Transcript of Interview with David Sullivan, Founder, CEO Till, Inc.

Interview by Aaron Edelheit

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*Lightly edited for readability

Aaron: David, this is such a thrill for me. I'm so excited that you agreed to this interview. Just as a disclosure, before we start the interview for everyone listening, I am one of your biggest fans. If you are a stock, I would buy you, since I can't buy you. Instead, I'm an investor in Till. So, I am very biased about David Sullivan and Till, just as a frame of reference for everyone who's about to listen to this interview. So, thank you so much, David, for agreeing to this.

David: Yeah, of course. Thanks for having me. We've had a fun journey since first working together, which very much seeded my passion for what we're doing at Till today.

Aaron: Yeah, I know. And this is a great jumping off point, which is from our time at The American Home, which is you helped building the single-family rental company during the foreclosure crisis, where we eventually ended with twenty-five hundred single-family homes. I went way too crazy buying homes, and we weren't fixing them properly. And you really helped not only transform the company but help sell and a very successful and at the time the largest transaction of homes that had ever been done to a public REIT. And I'm very, very grateful, though I almost killed you during that process. And everyone, you know, like David started out just in the financial department and then eventually became chief operating officer, because you're just an amazing person. But I wanted to get to the question, which is. Tell me what you learned at The American home, when we were renting, when we were the property manager and why you started Till and how landlords and tenants are at odds with each other?

David: Yeah, sure. So, Till at the just highest level, provides personalized financial solutions to transform the way renters pay rent. And so, what we learned at The American home, what I became very passionate about is we have a reality in our rental housing ecosystem where renters have really personalized and dynamic financial lives. Yet landlords traditionally understood property owners, property managers that serve about a third of our nation, it's about forty-seven million households, one hundred twenty million people. Landlords traditionally have had a one size fits all model. And there's a challenging reality for many renters living in rental housing when their financial needs change, there isn't a way for a landlord to appropriately meet that resident or consumer where they are and to work with them. And so, I got really interested in how we could build tools to improve the residents experience and then in turn improve the landlord's outcome, their relationship with the resident and the landlord's cashflow.

Aaron: So, let's make sure that I really understand that. So, if I think about and this is one of the challenges that we had and we were just really surprised about how when the first of the month comes, there's this lump sum that a renter all of a sudden needs to pay. Give me some practical examples of what Till is trying to do for people and how the renter is kind of at odds with the landlord in terms of that. And then maybe if you could sprinkle in some of the things that we learned of how many people had late payments or would struggle to get in by the 15th even to pay rent.

Davod: Yeah, it's interesting. So, the reality is rent is a customers or renters biggest expense in the month and it's usually somewhere between 30 to 50 percent of their net income. And it all happens on one day. And so that consumer is trying to figure out how to pay rent, how to also then pay their car bill, their student loan, their cell phone, buy their kids groceries, et cetera. And so, they're navigating around this really, really large payment. And most renters, many renters, have similar financial profiles. So, most renters have limited savings. T hose stats are pretty well known around the country. They have high income volatility. So, every month, income volatility is roughly 20 percent. It's really high a lot. And so, they're navigating around high-income volatility, limited savings and their biggest expense. And as a landlord, rent is due on the first of the month for pretty much everybody. And it's not if a renter can't pay, the landlord really is using two different tools to drive performance today. They use late fees, which hit sometime between the third and the fifth of the month. And the late fee then affords the renter about ten days until an eviction is filed, which is the second stick in the ecosystem. So, a renter has a very limited time window to try to make this really big payment. And what we have learned is that the majority of renters can successfully pay rent if given a personalized payment schedule. So that's one of the things we do at Till is we try to meet the renter where they are. We understand their cash flow and we break rent down into smaller payments aligned with that residence cash flow. And what we found both at The American Home when we were working with renters that were facing delinquency challenges and at Till is that when you work with them and you match their cash flow to their rent cycle or the rent cycle to their cash flow, they can succeed. So, let me just give you some, like, really big high-level numbers for why this problem matters. Renters every year, seek about one hundred billion dollars of liquidity to solve this problem. So, there's about

50 billion dollars of delinquent rent every year that landlords have to work through with their resident base and the residents are borrowing roughly 50 billion dollars of payday loans every single year. 50 billion. So, there is one hundred-billion-dollar liquidity access problem statement and distilling it.

