

The Blue Screen of Death

A desi's misadventure in the land of opportunity.



A book on failure by
Jawwad Ahmed Farid

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**A Desi's Misadventure in the Land
of Opportunity**

Jawwad Ahmed Farid

MBA, Columbia Business School
Fellow Society of Actuaries
BCS, FAST ICS

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“Behind every successful man is a penniless wife.”

Dedications

To loser husbands and loving wives;

To Fawzia for saying yes;

To my Ammi(s) for their support and prayers;

To Abba for believing in us despite our failures;

To Whitney, Biggadike and Ken for asking "Why not?";

To Sarwar and Denise for Avicena.

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Author Note

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During my earlier academic and professional life in Pakistan, I never thought I was destined for an MBA at an Ivy League school, that I would take the plunge into Startup Land, or that I would fail miserably at a number of attempts to earn a living by cutting myself a check.

To a significant extent, these thoughts had been reinforced by my father's experiences as an entrepreneur. His choice of livelihood left two strong but conflicting impressions on my young mind. First, working for himself afforded him a degree of personal, professional, and financial flexibility that everyone envied. Unfortunately, the downside was the unpredictable schedule of his income stream that at times left my family wondering whether we would be better off with regular paychecks. As an adult, putting my academic and professional training to use in earning a paycheck signed by someone else became my first goal; risking guaranteed pay through self-employment just wasn't kosher.

After paying my college dues and successfully handling the challenges facing a young and rising consultant, I thought I was well on my way to securing that goal for life. With a bachelor's degree in computer science and an ASA from the Society of Actuaries (Associate of Society of Actuaries) under my belt, there were

still a number of milestones to be reached on my career calendar, but the path and the pace were both right. I was on the coveted partnership track with my firm, managed a team of 13 professionals generating three times their gross and overhead expenses, and ran a portfolio of eight international clients that kept coming back with repeat business. For someone a few years out of school, I was quite happy and satisfied with the direction my life was taking.

In March 1997, a combination of events changed all that. The first was the acceptance of Nida, my younger sister, to MIT, Harvard, Caltech, and Cornell after her A levels (University of Cambridge equivalent of high school). MIT and Harvard gave her fully funded offers to complete four-year degrees in Boston. My family and I found out one fine morning at 4:00 a.m., when Nida woke all of us up by banging on our doors and jumping up and down with an athletic ability that had not been witnessed before in our family. This was the first hint of something in our shared gene pool that suggested an intellectual profile suitable to attending a school with the right pedigree in the United States.

Soon after Nida's multiple acceptances came a chance meeting with a friend who thought that armed with an Ivy League MBA, there was a higher path way above the one that I was currently on which could be explored even

though I planned to return to Pakistan after graduation.

As it happens with destiny, this bit of inspiration (Nida) and bit of greed (friend) was followed by conflicting advice from two elderly individuals I respected. The first person confirmed that a top-ranked MBA would open doors that I was not privy to in my sheltered existence and the second vehemently denied the possibility of any such rumors. When I look back now, I think the denial sealed it. Take a 26-year-old, driven, alpha male, first tell him that professional paradise exists on the other side of the door, then tell him there is no door and then watch.

The door that I opened took me to Columbia Business School and beyond. Did I find professional paradise? I don't know. I went looking for answers to questions and found more difficult questions; there were no easy answers. Which is one way of presenting this book—this book is not about answers, quick, easy, or otherwise. It doesn't document a sure-fire way to succeed or fail, get rich or famous. It tells the story of my life as it happened, circa 1999-2006. Seven years that marked a full circle of dumping a sizable paycheck, family, and familiarity; moving to London; working for Goldman Sachs; starting the MBA at Columbia; living on campus two streets short of Harlem; having a blast writing "the business plan"; picking uncertainty over routine; escaping to California; burying

ventures number one, two, and three; returning to family and familiarity; and repeat. Nothing too profound, deep, or insightful, just the stuff life, not dreams, is made of.

Why the book? Well, every other week I meet someone who has an interest in my past because he or she is planning to start something of their own and would love to have a roadmap or a cheat sheet. Rather than handing out informal advice distilled on the spot, I thought insights collected in moments snatched from sleep, work, travel, family, and boredom would be far more reliable.

