



STARTUPSOURCE

Brought to you by Aird & Berlis LLP

STARTUPSOURCE.ca

Featured Interview – Tim Wootton, CEO & Founder of Rover Parking

By **Rebecca Kacaba and Amy Marcen-Gaudaur***

We sat down with Tim Wootton, founder of [Rover Parking](#), to talk about what it takes to launch a successful startup in Toronto. Rover Parking is an innovative new app that brings peer-to-peer to the parking industry.

Read Tim's thoughts on mitigating the development process, taking a strategic approach to financing and finding a place in the burgeoning Toronto startup scene...

Tell us about Rover Parking.

The concept is simple: it's basically airBNB for parking. If you have a parking spot that you don't use, the app lets you rent it out. If you are looking for a parking spot, the app helps you find one. The idea is to provide a new supply of easy to find and inexpensive parking. It's peer-to-peer and entirely mobile based.

The idea came to me in a somewhat random way. After finishing my MBA, my first real experience with startups was working for a company named CanFocus, which was a workplace productivity solution. That was essentially a crash course in startups, which was incredible. I was dealing with legal issues, raising money, doing a kickstarter campaign and going out and trying to sell a product that had no brand awareness.

With that experience behind me, I really wanted to start something of my own. I spent a lot of time searching for a concept, and then suddenly this idea came to me at 2 a.m. one morning. That was almost one year ago.

What's the business model? How did you decide on it?

I knew the business models that I didn't like, and eliminated those options from the beginning. I personally am not a huge fan of the advertisement model based on number of users. While there is certainly a big place for it and it will likely be a component of my business model eventually, I did not want to start a company that entirely relied on ad revenue or big data.

I loved the Uber and airBNB business models. They take a cut of every transaction, making dollars from day one. When I was searching for a concept, I approached it from the angle of considering which industry could handle a similar business model. Uber took it to the taxi industry, which hadn't changed in years, and airBNB took it to the hotel industry, which had changed in terms of how people book hotels but not with regard to the actual supply. When I finally came up with the idea of parking, I knew there was a gap in the market. I knew it would work.

Once you had a concept, what was the next step?

The first thing I did was talk to as many people as possible. In my opinion there is a common misperception that you should guard your idea, which I believe to be wrong. From my perspective, if you never share your idea you'll never know whether people like or want what you are about to create. Use common sense, don't share your idea with a stranger who might have a fully assembled development team ready to take your idea and run. But definitely talk to family, friends, mentors and industry experts right away to get an idea for

the appetite your product could bring. People can always copy you, but they probably won't, nobody has the time! Regardless, it's great motivation to get to market faster.

Did you even feel the need to have people sign a non-disclosure agreement?

It depends who you are talking to. If you are having what I call "discovery meetings" where you are trying to determine if you have a product market fit, then you don't want to ask someone to sign an NDA – they will think you are nuts. If you are talking to development firms, potential partners or VCs I would suggest that you get an NDA signed. However don't let this slow you down or scare you. Your goal at this point is still to get the product to market!

Describe the development process.

Development has been one of the biggest challenges so far. I have one tech co-founder, Andrew Holbrook, which is essential in a technology company. Andrew did all the server-side work, which is the main logic and foundation of your technology, so you need to make sure you have someone very capable. I would also suggest trying to find someone in your city. While Skype is a great tool, nothing beats sitting in a room together.

For the front-end I contracted out and this was a challenge, but in the end we found a fantastic company in Toronto called [The BHouse](#). Satraj and Megha were able to bring our product to life and they were great to work with.

How did you find developers?

Finding a good developer is key. You need to find someone you trust, then stick with them or fire them fast.

I'm on my fourth development company right now. I started in Canada with a great firm, but it was too expensive. I then outsourced to India, which turned out to be a very difficult process for a number of reasons, the main being they had a very hard time working with the back-end (server) that they didn't design. This caused a lot of problems and eventually led to me firing them. I spent about five months working with them, and really should have spent 2 weeks.

As a founder, you really need to have at least one internal tech. If you outsource everything to a contractor, you lose too much control.

Today, a good tech developer is hard to come by if you don't have the funds to pay. The best way to find one is really just through referrals, and by pitching a great product and an equity deal that makes sense.

Tell us about the decision to stay in Toronto; was it natural or strategic?

