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## PODCAST TRANSCRIPT: CHRIS HEIVLY

**INTRO:** From Verge in Indianapolis, I'm Matt Hunckler with Powderkeg.

Today we talk team building, pitching, and storytelling with a serial tech entrepreneur, investor, and author who has earned his title as "The Startup Whisperer":

"I think a lot of entrepreneurs – especially first-time people pitching – want to tell the entire story at a decent depth in hopes that one of those things will resonate with the person across the table from them. That's completely the wrong way to do it. The right way to do it is to kind of make sure you go over at a surface level across the whole arc, and let them ask you those things. Not only will it focus you on the kind of things that are important to them, but you've now pulled them into the conversation, and they're now part of it. As opposed to a bullhorn, you're now having a conversation."

That's Chris Heivly, startup investor and co-founder of MapQuest, which he sold to AOL in 2000 for \$1.1 billion dollars. His latest book *Build The Fort* chronicles the lessons learned from his own ventures as well as more than 35 companies he personally invested in through his accelerator program The Startup Factory. I drove down to Heivly's offices at American Underground in Durham, North Carolina, where I got his best advice for how to nail your startup pitch so you can raise capital, land early customers, and become a magnet for the smartest people to join your team.

That's on Powderkeg.

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You can download or stream our conversations with people like Kristian Andersen who is a Partner at High Alpha a venture studio that launched 8 funded startups in its first year of operation (that's actually episode 1)... You'll also get interviews with Master Connectors like Cole Hatter (that's episode 3), who is and author, investor, speaker, and founder who pursued entrepreneurship out of desperation to build a mission-driven business and lifestyle that has impacted millions.

A ton of people has already found us in iTunes and subscribed. We even have some people who have confessed to binge listening to ALL of the episodes available on Powderkeg. By the way, that's totally cool and we 100% condone binge listening to this podcast...

Now, there are a few Powderkeg listeners who have been so kind as to leave review, so I want to take a quick moment to say thank you one of them from the bottom of my heart. And our featured iTunes reviewer today is SarahGhram (Or Sarahgram?.. Which sounds like it might be new millennial-focused selfie app)... but I'm going to assume that it's Sarah Grham because she spelled it G-r-h-a-m... From Sarah

"This is SO relevant

What a great find! The interviews are relevant to me as a business owner, entrepreneur, and overall improvement junkie. I would recommend this podcast to anyone who wants to learn from the experts."

Thank you, Sarah Grham for that review. And thanks to everyone else who has subscribed and left a review on iTunes.

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You can also find more details on our site about the people and organizations who make Powderkeg possible. And on that note... I want to take a minute to thank our founding partner, DeveloperTown, for sponsoring this episode.

Stick around after this conversation with Chris Heivly, because we have a special BONUS interview with one of DeveloperTown's clients. We'll talk with Scott Humphreys, who is Intrapreneur innovating within a large multinational conglomerate. It gives you a taste of the value that DeveloperTown brings to the table as they help big companies move more like a startup.

DeveloperTown (or DT as I often abbreviate it) works with clients ranging from first-time entrepreneurs to Fortune 100 companies who want to build and launch an app or digital product. They've been immensely helpful for us here at Powderkeg with our podcast launch strategy and collaborative marketing, and they've even helped with our expansion into the various cities where we host our live events. So do yourself a favor and get in touch with DT at [developertown.com/powderkeg](http://developertown.com/powderkeg).

Our guest today is Chris Heivly, who just might be the world's first actual map geek. I say that because he co-founded one of the first online navigation tools, MapQuest.

Some of you listeners may be too young to remember MapQuest and the wonderful experience of searching your route on your home computer so you could print your directions and take them with you.. But back in the day, MapQuest was like PURE MAGIC.

This company was Heivly's first and it blazed the trail for other navigation-powered apps like Google Maps, Waze, and Uber.

MapQuest went public in 1999 and was acquired by AOL for \$1.1 billion dollars in the year 2000. That's billion with a capital B, my Powderkeg people.



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That's a lot of money by any measure, but it was especially enormous when they sold back in the year 2000.

Since his successful exit, Chris Heivly has personally directed over \$75 million in investment capital on behalf of large companies including Rand McNally, Accenture, and others.

He recently closed down the Startup Factory, which was the largest seed investment firm in the Southeast. And this conversation with Chris is just before they made their last investment at The Startup Factory (or TSF as we sometimes refer to it in this interview). But they had already made over 30 investments in high-growth startups and we caught Heivly just after a demo day for a group of their portfolio companies, so it was the perfect time to get his insight.

I want to make sure I give a shout out to his book based on his famous TEDx talk, Build The Fort, which you can find on Amazon, Kindle, or Audible. He's super active on his personal website Heivly.com (that's HEIVLY) and on twitter @ChrisHeivly. So give him a shout and tell him I sent you!

And now, my interview with one of the country's foremost experts on how to turn startups into multimillion-dollar companies—"The Startup Whisperer" himself— Mr. Chris Heivly.

