The Social Radars

S2: Parker Conrad, Founder of Zenefits & Rippling
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Jessica :

I'm Jessica Livingston and Carolynn Levy and I are the Social Radars. In this podcast, we talk to some of the most successful founders in Silicon Valley about how they did it. Carolynn and I have been working together to help thousands of startups at Y Combinator for almost 20 years. Come be a fly on the wall as we talk to founders and learn their true stories. Today we're talking with Parker Conrad who founded Zenefits in 2013 and Rippling in 2016. Two startups that went on to be unicorns, YC funded both. Parker's story is one of the most dramatic you'll hear on this podcast. So buckle up because here we go.

So Carolynn, today we're talking with Parker Conrad, the CEO and Co-founder of Rippling. And the story of Rippling is very much intertwined with Zenefits, the company he started before that. For listeners, Zenefits handled payroll, health insurance and employee benefits for businesses and it grew very fast and was a big media darling. But by 2016 Parker, you'd been ousted in what was essentially a palace coup and then the press tried to paint you as this tech villain. The press had a list of bad things they attacked you for and they were all bullshit. Can we just dive right in and have you talk about what these things were and what really happened?

Parker Conrad:

I think there were kind of three things that sort of ended up being in the media about Zenefits. There was this thing about insurance licensing for our reps. There was this thing about the macro and then there was the supposed party culture of the company and there were three sort of very different things. So I can talk about them each in turn. But on the licensing side, the people at Zenefits were for the most part properly licensed in their home states, but they weren't licensed in other states around the country. The company was, but the individuals weren't. The simple reason is that we didn't think that they had to be and we didn't think they had to be because that's what our lawyers had told us was required. And by the way, what happened is at a certain point our lawyers said, "Look, regulators are really pushing back on this.

Is this really something we want to fight on? Why don't we just get everyone licensed everywhere?" And we did. And sort of in the last year that I was at Zenefits, the compliance with these specific out-of-state licensing rules went to over 95%. And actually once you have it in your underlying home state, getting your license in these other states around the country, all you have to do is you go to this website, you swipe your credit card, you pay like 75 bucks usually, and now you have your license in the other state. And so there's no additional training required. It's an occupational licensing requirement and a licensing fee that you need to pay. And there was zero benefit. This is not a lot of money. There was zero benefit to the company of not getting people licensed. It wasn't

like a part of our business strategy. It wasn't like Zenefits's model is like screw the occupational licensing rules around insurance licenses. It was just a mistake.

Jessica :   Because your lawyers advised you that it didn't matter.

Parker Conrad: Yeah, I think there's just a different sort of moral character to making a mistake like this than sort of going out and saying we're going to undermine this sort of licensing regime. And so what happened is, while I was there, we got to this point where everyone was licensed everywhere. But at the time Zenefits was by some measures, the largest small group insurance producer in the United States by the volume of new business we were writing. And so I hired PWC to come in and basically audit all of that and sort of figure out for every deal that we had done, what was the sort of provenance of it. And then we decided, what we're going to do is we're going to go to regulators and we're going to say, "Look, mea culpa, we sort of thought the rules were one thing, we understand that you guys view them as being another. We're coming to you with sort of an accounting of all of this and we want to pay some fines and move on."

And that was the plan. We were preparing this. We had meetings with the board every other month to go through this and go through progress on this right up until the day that I left. And on the day that my departure was announced, we had drafted this mutual press release that said the same sort of anodyne things that you always say when someone leaves. And sort of mutually on both sides, sort of appreciation, that sort of thing. And then the company just issued a different press release and it said Zenefits had these compliance issues because this Parker guy didn't care about compliance and he's the issue, but now he's gone. And then it sort of continued from there.

Carolynn :   Do you know now what happened between the review of that press release that everyone was like, "This is the one." And then there's this period of time and then this other press release. Do you now know the sequence of events that led up to the second press release?

Parker Conrad: What I was told is that there was just always a plan to issue a different press release that there was this kind of fake exercise with... it was this exercise with me and Kim from Andreessen Horowitz and David in the background drafting this press release that was never going to be issued.

Jessica :   And for the listeners, that's David Sachs.

Carolynn :   Okay, got it.

Jessica :   Because they needed a scapegoat.

