



CLINKLE

Case Study: Clinkle

July 9, 2015



How can you do
everything wrong?

Clinkle Implodes As Employees Quit In Protest Of CEO

Posted May 15, 2015 by Josh Conline (@joshconline)

4573 SHARES         



What is Clinkle?

- A **mobile payments** startup
 - Although it has **never** launched a product
- Founded in 2011 by Stanford graduates
- Is still alive today
- Has become the **most notorious example of failure** in recent Silicon Valley history

What is the Problem?

- Mobile payments is hard in the United States
 - Need 45 different Money Transfer Business licenses in order to operate
 - iPhones haven't had NFC chips built in, so alternatives had to be found

Incredible Hype

Startup's Deep Roots: Stanford

Ex-Students, Professors—Even the President—Are Aiding E-Wallet Firm

By AMIR EFRATI

April 3, 2013 3:43 p.m. ET

In one of the largest exoduses from Stanford University's computer-science programs, more than a dozen students have left to launch a startup called Clinkle Corp. that aims to let other students—and eventually anyone—use their mobile devices to pay for goods and services.



POPULAR ON WSJ

1. NYSE Resumes Trading After Glitch



2. The Story Behind Janis Joplin's 'Mercedes Benz'



3. Actor Jeff Bridges Lists Estate for \$29.5 Million



4. Dow Hits 5-Month Low Amid Trading Suspension, Growth Concerns



5. Microsoft Phone Woes Spur Sharp Cuts



VIDEOS

1. Subway Spokesman Jared Fogle's Home Raided by Police



VC Interest

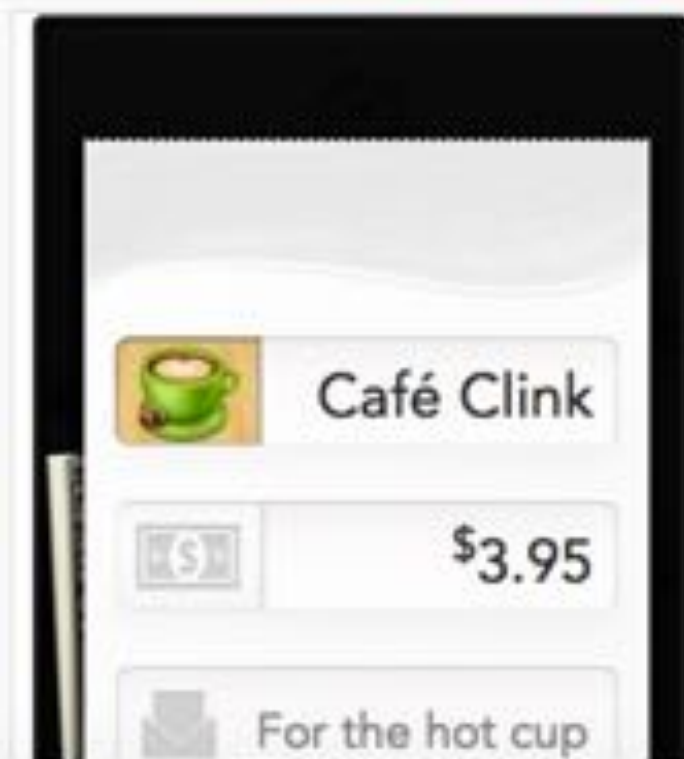
- Payments has been a popular area for VC investment, and Clinkle sounded like the perfect company to solve it
- Stanford grads, great design, interesting name, impressionable founder

Clinkle Raises Celebrity-Filled \$25M Round As It Gears Up To Eliminate The Physical Wallet

Posted Jun 27, 2013 by [Billy Gallagher \(@gallagherbilly\)](#)

707 SHARES         

Next Story 



Clinkle, a mobile payments startup that aims to put your entire wallet on your phone, has raised a \$25 million round from over 18 investors.

The company, which has been in stealth mode since it launched in 2011, was the subject of much hype and speculation in April when a [Wall Street Journal story](#) explained that over a dozen students were leaving Stanford to launch the partially professor-funded startup.

Beta testers, a former employee, and [even Clinkle's website](#) have since...

CrunchBase

Clinkle -

FOUNDED
2011

OVERVIEW

Clinkle's goal is to modernize the way people transact, by creating a next generation payment platform that will change the way people pay for things. Based in San Francisco, the company is planning to introduce its mobile wallet for day-to-day transactions within the next year.

LOCATION

[San Francisco, California](#)

CATEGORIES

VC Round

- Largest ever seed round (at that time)
- Many problems:
 - Dozens of investors, none of whom took a leadership role
 - Few investors with domain experience

Product Development

- Clinkle tried to build a payments network based around high-frequency sounds that could transmit to a PoS
- Problem: Apple introduces Apple Pay, eliminating the need for Clinkle
- Company **pivots** to being a loyalty app for businesses

High-Flying Startup Clinkle Turns Into 'Treats,' a Debit-Rewards Program

ARTICLE

COMMENTS (4)

APPS CLINKLE MOBILE PAYMENTS TREATS



Email



Print



29



62



+



in

By EVELYN M. RUSLI

CONNECT



Marcus Johnson opened a Treat from
Brittany Adams — at **Fandango**



7 COMMENTS • 9 BOOSTS

1s



Kevin Ying opened a Treat from
Donald Mills — at **Krispy Kreme**



2 COMMENTS • 16 BOOSTS

1s

Product Development

- Unfortunately, the new product is not very similar to the original product
- Company fails to ever launch a product with their VC dollars

Founder

8 Reasons Why Clinkle's Lucas Duplan is the Worst Startup Founder Ever



Sebastian Dillon - Apr 15, 2014

SHARE

TWEET

EMAIL

LIKE US ON FACEBOOK



Like Dhruv Agrawal, Richard S. Choo and 32,628 others like this.