**Matt:** I'm here with Chris Heivly, founder – co-founder – of The Startup Factory her in Durham, North Carolina. This place is awesome. Your track record is awesome, starting with MapQuest back in the late 80s to continuing to stay entrepreneurial through this entire process; now on the investor side of the table. I'm really excited to be here. Thanks for taking the time.

**Chris:** Thanks for having me.

**Matt:** Absolutely. Well I want to make sure we dig into some very important pieces of the startup pitch, and how that plays a role everywhere from initial idea, to funding, to growth, and recruiting the team - and it's really cool because you have a lot of companies involved in those spaces; but I want to take it back first to the early days. How involved were you in the early days of MapQuest, sort of forming its pitch and working through that process?



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**Chris:** It's funny, I kind of grew up as a kind of technical person. I actually learned how to code even though I was a geographer, and I was a terrible geographer. I was an okay geographer and a coder, which back in the day made me very unique. Sometimes I say I'm the first map geek, right? But one of the things that I was able to develop early on - and I didn't know I had it until people started telling me I had it - is the ability to translate kind of technology and difficult technology in a way that was consumable by whoever was sitting on the other side of the chair.

**Matt:** Such an important skill.

**Chris:** Yeah, and at its gross level - you know, not gross: disgusting, but kind of at its large level - pitching is all about kind of trying to share your thoughts with the audience to the way they want to consume it. And whether you're talking to an investor - which is maybe one kind of pitch - or a potential employee, whether you're sitting at a table between you and I, or whether you're sitting in front of an audience of a thousand people: how best can I kind of get them to consume my message? And that's really what a pitch is about; and somehow I learned how to do that early on, and I was always the pitch dude. Right? Because I could translate it. The second part is obviously I'm a little passionate; you'll see me get all kind of Tommy Boy here. I think when you... you can tell even the most boring things, if you tell it with passion people will give you a lot of room.

**Matt:** Well let's go back to that first point, of being able to deconstruct the technology, or what you're building, into what the audience wants to consume. Is there a common thread that, regardless of audience, they're going to want to hear this one piece about the technology? Or they're going to want to get this one sort of concept of what it is?

**Chris:** Well, I guess it all depends what the audience wants and, you know, if you're sitting in an audience of a thousand people there's probably not one thing. Right? If you're sitting at a table, there's probably one thing. I always tell people, start with who the audience is and what they want and what you want to communicate, and then kind of fill in the pitch from there. I always go to the end and look to the front, is kind of my analogy there; and so I think... and of course, depending on who the audience is, you can also kind of set the level of maybe technology, or the level of acronyms, you know? You've got to talk to the audience. So...



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**Matt:** Absolutely. Would you always research your audience before going and presenting?

**Chris:** If by research you mean ask the person that asked me to come who the audience will be, and two minutes later have an answer? Sure. That's probably as deep as I went. I probably... I certainly would do that. I think more importantly, I sit and I think; and I say, 'All right, if I'm sitting in this audience...' And I get bored really easily, so almost every speech, or pitch that I do, I'm thinking about, 'All right, how can I get them to enjoy what I'm saying, and get it in a consumable way, and not bore them.' That's like the worst thing. My worst thing is boring people.

**Matt:** What were some of the things that you did to make sure the audience stayed engaged; specifically at MapQuest?

**Chris:** Yeah, so they say there's two schools of thought in pitching; one is that you want to remain kind of in your moment, right? You want to kind of, you know, keep your gestures down small. You want to be in this space.

**Matt:** Yeah.

**Chris:** That's not me. I'm bigger than that; and so like one of the things we teach our TSF companies is first and foremost you have to be you, which is being authentic, and that will kind of shine through. So for instance, when I do – and I remember doing a talk at like CES, which is the big consumer... it was either CES or ComDesk. Those are the two big shows; Vegas, a hundred thousand people. I remember sitting for the first time probably in front of five thousand people, and I'm stuck behind a podium. And I just remember that experience as being a terrible experience, because my personality couldn't come out. And that was the last day, or the last time I said 'I'm going to be... I'll do what they want me to do'. No. Now, you're going to do what I want to do. I want a lavalier, and I want to be able to move. And so even today I will go out into the audience. I want to engage people. I want to look them in the eye. I want to smile. I want to get them fired up.

**Matt:** You specifically ask for a lavalier microphone?

**Chris:** All the time.



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**Matt:** That's great.

**Chris:** Yeah. Certainly no podium. Handheld if I have to; lavalier much preferred.

**Matt:** That's great, and so you actually go into the audience. And is that mainly just to go out and be able to present from a different vantage point? Or are you actually engaging with the audience and asking them questions in real time?

**Chris:** It certainly depends on the nature of what it is that you're doing; but if at all possible I will go into the audience, and I will try to engage people. I'll ask them questions. I'll open the door for them to ask me questions. I may only get three questions, but it'll kind of set the tone; and I think when you tell the audience that I want you to be part of this journey with you, you can be much more effective. And so even a couple of questions kind of says, 'Hey, you're with me on this thing.' Plus I'm looking you in the eye from five feet away, not from three hundred feet away with a big, you know, video screen behind me.

