

Market Hunt EP 07 Transcript - Haseeb Awan

Thierry Harris: Hi folks, Thierry Harris here. On this episode of Market Hunt, we discuss Cryptocurrencies, Fintech and a sprinkle of Cybersecurity. The buzz around Cryptocurrency has subsided a bit since its apex in 2017. What does the future hold for them? How are the big tech companies now entering your teens, navigating this evolving landscape? Why hasn't Crypto lived up to its promises so far, stay tuned to find out more.

[intro song music]

Nick Quain: Entrepreneurship is hard, you need to have support there.

Andrew Casey: We fundamentally have to learn how to live our lives differently. We can't keep going the way we have.

Marie-Eve Ducharme: Actually we were wrong, [chuckles] that's an incredible market.

Haseeb Awan: Obviously facebook has too much money.

Rune Kongshaug: I fall in love, easily.

Thierry: True. We're coming up with some pretty interesting ideas here.

Andrew Casey: We've solved everything,

Thierry: [chuckles] We've solved it all.

[end intro song music]

Thierry: Cryptocurrencies have experienced tremendous speculative pressures in the last few years. Price fluctuation for currencies such as Bitcoin and Ethereum have moved the needle from pennies to dollars to thousands of dollars in value. Crypto investor and entrepreneur Haseeb Awan joins us to discuss the state of affairs.

[music]

Thierry: Hello?

Haseeb Awan: Hello.

Thierry: Hey, Haseeb.

Haseeb: Yes, hi.

Thierry: How are you doing?

Haseeb: I'm very good, how are you?

Thierry: I am excellent, I'm excellent. Where are you calling us from today?

Haseeb: I'm in California, Sacramento to be precise.

Thierry: Sacramento, that's the state Capital?

Haseeb: Correct.

Thierry: Are you going into politics over there or what's going on?

Haseeb: Well, I'm a King maker.

Thierry: I know. That you're a king, absolutely.

[laughter]

Haseeb: I always lived in capitals, I've never lived outside capitals.

Thierry: That's true because in Ottawa as well, where we met you were also in the nation's capital there.

Haseeb: Yeah, so I lived in Ottawa for-- I was born in Peshawar which is like a capital of the state in Pakistan, then I went to Islamabad which is the capital of the nation of Pakistan, moved to Ottawa, which is the capital of Canada, then I moved to Toronto which is the capital of Ontario and now I'm in Sacramento which is the capital of California.

Thierry: Without digressing too much into Haseeb's propensity to live in capital cities, we should note that he and I met while filming The Global Entrepreneurs case study series on a company he and three other co-founders founded a few years ago. We filmed them while embedded in our mountain view California home. As the fledgling entrepreneurs were building their startup with the help of Y-Combinator an accelerator who invested in the company. You can check out that case at the ie-knowledgehub.ca website. Back to Crypto, what was really going on in this area? It's important to note that this interview took place in December, 2019. Things change rapidly in the Crypto environment.

Haseeb: We're speaking today and the interesting part of Crypto is like it changes so quickly so while I tell this, tomorrow maybe a different story and I'm sure the time the interview goes live it'll be different so it's really hard to predict that depending on when the audience listen, but as of today it's not a good state to be honest. The reason for that is purely because people have lost a lot of money in the past two years and this is the longest winter in Crypto. By winter, what I mean is, the general terminology is that in winter things are very slow and the people have to survive and that's now. Think of it, right? Where you are out in the snow without a jacket.

Thierry: Yes, thanks for reminding me. [chuckles] It's freezing here, we're interviewing you from Montreal and it is snowing over here so.

Haseeb: Yes, I know. I'm just in a T-shirt.

Thierry: Oh, Okay, you don't need to wrap it in. [chuckles]

Haseeb: Yes, [laughs] Well, I intended to, so you can really ask but anyways.

Thierry: We would love to.

Haseeb: I have a room for you.

Thierry: Oh, thank you.

