Intro (00:01):

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 on 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 is like, how they build and manage their teams, what it's done to their personal lives. And finally, when is it 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.

Richard Miles (00:38):

Welcome to another episode of CEO 101, a series of special episodes in which we talk to, and about, CEOs of startup companies. I'm your host Richard Miles today. My guest is Ron Tarro, CEO of a number of companies, as well as an advisor and investor in many more. Welcome to the show, Ron.

Ron Tarro (00:55):

It's very nice to be here. Thanks for having me.

Richard Miles (00:57):

So why don't we start with an overview of your career. You've done a lot of things. We just were talking about your role in a number of companies at various stages and levels. So why don't you give a brief summary of where you started and what you're doing now?

Ron Tarro (01:09):

Yeah, so I started as a nerd, software engineer, and I really came through a technical track. My background was in mathematics and the sciences. I ended up getting hired by IBM in IBM labs and so was on product teams, software engineering teams. Went through product marketing and product management jobs there, where I began to focus, not just on making the product, but deciding what should be in the product. I jumped out like a crazy person, one day went I into consulting and joined the industry young, ended up in a leadership position in the management consulting group, which focused on technology companies. So it was basically back to, what should we make? Why should we make it? Who should we sell it to? Those types of things. Did that for a bunch of years. In the meantime, a couple of my pals had started a software company here in Florida, and I was based in Minnesota at the time. I did work at IBM in Boca Raton, if you're into Florida-centered conversation, and then started a company, I started advising it. I married one of them. My wife was one of the founders of this company and that company is telecommunication software platform. And we took that company, bootstrapping it, with no investment actually, and ended up putting it out into, I think 30, 40 countries. By the time we left, its largest market segment was in hotels and resorts, so we had a pretty big market share. We ultimately sold that company to what is now part of Cisco WebEx actually. And it's gone through usual chopping up, getting acquired by a public company, where I was a public company, vice president for several years, as part of the arrangement, they went along with the desks and the pencils and that. So since the exiting, all of that, I've been an advisor in the incubators here in the state with the university system, in the leadership of a longest standing angel syndicate for investment in startups, so I do a lot of that. And that's about it. Now, I've been a personal angel investor along with my wife, Dana, around the state. So that's basically it, I mean, nerd turned business person, but still likes to do macros on spreadsheets or something.

Richard Miles (03:00):

Right, yeah. Nerd turned management consultant turned investor.

Ron Tarro (03:03):

Yeah, something like that. *laughter*.

Richard Miles (03:05):

You're perfect for our show, Ron, perfect. You've a great experience in that you are able to both be an outsider and an insider and watching this process unfold of companies starting and then growing and then getting sold from a number of different angles. Why don't we start with, what's the biggest difference between watching it from the outside, like as an advisor or something, and actually doing it yourself? When you actually did that yourself with your wife, that company, were there things that you thought like, wow, I thought I knew what this process is like, but this is something nobody told me about?

Ron Tarro (03:35):

I guess I would look at it this way: in running an early stage company, in whatever form, you are absolutely single-minded. And I would say that what I know today that I didn't know then is probably, I have more context in seeing some of the moves that we made. So we may have turned left, we should have turned right. And seeing lots of companies making left and right turns, you begin to look at it and say, "hmm, we could have thought about that problem very differently." Now I would say this, that in our case, I think we made most of the fundamentally right decisions. And we can kind of walk through the life cycle of a company: when to get out of the company and sell it, all that stuff was being driven by stuff. But when you run a company, the thing that you need to be particularly careful, especially as an early one, is you are single-minded in your vision. And as a practical matter, what you don't know can kill you. And so, I think once you've been through this a couple of times, you step back, you begin to see all of those other dangerous--there's a counter argument, by the way, which would be your ignorance and optimism is the reason you'll succeed. But I guess I'm a little bit more hardened by some of that.