**Matt:** Yeah. I would imagine, you know, with the technology background that you had, and the cartography background that you had, you could have gone very, very deep down the rabbit hole of those two subjects, in any of your pitches. I'm guessing you chose not to do that. So how did you decide which points to hit, in sort of describing or pitching your technology along the way? And in answering that, is it better to go broad and get people to ask you to go deeper; or is it better to go a little bit deep, show that you have the depth, and then kind of leave it open?

**Chris:** That's a great question, and I'm not sure you ever know whether you've hit it right. I will tell you that...

**Matt:** What do you shoot for?

**Chris:** What do I shoot for? I typically shoot for probably somewhere in between those two things. I want to start a little bit on a broad level, and I want to give you the context from which I want to kind of share – so that it's consumable to everyone in the audience. Especially the larger the audience, the



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more... you know, they say sometimes you've got to talk to the lowest common denominator; I don't know if I want to go all the way to the lowest common denominator...

**Matt:** Sure.

**Chris:** But kind of, I head more towards that than not. Smaller audience where I know who the people are, I can kind of go a little bit deeper; but generally I want to make sure that the arc of my whole story is told, and then I can leave room for people to kind of pull you into the places that they are interested in – especially at like a table top pitch. Right? I think a lot of entrepreneurs – especially first time people pitching – want to tell the entire story at a decent depth in hopes that one of those things will resonate with the person across the table from them. That's completely the wrong way to do it. The right way to do it is to kind of make sure you go over at a surface level across the whole arc, and let them ask you those things. By the way, not only will it kind of focus you on the kind of things that are important to them, but you've now pulled them into the conversation, and they're now part of it. As opposed to a bullhorn, you're now having a conversation. So especially kind of in a table presentation, I want to engage that person as quickly as possible.

**Matt:** So would you say that a good pitch is really a good conversation?

**Chris:** Again I, you know, if two people at a table versus a thousand people in an audience, I'd say I want to find, broadly defined, the conversation in a large audience – which is maybe why I go into the room and go and, you know, rock the tables, and at least walk the stage a lot – because I kind of want to engage them and look each group in the eye and try to say, hey. If that's a conversation in the broader sense, yes. Sure.

**Matt:** Well I think that it's interesting, because you're at a point right now where you really don't have to pitch what you're doing. You've created this amazing magnet here in Durham, North Carolina; but I think that your entrepreneurial roots, and just being around entrepreneurs as long as you have, you still have that pitch down. Whether it's for TSF, The Startup Factory, or for Big Top – the thing that you're doing with Career Placement for high growth, high tech companies, you see the opportunity when it's presented to kind of give your pitch, and you still do it in a conversational way, and it's natural. I don't feel like I'm being pitched.



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**Chris:** Right.

**Matt:** But by the time I leave, I've bought it.

**Chris:** Right.

**Matt:** And I think that's an important theme that, you know, you hear a lot of entrepreneurs – especially on a technical side – say, 'I don't want to have to pitch my product, the product will sell itself.' What's kind of your take on that, from the technical side?

**Chris:** Good luck with that. I mean maybe you're the one person that your product will, you know, be that instant viral thing and you won't have to do anything to kind of get it out there. Unfortunately for the rest of us mere mortals, you know, the question is... I've dealt with tech, software tech companies all my life, and I come from a somewhat tech point of view – that's kind of still the bones of maybe who I am; but I've also been... I've kind of evolved into a founder, a CEO, kind of an executive, a manager, whatever you want to call that; and if that's going to be the route that you need – if you're going to be a founder of a company – you have to know how to pitch. And whether you're convincing investors, or new employees, or customers... And you know, maybe you don't have to label it as a pitch. Maybe it's just being able to tell your story, and tell it from a really good, authentic, your personality, passionate point of view. I mean, why wouldn't you want to do that? Maybe you don't have to get hung up on calling it a pitch, maybe it's just telling your story in the most effective way possible? But you better be able to convince people, or at least share with people, what you're doing; and then, you know, it's up to them. So for instance, my Big Top Reverse Job Fair; 12 to 14, 15 companies come, and instead of the typical boring suits, ties, resumes – *quiet!* – you know, kind of existence, it's a circus with jugglers and acrobats. And the companies get three minutes on stage to quote: pitch the audience, unquote, about why they should come work for their company. Now this makes sense in the tech world today, because the leverage is not with the companies anymore. If you're a software developer you get to pick which company you go to, right?

**Matt:** Absolutely.



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**Chris:** Not the other way around. So it's a reverse pitch. I call it a reverse job fair, right? But the whole idea here is that you better be able to convince people, and get them fired up for what you're doing. And I don't know; call that a pitch? Maybe it's a pitch, I don't know. But that was at least my concept, and it seems to have worked really well. The bad companies get up and just, you know, do PowerPoint, send up the recruiting manager. Listen, they're important, we need the recruiting managers to go find people, but at the end of the day the people that buy it – they buy into the passion, they buy into the mission. Right? You've got to sell that. Right?

