

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

Inventors and their inventions. Welcome to Radio Cade the podcast from the Cade Museum for Creativity and Invention in Gainesville, Florida. Starting and running your own company. It's not for everyone for those who have done it, it can be exhilarating, exhausting, and easily the hardest thing they've ever done. We decided to go out and talk to some of those people and find out what they've learned, what they'd repeat, what they'll never do again. We'll hear stories from their first year, then from the period, when they realize 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 days 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 of Radio Cade, CEO101 features and interview Vinny Olmstead, Managing Director of the Florida based venture capital firm, Vocap Partners.

James Di Virgilio ([00:59](#)):

Vinny, take me back to a time that was a first time for you, either as a company, founder, CEO, whatever you feel like was kind of that first experience. And describe for me what it was like to start something.

Vinny Olmstead ([01:13](#)):

The one word I would use is just excitement. If you were taking a picture, I think you would see wide eyes and a smile on my face. And if you peel back the onion on that a little bit, in my early days, as I was looking at opportunities, I was hyper focused on solving some type of problem and spending a good amount of time trying to figure out what the solution would be for that type of problem. And I'm sure at one point it will get into learnings and how that evolves. But early on it's a lot of them spend time doing some research. I came up through the finance rings. So a lot of times finance people think about businesses through the lens of Excel and spreadsheets, a little different than engineers do sometimes a little different than sales folks do at times, but me personally, came up through the finance route. So a lot of what I did was think through business model think through pricing, think through the market and those types of things, and try to think about how that solution could grow into something very large. And without knowing it, trying to take a look at competition and find to look at where the needs here. So I answered the question in a couple of ways, which is facial expression. And then a little bit of experience probably on and through the prism of CEO, that has a finance background, which is sometimes good. And sometimes it needs to be complimented.

James Di Virgilio ([02:31](#)):

So you had mentioned very early on, I know you started some companies in your teens, let's go back and visit that. Why start something then like what attracted you to a certain project at that stage of your life?

Vinny Olmstead ([02:42](#)):

One of the businesses I've started in my teams was an events business. So I grew up in a small town in upstate New York called Binghamton, and I chartered buses and charged people. And we'd go to sporting events in New York or Buffalo or Pennsylvania or whatever. And it was pretty lucrative. So comically enough, simultaneously I had typical hourly jobs at McDonald's and things like that. And all of a sudden I realized, wait, I can, A) have fun and B) charged people some okay money and C) make a lot more than minimum wage, which I think was \$3.25 and so that blended a little bit of fun passion in a way to make money.

James Di Virgilio ([03:19](#)):

Did that strike you at that age is something that was, I don't want to say abnormal, but like how many of your friends were thinking the same way you were at that time?

Vinny Olmstead ([03:27](#)):

I don't think a ton. And I did a lot of the typical stuff, pre college of different types of whether it be mowing lawn business and hiring three other people through business and hiring five other people somewhere along the way. I got the leverage thing early on, which is good. Right? You can work hard at yourself and make an hourly wage early on. I realized either charging, not based on hour or leveraging other resources in order to make money made a bunch of sense. And that was sort of one thing that I saw early on you're right. You don't see it a bunch, but I also have a 18 year old son who's about to graduate college and he's got sort of the entrepreneurial bug also. And as I look at his peer group, a majority of them are willing to take that hourly rate and he's taking a lot more risks and he's sort of following that path a little bit, but back then, and now people like the idea of entrepreneurial-ism, but sometimes they don't get the scale. And some of those important things that may make you at least outsize your profits and or outsize your business, those types of things.

James Di Virgilio ([04:26](#)):

That's really interesting. If you look at entrepreneurship through that lens is a way to view the world. And at the Cade Museum, we spend a decent amount of time creating a culture of innovation, which is to flip some of those hourly mindsets. If you will, into a, Hey, you also can create these things. And some people are born with it. I think a curiosity about how to improve things, but it also can be cultured. And so failure, something you mentioned is obviously a direct thing that many people, especially people that don't want to dive into creating something, feel a question I get a lot also as an entrepreneur is, well, aren't you afraid that the things you'll do will fail. So for you, did you feel that, I mean, you started early, you started earlier than most people was failure ever, something that entered into your mind, or you just saw an opportunity to improve something.

Vinny Olmstead ([05:10](#)):

It's funny. I don't think I ever thought of it as failure per se, right. Things didn't work. And I just went to the next thing and didn't really worry about it early on. That didn't matter. I wasn't taking other people's money. When you take other people's money. It's a little different, a little different situation. I didn't really think about it as failure. I thought about it as an experiment and then I'm moving on. And again, early on it wasn't about building the unicorn. It's about building a cool business that made some money. Also early on it was a lot about where I was passionate or where the ecosystem is. I failed a bunch. Don't get me wrong in a bunch of businesses that fail, but I never thought about it as failure. I thought about it as a stage. And then just move on and don't worry about it.