I didn't want to write a prescriptive text since instructions never did me any good. You have to follow them, which is something I am not good at. So I chose the next best thing and wrote a descriptive one. Many such tomes are dedicated to success, money, networks, connections, and ambitious teams of professionals who could. This one focuses on one who couldn't.

Just as in the first book I read where the hero actually died and was not miraculously resurrected (William Goldman's *Marathon Man*¹), I wanted to tell the real story. Not like a bad B movie held together by a collage of borrowed

¹ William Goldman sold out and did just that in *Brothers*, the sequel to *Marathon Man* in which Scylla is whisked off the scene of his death and given a new life.

and unlikely plots, but like old love letters drawn from forgotten recesses of our lives.

The love letters were a problem. Five moves in five years had taken their toll in the form of misplaced diaries, storage boxes, and lives. The only constant was data backup. I couldn't do love letters, but I could certainly do emails; emails extracted from computer backups done in the last days of rushed moves in London, New York, southern California, northern Virginia, and Karachi. With the help of a little context, I have used these emails to tell the Avicena story my way—not in words but in bits—some random, some deliberate. My hope is that these choice morsels will help reconstruct in your mind the setting in which they were originally written.

That is just Book One. In Book Two, I take the material and mix and match it with lessons that I have learned, my list of "do not do's". If you hate emails, feel free to skip Book One and go straight to Book Two. If you ever find yourself wondering how and where I came up with a lesson in Book Two, head back to the emails and try to figure out exactly where the lesson was learned. If you hate circular references² in Excel or oblique treasure hunts, this book is probably not for you.

² A refers to B, B refers to A, you need both to find out A and B's value.

If you are truly lost, the appendices at the end of the book will help you get your bearings with respect to characters, timelines and lessons.

Penning this tale has been great therapy. It finally helped me come to terms with my personal failure, allowed me to review days past with a more disinterested pair of eyes, and chalked out the path for a new adventure that has now become Alchemy (www.alchemya.com).

Alchemy is an Enterprise Risk advisory firm that has grown annually by more than a hundred percent year-on-year for the last three years and is on track to beat that performance again in our fourth year³. Where my earlier failed ventures never reached revenues nor paying customers, Alchemy has already crossed an annualized revenue run rate of eighteen million rupees, picked up two industry and peer awards, employs 25 people and in the list of its 35 customers counts the central bank of Pakistan, the largest life insurance company, the largest brokerage house, three of the five largest bank treasuries as well as two ten billion dollar regional banks. In terms of market share Alchemy customers represent more than 75% of banking and 80% of insurance assets in Pakistan. Without putting to work lessons that were learned from earlier failures and

³ Yearly gross revenue growth rates - 1000% year 2, 123% year 3, 216% year 4.

reinforced while writing this book, this would not be possible.

A number of people, friends and family primarily, paid for this joyride. Simple words will never be enough to thank them for their generosity, understanding, sacrifices and support over the last three and a half decades. Rather than naming them one by one, I would just like to say thank you to all of you who have pushed me when I was ready to quit and asked me to step back when I was set to die trying.

Jawwad Ahmed Farid

06th April 2006

Karachi, Pakistan.

Chapter Zero

.....

"Is that what they are teaching at business school these days? To walk away from a shot at a few hundred million for seventy thousand after taxes?"

You have never met Sarwar. Sarwar to friends, SM to partners and clients, Mr. Mushtaq to others. Direct and curt now, attentive and charming a few seconds later. You could predict high tides and phases of the moon, but you could never tell where you stood with him. Take an artist, throw in the right mix of eye, moods, controversy, awkwardness, conflict, and color and you will have Sarwar.

With an aura of mystique and a hint of mischief in his voice, he loved throwing challenges at unsuspecting audiences. The wiser ones walked away; the less fortunate took the bait. I am not sure if it was wisdom, fortune, or the absence of both that led to the conversation we had just finished. Looking back, I know that the book that follows would never have been written if either had prevailed.

The shot at a few hundred million was a business plan that had been written, tested, and put aside. My group had gotten a decent

grade on the class project, which was the first warning sign. In a world of contrarian successes, any project that garners more than a C should be interpreted as a failure. In our infinite wisdom, we had shelved it because every member of the original team who had touched the plan had chosen certainty over ambition. Arno was off to CSFB in London, Ken to Hudson River Inlay, Kamar to BCG in Boston, Jun to Korea, and Daniel to the public policy school down the street.

