



PODCAST TRANSCRIPT: KRISTIAN ANDERSON

INTRO: I was less than a year out of college when I first met Kristian Andersen ([@KristianIndy](#)). And while I had met a lot of people in school, I had never met anyone like *him*.

Andersen is positive but direct, which I believe is the key to why he is able to accomplish so much in his companies, investments, and community. You can trace the start of his streak of successes back to 2003, when he founded [Studio Science](#), a design and innovation agency where he still serves as CEO. He and his team have helped many B2B SaaS and innovation-driven organizations (including [Verge](#) and [Powderkeg](#)) find their brand voice, define their positioning, and design their customer journey.

Kristian Andersen is also an active angel investor and co-founder of [Gravity Ventures](#), a seed-stage venture fund that invests in tech-focused startups. He's gone on to co-found a few startups of his own, including; [Oktiv](#), [Lessonly](#), [Visible.vc](#) and [Pathagility](#). In 2016, he also co-founded [High Alpha](#), a New Venture Studio that conceives, operates and scales enterprise cloud companies.

Beyond working on his direct startup investments, Andersen sits on a few non-profit boards, co-founded [The Speak Easy](#) & [Indy Made](#), and serve as a mentor at [The Iron Yard](#), [RunUpLabs](#), and the [ARK Challenge](#) accelerators. He lives in Indianapolis full time, his wife and six (yes, *six!*) kids.

So dive in with open ears and an open mind, and absorb some wisdom from my good friend and mentor, Kristian Andersen.

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Matt: I'm here with Kristian Anderson, who is the co-founder of too many companies to list off here; I will probably do that in the introduction to this video that we'll shoot later.

Kristian: Yes.

Matt: But you have been very integral in helping several different start up and technology communities connect, grow and nurture that progress along the way; and much of that has been through your work with Studio Science – formerly KA+A. And I have been lucky enough to work with you on a handful of projects, several projects, over the years, with different tech companies and fast-growing agencies; and I remember... do you remember the first time we met?

Kristian: I'm embarrassed to tell you that I don't recall the first time we met. We've known each other a long time.

Matt: We have known each other a long time.

Kristian: So I can certainly cite some more pivotal interactions, but tell me: what was the first time we met?

Matt: So I mean obviously I remember this better because I was a nobody at the time.

Kristian: Well, we were almost certainly both nobodies at the time.

Matt: Definitely not true. You still had the same swagger that you have today, and it was clear that you knew your stuff; and I definitely remember that, because I had just sold my company down in



Bloomington doing what you do on a large scale, on a very small scale for small companies. And so I listened very intently when I first met you.

Kristian: Was it Boardwalk?

Matt: It was with Brian Wolff.

Kristian: Brian Wolff, yeah, right.

Matt: So Brian, who's an investor in Gravity Ventures with you, was my mentor; and we were able to meet up with you at your old Broad Ripple office, in the corner office.

Kristian: Back in the hood, yeah.

Matt: Yeah. Max Yoder welcomed me as the intern.

Kristian: That's a pretty good person to have meet you for sure.

Matt: Absolutely; who of course we hired in to do Orr Fellowship a year later. So a lot of connections happened in KA+A.

Kristian: Yeah. He was the big one though. That was a coo for the Orr Fellowship...

Matt: Absolutely.

Kristian: To get Max, and it was a coo for us to get him. He walked in as a wet-behind-the-year, kind of junior. It was interesting; he applied for a design internship position, and was not studying design. We actually couldn't find any relevant skills that he had that were applicable to our business, but you know, some people just make that big an impact; and he walked out and I said we've got to figure out a way to make a place for him.

Matt: Yeah? Absolutely.

Kristian: It was a good decision too.



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Matt: I'm glad you did. I don't think I would have... I wouldn't have known him prior to the Orr Fellowship hiring process if that wasn't the case. Same with Cruse

Kristian: Yeah?

Matt: Cruse was an Orr Fellow of that class.

Kristian: Yeah, that was an exceptional vintage.

Matt: Yes.

Kristian: Yeah.

Matt: But that was the year that I met you, and you certainly made an impression on me at that meeting and in the following meeting, which of course was over oysters at Bruges; which is kind of your... it will always stick out in my mind. It was the first time I ever had oysters.

Kristian: Were they mussels or oysters?

Matt: Mussels, of course they were mussels.

Kristian: I just want to represent the brand.

Matt: Way to represent the brand. All right, that's good. That's good. Well, you know, one of the things that I immediately noticed about you was what a passion for entrepreneurship you have; and not just here in Indianapolis, but all over the country and all over the world - which is where a lot of your clients are now, is pretty much all over the place. So you've built up over the last - what, 11, 12 years with Studio Science?

