

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

Inventors and their inventions. Welcome to Radio Cade, a podcast from the Cade Museum for Creativity and Invention in Gainesville, Florida. Starting in 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, or 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 ([00:54](#)):

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 Weaver Gaines, the CEO of several companies, including Evren Technologies, OBMedical, both of those are medical device companies, as well as Ixion Biotechnology. He's also served as a chairman of numerous companies and non-profits, among other things. Welcome to the show, Weaver.

Weaver Gaines ([01:18](#)):

"Well, thank you for having me here," I think is the formulaic response to--

Richard Miles ([01:22](#)):

That's right, there's only one right answer. We're happy that you're here. Weaver, you've done a lot of stuff in your life and your career. So why don't we just start with a short overview of your career?

Weaver Gaines ([01:31](#)):

Okay. Well, one way of thinking about my career is, "here's a guy who obviously can't keep a job." I went to law school primarily because even though I was an ROTC commissioned officer, everybody else was trying to avoid being drafted into the war in Vietnam. And they were all going to law school and they were on the debate team at Dartmouth, so I went to law school too, with about that much forethought about it. And when I graduated from law school, I went on active duty and I spent two years in the army -- one year in Europe, in Heidelberg and Berlin. And one year in long been Vietnam -- an experience for which I will be always grateful. The whole experience was extraordinary. I'm glad I did it. I can't talk anybody into doing it now, but I think it's really one of the formative experiences of my life. And I'm glad I got involved in it.

Richard Miles ([02:17](#)):

This is being in the military or being in Vietnam, or both?

Weaver Gaines ([02:19](#)):

Both. Well, the military itself is an extraordinary experience, and being in a world at war where there are people who are actually trying to kill you every day, although you could argue that that was like being in New York, and, um, it was a different circumstance and I'm glad I did it.

Richard Miles ([02:35](#)):

And you were in an infantry unit in Vietnam, correct?

Weaver Gaines ([02:37](#)):

No, I was not in an infantry unit in Vietnam. I was a company commander in Berlin, but when I got to Vietnam, the army had just invoked the update to the military justice system, in which for the first time, if the defendant asked for a lawyer, he got a lawyer. Before then, he only got a lawyer if the trial counsel, the army's prosecutor was a lawyer. Otherwise officers served in that role and the army and its usual degree of incredible forward thinking came up on the day where they had to supply a lawyer to everybody without any lawyers. So a lot of non-JAG lawyers got JAG positions -- Judge Advocate General positions.

Richard Miles ([03:14](#)):

You had a law degree.

Weaver Gaines ([03:15](#)):

I had a law degree, and by the way, it made the judge advocate guys really mad because they had signed on for four years in order to avoid combat. And here were all these combat arms like me. I only had two years and also avoided combat, but we didn't avoid people shooting at us or setting--

Richard Miles ([03:34](#)):

You were in a combat zone.

Weaver Gaines ([03:35](#)):

We were in a combat zone. And then I went to work for the law firm that I had intended to go to work for. And I worked for them for a bunch of years and decided that being in a law firm wasn't that interesting. So I went to a corporation and in the middle of that gig, I realized that, really, I wanted to do it more than I wanted to give people advice about how to do it. So I now call myself a recovering lawyer. And while I provided legal services to the companies that I've founded, mostly I'm being an executive and mostly in financial or life science businesses. So to get to the crux of CEO 101, I came to Gainesville after I had spent a year on the national reelection campaign for Bush-Quayle in 1992. And since Bush didn't get reelected, clearly doing something in Washington, D.C. was not in the cards. I came down to Gainesville where I had a weekend place and a friend said, "Let's start a biotech company." And so that's how I started my first entrepreneurial biotech company.

Richard Miles ([04:34](#)):

So, Weaver, I've got to say that the first parts of our lives eerily track one another. Of course I was in the army as well, got out of the army. And if things had gone right, I'd be in the Jeb Bush administration right now. But things apparently didn't go that way. So I moved to Gainesville too, but I didn't start any successful biotech company. So apart from that small asterisk, essentially we've lived the same life.

Weaver Gaines ([04:55](#)):

Well, I can't say the first one was a successful biotech company. It was named Ixion Biotechnology and I picked its name, a Greek name, very common in science to use Greek. Ixion sounded good. It said that Ixion had been condemned by Zeus to be bound to a burning wheel for eternity. And since the product we were thinking about was going to be used to treat recurrent kidney stones, I thought, well, that sounds like being bound to a burning wheel, that's not bad. And after the company had been going for two or three years, I asked my very first associate, the first person who joined me, I said, you know, I don't know anything about this guy, Ixion, whose name, by the way was pronounced ex-eye-on, but I gave up. Everybody called it Ixion. And he comes back to me and he says, "well, do you want to know why he was condemned by Zeus to be bound to a burning wheel for eternity?" "No. Why?" "Because he attempted to rape Hera. That's why." So I named my first company after an attempted rapist.

