

Mark Watson Podcast FINAL COPY

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SPEAKERS

Ginny Bianco-Mathis, Mitch Simon, Mark Watson

Mitch Simon 00:10

Welcome to another episode of team anywhere where CEOs, leaders and experts at building teams, companies, organizations, and amazing cultures

Ginny Bianco-Mathis 00:22

share how to lead from anywhere in the world. I'm your co host on the East Coast, Jim Bianco Mathis,

Mitch Simon 00:28

and I'm your co host on the West Coast, Mitch Simon. And we invite you to join us team anywhere. Today we interview an accomplished entrepreneur, leader and CEO of Akilah Capital Partners, Mark Watson, Mark shares that the key to success in a distributed work environment is to appreciate that when your employees are remote, it's important that they have clarity of the vision and clarity for the progress towards that vision. KPIs must be front and center. Since we're not physically together, our conversations must be tight, they must be outcome based. Yes, we definitely must make time to build trust in team however it have results based conversations, let's not focus on what we're doing. Let's spend the bulk of our time on how to get close to the outcome. Hello, everyone, and welcome to another episode of team anywhere. I'm your co host, Mitch Simon on the west coast. And I've got my amazing co host, Dr. Jenny Bianca Mathis on the east coast. And yes, in the middle of the country, what in the middle of the country? We have on the podcast, business leader and CEO of Akilah. Capital Partners, Mark Watson. So Mark, how are you today?

Mark Watson 01:57

I'm doing great. You know, what a difference a year makes a year ago, we were trying to figure out what the new normal would be. And now we're now we're trying to figure out what the new normal is again, a year later.

Mitch Simon 02:09

Yeah, it is. It's, it's amazing. And guess what, last year, and this year, nobody knows. So there's no difference at all. Tell us a little bit about Akila Capital Partners, why you founded it, and what you've learned in being a successful leader?

Mark Watson 02:26

Well, I found it Akila more than 20 years ago, when I'd been an entrepreneur and an investor but but I'd also been an operator, having been part of a management team to take a company public in the early 90s, which we then sold in the late 90s. And I was thinking about, you know, what I wanted to do next, and I thought it would be both rewarding and exciting to, to do something a little different, but still entrepreneurial. And so I thought about helping entrepreneurs, build their businesses. And what I thought was missing from a venture business model was bringing both financial and intellectual capital to the table. And, and so I was thinking about it from the viewpoint of entrepreneurs, helping other entrepreneurs, build their businesses. And it's been kind of fun, I've had a chance to do a lot of that over the last 20 years, certainly the last year and a half, I've really been doing a bit of that. And one of my portfolio companies, I think he summed it up really well. He said, you know, more, we're really good at taking ideas and turning them into a business sort of, and he goes, I'll say that's like going from zero to one. But But you know, how to go from one to 10. In the end, your colleagues at Akila know how to help us get from one to 10 a lot faster than if we were just trying to do it on our own. And, of course, we provide investment money as well. But I think I think, you know, that combination, I found to be very helpful with early stage companies. So yeah, just,

Mitch Simon 04:09

yes, this so let me ask the obvious question. Well, the question is, how to go from one to 10. You know, and I'm sure we'll do that in 30 minutes. But I'm wondering, you know, how, how do you in this new world of, you know, virtual and in hybrid, how do you go from one to 10, when it looks like many of your employees are either not there or coming back or half are coming back or we don't know.

Mark Watson 04:37

We, you know, the toolbox is still pretty similar, right? In terms of in terms of how you build your business, you got to have a really good product or service. You have to have clients that that value that and want to pay you for it and you've got to figure out a distribution platform that allows you to to effectively and efficiently deliver that product. A lot of the, you know, a lot of the tools that we're using today in in the remote slash decentralized world that we're working in, they've been available for for years. It's just the it's just the the adoption of them. I, it's, there's a lot more, a lot more video today, a lot more slack today. And I think figuring out how to engage each other, engage your customers in in a, in a, in a more asynchronous fashion, instead of being able to engage each other real time, I think is probably the biggest change in how we build businesses going forward.

