

Intro ([00:01](#)):

Inventors and their inventions. Welcome to Radio Cade, a podcast from the Cade Museum for Creativity and Invention in Gainesville, Florida. The museum is named after James Robert Cade, who invented Gatorade in 1965. My name is Richard Miles. We'll introduce you to inventors and the things that motivate them, we'll learn about their personal stories, how their inventions work, and how their ideas get from the laboratory to the marketplace. Starting and running your own company: it's not for everyone, but for those who have done it, it can be exhilarating, exhausting, and easily the hardest thing they've ever done. So we decided to go out and talk to some of those people and find out what they've learned, what they'd repeat, and what they'll never do again. We'll hear stories from their first year, then from the period when they realized they're going to survive, and how they intend to position their companies for the future. We'll find out what a CEO's normal day's like, how they build and manage their teams, what it's done to their personal lives. And finally, when is the time to move on? Join us for CEO 101, a limited series of deep looks at people who are their own boss for better or for worse. This episode's guest is Rick Carlson, CEO of SharpSpring, a comprehensive sales and marketing automation platform.

Richard Miles ([01:25](#)):

Rick, welcome to the show. Glad to have you on to get your experiences as CEO of SharpSpring. We're going to start by talking about the very beginning. So if you could take us back literally to your first year, really your first few days as CEO, and let's get a snapshot for people who've never done this before, what that is like. And obviously, you put in work before you probably became a CEO into the company, the idea, but let's start with the first 30 days. You've got your company, it started, maybe it's just you, maybe you have a handful of employees. What was that experience like?

Rick Carlson ([01:56](#)):

First off, thanks so much for having me, appreciate the opportunity and I'm glad to be here. So when I heard you pose the question, your first day as CEO, actually what immediately came to mind is during that first year or even two years, or maybe three years, I certainly did not think of myself as a CEO. CEO is what I am now managing a very large team with managers and a couple of hundred people. When I think about that first year, I think about struggling with a fledgling team where I am just another team member, and that's exactly what it was like. I was a founder of a business, much more than a CEO, what somebody thinks of as a CEO today, and that means everything that you think it means. My co-founder and I, Travis, who was really the technical side (he remains our CTO today), we're doing anything and everything that it took to survive, from raising money to making the coffee, to go buying the office supplies fortuitously. Just a week ago, Travis celebrated his ninth year with us and dug up one of his first emails to me about buying office supplies as he moved over from his previous company to start things. So very literally in that first year, it's about being a team member and forming a team and doing whatever it takes to survive.

Richard Miles ([03:17](#)):

So at this stage, you can afford to tell great anecdotes about the early days, including maybe some early failures or things that didn't work out, right? Do you have any stories--again, go back, limit yourself to maybe the first month or first few weeks--of something that you look back and smile now, but at the time you considered it a disaster or failure, or just a really bad day?

Rick Carlson ([03:37](#)):

Depending on which lens you think about SharpSpring, my business, in some senses, it feels like we had a straight line to success. Like we did not have to pivot our business model. Once we got to market, we started selling and I think it's even more common that a business pivots once or twice before it really finds its footing. Through that lens, SharpSpring was pretty straightforward, but being more on track to the question that you asked, there are so many failures that it's too hard to name one in every sort of micro way. There are more failures than you can count. It's a winding road. So I have put our development teams and the early days through so many useless development features projects that never took off and meant anything to any one of our customers. And over the years, we think we've gotten a little bit smarter about how we make those decisions, but an immense amount of wasted effort on this sort of winding road to figure out what customers want and how our business is supposed to work. Again, though, if you backed up, it would look like a straight line for us. So I hope that paradox makes sense to your listeners.

Richard Miles ([04:51](#)):

So all the management books, or most of them, focus on one of the most important things you do as a founder, CEO, is who you hire. So again, going back to this first few weeks, did you have sort of a template in mind already of like, this is the person that my co-founder and I want to work at this company? Did you have, literally, a list of qualifications, or did you just sort of figure it out as you went along? What constituted a good employee for SharpSpring and a bad employee for SharpSpring?