James Di Virgilio ([05:45](#)):

You had mentioned hiring some people in these early ventures. How did you go about hiring people back then? Was there a rubric? Was it a feeling what led you to make a decision on who to hire?

Vinny Olmstead ([05:55](#)):

I don't know if this happenstance or not happenstance. I'll give you my early, I was 12 years old and I had a paper route. And so delivering newspapers as second route became open. And I said, Hey, I'm going to take that route and hire a couple of folks who filled in when I was on vacation, I can do the whole thing if I need to. And if not, I will have some folks help. And then I got another one after that. And so I think that was where I started learning. Holy cow, I can make a bunch more money. These folks think we're making pretty good money, but I make more than I'm making some off of them. And then coupled with that, it's not avant garde now, and I'm dating myself, but you used, it deliver newspapers every Monday night and you have to go collect for a week's worth of newspapers. And back in those days, I pioneered the, I would just have people put the money in the envelope underneath their front doormat and I'd pick it up every Saturday morning and not have to talk with them. But as I delivered the papers, I would pick them up or I would have the employees pick them up. So two things you learn there is leverage people and then improve process wise. And a lot of people liked it because coming to their door at six o'clock at night, and then Monday when their little dinner wasn't the most perfect time. And it just seemed to be easier for them process side, serendipitously hiring a few people. And I did that for, I think, four or five years subsequent to that also. So it wasn't like one week it kept me going until I sorta hit my 16 or 17 year old age, newspapers were done for me at that point.

James Di Virgilio ([07:12](#)):

Now, were your parents entrepreneurs, or did they view you as like a total anomaly?

Vinny Olmstead ([07:16](#)):

A completed anomaly. My father was an elevator mechanic and my mother worked in the home health field in the payments area, but they weren't entrepreneurial and they weren't risk takers. And maybe that's why I ended up as a little bit more of a risk-taker, but they were not at all.

James Di Virgilio (07:31):

Did they have conversations with you? Vinny, what are you doing all this stuff for? You should be getting educated this way or focusing on these things or were they supportive?

Vinny Olmstead (07:39):

They were actually pretty supportive like back into the newspaper days when I lived in New York and it was degrees below zero, and my father would take the minivan. And as opposed to me trying to bike or push a shopping cart around newspapers, and then he would drive me around. They were, they were very supportive in anything that I did. They sometimes wonder whose kid I was, because it wasn't what their typical path was, but they were supportive the entire time.

James Di Virgilio (08:00):

That's great. It's always great to hear that. Especially like you mentioned, you just sort of come out totally different and I can imagine as parents, they're truly wondering where did Vinny come from? So, so you then obviously go on to a higher level of CEO ship. We'll call it. Now, we're calling a CEO in this case, really anything where you're going to be running something, as you mentioned, either for other people there's other investment or it's yourself, and now it's a much larger and full scale operations. So we're still gonna focus on the early stages and what you would consider to be your first CEO role with that definition. So with that, how different was your first year as a CEO from those early years of startups?

Vinny Olmstead (08:36):

It's a good question. And it's sort of the step two and sort of the path. So in the earlier days, it was sort of from the hip, solutions that revolved around things that I had worked passionate about in the early ages, in your teens and in your early twenties, it's more about things that are going to the sporting events and chartering buses and all that of stuff. It was sort of a pastime and a passion, and it was more viewed as a opportunity for a period of time, but not for a long period of time. Whereas when you get into your twenties and your thirties, you're more thinking about it from a career perspective and the mentality then was grow it and own it forever or own it for a long time. The mentality is changing a lot in the last 20 years in regards to wanting to grow it and sell it after seven years and becoming a unicorn and all that fun stuff. But at that point in my life, it was more about grow something sustainable. So that's one, is your looking to grow something in perpetuity. And then there was just, I guess, that next iteration of polish around the PowerPoint presentations and the Excel spreadsheets and putting something down on paper versus just doing it, right. Which by the way, now that I'm in the VC world is very interesting. And seeing in that stage is that you often see doers and then you see folks who like to put things in Excel and PowerPoint, and they're not as much doers. And so I would say my second phase was adopting not only the Excel and some of the skillset that I got through college and my early days as a CPA and accountant, it was the actual combining that with the doing mentality. And so again, so I think

the themes there are, you look for something that's sustainable in perpetuity. You look a little more institutional per se, and combining the doing with a little bit of the planning, I would characterize it that way.