Haseeb: Anyways, so basically the goal here is that if you're looking into Crypto it's getting kind of tough for companies to survive for multiple reasons. When it grew, it grew too fast. It grew at a level that hurted the industry more than it benefited and the reason for that was the companies were not able to take in more customers so they hired very rapidly and while hiring rapidly, they made a lot of mistakes and when it crashed, it even crashed in the world. Now people, now companies with very big overhead that they got on without thinking a lot. Someone would just have signed up at lease for like two years and now they're on the hook for paying those leases or they hired employees and now they have to pay for those employees and those expenses are killing their businesses.

A lot of exchanges are getting-- Like apart from the bigger exchanges, smaller exchanges are getting killed right now, so that's just about exchanges. Other than that, there used to be a FOMO. Every technology, everything has a specific amount of time to penetrate into people's mind or get to people's heads.

Thierry: Yes, that's right folks, he said FOMO, Fear Of Missing Out. Apparently Crypto might've missed the boat here as excitement around the idea diminishes. Back to Haseeb.

Haseeb: If it go pass that time, then it's not as important anymore. I'll give you example about, come up with technologies like 5G is very hot right now, everyone's talking about 5G. If 5G doesn't do anything in like two years, people would forget about it. Like, similarly with augmented reality, like yes, people thought it will be big but it's not as big as people thought. Like, AI came in, AI has not made an impact, people are talking about it but people can only talk for a specific amount of time, it's like a honeymoon period.

Every new technology get a honeymoon period and then they have to deliver. If they don't deliver or if they don't satisfy the promises they've made, people pass on to other things. By people, it means investment, it means talent but it also means the interest of general public. Blockchain unfortunately has not been able to live up to the promises

that they intended to. We all believe there's a problem but is the problem big enough for a bigger, wider audience to solve? So far the use cases for Bitcoin has been very, very rare. It's been 10 years in the making and apart from price, we have not seen anything and the price is also down right now so it's not helping the ecosystem a lot.

People are generally skeptic and every day companies are getting shattered, people are leaving the industry but that may change at the time the interview goes live everyone might get back in the industry. But ultimately it all comes down to what the price of Bitcoin is. Today I think it's like 7,000 something if tomorrow it goes 20,000 something, people, all these are people who will flock back into the industry.

Thierry: It is a little addictive to follow the price of Bitcoin and as Haseeb points out, speculation has been an issue for the stability of the cryptocurrency, hitting a high of close to \$20,000 in early December, 2017, before falling back to where it is today. The currency as Haseeb pointed out, did not meet its expectations. Despite making some people tremendously rich, others have lost tremendous amounts of money in the process. But what was the original problem Bitcoin was supposed to solve? Haseeb elaborates.

Haseeb: I would say 90% of the problems in the world are related to money, economy and finances, they're interlinked. If you have money, like money cannot buy happiness but they make a joke that it's better to cry in a BMW than crying on the street. So, the question is like, initial promise of Bitcoin will be that it will make people equal in the world and the disparity between the richest and the poor will be low. And the reason is because we have six billion people who are unbanked. And that's the first promise that Bitcoin said, that we will make everyone banked. Because you don't need to go to a bank and open a bank account, that was one thing. Second, reason was around remittance. Where remittance will basically be a big driver of like currencies, like people said that you have to send money to Africa it costs you too--It's too expensive, so that was a second promise.

Third promise was around inflation. Which means that, inflation will basically be prevented because obviously you can't print Bitcoin infinitely. Then the fourth, I would say it would be that people who are in Crypto space would be very fair, economy will be fair, there'll be no fraud, there'll be like a utopia where everybody treat others with respect and everyone basically will become richer or it'll be an equal scale and around libertarianism but none of them happened.

Thierry: In a nutshell, Bitcoin was supposed to, A, make people equal in the world, B, optimize remittance, essentially solving global issues of moving money between different regulatory territories and the exorbitant fees associated with moving this money. C, negate the impacts of inflation and its impact on the price of goods and services.