Rick Carlson ([05:18](#)):

Yeah, great question. Like everything in a startup, my vision of what I wanted was almost immediately thrown out the window, and we were left with reality. But the specific story there is that I left a great job in internet security to start SharpSpring and intended to found it with somebody different than the person I ended up founding it with. So I quit the job. I moved back to Gainesville, I'm in it, up to my neck, and I get a call from the original co-founder who said, "Guess what? I can't do this. My wife is having twins and I just can't take the risk with you. I'm so sorry, Rick." So yeah, I had exactly the right guy in mind and before we could even really get started, the best laid plans as they were, right? I think that there's a lesson there though, which is press forward, and I found a lot of luck involved in this. So pressing forward is not always enough to be very clear, but it is required. And so I press forward and was lucky enough to find Travis Whitten, who founded the company with me ultimately. And we found a third person in the early days. And between the three of us, we had a super complimentary skillset. Travis backend architecture, fantastic developer, could really build anything we imagined. I sort of brought the business model and product vision to the company. And then we had another gentleman, Joe Kelly, who came from Grooveshark. Some of your listeners probably are very familiar with Grooveshark. Between the three of us, we were able to build a product and get to market. And so it was a super powerful team. And I've read a lot about this, a lot of companies are founded with three. That's, sort of a magic number. It feels rare that two people can cover all the ground to make things work out of the gates, and four starts to become a crowd if you will, and in essence, three doesn't appear to be a crowd when it comes to starting a business.

Richard Miles ([07:16](#)):

Good answer. Okay, final question on the early days: I'm sure you're at the stage in your career, having succeeded as you are, that you're probably asked for advice a lot by people wanting to do something similar. What sort of advice do you give to people who say, "Okay, I'm ready to jump out the window. I'm quitting my good job, and I'm going to go out on my own, start my company." Or what wisdom would you have given yourself now, looking back, talking about everything from the completely

mundane to the inspirational. So like, "hey, make sure you buy a fire extinguisher" or "believe in yourself," whatever. What are a key piece of advice you would give to somebody, let's say tomorrow, that was about to start their own company?

Rick Carlson ([07:52](#)):

Yeah, so, I think that answer depends on the experience of the person who's wanting to start the business. So yes, you're right. I do get people, different experience levels, asking, "Hey, I'm thinking about doing this." In my mind, there's a magic window, and that window is bigger for some people than others. That the magic window I'm talking about is where you have enough experience. You have enough knowledge of the market that you're trying to get into, or problem that you're trying to solve for your customers, that's a whole other conversation. Incidentally, being able to solve a customer's problem is not enough to start a business. But, anyway, you've got enough experience, and yet at the same time, you haven't gotten bogged down with life, family, children, mortgages, all the things that mean you've got to find security and so forth. And so there's a window there that it feels like gives you the best chance to succeed with the experience, and yet allows you to take the risks that you need to take. And sometimes, people wait too long and they realize it's just impractical to start a business. I mentioned my original co-founder all of a sudden having twins. It's a perfect example of that. And then I see people who are maybe starting a business a little bit too early, before they've gotten into the market that they're trying to attack and participate in. It's not to say that they can't succeed. People succeed all the time, but we're talking about giving yourself the best chance and having that experience to put to bare, I think is a really important thing. So that's the framework I like to think about these things. Also, you should have a fire extinguisher.

Richard Miles ([09:26](#)):

No, it was good advice, right? So Rick, I'm literally going to go off script here. I'm going to ask you a question we hadn't thought about, but something you said triggered it when you decided, okay, I'm going to do this. I'm going to go try to start my own company. What was the most common reaction from friends and family? Did they go, "All right, Rick, go get them!" Or were they like, "Whoa, uh, what are you doing?" What sort of reactions did you get from those who knew you best?

