

Building Brands

An Interview with Kevin P. Ryan, Founder, AlleyCorp

EDITORS' NOTE Kevin Ryan has launched several New York-based businesses, including GILT, Business Insider, MongoDB, Zola, Workframe, and Nomad Health. He helped build DoubleClick from 1996 to 2005, first as President and later as CEO. Currently, Ryan serves on the boards of Yale University, Yale Investment Committee, and TECH:NYC, is Vice Chairman of the Partnership for New York City, Chairman of the Partnership for New York City's Innovation Council, is a member of the CFR Committee on Foreign Affairs, and is a Director for The Trust for Governors Island. He holds a B.A. from Yale University and an M.B.A. from INSEAD.



Kevin P. Ryan

COMPANY BRIEF Headquartered in New York City's Silicon Alley, AlleyCorp (alleycorp.com) is a network of affiliated companies founded by Kevin Ryan and Dwight Merriman, the former CEO and CTO of DoubleClick.

Will you touch on where MongoDB and Zola stand today and the strength of each company?

Mongo has about 1,100 employees and it's a deeply technical company, which is taking advantage of the revolution in data and the fact that data is an integral part of every single company strategy.

We have well over 100,000 companies using our products all over the world and we have had nine quarters of 50 percent growth year over year.

It's a business that still has enormous potential. We compete with Oracle and other database companies. I believe this will be a very large independent company 10 years from now.

I started Zola five years ago as a wedding registry. We just raised \$100 million at a \$550 million pre-money valuation, so it's one of the most valuable consumer Internet companies in New York City.

Well over 100,000 couples are using it as a wedding registry and we have expanded to where we provide wedding websites, invitations and a full stack offering for brides and grooms who are getting married and all the products in that process.

It has grown very quickly. It's a company that will have close to \$400 million of

gifts purchased on the site next year and it's still growing at 70 percent per year.

Will you discuss the strength of their management teams?

In Zola's case, almost all of the management team worked at GILT, because the GILT experience is incredibly relevant – it's e-commerce and in New York, so we ended up hiring some of the superstars out of GILT and that has been very helpful. We also have a very diverse staff of senior people, which we're really proud of.

Both companies are growing quickly and have very big markets in front of them, and they are competing against larger companies. The wedding registry market was always dominated by department stores and we came up with an innovative structure. The stores were offering the products that they sold but not the products that registrants wanted. Young couples are responding to what we offer, including things like an option to contribute to a honeymoon fund, and we're taking market share from everyone.

Do you know early on which companies you're going to take public?

The primary goal is to build a big profitable company, which is hard. If we get to the point of having more than \$100 million in revenue and the financials look good, then we can start thinking about going public. We need to have liquidity at some point for investors and employees. I never think about selling a company – I assume if it becomes big enough, it will go public.

There are two things that can result in a sale – if someone approaches me and offers a price that is compelling; or if I don't think the value of the company is going to go up.

I also have two companies I started recently. The first is called Nomad Health, which is focused on helping hospitals hire temporary nurses and doctors. It has 30 employees and we just raised \$10 million this year. It relies on a database to place doctors within a \$20 billion industry.

The second, Workframe, has created technology used in managing an office move and real estate assets in particular, so many Fortune 100 companies use our technology to manage that entire process. We just raised \$9.5 million, so we're feeling good about that.

I have a bunch of other companies, including one I'm very excited about. I met someone who wanted to start a mobile bank in Argentina, which is something I believe in. We launched a bank called Ualá and I led the angel round. Soros and a few other investors came in with me and we now have 250,000 people who have accounts on Ualá and are using it to buy things and transfer money. By the end of next year, my guess is that we'll have 5 percent of all bank accounts in Argentina. I don't know if any bank in the history of banking has entered a new country with that percentage. It will expand to other countries over the next 12 months.

Is it harder to be as actively engaged in your companies today?

For nine years at Double Click I was managing 1,000 people and was the CEO for five years and the President for the first four years. At GILT, I was the CEO for many years as well.

Over the past few years, because I have multiple ideas and companies, I can't be CEO anymore, but I take an operational perspective. Hiring great people is a key part of that. I also meet with companies to see where I can add value.

Will New York City continue to be a leader when it comes to creating the companies of the future?

If anything, San Francisco and New York are dominating. It's the rural cheaper areas that aren't generating jobs and are places people don't want to move to. It's hard to find a big city that isn't doing well right now.

You devote much of your time to the Partnership for New York City. How important is it that the business community works together to address the needs of the City?

The business community in New York has played an extraordinarily important role in helping New York City evolve into what it is today. In the past 15 years, we have had a much better run city, so there has been less of an emergency for the business community, but business still gives so much here via charitable contributions.

New York is growing faster than any large city in North America. The Partnership has played a role in helping make sure this a pro-business, job-generating city. ●