D, fulfill the promise of an economic utopia where everyone would play nice in the sandbox to become transparent and fair. None of this happened.

Haseeb: There are 6 billion people who don't have bank accounts but as a matter of fact, 4 billion of them are under the age of 30 or 20. Right? That's why they didn't have a bank account because they don't need a bank account. They are not legally allowed to have a bank account. These are stats, these are not accurate but I'm just giving example, this is a case. The other 2 billion people who are left, maybe 1 billion of them live in a country where they have no banking facility or they don't want to have a bank account.

Or, other reason could be and then if you see 1 billion people are left, those 1 billion people have no money to save. Banking, ultimately, actually is a place to save money. If you look at why banks exist is because they exist so people can store their money rather than putting money in the home because they might get looted. Someone might just come and steal the money from them but they don't have anything. Once they pay off everything, they're done, they are actually net zero. That's why they don't use a bank account. There are very small population of the world which need a bank account but haven't been banked.

And, I understand that population is very important but as a customer, a bank, why they don't want to entertain them because they have no money banking them. The money that required, imagine you want to either serve food to a very rich person for \$500 or you want to serve 200 people for \$2 each. You prefer that 1 person and if you look at the world, I think the top 1% own 30%, 35% of the world, everyone goes toward that and everyone leaves. The bottom 90%, own 10% of the world or something.

So, the income disparity actually does not make economic sense for a lot of people to bank those people. And then there are FinTech startups, smaller companies which are working on bank network with mobile wallets, and everything. Bitcoin didn't provide a lot of advantage over traditional startups.

Thierry: In other words, the market wasn't ready. The assumption Bitcoin entrepreneurs and investors made were flawed, and the currency is where it is today, experiencing what Haseeb calls its longest winter. Greed one, good zero. However, despite all of this, Haseeb cannot resist pointing out the tremendous opportunity for wealth creation stemming from speculating on Bitcoin.

What would the Haseeb today tell the Haseeb five years ago in terms of Bitcoin and the opportunities and cryptocurrencies in general, obviously, and the opportunities around that. If you could go back and tap yourself on the shoulder five years ago, what would you say?

Haseeb: I would say, sell everything and buy bitcoin and cryptocurrencies. That's the easiest answer. There are not a single investment in my knowledge in the past five years except bitcoins, if you take out the last two years. Like I'll give example, I think when we met, Ethereum around that time was 15 cents and it went to around \$1200, which means there was a increase of almost 10,000%. There's nothing in the world that would have done it. If I can magically find some way, a time machine to go back and

say, "See, I have information, but I'll buy as much as possible, sell everything and sell everything when it's on the top."

Thierry: Fear of missing out folks, it's a powerful thing, perhaps even more so in hindsight. But why the massive fluctuations?

Haseeb: There are multiple reasons. Number one, the bigger players, one of the problems that I mentioned in this before was around, how many people actually have promised that Bitcoin will bring stability to the world order? Technically, the concept of Bitcoin was somehow similar to socialism, where people should not get inflated. We don't know how much government is printing every day, so technically we should not have those kinds of inflation problems. If it's fluctuation, the issue with that is even today, if you say, "Hey, who are the top people who own crypto?" The ratio would not be different from the ratio that we see in traditional world. Which means that the top crypto may be owned by 5% of the world. Those people control the market. Tomorrow, they say, "Okay, let's dump the market." They can just dump the market by just selling their crypto. Also, exchanges are somehow one of the things I thought was like, crypto people will be very nice, but that's not the case. Exchanges do front run.

By front running, for people who don't know, is basically a buying and selling before you put an order because it's proprietary information. Let's say, you put an order for \$1 to buy, they may buy it for 95 cents and sell it to you directly. They may try to come between buyer and seller and make the market. Exchanges have been corrupt and they pump in the market to fulfill their own need, which means that if they don't see any movement, they have enough vouchers to move the market. Companies do that.