**Matt:** Absolutely. Well I mean, and we're talking a little bit about the pitch for established companies, and the companies on the scale side of the entrepreneurial growth cycle. Talk to me a little bit about the founders that you see here at TSF, because I imagine you've seen thousands of pitches by now. How many classes have you had now through the...?

**Chris:** We've had seven cohorts, about 35 investments in three and a half years.

**Matt:** That's amazing. And those companies I know, some have already been acquired, some are still raising subsequent funding.

**Chris:** Right.

**Matt:** Of those companies that you selected and put through the process, first off, how did you choose them based on their application? And what was it about their pitch that made those the 35?

**Chris:** Sure. So, it's funny because we're talking about pitch here; part of our application – and probably the most important part of our application – is a one to two-minute video that we ask them to just give us a link to put it up on Vimeo or YouTube or wherever. And a little secret is I hardly read the application, but I watch every video.

**Matt:** That's good feedback.

**Chris:** And the first thing I'm trying to do is connect with you in some way. I will tell you there's a story of two young guys, you know, sitting in front of their MacBook, you know, they've probably practiced this a bunch of times; they're like, 'Ready, ready.' I can see this of course, and they press play, and they look at



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each other and burst out laughing. Okay? And they're like, 'All right', and they just kind of started their pitch. That little human moment probably got them into the next round, because they didn't edit it out, they said 'this is kind of who we are', and you know, I needed to connect with people at some... not just about the idea, but you as a person.

**Matt:** Yes.

**Chris:** Because I can tell you, the best way for you to use an accelerator, any accelerator, but especially TSF is we want someone who has kind of that personality that just has a kind of a humble nature, has a curious nature, loves to get this kind of – you know – tidal wave of disparate advice, and then wants to process all that. And I can see that sometimes in the personality in the video. So...

**Matt:** What characteristics in the personality stand out to you in that video? Is it how they talk? Is it how they carry themselves? Or it's probably... I'm guessing it's some combination?

**Chris:** Yeah, I mean if it was... if I could actually pinpoint it and measure it, right? I would probably... That would be my new startup. Right?

**Matt:** Right.

**Chris:** So, I don't know what it is. I tell people sometimes, it's like pornography, the definition of pornography. I don't know how to define it, but I know it when I see it. And so now I also have a partner in crime here, Dave Neal, and we've now been through seven, probably been through just under a thousand applications, and you know, through that whole funnel of getting these 35 investments we have ways – and like anything else, the more you do it, the more you kind of see, yeah, this works, this doesn't work. And then you have a combination of at least two or three heads in the game, kind of pulling and pushing. Interesting. Our selection process is very simple as we go through each round. So the first round we cut down to 35 people, and we put the whole applications in a spreadsheet, and we vote: yes/maybe/no.

**Matt:** Okay.



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**Chris:** That's it. Really simple rubric. And so the yes/yes's are easy. The no/no's are easy. Maybe even the maybe/maybe's are okay. It's the yes/no's, or the no/yes's that we really need to talk about. What did I see that you said no to? Or vice versa. And so then we spend a lot of time kind of on that group, and what is it that we saw or didn't see; and that's when, you know, sometimes it's personality, sometimes it's the way they handled.... Maybe it was the team dynamics; which is always one clue by the way.

**Matt:** Absolutely.

**Chris:** Is there are two people, three people in the video, but only one person does all the talking? Well certainly that's a signal.

**Matt:** Absolutely. So you're looking for team oriented businesses, and so if there's a team involved and there's only one person on the video, that's communicating something?

**Chris:** It's communicating something; either overtly, or not. Right? So, yeah.

**Matt:** So it's important for everyone on the team to be able to pitch, at some level?

**Chris:** Yeah. Everyone should be pitching. Everyone should be able to pitch. I mean our first couple of weeks we work on the elevator pitch, and I'll make the introverted software dev lead do the pitch some days.

**Matt:** That's awesome.

**Chris:** Just to day, 'Hey, you know? Hey, someday you might be sitting on an elevator, or on an airplane, or sitting in front of – you know – interesting commentators saying... asking questions. You've got to be able to tell that 30 second version of your story.

**Matt:** So what makes a good elevator pitch? If I'm pitching... let's say I'm pitching verge; what makes a good elevator pitch if I run into you here in the underground? Let's say we didn't get introduced by a mutual friend and we're just riding the elevator together, and I've got 20 seconds?

**Chris:** 20 seconds. Yeah, game on, right?



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**Matt:** Game on!