Rick Carlson ([09:50](#)):

For most people, it wasn't a surprise at all. For me, and anybody who is listening to this that knows me, knows this to be true, very difficult for me to work underneath somebody else. It was almost a requirement that I go and start my own thing, because working for 40 years for somebody else, with my personality, probably not going to work,

Richard Miles ([10:10](#)):

So this sounds like it was part of a plea deal, right?

Rick Carlson ([10:14](#)):

Well put, well put, exactly right. I think it was just a foregone conclusion. But even before I figured that out, when I was a teen, I knew that I had no idea what business--I mean, it could have been a restaurant at the time, but I just knew I wanted to start my own business. And so, I don't think it surprised anybody. I still think people, parents and so forth, it's not to say they weren't worried. They weren't surprised, but not to say they weren't worried at the same time.

Richard Miles ([10:43](#)):

I'm sure you did no complaining whatsoever, so they probably didn't even know if you'd had a bad day, right?

Rick Carlson ([10:48](#)):

Yeah, that's right. Well, just in terms of generational changes, my father was somebody who worked for an electric company for his entire career. And what you sought at the time was security and a pension. And so even before I started a business, what's commonplace today, switching jobs every couple years and trying different things was just foreign to them. And so, yeah, there was a complete lack of understanding. And it's only just in the last few years where people go, "okay, you knew what you were doing," so.

Richard Miles ([11:20](#)):

Let's talk a little bit about the middle years, and I know that's a relative term, depending on what company we're talking about, but let's start as a discussion point. Let's say a year or two. So you've been doing this for a year, and presumably at that point you had more than three employees, your personal priorities in terms of how you spent your day as the founder slash CEO were probably starting to change. Maybe the original team was starting to change. You're beyond the, "okay, we may fail tomorrow stage," but you haven't quite hit the big time yet either. Was it a surprise in terms of the new challenges or did it just seem like this is day 366, it's not really any different than day five?

Rick Carlson ([11:54](#)):

There are absolutely stages to the thing, where everything felt different. For me, again, I was the guy that the first year and a half, two years, pretty fantastic for me. I raised some money. I knew how to do that--again, I had some experience--and so I was able to raise some money, and a lot of the burden was on Travis and the dev team to actually build the product. And I remember distinctly, it took us a couple of years, even though we were building an MVP product and trying to get to market quickly, because our product category in many ways had already been defined by the market, took us a while to build our version of it and the layering on the new things. And I remember distinctly, after two years of hard work from my teammates, not to say that I wasn't working hard during that time doing my thing, but the burden shifted over to me. I promised these guys we can sell, I promised these guys we could market, and all of a sudden we had to go and do that. And I remember the first month we went to market, we sold exactly nothing, and that was because we had unrealistic expectations of the sales cycle. And thankfully in the second month we started to do some things, but I definitely remember a stressful period during that time. Then I remember a third phase, in what I would call those middle or teenage years, where all of a sudden we had enough customers and gosh, it became even harder. So first it was like raising money, which is actually sort of the easy part, then it's your initial sales, and then you've got this customer base. Now you've got to keep selling, you probably have to keep raising money, and now you've got to support customers. So it just layers on these incremental obligations and complexities and difficulties as time goes on, which doesn't paint a very beautiful picture. But I think running a business can be pretty messy. It's not to say it's also not fun and rewarding and that you learn things, but that's how I remember the years, two and three and those earlier years.

Richard Miles ([13:55](#)):

It's almost more of a challenge to grow and succeed, right, than to decline and fail because decline and fail, your world keeps getting smaller, but the growing and succeeding you're now, like you said, adding layers of complexity that somebody's got to manage, and somebody's got to think about it.

Rick Carlson ([14:10](#)):

That's a fantastic way to put it. I think that's exactly right. Mentally, clearly the opposite is true when you're not succeeding. And sometimes even when you are and when you're marginally successful, it can take a real mental toll on you. It's really tough to work that hard and not succeed, which is the case with a lot of businesses. And if you're in that situation, you have to remember that that's okay, and that's part of the thing and that most businesses don't succeed. But I think that's exactly right on the operational side of things; you get to the next level, and there's a whole new set of complexity that you've got to figure out how to manage. And I could keep going into stage four and five. I think I described three of them so far, but I'll stop there.