Parker Conrad: Why they decided to go in this direction, to this day, I don't really understand. One of my firm beliefs is that when I left, I thought that Zenefits was going to be really successful. And I thought, "Look, the company was facing enormous

commercial challenges." A lot of our growth had sort of started to evaporate, things that were working for us top of funnel had gone away. We were missing our plan. Investors were frustrated, we were upside down on gross margins. It's my belief that in retrospect, had I stayed, I would've been able to kind of turn it around. And I thought when I was leaving that by not sort of getting into a war with the investors, I was sort of leaving David, maybe David would figure out the sort of commercial side of this. But what happened instead is David sort of became the company's chief antagonist and was sort of going out and saying as CEO, this company's unethical.

They're doing all these bad things. It was really hard, the company didn't recover from that. It didn't make the company successful. It sort of buried it. And to this day, I don't really know why. I mean I have my own theories, but one of the things... My theory on this is that David had this sort of artful way of describing the licensing issues and the compliance issues at Zenefits. And so there's this video of him at TechCrunch Disrupt, he was talking with Connie Laszlo about Zenefits. And he has this slide in a deck that he presents where he sort of had three bullet points. And the first bullet point was, I'm paraphrasing here, but the first bullet point was like, "It's no secret that Zenefits has huge compliance issues." And bullet point two was the culture of the sales organization is broken. And bullet point three was the sales organization always reported directly to Parker and not to me.

And the sort of implication of that sequence of bullet points was that the compliance issues were all on the sales team, and that actually wasn't true. It was sort of an artful kind of lie. And most of the compliance violations as it turns out were on the account management team that reported right up to David. I'm like, "Look, as CEO, I'm responsible for the whole thing. So I'm accountable for the mistakes in all parts of the company." It was always strange to me that David was attacking me for these licensing failures, 70% of which happened in his org and while he was running it. And that was a very closely guarded secret and I was under enormous legal restrictions and was told I wasn't allowed to talk about it. So I would meet with regulators and Zenefits would send their attorney to those conversations with regulators and they would ask me, "Why weren't people licensed in these other states?

What led you to believe that was okay?" And the Zenefits attorney would step in and say, "Well, that's attorney-client privilege communication. We object to Parker answering the question because that touches on advice that Parker got in his role as CEO of the company. And because it was advice that he was getting as CEO of Zenefits, this is a privilege, an attorney-client privilege communication that Zenefits owns the privilege on, not Parker. And so we don't want him disclosing that." And my lawyers explained to me, "Look, you can't disclose it and if you do that the company will sue you. They'll stop paying your legal bills." I had sort of an enormous number of legal bills all of a sudden and really didn't have the financial resources without the company sort of paying for it to defend myself. And so I kind of didn't have a choice. I had to keep it zipped and go from there. That really never came out in all of this.

David emerged from Zenefits as the white knight of compliance, and I'm sort of guessing at this, but I think that in David's view there was something that would attach itself to him. I don't think that David was out there to sort of purposefully screw up compliance either. I think it was a mistake, but I think it might have looked like, "Hey, hey David, you were CEO of this company. You're a lawyer. Why weren't you on top of this?" And I think he managed to sort of and extract himself from the situation without that becoming a part of the narrative and I think that's why he did what he did. So the second piece of this is the macro. And what the macro was is when I was first applying to Y Combinator, I needed to build a prototype. And to do that, I needed to get my insurance license so that I could get plan data and pricing information from insurance carriers. And to get your insurance license, one of the requirements is you need to take a course and this course is offered by a couple different vendors.

But one of them is Kaplan and they have an online version that you can take. And when you take this online course, you sort of click through on their website, these pages of content. There are a few paragraphs on each page. There are hundreds of pages across the course. Every few pages, there's a short quiz or exercise that you take and at the end you take a proctored in-person exam and I got a 94% on the exam, I knew my stuff. But at the end of the online course I got to this blank page that had this timer counting down and it said something like, "You have 18 hours and however many minutes remaining, you have to stay on this page until the timer's complete." After five minutes, this sort of dialogue window opened up and it said, "Hey, it's been five minutes. Are you still there? You'll be logged out for inactivity, click here to stay logged in." And so I clicked there and I suddenly realized, "Man, I have to stay here and keep clicking this button every five minutes for the next 18 hours or whatever."

Carolynn :   That's crazy

Jessica :   Because it says you must be doing this for 40 hours or whatever.