**Chris:** Game on.

**Matt:** How would you want to be pitched?

**Chris:** How would I want to be pitched? We have an interesting idea. We're trying to operate in this space. Give me a little bit of context. Here's what we've accomplished to date, and here's what our next steps are. And if you leave me a little bit of mystery, to make me want to say, 'Stop that elevator, I need to talk to you some more', that would be great. So, but give me a little context, give me a little bit of data, and then tell me what the next steps are.

**Matt:** That's great. So it's almost like: here's the opportunity, here's the traction, and then you're hooking your attention.

**Chris:** Yep.

**Matt:** To get you to the next...

**Chris:** Right. You're not going to close them; you just want to be able to get more of my time. Right?

**Matt:** So it's sort of like, 'Here's where we're going. We're already getting there, but we think you might be able to help. Here's how.'

**Chris:** So remember I said earlier, go to the end and look to the beginning. So you know, an elevator pitch: what you're saying to yourself, right, my goal – the end goal – is I want to get more time from this person. I want this person to say, 'Here's my email', or 'Here's my phone number, give me a call', or 'Do you got ten minutes now?'

**Matt:** That's your target?

**Chris:** Your target is to say I want to get the next meeting, right?

**Matt:** Yes.



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**Chris:** Right? Whether it's a minute from now or a week from now. So if that's your target, what do I have to say to be able to get that? So if you're sitting in front of a thousand people and you want 500 new Twitter followers, you might want to mention your Twitter handle, but you might want to say something interesting about here's what you can find when you follow me. Right? If that's what your goal is. If your goal is, I want to get that next meeting, or the goal is I want to get an investment, tell me what are the things that I need to hear to make someone go, 'I need to know more.'

**Matt:** Let's take it to the next step. Let's say, you know, you've got your companies that are about to go on stage for their demo day - which you host here in Durham, North Carolina.

**Chris:** Right.

**Matt:** How do you prepare for a demo day? And I'm guessing you give, what five?

**Chris:** Eight minutes.

**Matt:** All right. Somewhere in between. Eight minutes, that's great. So what do you coach those entrepreneurs to do in those eight minutes that they didn't do in the 20 second elevator pitch?

**Chris:** Got it. So if we do nothing else well, we do good pitch.

**Matt:** Yeah.

**Chris:** So we've heard that great feedback from investors that have been to Y Combinator, Techstars, all the pitchers say, 'You guys do good pitch'. And I'll tell you our formula, and it comes down to just a few basic things. If we have a 12-week program, the last three weeks we're working on pitch.

**Matt:** Wow.

**Chris:** Three weeks of pitch prep.

**Matt:** Wow.

**Chris:** Every single day.



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**Matt:** 25 percent of your accelerator is the pitch.

**Chris:** Every single day you will pitch, to Dave and I; we don't bring in too many people, because actually more cooks – more chefs – spoil that soup. Okay?

**Matt:** So what? You're getting feedback - whether you're in an accelerator, or you've created your own accelerator of mentors – it's better to get the advice of maybe two to five?

**Chris:** And the same two all the way along, because if you keep asking opinions, you're going to get more opinions. It's a subjective, not an objective thing. So, and what happens is everyone has an opinion about what they like and what they don't like; and there's no real right answer. At the end of the day what we tell the entrepreneurs: 'Listen, this has got to be you.' I just try to bring out in those three weeks their natural personality, and then make it a little bit bigger.

**Matt:** So explain to me why you spend an entire three weeks on the pitch, and what does that look like?

**Chris:** So one of the things... I mean the most obvious piece of advice is, the more you pitch the better you get. Okay? So we want to get at least a minimum of 25 reps just with us. You're doing it another one to two times a day, either by yourself or maybe with your co-founder, maybe with your mirror and your phone. Right? So we expect you to kind of take 50 to 60 versions of this over this three-week period. But what ends up happening is the first week it's more about these big building blocks, kind of the basic structure of the story you want to tell.

**Matt:** Okay.

**Chris:** And we care less about the specific words, or even about your mannerisms, right? We're just trying to – does this seem to make sense? Does this arc kind of feel right? And that's different for each company, right?

**Matt:** Yeah.

**Chris:** And depends on what they have to say, and you know – part vision, part mechanics, part product, part you know, traction. All those things.



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**Matt:** And so you actually map that out with them?

**Chris:** I mean we follow kind of a basic kind of, you know, the five basic steps of what the problem is, what the solution is, who the team is. So it follows those kinds of things.

**Matt:** Yeah.

**Chris:** And by the way, like follow that. Like, there's a reason that that's kind of like the standard. Right?

**Matt:** Right.

**Chris:** I always get kind of... chuckle at people who kind of break that, and I'm like, 'Why do you think you're different?' Right? Just, people expect that. Keep those basic building blocks.

**Matt:** Follow the pattern. It's like web design, right? Put the Search box on the upper right, put the Home button on the upper left.

**Chris:** It's just the way we do it. Right? The second week we start to get into kind of... we're past the building blocks and we're now starting to kind of optimize the wording, and sometimes we end up kind of, 'Well, too long on this piece', or 'You know what? I need a little bit more here in this block, because I think there's an opportunity to say more.' And by the end of that week we're starting to get into kind of, maybe good phrases and, you know, what ends up happening is words start actually being eliminated. Right? And we end up being able to kind of say more with less. Right?

