



Boston College Graduate School Commencement (Rudy Garza)

May 19th, 2014

Welcome Boston College Graduate School Class of 2014, family and friends. This is a joyous occasion and you should be so proud of your accomplishments.

The energy in this city, on this campus and here at this ceremony is fantastic! People say Boston Strong and I can look out and see and feel Boston strong here today! This is an amazing lifelong memory for us both!

Today I am here to have a conversation with you; share some advice and stories for you to consider as you leave here today.

I recommend four lifelong takeaways:

1. Mentor well (find recognize special mentors)
2. Put skin on your knowledge (follow your passions/pursue your goals)
3. Recognize opportunity (amazing times to pursue excellence with the intent of bettering yourself to better others)
4. Find your Meta10 (**reinvent yourself every 10 years)

The first thing you need to know about me is that I am a Christian man, a believer, a seeker and that I wish great joy, grace and prosperity in life for each of you.

I am also abundantly blessed to have married the woman of my dreams, the mother of my two children and my closest confidant. Theresa I love you dearly and you are the light of love, hope and joy that shines in my heart.

You just heard about the first generation entrepreneur in my introduction. The second generation entrepreneur involves both my parents, two incredible people who happen to be the best mentors I have ever had.

S. A. Garza Engineers story:

When my two older sisters and I were still young my father had been working at an engineering company for several years when the owner told him that he would become a partner upon completion of his current engineering project. Upon completion his project, my father approached the owner who said he had changed

his mind and was not going to make him a partner. So my father thought about it and returned to the owner and gave him 3 months notice so that he could do an orderly wind down of the other projects he was working on-to which the owner quickly responded you don't need 3-months you can leave right now. It was this crisis that started my mentor experience.

So with 3 kids and no job he went home to tell my mom. He had personally purchased a ticket to attend a big engineering conference in North Carolina so to add insult to injury he told my mom he was laid off and to pack because they were going to North Carolina to a conference that his prior company was not going to pay for and which would cost them real money in 1962 dollars. He convinced her to go and at the conference as a result of good grace and serendipity he landed a \$50,000 project which seeded his engineering firm.

His first contract in hand was a tall order: the site civil work for a federal prison with a very tight delivery schedule. It took a community effort to launch the family business: one of my father's friends loaned him some office furniture, another friend provided him office space for free for the first few months until his project began to cash flow. And for me, seeing the community of friends and business people come together to help my dad start his business left a powerful impression on me about the grace a community will share to help people start businesses.

Sleeping under his drafting table late nights when both my parents were working at the office in order to meet project deadlines showed me what making a commitment and keeping a commitment means for a Startup team-witnessing their tireless work ethic was a great lesson and an inspiration.

For me, learning how to compete for and win multi-million dollar projects by collaborating with the best engineering firms in the country like Camp, Dresser, McKee; Brown and Root and others was a lesson in assembling world class engineering teams.

Delivering winning presentations of how to accomplish highly complex design projects taught me sales and; of course once you win these projects you have to design and build them on time and within budget.

The family business was where I worked and learned many life lessons about business: like being the junior high janitor and paying your dues, cutting brush working on a surveying crew and appreciating the demanding physical labor of our crews, collecting accounts receivables to understand human nature and judge character; and, later upon completing my undergraduate degree in business- then working with talented engineers and managing projects and budgets to learn financial responsibility. Post, MBA I was tasked with raising capital and experienced firsthand what it was like to finance a business by courting strategic investors and raising money.

Early on I was blessed to have some of the best mentors possible; ones who were committed to the same goals and who had my best interests at heart--my parents. It's a rare case that my most valuable mentors were my mother and father, and so for your consideration I've prepared my checklist for excellent mentors.

I firmly believe that wise and thoughtful mentorship over time will make monumental differences in the choices you will make over the course of your business career and life. It has in mine-and by the way I am always adding mentors.

I personally believe it is **crucial** to your future to find and recruit mentors who are:

- Rational in a crisis
- Encouraging and relatable
- Talented and respectful
- Well-connected in their field
- Reflective in tactics, and
- Admirable in strategy

You want someone who will mentor well, in a holistic way that enables your life long success.

Pause.... Next I want to give you an example of what I mean when I say: Put skin on your knowledge; it relates to pursuing your passion.

Here is how I hope to put skin on my knowledge. Coming from two generations of entrepreneurs, working in a family business for 13 years operating a business, raising capital and completing the exit of the family business engrained a deep sense of understanding, compassion and justice as an entrepreneur investor for entrepreneurs.

My parent's mentorship made me naturally more community-oriented and human centric. Today with over 17 years of Venture Capital experience, multiple syndications with other top tier venture firms and exits to name brand technology companies, I am advocating a vision of a more virtuous sourcing cycle for industry, entrepreneurs, universities, investors and talent via our G-51 Venture Scholars Program.