Richard Miles ([14:48](#)):

That's a perfect segue into the next topic. Now, we're bringing you up to the present day. So if this were a movie, the flashback would be over, the characters back in the present day. So I can only imagine that your duties may be significantly different than they were when you first started. Maybe you're further detached from the actual production of the product, so to speak and even sales. So what are you spending most of your time on now in the company? And then, describe some of those additional challenges that you have to take on at this level. I imagine dealing with the media, dealing with public opinion, dealing with a lot more employees is a bit more of a challenge. So what is that like today?

Rick Carlson ([15:27](#)):

I think I left off where we're all of a sudden, we were selling and then we had all these customers to manage and so forth. Along the way you hire a bunch of people, and there's a phase when we first started our conversation today, I said, I didn't feel like a CEO. I felt like a member of a team, a founder, a part of a team. Somewhere along the line, you become a CEO, and there's a difference, and what was striking to me was when people started to treat me--when we had enough employees--where people started to treat me as a CEO, and I struggled with it, actually. There were things that I could say to a teammate in even an abrasive way, because that person knew that we were on the same team and they knew what I meant, and they knew we were all going in the same direction. And it was no big deal because, you know, we're just onto the next thing, and we're all pressured. But as a CEO, saying exactly the same thing to somebody who doesn't know you as well, who thinks of you as a, not a teammate or a founder, but as a CEO, even the smallest things you say could really ruin someone's day. So there's this transition that takes place. I can't pinpoint it, but it's part of the detachment that you mentioned. You're right. Like I used to know everybody on the team, and I used to be able to spot talent personally and see somebody who's making a mark. And now, you are separated by a layer or sometimes even two layers of management, and you're not intimately involved in really any process. You try to dabble in everything, but you're not as deep in any process. And I think you know this, but we're actually public, and so there's a strange story to how we became public, but we're a public company. So a lot of my time now is dealing with analysts and banks in New York and everywhere, and key investors, and new potential investors, and our public company board. And that carves out a big chunk of time that would, in the early days, be a hundred percent focused on the business. So it's a pyramid with your customers sort of at the bottom of the pyramid, and the bigger the organization gets, the taller the pyramid, the further you are away from those customers and what's happening sort of at the ground level, if you will. I think I just described a multilevel marketing company. I hope, I hope I didn't do that.

Richard Miles ([17:47](#)):

That's what, that's how I will describe in the show notes, exactly [laughter]. I think the transition comes when everyone starts laughing at all your jokes and you win all your golf games, then you know, you're really the CEO, right?

Rick Carlson ([17:57](#)):

That is required from day one, Richard, that was day one where we just, everybody knew that about me. You got to laugh at the jokes. It's the uncomfortable laugh.

Richard Miles ([18:06](#)):

And they laugh when you know the joke wasn't funny. But it's interesting what you say, just the limited experience I've had with running the Cade Museum and starting it, is in a way, you have to keep reinventing yourself, right? Because you keep having to redefine, how do I add value? And it's not the same way as you did in week one or year one, when, as you said, you may be down there with the floor level programmers and workers and you no longer really add value to the company doing that anymore. You've got to do, like you said, talk to the Wall Street analysts and talk to the media and that's how you add value. But in a sense, it's a shifting target, right? As a company gets bigger and bigger, and as you said, you have other layers of management, even those things, eventually, maybe somebody else will do, right?