Aaron: 50 billion?

David: 50 billion. So, there is one hundred-billion-dollar liquidity access problem statement and distilling it.

Aaron: And that's all because that's all because you have this massive payment that's due on the 1st and it's not matching the cash flow needs or the reality of most renter's cash flow streams. Is that an accurate way to describe it?

David: Yeah, that's exactly right. Right. People use credit to better match their needs and delinquent rent is a form of credit, although a really expensive one and payday is a form of credit. And we all know a very expensive one. And so, renters are seeking out these really high-cost credit solutions to better match when they're earning income to these big expenses that have to go out the door. And so, we created Till to go into rental housing and to better work with renters to align their cash flow and to help landlords improve their on-time payments. So. One thing I want to call out here is I think the press often looks at institutional landlords in kind of a negative light. They're the ones that are charging renters late fees or charging them this big expense. But most landlords, there are some bad actors out there, but ninety nine percent of everybody we work with and the ecosystem that we serve is great. And they're serving a really important societal need, right? They're providing housing to a third of our country and its access into communities, it's access to jobs and access to schools for kids. And the reality is landlords and properties have their own financial realities. They owe their own debt or mortgage obligations, usually around the 10th of the month. They have payroll, they have maintenance people on site. So, landlords need to improve on time payments to manage their own business. Renters need flexibility to step in and succeed within the home that they've been given. And landlords just to date have not had data, tools or products, tech driven products that allow them to efficiently and effectively serve renters in an individual way. And so that's where we come in.

Aaron: And that's where Till comes in. So, I'm a renter. I, I move into my new apartment and a landlord is offering me this new product called Till. And I'm like, why would I sign up for Till?

Sell me on this David! I already know what it does by the way! I want to know why I would use Till and what specifically does it do for me. I'll back it up even further and just say I've got a job and then I supplement that with maybe some Uber driving or just some random jobs. And I get some money in two or three times a month that is separate from my salary, my job.

David: Yeah. So, OK, we have three products that steps in to better serve you as a renter. So, the first is called "Budget and Save". We can set up proactive budgeting savings automation that allows you to more effectively pay rent. Where we step in, we work with you to understand and design a custom budgeting schedule for rent. We break rent into smaller payments and every time you get paid, you're automatically and proactively saving for rent. And then we automatically send the money to the property in full and on time.

Aaron: So, do I have to do anything? Now, what exactly am I talking to someone on the phone? Like, what exactly am I doing?

David: Once you set it up, no.

Aaron: What exactly am I talking to someone on the phone? Like, what exactly am I doing?

David: You come into our app. There's a 4-step process to sign up. We match where you live, which allows us to understand how much you owe every month. We understand your cash flow, which allows us to predictably build a budgeting schedule that matches your needs. It can understand when you get paid and how you're getting paid. And then we set up the bank account, which automatically pulls funds for rent. So, in about five minutes, you can have a budgeting schedule that proactively keeps you on time. So that's the first thing we do.

Aaron: And so, it's taking money out. So instead of me worrying like, oh, my God, it's the thirty-first I have to pay rent tomorrow. I already know that Till has been proactively taking money out during the month and Till's got me. It's paying my rent either every week or every other week in smaller segments and I don't even need to think about it. I just look at my what's in my bank account and I'm like, oh OK. That's how much I have to spend.

David: Yeah, that's right. You never have to worry again. Oops. Did I overspend at Costco? Can I afford to pay my student loan on time? Can I pay my cell phone on time and rent?

Aaron: And in five minutes it's doing that. I'm assuming that there's like I don't want to use too many fancy words like AI or algorithms that are going in and judging and seeing what the cash flow goes like this right.

