

PITCHIT FINTECH STARTUPS PODCAST NO. 88-RON BENEGBI

Thanks for coming back for another episode of PitchIt, a fintech conversation amongst founders, investors and friends. I'm your host, Todd Anderson, Chief Content Officer of Fintech Nexus.

What we do is we take a peek behind the curtain, what motivates someone to start a company, how do investors make the right bet, what do accelerators do during and help enabling the process of growing your company, how do banks think of founders. Not to mention, we try to have some fun and what you'll see is we'll also do some special episodes, we have some new features coming so stick with us and you'll get all you need to know about the fintech startup landscape.

PitchIt is really a part of a larger podcast network here at Fintech Nexus, you can go to my colleague, Peter, our Co-Founder & Chairman for Fintech One-on-One, you can subscribe to his feed or we have our newest podcast by one of our writers, Isabelle Castro, the Fintech Coffee Break. For everything produced by Fintech Nexus, you can check out Fintech Nexus Podcast, which is really our content fire hose, all shows, webinar replays, even in-person event content, not to mention, our weekly new show. As always, we hope that you rate the show and write a review. I try to really take, listen to feedback seriously as it helps make the show better. You can also follow the podcast and all of our podcasts on the feed of your choice, whether it be Apple, Spotify, wherever you like to listen or come directly to news@fintechnexus.com

Now, let's get on with the show.

(music)

Todd Anderson: On today's episode I'm joined by Ron Benegbi, Founder & CEO of Uplinq. Ron and I discuss his history of entrepreneurship, he started, I believe, between four and five companies and how that ties closely to him and his family journey as immigrants to Canada. We also talk about the SMB credit score or lack thereof and why that is, the shifting definition of small business, depending on the market or country you might be in, the overuse of the term "as-a-service," getting more lenders to yes through the Uplinq platform, fraud detection as a by-product, raising capital, the NFL draft and much, much more.

A couple of short PSAs, we're just a month away from the USA event so this'll be ending soon, but we are still accepting applications to pitchit@fintechnexus.com. Please head to fintechnexus.com for details, you can just go to the startups page, the specific link will be in the show notes. And if you want to sponsor an episode, come on as a guest or sponsor one of our many digital or in-person offerings, not much time left to sponsor the USA event, you can obviously still buy tickets. Speaking is essentially full at this stage, but just go ahead and reach out [todd t-o-d-d@fintech.com](mailto:todd-t-o-d-d@fintech.com)

Now without further ado, I present Ron Benegbi, Founder & CEO of Uplinq, enjoy the episode.

Hey, Ron, welcome to the podcast, how are you?

Ron Benegbi: Good, Todd, thanks for having me, excited to be here.

Todd: Of course. I appreciate your time and, you know, kick off with, tell us a little bit about yourself, kind of what's your professional journey been, tell me, tell the audience a little bit about you.

Ron: Yeah. So, Ron Benegbi, serial entrepreneur, Uplinq which I'm currently involved with now is my fifth and as I've been told, Todd, it's my last startup. (Todd laughs) By the way, that's a true story, I've had a couple of good runs, good exits and I've also had a horrific flop. So, by no means have I battled a thousand and really I would tell you, right now I'm working on not just another startup, it's a bit of a passion project because ultimately our goal or purpose as an organization is to extend working capital into the hand of small businesses around the world through our tech and how we work with our customers. So, yes, excited to be able to share that story and that vision and that passion and hopefully, be able to transform small business lending as we know it today.

Todd: So, you know, before we get into exactly what you guys are doing, how you're doing it, clearly, you have a passion for entrepreneurship, where does that come from, you know, your Mom and Dad were entrepreneurs, it's just been kind of ingrained from a family. As someone who started so many businesses, it's probably come from somewhere so tell us a little bit more about that passion.

Ron: It's a great question, it's actually very relevant to Uplinq. I'm an entrepreneur, but first and foremost, I'm an immigrant, my family migrated to Canada in the early 70's, we were poor, we had no money, my Dad was baking bread at night to put food on the table. When he we went to a bank in 1973, and I know I'm dating myself a little bit because I look really, really young and I appreciate you thinking that, by the way, so he went to a bank in 1973 and he asked some personal business loan, to which the banker told him, you know, Mr. Benegbi, you really don't qualify for how a bank lends to small business, however, I believe in people and here's \$5,000.