James Di Virgilio ([10:17](#)):

And if you're looking at your time in this early CEO stage, this early venture stage, and obviously now you have a whole different set of experiences, which we will get to later as a VC now, but at that time, the biggest question on most people's minds is how do you get funding? How does anyone get funding nowadays? How do people get funded? How did you get funded for the projects you were working on?

Vinny Olmstead ([10:39](#)):

The way you get funded is evolved. And there's a much more of an ecosystem, but I don't think that the actual channels of getting funded have changed. Although funding has become much more ubiquitous. I would say, you'd go to the friends and family. And I put as much as my own money and my own salary as possible, which became easier later in life was much harder earlier in life. So you go out to those friends and family and at first, you're a little bit nervous about asking and you should be, if you take it serious, but even then it was go to the friends and family and then ultimately go to that next institutional role. And then you start working up toward your C) and or your A) or your B) the most important thing to all of that is you gotta be networking every single minute. You have to be fundraising and networking every single second. Even if you're talking about a solution, you have to excite people. And that took me a little while. It's not that I mind asking for money, but it was a little bit uncomfortable and there's nothing wrong with asking for funding for something that you really believe in. And you're really passionate about. So it was the same sort of ecosystem back then, the friends and family seed and starting into A) and B). The problem then there was just wasn't as much money the world didn't watch shark tank and understand all this entrepreneurial-ism and stuff. So it was harder to find outlets. There wasn't really much online, back then and all that. So it was there and it was sort of similar. It just wasn't as easy to get to nor was there as plentiful amount of money out there as there is today.

James Di Virgilio ([12:02](#)):

Yeah, the brand awareness of entrepreneurship was obviously much lower. And as you mentioned, the tools to access, it was much smaller. If you could go back in time to these stages you're discussing right now. And this is, I think a good one for really anything that pops into your mind. First kind of the first thing that pops into your mind, what wisdom would you give yourself at that stage? Learning everything you've learned now.

Vinny Olmstead ([12:22](#)):

These are all things that are somewhat standard that you would think through, but don't be afraid to hire great people and try to understand what great means. And don't be afraid to hire people that make

more money than you, or have a lot more experience. And that's the thing we never with a lot of entrepreneurs, they really struggle with that, acknowledging that you don't have deep experience around repeatable sales processes or deep knowledge around product requirements. There's nothing wrong with that. Don't have the pride to think that as CEO, you need to know everything and that you need to have the experience in every single verticalized aspect of your business. Go get the right people. And on the heels of that real quickly, one of my mistakes with one of the companies that did well with and sold. I had the opportunity to take a lot more money. And I didn't, and it definitely inhibited the growth of my company, and I wish I would raise more capital. So get the right people. And I was very prudent with the money, and I was very in tune to my investors, but I should have taken more.

James Di Virgilio ([13:17](#)):

Yeah its interesting, we're going to talk a lot about funding as we get towards the end of this. And I have so many questions on that, myself being a finance person and investor, and we will get to that one. So save, that for further probing, let's talk about the middle years, and this can be the middle for you as you think of your own career and experience in life, but the middle years as a leader, how did your normal day to day change from these earlier years?

Vinny Olmstead ([13:38](#)):

Yes. So the most interesting part in all of that, the theme there was how to let go, because it's sort of this interesting thing. It's not as though I couldn't do a bunch of this stuff better than select employees, but you have to let go and let the leverage down. For example, back to when I was on the paper, boy, you have to let them go, let them deliver the route, make sure it's on time. You can't walk with every single person or ride with every single person. And it's the same theory when you're running a business, it was a little bit harder to let certain things go. I was pretty good at Excel and financial modeling. I could do the Excel, but it was dumb for me to do the Excel because I had other people that could, you have to let go. So the middle years is about where are your priorities and allocation of time are best spent in order to create the greatest value. And that's easy to say, but it's really not hard to do personally. And for the CEOs that we see, even in our investments today.

James Di Virgilio ([14:29](#)):

Optimization with your time, your own focuses, right? You recognize when you reach a certain age that no matter how smart you are, you just cannot do everything. And on top of that, there's certain things you should do that will yield more, not obviously just for yourself, but also for your team, for the project you're working on. How do you begin to trim away? Some of those margins, some of those things like how do you create a funnel to say this is priority one task? And this one I should probably think about delegating.