Then traditionally, these markets are not very liquid as opposed to Microsoft or big-cap companies. With a couple of million dollars, you can make a lot of money because you can move the market. One order would be at hundred dollars and the other order may be at \$95. There's a lot of liquidity issues. If people who understand this liquidity, if someone has information, they can just do whatever they want. That's why markets are moving too much and exchanges are responsible because if the price don't go up or down, exchanges don't make money because they make money on transactions.

It's in their best interest to make the market as volatile as possible.

Thierry: Very interesting stuff Haseeb. In terms of the currencies becoming more utilized. You've definitely mentioned we're experiencing a winter in terms of crypto. What do you think some of the key elements are for Bitcoin and cryptocurrencies to become more utilized around the world?

Haseeb: It all depends on like, how do you want to trade? When I got into crypto, they said it's a transfer of value, which means that you can transfer one cent from one part of the world to another part of the world, and that's not possible through traditional startups. If you want to go do wire transfer to me, you can't wire transfer \$5. Technically, everyone should start using crypto. That's the biggest promise. Now people are thinking it's not transfer of value, it's actually a store of value. For a store of value, the asset has

to go up. That's why you store the value, you will not store your money in an asset that goes down.

For crypto, the value has to go up. So there is an event of halving happening pretty soon, and it's halving which means that the amount of bitcoins produced per day will actually half. I don't know when it is but it's coming soon. That's very important benchmark, which means that the supply of Bitcoin will decrease. That's one of the tests that every time that happened, price of bitcoin went up, historically. If that event happen and the price keeps on dropping, then there's a fundamental flaw in the theory because now you have less bitcoins generated per day, but the price hasn't increased.

That would basically fundamentally be a problem. Now, it may happen, this will be the biggest thing to happen, is this theory applicable or not? Because if it's not then I think this will hurt Bitcoin and cryptocurrency in general a lot.

Thierry: It's like a stock split almost. Is that what you mean by halving?

Haseeb: Stock split is slightly different. I'll give you an example, something is very scarce, something is very important like gold, imagine with the oil, tomorrow they say we'll produce half of the oil as of today, price will go up. Anything that you say, "I'm producing tomatoes at one ton per day." Tomorrow the world will need one ton but we'll produce half of whatever the world needs. The price of that item should go up. Similarly with the oil, why oil prices are dropping because countries are producing more and more oil.

If tomorrow they say, "No, we'll produce half of the oil as of today," the price of oil should double or even go more than that. Similar with the cryptocurrency, Bitcoin of the world needs cryptocurrency and if the production drops to half, the price should go up. If the price doesn't react to that, then you know there's a fundamental problem with the economics behind that. Now, technically, the world needed the same amount of Bitcoin but the price hasn't changed.

Have the demand halved? Like what happened here, this is a problem. I don't know the answer, but technically it should go up.

Thierry: Technically. All right, enough speculation on bitcoin price fluctuations. Let's learn more about what big tech is doing with payment remittances on their various platforms, and what position they are in right now with the stockpiles of cash at their disposal.

Haseeb: Facebook and Google and all the big corporation are in trouble right now. Trouble as in they're not growing as fast as they should have been. These companies are growth stock. By growth stock means that people buy them because they believe the value will appreciate. If you look at the regular PE ratio, which is if I hold the stock, I don't get as much money. People essentially only buy it because they believe they can sell it for a higher price tomorrow. The reason the higher price is equating to the amount of user growth they have, that's the general or amount of revenue they grow. Now,

these companies have already reached the top. Now they need to have other avenues to keep on growing their stock value.

Thierry: In other words, these companies have already conquered their respective markets and have billions of users. Now, they just need to find new ways to squeeze more cash out of them in order to retain their growth potential. Could this be why we see some of the curious investments they're entering in? Let's go back to Haseeb.