**Matt:** Yes.

**Chris:** By the end of the second week. And in the third week we're really starting to find like some really good phrases, and then we're kind of bringing it home with the kind of stylistic things.

**Matt:** Right.

**Chris:** Build in some pauses here. Repeat that phrase. We may be working on kind of your personal style; are you a kind of a stand in one place kind of like a tent thing? Where kind of you're in the circle? Or are



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you a person that, you know, likes to go big with the hands, and so let's make sure you want to use the whole stage.

**Matt:** Is there anything in the phrasing and the words that is sort of tried and true way of finding what those key phrases, or what those key words are? Or is it more of a just kind of know them when you hear them?

**Chris:** I think you know them when you hear them. And Dave and I both, you know, we will pop ideas at people. Sometimes I'll just stand up and go, 'Hey, try this on for size.' And I'll try kind of a version, and it's almost like music – where you're kind of riffing. And so we'll try to riff, especially in those first two weeks, there's a lot of riffing going on about, 'Well, I don't know. That doesn't resonate with me. I'm not feeling that part. What can we do here?' And 'What are you thinking here?' And so we just... sometimes you stumble upon them. You know? Every day they show up, sometimes their just doing the same thing yesterday again, and sometimes they come back and it's like, 'I've got a complete kind of rewrite. I'm rethinking this whole thing. Let me try this out.'

**Matt:** Yeah.

**Chris:** So through it all, all the machinations, we end up at a really good product.

**Matt:** So don't be afraid to kind of play around with it, just to see if something pops out of that... That maybe the new approach, 90 percent of it isn't used.

**Chris:** I will tell you though, I'm going to anticipate your next question, which is – you know – 'Who are the companies that either fail at this, or the companies that don't do well?'

**Matt:** Yeah.

**Chris:** Why did they not do well?

**Matt:** Yes. Absolutely.

**Chris:** I can boil it down to one thing and one thing only.



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**Matt:** Okay.

**Chris:** They do not work the process. They... I'll have them come in at the end of week one, and they haven't worked on it, they haven't spent the time on it. I tell – usually the founders, or the CEO, whatever the person that's got that lead role, you know? They're usually going to be the one that pitches, and what I'll tell them is, 'You better be spending two to three hours a day, including the 20-minutes, 30-minutes with us...'

**Matt:** Mm hm.

**Chris:** 'You better be spending a couple of hours a day on this. Doing the pitch yourself, doing it in front of the mirror, maybe writing down an outline or... some people actually kind of will script the whole thing out, and then we throw the script away. I don't care how you get there, but you've got to be working this every day. And invariably it's the people who go, 'pff.' Like especially some people who, you know, they're a little more charming, maybe they're more comfortable on stage? They're like, 'I can just wing this.' You know what? What I tell them is, 'You'll wing it and you'll do an okay job, but you'll be sitting there with – we'll have six companies pitch, and the five that practiced it, who ironed it down, will be over here, and you'll be over here. You'll stick out like a sore thumb.'

**Matt:** Yeah.

**Chris:** So you may be good inside your own little viewpoint of your world, because that's what you do; but compared to everyone else you'll look sloppy, and...

**Matt:** You didn't work the process.

**Chris:** You didn't work the process. It works; and I want to get it to muscle memory time, not practice time.

**Matt:** Yes.



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**Chris:** Where you're just up there, and you're having a conversation, and now your personality starts to kind of come out because the words are almost secondary – because you've honed those over the 40, 50 reps you've done. And that's how we do good pitch.

**Matt:** So I have to ask, do you have any favorites? You know, I'm sure that you love all the ones that come out of The Startup Factory, but do you have any favorites? Whether they are NTSF or outside, that just blew you away?

**Chris:** Yeah. You know, there's a couple of favorites, and the ones that are usually my favorite... so a couple of things; one is again invariably their best pitch in the one on pitch day. Like almost... maybe I can think of one or two out of the 35 that didn't bring their best pitch on the day of. Which is really cool to see.

**Matt:** That's amazing. It's a lot of pressure to be able to perform under that.

**Chris:** Well I think, again, if you practice it it becomes more muscle memory, and as long as we create an environment that's kind of relaxed and that they're comfortable with, then it just happens. You just run the race. Right?

**Matt:** Yeah.

**Chris:** But I think some of my favorites are the ones who maybe brought it the farthest, maybe struggled at the beginning, or kind of even maybe a few days before were kind of like, 'I'm not feeling it.' And then they come in and they just kind of... they run that sub-10-second hundred. Right? And you're like, 'Oh my God, that was amazing.' Right? And there's a couple that I just thought... like one guy I thought just – he sometimes would race a little bit too far and his words would go fast, and he just found his Zen moment. And like his pauses were just like – whew – right? They pause just made it work. Right? And I love some of those moments.