Kristian: I'm kind of like an ageing movie star at this point. The foreigners, right? We're not, there's conflicting reports on when the actual launch date was, but yeah, we've been at this for really over 13 years.



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Matt: So why is it important, or why do you have such a passion for entrepreneurship and people starting companies outside of Silicon Valley, and outside of New York?

Kristian: Yeah, I mean my passion really isn't limited to folks that are doing it outside of those geographies, right?

Matt: Sure.

Kristian: I happen to have a deep affection and a lot of respect for folks that are doing it in those geographies as well. I think what I find interesting about entrepreneurship in kind of less visible locales, is that it's a slightly different game, right? And I've always had a penchant for the underdog, I guess. It might stem from a diminutive stature; that's what my mom says. I'm not sure, but it's... growing up in Arkansas, which is a really kind of unbalanced, pretty economically repressed and depressed state, right? So it comes in as a solid 49 typically on most meaningful measures of economic vitality. Yet even in a state that, you know, is much maligned for being kind of behind the times, you look at certain pockets of a place like that – and it's certainly not unique to Arkansas. How you explain the rise of, you know, the largest retailer in the world, right? How do you explain the rise of one of the largest transportation logistics companies?

Matt: Which is Walmart and...?

Kristian: Walmart, JD Hines, Tyson Chicken.

Matt: Yeah.

Kristian: You know, and Dillard's Department Stores, Acxiom, which was really kind of the original big data company, right?

Matt: Yep.

Kristian: Came out of Little Rock. And out of really, kind of the most unlikely places – and actually you obviously see that around the world – that necessity is the mother of invention, right? And that success is not limited to zip code, right? But I think most people, specifically kind of aspiring entrepreneurs and



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people who are still kind of trying to feel their way through kind of their personal ambition levels, feel that they have to move, they have to go somewhere else, they have to locate to what has historically been thought of as the center of power, in order to build a big, meaningful business; and the truth of the matter is that's not true, and I would argue that it's never been true. I would say it's less true today than ever. You know, technology has been such a great democratizer in terms of locale; but kind of observing this and being kind of an amateur student of economic development – specifically outside of kind of tier one cities – it dawned on me that there are really, really big opportunities. I mean in the finance world they would call maybe arbitrage opportunities, right?

Matt: Yes.

Kristian: And rather it be Indiana, or parts of Ohio, or Kentucky, or Oregon; I mean pick your state, right? Not all of California is Northern California, right?

Matt: Absolutely.

Kristian: There's a lot of areas in the rest of that state that this is true for as well. I really wanted to help carry the torch and tell the story about the power of entrepreneurship, and how it can transform communities, and the economic development prospects of kind of historically depressed economies.

Matt: Well, you're doing a really good job of carrying the torch here in Indianapolis; and one of the recent articles that you're quoted in quoted you as saying: *'We used to feel like we had to apologize for being located in Indianapolis, and that's not the case anymore.'*

Kristian: Yeah.

Matt: Do you talk a little bit about that?

Kristian: Yeah, we say now we think of it as a competitive advantage, right?

Matt: Absolutely.

Kristian: And you know, it's important to kind of separation the kind of ra ra cheerleading from fact, right? Because there is a dynamic where you do have to kind of fake it till you make it a little bit. You



have to do that as a person. My dad used to always say, you know, 'act as if'. Right? You know, dress for the job you want, right? And there is some of that that is true for individuals, cities, states, and you know, countries, right?

Matt: Is there an entrepreneur that has done that well, that you can think of?

Kristian: Uh, probably all of them. You know what I mean?

Matt: Yeah. Absolutely.

Kristian: Because really, really good entrepreneurs - and I've strayed away from your initial question - but really, really good entrepreneurs are fundamentally really, really good story tellers.

Matt: Yes.

Kristian: Right? And it doesn't mean that they're telling stories that aren't true, it means that they are telling the most interesting, most compelling, most articulate story possible. So is there an example of an entrepreneur who faked it till they made it?

Matt: That really stands out to you?

Kristian: Well, the question would be give me an example of a really successful entrepreneur that did not do that? And that's when I'd have to go do some homework.

Matt: Sure.