Richard Miles ([05:50](#)):

So marketing was not really your strong suit--

Weaver Gaines ([05:51](#)):

Absolutely not. Nobody knew that except us. And so we never told anybody, and I think this is the first time I've ever broadcasted it, for that matter.

Richard Miles ([05:58](#)):

Anyone owning Ixion stock out there, maybe now's the time to sell.

Weaver Gaines ([06:02](#)):

Now's the time to sell or to put it on 4Chan or something like that, but that was an enlightening experience, Richard. I made, I literally made every mistake a startup entrepreneur could make, although there were some mistakes I couldn't make because an earlier mistake had sorta foreclosed the possibility of--

Richard Miles ([06:19](#)):

So we're going to get into that. But before that, I wanted to ask you. So you get out of the army. This must have been what? Early 70s-ish?

Weaver Gaines ([06:25](#)):

Yeah, 70s, basically.

Richard Miles ([06:26](#)):

And you're an army brat. So what brought you to Gainesville? Did you have a family connection here?

Weaver Gaines ([06:32](#)):

Okay. So my dad was a graduate at the University of Florida, ROTC graduate -- World War II, Korea, Vietnam vet himself, and my sister had gone to the University of Florida, one of my sisters had gone to the University of Florida and her best friend here was my current wife, Mary True. And my sister -- I'd been married once before -- and she said to me, "Look here, Weaver every time you pick out a girl for yourself, you do a poor job." That's not exactly what she said, but that's what she meant, right? Yes. "I'd like to pick out your next girl for you." And I said, "well, I can't do any worse than that." So, she was from Gainesville. Mary was from Gainesville. So I got to know her and I got to date her, and then we got married and I told her if she would just keep her apartment in Gainesville and not bring her car to New York for less than the cost of parking the car in New York, we could keep the Gainesville apartment. So that's how I ended up with a place in Gainesville.

Richard Miles ([07:27](#)):

This was planned from the very beginning,

Weaver Gaines (07:28):

Yes, everything thought out carefully in advance with the primary reason for changing directions, being that I had cracked my shins on something and it hurt. And so I would stop to see where I was going. That wasn't it. So that's how I got to Gainesville. And that was in late 1992 after the election with the Bush-Quayle campaign.

Richard Miles (07:46):

Okay. Prior to that, you were living in New York?

Weaver Gaines (07:50):

Prior to that, I was living in Manhattan, New York, except for one year in Philadelphia, where all I could think of was how to get back to Manhattan. Philadelphia is -- sorry, Phillies. So I started the first company, as I said, being completely ignorant. And that's probably the only reason why anybody would start his first company.

Richard Miles (08:10):

Take us back to the first few weeks, even of what that was like, first of all, start with what was the core idea or the core business model insight? And then what were your first steps? Did you just sort of file the papers and rent a space somewhere? Or what was--

Weaver Gaines (08:23):

Yeah, basically well, sort of that. I got the idea of starting it from a fellow I'd hired at one of my previous jobs who said, "look, let's start this biotech company. I have a brother who's a research scientist, the University of Florida, very smart guy." And he was a very smart guy. And he's got some technology, which is really exciting. And he had two completely distinct technologies. One was a stem cell treatment for type 1 diabetes. And the other was a probiotic treatment using a bug called Oxalobacter formigenes, you know how that rolls off the tongue. So the very first thing was to learn to pronounce Oxalobacter formigenes.

Richard Miles (08:59):

Now I see why Ixion was a more attractive alternative--

Weaver Gaines ([09:01](#)):

Yes, right, than "Oxalobacter Formigenes Company." And so the first thing I told him was, "well, I can get the company started, but really, I don't know anything about biotech." And he said, "well, you don't need to, my brother knows about biotech. You need to know about starting companies." That turned out to be wrong, by the way. And so I said, "well, the very first thing to do is to kind of get our arms around the intellectual property." You got nothing if you don't have that. And the intellectual property was resident at the University of Florida, and the University of Florida had an officer in charge of licensing technology. And on a good year, they would license two or three. They license 90 or 100 now. And on a bad year, they didn't get much done at all. And so it took about a year to negotiate the license for the technology, but you really couldn't do much else. I mean, I was running it out of my house because you really couldn't do much else, right? Because you didn't have anything to do it with.

Richard Miles ([09:54](#)):

Right.

Weaver Gaines ([09:55](#)):

And in those days you couldn't be sure you would live long enough to license it from the university.

Richard Miles ([10:00](#)):

So there was no point in continuing research or things like that or making an investment because you don't own anything.