Mitch Simon 05:46

Can you give us some some examples of what you're doing with more of an asynchronous bent versus a synchronous bent?

Mark Watson 05:54

Yeah, so I think for almost every portfolio company, we have the use of Slack channel, everything sits in Google Docs. And you can watch each other edit real time on a document if you want. You can see where people have picked up and left off, if it isn't happening together. We use also a fair amount of zoom or other video, did you ever think zoom would become a verb so quickly? And, and, and I think it's just the cadence has changed a little bit where, where you can't expect an immediate response. But you know, you're going to get a response later that day on things that you're working on together. And so, you know, what I found through all this, this period of time is, we've all kind of slowed down. So that we can actually speed up. And what I mean by what I mean by that is, you know, I look at, you know, I think about my schedule before, and I was fairly constantly going from one meeting to another, you know, in my in my case, it was mainly on an airplane, but I was going from one meeting to another. And, and I was always on the go. And what I found since COVID, is I've taken a step back, and a lot of my portfolio companies have taken a step back and thought about, okay, well, if we can't just all be together, what are those things that are really going to move the needle? And how can we? How can we really make sure that we really move those things? Or that how can we really focus on those things that move the needle? Or to say differently? How can we make sure that we really hit those those, those KPIs that matter? are, are those main goals and objectives that really matter? And so I think it's forced all of us to take a step back and think about, okay, what are how are we really going to get there other than just getting everybody on the phone talking all the time, or by video. And so I think thinking through what we really expect of people, and giving them those deliverables, and then letting them figure out how to achieve them, I think is really made a different sort of sale, or to sit differently. If you think back to a few years ago, we wanted everybody in the office, because we wanted to make sure everybody was working. And and I remember several years ago, you know, when I was building my company, Argo, we would always have a program in the summer, that was a strategic planning meeting. And we'd always bring in different people to talk about where we thought the world was headed. And so for the last several years, we had, we had a speaker or several speakers come in and talk about the future of work. And so this notion of going from worrying about, about people being in the office working to more outcomes based is something that we were already focused on at that company. And I think in the world we're working in today, most companies that have really kind of moved ahead in the in the post COVID world where they're working remotely or in a decentralized fashion are, are if they haven't already, they're quickly becoming more outcomes based. Instead of just remember the old time and motion studies and the those those days are hopefully gone although hopefully, will although you but you hear stories today about how companies are trying to watch what their employees are doing by like having the camera on if you can believe that. Or or watching the keystrokes on their keyboard.

Ginny Bianco-Mathis 09:44

Yeah, they're trying to take an old concept and apply it and culture now that just it can't stand up.

Mark Watson 09:53

No, at the end of the day that will never work.

Ginny Bianco-Mathis 09:56

Mark I have a more in depth question for So how do you take that idea, that concept that we're concentrating on outcomes? And I have been very clear, or together, we have been clear on what the

KPIs are, how does that look differently than the way I managed before? With now your remote or hybrid? How does that look? And what as a leader, what am I doing differently?

Mark Watson 10:27

Well, to the extent you are already focused on outcomes before you're not doing anything differently, but how many of us we're really we're really doing that. However, how many of us were were, we're reverting back to, sadly, the way the work environment we grew up in, which was more of that time and motion bit. And so we so I think that we're doing a better job today, of resisting the temptation to say, Well, what were you doing to that? Instead of, hey, you tell me what you accomplished today. There you go. And so it's the it's just changing the dialogue, right to what have you got it? So what do we accomplish? And also getting away from the What did we accomplish today? To, hey, we're on Are we on our timeline to achieve our goals that, you know, we need to do in in the next three weeks?

Ginny Bianco-Mathis 11:22

Exactly. different language? different language?

Mark Watson 11:25

That's right, a different lexicon, but also making sure that the mindset matches the lexicon?

Ginny Bianco-Mathis 11:31

Oh, yeah. And, uh, you know, chicken or egg, you got to keep doing it until they come together.

