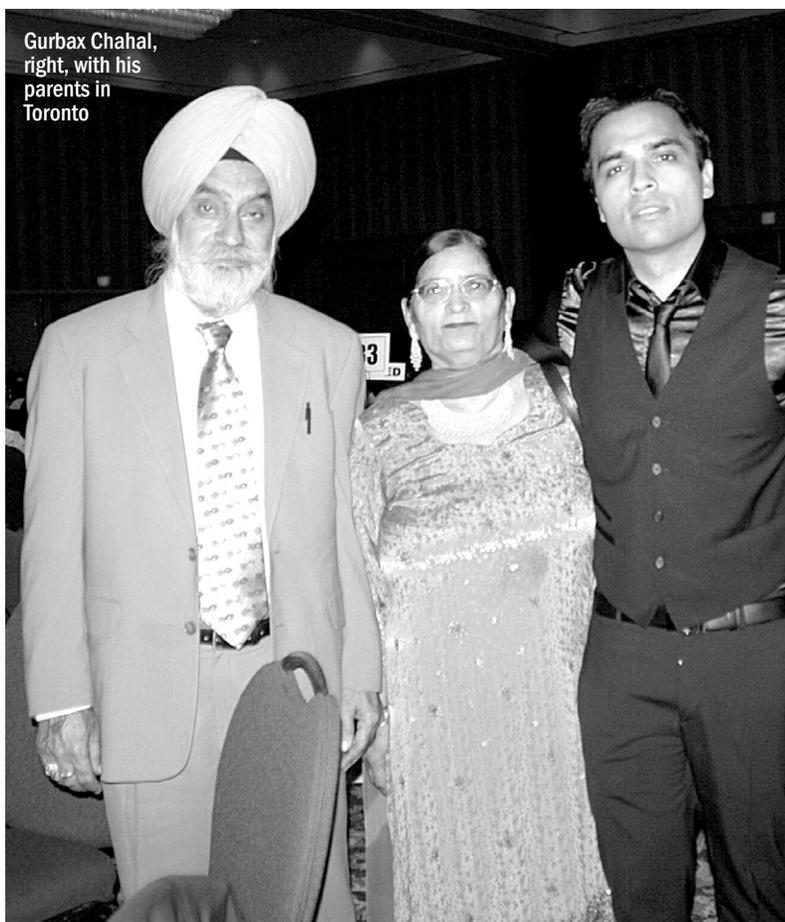
Though he could have done without it, Chahal chose to go to the market for his latest start up, and in no time raised \$12.5 million. "I wanted to bring in major investors on board as money is secondary to me, but what's important is meeting strategic people. These people have all the value," he told *India Abroad*. The first round of funding was led by Adams Street Partners and Trinity Ventures, and Chahal is elated to attract that kind of support.

"One of the top games on Facebook is FarmVille. You build your farm, where you have virtual things, but in order to do something you have to buy virtual items. And in order to buy virtual items, you have either to have cash, or we provide virtual cash on Facebook through a platform our platform," Chahal explains.

At a recent panel with some of his key competitors, he outlined what he believes is broken in the industry and how he plans to fix it. "Over the last ten years, we've developed long-lasting relationships with major brands like GM and Anheuser-Busch," Chahal said. "That's why we've walked away from many of the shady offers our competitors are working with. Over the long term, you can't make money by deceiving both consumers and advertisers."

"We are introducing large advertisers and agencies into this vertical, and to our surprise, none of our competitors have even approached them." That's why he believes that the virtual currency industry has huge potential, and is yet largely untapped.

He concedes that social advertising – distributing special offers from marketers via social gaming applications on sites like Facebook – is not a new idea. But "the idea, in business, is just one percent of the success, 99 percent is the execution," said Chahal, who reckons he is among the



Gurbax Chahal, right, with his parents in Toronto

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smartest when it comes to actual execution. "We know we can do better than our competitors. Just like my first two companies, also in the space of promoting brand names, they were not my ideas – I succeeded because we did better than what other people were doing."

He alluded to heated discussions at the recent Virtual Goods Summit following which industry expert Michael Arrington had written various articles exposing the seamy underside of the industry. Such 'disruption' is exciting, says Chahal. "We entered this space because of its phenomenal growth potential, but were also attracted by the relative lack of sophistication of our competition."