Kristian: Right? You know, as a general rule, they're phenomenal story tellers, and they're having to make a silk purse out of sows ears in most cases, right? They don't have enough money, they didn't necessarily go to the right school, or have the right degree. They're trying to sell a vision for a product that doesn't exist yet to customers they haven't found yet. Right? So, no, I think that is actually a critical - and I'm making a very clear distinction between lying and being a good story teller, and being able to cast vision, and being able to get people to follow you. Lying I have zero tolerance for; but telling a good story, being able to craft a vision and articulate that well, and get potential customers or employees or investors excited is an absolutely critical skill. And at the state level - if you look at a state like Indiana -



you can't literally start with nothing. Right? You have to have some raw material, whether it be your brain or deep pocketbooks, or as, you know, Peter Thiel talks about, you've got to know a secret that very few other people know. You've got to have one or more of those things to really spin things up, and in Indiana we were really blessed by having all the normal stuff; highly educated, you know, workforce, the good old-fashioned – not myth – but kind of fact of the Midwestern work ethic.

Matt: Yep.

Kristian: And a number of businesses that had created kind of micro clusters for us to take advantage of from an entrepreneurial perspective, and that's why when today I say we used to have to kind of explain away why we're based in Indi, today we lead with that because in so many parts of the country now this particular city is recognized certainly as being a hotbed of marketing technology. Right? And it's not limited purely to marketing tech, but certainly that's kind of the sharp end of the spear.

Matt: Sure.

Kristian: We've had a lot of success. Certainly a lot of that owed to ExactTarget, but it really transcends ExactTarget, as you know. Many companies before put a dent in the universe here, including Interactive Intelligence and Software Artistry.

Matt: Aprimo.

Kristian: Aprimo, and so on and so forth. And through that we've built such a dynamic base of talent, managerial expertise, a large hiring base; it's why just over the course of the past few months a number of companies that are headquartered out of state have begun opening offices – a pretty rapid clip here, right? To take advantage of that arbitrage.

Matt: Yeah, absolutely. Well, it kind of goes to the point of sort of branding your city, and being able to get everyone behind a single message. And sort of that vision casting aspect of entrepreneurship – you're going to probably cringe when I say this word – is a little bit of developing a personal brand.

Kristian: Yeah. I do cringe a little bit when you say it, yeah. I know exactly what you mean.



Matt: I knew it would, but you know, I don't know what other phrase... Until you come up with a better phrase than personal branding, you know, I do think that the personal brand of an entrepreneur is very important, and clearly impacts the way the company is branded. Can you talk a little bit about what you coach entrepreneurs – whether they're young or not – but first time entrepreneurs, as they're going about vision casting and building their pitch deck, and going out there raising money or building prototypes; what are some of the things that you frequently encourage entrepreneurs, or course correct with entrepreneurs, around branding their start up?

Kristian: Yeah. Well you know, the irony is one of the things that will kind of damage your career early on – if you're wanting to position yourself as an entrepreneur company building – is to spend too much time and effort trying to figure out how to brand yourself as an entrepreneur or a company building. Right? It's always... used to be a turn off. Now, the older I get the more empathy I have; but it always struck me as interesting or odd when a 22-year old walk handed me their business card and it would say kind of 'serial entrepreneur' or something like that on it. Right? I'm sure there are 22-year olds who are legitimately serial entrepreneurs – there's not a lot of them. You know, at the end of the day the best marketing is a great product. Right? So this is true for software companies. This is true for automobiles. This is true for cities that are trying to figure out municipal branding. And it's also true for people.

Matt: Yeah.

Kristian: Right? So those who are focused on kind of the traditional approach to personal branding, which is all about building your own mission statement and relentlessly being present and visible on social media, and showing up to every conference, and trying to get on the panel...

Matt: Right.

Kristian: And so on, and so forth. If all of that energy was being funneled toward building a product – and I mean in some cases the product being a person. Right?

Matt: Yep.



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Kristian: How you create value in the world. Right? I think you would see a lot more success. And I'll give you just a finite example, right? The way to build a great personal brand is to help people. Right? So that may be the people you work with, it may be the person you work for today, it may be the people who you are trying to hire or attract into your company, it could be people in a non-profit space, people at your church. Whatever the case might be, right?

Matt: Yeah.

Kristian: Investing in people is a really, really quick way to effectively build your own brand. If you have a reputation for being somebody who gets stuff done, who when people ask for help delivers that help, that is so much more effective in establishing credibility and boosting your visibility, rather than just being noticed. Right? And I'm not saying that you shouldn't blog and be active on Twitter and... of course you should, right? But all of that should be, I believe, done through the lens of 'How am I helping? How am I creating value?' Right? 'How am I making the world a better place? How am I advancing the agenda of my organization or the city I live in?' And I think that's where people most often go wrong; and I can cite a whole lot of examples - and I won't bore you with the details - but it seems like a simple truth, but it's one that people have a hard time grasping.