Richard Miles (04:36):

Let's get granular here and talk about the very, very beginning, but from your own experience in companies that you've helped start or advise. The first, maybe 30 to 60 days, where you've got a founder or a couple of founders, they're very excited, they've got a lot of energy. Why don't we start with the mistakes? The mistakes are always fun to talk about, right? What are some common mistakes that people make in the first few weeks, did they really come to regret later on? And maybe they don't even know that they're mistakes when they're making them in that first 30 or 60 days? What have you seen?

Ron Tarro (05:02):

Yeah, no, I'll start with the very basic one. Should you even bother? Is this a good idea? Because I think one of the things, when you see a founder, is they're going to walk into this and they believe what they believe. And I'll actually use the test with New World Angels, which is the angel group that I'm part of and leadership of, is this idea you have is derivative. It's not better enough from anything else out there. It's not enough to dislodge the current state. The way to look at that would be: I have a new idea for electronic banking, but can I get everybody to take everything out of this bank, including electronic banking, and move it to that bank? There's a speed bump. There's something here: you're 10% better, but it's 20% too much hassle to do it. And so one of the big challenges is you see a lot of folks coming into incubators and applying or coming to me for advisory. It is, I don't know, has this been done before? And if it has, you better have some sort of transformative argument. It was Clayton Christiansen; he's one of the Harvard guys that wrote a book. Is this sustaining innovation, meaning it's incrementally improving stuff up, or is it disruptive? It restructures how something's done fundamentally. Obviously you want a big success, it has to be fundamentally different, not just a flavor. It's sort of like, there's Uber and then there's Uber for pizzas. It's like, okay, you can make a living at that, and by the way, don't want to discourage you, but it may not be an investible company, and it may be a company that's only going to get to be this big because just by the nature of how you defined it in the first place. So part one is, is it even an idea that's going to be able to, in effect, dislodge what's already there? And if there is something there or is it clear sailing? And the other is, is it disruptive? Is it just incrementally improving something that already exists? I mean, obviously we want to be disruptive and there's another great book out there, The Blue Ocean Strategies book that I always talk about, which is as a startup, this whole idea of derivative ideas will repeat. So it's like, well, if Uber gets into pizzas, you're dead. You're, you're not sailing in open ocean. You're sailing in the shipping lanes. And so you better have a pretty good argument for why you think you're gonna be able to stay afloat, new captains, smaller boat, limited gas (meaning financing). So you end up being in a little bit of a challenging spot. So really before you imagine a company, you have to sort of hack your insight, if you will, and say, yeah, I really believe that there's insight here. There's an engineer's disease, and I can make fun of engineers because I used to be one, which is: because I can build it, I should. And that's not the case. When you look at a lot of products, you see a lot of technology is built by a technical person that is logically and intellectually interesting, and economically kind of is around. For me, it's like very first thing. Are you onto something here, something transformative? Can we go back a little bit about how you might evaluate that? That's definitely the very first thing I look at. Yeah.

Richard Miles (07:34):

So you've been, I'm sure pitched a bunch of times. You've been to a lot of these pitch competitions, so on. You've seen probably thousands of presentations by typically a young-ish or very excited team and probably a bunch of engineers and they're onto something, they've proved it somewhat, and it's withstood a few proofs of concept. Have you developed, sixth sense is not really what I'm getting at here, but do you have like rules of thumb, five or six things that for you either, you'll say like, nope, I'm done next? You see right away, apart from what you just talked about, say, is it a derivative idea? And then the other side, when a same team that if they say something, you go, okay, I'm going to go get that guy's business card or I'm going to call them back because there's something about their structure. Do you have like a mental checklist or is every presentation sui generis? You just figure it out after you've heard the presentation?