David: Yeah. We use user input data, we use cash flow analytics and we also give you control of it. So, if you need to change it in the future, you can come in and make adjustments. So, user engaged control. And so, yeah, in about five minutes we proactively set you up to succeed. So, step one. Step two is we support renters in their home. So, if a renter is ever short on cash to make rent payment in full and on time, we will step in and through a program we call rent protection, make sure that the landlord gets paid in full and on time. And then we allow the renter to pay that advance back over the next 30 to 60 days. And it acts in the exact same way. This is effectively buy now, pay later for rent, rent now, pay later, if you will.

Aaron: Gotcha. So now you've got me intrigued, so but my worry when I hear that is, oh, man, this probably has some crazy interest rate like payday loans. Kind of sad, you know, I'm worried that you may be taking advantage of me or charging me high interest rates. So, let's use a practical example. Let's say rent comes in and I owe twelve hundred, but I only have one thousand, so that's two hundred dollars I can't cover this month because I had to fix something on my car. I see that there is basically rent now pay later is two hundred dollars. What is that. Tell me how that works. But I know that in the next 30 days I'm going to drive my Uber and in two days I've got that paid in like two weeks. What walk me through the dynamics of what that two hundred dollars would cost me or why I would use it as opposed to putting it on my credit card or other options.

David: Yeah. So, we run everything as a flat price subscription model. So, the three programs that we're talking about are all a flat fee. On average, it's ten dollars a month and there's no interest rate associated.

Aaron: So, for ten dollars a month I have access if I'm short at any time to draw money to pay my rent, so there's no late fees, which is typically 10 percent.

David: Yeah, that's right. So, if you look at the credit alternatives that most people have, let's start with late rent. So, you could just not pay your landlord on time and incur a late fee. Most late fees are five to 10 percent of your rent. So, if your rent is a thousand bucks, you're paying 50 to one hundred dollars. It's really expensive.

Aaron: And as we saw with The American Home, a lot of people unfortunately do that.

David: Yeah.

Aaron: Now, we would have I mean, this is part of why I love that we would have loved these tools. Yes. At the American home. Do you have any data based on when you work with the landlords of multifamily and how many people are getting hit with late fees? Do we have any data either industry wide or how many people are getting dinged on that as a percentage of renters?

David: Yeah, OK, so this is really interesting, and all of this need and problem statement is true pre-Covid and will be true in whatever post-Covid world exists. Covid has exacerbated it. So, the answer depends on the class of rental housing. Rental housing is usually broken into your class A or B or C, your workforce. So, your class A, your rent is a lifestyle choice as really low delinquency. But when delinquency occurs because rent balances are so high rents three, four or five thousand dollars a month, the value of delinquency can be really high. Once you get into class B, C and workforce. We see today delinquency rates between seven and 30 percent of a community.

Aaron: Wow. And then all those people have no real effective options, and the landlords don't have effective options besides the stick. Besides that, five or 10 percent and they're constantly managing, and this is what we found at The American home. You're constantly managing that delinquent book.

David: Yeah.

Aaron: And then you clean it up and then the very next month you're dealing with the same exact problem.

David: Yeah. And what's interesting, you know, just for everyone listening and looking at this, like is not always the same renters that are delinquent every month, I think many people assume, Oh, yeah, of course Aaron’s late last month is going to be late this month. It's not always true. There's often a new cycle of delinquency. Someone will be in it for a month or two and then good for six or seven months and back in it for a month or two

Aaron: Because if you're living paycheck to paycheck, it really depends. Do you have a bad something bad happen to your car, you have a health scare? Are you in between jobs and then all of a sudden, your whole world is upside down?

David: Yeah, that's right. And so, you have like you have a renter population that's showing up and at The American home started to see this example. Right. So, you'd have, and I want to highlight, like, why this matters and why these tools can really be productive for this ecosystem. So, a common example. Two renters would show up on day five when rent is technically late, let's call them David and Aaron. And Aaron is just getting paid in a week. But David has lost his job, should we as a landlord work with each of us individually to adjust like the payment needs, or do we have to work with David and Aaron the same way? And today's reality is landlords don't have the data to understand whether David is employed, or Aaron is employed or not, and they don't actually have the manpower. Property management it's a service business today in and it relies on people, a really low margin business.