Mitch Simon 11:37

So what are what, you know, Mark, you've pointed out something, which I think is really important. And we've, we've tackled this on our, on our podcast, which is that getting your KPIs and getting your outcomes and getting your vision is so much more important in a hybrid in a virtual setting? And it would be I think, what I'm reading from what you're saying is, it would be a shame if we went back to a world where, okay, everyone's in the office. And so what's great is I can see everybody working. And we could, we would actually lose that focus on the on the KPIs and the outcomes. Just wondering, what are what are some of your portfolio companies doing to keep those KPIs and objectives front and center?

Mark Watson 12:26

Well, some of that goes back to the tools I was talking about a minute ago, but I think it I think the cadence of the quick stand up check in meeting and having everybody quickly run through and just say what they're working on. Not, not not so they can say, Yeah, I got my homework done, but rather, so their colleagues know, because we're working in such interdependent teams today, it's a faster way of letting everybody keep up with what's going on with their colleagues. So they know where they fit into that. And of course, we see that in various slack channels for each project as well. But I think keeping keeping those discussions crisp, and short, and to the point, really make a different type. I've, I've certainly jumped into a few stand up meetings of my portfolio companies. And man, the pace is fast. Mm hmm. And some people are on the video, some people are on the phone, some people are standing in the room. And it doesn't really matter where you are, because it you know, the thing starts and it ends in 15 or 20 minutes max. And, and again, companies were doing this before, but you know,

remember the days of, you'd come into the room, and you'd sit and talk and then you kind of get going and you know, I remember when meetings used to get scheduled for an hour because you thought meetings are supposed to last an hour? Well, it's amazing what you can get done in 20 minutes when you've only got 20 minutes. And by the way, if you've only got 20 minutes, you know, you need to be very concise and onpoint in what it is that you're saying to people.

Ginny Bianco-Mathis 14:06

Yeah, I'm sorry. Go ahead, Mitch,

Mitch Simon 14:08

you know, what, uh, what I wanted to say was, it is it is having us be very, very taking, taking the synchronous time and making it extremely valuable. Right, as well as making the asynchronous time extremely valuable. So we're making sure that we're using our time wisely because we're focused on those KPIs. And I think also, people are complaining about these back to back meetings. So I think what they're doing is they're saying, Okay, if I'm actually going to get to you, you know, on a video chat, you know, it's going to be in it's gonna be out, it's going to be done. And we're, we're out and I think that that's what you're pointing to mark.

Mark Watson 14:47

There are times when I want to stare at somebody I'm like, Okay, let's zoom and we'll jump on for 10 minutes and boom, we're off. For people that you're used to working with. You know, you can accomplish so much impromptu phone call and the phone call well for me, because I've worked remotely for so long, the the impromptu phone call for me has been the proxy for walking down the hall and saying, Hey, I got this, or the water cooler thing. So you can remember when we were younger, and we just call each other, right? We didn't have to plan anything, we just pick up the phone and have a couple of minutes. Can I ask you a question? And, you know, we got programmed to over the last decade, say, Well, I got a three o'clock and a four o'clock. And but I could fit you in at 515 for three minutes with that. And I'm like, No, just talk to me. Now I just have one question. And so hopefully, we'll get back, we'll get back to that. Again.

Ginny Bianco-Mathis 15:48

Mark, I love what you're talking about. Because we're really haven't had anyone emphasize in such an elegant way, the piece about the concentration on the KPIs and how it changes the language, and how it still is how it needs to morph to run the business well. And perhaps this is just a question. The Zoom may evolve to being used for when you do want more of the social interaction. I'm just throwing it out there as we have as we keep using these different vehicles. Because sometimes you do want to actually stare at the person laugh on it not have it be 20 minutes. And yet it's planned to be open and casual.

Mark Watson 16:44

Yeah, absolutely. I just meant you shouldn't plan for every meeting to last an hour and a half every meeting be by zoom. Right? There's absolutely a time a time and place for that. And it's it's what you just said, right? It's, it's if you're transacting with each other, and you can't do it by Slack, then pick up the phone and get it done. But if you want to sit and talk to somebody, and, and, and and do so in a

creative way or an innovative way, then zoom is much better than the telephone because you can see the other person's body language. By the way, I would say that it's a good substitute for being in person. But if you're really trying to sit and bring have a brainstorming session, there's still no substitute for being in person.