Parker Conrad: That's right. There's a minimum, it's like 40 hours or 52 hours or something like that. And so I kept clicking that button for hours and eventually what I did is I wrote a three line script and what it did is it clicked, "I'm still here." Then it waited five minutes and then it was like go to line 10 and repeat the process. And all that it did was maintain the session and kept you logged in. What's important is what it didn't do. It doesn't take the test for you, it doesn't give you any of the answers. It doesn't advance you through the course content. It just kept you logged in. And I thought I had sort of hit a bug in the system. I didn't think that anyone really intended or wanted me to sit there sort of clicking that button for 18 hours.

It turns out that's exactly what they want you to do. And so that was the macro and that ended up getting described in a lot of the media reports about this is insurance fraud and cheating on the licensing exam and stuff like that. And I think it was naive. I obviously wish I hadn't done it, but again, I don't think really there was no intention to cheat anything. Look, my view was I knew my stuff, I

passed the test, I got a great score. I had put in the work to understand how this all worked. And sort of all of everything else I've done at school and academically skipping ahead or learning things in less time has always been something that's celebrated and not something that you get punished for.

Jessica :   So just so I can clarify, any reasonable human being is not going to want to spend 20 hours hitting the refresh button every five minutes so that they don't get logged out. It's just ridiculous. So I just think what you did was something any reasonable person who is capable of writing a script would've done.

Carolynn :   People who take that test probably pay their children to keep clicking the button. I mean it's obvious no one's really sitting there.

Jessica :   And so that clarifies that. You said a third thing: party culture.

Parker Conrad: The third thing that came out about Zenefits was this party culture at the company. And what I'll tell you about this is it's just complete BS. I don't want to say there weren't issues with the culture at Zenefits. There were, and a lot of them had to do with just the overwhelming amount of work that people were taking on. And there was a real burnout culture at the company, but there really wasn't as far as I could tell, a huge party one. And look, we had beers in the office and at 8:00 PM on Friday, people would get together and have beers with their colleagues. But it was 8:00 PM on a Friday and most people were still at work.

And where this came from is there was a Wall Street Journal article and the origin of this Wall Street Journal article is that the landlord of our building at 303 Second Street in San Francisco sent an email to our office manager that said, "Hey, we found a used condom in the stairwell in the sort of line that you guys are in. Can you please tell your employees that this is completely unacceptable behavior?" And unfortunately, our office manager sent an email out about this to 1600 people and one of whom ended up forwarding this along to the Wall Street Journal and it became a really big story. The thing is, and that story by the way, got written and rewritten and rewritten.

Jessica :   Oh yeah, that's juicy.

Parker Conrad: Sex in the stairwells of high-flying... orgies at high-flying tech startup. And the thing is they're like 30 other companies in that building. It's not even clear that it was someone at Zenefits.

Carolynn :   It's not even clear it was someone in the building. Let's be honest. It could have been anybody.

Parker Conrad: Yeah, I don't know. But that became this sort of scarlet S that sort of came to really define the company in the media, even though I think it was really just

completely inaccurate. But those were the three big public controversies at Zenefits. It was the licensing, the macro and sex and the stairwells.

Jessica :   Okay. Well I am really glad that we got to the bottom of all three of those things. Let me just also say this is, you're not saying this, I'm saying this, press as we know Carolynn are eager for stories of founders misbehaving. And if they can latch onto anything, they'll twist it and they'll keep reusing it. And I can't tell you how many examples there are of some lie that was told about someone at YC that's just perpetuated over and over and over and then it appears in the New York Times or the Wall Street Journal, and now it's a fact. With all these three things, do you think that David Sachs or the board or whoever made the decision used these blown out of proportion stories as a pretext to oust you?

Parker Conrad: Zenefits had some very real problems and the very real problems were about the business and the financials of the business. They all really stemmed from, I think this original sin decision that I made at the company, which was in the early days of Zenefits, everything was working so well for us. I had come from a company before Zenefits where man, we would try five things to try and get customers and four of them would fail miserably. And one of them would mostly fail but would work just enough that it would sort of inspire us to keep going for another six months and pivot the company and try and get something to work. And we kept doing that for seven years before I left and started Zenefits. Then at Zenefits it was the complete opposite. At Zenefits, it was like we would try five things and they would all work and we would try two things that we thought would never work and those would kind of work too.