Matt: Well, let's get a little specific there, because I really like that idea of entrepreneur as a product. Right? Before maybe they even have a product built, and an entrepreneur viewing themselves as a product. So if entrepreneurs out there are viewing themselves as a product, what do you see - at this point in time, 2015 - what are people out there hungry for in terms of a product as it pertains to an entrepreneur as a product? What kind of entrepreneurs does the world need right now?

Kristian: You know, unfortunately what the world needs and what people are hungry for are rarely the same thing.

Matt: That's a good point.

Kristian: People are not particularly rational, as you know, and have a hard time kind of playing the long game, right? So you know, I fear my answer will be kind of unsatisfactory because it's so banal and obvious; but the simple version is we need more people doing, and less people pontificating. Right? So, I



mean we see this, you know, everywhere; in our business and the companies that we work with and the companies that we're talking to from an investment perspective. Execution trumps everything, right? Ideas are cheap. You and I meet with people every day that have ideas. I've never met anyone that didn't have at least one hundred million-dollar idea rattling around in their brain.

Matt: Yeah.

Kristian: Right? Ideas are cheap. You know, in terms of currency, it's people that actually kind of advance, move the ball forward; and that means rolling up your sleeves and being prepared to face a whole lot of rejection and casting aside any sense of entitlement one might have about what the world owes them, or what they deserve.

Matt: Yeah.

Kristian: Once again, that's human nature, right? I mean, we are kind of broken people innately, right? And we constantly have to battle selfishness. Right? I want. I deserve. Why me?

Matt: Sure, sure.

Kristian: So on and so forth, and I think the people who end up being most successful are folks that get to work building something that has value that transcends themselves. Right?

Matt: Yeah.

Kristian: And once again this goes back to how you do personal branding well. I can tell you how to do it wrong. Right? If it's focused purely on you building your CV, making sure you're the most visible, brightest light in the room....

Matt: Mm hm.

Kristian: Over time that pays; you may get some pops from it, but it pays diminishing returns over time. Humility is so underrated.

Matt: Yep.



Kristian: It is unbelievable, and people talk about it all the time as if it's like this core value that everyone shares; and I'll tell you, true humility is in extraordinarily short supply.

Matt: It's hard to come by. Hopefully a little less hard to come by here in the Midwest.

Kristian: Yeah. You know what, there's even this perverse arrogance in the Midwest about their humility; they love to talk about how humble they are.

Matt: It's true. It's true.

Kristian: Right?

Matt: Guilty right now.

Kristian: Yeah. Well no, it's interesting; I was on a road trip with someone the other day and we were kind of comparing the different geographies and what's true about them, and I was making this case for Midwestern humility, and he was like, 'You know, even in the Midwest you see humility perverted into vanity, where it becomes this bad...'

Matt: Look how humble I am.

Kristian: Look how humble I am. It's a little bit like when somebody gets their Oscar and they, you know, any time somebody says, 'I'm so humbled by...' they actually mean the exact opposite of that. Right? So it's another word that is slowly losing its meaning.

Matt: Yeah. That's true. Well, let's say that founders out there watching this right now are working on building great product, and they're building a great team – as best a team they can with whatever money they're bringing in from their product. There's still some amount of communication that they need to do in order to continued to attract the right talent, potentially attract investors, and market to clients. What are kind of like – especially in the early stages – what are some of those things, as let's say a founder's going out to start the fundraising process; how can they communicate who they are and what they're about effectively with their brand, or what is to become their brand?



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Kristian: I mean once again, I think it goes back to story telling; and I really don't make a distinction, so I talk about...

Matt: Should there be one story? Should there be many stories?

Kristian: Oh no, there needs to be one story. It certainly can be contextualized for the audience.

Matt: Sure.

Kristian: But no, there needs to be, there should only be one story; and that story needs to live in the product.

Matt: Okay.

Kristian: Not exclusively, but I'm not... we tend to fall into this way of thinking where there's marketing and there's product; and those are different things. Right? One is, you know, how you fulfil demand, and the other is how you generate demand; and I tend to think that those are not the same thing. Increasingly, as people purchase experiences – not products – you have to think along the lines that the continuum is different. Right?

Matt: Yep.

Kristian: So the retail experience if there is one, the advertising experience if there is one, the product experience – so actually interacting with what I'm paying money for, the services experience that I'm dealing with; if I have a problem or I need to return it, or something broke. I mean, that's all the product.

Matt: Sure.