Rick Carlson ([18:46](#)):

Yeah, you are a hundred percent spot on, that you have to reinvent yourself. You can cause more harm than good actually by, by not doing that, not evolving, which isn't to say as I sit here and proudly declare that I've figured that out. It's not to say. I know it to be true, and yet it's a work in progress for me, constantly trying to evolve and figure out how I can be the least disruptive and add the most value, right? I would actually go further since we're on the topic, that is true of every person in the company and every process, every process in the company. So one of the things that I've talked about with the nucleus of people that have worked together 5, 6, 7 years now, and we have constantly built up processes, they've worked and then somehow 12 or 18 months later, because of the size of the company, because of other changes in the company, they no longer work. So there's a process of tearing down the processes that worked yesterday and rebuilding them. The obvious examples, when you're 20 employees and you need to communicate something, you yell it out because you're all in the same room, right? There's that sort of thing. When all of a sudden you've got departments, it's a totally different communication style. When you've got enough departments of enough size where the interaction between departments and coordinating two, three departments, almost like they're people. Each department has a personality, it has their own needs and goals and ambitions, and trying to coordinate that, it requires different processes. And so going back to the original question you posed, it's absolutely, as a CEO, tearing down my idea of the value that I create and rebuilding it, but it's also true of, I think every process in the business, by my estimation.

Richard Miles ([20:44](#)):

I like the way you put it. It almost gives you a sneaking sympathy for large bureaucracies, right? Because you can understand how bureaucratic processes get put in place to coordinate ever larger and larger companies or government agencies and so on. But then of course, you've got to be careful because that also tends to sort of throttle creativity and make people risk averse and all those things. So it's a real

challenge, right? How to get bigger, stay coordinated yet without killing the dream with all your employees, so to speak.

Rick Carlson ([21:09](#)):

Yeah, that's exactly right. I could talk about that one point for a while, frankly. I remember with a certain amount of hubris and this is true today, by the way we, this is part of our corporate culture. We're extremely proud of how nimble we are versus our competition. But I remember almost laughing about it and thinking about these much larger companies and how slow and cumbersome they were. In reality, we've taken a couple steps closer to those companies out of necessity. And guess what? Turns out when you've got 10,000 businesses using your software, you darn sure better have better QA than you had in the early days, right? And so there are definitely things that necessitate slowing down and communication and so many things. So it's just one of the many things that, that changes over time with a business

Richard Miles ([21:57](#)):

Yeah, and when you're publicly traded, best not to talk to the press after three martinis, right?

Rick Carlson ([22:01](#)):

Ah, a lesson, I'm still trying to learn [laughter]. No, that's not true.

Richard Miles ([22:04](#)):

So let's talk about, a little bit philosophical here, and I understand since you're publicly traded, you can't give me any secrets, and we don't want any of our listeners to be indicted for insider trading here. But tell us a little bit about the model and strategy that maybe you had from day one or maybe you developed it. What was your strategic true north? Did you know, from the very beginning, okay, this model, this strategy we think is going to position us so that we beat our competitors. And if so, has that model and strategy changed or you just had to maybe tweak it? Is it still essentially, the model and business strategy that you have, is essentially the same as when you began with modifications?

Rick Carlson ([22:41](#)):

So, what I would say is the mission has been consistent, and the strategy has shifted once. And now we're at an interesting stage forth with our business where the strategy isn't shifting, but we're layering on other concepts. So let me bring some of that to life. For our business, we've always had a mission of bringing what we call today, a revenue growth platform. Our product is traditionally known as marketing automation, but has grown well beyond that set of functionality now to basically being anything in, an SMB needs to manage their sales and marketing processes, s,o CRM and social media management and marketing automation and email. So that was always our mission to bring an affordable, easy to use solution to SMBs, of which there are millions of them. And as we spent all that time building our first version of the product, when we started the business, we saw it as greenfields because everything was up at the enterprise. Large businesses were using this and maybe medium-sized businesses, but SMBs were not. And over those years that we were feverously building, we saw other competition enter that space, and they were better brands with at the time better products and more well-funded, and by the way, really sophisticated marketers. So one of the strategic decisions we made and it's less important to think about the decision itself and more about the impetus for the decision we had to figure out a way not to compete. And so often you hear people talk about figuring out ways to compete. Well, the thing to do is to figure out how not to compete. If you can find a place not to compete, it's a much easier path