As for me, the seventy thousand after taxes were two offers, one in New York City, the other in Tampa, Florida. I had been a conformist most of my life, the guy who wanted to belong, be liked, and who always did the safe thing. Until, that is, Sarwar decided to play truth and dare. The odyssey that began with his words took us across the Pacific, the Atlantic, and back; put us in the boardrooms of the third largest bank and the most admired automobile manufacturer on the planet; and made Yahoo and Reuters call us the same day my apartment owner placed an eviction notice outside my door. It also taught me something much more important—the wisdom of walking away, both from kingdoms in our minds and from each other.

They say God fashioned paradise after California, which is where I left Sarwar a year and a half later for exactly \$68,400 after taxes. I left because it was time to say good-bye. This was one thing they had taught well at

Columbia: firm handshake and don't forget to send a thank-you note later. There were no cherry trees, sunny afternoons, or old friends at the last rites. I went to the gym, swam a few laps, and when I came back it was over. I had washed myself clean of the spirit, doubts, and heartbreak. Only debts remained.

An awkward conversation with SM and Denise started the disengagement process. He drove me out to Dana Point just past the Ritz at Laguna Niguel. A short hop down steep, creeper-lined stairs and we were on a beach that was just a shade lighter than the mess we were in. We walked, listened to the sea breeze, enjoyed the sunshine, and talked. The Pacific watched us silently as we chatted about why, why not, faith, and our place in the lives that we had put on hold beneath the Californian sky. It didn't help. I didn't have the answers he needed; he didn't know the questions I was answering.

This is our story. There are no happy endings at the end of this book. Avicena was dead; long live Avicena!

Chapter One - Who am I and why did I write this book?

.....

I was born in Karachi⁴ but spent every other summer in Bombay. Neither of the twin cities could survive two consecutive summers of my loving attention. I still refer to myself as a *Bombaywala* (meaning *from Bombay*) first and a Karachiite second. Bombay, after my refusal to cease and desist from using this unsanctioned affiliation, switched to the name Mumbai.

At the impressionable age of 14, I found myself working as an intern in a high-tech startup named Next Hardware Shop. There was active debate on whether it was Sarwar or Steve Jobs who came up with the name first and who should sue whom. All the more so because Sarwar's Next sold and repaired Apple computers in Pakistan⁵. Before long, it really didn't matter since both Nexts first slipped into disrepair and then obscurity.

⁴ The commercial capital of Pakistan, Karachi boasts a population of 15 million and a cosmopolitan mix of souls who are at each others' throats more often than not.

⁵ In the mid eighties, with the bleeding edge defined by 4.7 Mhz personal computers, repairing Macs off Zamzama in Karachi was as hightech as hightech could get.

It was at Next that I set the precedent for the rest of my life—blowing up power supplies and writing off expensive and (then) rare portable computers. Within a few days of my arrival, I was banished from the organization's workshop and all things electrical. Over the next two decades my family and friends added to this "can't-touch-this"⁶ list plastic (bags, wrappers, Ziploc and the spending friendly kind), plumbing, driving, baby sitting, real work, and the ability to earn a living.

Years of sloth and an inability to make quick decisions ultimately presented me with a career choice between software engineering or actuarial sciences. I failed to pick either one in time and had to opt for both. This profound combination led to a calling devoted to building really bad actuarial software, followed by equally disastrous attempts to sell the same. Somewhere along this path, I managed to pick up an FSA (Fellow Society of Actuaries) designation and an MBA from Columbia Business School (the one in New York) and decided to step out into the real world on my own.

My international career began with a talent for getting lost in London (first), Boston (next), and Washington D.C. (last) on cold and wet

⁶ Immediate family members on my ability to deal with plastic: "You can't ask Jawwad to do anything with plastic since he is hopeless with it. We can't even understand what Columbia saw in him or how he even survived London, New York, California and Virginia".

winter evenings. This was balanced by a similar talent for getting lost in Jeddah (first), Dubai (next), and Riyadh (last) on hot and humid summer nights. Along with my adventures, I discovered mismanagement, late deliveries, budget over-runs, all-nighters, personality conflicts, Mountain Dew, nachos, Bob Seger, 10-speed bikes, Costco, credit cards, midlife crises, Pacific Coast Highway, working with family, and bugs that defied pesticides and all known laws of physics, biology, and chemistry. I also lost the equivalent of my forefathers' combined lifetime earnings in less than a year and topped this dubious distinction by quickly borrowing and then repeatedly losing similarly enormous amounts within progressively shorter intervals.

