

Defining Entrepreneurship

An Interview with Stacy Spikes, Co-Founder and CEO, MoviePass

EDITORS' NOTE Stacy Spikes is an award-winning entrepreneur and inventor who USA Today named one of the 21 most influential Blacks in technology. He holds several technology patents and is the co-founder and CEO of the nation's first theatrical subscription service, MoviePass. In addition, Spikes is the founder of Urbanworld, the largest international festival dedicated to nurturing Women and BIPOC filmmakers.



Stacy Spikes

COMPANY BRIEF MoviePass (moviepass.com) is an app-based subscription service working to rekindle America's love affair with going to the movies by letting subscribers see any movie at any theater at one low price.

What was your vision for creating MoviePass and will you highlight the MoviePass journey?

Our vision for MoviePass was to create the movie industry's first theatrical subscription service. Cinema is the number one out of home entertainment activity in the world, more than sporting events and amusement parks combined. It has a high number of regular monthly attendees who, if converted, could drive more traffic to theaters. Our main goal was to focus on increasing attendance frequency.

Accomplishing this was very complicated. There are over a dozen studios and over a hundred different movie theater chains, so trying to coordinate a universal subscription service proved to be difficult, if not impossible. In our first attempt we built out service through a movie ticketer that was owned by one of the major studios and they shut us down before we were launched. We had to regroup and build a whole new product from scratch. This proved to be a blessing in disguise. The second version of the product we built was a full Over the Top (OTT) system that allowed us to function at all theaters and feature all movies. This made our footprint the largest with a near 100 percent of all theaters in the U.S. available in the App.

This gave us a very strong product offering for customers. They could go to any theater and see any movie they wished. With that, MoviePass was born and off and running.

What interested you in writing the book, *Black Founder*, and what are the key messages you wanted to convey in the book?

When I was young and coming up in the industry, I was a voracious reader of business biographies. Reading books by and about Richard Branson, David Geffen, Sam Walton, Benjamin Franklin, Sumner Redstone, Steve Jobs and many others were in heavy rotation for me. When I looked around, I realized that there were hardly any books by tech entrepreneurs of color, and I felt I had a responsibility to get my story down to help inspire the next generation that's coming up. I think it's important to see that founders can come in all shapes, sizes, and colors.

I would say the key takeaways that I tried to convey in *Black Founder* were that anyone can be an entrepreneur no matter what your background is or where you come from. Anyone can be a success. Try not to let your surrounding dictate your willingness to try. Most innovation does not come from the top; it comes from the bottom and from the most unlikely of places. Who better for that innovation to come from other than you?

I wanted to show an unvarnished view of what it's like to be a founder – what happens when you lose everything and what you have to do to get up off the canvas and fight on. So many quit before the miracle and it's about staying in the fight until you win.

I also felt it was very important to shine the light on the continued disparity of funding that goes to women and founders of color. This is something that people underestimate. It's not enough to have a good idea. There are still blind spots in the mind of those who deploy capital. In science, it is called pattern recognition bias. Less than 3 percent of all VC capital makes it to the hands of women and minorities.

What do you see as the keys to effective leadership?

I believe leaders have to have the stomach for the fame and the blame. Don't believe your critics and don't believe your fans. Leaders need to have an internal compass that drives their goals for success. Michael Jordan would stay on the court after everyone had gone home and work on shots he missed during the game even when they had won. That's one of the key ingredients to being a leader.

Another is being able to handle the fact that when you are the boss, whatever doesn't work is your fault and your responsibility.

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You must be able to take the blame. When you enter a marketplace, you must understand that you are taking bread from someone's mouth and they are not going to make it easy for you. I recall that a theater chain had hired a social media firm to go into chat rooms and make negative comments about my leadership and shout when we made mistakes. You just have to understand that comes with the territory and do your job anyway.