Weaver Gaines ([10:05](#)):

You don't own anything. And the research has continued and a guy who's the research side and he's going on, doing the research at the university. And there was a fellow named Shelley Schuster who, at that time, was the head of the biotech program here at the University of Florida. He's now at the Keck Graduate Institute. He's the president of the Keck Graduate Institute in Claremont, California. And he said, "I have some space in the Progress Center. Why don't you come out there and have an office in my space while you're trying to license the technology? And I won't charge you anything for it." So yes, I did arrange for an office, but I didn't pay anything for it. And I went out there and got the office in Progress One, which was, at that time, owned by the university and set up my first computer to demonstrate, yes, we were a company because we had an office--

Richard Miles ([10:48](#)):

It was a physical, awaiting a computer?

Weaver Gaines ([10:50](#)):

No, no, it was an IBM. It was an IBM. It had like, I don't know, 250 bytes of board memory, or so, it'd use the big four-and-a-half-inch floppy disks. But then we got the license. Now you're going to actually start trying to do something.

Richard Miles ([11:06](#)):

So after you got done with your bottle of champagne, from getting the license--

Weaver Gaines ([11:09](#)):

We couldn't afford champagne. It was a bottle of cold dock, but, um, yeah, we got the license and now we were actually in a position to try and do something. So there's a whole bunch of things you try and do to get ready to do the thing that you most need to do. So what you most need to do is find money because you can't do anything without it in the startup world, but you can't just go say, "give me money; I have an appealing face," -- even worse if you have my face. And so you have to do things like come up with a business plan, think through how exactly you're going to exploit this technology. What's feasible? What isn't? What kinds of research needs to be done? Where are you going to get money to do the research? How far do you have to go in the research before you can make a plausible claim for the money? One of the big mistakes I made was if it's a really brilliant idea in a magnificent market, they're going to give you money. No, they're not. And in this case, it was two, basically, pharmaceutical preparations. And I took a long time to learn that those are decade-long projects -- and that's if they're ready to be taken out of the university, if they're developed enough to be taken out of the university, which they said not -- another one of my mistakes. And I also didn't know then, like I know now, that about 90%+ of them will fail. They will not, in fact, ever reach the market -- and that's assuming you can finance it. I'm just talking about the ones that go through the process of bringing a biotechnology, pharmaceutical entity to the point where somebody will buy it or at least be willing to support it to the point where it can be sold, mostly fails.

Richard Miles ([12:40](#)):

It's one of those statistics you really don't need to hear early on.

Weaver Gaines ([12:42](#)):

No no, well, actually I said, "if you knew, if you knew when you started what you will learn along the way you would go into another line of work," like, I don't know, bicycle repair.

Richard Miles ([12:50](#)):

Something more lucrative, right?

Weaver Gaines ([12:52](#)):

Right, plumbing.

Richard Miles ([12:53](#)):

Plumbing. Yeah.

Weaver Gaines ([12:53](#)):

So you have to develop a business plan. A lot of people think that you can get somebody to develop a business plan for you, but you can't. You really have to do it yourself because that's going to be where you learn about the things you need, but don't have, and think through how you're going to get them and then make some guesses about what it's going to cost you to get from here to there, and with your business plan, and your intellectual property, and some sense of people you might be able to get involved with you that you can talk into working for nothing or nearly nothing, because you're likely to be working for, not very much money, particularly at the beginning. Quite common for you to go without pay for months at a time, which by the way, Richard, means that if you want to do this sort of game, you can't be in it for the money because that'll never be good enough. You have to be in it because you think you're trying to do something that's worth making some kind of sacrifice for. So when I left the campaign, when Bush lost in 1992, the first thing that happened was I got a job to go to work for a financial service company. And I thought to myself, "well, if we get to the end of the day and they say, 'okay, Weaver, what did you do with your life?' Say what -- made a lot of money?" That just didn't seem very satisfying to me because you can make a lot of money and people don't do that, and there's nothing wrong with making a lot of money. Good for the people who do. But for me, I thought, you know, my father was a service man. He spent his life in service and that's where I felt a little ... smarmy. If that's all I was going to be able to say, "he made a lot of money," but if you could say, "well, I tried to cure type 1 diabetes." Even if it didn't work, I tried to deal with people who are suffering from recurrent kidney stones. You ever had a kidney stone?

Richard Miles ([14:33](#)):

I have not. I've seen people who've had.

Weaver Gaines ([14:35](#)):

You don't want them.

Richard Miles ([14:36](#)):

Not something I want to do.

Weaver Gaines ([14:37](#)):

And it turned out, by the way that, that, wasn't what we ended up trying to get that probiotic to do, because that costs too much money, a long shot, too much money. It ended up being a treatment for a condition called primary hyperoxaluria, which is a genetic condition in which half of the people who have it will die before they're one year old and the rest will die by the time they're 12, and there's no cure. There's nothing you can do except a kidney-liver transplant.