Ron Tarro (08:22):

So actually not only do I have opinions here, actually I've written a blog post. If you go to the newworldangels.com blog, there's a post up there called Back-Testing, why we said no, essentially. So you just layered it right into a whole set of things that could take an hour. So clearly it's the idea, you haven't differentiated the idea in the marketplace and that's a big deal. But at the other one that I look very quickly towards is the structure of the team. Again, I should put some context here. I'm a tech guy, right? So if we're talking about opening a restaurant and marketing shoelaces, boy, am I the wrong person, right? It's all a mystery to me, I'm a straight up core software person. But when I look at a team that's bringing a technology product, if not out of the university, maybe even just an open market, I'm going to go, who are the founders? My favorite founders are one business person that knows the market space, where they think it's going to apply, and one technology person who can make stuff. Period. If you have a business person who's hiring out disinterested parties to make stuff, it's a risk. It doesn't mean no, but I'm going to worry that if the money runs out, all the cash is running out the door to the consulting firm or wherever it's going to be. So very much, I look at what that team looks like and what their direct to main knowledge happens to be inside of it. So you have a team that seems logical. I begin to look at the market size, it's called TAM, people talk about Total Addressable Market or serviceable market. And I always do this in dollars. It's like, all right, this is great. This is really cool, and there's 27 people in the world who would use this. So in order for it to be exciting, they each need to pay a hundred million dollars, right? (I'm making numbers up by the way). But it's this idea that you have a market size that's way too narrow, and so I'm going to worry about that as an investor. Now, again, you may look at this and you may say, yeah, this is a good product. And it deserves to be in the world. But from an investor standpoint, you're going to have a ton of uphill battle with what's being examined. Forming a company is a team sport. I'll use Florida analogy here, but if the founder gets eaten by an alligator, what happens? And the answer should be well, there's three more to carry on the journey, right?

Richard Miles (10:18):

Pre morph the alligator to snack.

Ron Tarro (10:20):

Laughter That's right, so this whole idea of that is a big deal. And so all of this is back to the design of your company, right? What are you trying to do? Where are you focused? Does it matter? Is it big? Those sorts of things? And by the way, this is the theme you'll see over and over again with investors, especially. But there's a reason it's not just because investors want to make a lot of money. It's actually very rational. If I go back to running our company, we had lessons learned, but we had a total addressable market for our company, in that we dominated this total addressable market pretty successfully. We made a choice to not change industries, but to go global across one industry, those types of decisions. So in essence, when you look at our company, you would have said, okay, it's a nichey product except globally, it's a big niche, right? That kind of idea. And so those are the kind of decisions that you're forced to make with left and right turns. We think we made the right one because it made us a pure play to be acquired one day.

Richard Miles (11:14):

I want to follow up on something you said in your ideal team is that you've got an inventor and a business person, but I'm sure you've seen--we've seen it in the Cade Prize competition--particularly coming out of research universities, you have the professor, right? Or you have the scientist or whatever. And they've got some grad students with them or whatnot. They love their idea. They're smart people. and they figure how hard can it be to start and run a company, right? And your heart kind of aches for them because you want to say, you need to stay in the lab. Who has that tough conversation? Is that your job when they bring you along as an advisor or as an investor, for instance? Is one of the first conversations you have and say, look, professor, you need to stick to the, and the development of the idea and the product, and you need somebody who knows how to do this. I'm guessing the successful ones listened to you, and the ones that don't listen to you, what happens to them?

Ron Tarro (12:02):

I'll give you the losing argument, which is, "Hey professor, do you want a hundred percent of zero? Or do you want 50% of a lot?" There's a question here. It's hard to succeed in most of these companies; never say never, but aspirationally, there's always this idea that being the CEO might be cool. However, if you look at the pain in the neck that that job can be, even as a college professor, I've been on both sides of the technology versus business fence. Some days I really missed the corny technology story. The reality is that you're not going to get momentum unaccompanied very easily by being a part-timer, especially a professor. And you see it again and again, where they don't get funded. The best thing you could do as a college professor would be back to my one maker, one business person that can carry and coordinate. And if you're a member of the academy of arts and sciences or whatever the case might be, why would you check out of that? Where's your next idea? What's your next core research? It'd be better as a professor to have a portfolio of companies that you have a significant interest in that, where you were the founding insight, right? The technology, whatever the case might be. And you let those things grow and nurture because the attention required, you have to choose, you can't be both. And there are a lot of PhDs who jumped out of academia to run companies, but that's the choice you must make, I think at the end of the day. So you can rationalize it for a little while, but I know personally a number of folks that just have not been funded because they insist on being CEO as a professor or as a doctor or something like that. And so the funding dries up because nobody wants to fund a hobby, right? Or a side hustle. My money's at risk and you're part-timing me, not going to happen. Now maybe again, if you can make it all work without any money up from outside or whatever. But basically go find your best friend's CEO and found it together, and then you can be chief science officer and you can contribute intellectual property into the business in really interesting ways. You get all the benefit, none of the work, you stay to your passions. And so I think you have to be honest with yourself too. Do you want to be a professor? If that's where you want, you want the intellectual rigor to an effect, break down new territory. If that's what energizes you, great. If you have that one idea, you think it's it, then you got to go all the way in.