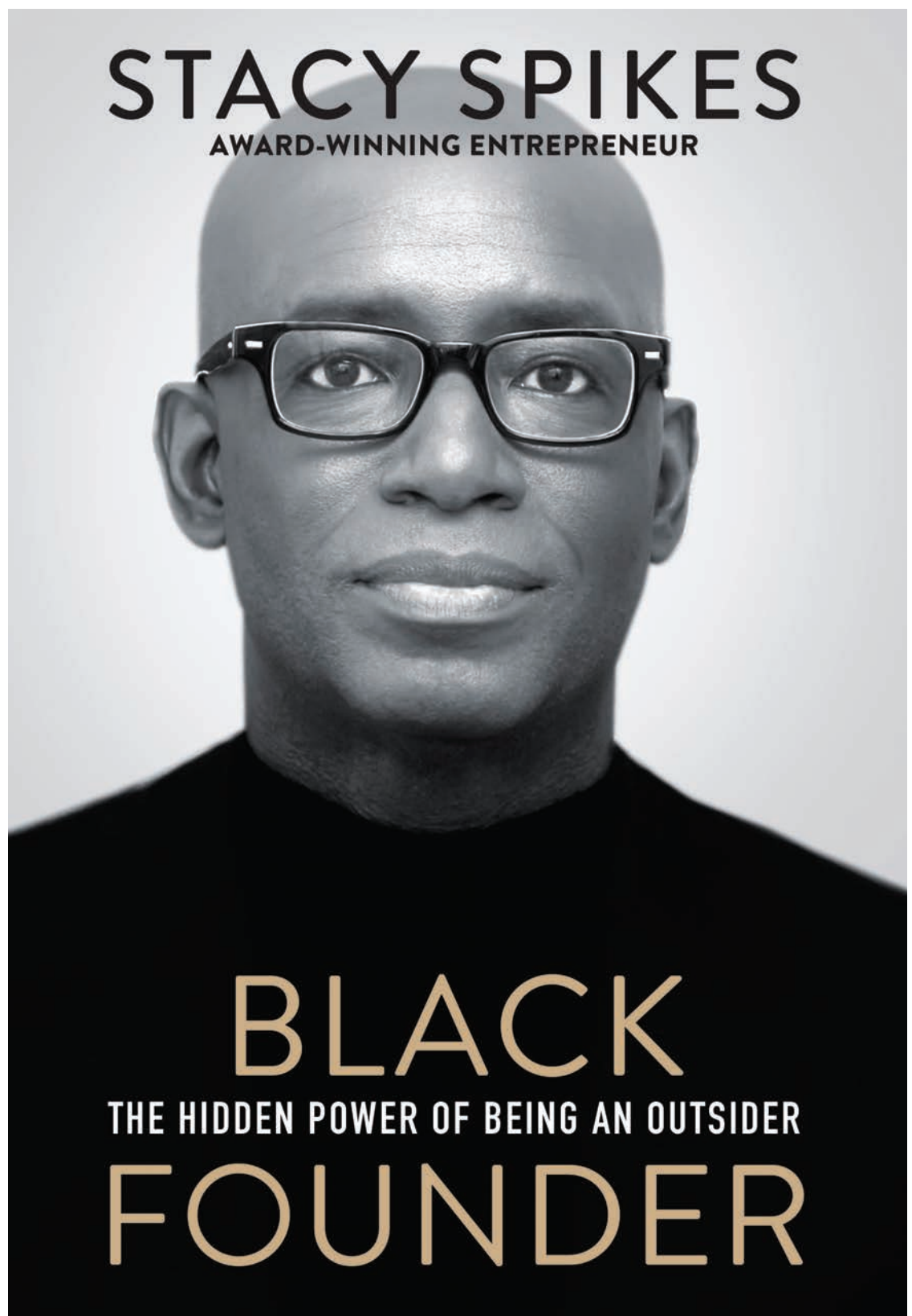
Ability to raise capital is key. You have to be able to stand in front of people and convince them to finance your dreams. 90 percent of people are going to tell you no. They are going to tell you how it's a bad idea; it's already being done and how you don't have what it takes to make it. But you have to persevere despite this. Winston Churchill said, "Success is stumbling from failure to failure with no loss of enthusiasm." This I would agree with 100 percent and few have the fortitude to proceed past the wall of rejection that awaits. I see it as the sharpening of a blade. Each "no" makes your "yes" more and more compelling. By the time you are on pitch 300, you have honed your message to a powerful compelling story that any investor will be willing to fund.

How do you describe your management style?

My management style is to lead from the front or lead by example. I want to make sure I work as hard as anyone on my team and demonstrate a drive and determination that will inspire my team. Eleanor Roosevelt said, "It's not fair to ask of others what you are not willing to do yourself." During World War II, the U.S. military was still segregated. Eleanor Roosevelt took a keen interest in the Tuskegee Airmen, an elite all Black fighting squadron. To demonstrate her faith in them, she went on an hour long flight with one of the top pilots. Don't just talk about change; be willing to demonstrate it yourself. That's the style of management I try to demonstrate. Over Christmas, we had an outing with our showtime listing. I wanted the customer service team to know that if they were going to have to work over Christmas, I would work with them too, so on Christmas day and the day after, I was working customer service just like my team was. If they had to be away from their families, I would too.

Did you always know that you had an entrepreneurial spirit?

I was raised by parents who always had an entrepreneurial prowess, so that life seems natural to me. My father was a school-teacher who became a principal, but during the teaching years he had side ventures to make ends meet – my mother even more so. She started her own personnel consulting agency and that was the first time I saw one of my parents' names on the door of their own company. It had a profound effect on me. Even in high school, I was drawn to and deeply influenced by what both Berry Gordy and Richard Branson had achieved in the entertainment industry. I really saw myself getting to that stage at some point, but I didn't know the path or the time it would take.



Do you feel that entrepreneurship can be taught or is it a skill that a person is born with?

I believe the desire and willingness to make your own path in the world is something you are born with. The mechanics of being an entrepreneur are learned. If you fear not taking risks more than you fear taking them, then you are an entrepreneur. If you walk around during the day looking at things and seeing how they might work better, then you are well on your way.

What advice do you offer to young people beginning their careers?

Read, Read, Read, Read, Read. Consume the knowledge that others have left for you. Understanding how they overcame adversity is critical to your success. Know that the worst is trying and things not working out, but you will always gain experience and become smarter. No one has all the answers. Passion always wins. Pursue everything with all the drive and determination that you have. It doesn't matter what you decide to do, be the best at it. Find something you have unlimited passion for and let it consume you. And on your way don't forget to help others and remember to give back. ●