Kristian: And really the most successful products are stores, right? And I mean, if I said: 'Hey, name the three most interesting dynamic products on the planet?' Right? Whether you said the Nest thermostat, or Tesla, or a MacBook Pro, or whatever – those are really kind of like living narratives. Right?

Matt: Yeah. Absolutely.



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Kristian: I mean literally. It's a story, and it's a story that's constantly being tuned, and it's constantly being tweaked. So my first point would be that you need to view your product and that experience of consuming it - buying it, consuming it – as part of that narrative. More specifically, in the fundraising process I like to think of the pitch deck as it's a novel, right? It is hopefully not a work of fiction, but it's a book. It's a story; and it has a plotline. Right?

Matt: Okay.

Kristian: That should be clearly articulated. It has a protagonist.

Matt: Mm hm.

Kristian: Right? You're a product coming to save the day. It has an antagonist; what's the problem that's being addressed?

Matt: Yeah.

Kristian: What's the great wrong that has to be righted? It has a de noir, it has a climax, right? The climax may be when that problem gets solved for a particular customer. If you're talking to investors it might be when there's liquidity in there, that puts money back in the investors pockets; but I think if entrepreneurs would force themselves to think in terms of the narrative, constantly the narrative. Who's our hero?

Matt: Mm hm.

Kristian: Who's are enemy? Right? What's the great quest or challenge that's been put in front of us? Right? Kind of the hero's journey.

Matt: Yeah. I like that.

Kristian: That goes a really, really long way. And that way when you get nervous, or you need other people to help carry the water and tell the story, you know... We might all give slightly different versions of what happened in Star Wars, but in general we'd be able to tell the same story. Right? And it's the same thing when you're raising money, and you've got a COO, or if you've got a co-founder and you're



split up, or you're in different planes and your pitching different groups. You want to be singing out of the same hymn book. The same things true when you're selling to customers. The same things true when you're recruiting. And this is why the idea of story, living inside of the product, living inside your organization, being a culture, is so critical; because if you've got a story that's properly articulated and codified then it's not just up to you to be able to tell that story.

Matt: Yeah. Let's get a little more brass tacks; how long should that story be?

Kristian: Once again, I think you've got to contextualize it, right? So, if you're at a launch festival you've got two minutes. It should be two minutes long. Right?

Matt: Yeah.

Kristian: You know, if you're sitting down, recruiting a VP of Sales, you can take a lot longer to tell that story; but you know, if you want to think of it through the kind of rubric of the investor pitch, right? Obviously, less is more. And you know, 10 to 15 slides, following that plot line of who we are, what we do, here's the problem, here's how big the problem is – which is a really critical thing that many entrepreneurs get wrong. Right?

Matt: Yeah.

Kristian: There are a lot of terrific problems out there, that are real and no one's going to argue with the fact that they're real; but if you're successful in addressing it, in a vacuum it may not be sufficient to build a venture scale business around. One thing, because the one thing that – I'm really on a Peter Thiel kick now, so forgive me – but the one...

Matt: I read Zero to One based on your recommendation.

Kristian: One of the things he points out in that book that I think is critical is that most really, really big ideas, A. seem dumb. Right? Initially.

Matt: Mm hm.



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Kristian: And, B. appear to be attacking a problem that's too small. Right? So you really need to understand how big the opportunity could be. The flip side of that is, folks that are only targeting ten billion dollar minimum total addressable markets I think are missing the boat, because many, many great ideas are great because they actually change consumption habits; they change the way people behave. So trying to size that market before you've disrupted it can be an impossibility, and I think if people are too fixated on that it means we're going to miss out on a lot of great ideas.

Matt: That's a really good point, and I think that if you can kind of shape that in your story, right? And show... who was it? I don't remember who was talking about how they did this effectively, but it was literally; in this industry this company did this. In this industry, this company did this. In this industry, no ones done it yet; that's because we're doing it. Are there other things that you see that kind of escalate that story to the climax, or sort of the apex moment of the story?

Kristian: Yeah. I mean once again a lot of this is conventional wisdom, but I think we hear it so much that it loses its efficacy.

Matt: Yeah.

Kristian: You know, another big deal in the story telling process is you really have to... people have to care about you, the individual.

Matt: Right.

Kristian: Before they can care about your product, right? Or even care about the problem that you're trying to solve.

Matt: How do you make someone care about you.

Kristian: Yeah. That's a good question. A number of the things that we've already touched on, right?

Matt: Sure.



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Kristian: So it really comes down to, who do you want to invest in? What are the character traits that exist – and this differs from investor to investor for sure, but there's some commonality, right? By and large people want to invest in winners, right? Now that seems kind of crass.