Richard Miles ([15:01](#)):

Well, good point that you made there about doing something that you feel makes a difference, and David Brooks, the author, talks about the difference between resume virtues and eulogy virtues, which I think is a nice way of encapsulating 'cause a lot of what we do, certainly as early adults, what we focus on is resume virtues.

Weaver Gaines ([15:15](#)):

Sure!

Richard Miles ([15:16](#)):

What's going to get me my next job? What's going to get me promoted? What's going to make me look really good? But if you think about it, when you're dead and gone, and they're saying, "Weaver Gaines..." And they just rattle off your qualifications and degrees...

Weaver Gaines ([15:29](#)):

It's the same sort of dissatisfaction. And Richard, you and Phoebe have achieved this in your lives with the Cade Museum, and what it represents in terms of contribution to, not just our local community, but to the country and to the world.

Richard Miles ([15:42](#)):

Well, thank you.

Weaver Gaines ([15:44](#)):

So you know what I'm talking about. You can only put up with some of this stuff if you're motivated by something besides the money.

Richard Miles ([15:50](#)):

But let's talk about those first few days, because as you well know, from your first few days, it looks really daunting because you wake up and every day your to-do list has a hundred things on it. And all of them are objectively urgent. They all have to be done first, right? Because you get an office. Well, great. Well, your office needs a phone. Well, does it have a phone in it? Maybe it doesn't. Well, you get a phone and you have to have someone to answer the phone and get the mail, and all of those things were sort of "must-do," but yet you've also got to raise money. So one of the most crucial decisions early on is your first hire, your first couple of hires. Did you have any help in making that decision or was it the first person who walked through the door and needed a job? You said, "go get a phone, go get the mail." 'Cause that's sometimes how it happens, right?

Weaver Gaines ([16:30](#)):

Well actually I would say what happened in this case was that, because Mary had lived here for a long time, she knew a whole bunch of people: college graduates. Master's degree in history and he's helping his wife run a deli, and he became a friend, and he came to me and he said, "either you have to give me a job or I'm going to kill my wife and go to jail. Those are my options. I can't afford to pay a fine, just as long as I have a job." And it turned out that one of the critical things, on those first few days, is that there be somebody else there. So while you may have to do everything yourself, sometimes you just can't do it all today. And even if you could do it tomorrow, even if you could do it tomorrow better than the person that's working with you, you just can't bring yourself to do one more thing today after you've gotten the mail arranged for the phone, and arrange for the post office to deliver the mail to you the way they said they would, when you put the post office box down and all that sort of stuff ... It helps to have somebody there. And somebody you can go in and say, "could you get the phone? Will you answer the phone?" And all that sort of stuff.

Richard Miles ([17:33](#)):

Right.

Weaver Gaines ([17:33](#)):

So the very first hire actually was critically important, but did not functionally supply one of the nominal things that we needed, a person who could oversee the science and a person who could handle the legal stuff and all the things that you think of go into a company. But if you're the only guy on the ground,

there's one person you want to have there that you can turn to and say, "I just, I can't face this today." And they'll do it for you. So that was the very first hire. He was terrific in that role. He later worked for me one other time. In between times, he worked for another one of our local companies that got acquired by SmithKline.

Richard Miles ([18:10](#)):

And what was his background?

Weaver Gaines ([18:11](#)):

History major -- master's degree in history. Bright guy, competent, and totally competent and enthusiastic and got caught up in what we were doing. And [he] later took over a lot of things just because he was there, and he was smart, and he could do stuff. And not because he had any background in science or engineering or anything else.

Richard Miles ([18:30](#)):

This is what we tell people from our limited experience with tech companies is that, people make this assumption, "well, a tech company is just full of engineers and people like that." It's like, well, no, every company needs a fairly broad array of talents to just make it to that first milestone.

Weaver Gaines ([18:44](#)):

Absolutely.

Richard Miles ([18:44](#)):

Because again, if you don't have somebody who can help you do all the mundane things that need doing -- a room full of 10 engineers that don't answer the phone or answer the mail is not going to make it.

Weaver Gaines ([18:53](#)):

And also if you have a company of all engineers and you aren't, you think you're speaking their language -- it sounds like English -- but it's not. It's "engineer's speak." And it's hard to communicate with 10 engineers without a translator.

Richard Miles ([19:06](#)):

So let's fast forward a little bit, maybe if we're talking about Ixion or it could be any of the, one of the companies that you started, and I don't know what the timeline for these companies was, but let's say you've hit your first, maybe, good milestone -- whatever that is, and whenever that is. But inevitably, almost every company that succeeds has had at least one, maybe two or more big setbacks. What was, if you'd like to share the details without triggering any lawsuits, what was maybe one of your first big setbacks and how did you recover?