Vinny Olmstead ([14:54](#)):

It goes back to my point around hiring some of the right people, but it's not always about hiring the right people. It's also about the mentality of that. There's a lot of different ways to do it. One thing I see that works pretty well and worked for me, there's this thing called the entrepreneurial operating system. It's basically a management system where you meet with your team quarterly and you review your mission, vision, values, all that fun stuff once a year, but you go through what priorities are. And it's sort of a healthy way with no titles to get into a room with your top management team and to help prioritize. It was fairly enlightening for me to hear people say, you shouldn't be doing this. You should be doing that. And you can still do ELS, or you can bring in a facilitator either way. It was a good way to prioritize. And then it was a good way for folks not to feel uncomfortable, to say, you need to not allocate your time to doing all that Excel spreadsheet or drawing out the HTML for the buy flow of a commerce and things that you shouldn't be doing. It's okay for people to interview you and say, where are you thinking about interviewing? You are having conversations about where you want it to go, but you have to let go. So that's just one example of ways to sort of take care of that. And the second one was I, I didn't accept which I wished that I did it. Must've been a seed investor with the company Bridgevine, which is a Florida company. We were, I think 500, I think seven times fastest growing 57, the highest. But one of the things he kept telling me to do is hire sort of a chief of staff to keep you organized. And I don't know why I just was stubborn and didn't do it. And now, whereas what we tell our CEO is, Hey, you know, hire a chief of staff to help you organize. So when you go to these meetings and you have follow up, they can really make it happen. Or if you need a quick project done or research on competitor or market, you have somebody to do it. So you're not sitting there doing that. So two things I think helped facilitated one, which I adopted. One of which I refused was the EO's system. And then also the chief of staff and chief of staff starts getting pertinent when companies sort of are starting up into the 5 million and above in revenue, because that's also a time where it starts getting complex to scale.

James Di Virgilio ([16:50](#)):

Yeah. And that's great. You segwayed perfectly to my next question, which is during these middle years, how do you go about handling, growing and expanding? Oftentimes it happens rapidly and oftentimes the CEOs may or may not have had a lot of experience with handling something that's growing that quickly or scaling that fast.

Vinny Olmstead ([17:07](#)):

Its a good point. And when our CEO Bridgevine, it went from a million to six to 11 to 18 million in revenue, over five years, growing from nothing to one and going up, and it was good because a software company, but it also leveraged the early days, early days, the mid days of the web and online demand generation and all of that, but not easy. And then the hardest part about it was the people part of it. And it wasn't only that you're hiring the right people. It's that people that had generalist jobs that had five jobs, they may have had five different responsibilities. And as you get larger, you need to be able to motivate them, to be excited about taking a more narrow role that does more, as opposed to running HR and product. Now you have to put product in a separate bucket onto itself. So I think managing people A) are they capable of scaling? If they're not, they may have a VP level, but should be a director. Can you put them into a director role and then how to narrow what their responsibilities. That was the hardest part. I think about the scale, getting the infrastructure in place for four data centers and all that

was fine. There's a lot of other things that were they're hard, but they're not that hard. And the people part is by far the hardest part.

James Di Virgilio ([18:16](#)):

What was the most rewarding experience or set of experiences when you reflect back on your middle years?

Vinny Olmstead ([18:20](#)):

The fun part of all of this is creating a culture that is great to work in and creating a culture. When I described earlier, my eyes getting open in a smile on my face is trying to create an environment where it may not be because you're running the company, but it may be because you're running products that you have the big eyes and smile on your face because you're really creating something. I think that's probably the best illustration.

James Di Virgilio ([18:46](#)):

That is the joy, right? This idea of creating, improving. There's nothing like it. And I think even people that wouldn't say they're entrepreneurial, if you can kind of get granular and say, well, let's talk about a time in your life. You created something. There's always this different level of passion and connectivity to it. All right, let's move to now, we're going to call it now so that you can call these your mature years. Of course, maturation never stops. Let's just go with now, how is your role now different than it was in the middle years in the early years?

Vinny Olmstead ([19:12](#)):

So a couple of things there. So in my later years, I went from operator to a venture capitalist and this was about nine years ago. And when I started, I actually was CEO and started the fund at the same time with the blessing of the board. But I would call that some of my more mature years versus earlier. And so how is it different? One of the things that was very different in my middle years and now mature years, and this is for the whole industry is there's a lot of ways to grow businesses fast because of all of the different plugins solutions out there. And so when I coach CEOs, or when I look at businesses as an example, I don't want them to create a new commerce platform. They can go plug in Shopify. And so one of the things I think I thought about earlier on is you take everything under solvers and you have to do everything yourself. In my later years, I adopted more to, Hey, I can plug stuff in and the value is more speed to market than it is sometimes proprietary type items, like a commerce platform as an example. So whenever they agreed in the Lunchables, which was like Oscar Meyer and an Oreo cookie from Dole, the Lunchables is a great idea. You don't have to own every component of it in order to get to market faster and perform better. And as life goes on, both with technology evolving and adoptability, it's, it's more of a norm now, but it wasn't in 2011. It is becoming that right now. But it's the embracement of that aspect of solutions that can plug into your solutions.