Todd: Wow!

Ron: That took \$5,000 in 1973, he started a small business so, you know, entrepreneur, turned it into a medium sized business and my Mom, a year later, got her real estate license and in the winter of 1974, started knocking on people's doors. Now, today, you know, she'd probably be arrested, but back in 1974, when you're knocking on someone's doors it's like, oh, hi, how are you and she just said hey, do you want to sell your house and she built, you know, a nice small business professional services company in the real estate sector.

So, to answer your question, you know, my parents have been life-long entrepreneurs, they've been small business owners which is very relevant to Uplinq and it's by virtue of the apple doesn't fall far from the tree, I would tell that it's been sort of an embedded thought process in me as I've grown up and it's really all I've known, at the end of the day, so I hope that answered your question.

Todd: It most certainly did. So, tell us, how did you get to the point of starting your current venture, Uplinq, and ultimately when answering that question, how'd you come up with the name?

Ron: The name, you know, candidly wasn't anything magical. I don't remember this website, but we use one of those AI, you know, generating website names now (Todd laughs), there was no ChatGPT. I bet ChatGPT would have just crushed it so, unfortunately, ChatGPT wasn't around at that time, but we

use of those AI name generation websites and what I like about them is you get to kind of put in some of the key ethos of the business and some of the things you're trying to focus on.

You know, they spit out a bunch of names, most of which are not great, but some of which are actually quite interesting and Uplinq was one of them and it's not like it had a personal meaning to me or direct relation to the business. But I thought it was kind of catchy, I thought it was short, easy to pronounce and easy to understand and out of that, you know, felt like we could build a brand around that so, candidly, that was the name. And in terms of your first question was like how did we get into the business, I just want to make sure just.....

Todd: Yeah, yeah, like how'd you come to the idea of Uplinq, was it an issue that you saw in your previous venture and kind of you said well, no one's solving this, maybe I can solve this, kind of how'd you come up with the concept and ultimately the idea for the company?

Ron: Yeah. So, if you go back to this immigrant story, you know, as a small business owner my parents got lucky, there was no way my Dad qualified for a loan in 1973 and it's something that's always sort of motivated me. You know, small business owners or small business which in the context of financial services has always been an underserved category, no one would ever debate that. And what's happened with the pandemic and the devastation that it's had on the small business owner in the last few years and now as we enter this uncertain economic times and conditions, access to fair and ethical credit has never been more difficult for a small business owner to attain so it really ties back to my roots.

In early 2021, I had a vision of trying to find a solution or deliver a solution to lenders who lend to small businesses that could help them look at data and evaluate risk in credit that goes beyond traditional sets of information. So, give me three years financials and let me overlay a credit score for small business and I'll make a credit decision. Well, in today's world with a ton of new businesses being out there, the DNA profile has changed, do they even have three years financials, if they do, are they accurate? Credit scores have traditionally been proven not to work in small business, not talking consumer, you know, it's just gotten harder

So, I wanted to develop, come up or deliver solution to the market that ultimately enabled lenders to say yes more often. What that means is if they have a certain risk profile that they evaluate and let's say they decline, I don't know, 90% of applicants, we could show them that within that 90%, and I'm making this up, you actually approve half of those within your existing credit framework. So, not thinking differently about credit, but just showing you through empirical data and science that you really have a good customer in front of you that you said no to and that ultimately is what inspired Uplinq. It was a bit, you know, of a different journey, it wasn't that simple and we can get into it, I'm sure we will, but to answer your question, that was the thought process behind it.

Todd: So, tell us more about exactly what you guys do and how you do it and, you know, is there ultimately an ideal small business that would fit for the types of data that you guys provide and the product that you provide. Is there kind of an ideal company or does it range, depending on the lenders' parameters?

Ron: Oh, it definitely ranges, depending on the lenders' parameters, but our product, it has so much utility both in terms of, you know, being able to be used for different credit lines, whether it be a line of credit, a credit card, secured, unsecured, etc. and our ability to help lenders lend as little as \$1,000 or as much as \$30 Million and everything in between really creates a pretty broad spectrum of what our product can do and, you know, who lenders can lend to utilizing our product.

