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## **Aaron Tan of Carro, First-degree connections: Startup Stories**



Carro, a Singapore-based online marketplace for people to buy and sell used cars, was founded in 2015 by former venture capitalist Aaron Tan. Besides facilitating those transactions, Carro also offers after-sales services that a car owner might need throughout the vehicle's lifespan, including car care service, roadside recovery service, and warranty. The e-commerce platform raised US\$60 million in a Series B round led by SoftBank Ventures, Insignia Ventures Partners, and B Capital Group in 2018. In the same year, Carro also raised an undisclosed amount in a venture round led by K3 Ventures.

### **What are two good choices you made in the early days of your company?**

The first good choice was to under-promise and over-deliver. The logic is that the lower the forecast is compared to what you actually deliver, the greater the bonus will be. This is primarily for fundraising, but is extremely important because the venture capital funds are looking for teams that can execute more than hit numbers.

The second good choice is to hire people from my immediate social circle, meaning people within my first-degree connections. My CPO, CSO, and others were my personal friends or classmates at Carnegie Mellon University. Since we all knew each other, there was no need to get accustomed to different working styles, making it much easier to run the business.

### **What was one misstep that you had to overcome?**

We tried too hard to be a disruptor. We started off by going out to the market to challenge the big brands. However, that hurt us as it bred competition, and the other companies were actively hindering our growth. After that, we changed our strategy. Instead of trying to displace these big players, we decided to partner with them instead. That was when we launched products and services to help them.

*This article is an entry of "Startup Stories", a series where KrASIA's writers speak with the founders of young companies in Southeast Asia.*

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