His core idea 'revolves around supply and demand,' Chahal explains. 'Supply is application and virtual worlds that support virtual currency, and demand equals advertisers. We excel at working with advertisers. The demand side is broken as no one is working with advertisers to help

them understand and appreciate the value of this marketplace.'

When Gurbax went to the market to raise financing for gWallet, he described himself as 'the leader cleaning up the virtual currency space.' He also announced that his company 'is introducing new technology, strict standards and operating guidelines to better protect consumers and make the emerging virtual currency business 'brand safe' for advertisers.'

If his third venture proves as successful as he hopes it will, Chahal plans to retire, and establish a charitable foundation to help needy people in India and elsewhere. "I don't have a crystal ball and so I can't put a time line to it," the entrepreneur said. "If gWallet has the traction that it deserves, it will become very successful and the credit will come to me."

Currently, he is on the lookout for 'rock stars' to serve as the face of gWallet, even as he plans to open offices in many parts of the world. "We only launched our company four months ago," he reminds you. His success, while still so young, led to his being invited to give the keynote at the recent NetIP (Network of Indian Professionals) annual dinner in Toronto.

Asked what advice he offers young people, Chahal says, "Please don't chase the money, don't chase the cultural pressures that society places on you. Our young people should look to what will make them happy – I will do what I love, and I don't mind keeping awake at night doing what I love. I was lucky as I was able to find very early in my life what I would enjoy doing, but many people spend their times chasing money or trying to make other people happy, whether it is their family or their culture, society, and they never reach what they really want to do. Each of us is able to do what we like – it is just that we have to figure it out and make things happen."

It is also wrong, he says, to allow the prospect of failure to dissuade you. "I think failure is part of the journey. You can't win everything. And as failure is part of the journey, success is part of the journey as well," explained Chahal, who has crystallized much of what he has learnt in his first book *'The Dream- How I learned the risks and rewards of entrepreneurship and made millions'*, which has already been translated into Mandarin and become a best-seller in China.

Chahal has begun work on his second book, but it will be published only after he makes a success of gWallet, he says, as his experiences with his latest foray into start-ups underpins much of its content.

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## The view from Canada

Alberta's rising mesothelioma rates, predicts 783 new cases of pleural mesothelioma in the next 14 years for men over 40 years of age.

According to the article, 'it is known that for every case of mesothelioma, asbestos causes two or more lung and other cancers. That gives a total of 2,349 new cases of deadly asbestos-caused disease in Alberta lone, hometown of Canadian Prime Minister Stephen Harper.'

Yet, Harper is disturbed when politicians criticize his government's asbestos policy. He recently reiterated his government's support for the export of asbestos regardless of what the Liberal and NDP leaders or even his own party MPs say.

"The Conservative Party is now the only

national party that supports the asbestos industry", says Dr Kathleen Ruff from Victoria, British Columbia. She has extensively written and spoken against asbestos because of its serious health hazards. "The Liberal Party, the NDP, the Green Party have all said that Canada must respect the science, put health first and stop the mining and export of asbestos".

The Canadian government provides liberal financial help to the Chrysotile Institute, which is an industry lobby group that recently claimed that only miniscule ideological and extremist groups oppose asbestos.

The World Health Organization, the Canadian Cancer Society, the International

Labor Organization, the Canadian Labor Congress, the International Trade Union Confederation are all calling for a ban on asbestos. According to one report, together these organizations represent 168 million workers in 155 countries.

The World Bank recently issued a document, 'Good Practice Note: Asbestos: Occupational and Community Health Issues'. The document is a guide for countries seeking World Bank assistance for construction. It says that use of asbestos should be avoided because of the economic and health problems it causes. In the report 'India's asbestos time bomb', edited by David Allen and Laurie Kazan-Allen, there are graphic pictures of how construction

workers in India carry asbestos corrugated sheets on their heads, the easiest way to be exposed to asbestos. 'The Indian government has been guilty of malign neglect in its failure to act on the asbestos hazard,' Kazan-Allen says in the introduction. 'In Gujarat state, occupational exposure to asbestos has been a routine occurrence for decades in a multitude of industrial sectors.'

'The asbestos specter hovers over India's economic boom as an uninvited wedding guest.'

She quotes Nick Clark, an asbestos specialist, as saying '[If] India is to develop a stable and growing economy so that all its citizens might prosper, [it] must respond to the issues generated by the asbestos debate.'

Failure to do so could have dire consequences for millions of people, asserts the co-editor of this 64-page document.