to go down. And so early on, we decided to work with digital marketing agencies because we found that they were the path to get to these SMB businesses. And when we looked around, nobody was focused on them, and so that has been something we've done since we launched the business six years ago. Now we've got a brand that is becoming nationally known, that people are aware of. And we can potentially, in addition to working with agencies, approach businesses directly and so forth as we move forward. But I think for the listeners, for us, it was staying true to our mission of going after SMBs while figuring out that space in which we could avoid competition for as long as possible. That's what I think we did successfully.

Richard Miles ([25:14](#)):

I read or heard, or maybe I just made it up, this idea of embrace your weaknesses in so far as the earlier, you understand what you're not good at--and I'm not saying that your company wasn't good at theirs--but it allows you to focus on their strengths and reach out and find somebody else to help you do this stuff that maybe you're not as good at or interested in or whatnot. And I've always thought that's pretty good advice, that the people or the companies that decide they're going to be everything a to Z soup to nuts. Usually they're just a can't be, right. There are going to be certain aspects that they do better than others. And sometimes it just makes sense to think, like you said, choose not to compete in a certain area.

Rick Carlson ([25:47](#)):

Yeah, no, I think that's right. Look, at least metaphorically, companies are a lot like people, and they're going to have their strengths and weaknesses in their products and their people. I'm never going to be a weightlifter.

Richard Miles ([25:58](#)):

That was my next question, Rick.

Richard Miles ([26:01](#)):

Yeah [laughter]. Anyway, there are things I'm not going to do. And there are things that our business is not going to do and being realistic about those things and working with what you have, applying your skills efficiently, is the key to everything.

Richard Miles ([26:14](#)):

So Rick, one final question, and I know you may have to plead the fifth amendment on this one, but coming back to you as a CEO, Rick Carlson, do you have an internal endpoint where you think, or, you know, you've accomplished pretty much everything you set out to do with this company and you know, it's time to move on or have you not even thought about that?

Rick Carlson ([26:31](#)):

Well, the question is a multi-part question. First off, when you're starting a business, like I was, which is hard to believe, but nine years ago now, we've been in the market roughly seven, but nine years ago, we chose to start the business. I've far surpassed what I set out to do back then. We thought we'd build something with a few million dollars of revenue and sell. It was the idea, and that would be the end of it. Maybe we go to another startup, that sort of thing. So by that measure, I have far surpassed it, but what I would say is still a lot of fun, still a lot of challenges. We're lucky to be in a market that there's no ticking time bomb in terms of we're missing a wave or something where the market's going to

disappear. And it's constantly, there's new things that are coming out of the product to make it even more valuable to customers. And there's new lessons to learn with how to manage an ever growing business. And so our folks know I'm prone to say, I'm always going to keep it interesting. Being in SharpSpring is always interesting. Sometimes it's fun. Sometimes it's not fun. Sometimes it's challenging, but always interesting. And that I think has got me amped up for the next couple of years, for sure.

Richard Miles ([27:39](#)):

Isn't that what Don Corleone said in the Godfather too, right? The mafia is always interesting, right?

Rick Carlson ([27:44](#)):

I actually don't remember that quote. I think it keeps sucking me back in, right, or something like that. That's exactly right,

Richard Miles ([27:51](#)):

Rick, that was great. I really appreciate having you on the show. You're doing tremendous work, keep doing it. It's inspirational on all sorts of different levels and wish you the best.

Rick Carlson ([27:59](#)):

Thanks so much for having me.

Outro ([28:00](#)):

Radio Cade is produced by the Cade Museum for Creativity and Invention located in Gainesville, Florida. Richard Miles is the podcast host and Ellie Thom coordinates inventor interviews. Podcasts are recorded at Heartwood, soundstage and edited and mixed by Bob McPeak. The Radio Cade theme song was produced and performed by Tracy Collins and features violinist Jacob Lawson.