In a nutshell, what we've done is a bit of an unusual story. We're not a typical fintech that, you know, went out raised some money, spent two years in a basement, now we've got the coolest products since sliced cheese. Not our story, I'm sure it's somebody else's story and it's a great story, it's not ours. What we did was, and this was going back to the initial vision and candidly, sometimes it's just better to be lucky than good, I've been introduced to my Co-Founder who over a period of 15/16 years had actually built out these legacy technologies through different engagements to different FIs all over the world. What we did was we actually carved it off his previous company, created a new shell company, Uplinq, who's then acquired the asset and now has brought it to market.

And what that stands on is that it's given us a very powerful narrative because that previous technology, over a long period of time, had been tested in the market, had connectivity to over 10,000 different sources of data in 150 countries on small business, had delivered data sets that all met regulatory compliance tests and approvals in every local market and had ultimately, in the aggregate, enabled lenders in those markets to generate over \$1.4 Trillion in lending volume.

So, we were able to take the insights out of that, all of the connectivity points out of that and bring that to the market in this new modern day fintech called Uplinq and that's why I'll tell you, it's been a bit of a sort of an unusual story. We go and we start pitching a bank or a partner and they go, we don't get it, how are you, two years old, and yet you have all these, it doesn't correlate, so we have to get into the details of the story. Once they hear the story and once they look under the hood, it's wow, this is a highly novel approach to SME credit scoring.

Todd: So, tell us more about that approach, how does, you know, ultimately the product help a lender, how are you able to, in that example that you gave, after declining 90%, I mean, how do you get them to the 50% you mentioned as kind of ultimate more yeses and I would think if they're getting to more yeses, these are better yeses as well with the data.

Ron: For sure. So, you know, what our product ultimately does, it ultimately is an API just like every other, you know, fintech startup out there, but it provides a very simple dashboard, call it, set of data metrics to a lender. And what it does is it evaluates let's say, let's look at a simple use case on loan origination. So, you're a small business owner, Todd, let's just say you're applying to your bank for a \$50,000 unsecured line of credit to help you sort of a day-to-day working capital. What our technology does is it helps within the context of that evaluation process by tapping into the bank's own data sets, our own data sets and it provides what we call two scores, they're not traditional credit scores like you would get out of an Experian or a Moody's or an Equifax.

One is a probability of default and the other is something that we call like it's a confidence risk score which is tied into a highly mathematical equation. Long story short, I'm not sure I can explain it properly, it's highly accurate and predictive. And, ultimately, we present those two scores in combination with the lender's existing scoring system, in combination with other scoring tools and

services the lender may use. So, we're not trying to sell a scoring product, we're trying to provide as much information to the lender okay, here's how we would evaluate the risk on this applicant, here's how you evaluate risk, here's how Experian evaluates risk, make your decision ultimately with what's comfortable for you.

So, it's really in essence, it's almost like a benchmarking tool that we deliver our own sets of unique data points that the lender has ultimately felt is highly predictive and highly accurate. Going back to your first question, you know, every lender has a different framework in terms of if and how they lend and we don't try to change that. But, ultimately our technology is then attenuated to the lender's own risk criteria and then the scores that come out will ultimately fit or not fit within that criteria and what we've seen is because of our access to all of these different information that we have. We have more access to information than pretty much any bureau on the planet and Equifax, by the way, is a big partner of ours.

Between all that information that we have access to, between the historical insights that we have access to, that 1.4 trillion, the amount of highly vetted and highly accurate data that we present to a lender is unmatched by anything out there. So, they feel comfortable in considering our recommendation and I want to make that clear, we're not a loan origination system, we're not a decisioning engine, we don't ask lenders to rip out credit scores or risk models that they've already built. We're a tool that is an additive within their existing credit process.

Todd: Why is it that, you know, you've mentioned score a few times and obviously we have the traditional credit score on the consumer side. It has a number of problems with it, but ultimately it's a pretty good predictor of whether or not you'll pay back a loan, a credit card or what not, but on the small business side, we've never gotten to that point.

As someone who knows this type of data as well as you do, why do you think that, and it sounds like you guys are giving at least a version of that with some of the stuff that you guys do. But, you know, why do you think it's never really gotten to the point of like a credit score for consumers and a credit score for commercial companies?

