

Karen Zelnick:

While nothing fully prepares you to run a startup. There are a few things that can help, like having a strong understanding of your customer base and a passion for the problem you're solving. But what if you come to the table without that experience? Is it possible to still be successful at solving the problem? And maybe the bigger question is, can you still get funding? If you're wondering what it looks like to forge ahead despite a huge learning curve, this conversation is for you. Today we're talking with founder Frank Wooten of Vence and investor Curt Roberts of Kickstart to bring you both sides of a Perfect Pitch.

Karen Zelnick:

What is Perfect Pitch? It's a podcast from Kickstart that reveals the minds of both investors and entrepreneurs throughout a startup's journey. So whether that's uncovering what everyone's really thinking during a startup pitch or learning how entrepreneurs like you have managed your first major roadblock, Perfect Pitch offers an honest, quick, and tactical guide to help you on your startup journey.

Karen Zelnick:

I'm your host, Karen Zelnick. Frank and Curt, thank you so much for being here today.

Frank Wooten:

Thanks a lot for having me, Karen.

Karen Zelnick:

Frank, I want to tell everybody a little bit about you. You're a former New York-based investment banker. And before you started Vence, you were consulting for startups in Brazil, correct?

Frank Wooten:

It doesn't always come off as something that people say positively when they put me in that characterization. So yeah, I was a double major in accounting and finance. Happen to like nerding out on numbers. Spent the first six years in New York, six years in Boston after that, and then I was working at a health tech startup in Sao Paulo when I was first approached with this crazy idea of virtually fencing cattle. That has taken me on a pretty wild journey over the last four years.

Karen Zelnick:

I'm can't wait to dive into some insights. Curt, it's great to have you back on the podcast. For everyone who wants to know a little bit more about his bio, we're going to have a link to that in our show notes. Curt, as is our tradition. I'd love to know one thing that return listeners don't yet know about you.

Curt Roberts:

Okay. Well, I played the drums in a band that was booked to play the Las Vegas Hilton.

Karen Zelnick:

Nice.

Curt Roberts:

How's that?

Karen Zelnick:

I love it. This is probably one of my favorite parts of the podcast is learning all of Curt's many talents and interests. Do you still play the drums?

Curt Roberts:

I do. I have a drum set in the basement. I don't play them nearly as much as I used to. It's a time problem, right? We make our choices, but I love them.

Karen Zelnick:

That was even better than I was anticipating. I mean, I loved the McDonald's discussion that time we had it, but this was even better. But with that, let's jump right into the conversation. And Frank, I have to start with the elephant in the room and ask, how does one with no agricultural background or experience get roped in, pun intended, get roped in to founding a livestock production and autonomous animal control company?

Frank Wooten:

From my background, it seems logical. I know it may come off as illogical, but my background being in finance, it's always about looking at size of market and looking at size of opportunity. And when I first got pitched Vence... and I was actually pitched on this idea as kind of an angel investor to start with... is I started looking at the size of the opportunity, and there's more livestock on the planet when you add in cows, sheep, goats, and all of the other animals that manage for protein, than there are cars on the road. So for me, it was this really opportunity side that sucked me in. Since then, I've had to go out and buy cowboy boots and a belt buckle and really figure out what the heck I'm doing on a ranch.

Karen Zelnick:

Did anyone try to talk you out of it?

Frank Wooten:

Everyone I know. My girlfriend at the time, who's now my wife, my best friend, my parents, anybody with some logical sense is like, "This seems odd that this would be your next career choice." But sometimes those are the right decisions. Sometimes they're the wrong decisions, but for me it's been absolutely the right call. Last year, I spent two months living on customers' farms, actually living in their houses, having breakfast with them and dinner with them. That type of customer relationship exists in very small places in the world, very few industries. And it's one of the probably greatest gifts that has been unexpected about following that path for me.

Karen Zelnick:

Definitely quite a shift from investment banking. So that's magical. And Curt, I just want to know as an investor, is it cause for concern when a founder doesn't have direct experience in the industry?