I live in Toronto, so that's certainly part of it. It makes it easier to get out on the ground floor, to go and talk to people who would potentially be interested in listing their parking spots on the app. But I definitely considered going somewhere else. I wanted to stay in Canada, but I looked at a lot of other cities to find the best fit.

Toronto has a burgeoning tech scene, not to mention a lot of parking problems. It's also a very affluent city where almost everyone has an iPhone or Android. Those factors make it the ideal test market for us. That's why I decided to stay.

What makes Toronto's tech scene stand out?

There are so many resources and so much support for tech startups here. Ryerson's Digital Media Zone, MaRs and Communitel are all great examples. After finishing my last startup project, I worked out of the DMZ for a while. It was amazing to see so many startups and different business models, and to see so many people excited about what's happening in tech right now.

Toronto is a city that needs innovation and is ready to grasp it. Toronto is also launching an initiative called "Digitize Main Street," and West Queen West is the pilot. The goal is to give store fronts a chance to compete with online sales through an app that advertises deals in your area.

How have you financed the company so far?

We are entirely self-funded at this point. We've been bootstrapping, and have luckily been able to keep it pretty lean. Without salaries, the burn rate remains relatively low. Most spending is put towards development and marketing. Legal and insurance are also very important, and most of these services are also now offering start-up packages in order to try and attract early-stage tech companies.

Tell us about your fundraising plan.

We want to prove that the model works after we launch in Toronto this month. If it works we will want to scale fast, which will require outside financing. We will probably do a friends and family round first, and then go to angels. We chose to hold off on raising capital for several reasons. One being that it's a full-time job on top of running your start-up. And second, because we want to prove the model first.

In the end, the decision comes down to why you are doing this. It's extremely important to know your goals from the beginning. Ask yourself whether you are building to exit or

planning on keeping control for a long time. That can affect the decisions you make along the way.

If you had the opportunity to build the company over again, would you do anything differently?

The biggest mistake we made was staying with the wrong development company for so long. If I could go back and change that, we would probably be at market already. Our biggest mistake was not firing them sooner.

What are some other 'traps' that startups fall into?

Founders tend to put blinders on when dealing with equity. I'm of the opinion that I would rather have a smaller piece of something successful than 100% of nothing. It is hard to give up equity in something you have started, but you can't do it alone. You need to be aware enough to understand where you need help, and then you need to be able to fill those gaps.

Another trap is getting caught up in building too many features from the beginning. The best way to approach development is to build the major feature, and get to market as fast as possible with the minimum viable product. Features can be fun to work with, but can always be built in later.

What did you learn as a former employee of a startup?

One lesson I learned was that you need to have an honest conversation with the founders about goals. Find out if they are willing to delegate and share control, and ensure that you fit with their culture; you won't be able to change that later on. No matter what, negotiate terms of employment as early as possible.

What is your best piece of advice for aspiring startup founders?

The tech world is fast paced. You have to get to market as soon as possible. There are a million people trying to launch their ideas in the startup space, whether it be peer-to-peer, the next photo sharing or social networking app. Only so many succeed.

For every decision you make, you have to ask "will this add value?" While team building is important, it's impossible to build a perfect team. You should focus your resources on getting your product out the door and getting it tested by real users. That is the only way you find out if you have a product people want.

**Amy Marcen-Gaudaur is a summer student at Aird & Berlis LLP.*



Rebecca Kacaba
Partner

Rebecca has experience in corporate finance, securities law and mergers and acquisitions. She has assisted a wide range of clients ranging from start-up private businesses to large multinationals. She regularly advises both domestic and international clients, including those listed on the Toronto Stock Exchange and the TSX Venture Exchange, on mergers and acquisitions (cross-border and domestic), public and private offerings (both initial and secondary), private placement financings (including debt and equity offerings), corporate reorganizations and corporate governance matters.

Rebecca is a contributor and editor of startupsourc.ca, a blog which features timely commentaries on the latest developments in startup news, events and information on capital raising and planning for future growth. Rebecca acts as an advisor to numerous startup companies.

E rkacaba@airdberlis.com | T 416.865.7707

airdberlis.com

Brookfield Place, 181 Bay Street, Suite 1800, Box 754, Toronto, ON M5J 2T9

T 416.863.1500 F 416.863.1515

AIRD & BERLIS LLP
Barristers and Solicitors