Richard Miles (14:03):

The counter-argument you hear from these researchers is they say, yeah, I recognize I need somebody with a business background, but these people really need to understand the core idea and a core principle here. And sometimes the core principles are fairly sophisticated, like, particularly in the healthcare field or in tech field. So if a business person doesn't really get the technology, you understand it, right? They're probably of limited use because they may have trouble visualizing or imagining the applications of that technology, if they don't really understand how the technology works.

Ron Tarro (14:33):

Okay, I would argue a little bit differently. All you described was your requirements in recruiting for a CEO. You're not going to get a CEO who did real estate management, no offense to real estate managers. That's an entire industry that has a focus. If indeed, and we've done a series of investments in med tech, so basically what you need is somebody who understands the marketplace for these technologies. Here's the problem with investing in research. Science is not the thing that adds value, it's the application of the science in the marketplace. So you need somebody who knows the marketplace. So you have to go to a professor and you have to say, "Hey, you know the science, now you need somebody who needs to know the application space for the science." And that's different. They don't have to be you, but they have to be somebody who is in effect, creating value through the application of the technology. That's a different thought process. That's a quite different thought process, because at some point it has to be commercialized. Now, if you're just busy selling patents, if you will, you can do that. But then hire a patent troll, they'll know how to do all that stuff too. So you still have somebody who's going to spend all their time thinking about that. So there's an intellectual foundation for a business and there's an application foundation, if you want to think of it that way, maybe. So you still really haven't defeated the argument. My two-person model is still the best model and that's what should be pursued to create value. You know, I've been in the consulting world, which is sort of the intellectualization of business, right, which is all about strategies and frameworks and methods. And I worked at a think tank, for a number of years, doing this kind of published work. I get the academic-business divide. The reality is, is putting something in the marketplace takes balls. Period. Yeah.

Richard Miles (16:05):

So it sounds like important advice. Number one is it's not enough to get somebody with a generic business background or business skills. You really need to have somebody who understands that particular market in which you're trying to enter with your technology.

Ron Tarro (16:17):

And came out of networks, and networks and telecommunication. And there's some young motivated types that can come up those learning curves, and that's all great. But listen, if you want a CEO, you probably want somebody who knows how telecom works. All the better, right? We're going to get back to, what you don't know can kill you, right? So they bring actually wisdom that an academic probably wouldn't bring to the business.

Richard Miles (16:36):

So let's talk about the strategy and the frameworks. Now let's imagine a company and I'm sure you've got real-world examples of, let's say they've gone through their first year. They've launched, they're getting revenue. They're doing pretty well. They're starting to grow, but then they face some serious choices, right? Do we grow in this direction or that direction? You start having to make significant trade-offs in terms of hires or just start hiring like crazy. What are some of the pitfalls, let's say after a successful year one, that companies make in terms of a strategic direction after that first 365 days?