Ron: It's a great question and best person in the world to answer that is my Co-Founder, but because he's not here, I will do my best to answer it. So, a bit about my Co-Founder, he's like 35 years in the business, big P&L's that he runs so he's a lender by trade, but he also ran product at Equifax for two years, was one of the original authors of First Equifax Small Business Credit Scores. He knows what goes into a small business credit score better than anybody on the planet. So, going back to your question, small business is a completely different animal than an individual consumer, what is an inherent problem, there are a number of inherent problems in small business credit scores today, the first being is they're built as a one-size-fits-all.

So, whether you're a restaurant owner in Manhattan, a wholesale plumbing shop in Kansas City or you're in the agricultural business in Northern California and you're in a rural environment, the model is the model, it doesn't differentiate and therefore a lot of these models are veteran, highly populated rural environments versus sort of urban environments versus world environments. Also, these models, they don't, believe it or not, they don't factor-in things that you and I would think, who are not owners,

think of as common sense, you know that the FICO score doesn't take into account the type of loan product you're applying for.

So, again, Todd, you're that small business owner, whether you're applying for a \$10,000 credit card for your business or a \$300,000 unsecured line of credit or a \$1 Million secured or collateralized loan of some kind, the score doesn't factor that into the calculation. Now, you and I, that's like that's crazy so when you talk about the inherent problems of these scores you see a lot of that. These small business credit scores also, a number of them, are actually dependent on specific pieces of information as well. So, if you don't have three years financials or don't have certain financials, they can't score or they can't score you properly.

Well, that's a problem, a lot of businesses that started up in the pandemic don't have three years financials. So, when you're looking at all of these factors, you can see inherently that, you know, the way small business credit scoring is done versus that of consumer, which is a completely different game, it's completely different and there are a number of challenges that are inherently creating these issues as to why small business owners who should be, who should be funded have trouble accessing fair funding.

Todd: So, I see that when doing research I went to your website and, you know, there's a number of really quality bank brands on there from Citi, to Chase, to Itau in Latin America, you know, how different or how complicated is it in serving the different markets that you serve, the different countries that you serve and what they might consider or we might consider in the US as small business versus you in Canada versus a lender in Brazil. How complicated does that get for the data that you and the platform that you guys provide?

Ron: Yeah, I think there's a few questions in there. First order is, you know, what you've touched on the definition of what is small business.

Todd: Yeah.

Ron: You know, you could go to two different US banks of roughly the same size and they will give you two different definitions and we come across that all the time. Whereas, you know, somebody wants to use our technology in the context of wholesale small business lending, but lending up to like \$8 Million. Well, you could argue that an \$8 Million loan really borders on commercial (Todd laughs), but, again, yes, there's absolutely that definition phase that we have to go through with every lender we serve in terms of what is your definition of small business, without question, and how does our technology fit within that.

Now, given that our technology is so flexible, and if you remember earlier I said, you know, it's helped lenders lend like \$1,000 in Africa to up to \$30 Million which is really not small business, it's commercial and everything in between, you've got a lot of flexibility with how our technology happens to perform. But going back to your question related to geography, the ability to extract information is, you know, geography plays a key, key role in there. We obviously have a lot less ability or lot less data, sorry, in Brazil and Brazil is a big economy that we do in the United States, we have a lot less data in Bangladesh than let's say a market like the UK. The good news is, we still have the ability to pull a lot

data and the data that we pull, most of it is not traditional data and they use the word alternative data, I think that word is a little buzzy.

But I try to explain it as, you know, we're pulling environmental data, we're pulling community data, we're pulling government data. We're pulling data that ultimately looks at the ecosystem or the world around the small business owner and what could impact the performance of the local restaurant on Main Street and 4th in addition to traditional data sources like financials, bank statements and of course, bureau scores so geography does play a part in it. You know, we are about to launch actually a fairly large lender in India and India's a huge economy, but, yes, it presents different challenges than, again, the United States or Canada even, in terms of accessing information.

Todd: I see that on the website you use the term "Credit Assessment-as-a-Service," yeah, it feels like everything is as-a-service these days. I mean, as someone that has that on their website, do you think the term is overused, misunderstood, you know, any reasoning behind like using "Credit Assessment-as-a-Service." Just kind of curious as to, you know, what your thoughts were there and if you think the terminology is overused these days.