Haseeb: Crypto is a buzzword and so they will catch on to any opportunity that comes along and crypto, one of them, let's say that Facebook has not pretty much left anything, they will be a bank in the future. They will launch a social, like a search engine in the future. That's my prediction. They will launch like everything that they can upsell on. It's like you go to a restaurant and they will say, "We sell you burrito, but do you want a wine with that? Or do you want to have a cookie?" That's why they make money. Cryptocurrency is one of the initiatives.

It's not that they love crypto; it's that they want to see how much money they can make. They believe they're the first to the market they have a much better chance to penetrate in and grow it. I actually spoke with Mark. I asked him the same thing five years ago when they hired PayPal head, David.

Thierry: Haseeb is referring to Mark Zuckerberg and former PayPal President David Marcus, who is now running Facebook Messenger. David is also heading up the Libra currency for which Facebook has received a lot of negative buzz.

Haseeb: Ultimately, Facebook is in a very good position to launch financial products, because they are the biggest user base. They went into Messenger like they have every Instagram, WhatsApp, Oculus. Technically to your answer, they want to capitalize on every opportunity that comes along to keep on growing their stock value. Obviously Facebook has too much money to spend. I think they have almost \$50 to \$60 billion sitting in their bank account and they don't know what to do with it.

I don't know how many countries in the world if you take out if you make Facebook a country, like having in terms of GDP and everything will probably be among the top few countries in the world with almost no debt and all the money in the bank with a very strong probably among the top few in the world. So yes, it will help the economy a lot. It will basically get legitimacy and they will also be able to penetrate much quicker than other people do. Overall, yes, it's going to help a lot.

Thierry: So, Facebook is getting into the crypto space and potentially becoming a bank. Never a dull moment here on Market Hunt. What about the regulations? Who is protecting consumers from getting fleeced and ensuring that all of this has some semblance of order? Where is the order?

Haseeb: I'm a fairly leftist and libertarian, but I'm not anarchist. I'm not basically someone who saying, "Screw the government." I think regulations exist, but I think a lot of time regulations also suppress innovation. What regulation does? Regulation

basically limits an ability to do things that you could not do. I think bitcoins still right now is an infancy state and regulating it would basically hurt it's growth.

Obviously, if we have regulation like, you should not be scamming people you should not be defrauding people, then that's well enough, but like saying, "No, crypto can only do this and this and this," will hurt it. I think let it go like water, let it flow, and then figure out and employ other regular regulation. Similarly, with crypto, a lot of things likely a dream right now, it may not come true. There are a lot of things that we don't know may come true.

Think about Uber, who would have thought that a mobile phone 20 years ago would be used to call a taxi or something that we'd order food through or something that you use the payment for, like people didn't do that because SMS like telephone was a communication device, but it's not a communication device anymore. It's a music player, it's a camera, it's everything.

So, from my point of view is pretty simple, and then it can obviously imply the regular regulation like people should not defraud others. We should have like strict KYC laws, terrorism financing, KYC AML and everything but the same time, we should not make it harder for people to innovate.

Thierry: Great question for our listeners, do you think regulating cryptocurrencies will help or hinder its development? Haseeb elaborates on the impact of the mass adoption of the technology.

Haseeb: I'll give an example like I don't know if that but when YouTube came up, a lot of broadcasters then like media channels, they said that, in order for you to launch a YouTube channel, or make a video and stream it on the internet, you need a license, because we pay for a license. Technically, now imagine if every YouTuber, for every time you produce a video, you should have a license. Right? Where would you see YouTube today?

Or for launching a blog post or launching something... content online, you need to have a license of a newspaper or this podcast, you need a radio licence. Like this is absurd. Basically that, imagine the state of world we would live in today? But because those regulations were put down and they say, "Okay you should launch video on YouTube as long as it's not profanity or basically regulation, you can launch it."

Like the subject of hate speech subject of like child pornography and all those regulations apply, but you don't need a license. This is the same analogy I would like to make in crypto too. You should regulate by common sense. The people should not use it for terrorist financing. They should not use it for defraud people. People should not use it for ransom a thing that doesn't exist in, they should not exist in our society.