Ron Tarro (17:05):

So I'll change your 365 days, cause I'll let that flex, and I'm going to look for certain milestones. So I carve up a company lifestyle this way, is somebody is in the phase of hacking value. It's the idea that I have a technology and I am busy refining potential uses for it and testing that. A good program in that startup type of stuff, iCore, I think most of the academic world has seen the iCore program. If you want NSF funding, et cetera, there's iCore, is certainly a help to that process. But this is the idea of, before I build it, should I, right? Or, and what should it do? So this is the idea of hacking your insight, right? Getting that really polished, such a way that you have an insight and you know how it's going to be applied, then build a prototype. So I'm gonna look at a company first and say, where are you at with that, and have you established that as a phase? Second thing I'm gonna look at is, okay, let's hack product market fit. Product market fit is this idea that somehow it's the right set of features and it's the right price, and you've demonstrated that by a bunch of things like, maybe selling it to a few people. And so hacking product market fit to me is you're done with that based on basically a quick check. Are you having to force customers to take this product or are they excited to take it? And we can talk about how to do that. And you're going to test your different ways to sell it and your messages and stuff like that. And then third, you're going to hack growth, and hack growth is another way of saying, you're going to hire more salespeople and you're going to begin to accelerate because things start to get repeatable, right? Here's the problem, if you haven't properly hacked your product market fit, and now you start hiring salespeople, guess what happens? They work really, really hard and they don't sell a lot. Or worse yet, they do sell something, customer doesn't like it and is always yelling at you, and maybe they stop using it. So what's going on? The ones who went through and did this in steps. It's not a calendar step. It's sort of like a testing thing almost to say, I have insight. I have fit. Now I'm going to chase growth. And then you start hiring salespeople and evolving your messages, and you decide whether you're going to use in-house people or whatever, and that lots of different things can go on. But that's how I look at it. And you can see more often than not, that's how companies get stuck, is they actually didn't do the first two steps. The other interesting thing that you see with companies is you can look at the marketplace, crossing the chasm, that guy, this idea that you've got innovators and early adopters. And when you're a new company, brand new product, and this idea that you have, these innovators and early adopters, and when you're first starting a company, you have a brand new product. The tendency is to take the product out there and convince everybody how great it is. And if you did your insight right, what you really want to do is just look for all the people who are desperate to have it.

Ron Tarro (19:40):

There are certain people that a narrow range of people who will be fast adopters to this; it could be people with a huge problem and they don't care about the wrong or risk it takes on a new company, somebody who's the perfect fit for the product. So you're looking for people with perfect fit, not trying to convince the rest of the world that you have the next big thing. You'll see a lot of folks doing a lot of presenting, and what they haven't done is they haven't narrowed everything down into a nice tight message to a very tight group of people. And so they burn weeks and months, even a year or two, break their picking because they're tackling the wrong folks. The other side of that is you want the risk takers, the people who have such a big problem that take a risk on you, right? And what you're going to have is the big corporates. Everyone says, I want to sell this. I want so-and-so to buy it, big NASDAQ, New York stock exchange company. The reality is is those folks more often than not are managing risk of technology acquisition, along with innovation. You need somebody who needs the innovation because they're desperate for it. So, I watch where people are on the cycle of early stage, and what you find is that some people rush it and fail late, after they've collected a lot of money by the way, from investors or worse yet, from their mom. So now you're sitting there going, well, what happened here? Well, you weren't quite defined in what your product was. It's interesting, the story of our company really was similar to this, which was, we built a piece of software that was essentially a middleware, to use software terms. And we put that software into very select companies that were very innovative and had very sophisticated requirements that only we could do. And so we've found that one and then this one and picked our way individually through the group until we said, okay, this is a story that's turning out to be repeatable with everybody else, and we refined it. So it happens that way in real life. If you try to circumvent that, you lose.

Richard Miles (21:26):

Let's talk some about CEO's as managers. You referred earlier to the life cycle of an early stage company, and you start out say with four or five people on your team, and it's more like a family or a basketball team than it is a company, right? Because everyone knows each other. It's very close. And then you get a little bit bigger. Maybe now you're 25 or 30 employees. And then one day you're 150 to 200 employees, and that obviously requires a different management structure, a different management style as you start growing the company in size and scope. How many CEOs are able to successfully make that transition from five people working for them to 200 people working for them? And how often is the case where somebody says, you know, "All I ever want to do is manage startups, I don't want to manage a big company. It's not fun. It's too bureaucratic. Blah, blah, blah." What is the range of outcomes that you've seen?