Curt Roberts:

Yes, it can be. It certainly means that you're expecting for that founder to make up for that lack of experience in other significant ways. And in Frank's case, it was interesting because not only did he not

have anything in his background that would suggest he was ready for this opportunity, but neither did his co-founders. There wasn't a team either, right? So there were a number of leaps, kind of logical risk leaps that we had to make as an investor to decide to back this. But I think if anything, that's a testament to Frank's credibility as a CEO and the level of effort he put into understanding the opportunity and the business he was pursuing.

Karen Zelnick:

How did that come out in the diligence process? What allowed you to take that leap and fund Vence?

Curt Roberts:

We spent a lot of time in various dimensions of diligence. Not only did we need to understand what was going on in a more macro environment with beef production and meat consumption around the world, which I think a lot of people believe is going to decline, we also had to understand things as trivial as animal behavior. Is it possible to stimulate in some fashion a cow and get it to move in a predictable way? We needed to understand things about the technological approach they were going to take and the risks in that approach, sensors, wireless communications, power management, weatherproofing, shock proofing, all those kinds of things. And so the breadth of due diligence was high. And what was confidence-inspiring with Frank is that there really weren't any questions we asked that he hadn't already thought about because we couldn't surprise him, we knew he had done his homework.

Karen Zelnick:

So the takeaway for listeners is obviously do your homework. If you don't have direct experience, make sure you're able to answer any questions and establish that credibility. So Frank, was there anything else that I missed in that? What else did you do to help Kickstart and other funders be confident in investing in you and your startup?

Frank Wooten:

I think that addressing the elephant in the room probably helped too. Curt and I have this great relationship where we're pretty transparent guys. Rather than being like you're showing up to his office in a pair of cowboy boots with a hat on, trying to pretend I was something that I wasn't-

Karen Zelnick:

I love cattle.

Frank Wooten:

Yeah. It was an interesting experience where I had actually just come from a cattle conference on a ranch to learn more about kind of the industry and process. So it was apparent. There was no hiding the fact that I was still on the information and learning curve. And I think that the ability for me to be open with Curt about that and say, "Hey, I know what I don't know, but here are the things that I think I can solve," I think also helped him get to a point where he's like, "Yeah, I agree with you. You don't know these things. And that's part of the risk that we're incorporating in our investment. But these things you seem to have at least a logical answer to and you've thought through. Now we can price that risk.

Curt Roberts:

I would like to reinforce what Frank is saying. Frank never tried to fake it. I think a lot of founders may believe that faking it can work. My experience has been that it almost never does. And if Frank didn't know something, he would just say so. His transparency and his willingness to admit what he knew and didn't know significantly increased the trust and confidence that I had not just in what he had learned to that point, but that he would continue to learn along the way. And that's critical to the success of any founder, I think, even if that founder comes from the industry in which he or she is trying to build a business.

Karen Zelnick:

So that appreciation of transparency is something that we highly value and see a lot at Kickstart and something that we actually use a lot when we're considering founders and companies to fund. Frank, was that important to you when selecting your investor and who you partnered with?

Frank Wooten:

My first meeting was a conversation that was with no pretenses and their desire was really interested in who was I, what was I proposing to them, and could they get their arms around that? And they were curious but willing to be honest about what they were looking for as well. So for me, later on in the process, when we had different offers that at times potentially had better terms and were better terms, it was no question in my mind about where the company should go because of the relationship that I built and the type of people I wanted around the table. For the next three years, Curt and I sat around the table and talked to each other on a monthly or bi-monthly basis.

Karen Zelnick:

Yeah. Curt, any response to that?

Curt Roberts:

I don't think it should be all that unique for investors to expect transparency from companies. And I don't think it is. I don't think this is particular to Kickstart in any unique way. I think funders do want to see authenticity in the founder that they're backing and the founding team. They want to make sure that the team knows what they know and that they're honest about what they don't, that they're willing to learn, and that there's some humility there.