It doesn't mean that in order for you to open a crypto exchange, you should have a license requirement of similar to a bank, or even for building a small product or a protocol, you need to comply with all the regulations of what a bank will come along, but

at the same time, if you run away with someone money with crypto, you should pay the finance you should face the music just because you're on a crypto currency doesn't mean that you should be excluded from every other law.

Thierry: Should this regulation Haseeb be global? Or is it by district, like state by state? Or what like something like the UN or is it something that's more like a national like China has its own regulation? USA has its own regulation, Europe has its own regulation? What do you think if this regulation were to be into play, who would be running that show? Or would it be decentralized? Would it just be like a blockchain agreement between different users, multiple millions of users? How would that work? How would that look like in your ideal world?

Haseeb: There are two things. One is one should be what we can do and what we should do. Right? Let's talk about what we could do because the list of what we should do is very long. I think as I said, we have laws in the country right now. I live in US and you know US is the land of law for the most part.

I think the regulations should ideally be universal, but I think internet have done a very good job at doing that. Then there are countries which will basically impose their own specific laws for jurisdictions like gambling, you can't have gambling except from certain jurisdictions. Or you can't have pornography being viewed in multiple jurisdictions, right?

Few jurisdiction will disallow you to not view or access or entertain few customers. Like, if you are a US citizen or accessing, or even a US resident you can't use a lot of crypto websites. If you live in New York, you can't use multiple exchanges. I think it should be universal and then obviously every jurisdiction has to comply because if we believe that entire world will agree to a single regulation, then we are just fooling ourselves.

Thierry: We move on to the discussion of FinTech. And here Haseeb some ideas on this as well, beginning with a brick and mortar traditional bank.

Haseeb: I have not been to my bank in ages now. The only time I've been to my bank is either for a specific verification or doing a wire transfer. Now I actually used all the parts that I use right now. The majority of them are online, they only used online, they don't have a bank account. They don't have physical location or they're all part of FinTech. I use the part that I preach about.

Talking about it, I think FinTech is an exciting industry because number one, the amount of gap that exists in the market is a lot. Innovation gap in the space, you have a lot too. I will give an example about a lot of bank statements in the US, in Canada, you can't download an Excel sheet. They will provide you paper statement or e-statement and then you have to manually copy paste statements. This is the state of financial industry right now in Canada and US. In US, which is even, very, very far you still have to do wire transfers a lot of times, and wire transfers are very expensive, like \$35 to send and \$50 to receive a wire transfer.

\$50 just for doing the small transfers, if you have to transfer \$100 you pay 25% within the country, which is stupid. The opportunity there is very, very high. The reason why FinTech startups are very hot is because it's all about money. People can actually, the biggest driver for people who take this thing is financial. That's the biggest vision for majority of the people.

If your bank says, "Hey, I'm charging \$35," and I come to you and say I'll charge you \$2, you will immediately switch. Why? Because you can quantify the benefits. Where a lot of startups, they are very hard to quantify that they may make your life easier.

Thierry: Wait, did I just hear that clearly? Is there a clear market here and a problem to be solved in the FinTech space? Saving people money on banking fees, eureka!

Haseeb: Here, the reason why startups started growing is because of the immediate benefit that's quantifiable.

Thierry: Haseeb mentions credit card scoring systems as another area where FinTech could have a huge impact.

Haseeb: I'll give you example about like I moved to Canada/US recently and I was unable to get any credit card because they said I don't have a credit history and I could not even transfer my Canadian history to US. Which is even more stupid, right? Like, if I was coming from a country where you didn't have a proper rating system, I cannot do that. Okay, they don't trust it, so they're fine, but I'm just transferring from Canada to US, and that's a very common migration.