Ron Tarro (22:13):

Well, actually you described it. Let me just put it this way, maybe. Let's just talk about growth of a CEO. So I started a company, it's getting bigger. How do I have to change personally, right? Now I came into a small company from a large, so I had some visibility on what it's like to manage a more complex environment, I suppose. You go as a founder and a CEO to, in effect, managing a product and customers, right, and building a product, if you will, to, in effect, building an organization. So it's almost better to view what you're building as a machine. It's a machine where, if you actually step back from it, the machine keeps running, right? So you see a lot of CEOs who, and they're right in the short term, they could probably do everybody's job better than the person they hired. This becomes untrue as time goes on or less true, anyway. It's probably even untrue. And so, they hold on to stuff too long. If you show me an overwhelmed manager, the first thing I look for is a delegation problem where they're not viewing your organization as an organism that care and feeding, if you will, and they haven't spread things out. And the real telling thing happens when you become a manager of managers, that's the break point where it forces you down this road. So if you're reaching into your managers or over your managers, then you're just in the wrong head space. So to me, the growth thing is you have to then begin to say, okay, "how do I set up structures and communication so that everybody knows what I know believes, what I believe is seeking what I seek, KPIs to use fancy terms, Key Performance Indicators, to design the organization a little bit, so everybody's a believer?"

Ron Tarro (23:38):

Listen, Elon Musk is great. He knows how to do this intuitively, which is our mission is to get to the moon, right? Who believes that we should be on the moon? So he's got a whole organization, absolutely energized to this big idea and lining everything up to it. Here's all the steps. And that's the big thing is that basic transition away from being the best at everything and the person who's best at moving the chess pieces around, if you want to think of it that way or best at designing ways that everybody can get stuff done faster. You don't give up everything, you know, you choose. So for me, an example of how we sold early on; I sold, because we're not venture backed, so I was selling the product, if you will. Ended up then having a sales group. In the sales group, they would in effect do some selling, but I would focus on various strategic things like this customer right over here has to be the one that we get next, Marriott or something. And so, I'm actively involved in that, because it had a material impact. But once we got Marriott corporate on board, getting every Marriott hotel to in effect use our product, an entire team that could drive that. So you begin to move yourself into something and then back out. You look at the messaging, all your positioning. So in our case, it was strategic impact sales, and then also the product roadmap. What are we making and why? One of the most telling things, cause I obsess on Musk probably too much is he's not the CEO he was. But if you look at where he spent his time, he spent it as chief product officer, chief engineers. He's very focused, because the product is what makes the business as a foundation and then its application and alignment to the marketplace the second. Those are the two things. If you have a CFO, the CFO makes sure that the mine is not running out the door wrong or something, but those are not the core things for a CEO. The CEO is what do we make and who are we making it for and why does it matter, et cetera. And that's until you go public. And even then, still that.

Richard Miles (25:24):

Do you see that often where a founder, the idea person says, I just want to stick with product, developing products because that's what I love? Is that fairly common?

Ron Tarro (25:33):

One of the reasons I came into our company was our CTO and COO were like, "we really don't want to run this," our CTO just really wanted to stay on the product side, it's all he wanted to do. And by the way, that's a very honest self-assessment, just to say this is not something I want to do. You can still own a huge percentage equity of a company and do profoundly well, but you just don't want to go through the brain damage to that other job over there. And by the way, since you are a founder, is you get to pick your job. So why shouldn't you? I actually have a lot of respect for that. The idea that, especially with technical co-founders is I say, "I want to be on the technical track. I don't want to be a CEO. I don't want to be dealing with every HR issue and financial and market, this and blah, blah, blah. I want to design and make products." That's hugely valid and maybe even desirable if I were to go back.

Richard Miles (26:17):

Ron, why don't we conclude with something you said at the very beginning. You mentioned, if you could give yourself advice, young Ron Tarro advice from the older Ron Tarro, what would it be in terms of lessons learned? Let's say you've got the young idealistic tech guy at 22, 23, or tech woman, and they're going to go conquer the world, start the next Facebook, whatever. What do you think their older selves would be telling them in 20 years?