Curt Roberts:

And what I loved about our conversations with Frank, I expected humility would have to be there because he was an investment banker that grew up on coastal Maryland and he was an expert sailor. And I had this image of this guy that would be standing on the deck of a sailboat with fluted champagne glasses in his hand. Right? And so I'm trying to imagine him out in front of cattle ranchers, kicking dust around and watching cows move. Every time I would test for that in the conversations we had together, I had a sense that Frank was on the journey to learn. His confidence was what it needed to be, but it was never overconfidence. That was big for me.

Karen Zelnick:

I just wrote that down, never overconfidence. And just that reiterate the importance of... I love what you said about humility and you want founders to be confident, but you don't want them to be overconfident or oversell their confidence. And I love that insight. So thank you both so much for that.

Frank Wooten:

One of the things that ended up being challenging at times, you get told that you need to meet a certain criteria for funders to fund you. So you find as a founder that you turn into a contortionist to try and find a way to get into that box [crosstalk 00:11:52]-

Curt Roberts:

So true.

Frank Wooten:

... criteria that the investors will actually put money behind you. And I think that in our conversations and where we were as a company, it was obvious what we had. There was no way for me to try and contort it into something else. It was like, "Here, this is what we have." And I think that as a founder, you also need to look across the table. Certain funds, a really hard and fast criteria. If you're not at [XARR 00:12:20], we don't care. If you're not at a certain level of product, sorry, not interested. Don't try and make yourself into something that isn't where you are because you're going to waste your time. You're going to waste time across the table. And in the end, they're never going to invest in you. It's just not going to happen.

Karen Zelnick:

Curt, I can tell you have something to say. Would love to hear it.

Curt Roberts:

Yes, I do agree with Frank. It really isn't uncommon at all for founders to be trying to kind of read too much into what the venture capital fund is going to be interested in seeing. I think we saw over 600 companies last year for first meetings. You can tell when someone has looked at your website or talked to other founders about what you like to see and they're trying to spin their story in a way that will make it more attractive. It really does become obvious when that's happening. And for the founder, I think fundraising is hard enough. Don't waste your time on people that are highly unlikely to fund you if it's clear that there are criteria they use and you don't meet them. It's not a good use of your time.

Karen Zelnick:

This is really great. And I want to shift the conversation just a little bit here. We've been talking around it, but Frank, I'm going to ask you to address it directly. I think it's safe to say that curiosity and cultivating an open mindset was a huge part of getting around your lack of knowledge. How have you continued to cultivate that curiosity and how has it helped you as a CEO?

Frank Wooten:

I think that one of the things that certainly happens after you get funded for the first time and repeated times is a lot of the cultivation practices that you have start to fade a little bit because work takes over absolutely every free spot of open air that exists in my life. And so it's funny, Curt's earlier analogy about this guy who likes to sit on the deck with a champagne flute, but I love competitively sailing. And so I've had many broken fingers and bruises involved. Absolutely no champagne flutes, unfortunately, but competitive sailing is about reading the wind changing, taking a tack, and following that through strategically.

Frank Wooten:

It's been something that for me, I actually spend a decent amount of time thinking through that from a business strategy and from a startup cultivation mentality where I'm constantly thinking, "Okay, what's the wind actually doing? What type of weather are we sailing in?" That kind of practice that previously existed in my life is something that I utilize almost unconsciously in how I navigate the business. And my real answer to you is that it's taking a look at my hobbies and things that motivate me and get me excited and taking the real deeper lessons from them and applying them elsewhere in my life is what I think certainly helps me from time to time.

Karen Zelnick:

I really love that. I think that's an amazing insight and something that's actually very valuable, taking your hobbies and applying them to life and the lessons that you can learn there. I've mentioned on the podcast before that I'm a painter, and watercolor can get messy. Startups can be messy. And just with watercolor, sometimes you just need to let things kind of settle for a little bit and then pick up and move on and then make it something really great and beautiful. And so thank you. I really appreciate that insight. Curt, over to you. I'd love to hear what you have to say.