Then what happened was that I went to a startup and they were able to extend the limit to me, because they used my Canadian history and they were able to do it, and luckily through that way I was finally able to transfer it but took a long process and it was very complicated. Even the companies who're operating in Canada are the same companies who operate in US, like Equifax. It's their system and not my system. It's not like they don't trust another body. They're trusting their own body, but just like their Canadian counterpart but they can't translate it into.

I think there's a massive opportunity. Other opportunities that I've seen in money transfer it's like something that people heard get of the most because whenever we transfer money like to employer or a contractor, every time you could pay fees and that becomes very expensive so that we have companies that have other startups. They go to this smaller systems and say, "Your bank is charging you \$35 for wire transfer, we'll make it \$2 we make it free." That's how companies are making money.

Other thing is around American Express, like concierge stripe, where they will provide a lot of perks to credit card holders. Your current credit card may say you get a movie ticket per \$1,000 spending, but new credit card may say, "I'll give you a flight to Hawaii, or I'll give you a vacation in California." That may be more lucrative to you and that's why you switch. So, having a very, very good credit card is certainly something very, very important.

Also, integration with multiple items like QuickBooks and accounting software and everything would also help you out too. Because, the problem with a lot of these banks and the problem with a lot of these companies is that they're very old school, their interface is very pathetic. It looks like if you log into an RBC Bank account, it looks like that. You're using some systems from 2005 like Geocities days, right? Like if you're wire is pathetic, like graphics. Every form is so old school.

Thierry: OK. We get it. Banks need a makeover. They need to get with the program. Credit history, money transfers, concierge services, lots of opportunities here for sprucing things up. Haseeb sees tremendous potential.

Haseeb: There are small little details that these banks are not getting, and maybe they're not interested in or they don't know I have no idea why they're so slow because someone is going to eat them for lunch, banks will have a for-lease sign. Pretty soon it will like similar to opening like you go you saw that all the retails is going down every day you hear some big retailer is going down, similar will happen at banks too.

Thierry: Do you see it more being a supply or a demand push for this to become utilized like are the people are going to be kicking and screaming with pitchforks saying, "We demand that the service be simplified. We demand to pay less fees. We demand to have access to markets so I can buy and sell anything in the world."

Is it going to come from the consumer? Or is somebody going to wake up at the banks or hotshot startup that's going to become the next hegemon, that's going to take over this market? Or do you see this as being multiple players and little pockets of the world will be more developed in cities and then other parts of the world will be blacked out in terms of having access to these services? How do you see that playing out in the next few years?

Haseeb: I think the Internet has provided a big opportunity for smaller companies to build products that people love. We are almost at the same level playing field almost I mentioned because obviously geography is important too, funding is important too, but ultimately, if you have a good product, you can sell it across the world. That wasn't possible like 10 years ago. Maybe there was but I'm talking about like 20 years ago, it wasn't possible that you can just set up a Shopify store.

If you're a good artist, you can just set up a Shopify store, build your own Instagram following, manage your social media and basically, you can sell it to customers across the world, and that wasn't possible before. You're talking about like basically about FinTech or anything like I believe in free markets, I believe that people should be able to start businesses and grow without having a lot of barriers to entry.

Coming back to the point of like who can consumer asking me but at the same time, they take it that there's no better alternative. They say, "Okay, like my gas costs you like \$2 a gallon," and they think this is the regular price. But then a startup job has to make sure, can I drop this \$2? Can I make it cheaper? Can I make it better? Similar to Tesla, people thought this the way to do. Then Elon Musk said, "Okay, no, we can have

electric cars too. We can actually have cars which are better looking," and they were able to disrupt stuff.

I think wherever there's a gap in the market, there are entrepreneurs, like millions of entrepreneurs across the world, who are very smart, very hardworking, and they're building solutions for people that can impact their life. It will be ultimately the short form it will be entrepreneurs, who will build those, but obviously, demand has to come from consumer.

Sometimes consumer know, and sometimes, consumers don't know like when iPhone launched, consumer didn't know that they need to have this kind of a product, but then iPhone came up and they say, "No, this is how the product will work."