Aaron: And not scalable. It's not scalable if you think about the average property manager is probably one person for every hundred or two hundred. There's no way you could work without any technology tools.

David: That's right. So, you have a reality where the landlord doesn't have tools to understand whether David or Aaron will get back on track. And so, they work with both of us the same way they say, sorry, we know both of you can't pay today. I know you're telling me that you're going to get paid in a week, but we have no way to verify that. And I, frankly, don't have the time to work with a hundred or a couple hundred people on an individualized basis. So, what we can do is through data, see those realities. Right. We can re-underwrite the resident every single month to say, is David employed? Does he have the ability to pay in a week or two? And then we can also say when we break it down into smaller payments, whether proactively budgeting and saving or supporting a renter with a rent now pay later solution, we can actually improve that resident's ability and willingness to pay. And so, what our technology does is it really steps in and leverages up a property manager's ability to work with a resident on an individualized basis. And so, when we talk about especially rent protection and credit access in this space, which is here to stay, people usually bring up the first point, which you brought up is it's super expensive. And the answer is no, it doesn't have to be. And then the second point people usually ask about is, oh, my gosh, there must really be adverse selection in the.

Aaron: Yeah, because I would imagine that the people who are delinquent are the words, you're just taking a bunch of credit risk in. Yeah, that that's what popped into my mind.

David: Yeah, and so the reality is we've been building a data analytics and credit models now for the last couple of years, and we can predict through the data set, which renters are going to be able to recover over a 30-day period or over a 60-day period.

Aaron: How are you able to do that?

David: So, we look at a combination of renter performance. Income, so do they have income? Do they have an ability to pay and then product utilization? So, do they have a willingness to pay? So, it's a combination of who are they as a profile? How are they able to succeed today? And if we give them a differentiated product structure, can that actually increase their ability to succeed? Right.

Aaron: And you're interacting with them multiple times, it's not just once a month. Many people, it's like two to four times a month. And you have access to their bank account, which almost no one has. Right. Because you're seeing their exact cash flows almost in real time, right?

David: Yeah.

Aaron: And you have access to their bank account, which almost no one has. Right. Because you're seeing their exact cash flows almost in real time, right?

David: Yeah, that's right. It allows us to underwrite their ability to pay. And when we're able to do that, we're able to look at it in a very differentiated way.

Aaron: And to be their partner. And this is you know, I personally missed the whole buy now pay later trend on Wall Street. And one of the most shocking things if I'm looking back and saying like, hey, what did I miss, was I didn't realize that people wanted personalized bite sized solutions to pay so that they can afford things that they didn't want to pay a lump sum and then do like a massive lump sum from their credit card. And they didn't want to then pay that credit card fee to the end of time that they wanted. And that is the stat that blew me away with something like 80 or eighty five percent of the people that used by now pay later use their debit card, which means they just wanted more bite sized pieces to buy something and they can match it up in payment and a payment stream that lined up with their income and then and their cash flows. And then you just realize, well, wait a minute, their biggest purchase every month is rent.

David: Yeah, that's right.

Aaron: And so, of course, there should be rent now, pay later or some version of that to match the cash flows and more bite sized or if they're cash flows don't perfectly line up. They can push it out a little bit and that there's tools to help them do that.