Ron: Yeah. It's probably overused way too much, (Todd laughs), like we tried not to get into buzzy words and if you actually look at the rest of our website or even our sales materials, I don't think we used "Credit Assessment-as-a-Service" even once so why did we use it there? Well, if you look at, that's the landing page and that's the top of the landing page, so in ten seconds we're trying to get somebody to commit to staying on that page and on our website. And, you know, our product is a little bit more complex than here's an API, pull some data out of Quickbooks the way you'd go so we try to really simplify it as much as we can. As far as Assessment-as-a-Service, yeah, I have to say everybody uses that in some sort of context.

At the end of the day, what we're trying to convey is we have a platform, it has a lot of information in it, it's been highly vetted, it's been used by some of the biggest and, by the way, Todd, some of the smallest banks in the world, smallest like really small have used this too and I'm equally proud to say that. And you can feel confident as a lender to know that the product that we deliver to you ultimately has been highly tested and vetted, has met regulatory approval and ultimately has been statistically validated to be accurate. So, yes, actually it was funny, I actually looked at that a couple of weeks ago and I thought of taking Credit Assessment-as-a-Service off, but I just didn't get around to it, but, yeah, it's an overused term.

Todd: You mentioned obviously through our conversation about getting to more yeses for the lender, what about default rates and ultimately those yeses being higher quality yeses. How does your platform, you know, say versus traditional underwritten loan perform and what do you say in terms of how default rates are for the lenders that started using your platform? Did they see default drop 10, 20, 30%, you know, how are default rates as compared to maybe the other or more traditional way that a bank might lend?

Ron: You know, it's interesting because whenever as a service provider, which we are to lenders all over the world, you know, you're always trying to listen to your potential customers and understand what their needs are. And it's interesting as we were building out or re-purposing attack in going in, I thought, you know, default rates would be a big, big hop on. Interestingly enough, it hasn't been a hop

on for most of the lenders we've talked to, like a lot of these things you would uphold and some you wouldn't know as well. Not that it isn't important, but they also seem to have a common thread and that is, especially now, and that is help me increase my loan book and help me especially, you're telling me that people I've declined, I should have said yes to, that is very interesting for me.

But to answer your question, you know, what kind of sort of statistical evidence do we have in terms of performance, you know, Uplift, you can see anywhere between 5 to 15X in terms of loan approvals and in terms of what we call credit quality which is just a fancy, shmancy way of lowering your default rates, 3 to 7 times reduction or enhancement in credit quality so there's definitely an improvement in seeing less defaults. Again, with defaults it's a little trickier because every lender looks at defaults a little bit different, they have their own definition of defaults and when they call something a default, when they don't so it's a little bit trickier. Like I said, the big hop on that we've seen has been around help me say yes more often so I hope that answered your question.

Todd: Yeah, for sure. You know, fraud is clearly becoming a, it if wasn't before, its obviously exploded especially with the onset of the pandemic and the technology the fraudsters are using, obviously they're on the cutting edge as well. I think what we've seen a lot in recent years is fraudsters are getting so involved in by using even Twitter and other platforms, they just collaborate together in such an open manner which obviously the good guys, the banks and others can't do for a variety of reasons, I mean, I know they collaborate, but, you know, they can't openly say hey, this fraudster or this team.

But, I would imagine, with a platform like yours and the data that you provide, a by-product to that is helping with fraud just because the more data points you have on a company, the easier it is to weed out alright, this company is obviously not worthy or there's something fishy going on here. Has that been a by-product, was it a focus going in, is it just something you found out, like any focus on fraud going into the product and has it been a by-product of what you guys built?

Ron: I think by-product is an excellent descriptor of how our technology would relate to fraud, without question. It hasn't been sort of the front and center conversation when we go into a bank or a big lender and say hey, this is what our technology does, but, certainly as a by-product of what we're doing, here's what it does.

You know, an interesting example, we got asked this question last week. We were at CBA Live which is the Consumer Banking Association's yearly show in Las Vegas, there were a lot of bankers there and, you know, we had a bunch of meeting like everyone does and we got asked that question. Pat, my Co-Founder, he actually gave a really interesting example where their loan applicants, small business loan applicants, let's say who say that they're in the manufacturing business and they're doing these kinds of volumes and stuff like that.