And so it was this great example of just what things look like when it's working and when the market is sort of sucking the company into the market or the void is kind of sucking the company into the market. And so our biggest fear was that actually there were going to be fast followers that there were going to be other companies. We had sort of uncovered this pot of gold and there were going to be other businesses that were going to sort of establish a toehold. And I thought that we really had to suck up all of the oxygen in the room and basically say, "Look, we've got to soak up all the demand. We can't leave room for someone else to come in because if we do that, it's unclear when things sort of settle out." At some large scale we thought there were going to be network effects in the business.

But it was not super clear if someone else was willing to push the gas pedal all the way to the floor, having discovered the market, would we be the ones that the sort of lens of the market was centered on at the end of the day if we weren't able to grow and take up all of the oxygen in the room? And so we made this decision, this sort of insight behind Zenefits was really that there was all of this before Zenefits companies tend to have multiple systems for HR and benefits. So they would have something for payroll, something for 401(k), for small businesses most of the stuff around insurance was offline and you handled it via the fax machine. And so you'd have to fax in an application for medical insurance, for dental insurance, for vision insurance for each employee. And so

we sort of said, "Look, you can put the insurance pieces online and then you can do all of this together in one place."

And that just dramatically cuts down on the administrative work required for people to run the HR systems within their company. And so what we said we do is early on we said, "Look, companies have all of this administrative work, we're going to take all of that administrative work on ourselves, we're going to do it for them behind the scenes and over time we're going to work to automate it and work to put it all in software." You kind of had to do it that way because the insurance companies didn't have good systems. You still had to interface with them via the fax machine or often manually. And so it meant that Zenefits was sort of secretly behind the scenes, this giant sort of operational machine. And there were kind of two problems or a couple of problems that we faced with that. And one was that when you scale something up with manual ops, it's very hard, it's much harder to come back later and automate it.

If you sort of start with automation, you can gradually scale out the automation over time, but the system, it just kind of grows too complicated when you start with ops and it gets really big to come back. And so the automation was constantly running behind. We had these estimates on when it was going to be fully automated and it was constantly getting pushed out. The second problem is that whenever you're doing something manually, there's an error rate around that. And so what customers started noticing is that in that error rate, if you're really good, you might be 99% accurate or even 99.9%, but you're never a hundred percent. And customers started noticing that every once in a while there were these sort of unexplained errors where things would go wrong in these critical areas of their business where they didn't want errors to exist at all.

And the sort of conventional wisdom on Zenefits shifted from, "Hey, this is incredible" to, "Well, the concept behind this is amazing, but the execution sort of leaves something to be desired." And once that happened, everything that was working for us top of funnel stopped working and it stopped working very quickly. And it happened just a few months after we had raised this enormous amount of money at this very high valuation, having sort of promised investors that the top line revenue of the company was going to grow at these sort of really abnormally high rates. And so the growth plateaued, the burn was enormous because it's really expensive to be doing things in this way. Our gross margins weren't great because again, it's really expensive to be doing things in this way and investors were freaking out. Our lead investor was Andreesen Horowitz who was their single largest investment ever.

Jessica :   Really? Oh, I didn't know that

Parker Conrad: At the time it was their single largest investment in any company.

Jessica :   What year was that?

Parker Conrad: This was in 2015. And so it was in that context that suddenly these compliance issues came to the fore. And look, I mean the compliance issues were real, but I truly believe that had the business been working, there's no way that would've led to... the company, we all would've sort of locked arms and sort of resolved these issues with regulators. And it would've been a bad press cycle for a week or two and then we would've moved on. And that's what I believed even when I left, that was what I believed was going to happen. I was going to leave the company, but we were going to resolve this stuff arm in arm even after my departure and then it just changed overnight

Jessica : And then that's not what happened.

Carolynn : Oh, I was just going to say I don't get the strategy though. The strategy was going to be let's lock arms and just go say mea culpa to the regulatory authorities, pay a fine and move on. And this was a completely different strategy, but how is the strategy they picked going to help? What were the company's real problems? How does that all weave together?

Parker Conrad: I mean it didn't. So in retrospect, what happened at the board meeting where I agreed to resign, Lars and Ben laid out, they sort of said, "Look, we want you to stay around. We want you to stay on the board. We want you to continue to run product at the company. We want David to step in as CEO, and we want to keep David as CEO for six to 12 months and then we're going to bring you back as CEO." And I had had this sort of bad experience at my previous company where I had stayed around for a while after I had been sort of demoted. And I sort of told him, I'm like, "I think clean breaks are the best thing here. So if you guys want me out, I'm out."