Ginny Bianco-Mathis 17:34

Well, Mitch and I have been exposed to a few of the online platforms that do encourage group brainstorming. They do, however, require an incredible amount of expertise.

Mark Watson 17:47

Oh, sorry. I didn't mean to say you shouldn't brainstorm by video. I think that's mainly how we do things today. I was just saying let's not forget being together is still kind of nice. Yes.

Mitch Simon 17:57

It is kind of nice. Right?

Mark Watson 17:58

Sorry. I wasn't trying to suggest that that should be the priority. Still, I think we've all proven that actually, we can accomplish far more by by video than we appreciate it. But again, it's because it's now pervasive. And it's now so much easier to use than it was pre COVID.

Mitch Simon 18:16

Let's not forget that. So I've got Okay, I want to get to the to the meat of the of the questions. How do you go from 1x to 10x? In a company?

Mark Watson 18:28

Well, let's start with every company

Mitch Simon 18:30

that yet. I want to model that I want to know or people

Mark Watson 18:32

want to know. Yeah. All right. So let's start with every company is a little different. But but but every company has has a lot of things in common, right? Which is and I said I touched on these a minute ago, but but they're worth kind of coming back to a little bit. And that is it starts with making sure you've got a great product or service. That that you've figured out that customers actually value your product and service. Good. And so of course, most businesses that get started, they get started because the entrepreneurs recognize a need that isn't being met by clients. And so they go about building what they believe is going to be a great product or service to meet the client's needs that but then you run into two challenges. One One is that sometimes the clients, they don't know it, they're like, Okay, I know, I told you that this is my pain point. But I'm not sure that your product solves that. Or I'm not sure that I want to change my behavior. Or I'm not sure I want to pay that little extra money even though what you built may be amazing. And by the way, their definition of a little extra is more than 10%. Right until until you get until you get some believers. And let's say you get over that. You've then still got to figure out how

to distribute your product and find even more customers than those first true believer And, and so what I, what I found over time is that entrepreneurs, they can, so when they to go from zero to one means they've they've kind of figured out product, customer and sorta distribution because they've got those first set of believers. But then they've got to figure out how to get that next set of customers. And so then sometimes that means augmenting the product. Sometimes that means finding a different set of customers, and or completely revamping their distribution platform. But let me say one last thing. And they almost always underestimate the amount of money it costs to build a brand by a factor of somewhere between 20 and 100x.

Ginny Bianco-Mathis 20:50

Wow. And then you also have some times the replacement of the entrepreneur.

Mark Watson 21:00

Well, so let's talk about that for a minute. And this is a challenge that all companies have. And it's certainly something that that I've experienced as well, when I when I took over the company that I spent 20 years building, which is called Argo, I had invested in the company in 98, I joined the board in 99. And I and my colleagues on the board convinced me to run the company in 2000. That was never my intention. And it certainly wasn't my intention to run it for 20 years. But here's kind of what happened. We, we figured out what we wanted to be, which was a specialty company in, in the commercial insurance business. And we wanted to become one of the leading specialty underwriters in the US. And over a four or five year period, we accomplished that goal. And we had to really transform the company to do so which meant bringing in a lot of different people. And, and we ended up reinventing the company several more times over the course of of this following fit, you know, 15 to 16 years. And, and I remember getting some advice early on from one of my mentors, which is a business guru named ROM Charan, I'm sure you know him or know of him. Yes, yeah. And ROM and I were, you know, early on in this process. He said, let me ask you a question. He said, Do you appreciate that if you can't reinvent your company every few years, that the market is going to leave you behind? And I said, Yes, I do. And he goes, Okay, then do you appreciate that if you're successful in reinventing your company, that if you can't reinvent yourself, you're gonna get left behind? There you go. And the answer is, I got it. And he goes, really? I'm like, Okay, well, so he and I, you know, still work with each other today. So, I, I got it. And but I can tell you that there were moments in time that we were so successful at reinventing the company that I was so alignment, in out of alignment with my role that I thought, Man, if I can't get this figured out in the next six to nine months, we're gonna have to get somebody else to do my role. Right. So the challenge that businesses have that are fast growing, is bringing in the people fast enough to grow with the company and the people who were there, change themselves to grow with the company. Those are the challenges.