James Di Virgilio ([20:39](#)):

And you are just like nailing every segue. So here's another one. What are some of the new challenges CEOs face today that perhaps they were not facing 20 or 25 years ago?

Vinny Olmstead ([20:50](#)):

That's a great question. When I look across my portfolio and we back great CEOs and they sort of bifurcated into two buckets, which is some with less experience and some with more experience. And I think one of the hardest parts of the ones with less experience is the true accountability and expecting people to work as hard as you're expected to work. It's a little bit millennialism is a little bit of a challenge. And so I think that's the number one difference that I don't know if I didn't tolerate it, or if the norms were different, but now it's often tough to get to that accountability and to have people and accountability states. That's a lot of where we spend our time. A lot of management teams, these CEOs make 50, to hundred thousand bucks and all of a sudden they need to bring in somebody who runs XYZ. That makes \$225,000. There is a lot of concern and consternation about bringing in people who make more than you and have more experience. And we spent enormous amount of time having those types of conversations and say, you need to balance your equity with what your overall goal is and your priorities. And so that's the second part. This challenge was challenge to me too. And it's a challenge when I worked with our CEOs now.

James Di Virgilio ([22:01](#)):

We could do an entire podcast on team building and culture and pay and meritocracy. And that exact principle of does there need to be this triangle hierarchy where the person X, Y, Z makes more than someone else, or is there room, as you're mentioning to have a more market-based or creative, or just what's best for the venture mindset. So how do you handle the pressure of the media of public opinion of your own employees? How is that handled as you become a notable CEO with prestige?

Vinny Olmstead ([22:29](#)):

So one is you're going to have to face the fact that the accountability is on your shoulders and it's human nature for your employees, whomever, they report up to whether you're one of the greatest CEO or whether you're Elon Musk or others. People are still going to have fun with you a little bit. And sometimes you have to have some pretty thick skin just don't let that part of it bother you. It's just part of it. The other part, which follows you as being early to middle to late stages is it's great to be friends with everybody, but you have to be cognizant of how you handle employees and people inside the workforce. It's human nature to have certain things in common with people inside your organization, but it may look like you're favoring them just because you both like Florida Gators and whatnot. So there's those aspects that you have to be very cognizant of. And you have to separate yourself a little bit. You may not be able to cope with certain people and not other people. And so types of that

hierarchy. So it doesn't create imbalance or odd things inside and thick skin because they are going to have fun here especially they like to have fun.

James Di Virgilio ([23:24](#)):

Yeah, it definitely really important for leaders to have thick skin. That seems to be perhaps a quality. I'm sure you're spending more time with your CEOs today that you're working with and maybe you would have in years past.

Vinny Olmstead ([23:33](#)):

Yes. There's a good example. There's a product that I created at Bridgevine. And I think 80% of the company disagreed with me on wanting to roll it out. I knew it was the right thing to do, and it ended up being the valuable aspect of the business, but it was a turbulent time. It wasn't like a all out civil war, but it was, I don't understand that we shouldn't be doing this. We should be focused over here. And I just said, and this is my decision going to the board. This is my decision. This is what I think is right. There is dissent. And it ended up paying off, staying true and staying part in what you believe it was tough, but ended up being a good outcome.

James Di Virgilio ([24:10](#)):

Yeah and that is the role obviously of a leader is to go out there at times. And if you really believe in what you're doing and you think it is best that you have to put yourself out there with it, otherwise, nothing great is going to get done. So what was one of the most challenging experiences that you've had rather recently, it's really just been a difficult spot.

Vinny Olmstead ([24:29](#)):

We've had a shutdown on business and that's never fun or stop supporting a business, which is never fun because you'd go and you back these entrepreneurs, like even in COVID times, there are two different outcomes for our companies. One was they thrive because everything's coming satisfied. And another instance COVID, wasn't good for the market. And I don't want to tip off with the company is but sitting down and saying, I can't fund you anymore. If the business is going to take two to three more years to come back and you're going to have to either cut back your salary. People salaries, certain things, but I also invest on behalf of other investors as a fund. I have limited partners who invest in me. I can't support you. I think you're great. Your business model was good. Last year. Your business model has become less good this year and I have to move forward, I'll support you, two need to be on the board, but financially I can't throw good money after that. And that's a hard conversation.

James Di Virgilio ([25:24](#)):

Yeah, that's an excellent example of a very real world. And sometimes out of our control, right, as entrepreneurs scenario. So now let's launch into this fourth piece, which is a strategy phase. So this can encompass any part of your time in life. I think obviously as a VC, a lot of this stuff is going to apply to the questions I'll ask because there's so many interesting things happening. And of course you're based in Florida, which a lot of people would describe as a pioneering very early VC world, where perhaps 20 years from now, the state looks very different. So when it comes to strategy, you launch your VC firm a decade ago, essentially, or almost a decade ago, and you have to create a strategy, VCs, have different strategies, different niches, they work in, how did you create yours?

