

David J. Kim: A Lifelong Leader

“Entrepreneurship is a lifestyle, not an interest. I am always asking myself, ‘What problem do I want to solve next?’”

- David J. Kim

Early Defining Moments

Kim is the youngest of three children born to Korean immigrants in the United States. Though highly educated, his parents were not very proficient in English. This language barrier forced Kim’s parents to be entrepreneurial, starting and working at several small businesses in their neighborhood. As a result, Kim and his two sisters rarely got to spend time with their parents. His parents were always out of the home and working on one business or another. While this lifestyle was hard on him as a young child, this experience became a defining moment in Kim’s life. He noticed early on how hard his parents worked and how many sacrifices they made to provide for their children.

Kim explains that the seeds of entrepreneurship were planted in him very early on, and his parents’ entrepreneurial approach towards life played a significant role in the birth of his own zeal. He recollects that watching his parents work made him realize that “the world creates opportunities for all folks. There is a wealth of opportunities you can pursue. Ultimately, [the opportunity] is as big as you make it.”

Being able to understand what his parents had done for him and his two sisters became a pivotal point in his life. Kim had the desire to do something that would make his parents proud, and entrepreneurship appeared to be the best way to give back to the people who had given him so much.

With the inspiration from his childhood as a foundation, Kim began his journey several years later, at the University of California, Berkeley.

University Education and Early Career

Kim received his undergraduate degree in Industrial Engineering and Operations Research (IEOR) from Berkeley. It was through his curriculum that he learned the technical and the soft skills needed to be a successful leader. It was also here that he met another valuable mentor, Professor Candace Yano, who encouraged Kim to think big and shoot for the stars. As Kim continued to expand his network at Berkeley, he met people who would eventually become his co-workers and co-founders in future ventures.

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It was also at Berkeley that Kim launched his first startup: a women's fashion company called Francis & Company. Through Francis & Company, Kim and his cofounder strived to offer a lower-cost alternative clothing line to high-end, brand-name clothing. Kim, who was 20 years old at the time, was responsible for the supply chain and business operations of the company. Francis & Company was based in Los Angeles, and Kim went back and forth between Berkeley and Southern California on a weekly basis to balance his startup with schoolwork. Today, he admits that this was one of the factors that led him to leave the company: despite the rewards of running a business, the experience in school was invaluable. While Francis & Company failed in the long run, Kim describes it as "arguably the most valuable life experience I have had."

It was through the founding and ultimate failure of this business that Kim realized the difference between dealing with problems in a controlled, academic environment and the real world. Outside of the classroom, much more was at stake. Risks were higher, and decisions had very real consequences which often impacted the entire company. The experience of Francis & Company also allowed Kim to develop a number of new relationships with both experienced industry workers and executive managers. These relationships would come to be invaluable when he worked on his future startups eCandy and Intellus Learning.

Perhaps Kim's most important takeaway from Francis & Company, however, was the realization that there are several business functions that he was not equipped to handle at the time. Kim realized he lacked a holistic understanding of how to run a company on the business end. If Kim were to venture into entrepreneurship in the future, he understood that he needed a strong foundation in business fundamentals. As a result, Kim pursued investment banking at BancAmerica Robertson Stephens for 2.5 years and consulting at Accenture for 1 year after graduating from Berkeley. These experiences were short but invaluable, because there Kim developed a strong foundation in financial literacy as well as strategic decision making, which positioned him well for the future.

While the failure of Francis & Company served as a wakeup call in many ways, there were also several positive takeaways from the experience. He realized that a substantial failure such as this one is a self-defining experience, and it allowed for more self-reflection and self-awareness for the challenges to come. Most importantly, it took this failure for Kim to understand that "entrepreneurship is not an interest, it is a way of life."

eCandy: Entrepreneurial Beginnings

Following a foray into the corporate sector, Kim realized that neither investment banking or consulting provided the exact career fit that he desired. Looking back, Kim recognized that "entrepreneurs don't fit anywhere; [they're] an oddball," and these two experiences made him realize how much he wanted to be at the heart of a company rather than simply an analyst of the system.

Soon enough, Kim found himself involved in a startup project called eCandy, an online confectionary marketplace.

The idea for eCandy came to Kim and John Hadl, one of Kim's high school friends, over dinner in Los Angeles. During this conversation, both Kim and Hadl became cognizant of the fact that eating candy is an experience that often gets tied to an individual's memories and upbringing, making it a high-impact, emotional consumption product. However, some candies are only available within specific geographical regions, making them inaccessible to many consumers who grew up with them. They had found a pain point. Kim and Hadl then arrived at a defining question to address it: why not make regional candies more accessible to a national consumer base?