Weaver Gaines ([19:32](#)):

Okay. Well, I would say that the setbacks tend to come in categories. The one that you're most conscious of most of the time. So if you're the CEO of a startup company, you have several jobs and they're all full-time jobs. And one of them is actually making sure the entity will function, and that it does have telephones and so forth. You don't have to do it, but you have to make sure of it. And one of them is to make sure that the science is moving forward because it's never fully developed when you get it. And one of them is raising money. And so basically you're always raising money. The biggest science setback came when we could not replicate in the company's labs, the results that were taking place in the scientists' labs at the university. It was critical that we be able to do the cell culture that he was doing in order to have a product that we could show off to get some more money, right? We couldn't get it to work. And this is going on for a long time. Now, competent scientists working hand in glove with the people at the university, we can't get the cells to reproduce? Same refrigerators, same T75 flasks. They won't grow. "Why not?" A scientist is rolling his eyes. You know, Jesus, he comes out, he can't get them to grow out there, at the Progress Center either. So the answer to that one was that it turns out that there are two manufacturers of T75 cell culture flasks: Cornell Glass and Phillips. And he was using one and we were using the other -- their nominal specifications were identical, but it grew in one, it didn't grow in the other. And you tell this to people who are cell culture experts, and they say, "Well, yeah, everybody knew that." I wish they would say, "That's not possible." What they say is, "Everybody knows that." Yeah. Right. No, it made a difference, but that set us back by months. Well, when you're burning cash every day, whether you're being set back or not, any one of those kinds of scheduled delays will eventually turn into a financial problem. And the setback comes when you go to people and you say, "We're not going to be able to make payroll next month. There's not enough money. We got maybe some coming in, but we're going to all be working with no money or very little money..." Because some people can't work with no money. They can't.

Richard Miles ([21:44](#)):

Yeah.

Weaver Gaines ([21:45](#)):

And so you say, "Well, okay," and one of the ones, this guy I was telling you about, Teddy, said, "Well, I can defer income." So that was one of them. One of them was, as sometimes happen, you'd get an agreement to make an investment from an angel group or a high-net-worth individual, for example. And

you're very close to closing the agreement, and it falls out of bed for some reason or another. And you've made the mistake -- one of the many mistakes -- you've made the mistake of thinking it's going to close around this day. And then it doesn't. And now you don't even know if it's going to, because the problem that came up is one that isn't immediately obvious how you're going to settle it, because it's a fundamental issue in the deal itself. And those are grim.

Richard Miles ([22:25](#)):

It's not in some little insignificant detail.

Weaver Gaines ([22:28](#)):

No, they've thought it over and they need 45% of the company instead of 20% -- something major like that, and you can say no, and they say, "Fine, I'll pack up my bags and wish you the best of luck." Or you can see if rolling over on your back and exhibiting your unprotected belly will work, or if there's some other option that might help out. And then there's the one where you have the fight with the big investor. He's already invested. He now basically could control the company. He hasn't yet. You've had this conversation that goes, "Well, I invested in you because I believe in the management of this company and I'm going to sit on the board, but I'm going to be influencing as a board member and not as a big investor." And then you come to a point where you don't agree with the big investor. And he says, "Well, have you forgotten who owns this amount of money in your company?" And you say, "No, have you forgotten that you said, when you invested, that you were going to rely on the management?" And he says, "No, and I stopped relying on you because I have the money and you'll either do what I say, or you're going to quit or get fired." And "get fired" appeared to be one of the alternatives that turned out was the one that happened. But, uh, all kinds of grace, of course.

Richard Miles ([23:35](#)):

Right.

Weaver Gaines ([23:35](#)):

He took over and put one of his young proteges, the Swede -- he was a Swedish guy. In fact, he was the only Swedish multi-millionaire I know who was an actual member of the Communist Party. Really interesting, very interesting, cultured man. So that's an example of an actual death experience. Yeah. Right.

Richard Miles ([23:52](#)):

Weaver, earlier, we were talking about institutional culture, and it kind of fascinates me and I think it does you as well. And one of the ways in which institutional culture changes is related to the size of the

company. And so you've been in companies literally where there are a couple of people -- that's the way it starts, two or three people -- and you hesitate to even call it a company, right? It seems more like a family or a frat party or something, right? Not an actual company, but then there's a certain point at which you do have to start resembling an actual company with titles and sort of clear responsibilities and divisions. What does it do from a managerial standpoint? If you're the leader, what things do you have to consciously do differently? Because you now, instead of two employees, you've got 20 or 200 employees.