Vinny Olmstead ([26:05](#)):

And that's a great question because even when I was on the other side of receiving capital, I never thought there was like a strategy behind venture capital. And now I'm realizing that there is very much so a strategy behind venture capital and like our portfolio companies, that strategy has to really evolve. So I'm on my third fund. And if I go back to the first fund versus the third fund, our strategy has evolved fairly significantly. So when the first fund that was sort of more of a reactive fund, it was sort of doing it fun, sort of doing it reactively. Didn't have the infrastructure of the relationship because it was coming hot off the heels of many years as an operator, as opposed to an investor. And I was investing in seed A and B stage companies and they're around technology. So at a high level, and my strategy was a pretty big umbrella technology. So fast forward into phase two, I started really narrowing that down, which is I could provide the best value for folks are in the one to \$10 million range, had a couple of good employees, had some product markets fit. And so it started really focusing around A stage investing. And although I had done some B to C stuff, the B2B SAS type of some things seem to be the companies that were doing better. So went to that next level of, okay, I'm going to invest in Baystate businesses that are doing SAS and or repeatable revenue. And then we get into three and I'm like very similar to other companies. My fun one was sort of by myself, my current CFO and partner, Wendy Coxa and a junior person, fun too I had brought on another managing director who also was an operator and sold his company. So we were like-minded in that regard. And he was thinking about going out and doing the angel round funding. And he decided to come in and I said, look, I went through that, don't do it. Jump on board, with me. We have very similar mindsets, but it caused us to have a lot more interrupt in strategic conversations, adding that second very experienced person. And so if you fast forward to fund three, our team goes off campus quarterly, and it's all around strategy. So we went from sort of haphazard to somebody structured. So now it's very clear A stage enterprise software around the future of work around transforming healthcare and around the science of selling. And we are disciplined along those three. And I imagine when we got to fund four, it's going to be the same thing. So the common theme is that even VCs have to continue on the strategy, not just similar to the portfolio companies that I have, and they have to evolve with the times and it comes through with the I'm sure we can talk a little bit about funding, but even the world, the funding has changed series A used to be 3 to 6 million. Now it's sort of seven to 12. And so our strategy has to be smart on that side.

James Di Virgilio ([28:42](#)):

That was perfect in fact, you answered multiple other questions by telling me the story of how the model and strategy changed over the years, which is really the goal and how it will change in the future. And I think that is a key mark, obviously, of someone who is still highly in tune with innovation and not

stagnation. And recognizing that professionalization of something is a constant refinement. You never reach your end goal, but you should always be getting better and more refined, more processed. And not as obviously what you described, speaking of funding, there's two questions I want to ask here. One are VCs this big, bad, evil empire that is spitting good ideas and entrepreneurs out of it, or is it a necessary nurturing, useful, helpful tool?

Vinny Olmstead ([29:22](#)):

So I was on both sides of that and I agree venture capitalists behind me. And I was savvy enough to know, I think when they were helping, when they weren't helping. And when I had my VC board, I had one guy who was always cognizant of balance sheet, another guy who was very good at sales, another guy who was thinking strategy, but I sort of leverage them and use them that way. I didn't use them all the same way. And so I had a very positive experience on that. There are a lot of nightmare scenarios with VCs, and I think it's a quasi healthy tension, right? Because as a VC, you want to be friends with the CEO, but you have to push them a little bit. And there's always tension with pushing them, hire that chief operating officer, because you need it. And well, I don't want them to, I only want a director of operations. I get that. But one year from now, you understand that six months for that CEO to even understand your business. And you're going to be a scale on a size where you're going to grow into this particular, he or she in order to move forward. So if you went out and did a survey of my CEOs, I think they would all be pretty favorable, but also state that there are times of tension and disagreement. And it's how you handle that tension and disagreement. And then the obvious is when companies aren't doing well, VCs plan management management, blames the VCs and how you handle that, which is sometimes potentially switching out a CEO and sometimes selling a company and at sometimes putting some more, million dollars in to let them fulfill their strategy. And so it's like everything in life, it's communication and how you communicate. And there is definitely a healthy tension. There there's been bad actors out there in the marketplace. And look, there is dissension. Sometimes you told me you were going to hit this amount of revenue. Now you're going to spend twice as much and get paid half amount of revenue. We do have an issue here because this is what you supported. And so there are those moments also.