Matt: Yeah.

Kristian: But it's the absolute fact, and winners have kind of one defining characteristic.

Matt: Mm hm.

Kristian: Are you ready for this?

Matt: I'm ready.

Kristian: Okay. Winners believe that they are going to win.

Matt: Yeah.

Kristian: Right? So losers think they might win if everything goes according to plan and nothing happens, you know? Nobody screws with them from the outside and the market doesn't get disrupted by a third party. Winners don't think about that that stuff.

Matt: They don't have a Plan B, C, D...

Kristian: As soon as the shoes are laced up, they're out there. They're not just trying to win; they believe that they are going to win. Right? I mean Ali is like the greatest example, right?

Matt: Sure. There is an example of humility.

Kristian: Yeah. Well you know what's interesting, there was lots of things that he knew he wasn't good at.

Matt: It's very true.



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Kristian: Lots of stuff. Right? He happened to be right about the one thing he believed he was good at. Right? And that was whipping people. So don't confuse humility with fake self-deprecation, or self-flagellation. That's not what I mean. You can know you're really good at something...

Matt: Right.

Kristian: And still manage to be humble in the process. And also baked into that is people want to invest in winners, they want to invest in people who they believe are teachable – because nobody knows it all, right? So coming across, somehow striking that balance where you are confident and self-assured is critical, but also that you are flexible, because we know that you are going to need to be, coachable, teachable. And I'll tell you, you know you can't read a book on it, in terms of that person. Right? I mean, it's like everything else; you've got to practice those things. You've got to practice being confident.

Matt: Yeah.

Kristian: You know, it's all about like, at bats. Right? And that's why constantly pitching, working on a story, interacting with people, refining your method - in many ways talking yourself into what it is you're trying to talk other people into.

Matt: Yeah.

Kristian: Is so critical. I do believe that there are probably some entrepreneurial genes that are passed along from mother to daughter, or father to son; but as a general rule, most of that is a function of training and learning.

Matt: Well if you're in America the chances are you have some of those genes in you.

Kristian: Yeah. That's right, that's right.

Matt: Well so, those are really good pieces, you know, in terms of the character and bringing out that character in telling that story; your own entrepreneurial character as well as the protagonist and antagonist in your story. You know, as you're going through and developing a relationship, you know one of the things that I've always admired about Studio Science is even though I haven't always been



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your biggest client - nor have I probably ever been your biggest client – the care that you take in developing that relationship with just little things, you know; like sending gifts. You know, when I was on the front page of the IBJ, you guys were the first people to send a thank you note. Talk to me a little bit about, 1). Where did you get that trait? Because I know it's not you writing every card, but it comes from you, the founder of the company.

Kristian: Yeah.

Matt: And can you maybe tell me a little bit about why that's important?

Kristian: Yeah. Well certainly it's not – as you noted – that's the culture of Studio Science, and the culture of gratitude is really strong here; some gratefulness, being grateful. And I think we are all, I know we are all really grateful to have the opportunity to do what we do for a living. I mean it's a really dreamy job.

Matt: Yeah.

Kristian: You know? And we've been successful at it, and we've been rewarded along those lines, which has been terrific; but that – at the risk of sounding trite – that's definitely not why we do it, because there are easier ways to make money.

Matt: Yeah.

Kristian: As they say. I think everyone here is really grateful, and so it's... when you are yourself satisfied and content and grateful, and acknowledge the fact that you have a lot of stuff that you may not deserve, it makes it really easier... it makes it a lot easier to be happy for other people.

Matt: Yeah.

Kristian: Right? Gratefulness is the exact opposite of resentment. Right?

Matt: Sure.



Kristian: And so what that leads to, is it leads to a culture of celebration, where you not only want to celebrate kind of your own successes, but you naturally just want to celebrate other people's as well.

Matt: Yeah.

Kristian: Right? I think it's one of the reason why we've been such an active and prolific cheerleader of this community, is that we're proud to have played some role in its ascension; but more than anything we're just happy. We're happy for the people who live here and work here, we're happy for the people that have those successes. And you ask where it comes from and, you know, I think that in my case – it certainly doesn't all come from me here – but in my case I was certainly raised in an environment where I was reminded to be grateful. Right? Where that was part of the culture of my family, to give thanks, and to give thanks religiously – if you'll pardon the pun. And that spills over into every aspect of your life, right? It does not mean that I am never resentful, it doesn't mean that I never look at somebody and go, 'I sure would like a car like that someday.' But I think it's sincere, and I think interesting, it's gratifying to hear you say that about Studio Science. I think that's something that this team owns, and spends a lot of time trying to be really intentional about.