David: Definitely, yeah, it's really powerful, just on a one-off example, if you call renter, that might not be able to pay rent and say, hey, I'm your property manager, you owe me a thousand bucks here and say I don't have it today, I can't do that, and they trip delinquency. But when you call them and you say hey Aaron, look what can you pay today, you say, well, I have four hundred dollars saved up. Great. If you pay that today, are you willing to pay another three hundred next week when you get paid and then another three hundred in two weeks when you get paid and you'll have paid it off. The answer is yes, of course, nine out of ten times. And so just by simply breaking it up, it unlocks the willingness and ability in such a powerful way. So that's how our mission is to get one hundred percent of renters to pay one hundred percent on time. And we want to transform rental housing access and someone's ability to access a home with that mission. And so, what we found is we can take a community where there's 10 percent delinquency and predictively help, you know, 90 percent of that population today. So, we could take 90 percent delinquency or On-Time Payments and move it to ninety nine percent. Really, the only person we can't help today is someone that's unemployed. Someone that has literally no income. The other thing we're doing in real time is adjusting to the income types that people have. So usually when a renter is underwritten into a home, they're underwritten at the beginning of the lease cycle and the property is looking at what is their gross income on an annualized basis. And we're able to say, no, no, there's a dynamic reality happening here. So, a month or 18 months after that, that lease has been signed, we're able to look and say, all right, this person has W2 income. Maybe they've gotten some government assistance income. Maybe there's like the childcare assistance is now out there or unemployment income. If their job situation has changed. We see a lot of gig economy, income and supplemental income. So, Uber, Lyft. We also just see a lot of cash. So, people doing side jobs and getting paid through cash up and Venmo and PayPal, that matters. And that might not have been there 18 months ago when their leases underwritten. So, we can adjust to that reality really quickly and make sure that, like their ability to succeed right now matches their current reality.

Aaron: And what's great about that is if you're the landlord, and I'm telling you, really, I make three hundred dollars a month on Etsy or I babysit a friend's kid, you would be like, how can I possibly verify that?

David: Yeah.

Aaron: And Till is able to come in and say, no, actually we can see it. And that's true. And this is a good renter. This is a good credit. This is a person who, if you work with them, that will be a great and this is what I also love, I loved from the beginning, is that you and Till have been asking the question, how do we help the renter succeed? And I feel like when we were starting The American Home or when you look at what most startups do, they're like, how can we make landlords more money or what revenue tools or amenity? What can we serve the landlord so that they can, you know, and what I love about what you're doing is you're doing it in a very indirect way, that by helping renters succeed, you're helping landlords because when the renters succeed, the landlord makes more money, has less delinquency, less turnover, etc. So, I just I love that. And I want to ask just if you could share anything about like what are, I have to imagine that the landlord feedback has been quite positive in terms of like adoption, these are very, very new tools, obviously, that you're offering. And I wonder if you could just share of, like, just either where you're at or where you're going in terms of adoption units, revenue, et cetera, of where Till is, where Till's going?

David: Yeah, sure. Yeah, you're exactly right. We have been oriented to build a win win win. It's one of our core values, outcome. And we start with a renter. So, everything we do is resident consumer centric. And we start there because we believe that that's why a property or a landlord would hire us. They're hiring us to help their site teams, their property management teams, more successfully work with a renter. So, if we achieve good renter outcomes, we achieve good outcomes for our partners and then we as an enterprise can create value. So, one thing to note there, and what you said, just to be very explicit today we go to market through property partnerships and it's a really effective way to distribute into the renter consumer group. So, we go through institutional partners. There are about 30 million homes in the country in that population. And it's been yeah, we've tried to build a program that is a "why would I not deploy this into my community" outcome? Actually, just like as a very quick aside, I didn't talk about the third product we have, which is a free credit building program. So, every time rent is successfully paid, we report that up to bureau partners so that renters get to build their financial health score and their financial profiles. So, yeah, we've tried to make this a why would I not deploy this program into my renter population and into my renter customer base to help them. And so, partner and home access growth is growing very quickly. So, my goal is to be in two million units by the end of 2022. So that's our North Star. And we are we're just like firing away.

Aaron: And I think you shared before this call that you're like growth month over month, something like 40 or 50 percent, something crazy sequentially. You're growing really fast right now. Is that an accurate statement?