Curt Roberts:

I think to some degree, Karen, the curiosity that we like to see in people is fairly innate. I think there's something about just having a broad interest in learning that some people are naturally born with and they cultivate throughout their lives, and others, not quite so much. For someone like Frank pursuing a business opportunity that was so disconnected from things he'd done in his past, that innate tendency is certainly significantly more important. It's important from every dimension of the business because the technology can be disorienting in this space. A lot of it is fairly complex and a lot of interdependencies between hardware and software and weather conditions and those kinds of things.

Curt Roberts:

And then he's got a customer set that he's never worked with before in the form of these big and small cattle ranches around the world, a supply chain to manage, salespeople to deal with, financing, which was going to be pretty tricky because it's a hardware-heavy business. Those were all things that were pieces of the equation that for Frank would not have been part of his background. So for us, seeing some indication of his curiosity and willingness to learn, not just for his business, but as a more general attribute, I think was going to be and is a positive indicator of how well he would do in running the business.

Karen Zelnick:

And Frank, knowing what you know now, what would you go back and do differently?

Frank Wooten:

There were steps along the way where we've certainly made missteps, but if you've gotten to where you need to be as a company, which for us is get a certain level of product/market fit and adoption, enough of that to move forward and start to move through the next investment round, then everything that's in your rear view mirror is actually potentially a competitive advantage. All the mistakes that you've made, your competitors will make or will likely run into. And so what would I do different? First year, I would have understood a lot more about what it was that I needed for a CTO. This is pre even Curt investing,

and I had a different person on board, and it was simply understanding the personality around the table, players versus coaches. I think that there are a couple of opportunities where we were attracted by a really large carrot and spent a lot of time and energy and resources running after those.

Frank Wooten:

And in the end, what we found was yeah, it's a large carrot, but you got to dig 500 feet down to get to that carrot. And we don't have the resources or ability as a team to actually execute on that.

Frank Wooten:

So I think that there are examples, but when I look back, most of them now, I think make me a stronger leader and make us a stronger team in terms of how we think about what we're building, who we're building it for, and who we need around the table to help us build it.

Curt Roberts:

Yeah. It's fun to kind of look back on this investment because I see where we are now and it's so gratifying to see what this team has been able to accomplish. And yet in the same thought, I can imagine how high the probability would be that we would be nowhere near where we are right now and that I would be looking back saying, "What were you thinking?" This is a business that just involves an enormous amount of executional and engineering and product risk. And it's a real testament, I think, to Frank and Frank's team that they have been able to spend as little money as they have to reach the point where they're far in excess of the accomplishments of any of their competitors that have been in the market quite a bit longer with double the amount of funding or more, and have ranchers around the world using the product and it doing exactly what they claimed it would do. It's incredibly impressive. So kudos to Frank, Patrick Singler, his CTO. It's been an amazing journey to see what they've been able to do.

Karen Zelnick:

Frank, that's got to feel so gratifying. What a lot of praise and congratulation. That's amazing.

Frank Wooten:

Yeah. We're on a podcast, but you can see me smiling. Yeah. Patrick and I are probably in a pretty similar mentality. And one of our things that we constantly say, "Well, if it's not hard, then why are we bothering doing it?" That's probably not what investors always want to hear, but-

Karen Zelnick:

Is it Curt?

Frank Wooten:

I think that some of these hard, intractable problems, as Curt said, they have layered risk, not just singular point risk. And I really think it's more kudos to Patrick and the team on the technical side of de-risking many of those things.

Curt Roberts:

I would say when Frank says layered risk, we're talking every layer you could imagine. When we funded Vence, there was no product. So this was an idea. Frank was walking around with this little plastic mold

of a cow's ear, right, with this thing that would attach to it. And that was kind of enticing to see that there was at least a model of what might be possible, but there was essentially nothing. So not only did you have market risk, but you had customer risk. You had animal behavior risk, which we don't see every day. You had significant technical risk from a number of different dimensions. You had team risk because much of the hiring that Frank would need to do to build his team had not yet happened.