James Di Virgilio ([31:08](#)):

Let's talk about philosophically yourself, your VC venture, how you view things, of course, because we can't reductively say what all VCs do. But in your case, when you're taking on a new project, are you thinking more along the lines of I'm taking on this project? Because I believe in it, I want to be able to help this entrepreneur funding as a part of that. I want them to grow because growing will help the world around me. Or are you looking at it straight numerically saying, I think this company is going to make a ton of money if they do X, Y, Z, and I'm in it to make sure that the money is made.

Vinny Olmstead ([31:36](#)):

I think it's somewhere in between, right? So I know it's a huge and growing market, but there are a lot of huge and growing markets that we won't go into because philosophically we don't agree with them. So I want to believe in the company's missions and visions. Otherwise, even if it's a great opportunity, I

won't invest there. So I wouldn't go through and say, I have a hard rule of I'm not investing in X, Y, Z, but when it really comes down to it, you have to believe in the mission and the vision of the company. It's not pure economics. It truly isn't. I was invested in a great company called your cause, which was basically a payments platform for social good. And they did things like integrating the HR systems of AT&T and enabling the employees of AT&T tens and tens and tens of thousands of them to give whether it be to their favorite not-for-profit or when Katrina hit or whatnot. And I loved the mission, the CEO and I who's a great guy. He went and believed in his passion, we sometimes hit clash heads a little bit, but I loved his mission, vision and the purity of it. And healthcare ones we invest in are all around chronic care. And as a matter of fact, one of the recommendations made to the CEO there at a company called Time Doc that I invested in on the board is they're helping people with chronic diseases, through a software platform, enabling physicians. And they also have caregivers that help somewhat. And I'm like, I want to hear how you're helping people. I want to hear how you're helping the person, that they didn't realize that they were deaf or couldn't get to the doctor or couldn't get food and you guys facilitated it. So I think for us, at least at Vocab, yes, we are capitalists. And we are sort of trying to make somewhere between five and 10 times off of each investment, knowing that 30% to 40% of them might fail. But I do think that if they were not within our value system, we would not be interested in the business.

James Di Virgilio ([33:18](#)):

And it's really interesting. And again, it could be another podcast for a different day, just talking about freedom, capitalism, private property funding, ideas, this idea that obviously, if somebody makes a gazillion dollars, it's not a zero sum game. It's not a fixed pie. They're not taking money from someone else to get there. And the only way for that to happen is for people to use whatever they've created. So there is a level obviously of marketability and market growing that if you believe in what you're doing, and of course you're doing things ethically in the right way, the larger you become, the more people you can help theoretically. So a lot of that stuff, again, different discussion for a different podcast.

Vinny Olmstead ([33:50](#)):

That's a long podcast.

James Di Virgilio ([33:51](#)):

Yeah. That's a long one. That's a big one that I love that kind of high level stuff. But for now let's get granular and talk about funding here in Gainesville, Florida, the University of Florida obviously now leads really the country with incubator companies. And so it has not quite had the success of turning some of these incubator companies into the huge names we know yet, perhaps one day that will happen. But funding is on everyone's mind, especially in the state of Florida, where there are tons of patents being had every single year. Obviously again, we talked about at the top of the show, Florida, as an emerging VC area, you're here, you've been working in it. How hard is it to get an idea funded? It seems like if you were to panel a lot of young startup companies, they would feel like it's almost impossible to get their idea funded. How hard is it really to get an idea funded?

Vinny Olmstead ([34:35](#)):