Well, some of the data fits we actually tap into are like satellite imagery where we're tapping into superior sources that can actually, thru (inaudible), actually detect activity levels during different windows of time. So, if somebody's telling you, they're running a manufacturing shop 24/7 yet you're only seeing it Monday to Friday, 9 to 5, you know, they're lying so that's a red flag. So, what I would tell you is that maybe that's a little bit out of the box example, but to answer your question, it's definitely a

by-product, we're very clear that we are not a fraud prevention company, there's a lot of those fintechs out there....

Todd: Oh, yeah. (laughs)

Ron: Some of them do a great job, you know, so what we say is hey, if you're working with one of them that's great. Between the value, the service you're getting from them and what we're bringing, it's just again an additive, it will only help and I think by-product was a great way to describe what we do with that area

Todd: I'm sure you have a litany of lessons, especially from your various ventures, but specific to Uplinq, you know, what's been one of the biggest lessons that you've learned since you launched the company a couple of years ago?

Ron: Yeah. I mean, you're right, I've got so many lessons. The biggest lesson I've learned probably took place in 2011, but, you know, for me what I saw was at times we got a little bit too excited in terms of going down the path without actually doing the right type of vetting from a customer validation point of view, so that inherently does a couple of things. A) you waste a lot of time, B) you spend money and, by the way, it's funny when you're an experienced operator, you know, some of these trials and tribulations, you go through them regardless of your age and how many times you've done this, it's just part of the game.

So, I would tell you, in many ways we've gone through some of the, you know, typical startups stuff, first-time founder stuff where maybe we jumped the gun a little bit early, we didn't have enough validation points, we tried to do too much too quickly so from that perspective I would tell you, certainly there have been some lessons learned. You know, I think a good quality of vetting sort of founder is the ability to evolve and pivot, as needed, and be able to overcome some of these obstacles, they're always going to be there so I hope that answered your question.

Todd: How about on the other side which is do you have a regret since starting Uplinq that you could share.

Ron: You know, I actually don't, I don't have any regrets. I mean, I thought about it because I saw your questions earlier and, you know, one thing came to mind when I saw that question earlier and it's really tied to my answer I just gave you. I'm a very conservative operator and to me, I'll give you an example, like I'll fight with the local food delivery company who didn't deliver an order to let's say my employees ordered lunch and then I got charged like \$17 for something. This actually happened and I will write letters to the CEO, I want my \$17 back, this is theft, you're stealing from me and you're stealing from my, like this is theft,

So, going back to your question, I thought about, again, lessons learned, jumping the gun a little bit too quickly, investing a specific dollar amount let's say in a pathway that didn't materialize, I'm not going to share that dollar amount because, you know, I don't want to start crying. But your question was, do you have any regrets and I would tell you, I don't, I don't. It's part of lessons learned, mistakes made, I'm human, I make mistakes.

Anyone tells you that they run a perfect shop is a liar (Todd laughs), there's just no such thing as running a perfect business no matter how much experience you have, no matter what you've gone through and I've gone through a few businesses. But, you know, you're faced with something new every day and as long as you're able to overcome and accelerate and go forward, ultimately, that's what your investors and, you know, your employees and the customers need you to do.

Todd: You referenced your team there in that answer, how big is the team today, you know, what's the make-up of the team, engineers, you know, data scientists, kind of what does the team look like today and with those around you?

Ron: Yeah. So, it's still a small team, we're just under ten fulltime, you know, part time, consultants gets us maybe a little bit closer to 20, but it's still a relatively small team. In terms of how we're made up, first of all, we're remote kind of first like most companies today. Half of us are in Toronto, Canada, the other half are in Atlanta, Georgia and it's all product and engineering so it's all data sciences, product and engineers.

We do not have anybody in sales and marketing, we do use partners that we outsource, i.e. like how we got here today with you on the PR media side, we have a content marketing company who helps us as well, but we do not employ any fulltime sales, partnership, marketing people, it's all been product-focused.

Todd: I see that you've raised, at least according to Crunchbase, you've raised some investor capital. I'm sure you've done this many times with many companies, but did you learn anything new this time around with Uplinq when raising capital and, you know, how was investor appetite and interest in what you guys are building.