I am putting skin on my knowledge by working to create a better way to help those seeking the American dream and those jumping into startups.

I started the G51 Venture Scholars program in 2001 when the Dean at the University of Texas Business School asked me to consider bringing in MBA students to learn about private equity and venture capital. Then one of our investors who was part of the founding team at Perot Systems asked if I would add the Baylor University program where he received his MBA; then one of our CEO's who received his MBA from Duke made the same request-you see,... sometimes market pull is the best indicator of promising initiatives.

I slowly began to realize that the sum is greater than its parts, and that my part as an investor was not going to make the impact that my part as the network builder would have on the Innovation and entrepreneurial landscape. As someone who understands the businesses in a vast economic and financial network; I know there is more we can do to accelerate job creation through innovation and entrepreneurship.

Along the way a friend gave me a book titled: "The Coming Job Wars," by James Clifton. His thesis is that if we connect the top 100 universities located in the top 100 cities for business that the network effect can boost GDP between 30-40%. His message resonated with me so I challenged one of our students to connect us with Jim Clifton who is the Chairman of Gallup International. In our conference call with Mr. Clifton, we learned he is deeply interested in and committed to finding the key success markers of exceptionally high potential entrepreneurs in elementary, junior high and high school and he hopes to be able to match those young people with mentors who will enable world changing results.

While the level of impact on GDP from a national network effect is debatable- the positive correlation between..." connecting those in need-with those who can help them to make the world a better place remains undisputed.

Mr. Clifton's idea lit a spark for me to thoughtfully launch the G-51 Venture Scholars program, which began domestically, and will soon grow internationally. Our team identified the Top 20 graduate school programs located in the top cities for business domestically.

In practice, the G -51 Venture Scholars Program is a Startup immersion platform providing students with real world knowledge and experience or what I call "reality education". It's where a student's direct communication, review, analysis and assistance to Startups; combined with our internal professional investors and academic sponsor input can help generate the next billion dollar startup success! Once a month our students experience their Shark Tank moment when they present their assigned companies to MBA cohorts and investment professionals. In this environment students take great pride in delivering thorough presentations for startups they are passionate about. It is where students fall in love with founders, new technology, new markets and the art of funding the launch of a new opportunity.

We aspire to speed up the Network effect domestically and globally to enable our goal of enabling the creation of one million jobs. When our students graduate they have access to our alumni network of around 175 young executives working across the country at top firms and Startups.

Our review teams help refer promising Startups to a variety of sources for funding, advice and mentoring from friends of our firm including: incubators, angel groups, micro VC's or crowd funding platforms, traditional venture capital firms and potential industry partners. Graduates-This is how we are putting skin on our knowledge!

So how did I connect to Boston College? In 2011, an extended family cousin, Darragh Houlihan was working at Boston College and introduced me to Professor Greg Stoller who convinced the Dean to open up collaboration between my firm and the Boston College Carroll School of Management.

Ever since that initial meeting we have enjoyed learning together and working with exceptional students. We have developed wonderful lifelong friends and colleagues who I expect to see speaking here in the future.

Participants in our program graduating today are: Khanh Ngo, Derek MacCormack, Nathan Sterner and Ming Zong.

Our BC alumni are now working with a range of fascinating people and terrific companies like Mark Cuban from Shark Tank, to Startups and leading Financial Services companies involved in Private Equity and Global Markets.

Boston College is helping to turn this vision into reality for their students and for the greater good for all. It is neither quick to start nor easy to scale a market-place platform with the stakeholders in our sphere of opportunity. However, I am convinced that in developing both a national and global Venture Scholars platform we will successfully enable thousands of businesses over the next 20 years to positively influence the creation

of a million jobs.

So now let me paint the American Startup Landscape for you:

According to recent reports each year there are approximately 30-40,000 concepts or ideas where Founders are still in day jobs, applying to accelerators, and working on Minimum Viable Product prototypes, University Projects or Bootstrapped firms.

In about half of those or around 20,000 groups; the Founders quit their day jobs and begin presenting at demo days, pitching to angel groups and may have teams of 2-5 people. In those Startups **Avg. enterprise value ~\$5M**

And finally out of the 20,000 about 1500 companies receive funding from traditional venture capital firms, established a board of directors, become revenue generating and build larger teams with an **Avg. acquisition value ~\$106M¹**

But between the Startup development stages there is an awful lot of missed opportunity for industry to identify disruptive technology earlier - enabling partnering, tech transfer, strategic investment and potential acquisitions. In 2013 roughly 1 out of every 5 venture funded investments had corporate venture capital investor. Networking with industry and providing a lens to much earlier stage companies than what investment bankers typically bring them will enable more industry investment and participation with earlier stage companies and speed up the national network effect.