**Matt:** I definitely believe that being able to relax in the moment is something that... when you're on stage you feel like a one second pause is like a minute, right? Because you have so much to say and so little time. But that's really great feedback, on being able to pause. For emphasis, right?



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**Chris:** Pauses are huge. First of all, I mean if you think about this like kind of eating food; you need palate cleansers, you need time to move from the appetizer to the entrée, and you need time to digest that. And our minds need that as well. So a couple of well placed pauses allow people to kind of go, 'Got it.' Process it. And then with your voice or your mannerisms you say, 'Now we're going to take it to the next chapter.' And they're like, 'Okay, I'm with you.' And if you kind of race through that people can't catch up, right?

**Matt:** Indigestion.

**Chris:** And you can't digest it, and you miss stuff. Right?

**Matt:** That's a great metaphor.

**Chris:** Yeah. So one of the things that you just mentioned that I think was interesting, I always tell them, 'Listen, the day of, do it one more time in the morning – because we usually do our pitch days at night – and then don't do it.' Like, there's nothing you can do to change this at this point, so now it's just time to let it rock, right? So don't practice it 16 more times the day of.

**Matt:** That's a really good game time coaching, right there.

**Chris:** Yeah.

**Matt:** Well, what were some of the other things about the pitches that you really loved? You know, you mentioned that this guy was able to kind of relax and find his own groove, and hit the pauses just right. Was there another one that you can think of that you just were like, 'Wow, that was it.'

**Chris:** Um, one of our little things we mention in the third week, we're trying to work out some personal mannerisms and kind of let your personality come free, right? One of the things we try to encourage people to do is smile. It's amazing what a smile will do to just relax people and kind of bring them in. When you pause, and smile, it's like – by the way, if you're on your phone, what are you going to do?

**Matt:** You're going to look up.

**Chris:** You're going to look up. Right?



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**Matt:** Absolutely.

**Chris:** And then you see someone smile, and you're like, 'Oh my God, what's coming next?' Right? So again when you see, maybe someone that's a little bit more introverted, right? And they're kind of, that's not maybe who they are; but to see them kind of find their kind of, you know, inner pitch God. Right? And kind of just like bring that. You're just like, I'm standing there going like, 'They nailed it.' Right? And then I'll usually maybe be off-stage, and I'm watching the audience more than I'm watching them, and you see people kind of look up and you see them kind of smile back. You're like, 'Oh, they got them. They've got them in. They're in.' Right?

**Matt:** Nailed it. That's an amazing story. I'm really glad you shared that, because I think people watching will appreciate hearing that, and need to hear that as sort of reinforcement of why it's important to give those pauses and those smiles.

**Chris:** Remember, you're not trying to close them. You just want them to come back for a little bit more.

**Matt:** Help kind of escalate the conversation.

**Chris:** Exactly.

**Matt:** That's great. Well talk to me a little bit about what you're doing in the recruiting space; because you know, we can talk about pitching for funding all day, right? There's a lot of nuance to that, and we've covered some amazing points there. But there's a different kind of pitch, which is a pitch to get the right team member on; whether that's a technical co-founder, or your 50<sup>th</sup> employee that's a key hire because you're now building your director team.

**Chris:** Right.

**Matt:** What is different about the pitch to an investor, versus a pitch to a potential employee or team member?

**Chris:** Sure, we'll start where we started before, which is know your audience, and understand what they're looking for, and understand how you can give them the kind of information and the excitement



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that they would consider joining forces with you. And I've always had huge success, I love recruiting people; because I know once you get in front of me, I've got you.

**Matt:** Yeah.

**Chris:** Right? Because I know I'm passionate, I know I'm excitable, and I know I can kind of share with you the mission of what we're trying to... the promise. Right? Out on the horizon there's this mission, and here's what we're going to do. And by the way it's a lot of hard work, and I need you to execute this role for me, but we're looking for the kind of people who want to go on that journey with us.

**Matt:** So you're telling the story of the future of your company, and painting that as your journey.

**Chris:** Balanced; because you can't – just like any other pitch – you can't tell all vision, because people are like, all right you're like the pharmaceutical – or not the pharmaceutical – but like the old guy on the horse-drawn carriage, like Wizard of Oz, selling snake oil. You can't be just all promise, right?

**Matt:** Yeah.

**Chris:** You've got to be like, 'All right, but here's what we need to do in the near term, and here's what I want you to do.' I want that person to wake up and almost close their eyes and say, 'When I wake up in the morning and I open my eyes, right? What am I going to be doing that's going to kind of drive this thing towards that vision?' And if I can paint that picture for you and say, 'This is what I need', I need the kind of people who want to wake up and get excited about that task, or those sets of tasks, then I think I'm going to be more successful. Right?