David: Yes. It's really fun seeing like twenty-five to forty percent month over month growth. And I think that's just going to continue. The market is really, really big. There's a really big opportunity. I think there's some really big tailwinds too, and there's a few of them that I'll just call out. So, the first is you have Covid, which we're all very aware of, which I think in the beginning kind of shocked the whole ecosystem, the whole rental housing ecosystem where everyone started looking for solutions to help work with renters and to get on time rent and just to improve the way that renter landlord relationship is working during a very shaky time. Coming out of Covid, hopefully, or just looking towards the future. I think most property owners and managers have recognized that tech can really enable them to scale the way they work with their residents. Everything from smart access to automated people list showings to move into the home, into rental servicing, which is really like the category that we're working in. There is a future world where technology really enables property managers to scale up how they effectively work with residents. So that tail end is really powerful. We're also seeing a tailwind from the Biden administration. Rental housing has a core focus within his administration. Eviction reform very specifically has a clear focus. So, Biden is heavily encouraging and pushing states and local jurisdictions to work with renters prior to an eviction being filed. And we are designing our programs to step in and meet those qualifications where we have proactively worked with a renter, giving them a first chance, second chance, third chance to succeed in the home in partnership with the property before someone has to get moved out. There are a lot of ways you can work with people to keep them in their home, which is good for the renter and for the property. Right. A lot of people think, oh, a renter is evicted, the big, bad landlord. But property owners lose a lot of money when evictions occur. It's very, very costly. It's usually five to ten thousand dollars per eviction. So, to the degree we can show properties and renters, there's another way forward. There's just a really big opportunity to improve that outcome. So, yeah, there's a couple of really big tailwinds to name two of them that are driving, I think, adoption in the adoption curve, that's going to happen over the next couple of years.

Aaron: What can you share about the strategic partner that just invested in Till and what that might do for revenue and growth of your company? Yeah, because I know it's not public, so we can't name any names, but it's exciting. I'm just curious what you can share of that.

David: Yeah. So, some I guess it's some abstracted thoughts. I think the future of receivables management on a personalized level is here to stay. The rent now pay later concept is a really great way to differentiate a user's experience and to keep people in their homes. And so, we are working with one strategic partner now. We have others that we're in in talks with. And for us, it's really a way to bring a differentiated service offering into the market in a different way. So, it doesn't have to just be B to B to C through a property to a consumer. The more people that we can serve, that's one of my personal missions. Like the more people we can serve, the more we can change the way this industry works with renters, the more we're going to be successful. So, our strategic partner is going to offer a very differentiated distribution opportunity into the market, which is really exciting. So that's about what I can share right now.

Aaron: No, no, no. And I like that. And so right now, the way you're serving consumers through a landlord, you now have a different strategic partner that will be another way to get to renters or people who could use this. And in the future, just thinking in your head, there's a lot of different opportunities to serve the population. There is a lot of growth ahead, because as you and I know, there's no one using, these tools are just not available, and it just makes a ton of sense. So, yeah, thank you. I want to shift gears for a second. A fellow investor in your company, a friend of mine, Alex Rubalcava with Stage Venture Partners, told me that he had interviewed your head of product. I don't know the exact title, but you're head of product. He's doing a series of interviews of the executive teams underneath the CEOs of four startups that he invests in. And he said that it was, and I hope I'm not quoting him wrong, that it was like the best interview of like a product manager he's ever had. And he was blown away. And I wanted to share that with you. But I want you to talk about the team you're building, because I'm a big believer in you. And so, to me, that gave me like a oh, off course, if you're an A player, you're this amazing person. Of course, you're going to you know, draw in a lot of people kind of like you. And I'd love for you to just share a little bit about the team that you're building so that you can scale to this enormous opportunity.

David: Yeah, that's the, besides just like what we're doing and the impact it can have on the ecosystem, the team is what I'm most proud of. We have our VP of Product; Karen is an exceptional leader. But more broadly than that, we have just been able to hire an incredible talent base over the last year.

Aaron Even while being remote, right?

David: Yeah, it's interesting. So, I'm a big believer in flywheels and death loops.