Kim and Hadl had many pivots in their quest to address this business opportunity. Originally they started with a more retailer-manufacturer focus by partnering with the largest candy

association and second largest distributor. However, retailers were not informed of the demand for the candy. After starting the venture Kim realized that “you never understand a market until you’re actually in it.” Kim and Hadl were able to grow eCandy to become the one-stop-shop for those looking for a variety of candy distributors. Once eCandy had grown to a substantial size, Kim decided to sell the company because while it had started with three co-founders, it eventually became just him working the entire operation. To take the company to the next level would have been risky, and he wanted to make a decision that would be best for the stakeholders and employees of the company.

In many ways, Kim’s experiences with Francis & Company shaped his journey at eCandy. At Francis & Company, the division of responsibilities between Kim and his co-founder was not clear from the beginning. Kim possessed limited financial knowledge at Francis & Company, which reflected in the poor company financials. Bach then he often ended up with more cash receivables on their books than they actually had cash on hand. In contrast, eCandy was different. Here, Kim took on the role and responsibilities of CEO from day one, carefully scrutinized every investment, and encouraged consistent innovation and excellent product quality. From a technical perspective, Kim established an adherence to lean operations, hypothesis-driven investments, and a more rational sense of when to stop an idea versus when to continue building it.

Looking back on eCandy, Kim understood that “some entrepreneurs have the appetite for ups and downs, while some don’t.” While he accepted the challenge of running eCandy by himself, he learned that, “entrepreneurs mature very fast as they take on more risk and more responsibility.” Kim eventually decided it was time to move on and he sold eCandy.

Course Hero: Intro to Education

In 2008, Kim joined Course Hero as CEO. At the time, Course Hero was a young platform founded by two college-aged co-founders. They were aiming to bring study groups online by providing a place to share academic resources and offering homework help. The way they made Course Hero work is simple: students could upload course content such as notes, presentations, papers, exams, etc. onto the Course Hero site and then navigate it for free or pay a monthly subscription to access the content that has been uploaded.

As CEO, Kim coupled a mission of growing the company while maintaining an efficient system of day-to-day operations. He had the vision of solving student pain points and enabling solutions for higher education. Sourcing from his professional network, Kim brought onboard a cohesive team and within 18 months, they grew Course Hero’s user base from zero to over three million users. However, this success did not come without complications. Professors and administrators of universities raised concerns over the content that was uploaded to the site. Some of these controversies exist to this day.

As Course Hero grew, Kim noticed that the higher education industry had not changed as much as potential allowed. There were still many high-tech resources and solutions that had not been tapped into or utilized to their full capability. Tech offerings were not fully integrated with the education system. The challenges in the education industry were multidimensional, and in 2010 Kim left Course Hero to start his own company. He wanted to focus specifically on higher education and work directly with colleges and universities.

Intellus Learning: A Turning Point

Through his immersion in the educational technology industry, Kim caught on to an astounding inefficiency in higher education. Though the cost of attending college had always been a concern for thousands of students in the United States, financial restrictions placed on many

college students were not limited to tuition and often times also included the cost of textbooks and required readings (see **Exhibit 3: Student Debt Statistics**). Meanwhile, colleges and universities work tirelessly year after year to keep their libraries and academic collections up to date and online. Perhaps there was some way to centralize all the resources available across institutions to address the shortcomings in this existing system.

Kim viewed the underutilization of licensed academic content as an unseen pain point for both the academic institutions and the students that they were serving. In 2012 alone, the National Center for Education Statistics reported that educational institutions collectively spent more than \$1.5 billion on electronic academic publishing, including e-books, journals, and subscription services. Students spent considerable funds to purchase class material that are already legally available through their own academic institution or affiliates. Other times, students chose not to purchase the material, sometimes at the expense of their own academic performance. After much thought, Kim asked himself how one could bridge the gap in this discrepancy.

The answer was Intellus Learning. Founded in 2011, Intellus aggregates available academic material into an online platform for instructors to use (see **Exhibit 4: Intellus Learning: Vision to Reality**). The vision behind the idea was to create a platform on which students and faculty could collaborate in order to meet on-demand student needs. Instructors can easily locate existing publishing through an online categorization methodology which also indicates who the owner of the work is as well as its accessibility to the user. The platform uses a proprietary discovery technology that crawls through various content repositories including Open Education Resources (OER), licensed digital assets, and university-specific resources. The output is an extensive index that instructors can use to share the content with students and create their own lesson plans.