Weaver Gaines ([24:33](#)):

Yeah, well first I think, organically, there's a theory of "span of control." I'm sure you've heard of "span of control." And some people say, "The most people you can really have usefully reporting to you is somewhere between five and seven, maybe 10." So early on in a company -- when there's five or seven or eight or nine people in the company -- one of the things that's true is you pretty much all know what the other person's strengths and weaknesses are. You don't give a person with a weakness a task that you know plays to the weakness, and you don't keep a person whose strength from doing that. But you all know what it is. And you, the CEO, can really have a material, substantive effect on all of the major decisions made by your company. And then it goes over that number. And two things happen when it goes over that number -- up to about 25 in my experience -- one of them is: it's no longer the case that you really can do everything. And you mustn't, you have to start relying on people. And sometimes that's a different person. So the person who could handle lab operations, when there was one person in the lab, can't handle lab operations when there are 10. It went outside their "Peter principle." They're not competent at lab management, as opposed to--

Richard Miles ([25:40](#)):

Working in the lab.

Weaver Gaines ([25:40](#)):

Working well in a lab with some scientists. The second thing is: you no longer know all of the strengths and weaknesses of all of the people in your company, although you should still know who's good and who's not, and the people who are reporting to you. And as a CEO, you must resist the temptation to meddle in the operations of the people who are now responsible for operations of their own. This is one thing that's really disabling to people. It's the sense that two things happen -- they're both bad. One is: you tend to make decisions where you don't know what's happening on the ground, like they do. And perhaps the worst aspect is: they start thinking, "Well, he's going to be the one staying up at night, not me, because he'll double-check my decisions. And if he doesn't agree, he'll tell me to change it." And if you want a comfortable-running company, you can't let people think they can move hard decisions to you that is within their area. So I tell people, "Look, there's three kinds of decisions that affect you," -- and this starts at around 20 people -- "One is the kind of decision I expect you to make. And I don't expect you to tell me, because it's the kind of decision you should make. And I don't want to be bothered by being told you did it because it's your decision. And the second is the kind of decision that I expect you to make, but I do expect you to tell me. It's something I need to know, but I don't need to

prove it. And I'm not going to disapprove it. And the third: this is the one where you're about to make a decision that could result in a hole below the water line," -- for all you Navy guys out there -- "that one you have to consult with me in advance." And inevitably, these people say, "Well, how will I know which one's which?" And I say, "Well, you have to use your judgment." And by the way, if you get it consistently wrong, you're in the wrong job. So you have to get this sort of thing right. But I don't want you to bring Category Two decisions, the kind you need to be making, to me for prior approval. I've got all the hard decisions already. You have those. Then, when a company gets to be about 100 or so, you need a lot more bureaucratic structure than you had before. You can get along with a lot of informal arrangements -- doesn't have to all be written down. Yeah, it's useful to have an organization chart and so forth, but you don't need it. It's a bleak day in a company's existence when it needs a Human Resources department, because that means there will be human resources -- people there who are basically spiders or vampires, you pick the name, and that company is a completely different company. And the way you nurture some kind of camaraderie and corporate culture has to come from the top-down and it has to filter through the CEO -- so there is no escape from this -- to see if you can inculcate that with the janitor in the lab, who's working for you and whose job is important too, but not at the level that you're going to go in and pat him on the back and say, "Nice job, Junior, you know, I really appreciate your mopping." 'Cause, you know, it's not gonna work.

Richard Miles ([28:26](#)):

Right.

Weaver Gaines ([28:26](#)):

And the other thing you have to do, in my opinion as a CEO, is you cannot rely for your information entirely on the people who are reporting to you. So you actually have to get up and walk down into the lab and say, "So how are things going here?" "We're completely out of beakers." "You're out of beakers! Is that right? Well, does Joe know that?" "I've told him several times and we're still out of beakers." "Well that's interesting. Okay. Thank you." I mean, people will talk to you. Ross Perot, you've heard of Ross Perot--

Richard Miles ([28:52](#)):

Yes, yes.

Weaver Gaines ([28:52](#)):

Ross Perot ran a company and his cafeteria, you sat at the next seat at whatever table was open -- they're trestle tables -- and he would sit down with whoever was at the table and say, "Talk to me." This did two things. One: he learned what was going on. And the second thing is: the people who reported to him knew he would learn what was going on, which is also useful. So I think you can inculcate a culture from the top, from the beginning, that says, "We don't lie. We don't cheat. We don't steal. And we're

not going to tolerate people who do those things." You can make that happen throughout your company, regardless of its size. But the other stuff, the commitment to the task, the belief in what you're doing, all of that stuff, has to be established when the company is small and then you hope it will permeate the company as it grows.

Richard Miles ([29:37](#)):

Weaver, we were talking about this earlier in a different context: Contrary to popular belief, CEOs are not superhuman.