In the hope that my children may someday learn from their father's misadventure and that my friends, family, and parents may forgive me for my displays of greed, ignorance, arrogance, selfishness, anger, and quite often just plain bad manners, I wrote this book. In step with my character, I expect everyone to pick up a few copies and pay for them. Random strangers are excluded from this condition but their compliance would still be appreciated.

And now for the official reasons:

Ideas for a new venture arrive with a moment of blinding insight. Some start as accidents; others take us years of wandering effort to gel the real concept into shape. Regardless of the cause, for most new ventures, the flash of inspiration is followed by a downhill journey that fades into insignificance. It is a rare venture whose original vision and potential are fully realized.

Why is that? Unlike parenthood, there is no paternal instinct that guides us in nurturing and growing young businesses. Beyond the missing paternal instinct, there is an observable pattern of repeated fatalistic behavior that indicates failure is neither well documented nor well understood.

My fascination with failure has now spanned 15 years - years spent with new ventures in some shape or form, be it as intern, employee, consultant, customer, vendor, owner, investor, student, mentor, or innocent bystander. And I found the same parallels in every domain: risk management, insurance, counseling, consulting, offshore outsourcing, e-education, capacity building, training, technology, and financial services. Yet most contemporary literature that I came across focused on Dos. I have been hard-pressed to find good material on Don'ts.

Attitudes, helpful hints, practical and impractical advice about money, products, customers, employees—you name it and someone took the time to write about the right way of doing it.

What about the wrong way? Every time I went down in flames, I would have appreciated something along the lines of "break this and follow instructions in case of an emergency." Post failures, rather than reading about successes, as a therapeutic exercise I would have loved to read about other failures. After burning through three years of my life and savings and money that I didn't have, I didn't want to read about the ones who got away. I wanted to read about the ones who didn't, the losers who proved that I wasn't the only one. Even during the in-between years when I was a regular wage earner, just plain simple morbid fascination would make me pick up the lone book on failure among shelves stacked with secrets of business success at the local Borders store.

On a personal and religious level, I believe that the one thing we sorely need is good commentary on sure-fire ways to fail. Our desire to compete and succeed is the root cause of all evil (imagine this delivered in a non-evangelical tone with just the right hint of madness in the eyes). A dash of failure every now and then will do all of us a world of good. For one, it is far easier to find God or the equivalent spiritual deity when you are down, lost, and confused as compared to when you are

busy celebrating victory. For another, failure, with the comparative isolation that it brings, is a great time to re-examine your life and to decide if this is what you want out of it. A total system reboot is also a good opportunity to take an inventory of your resolve, your commitment, and your drive to succeed.

For most of us, failure represents the stuff of nightmares. What will happen when there is no money in the bank account? If I miss my credit-card payments? How will I make payroll or even rent this month? What do I tell my employees on the first of the month? Who will cover the bills? School fees and day care, insurance premiums, milk⁷? When will they cutoff electricity, phone, natural gas and water⁸? How bad is that eviction notice?

⁷ Somehow there is always a way to pawn sources of caffeine, nicotine and other satanic vices, so you shouldn't worry about those.

⁸ Just for the record, if you are short on cash, pay your telephone bills because the Bells (PTCL in Pakistan) are a real pain in cutting off your phone. They are not super efficient; they can just do it electronically. Electricity, water and natural gas you can skip. The last three utilities are far more polite than your local telco provider. The politer ones will first show an outstanding balance in your bill (one month's grace, no rude reminders), then show another outstanding in your bill (two month's grace, still no rude reminders) and then finally send a pay up or we will disconnect notice. You might be able to stretch the notice for a few more days or weeks depending on the size of your city and state. I have only tried this in California, Virginia and Karachi, but I would hazard a guess that you should see similar patterns elsewhere. The only exception to the above would be if the Mafia (Italian, Russian or Chechen) is running utilities in your town.

Is it really that bad? With apologies to Emilio Estevez, Billy the kid, Bob Segar and Warner Brothers, “Why don’t you turn the page and find out?”

Avicena Timelines

Avicena Timelines May 1999 – Sep 2000