Matt: Mm hm. What - you know in terms of that being a core value for Studio Science – 1). Do you think that that needs to be a core value for all companies? And then the follow up question is, do all companies need to define what their core values are?

Kristian: I mean the second, the last question is simple. Yes. I mean at some point there needs to be some shared understanding about what's important.

Matt: At what point is that important? Do you think that's before you hit the road pitching?

Kristian: Yeah. I think in the beginning, right? I mean – and once again, you know, I'm certainly not saying we've always been good at that, and that's always a process... I believe values can change by the way. Right? And most people would say, 'No, you set those in stone and those become your guiding lights.' No. I think things change, people change, and what may be important ten years ago, may not be as important to you. Maybe you achieved that, or maybe you thought that was important to you and



you realized over time that it wasn't; but no, I think you absolutely have to be really proactively engaged in evaluating what's important.

Matt: Mm hm.

Kristian: Documenting that somehow. And this is the role of CEO. Right? Is to establish what is important for that business, and then relentlessly communicate that down to the organization until people are sick and tired of hearing it. In terms of should gratefulness be a core value for all businesses? I mean, I have no idea. Far be it for me to say what should be important to them. So no. It has been important for us; it has served us well. It's been something that we can galvanize around and rally around, and it's certainly paid dividends. It's the kind of quintessential 'what goes around comes around' scenario.

Matt: That's good. We talked a lot about what companies can do to communicate well, and to grow; specifically focusing on product and developing the right messaging around that, at the right times. What are the things that companies... what are those things that growing companies need to avoid? And you know, we obviously touched on some of that too; focusing all of your time and attention on doing the 'look at me' side of things. But what are some of the pitfalls you see, especially in fast-growing companies, which you work almost exclusively with fast growing companies?

Kristian: Yeah. I think the biggest thing – I think this is a pretty easy question actually... As we like to say, talent is the atomic unit of success. Right? So that's kind of the irreducible complexity of success, is who are you working with? You know, you've got a crappy product? If you hire the best team they will fix your crappy product. Right? You've got bad customer service? You hire the right team; they will fix your bad customer service. Talent can fix anything.

Matt: Mm hm.

Kristian: Right? It can fix a bad product. Literally. Right? It can fix a broken sales model. Literally. And so getting the right people on board is so critical; and everyone pays lip service to that, right? Everyone, 'talent's our most valuable resource', or whatever. The reality is that when you're a hyper growth company, and you're hiring 50 people a month, or 50 people a week...



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Matt: Yeah.

Kristian: Right? It can be really difficult, almost impossible, to hire well across the board. Right? So when you're the size of Studio Science, it's not easy, but it's manageable. Right? If we need to slow our role to make sure we've got the right folks on the team, we'll just slow down. Right? If you're a hyper growth venture backed company that, you know, the wolves are at the door and the competitors are circling and IBM decides to get into the business, you can't take your foot off the accelerator. So hiring is so critical, and getting that right is so critical, and so difficult; and so knowing that at scale it's going to be almost impossible to continue to hire A players, building the right type of culture with the right type of values, that are rigorously and religiously conveyed to those inside of the organization, can help smooth out a lot of those rough patches; because the second best thing you can do next to hiring the right person, is firing the wrong person quickly. Right?

Matt: Yeah.

Kristian: And if you've got the right culture in place, and the right values in place, and the right people in place, the host organism will reject. Right?

Matt: Yeah.

Kristian: Folks that are not good fits, folks that are either toxic or not up to the task. It's not always up to bad people, sometimes they just don't have the horsepower. Right? And when you're into the hyper growth curb, especially early on, a couple of bad apples can really muck up the works, you know? I mean this is – once again, this is kind of conventional wisdom – but the interesting thing about A players is A players will hire, and subsequently inspire other A players.

Matt: Right.

Kristian: The problem with letting just one B+ person in the door – and that's tricky, because B+ people walk like A+ people, and they talk like A+ people; it can be very, very hard to understand the nuance. The minute one of those folks come in the door, the wheels gonna fall off the wagon; because B player



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hire and inspire C players, and C players hire and inspire D players, and it's like a virus. Right? A players are so unique in that regard. And I'll tell you, if you want to know the secret to divining the difference...

Matt: Mm hm.

Kristian: How do you know an A from a B in the interview process? It's pretty simple, I think I've got it down.

Matt: Let's hear it.