Curt Roberts:

And so of all the investments I've done since I've started at Kickstart, I think it had the most significant, complex risk profile of any I've ever done. But I believe it's a testament again, to Frank and the amount of work Frank did to prepare himself to start this company that he was able to inspire confidence not only from us, but from some co-investors, including the largest agricultural bank in the world to put their money behind him to go out and solve this problem. That's no mean feat. Even very sophisticated engineers in Internet of Things devices would not be able to get that done. So Frank prepared himself to raise money for this company and it's proven to be a very good bet.

Karen Zelnick:

And now I'm just picturing Frank walking around with a briefcase with a model of a cow's ears. And [inaudible 00:22:43] popping it open and being like, "Let me tell you about..." [crosstalk 00:22:48]-

Frank Wooten:

You have no idea what that looks like at an airport security when people go through and they pull out a model cow ear. I've been there many times.

Karen Zelnick:

That's the best visual. And I also love too that just comes full circle. Just a reminder that Frank, you didn't know anything about this when you started out, and it's so, so impressive. And I have one final question for you, and that is, what's an effective practice that you've implemented in your work or personal life that's had a great impact on your success?

Frank Wooten:

I need to fully immerse in things. I can't take a single slice and understand that slice deeply and think that I have the whole picture. I'm more of a systems understanding guy. And so for me, the problem that I needed to solve is that I had no time on a ranch. So solving for that really is spending time with your customers. So for me, it served multiple purposes. But the short answer to your question is immersion. I happen to be in an industry where the customer welcomes you into their dining room table so you don't just understand what their work life is like for two hours of the day, but you understand what's going on with them and the problems that they're facing throughout their entire life. And that paints a really vivid picture of what you're solving.

Karen Zelnick:

Curt, thoughts on that?

Curt Roberts:

There is no substitute for immersing yourself in the environment of the problem you're trying to understand. When I was working in the healthcare business, it was frequently the case that we would

have to make significant budgetary decisions regarding large capital investments. And there were plenty of times when it would have been very easy for me to think that by looking at very thoughtful analyses of those investments and the spreadsheets associated with them and what the cost and returns would be, that I could make an intelligent decision.

Curt Roberts:

What I've always found is that there simply is no substitute for going to the location and into the environment where the work is going to happen that you need to understand and visualizing what it is that you're trying to do. Watch how people behave and how work gets done and how flows of people and information go. And you can start, if you do that, to see where the holes are in your thinking and your logic and how you should think about things differently. And I have always admired Frank's willingness. So many times that he and I have tried to schedule phone calls, he'll be in the middle of the Australian Outback with no cell phone service. And that's just a testament to me that he is living his customer's life. And by doing that, he's going to understand what they need in ways that few CEOs I think would be able to understand without doing that.

Karen Zelnick:

Gentlemen, this has been such a rich, wonderful conversation. I really appreciate you both spending time today. My biggest a-ha moments, I wrote down, like don't be a contortionist. And so thank you both so much for your time. It's been a wonderful discussion.

Curt Roberts:

Thank you, Karen.

Frank Wooten:

Thanks again, Karen.

Karen Zelnick:

And of course, thank you for listening. As we dive deep into what it takes to create the Perfect Pitch. If you want to learn more about our investor Curt Roberts from Kickstart and our founder Frank Wooten and his team at Vence, we'll have a link to the company and a longer bio in our show notes at [kickstartfund.com/perfectpitch](http://kickstartfund.com/perfectpitch). You can listen to more episodes of Perfect Pitch wherever you listen to your podcasts. And if you like what you're learning, leave us a review or rating. We'll be back next time with more insights from an entrepreneurs and the investors who fund them. So be sure to subscribe so you don't miss a thing. We'll catch you next time.