After initially addressing the challenge of accessibility, Kim's team decided to take it a step further. In recent years, several large companies, especially those in the technology space, are placing a heavier emphasis on data analytics and machine learning. Within Intellus, Kim's team saw a fantastic opportunity to customize the user's experience on the platform and allow them to source academic material that is similar in nature to what they are already searching. By offering numerous ways to categorize the resources that are offered by the platform, instructors become better able to supplement their lesson plan on a time efficient basis with a more comprehensive set of academic materials.

Intellus also offers a more personalized experience for the recipients of the platform, namely the students. The platform provides a dashboard that allows instructors to analyze which of the provided resources are most effective for students, as well as the frequency with which students are engaging with certain aspects of the material. Instructors are able to publish their own courses online, which automatically aligns their course content from the site with their teaching objectives. By leveraging user data, Intellus provides a holistic learning platform that is based on the site's collection of academic publishing.

Through Intellus, Kim fulfilled his dream of giving back to his parents with societal benefit. When they came to the United States, they had only their education to help them make a living. Paired with their resilience and care, education had always provided Kim with many of the opportunities that he had in life thus far. Intellus embodies the mentorship and community that had shaped Kim's own educational upbringing, and he had found a way to effectively share these characteristics through an online platform. While his entrepreneurial ventures had previously taken him into the realms of e-commerce, his love for education and helping others had never wavered. His past experiences with Francis & Company, eCandy, and Course Hero had all been a culmination leading up to this latest product. Intellus ultimately offered a way to give something back and establish a forward-thinking community that allowed students and teachers to work together to improve learning within higher education.

Generations

By 2016, Intellus was thriving. The site contained more than 50 million electronic resources, home to the world's largest single collection of all open digital content within academia. The company's proprietary technology platform had been implemented in many college and university systems, including California State University. It had the support of multiple venture capitalists, and up to this point had raised north of \$4 million in funding. Data analytics and insights had become integral within several industries, and the Intellus team was glad to see the data wave take off within the educational sector. Most importantly, unlike his previous ventures, the vision for Intellus to improve the accessibility and affordability of online educational resources and create a community across the stakeholders within higher education had remained intact.

Through the company's most recent string of successes, Intellus had caught the attention of others in the educational technology sector, specifically Macmillan Learning. Macmillan is an educational publishing company that has recently been moving into the crossroads of educational initiatives and technological innovation. By late 2016, Macmillan had approached Intellus with an offer to acquire the company. At first glance, it seemed evident that Macmillan shared a similar vision for improving and finding data driven solutions to improve the opportunities in higher education. As an entrepreneur, Kim never believed that an acquisition was the "ideal" exit strategy. He only knew that he wanted to do what was best for the future of the company, its employees, and its shareholders. Kim knew that he needed to perform more due diligence before deciding.

Like at many points in his life, when faced with a decision, Kim thought of his family. He thought of his parents, and the values of relationships and education that they emphasized through his upbringing. He thought of his children, whom he hoped would one day be the benefactors of a platform such as Intellus. He then thought of his team, who had experienced the highs and lows with him for the past five years. Despite this great opportunity, Kim wondered how a potential acquisition would affect the users of the platform, and those that are closest to him?

While he stood at the crossroad that would once again determine the fate of a company that he built from the ground up, David asked himself the same question he had been asking through his entire entrepreneurial tenure: "What problem do I want to solve?" For years, David had been focused on expanding the accessibility of online academic resources within higher education. To him, learning was a lifelong experience, and the thought of selling his own company that provides a sustainable platform to expand the opportunities for students to learn proved to be difficult. How much had Intellus already done under his leadership to move toward this goal? Could Macmillan offer the required resources and experience to help Intellus move much closer to this vision? If he leaves Intellus at some point, what should be next?

Appendix

Exhibit 1: Personal Values

David J. Kim brings years of experience in entrepreneurship and industry, and credits his endeavors to some of the lessons he learned through adolescence and education. Many of his personal values come from his mentors, whether they were his parents, university instructors, academic peers, or industry professionals. While there is no way to simplify his recipe for success time-after-time, below are a couple of rules that he likes to live by.