Aaron: I know flywheels. I don't know about death loops. Just continue.

David: Yeah, well, as a tangent, everything's a flywheel or death loop. So, you're either gaining momentum or you're destructively losing momentum. And so, I didn't realize this until being in a tech startup. But talent is a flywheel or death loop. The better the talent is in your company, the more you're able to attract better talent. Top tier talent comes to a company, I think for three reasons. They want to work on something they care about, most importantly. They, two, salary equity and just like compensation. But three, they want to be around the best and be learning from the best. And so, talent as a flywheel, the more you attract a great leader or a great person, one part of the company, the more you're able to attract a great leader, a person in another part of the company. So, I think we've really picked up momentum over the last year with a couple of key hires. So that's been awesome to see. We also made the decision to go remote first, and that was partly due to the pandemic. But as soon as we made our first remote first hire, it immediately supported the flywheel concept where why would you ever constrain your talent base to one specific city, so we've built a culture now where it's remote first, but we are in person at a minimum quarterly. We're starting to meet monthly and we come in for like two-to-three-day retreat-like strike missions, where it's creative planning, product roadmap planning, strategic planning and retros. What we learned one thing that Karen specifically has brought into the organization in a really powerful way, is not just doing good planning work, but making sure the learning loop exists. So, the talent is really there to help a product or startup company build something, test something very quickly, learn very quickly and that loop continues as fast as you possibly can. You're basically the game we're playing is how quickly can you learn stuff? And the faster you learn stuff, the more you're able to build and scale stuff. And so, talent drives that. And the reason it's critical to have top talent across the organization is because you just practically can't do everything and there is not enough time bandwidth in a startup seed, series A Series, B stages to be a paying attention to everything. So, one of our core values here at Till is like everyone is an entrepreneur. If you join a startup, if you join Till you have to have an entrepreneur's mindset and then you have extreme ownership over your piece of the business. If you're running product marketing, you are extremely accountable for all of the demand generation that happens in a business. If you are running product, you are extremely accountable for all of the product, your conversion and retention, sitting inside that product to allow our user base is to scale. If you're running sales, you have to be extremely accountable for bringing partners to the platform and retaining those partners. So, it's every single person has to be a top tier A player. It's hat on hats like football. You have to play your role so that that piece of the play succeeds so that the next person can play their role and that play succeeds. So, I've just been like I'm really excited about the team that we have and hiring remotely and instilling some, like, core pieces of our culture that allow us to build, test, learn faster, and then putting A players in as many positions as we possibly can has just accelerated our ability to grow. So, I'm really excited about it.

Aaron: That's awesome. So, tell me, this has been a journey. You watched the ups and downs of The American home and ending with an up and you got a front row seat to that. But now you're in the driver's seat as the CEO and founder. And I remember when this was just an idea and it was you at a desk and anyone you know, the largest investor, is also the same entity that invested in The American home. So, they knew you. I knew you. I invested. I'm going to be so proud to tell everyone I was one of the first investors that when you were just that, like, literally not even your own office, but just a desk, and an idea. Tell me about the journey to here and just like insights or just things you've learned or that you pop into your head about this journey of being a founder, CEO, building something from scratch. I'm just curious to learn.

David: Yeah, let's see. I think first and foremost, you have to have a passion for what you're doing. And that passion has to be the North Star. You fundamentally have to believe in the opportunity and where the company can go, because as you ship products towards an outcome you believe in, you are going to test it and you're going to learn it and it's going to tell you things that you're not expecting. And you have to be open to hearing those things and you have to be open, open to making adjustments along the path to get there, which then requires patience and grit. I think, you know, I think too much of our startup media focuses on big raises and big exits. And the reality is there's a lot of messy middle sitting in the path to those things. And to me, it's about how quickly can you test and learn and evolve to meet product, I guess, like the market demand and find your product market fit. And so that's been one of the biggest learns for me. And then from there, it's because there is so much happening, it's about really effective decision making at speed, which requires you to have really great talent sitting in every seat and there is a talent war out there. So, stepping into the game, you have to be ready to basically, like I said, passion at the beginning, that passion is critical to win both capital access to fund the project builds and people access and talent onto your team. We have very much like a big business opportunity, but there's a real mission towards what we're doing. And that's allowed us to get both capital and people really bought into where we're going. So, I remember I was telling I was telling someone about this idea three years ago and they're like, this sounds to "mission-y", you know,

Aaron: Ha, "mission-y"! I've got to remember that one!