**Matt:** I notice you're using the language sort of around like, people like you, versus you. When you're pitching to attract employee talent do you often kind of keep that open, because you're still just trying to get to that next step, and not necessarily close in the first interaction? And the difference that I'm seeing there is, rather than say, 'When you join our team...' and sort of assuming the sale, I hear you using more language of, 'With people like you in this kind of role, we could get there.' And it kind of lays it more open for them to put themselves in that role.



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**Chris:** Well, boy, that kind of feels a little conversational; like I've gotten some buy in from you, and that you have to kind of convince me that you will fit the standard that I'm trying to meet.

**Matt:** Yep.

**Chris:** It's funny, I wrote an article this morning about how to make your first culture fit; and one of the things was is you have to kind of establish what kind of culture. You've got to figure out how you're going to go find out whether this person's a fit, right?

**Matt:** Yeah. Absolutely.

**Chris:** And so part of that is, I'm sitting with you, hopefully you're going to sit in front of four or five of the other team members, and each one of us is going to have a role to try to kind of pull out of you the things about you that make sure that you would fit our team, however you define it. And my example is, you know, like work/life balance is a great example for startups. There's some startup teams – startup founders – who are working twelve hour days, six days a week, right? Full pedal to the metal. And you know, if you're getting ready to make your first maybe senior hire, and it's a woman who's got a couple of kids and a husband, and you know, that are not doing twelve hour days, six days a week; and for you to try to recruit that person in, that's not going to be a culture fit. Right? And by the way, just as much the other way. If you guys are like, we believe in work/life balance, I want you out of here by 6, right? I want you to go enjoy, you know, rebalance your head, and do all those things – and you are recruiting someone who is like a workaholic?

**Matt:** Yeah.

**Chris:** Well, all those things are kind of ripe for future disaster.

**Matt:** Mm hm.

**Chris:** So I guess my point in this is that you need to figure out - you know, when you hire – what kind of people you want; and then it's, I need to make sure I pull the stuff out of you to make sure that you will fit that kind of, that view of what I want. And that's why I don't need to overly convince you of it. I need



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you to want to be part of this team, as much as I want you to be part of this team. I can't be a one-way sale.

**Matt:** Absolutely. That's great feedback, and it sounds like that sort of approach is what you've brought into The Big Top, the sort of reverse pitch event that you've put together.

**Chris:** Right.

**Matt:** What else about that kind of takes what you've learned about recruiting, and applied it into sort of the event format?

**Chris:** Sure. Well probably, you know, my largest frustration and the biggest opportunity is that – and the piece of advice that I'd give to growing companies – is that recruiting is not a light switch.

**Matt:** Yeah.

**Chris:** You can't turn it on and turn it off; and in fact I find that the people who do operate that way hire solely on skill set match, not on culture match; because they don't have time, they're just working their engine, they're cranking it up, and they're like, 'All right, we need – you know – senior ruby guys, and we're going to find that. We're going to run all these assessments and tests, we're going to do all this great stuff to find out about their ruby skills, right? Because we need to be able to optimize our recruiting challenge, right? We're going to put out all our dice, and we're going to do all this stuff.' I don't think that's the way you do it anymore. I think better companies – and we have some great examples locally – who view this as just a full-time task inside the company; and that they use the entire company to try to, you know, continually recruit quality talent. Recruiting to me is like an always on type of endeavor; and when you approach it that way it's kind of marketing. I had someone tell me today that – after I wrote this post – that really good insight, they're response to me was that recruiting is not an HR function, it's more of a marketing function.

**Matt:** Yeah.

**Chris:** And like marketing, you can't turn that on or off. It's just got to be some... you know. There's multiple channels you use, and you optimize on all of those; and I think some of the best culture-based



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companies, who have low turn rate, happy employees, are great productivity-wise, are always recruiting, always trying to find quality talent, and grab them when they can, regardless of whether they have an open position or not.

**Matt:** Right. Well it kind of all folds into this growing industry or term, that is employer branding. Right? And more and more people are talking about employer branding; which is sort of that marketing function of HR that you were just talking about. And one of the things I thought was really interesting is that at your events you want a founder, or an executive, to be giving the pitch around why you should be working at that growing company. Why is it so important to have that?

**Chris:** I mean with all respect to very talented HR people, but typically they don't carry the passion and the mission of the company, you know, kind of from your toes. Right? They didn't live this thing when it was hard, and they're kind of waking up every night wondering about the strategy of the company and, you know, kind of what the direction is. And those are the things that people, I believe, want to grab onto.

**Matt:** Well Chris thank you so much for sharing your perspective from all the years working with entrepreneurs, as an entrepreneur, and now for entrepreneurs through The Startup Factory. You've shared some really great stories, some very actionable advice, and I'm really excited to have you as part of this.

**Outro:** That was part 4 of our interviews with Scott Humphreys, the entrepreneurial leader at Johnson Controls, a client at DeveloperTown. To learn more about DeveloperTown and the awesome work they do, go to [devloperstown.com/powderkeg](http://devloperstown.com/powderkeg). You'll not only get a direct line to DeveloperTownies, but you'll also get free resources on building and launching tech and info products.

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