That's another long fun conversation. When I raised capital here for my Bridgevine company, back in early 2000's, I couldn't get anybody in the state of Florida or the Southeast interested at all. I had to go to the Northeast in order to raise capital, fast forward several years. And there are a good number of whether it be Vcap or Los Olas or [inaudible] is on like fund number five or six or whatever they're on. And there's a lot more ecosystems in Florida and in the Southeast. So there is more capital than 20 years ago when I was out raising money in the state of Florida before I was in Florida, I was in Seattle, we raised two and a half million dollars. And that was sort of a startup on steroids. You wouldn't find public on that. And then I came to Florida and it was really, really tough. I mean, I couldn't even get on the state of Florida venture I'm on the board and have been for 10 years and love it. It was hard on the state of Florida. There wasn't as much money. I still think we're not quite there yet. Right. So I think we're still five years away from having the capital in place that other places have. And so it is hard. I live in Vero Beach, Florida. I had an open office in Atlanta group talent reasons. And because it's easier later on to sell the company and find companies or investors to invest Florida sort of a distributed place, right? There's no clear ecosystem. And geography is a big deal. New York, Austin, San Francisco, Austin, very, very concentrated. Whereas Florida's ecosystem on entrepreneurs are spread out and VCs are inherently lazy and they don't want to go to Gainesville and they don't want to go to a Ocala. Steve Case is doing a wonderful job of trying to illuminate, all the great ideas of the secondary cities. And I think we're getting there on that front. And I think geography is a little bit of a disadvantage. And again, I'm skewed toward thinking about tech versus broader ideas. I look at the biotech space personally, and look at stuff like that, but geography has an implication. So I think we've come a long way. And we still have a lot of opportunities over the next five years. And then you'll relay this umbrella of holy cow. There are a lot of financial people coming to the state of Florida and that is going to be nothing but hell. So I'm in this town called Vero Beach, Florida. And we happened to have, I think the number one place of Ex CEOs of fortune 500 companies, a lot of them happen to have okay amount of money. And that's how I raised both my early seed money for my company and then also my venture money. So the more you get some of these folks relocating to Florida, which seems to be happening in a rapid fashion, I think the money will continue to follow, especially for the seed side of things. As more family offices are down here and more intellectually curious people who understand the finance world are down here. So I have a lot of optimism now and going forward. And the only other point I'd make also is the hard part is there are so many new companies coming out. It's hard to get through the noise right? Years ago, a few people wanted to be entrepreneurs. Now everybody wants to be an entrepreneur. So there's increasing supply. The problem is there's also increasing demand and you need to truly innovative and you need to figure out ways to really show your differentiation.

James Di Virgilio ([37:19](#)):

Another great segue. Before I ask you the last question, my grandparents live in Johns Island I'm my grandfather was an entrepreneur and he was super proud of the fact that Johns Island had zillion Ex CEOs and whatever the case was.

Vinny Olmstead ([37:32](#)):

Oh so awesome. Yeah. I can clearly see it from my window right here.

James Di Virgilio ([37:36](#)):

Yeah I figured. Yeah. Every Christmas actually my family, we drive across the state from Sarasota to Vero Beach and spend an evening. So that was my Christmas time. But, um, the last question and this one is going to be the one you just, again, segues perfectly into is all right. There's a lot of people starting companies. There are a lot of good ideas out there. What is your advice for entrepreneurs to get funded? What are some things they can do to rise above the crowd?

Vinny Olmstead ([37:57](#)):

Yeah. So a couple of things on that front one, there's a lot of great companies and a lot of new to companies. You've got to look yourself in the mirror and not be a me too. Go look at the competitive space and identify what your differentiation is. As I mentioned earlier, never stop networking. You are always raising capital and you don't want to go to every single social event with your friends and just talk about your own business. You have to have some EQ to understand you have to have an EQ piece of it, but always be thinking about how you can network through to people. And when all of this noise, you have to be going after a big market with a unique product. Otherwise we don't care. The reality is we want a large market and you can have a large niche, right? We have a supply chain company that does primarily around cold goods. That's growing very quickly. And the whole market's huge niche market. That's perfectly fine. One of my board members, this guy by the name of Ted Leonsis who sold his company, to the first sale to all these partners, with Steve Case, he owns the Capitals and the Wizards and is just the greatest entrepreneur in the world. But he sat me down and said, you need to have your ten second pitch, your one minute pitch and your three minute pitch and you need to have it so crisp and so clear. And he seems like it's easy, but it wasn't as easy stated. And he's abused need to have all of those incredible cadence and you need to convince me you're passionate about it. And it was a great piece of advice for me. It's one of the few things that I tell my CEOs, give me bad news as fast as you possibly can. I don't care when I get the good news and have that cadence down, but how you talk about your company and the 30 sec, minute, five minute version. And so that would be my advice. Also, it sounds simple, but if I'm going to get a long complex story and what you're trying to do, you cut off a lot of people.

James Di Virgilio ([39:35](#)):

That's often stated. And as you said, because of that, it almost becomes like a trope, but the reality it's so true. Robert Einstein once said that you make something as simple as possible and no simpler. And I think that's also completely true with a pitch for your idea or your company for a million different reasons. So that's great advice and low-hanging fruit and something. I'm sure that you see all the time. I see all the time here in Gainesville, is this not often done? And it's not done well and not surprisingly, most of the companies that tend to go places are very good at that for a variety of reasons. Well, Vinny, I appreciate you spending an hour with us. I think we got a lot of great stuff in this segment, for sure. Lots of good insights. I certainly enjoyed talking with you.

Vinny Olmstead ([40:10](#)):

Likewise. I look forward to visiting the Cade Museum and visiting you all up there. So I appreciate the time.

Outro ([40:16](#)):

Radio Cade is produced by the Cade Museum for Creativity and Invention located in Gainesville, Florida. This podcast episodes host was James Di Virgilio 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.