Kid Who Has Done Nothing Receives Award

Sam Biddle and 25 others

6 ★



How to get a "30 Under 30" nod from *Forbes*, in the coveted finance category: provide a documented **history** of being a **bad** boss at a company that has never released a single product, or even acknowledged what its product is. **Congratulations, Clinkle CEO Lucas**

Duplan. » 1/06/14 4:56pm

Another Ex-Clinkle Employee Trashes Nightmare Boss

Sam Biddle and 24 others

2 ★



The overwhelming evidence against giving a 20-something Stanford kid **millions** of dollars for a startup and letting him run **wild** continues to pile: **an anonymous post** by a former employee says **Clinkle's** CEO screwed his staff out of money. » 12/27/13 1:06pm

\$25 Million Mystery Startup Hits Layoffs Before It Even Launches

Nitasha Tiku and 19 others

3 ★



Fortune's Dan Primack reports that Clinkle, the stealth mobile startup company that raised \$25 million in venture capital without really **explaining what it does**, has "issued pink slips to 16 of its 60-person staff, **or just over 25%.**" The layoffs have not been in engineering, but rather the business side of operations. » 12/09/13 1:05pm

Surprise: Everyone Hates Working for the 22-Year-Old's Mystery Startup

Sam Biddle and 269 others

5 ★



The more we **learn** about Clinkle—a mobile payments app so fantastic, so splendid, that the startup hasn't deemed our species worthy of any details—the duller it seems. Another way to pay with our phones—super. But what's lackluster for us is miserable for them: **according to a new post on Quora**, working for the... » 11/26/13 11:18am

What is it like to work at Clinkle?

[Re-Ask](#)

Follow

195

Comment

Share

1

Downvote

...

Have this question too? Re-Ask to get an answer.



Danny Crichton

[Edit Biography](#) • [Make Anonymous](#)

Write your answer, or answer later

5 Answers

[Ask to Answer](#)



Anonymous

Upvoted by Edwin Khoo • Geoffrey Woo • 1 other you follow

Let's begin.

First off: this is being co-written by 2 ex-employees who both quit (not fired nor contractors, full time employees who had enough and quit).

Lucas is the outspoken CEO of Clinkle known by the general public as the man behind the legendary stealth startup which managed to raise the largest seed round in tech history at a whopping 25 million. Although to his employees, he's better known for his robotic like senses and all around douchebaggery.

A Top Executive Joined Payment Startup Clinkle, Then Quit 24 Hours Later – Here's What He Saw That Scared Him Away



ALYSON SHONTELL



Apr. 15, 2014, 11:20 AM

▲ 51,152

● 19



FACEBOOK



LINKEDIN



TWITTER



EMAIL



PRINT

Last December, employees at stealth payment startup Clinkle had two consecutive all-hands meetings. The first was to announce a big new hire, Clinkle's VP of engineering Chi-Chao Chang. The second was to announce his sudden resignation.

[Clinkle first made headlines](#) last summer when its 22-year-old founder, Lucas Duplan, announced a \$25 million seed



A Lot Of People Have Already Left Clinkle, A Buzzy Payment App That Still Hasn't Launched



ALYSON SHONTELL



Nov. 16, 2013, 2:54 PM

11,862

5



A lot of employees have already left Clinkle, a buzzy payment startup that has yet to launch publicly.

In June, 20-something Lucas Duplan announced a \$25 million fundraise. It was the largest seed round raised in Silicon Valley history and firms like Andreessen Horowitz rushed to back it. The launched raised eyebrows, not only because of the large amount raised, but also because Duplan



Clinkle CEO and founder, Lucas Duplan, just raised the largest seed round in

1. Jenny Wolochow – CEO Assistant
2. Drew Herron – Communication Designer
3. Jeffery Wang – Engineer
4. Guy Kulman
5. Brendan Weinstein – Engineer
6. K.Guru Gowrappan
7. Krissi Kuni – Recruiter
8. Ilie Ciorba – Visual Designer
9. Alex Margallo – Business
10. Jason Rigs – Business and engineering
11. Paolo Nattenmueller
12. John Albietz – Director of Technical Operations.
13. Ted Lin – QA/Software Engineer
14. Brock Stearn – Creative Consultant
15. Kiyoshi Shikuma – Front-End Engineer
16. Adam Klein – marketing
17. Keun Sup Lee – consultant
18. Jessica Talbert, Growth Manager
19. Andrew Myers – Growth Associate
20. Federico De la Balze – VP Marketing & Compliance and a Business Manager
21. Alberto Aroeste – Growth Strategist
22. Oliver Castaneda – Graphics Engineering Lead
23. Justin Heermann – Operations Lead
24. Brennon Chen – Growth Associate
25. Didi Medina – UI/UX Designer
26. Natalie Rothfels – charge of talent acquisition
27. Miles DeLong – Growth Sales/Account Executive
28. Cory Weinstein – QA Engineer
29. Brian Biggs – Growth Associate
30. Nick Allen – Growth Associate
31. Erica Castello – Communications Lead

Today's Situation

- Company has basically fallen apart
- Most of its VC investment has been spent

Lessons

#1: Teams are
everything

#2: Getting the right
investors is really
important

#3: Deliver results