The **definition of success** has changed overtime for Kim. Like many individuals, he first defined success externally, by comparing himself to the achievement of others. Today, he defines success through more personal and intangible means, specifically, through a qualitative lens of how his work is impacting other people. This selfless initiative drives many people who devote their time to the education space, and Kim is no different. However, he hopes that the positive impact that he leaves on others, especially his family, is felt generationally. Kim has found a way to do this at the intersection of technological innovation and education.

Kim's advice to the younger generation includes the emphasis on **investing in relationships**. He states that the people involved in his companies, especially at the founding level, were integral to their success, and the focus on personal relationships extends outside the realm of business. Spread your wings as far as possible, but maintain healthy and genuine relationships with other individuals, especially those who are smarter than you are.

Kim also advises to **remain optimistic and somehow exuberant** with anything that you set your mind to. Be ready to work for the things that you want, and don't settle for anything less than the best. While believing in yourself and your work is of equal importance, it's best to understand what you are working toward, and whom you may be affecting through your work. Motivation can come from many sources, but having a clear purpose in who your work has an impact on, including yourself, paired with the mindset to achieve it, will eventually lead to great outcomes.

Having experienced significant failure early on in his entrepreneurial journey, Kim says it is essential to **let your failures help define you, and not let success get to your head**. Failures and successes are both a part of life for a budding entrepreneur. When looking failure in the eye, strive to learn from the experiences that led to it. Understanding what went wrong is crucial. Equally important, however, is building yourself to be capable enough so as to not repeat the same errors in the future. On the other hand, do not be too surprised when you encounter success. Your hard work, dedication, and prior failures led you to that point. As an entrepreneur, you cannot afford to underestimate yourself. Take credit for your success, but do not let it get to your head. One successful project, venture, or exit does not define the entrepreneur's life, nor does it write his legacy. There is always much more to do.

Exhibit 2: David's Timeline to Present Day

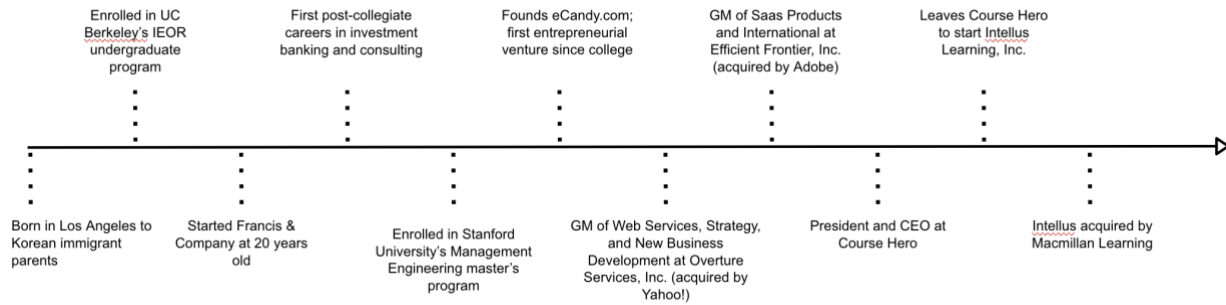
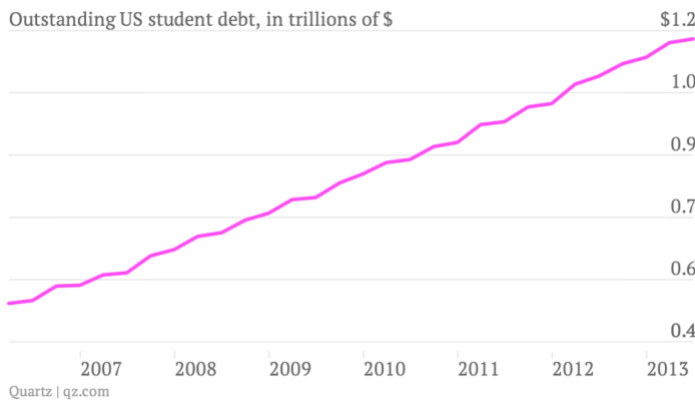


Exhibit 3: Student Debt Statistics



Source: United States Federal Reserve

Student Loan Balance	Number of Borrowers
Less Than \$5,000	8,960,200
\$5,000 - \$10,000	7,740,700
\$10,000 - \$25,000	12,434,400
\$25,000 - \$50,000	8,319,600
\$50,000 - \$75,000	3,341,100
\$75,000 - \$100,000	1,350,800
\$100,000 - \$150,000	1,116,500
\$150,000 - \$200,000	500,400
\$200,000+	415,400

Source: Forbes Magazine

Exhibit 4: Intellus Learning – from Vision to Reality



Source: Intellus Learning website