Ginny Bianco-Mathis 23:27

That's the culture part.

Mark Watson 23:29

Well, it's also the wanting to change. Yeah, the wanting to change yourself or left behind.

Mitch Simon 23:38

What have you changed about yourself over the last 14 months?

Mark Watson 23:42

Oh, gosh, well, I've gone I've gone for I went from investor to operator back to investor. So that's been a fairly significant change. I think I mentioned earlier that, that I've, you know, taken a step back, and, and tried to be more thoughtful. I am reminded, I've reminded myself how important it is to be resilient. And, and I think if you look at at the companies that are doing well, it's because they have been resilient and not surprising their leaders have been resilient and in rebuilding their companies. But I think of all those things, I come back to what I said earlier, and it's just being more thoughtful about where we're really headed. Being able to clearly communicate that to people so they understand where where we're going, or where the portfolio companies are going and, and just be really thoughtful about getting to the end game and letting other people get there. Not at all. Not trying to do it all yourself. Now as an investor. You know, when I was running my company, once it got over a billion dollars, it was really hard for me to direct behavior, I could only really influence behavior then. And of course, as an investor today, I'm influencing behavior more than more than I'm, I'm directing behavior. So a fair amount of change. But being being resilient and thoughtful, I think is has been pretty helpful the last year. Great, what, um,

Mitch Simon 25:25

what advice would you give to business leaders, and let's say for the next, the next part of this year, it's almost like six, seven months left this year, as, as we were talking to on the phone before, as people go back, don't go back, kind of go back, kind of reinvent their companies, you know, accept these new changes, what advice would you have for them?

Mark Watson 25:53

Well, you know, I kind of I kind of mused about that, you know, when we first started talking about, we've finally got used to a new normal only to now realize we're going to have to have a new normal. And what I was thinking when I said that was we have all these new tools will sorry, the tools that were available to us, we've now refined, they work better today, and we've figured out a better way to use them. And and I think that the challenge for everyone going forward is to take the best of what we've learned today. So outcome based projects, instead of thinking about how people spend time, there's an example, getting comfortable communicating in an asynchronous fashion instead of always having to be together, slowing down and being more purposeful. And then the last one, which we haven't really talked about too much. I alluded to it a minute ago, and that's making sure that the leaders spend enough time clearly articulating where the company's going, why it's going. So you can call that mission and vision or why right, but, but making sure people understand what the endgame is, what their role is, in getting there, and what the world's gonna look like if they achieve the end game. And so focus more on the leadership than management. I think in the world we live in today, it, it's more important to lead than to manage if you're going to sorry, it's essential that you're more focused on leadership and management. But by the way, that means you have to have a team that that that buys into the mission and the vision and the culture that you've created at the top that allows that to happen.

Mitch Simon 27:50

Great. Yeah. I love this. This segment, because we've gotten really clear that perhaps what this, this pandemic is really, how it served us is to have us just get clear where we're going. Are we getting there? why we're doing it? Well, Mark, thank you so much. Where could our listeners find you?

Mark Watson 28:14

best place to find me is on LinkedIn. So if you just go, you know, in the search function and type Mark Watson and then Akilah my venture firm, you should be able to get me pretty easily.

Mitch Simon 28:24

Great. Michaela is a que UI la and I looked it up ahead of time. It's a Latin for Eagle, for those who don't know. Yeah, well, great. Well, Mark, this has been a great, great opportunity to hear how to really think about the future of business. I want to thank you. I know you're on your way to Austin, I think. And I want to thank you, Ginny, Bianca Mathis, for this podcast. And so all of our listeners if you've loved this episode, please share this with your friends and colleagues. And we'll see you next time on our next episode of team anywhere.