Weaver Gaines ([29:43](#)):

Really? That explains a lot.

Richard Miles ([29:46](#)):

I know, I'm bursting your bubble.

Weaver Gaines ([29:47](#)):

That explains a great deal.

Richard Miles ([29:49](#)):

And certainly when you start out and you founded your own company, as we've already talked about, there's no shortage of things and worries to occupy your day. From the minute you get up to the minute you go to bed, you can be working in the company and often you do. At a certain point, that's not a great personal-life-work-life-balance strategy -- particularly if you're married or you have children and so on. What are some of the things that you have seen, both good and bad? How should CEOs think about their commitments to their company, but then the commitments to the rest of their life? Because they're just not probably gonna make it very far or, we'll put it this way, they may have a successful company and ruin the rest of their life. What have you seen, in terms of successful strategies, to avoid that? And then, are there any horror stories you can relate in which people did the exactly wrong thing? Let's leave out, say, the first 30 days in which, okay, you're just going to be working 24/7. Everyone gets that. But let's say you're a little bit further along. You've got some employees, maybe even some revenue, but yet that feeling hasn't gone away, that you gotta be Johnny-on-the-spot all the time.

Weaver Gaines ([30:49](#)):

Let me start by saying when I started my career, it was as an associate lawyer at a big law firm on Wall Street. And there was no work-life balance. It was just work. And I think maybe half of the people who started in that law firm with me, including myself, were divorced in the course of six or seven or eight years. You basically communicated through notes on the refrigerator 'cause you were working till 10:00 many nights and almost every weekend. When you're in a startup company, it's more than 30 days that it's like that. And you're really asking the people who are around you -- I don't have children, so I didn't have that particular problem, but I do have a wife that I cherish -- and you're basically saying, "Look, you're signing onto this with me. Are you okay with that? You know what you're signing on for? Because I can get a job that's 9:00-5:00 or 9:00-7:30, if it's a bigger job than that." But it reminds me of when I was growing up, army wives -- they knew what they had signed up for. Foreign service wives knew what they'd signed up for. They're going to make a sacrifice too, and, in some cases it'll be a big one, and you can't do it alone, I don't think. I mean, maybe for a bachelor, you can, but if you're married, you have an intimate relationship with somebody or you have a close, personal relationship with somebody. They have to be on board with you too. Or you won't be able to do what I think needs to be done to be a success in the first couple or three years of a startup company, because it's going to be that long before you get to the place where you can take a breath and, "Where's the dog?" "The dog died last month." You know, I mean it didn't, you know, we never had a dog.

Richard Miles ([32:18](#)):

Right.

Weaver Gaines ([32:20](#)):

I think that the thing that probably engenders more work-life balance is increasing exhaustion in age than it is any kind of conscious stratagem that I know of. And when I look around at the people who are successful CEOs, they may not have dark shadows under their eyes now, but they all went through it. And as I said, you need that team at home who's willing to back your play and understands what's involved. I don't know any other answer to give you, Richard. I mean--

Richard Miles ([32:48](#)):

No, it's a good one. I found, just in my very limited experiences, there's a step of humility and trust, once you start seriously delegating your responsibilities, right? Where when you first start out, you just think, "I'm the only one that really understands this company, this technology. And it's so important -- my understanding of it --- that I really can't ask somebody else to do it." But at a certain point, you realize you've got to make that step. You've got to hire that person, mentor them, teach them, because otherwise you are a prisoner of your own creation, right? You will never break free--

Weaver Gaines ([33:19](#)):

Never.

Richard Miles ([33:19](#)):

... Until you are able to find and train--

Weaver Gaines ([33:23](#)):

Community service.

Richard Miles ([33:23](#)):

... Those people. What I find in many instances, and this is what's really gratifying, is you find people who can not only do it, they can do it better. And that's when you realize like, wow, if I really want to build something, first it's a trust issue because you don't think they can do it better. And then it turns out they're really good at it -- not always, obviously, there, there are some misfires. And I think that, to me, from what I've seen is the secret to building -- as we said earlier today -- something built to last is a recognition there are talented people out there that can do this job. I've got to find them, I've got to train them, and so on. And then you're off to the races.

Weaver Gaines ([33:55](#)):

All true with this corollary. It took me a while to realize that just because it was different, didn't mean it was worse. So somebody who did something different from the way I would've done it, didn't mean they were doing it worse. And in fact, my goal in hiring people was to hire people I thought could do it better. But the very first thing I had to get used to doing was the judgment that that was good enough. And then after a while, I got to thinking, "Well, maybe it's not only good enough. Maybe it's actually better than the way I would have done it." But that first step, in which it gets done differently and you think, "Oh my God, you know, we're doomed! This is not going to -- I got to step back in here." So good enough was the first thing to do.