Recognize Opportunity-A startup story:

Sometimes amazing opportunities are right in front of our faces but it takes someone special who can both recognize the opportunity and execute on realizing the vision.

Juan Rodriguez is the founder of one of our portfolio companies named KleverLogic. He launched a product called FlashValet in Austin. He came to meet me at a Startup function where I was speaking; he is a fit clean shaven young man and is skilled in logistic technologies from his military service. He told me he had a mobile app called FlashValet which allows mobile users to text for their car when they are ready. When you park; a valet will give you a ticket for your car; and on the ticket there is a number to text or a QR code you can scan that will take you through the process to retrieve your car.

He recognized the opportunity..... it was aligned with his personal background and expertise and he turned a simple concept into a real business.

We spent a couple of months getting to know each other, and at the time the app was in use for parking 2-3000 cars per month. Our review recognized the opportunity of a highly talented team in a deeply underserved and neglected market-Parking.

With around \$1 million dollars in funding and in 24 months time; this capital efficient team of 5 people has launched the product nationally, and is currently parking close to 500,000 cars a month. The company has already received initial acquisition offers. Here in Boston you will find it in use at the Fairmont Hotel Battery Warf, Commonwealth Hotel, Ruth Chris Steak House, The Capital Grille, Fogo de Chao and other locations. So if you want the convenience of avoiding long lines, rain, snow and the polar vortex ask your favorite restaurants, hotels, hospitals or condo projects to implement the FlashValet solution.

Our belief is that in past 24 months with a \$1 million dollar investment this startup has created somewhere in the neighborhood of \$15 to \$20 million dollars of enterprise value with a team of 5!

I've heard it said, to encourage is to breathe courage into another, and that is what I want for you today- I want to breath courage into the sail of each of you. Recognize opportunity and pursue life changing initiatives.

Now let's talk about Meta 10:

Just as business changes emerge, Life changes will also happen, and you need to be aware those changes. Great successes and great crises can both present amazing opportunities.

I have a dear friend, Dr. Bob Metcalfe, who received several degrees from universities here in Boston, he invented the Ethernet, is the founder of 3COM, and a past general partner at Polaris Venture Partners.

I happened to sit next to him at a venture capital conference in 2010 where he looked at me and my name tag and said," Rudy Garza-you are from Austin Texas. I reinvent myself every ten years and I am going Meta on innovation! The University of Texas at Austin is one of two locations where I am interested in spending the next ten years of my life!" So I looked at him and said, "Bob, you don't know this-but I am the President of the University of Texas Exes Alumni association, and I am probably one of the only guys that can make that happen!" 4 months later, via great work from the Dean of Engineering, Bob was the Professor of Innovation at the University of Texas Engineering school and we have been wonderful friends ever since.

Bob's comment, "I reinvent myself every ten years," really caused me pause to think about what I wanted to do the next ten years of my life; in my faith, in my career, with my family: parents, wife, children and siblings.

Bob's comment caused me to reflect thoughtfully about segmenting general life aspirations and matching them with the natural life challenges that we all face.

These reflections energized my spirit to deeply question what I do and how I do it - to match a ten year horizon.

As you can probably tell, I am moving into my next 10 years and going Meta on a national and global network effect to spur innovation and enable job creation for a million jobs.

I believe breaking your career and life into ten year meta initiatives and then setting goals and tracking those goals every year has the power to drive phenomenal success and help avoid phenomenal failures. I implore you to adopt your ten year Meta today! Think about it: What is your Meta 10!

Use this next decade to become an expert in your field, or to develop the vision for your life's trajectory. Utilize your passions and your ambition to craft a decade filled with: The Spirit of Faith & Humanity; A Magnificent Scope of Understanding and Infinitely Escalated Joy!

Tomorrow you will wake up a graduate! Tomorrow you begin applying your current scope of understanding, and my hope for each of you is that you will nurture and grow ***a magnificent*** scope of understanding.

I expect you to measure success by your prosperity; you alone can define what will make you a thoughtful and prosperous person. Don't just manage life; master joy.

Let the sacrifices you and your families have made to get you here today be reminders for you to discipline your breadth of intellect with sweetness and humanity, and a spirit of wanting to help. Work all levels of culture because excellence happens at all levels of culture.

You are graduating at a time like no other-we are in a period of technology renaissance when market adoption and value creation is happening faster than any time in the history of business.

Congratulations on your excellent academic accomplishments! Thank you for the opportunity to speak to you today-Good luck and God bless Boston and God bless America!