Ron: So, just so you know, even if this is my fifth startup, this was the first time and again, I know how the angle looks, but this is the first time that I have ever led a fundraising round. So, previously, I'd always been kind of like the support person and even when I was CEO of another fintech, sorry, another startup years and years ago we didn't raise money at that time so we were bootstrapping it. So, this was really, it's always a learning experience regardless whether it's your first time or 20th time, it was really tough, really, really tough. You know, I don't think I'm going to tell you anything you haven't heard before, Todd.

Todd: You'll never know.

Ron: It sucked, okay, obviously like, you know, I'm in sales and I'm used to getting no's, like my entire life people have been telling me, no, because I'm in sales, I'm a sales guy, I'm not an engineer by trade so I'm used to being told no, go away, we hate your product. But I've got to tell you, this thing, man, this thing was tough, a ton of rejections for different reasons from, you know, your idea's not vetted enough, yeah, to your pre-revenue, pre-product market fit, to you don't have the right team in place, to other stuff, you're too early. It was tough and I actually remember one of my early investors, we had raised the initial tranche, first told me don't raise, don't raise, don't raise for the second tranche.

My gut told me and it's on the larger size, my God, it's on the larger size (Todd laughs), my gut told me, don't listen to them and thankfully, I didn't and we continued and we ended up raising some more.

Here's the irony, we stopped fundraising over a year ago and at that time we had raised just about, I'm just giving you round numbers, \$2.5 Million, since then and then we took down the data room, I have not made one outbound investor call in a year. Since then, we've raised an additional \$2.1 Million so since we haven't been raising and haven't needed the cash and finally established ourselves and I got to tell you, I get inundated with inbound requests for fundraising meetings.

So, I will tell you, the first 12 to 15 months were really, really tough and like anything else, we found that a few investors who took a shot, most of them took a shot on me initially because my co-founder didn't join till after we have raised our first tranche so for that I'll forever be indebted to them. And I can only hope that we continue to excel as we have been to date and ultimately return their capital ten times over so.

Todd: Before we get to a final few lighter, fun questions, you know, if a newly minted founder picked up the episode and they were starting this journey for the first time as someone who's had successes and failures, what would be something that you would tell them to give them a little wisdom.

Ron: So, in general as a business or specifically the fundraising?

Todd: No, in general as a business, with your experiences being a founder with successful exits and as you mentioned at the top of flop as well. What would you tell them as they embark on a founder's journey themselves.

Ron: You know what I would tell them is, as you start this process surround yourself at the advisory side with at least one or two individuals that you can really lean on. I'll go to Uplinq for a second, so here you have an experienced founder and I had two individuals who were there almost as founding advisory board members and I'll tell you the role they served. They were basically, I'm not trying to discount it, just the opposite, I'm trying to embellish it, they are basically glorified cheerleaders, but they really helped me, especially when I was trying to raise money off of a PowerPoint deck.

It's like nobody's going to give me money, it's like, you know, you think you couldn't do it, Ron, you can do it after they heard your story, so they were great. I would, you know, advocate to any founder out there to surround yourself with individuals and whatever you want to call them, advisors, mentors who can help you, especially early, early on when the chances, you know, the stakes are against you. That would be sort of one of the things I would say right at the get-go, of course, there are other great pieces of advice, great co-founders do this, do that. If I would give that one piece of advice, that's what I would give.

Todd: We just have a couple of minutes left here, some fun, lighter questions. Do you have a favorite book or the last book that you read.

Ron: Yeah, I have a book that I read pretty much every year, it's a little bit dated now but I still think it's relevant. It's funny because when you read it, it's pre-financial crisis so it's funny reading and reading the names in it and the way the author talks about these names and it's like, well, I know, two years alter these guys were like terrible. So, the book is "Good to Great," by Jim Collins, it's highly inspirational, I think it's one of the best business books ever written because it really talks more about leadership.....

Todd: Yeah, I know exactly the book, I've read it.

Ron:like I read it every year and I always get something new out of it. You know, for me, it's a book about how to be a good leader and that's something that I'm trying to work on every day because I don't think I'm anywhere near where I want to be in terms of being a good leader. I think I have a lot to improve on, a lot to work on and I want to do it. It's a very inspirational book when I read it and, again, it's funny because it's oh, Fannie Mae did this (cross talking, laughing) so if you kind of put that aside and read it and understand what the core message is, it's fantastic, it inspires me.