Ron Tarro (26:40):

At the end of the day, I end up getting rather tactical. I've been asked this before and I end up getting, "I would've made this decision differently," but in general, if I were looking at all of it, I would have much more peripheral vision than I did. In some sense, we were pretty good at this, but not good enough. So the idea that we could have gone into other verticals faster, that we could have accelerated faster, that we were a little bit too conservative in what we were up to. Now, the reality is it turned out okay. But I would say that there's an element of luck to that, that is significantly large, so we beat the odds. In some sense it was our success, but it was also probably a limiting factor of the company. So in a lot of ways, there's a tendency to try to make what you're doing today better, more efficient, more whatever. And sometimes there's a breakout idea that you should be focused on to really grow the company. You could reasonably argue that we didn't have enough peripheral vision to make a bunch of decisions or even see the decisions to be made. And so the advice to myself would be to get wider faster on what's going on with mega trends, et cetera. I'm like 75% convinced of what I just told you. Now we pivoted different products in different markets. And the other was a strictly technical one and maybe more tactical too. It was really fundamental. There's this thing called technical debt in software, and technical debt is this idea that you designed a product that has an architecture, but as you grow, your architecture is not so cool. It doesn't support the growth or better yet, it sort of turns into a hair ball and you'd be adding this and adding that. Customer A wants this and customer B, and you lose control of the core product, and I would say that you suffered from a technical debt issue, because as an early company in our segment, we said yes to everybody. Sure, we'll do that. Sure, we'll do that. And we did not take a step back and abstract, what we're doing, get back to peripheral vision, why are we doing this, right? What's the larger context. And so we literally had to take a year pause on our product to say, it's time to remodel the house. We should have been remodeling the hallway and then also abstracting. And so this is very much a software technology CEO problem, very specific to my world, but this idea that you sort of lost control of your code base. And so now every time you wanted to do an update, it took you 47 horses and a mule to get a new release out, when it should've just been a horse. You end up with a slower and slower product cycle. And so, one of the big lessons on the technical side was to really approach, I think, the software engineering story differently, but we survived.

Richard Miles (28:58):

I actually have one final question, both from your personal experience and what you've seen. What does being a CEO do to somebody's personal life? Because everyone thinks like I want to be my own boss, that's the best thing in the world. But then once you are, you realize that you've exchanged some freedom for responsibility, right? Part of being your own boss is you have to worry literally for a time, at least, about just about everything. You don't really get to go home at 5:00 PM or 6:00 PM and check out and then show up at work the next day. You are the person. What was that like for you? And what has it been like for others that you've seen in that position?

Ron Tarro (29:28):

Well, I thought about my business every day of the week and pretty much all day. So let me give you the motivation. There's a moral case for a CEO, especially startups, with deep respect to startups. What you have is you're changing the world in a positive way. You're creating something that will improve something for somebody somewhere. And so, if you have a passion for that, that's pretty cool. And that is a motivation. I find that CEOs that care about money, it's a crappy and soul-deadening way to approach life. Money's a by-product of changing the world in a cool way. And so if you're chasing money, then you're just chasing money, and there's no excitement. Then work is work, a slave to a dollar rather than a slave to change. I think one of the things I heard, I always sort of kept in the back of my mind is if you're a CEO in these companies, what you're trying to do is, it's not about you making a product. It's about you solving a problem in the world for somebody. And so, stay focused on the product or the problem. And with that focus, everything else takes care of itself. It's its own joy. You made this industry better. You made this customer better. You made the world better. Something to that effect. That's a huge personal motivation and something worth chasing. Back to, are you in the business of making profitable rockets or are we trying to get to Mars? And what's the big calling here? And so I think as a CEO, if you have that, then everything else kind of gets easy, and you start blending work, play, and purpose all together in one thing. And that's much better than being a slave to a dollar.

Richard Miles (30:47):

Ron, thank you very much for joining me today on CEO 101. Lots of good advice. I hope all of your clients and your companies are doing well and do well, and look forward to having you back on the show at some point.

Ron Tarro (30:58):

Cool. Hey, it was very nice meeting you.

Outro (31:01):

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.