David: And it's so funny because sitting in the seat, another thing I've learned is what you're basically doing to build towards a future idea is you're needing to get one key person bought in at a time, whether it be an investor or a leader, someone that's going to step in and be like, I agree, there's a big opportunity here and we're going to go build and screw things up and create something really valuable towards that end. But you have to be willing to hear the no's. That's the other part of this thing. You might talk to 50 people. Forty-nine of them say, no. It doesn't matter. You're just looking for the one yes. That like accretively adds momentum to the flywheel change that you're trying to drive at. So, you have to sit there and get used to the wait "too mission-y" and then you're challenging yourself like, am I not thinking about this correctly? So, there's a weird balance of.

Aaron: But that's what keeps you going. The only reason I've got to use this phrase, is that you're missioning! Otherwise, you would stop.

David: Yeah. Yeah. Otherwise, you stop, and you can't stop. This game is about forward momentum, learning like one percent improvements every day and staying in the game. So, for me, I've learned a lot about leadership, leading through Covid was really hard. We actually paused the whole credit access program entering Covid. We turned revenue to zero. We had to call hard partners.

Aaron: That had to feel good, right?

David: Yeah, right. Talk about a gritty decision and it was the right one. It reframed a lot about how we approach the market. It reframed how our team thinks about the product. It's made us a better company, a better product, a better user experience today. And we have a lot of partners to thank who have stuck with us and built with us and allowed us to innovate with them and their residents. So, yeah, there's hard decisions along the way. At the end of the day, it only matters if you're finding that product market fit growing, and you have the right people behind it that allow it to scale up. So, I've had to learn to get through hard decisions and just put people in place and build trust. Like trust is our second principle sitting in the company. Like if you can instill trust and really good, clear decision making that enables speed, the rest, I believe, will take care of itself. But you also have to be OK with the failure

Aaron: Yeah, oh yeah for sure.

David: The trust and decision-making aspect, if you want it decentralized, like what we say is like, you know what, there's small decisions, just make them. Like it's OK, communicate after the fact, big decisions, maybe get some buy in, write it down, but then make them and learn from them and then retroactively look, was it a good decision with a good outcome or was it a good decision with a bad outcome, or was it a bad decision with a good outcome, or was it a bad decision or the bad outcome? And if you can just learn from that and you have the right people that learn very quickly, solve it and then move it forward.

Aaron: It reminds me of if you ever see a great team and a great quarterback in football, they throw an interception or there's some mistake. And then the only way you win is you see them on the sideline and they're looking at the film or the picture. They're trying to figure it out and they get back on the field and that quarterback's going to take just as risky a throw and the wide receiver may have made a misstep here or there, but he's going to try to do the right thing. And if there's any kind of like, oh, man, I shouldn't throw an interception this time, you can actually see who's in their head and who isn’t.

David: Yeah.

Aaron: I just thought that's like the best analogy for kind of like start-ups or, you know, operating a business is like, yeah, you threw an interception. You've got to learn from it. And the next time you're on the field, you've got you got to go right at it.

David: You've got to name it retroactively before you do the next thing so that your mind can clear it, so that your mind can just be like in the zone for the next thing, because if you're thinking about it or worried, you fail.

Aaron: Yeah, that's right. Yeah. Yeah. No, this has been great. Thank you so much, David. I'm rooting you on. I'm really excited to see where the company goes and anyway this has been just a real pleasure. Thank you.

David: Yeah. Thank you for hosting me and supporting me. Aaron has been a great mentor and friend for a long period of time. So, thank you.

David: No, thank you.