

URL: <https://stvp.stanford.edu/clips/ideas-matter>

Entrepreneur and investor Chinedu Echeruo explains why building teams and minimum viable products are not entrepreneurial virtues in and of themselves. According to Echeruo, the true source of human capital and potential lies in the ideas that we create.



## Transcript

People often talk about make sure pick an opportunity that you feel like you are the best person to solve and it's certainly great sound advice, but remember that you kind of have a - kind of conflict of interest.. So not only you are the person deciding, who is the best person to build this company, the person is also you.. So our mistake was - so we looked at our team, so I had a finance background, my co-founder, had an operations background, my brother was a securities lawyer.. And on paper it made sense that we would be almost like a perfect team to go solve this problem in Africa.. But in reality what we found was that we didn't really understand the nature of the problem and while it made sense on paper that foreign financial assets should be - you can create a great platform to trade in financial assets.. We didn't understand the kinds of agency issues, we found particularly in Nigeria.. So what we found is that while it made sense to auction your foreign - your foreign reserve efficiently and transparently, as kind of a general market principal, the members, the CFOs, the treasurers of these organizations had their own sort of side deals with the buyers and sellers of these securities.. So we certainly didn't create the kind of liquidity and the adoption we expected.. So there I was kind of essentially broke after Harvard loans and I had to get a job.. I had to get back and pay the rent..

So I knew I didn't want to do investment banking again.. I want to do something more intellectually engage in.. So I decided well I'm going to go work for a hedge fund.. So the first - so it was a financial derivatives hedge fund focused on convertible bonds and kind of credit default swaps.. But that's when I learned what I think is probably the most valuable lesson so far, which is that ideas matter and I - and I think everyone else should take ideas very seriously, because in the financial world you could create financial trade, you can suggest a trade idea that connects millions in a couple of days.. And when you think of yourselves as entrepreneurs, who are creating companies, you almost feel like, well ideas are good, but I need to hire a team, find an MVP, raise capital etcetera.. I'd like to argue that those are literally inefficiencies; they aren't virtues in and of themselves and that the true source of human capital and potential is in the ideas you come up with...