Richard Miles ([34:34](#)):

Yeah.

Weaver Gaines ([34:35](#)):

But sometimes you can't find somebody that you think is going to be better. You're happy with somebody fogging a mirror because you have to fill this position. You need a quality person because otherwise you can't pass the FDA audit. And this is the quality person you could get in Gainesville. This one. And the one thing you know for sure is he knows more about quality than you do, but that's all you know, and not looking good, right? And recalls are going to be bad -- that sort of thing. But even as

people take up a bigger share of the burden, the burden itself is growing. So the company is getting bigger. And if you're lucky enough to actually have a product, which has now been approved by the FDA, well, somebody has to be the manufacturing manager because you got to make sure it's made. And then somebody else has to be the quality manager to make sure it's made right. And if you're dealing with a distributor, somebody has to be in charge of the distribution program in the marketing and sales operation. And you, the CEO, are responsible for all of those things, whereas before you had only the scientists and you and there's still -- notwithstanding Einstein and quantum mechanics -- there's still only 24 hours in the calendar day and you have to spend some of them sleeping, and you really do need to spend some time with the other person or persons in your life, even if they're taking the short end of the stick for a while. And so sometimes it's not possible to assemble the dream team right away, as you have to do with what you got.

Richard Miles ([36:06](#)):

Weaver, one final question and that is: In any of your CEO experiences or leadership positions, have you ever gone in with sort of a personal exit plan? Do you say, "Okay, I'm going to do this, but I'm leaving after 10 years," or "I'm leaving after we hit this certain milestone," or is it more, "I'll play it by ear. I'll see how it goes. And if it turns out well, I stay." How has that sorted itself out for you?

Weaver Gaines ([36:26](#)):

I have never gone in with a personal exit plan, but you remember my planning skills are ... defective. Um, more often than not, the exit has been attributed to an exogenous circumstance. Something happens, and it's appropriate now for you to leave. So, in the first company, Ixion Biotechnology, when the Swedish investor took one of the two technologies and left the other one behind, left the stem cell one behind, and getting together with all of the scientists and everybody, we determined that it was going to take five more years and maybe \$20 million to see if it would work. We decided that was not a good play, that we couldn't justify taking \$20 million of somebody's money, knowing what we now knew. And by the way, that technology has never worked, although, other people have tried it. We could do the stem cell magic -- we just couldn't do it in commercial quantities, couldn't make enough to sell. So that resulted in leaving. I mean, that's what we did. In OBMedical Company, the failure of an investment involving one of our local Florida investment groups, -- whose name I won't mention over the air because I can't mention it without running the risk of a lawsuit...

Richard Miles ([37:33](#)):

We're a lawsuit-free podcast here.

Weaver Gaines ([37:35](#)):

Right. When that was over and it was necessary to go out and now solicit people who had already contributed when you told them, "Okay, we have a term sheet and we're ready to move forward." And

now you're going to have to go back and say, "We had a term sheet and we're not ready to move forward because the other guy's a jerk." And everybody's going to think, "Yeah, well, was he the only jerk in the room?" And my sister was dying of a glioblastoma. I said, "It's time for a new person to come in -- a fresh voice. You'll put up with what CEOs put up with, which is the new CEO, can blame everything on you for a while". And in fact, that's what happened: A really good guy came in that I recruited, and who pushed the company over the finish line till it was sold. I stayed on as an advisor, so that wasn't planned. And this current company that we're doing, I did deliberately promise Blythe Karow, who's the CEO right now, who's taken over -- I'm the executive chairman, because she's not quite the complete CEO, and I'm not quite the board chairman, but it's gradually getting to the point where she's going to be the standalone CEO. When that happens, when the board says, "Okay, she's ready. Are you ready?" I'll be ready. But that will be more planning than I've ever done before. And I think she's probably ready now, but we need to get through this next round of financing and then we'll see what happens. So, I don't know, ambiguous answer to that question.

Richard Miles ([38:52](#)):

Good answer, and well thought out. It's been a great conversation, Weaver, and I feel charged up and ready to go. I'm going to go out and acquire a company.

Weaver Gaines ([38:59](#)):

There you go.

Richard Miles ([38:59](#)):

Now I'm sure that the job offers will flood in, I said --

Weaver Gaines ([39:02](#)):

Any moment.

Richard Miles ([39:03](#)):

And that ends our conversation, Weaver Gaines, so you're ready to go, but I appreciate you coming on the show and look forward to seeing what's next for you.

Weaver Gaines ([39:09](#)):

Thank you, Richard. I appreciated being here. It was a lot of fun.

Richard Miles ([39:12](#)):

Great. Thank you.

Outro ([39:14](#)):

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 McPeck. The Radio Cade theme song was produced and performed by Tracy Collins and features violinist Jacob Lawson.