Todd: I would agree. You know, all founders need to step away, they need to keep their heads clear, especially for, you know, their teams and those around them so what do you do to unwind and kind of take your mind off the job for a little bit and keep yourself refreshed.

Ron: You know, here's the thing, I can give you a bullshit answer or I can tell you straight up, I don't do a good job with that. So, I don't know, I don't know, I want to.....

Todd: I'd much rather have the honest answer.

Ron: Yeah, I don't know, and I'll tell you like it's been one of the struggles I've had in my career. It almost cost me my marriage a long time ago, I don't know how to turn it off, I work seven days a week, it's not that I'm trying to impart these principles on anybody else and I'm not saying this is the right thing to do. In fact, I wish I could be different, to be honest with you, but I don't have a good answer for that because I have not been successful in finding a way to do that, but never say never, right, never say never, right?

Todd: That's right.

Ron: Like I'm still a young man, I can still figure it out and hopefully, I'll figure it out this last time around.

Todd: Do you have a favorite sport or sports teams that you root for? I'm going to guess, in Canada, that you're a big hockey fan, but maybe I'm wrong. (laughs)

Ron: I'm making it up, I am in Canada but I'm not one big hockey fan (both laugh). If ever it's sports to play, it's baseball. Favorite sport to watch and, you know, exciting, it's football, American football. So, yeah, and I also love college athletics, like I love US college football, I love US college basketball, big congrats out to the Yukon Huskies 5 and 0 national championship games. You know, I was there for the first one in 1999 when you beat Duke, hey Duke.

Todd: Where Paddington and.....

Ron: Yeah, that's right, yeah, that's right, you don't look that old, that's right.

Todd: (laughs) I remember, I remember.

Ron: Yeah, yeah, yeah, that was a great game. So, yeah, I do love watching sports, I mean, you know, one of my favorite sports things to watch is actually, you're going to laugh, the NFL draft, I love watching the NFL draft, I'm like, how can you sit there, you're like some guy goes up to a podium every 15 minutes, reads one name and then goes away and then you have to wait 15 minutes again and you've got a bunch of guys in suits like, that's boring, as if you're watching a game.

Todd: There's a hopefulness to it, like, you know, this could be the next.....

Ron: I get so excited about the draft, it's crazy, I love the NFL.

Todd: Yeah, I watch it every year as much as I can. Do you have a favorite vacation spot?

Ron: I do not, (both laugh) I have a bucket list of where I'd like to go, but I don't have a favorite vacation spot.

Todd: So, final question, you know, what inspires you, what keeps you going? You've done this many, many times, obviously, you have the family history of entrepreneurship, but is there anything else that keeps you inspired and keeps you going?

Ron: Yeah. I would tell you that I've always been someone who's been self-motivated and never needed others to really, you know, needed the success of others to push me, but in this case, especially for Uplinq, there is such a purpose and sort of a mission. You know, my co-founder and I have talked about, wouldn't it be great if in like, I don't know, three years, five years, whatever, we could sit down and put like a simple calculation together and say, you know what, Uplinq in the last five years has helped lenders extend, I don't know, whatever, a number, a hundred billion dollars, to small business.

Like to me, when I thought about that, like that made me happy, that made me happy because, you know, I remember when the pandemic started, I just walked out the front door of my condo and I saw immediately a couple of stores in my local community were boarded up, I remember how I felt, like I had tears. So, for me, you know, as far as Uplinq goes, that's sort of what the day-today motivator is.

Todd: Well, Ron, I greatly appreciate you giving me some time today. If someone wanted to reach out to you or the team, how can they do that, how can they reach out to you?

Ron: You know, on our website we have our contact @uplinq.co, but I am a LinkedIn troll, I am on LinkedIn, you know, 98,000 times a day and I'm, by the way, the only Ron Benegbi in the world so if you punch in Ron Benegbi into LinkedIn you know how to get a certain, like, that's me so you're not going to have a problem finding me, it's not like I'm John Smith. So, you know, LinkedIn is good too.

Todd: Well, I appreciate it again, continued success to you and the team, hopefully, we'll get you back sometime in the future.

Ron: Appreciate it. Thanks so much, Todd, take care.

Todd: Thank you.