Kristian: When you ask them the kind of perfunctory question about, 'Tell me about one of your greatest failures. Like when a project went wrong?' You know, this is kind of standard interview 101. What you'll find is that the A player and the B player will both tell you about the failure, and then you'll say to the A person, 'Why did that happen?' Here's what the A person will say: 'I failed to do X and then recognize that until two weeks later, and by that point it was too late.' Or, 'My manager told me to do X, but I decided to do Y and it failed.' Or, 'I slept through my alarm.' Or whatever the case may be. A B player – the cause will be external. Right? 'Well my boss insisted that we use an offshore development firm, and they didn't really understand what we were trying to do, and they...' Or, 'We had this new sales guy come in, and he sold a bunch of vapor that doesn't even exist in the product yet. There was no way for me to...' Right? It's always going to be some external event, or individual, or set of circumstances, that drove the failure. And I mean to me that has proven itself to be the clearest, cleanest, crispest way to distinguish two parties that on paper look almost identical. How do you know who's really... who's got the bandwidth and intellectual horsepower and humility, the leadership to move to the next level? That simple test usually will render that out.

Matt: Do you ask that question too, to entrepreneurs who pitch to you? Or do you have a similar kind of litmus test around character?

Kristian: You know, it's interesting. The way we deal with someone who's coming and asking for money, and the way we deal with somebody who is gracious enough to consider coming and joining us – we manage that a little differently. Right? So those are two different... It's an interesting question, I've never thought of it that way; but those are two very different processes. There's a different set of



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patterns that I personally am looking for in an entrepreneur. Right? And once again, a lot of this is kind of intuitive, or intuition driven. Some of it is a little more practical and linear. You can ask some questions. And the first thing is to be a great entrepreneur you have to be oriented toward entrepreneurship, right?

Matt: Yeah.

Kristian: And one of the simplest ways to find out the answer to that question is to ask them about their entrepreneurial background. I mean it is shocking... I mean it is really, really shocking how similar the backgrounds of most successful entrepreneurs are. I mean there are a series of very similar... You know, I always ask, 'Tell me about the first time you remember making money on your own.' Right? And I mean like clockwork, it's the same answer. I mean, contextualized a little differently, but they were selling cinnamon toothpicks on the playground, or they were having their mom drop them off at 7-11 and buying lemonheads, and then crossing the street to the elementary school and marking them up 50 percent, or they were selling T-shirts to the sorority girls when they were in college, or they were mowing lawns at the beginning of Summer and by the end of the Summer they were running a crew of five of their friends mowing lawns and they were just counting checks. I mean that cadence of being a starter; being able to execute, being able to build teams - whether it was in third grade selling cinnamon toothpicks, or you know, brokering T-shirt printing to college kids - it's really, really similar, and as you... Just because you did that does not mean you will be successful. That's not my point. But those who are successful, by and large, a disproportionate number of them have similar experiences. As a matter of fact, a disproportionate number of them never even had real jobs.

Matt: For those with real jobs, who haven't already started an entrepreneurial venture; should they stay away from starting something?

Kristian: That's a good question. So if you have not exhibited the gene historically; are you saying is that enough of a reason to not move into entrepreneurship? I don't know. That's a good question.

Matt: It probably doesn't matter what you say, because the person that's the right person would start no matter what you said.



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Kristian: That is an excellent point. So yeah, for anyone who that would dissuade them – they’re ignoring what I’m saying anyway. So that’s good. And I think the answer is no, because I think that you can come to things late in life. And really that’s certainly... yeah, absolutely. And I also think that the – I’ve used this word several times today, it’s an important one – I think the context of entrepreneurship has changed dramatically, and will continue to change as well. Right? So as we largely continue to move into this kind of free agent nation idea...

Matt: Mm hm.

Kristian: Right? The idea of, ‘Well, I’ve been at the same job for 28-years, I don’t know if I...’ We’re not going to have one of those conversations in the future. Right? So I think that one of the things that’s happening is everybody is having to become, at least at a micro level, entrepreneurial even in their day-to-day jobs. So I don’t know that the cinnamon toothpick test will be as meaningful five years from now as it was five years in the past.

Matt: That’s a good point. Well, Kristian I could probably ask you questions all afternoon if you’d let me.

Kristian: Yeah, we’ll save some.

Matt: But I know you’ve got a lot of stuff to do, and we’ve got another conversation coming up in a couple of days. So, anything else you want to touch on? Or something that you just really wanted to expand on but I cut you off?

Kristian: No. I got it all out of my system.

Matt: Awesome man. Thank you so much.

Kristian: Hey, thank you. A please.

Matt: Likewise.