Thierry: Without a doubt, the world will look very different in the next few years. Disruptive technologies like cryptocurrencies and Fintech are writing new scripts in terms of how we buy, how we sell and use our credit for processing transactions. From all of this stems yet another opportunity, the promise of keeping all of this safe and secure. Haseeb is now the CEO of a cybersecurity firm whose job it is to keep identities safe online. He points out the biggest point of failure in keeping your identity safe as the following:

Haseeb: The biggest point of failure, is the cellphone. Cell phone number is attached to a lot of information. Unfortunately, or fortunately, the regulations today allow companies to port their number to someone else. Imagine you have a telephone number, I can actually take off a telephone number within five minutes through social engineering or through dark web. If I want to have your number, I just had to trick someone through social engineering to give your information to me as in your account number, your zip code.

Once I have it, I can actually transfer your number to a SIM card that I control. As soon as I have a SIM card, I can go to Facebook, Gmail, and do a password reset and get access to your account. Once I get access to account. I can pretty much exploit it for my personal financial reasons and destroy you financially, emotionally, and reputationally.

By getting information that is very, very concerning, and this information is available online like imagine the key to your house is like the design of the key of your house is available on the internet for \$20. Like it was scary, how do you sleep in a house that you know that everyone has a key to or is available. That's similar happening to digital account too, like how would you sleep if know that every information that basically can hurt you is available online for say \$20.

Thierry: Yes, that's insane. I mean nobody could sleep. We were just talking with our producer Simon over here about that before about having access to banking on your phone. How scary that could be if somebody can take it over.

So what's your company doing and what are you trying to solve exactly with this very dangerous environment that nobody really understands except for people who've had

their identity stolen or their bank accounts liquidated or anything else? What are you trying to solve for them and how are doing it?

Haseeb: So what we have done is making it easier to prevent all kind of social engineering to adding 11-layer of protection for authentication. Technically you can't just say, "Hey, I am Thierry and I basically can you give me my information?" We don't do that. It doesn't work in our case, right? We don't do that. Now we go beyond what every company will go for actually checking that it's the right person who is trying to do some account changes. We have 11-layer of protection over there and--

Thierry: 11 layers of? That's amazing.

Haseeb: Protection.

Thierry: 11 layers of protection, wow.

Haseeb: Yeah, which is basic almost impossible. I make a joke that you may pass through immigration all right but you can't pass through our system, all right. If something goes wrong we cover up to \$2 million in damages. We actually take--

Thierry: Like an insurance.

Haseeb: We have insurance on that. We take liability for all of that.

Thierry: And so this is an extra feature that you're going to pay on a monthly basis to have your cell phone protected. Is that the business model behind it?

Haseeb: Correct. We are like a cell phone provider that works exactly as your cell phone like Koodo, Telus or Rogers or any company. We work like that. We give you the SIM card and the SIM card comes with all the encryption layers that I spoke to you about.

Thierry: There you have it. After playing in the wild west of Bitcoin, isn't it fitting that Haseeb is taking a leadership role in making all of us safer and secure for our online transactions? Just to digest in this episode I would probably listen to it again just to make sure you haven't missed anything.

Market Hunt is produced by Cartouche Media in collaboration with Seratone Studios in Montreal and Pop Up Podcasting in Ottawa. Market Hunt is part of the IE Knowledge Hub network. Funding for this program comes from the Social Sciences and Humanities Resource Council of Canada. Executive producers Hamid Etemad, McGill University, Desautels Faculty of Management and Hamed Motaghi, Université du Québec à Montréal. Associate producer Jose Orlando Montes, Université du Québec à Montréal. Technical producers Simon Petraki, Seratone Studio and Lisa Querido, Pop up Podcasting. Show consultant JP Davidson. Artwork by Melissa Gendron. You can check out the ie-Knowledge Hub Case studies on BitAccess as well as other cases at ie-knowledgehub.ca.

For Market Hunt I'm Thierry Harris. Thanks for listening.