And Lars turned to me and said, "Well, what are you going to do? What's your next step here?" And I said, "Well, I think I'll start another company." And that was not a popular answer. And Lars sort of said, "Look, you don't have it in you. I don't think that there's any way, you're not going to start another company." And I think that they were worried about me competing with Zenefits or doing something. Over the next year, there were just enormous efforts from the company to try and get me into an enforceable non-compete agreement.

Carolynn : Pretty tough in California.

Parker Conrad: So non-competes are non-enforceable in California, except there are some exceptions. And one exception is if they are signed in connection with a stock sale transaction. And so the effort was always to arrange some kind of stock transaction that could be paired with a non-compete that then would be enforceable. And there were some really extreme efforts here. So first, I mean I actually didn't intend to start another company in this space at first. And then what happened is it became clear to me that in my view, David was not trying to make Zenefits work. He was sort of the company's chief prosecutor in the media. He fired all the wrong people, he promoted all the wrong people, he canceled all the wrong projects. And so what it looked like to me was David's just sinking the

company, driving it into the ground. And I didn't totally understand why. It seemed like it was sort of to help with his personal reputation, but it seemed like, "Man, for whatever reason, this thing that I thought Zenefits was going to be is not going to happen. The company's going to go to zero."

That was when I decided, "Okay, I am going to start a new thing and start from zero." And I viewed it as very much I was going to continue what we had started at Zenefits. And I went from having 600 million in the bank and 1500 employees and an existing product and 75 million revenue to having zero, zero and zero and starting over from square one. But I thought, "Okay, what we're going to do is we're going to rebuild a lot of this and we're going to go down the path that we would have gone down had David not come in and sort of turn the company in a different direction." And that was really to sort of expand from this idea of employee data, all in one HR systems to employee data as this primitive for business software writ large. The idea was that for the same reason you wanted to have one place to set up an employee or to onboard them across all your different HR systems, across payroll and 401k and medical insurance and dental insurance and so on and so forth.

You actually wanted the same thing across the entire company. You wanted that to work for IT to get them set up in email and Slack and Dropbox and Salesforce and GitHub. And you wanted to ship out their computer and their laptop and get them set up in all of these other places as well and sort of broadly manage employee data across the business. And that was sort of the idea behind Rippling. But at one point when we were in YC, so when Rippling was in Y Combinator shortly before Demo day, David heard that through the grapevine that I had started this company that was going to compete with Zenefits and sort of got an inkling of what we were up to. And right away there was one of the investors in our series C round at Rippling, was Insight Partners in New York.

And Insight delivered a lawsuit to my lawyers, so they didn't file it, but one of the things that lawyers sometimes do is as part of a negotiation is they will say, "Look, we have written this lawsuit and we're going to drop it on your doorstep and we're going to file it next week unless you settle with us." And so Insight dropped this lawsuit and the company's lawyers, David's attorneys, called up my lawyers, it was like the same day or the next day or something and said, "Hey, we heard you have this problem with this Insight lawsuit." And they said, "We can make this go away for you, but we're not going to make the lawsuit go away if Parker is competing with us. And so what we need is Parker needs to give us or sell us in some way a bunch of stock and sign a non-compete that is going to say that for five years, Parker will not start a company that does anything in B2B software."

Jessica :   Because it's now enforceable. The non-compete in California because you've sold a part of this stock

Parker Conrad: Because as long as you exchange some stock as part of it, you can make it enforceable. I said, "No way." This was literally, it was right around demo day for

YC with Rippling. And so I would've had to sort of give up doing Rippling if I signed it, and it was sort of mortgaging my future. So I said no, and there was a huge fight, there ended up being enormous personal consequences for me of that. But Insight ended up not filing the lawsuit. So it ended up, at least on the litigation side, being a bluff.

Jessica :   It just causes my stomach to be in knots hearing the story.

Parker Conrad: It was basically sort of a low grade intimidation tactic to try and force signing a non-compete and do a stock sale transaction to make it enforceable. And they said, "Look, this is a lawsuit against you personally." I had a decent amount of financial difficulties through this period because I had sold some secondary at Zenefits, but not so much that I was going to be able to afford a lot of legal defense. And so I had a preexisting agreement as most executives at companies will have that I was indemnified by the company for legal defense as a result of things that came out of my role as the CEO of the business.

And so through all of this, Zenefits had to pay my legal bills. But what was interesting about the sort of threatened Insight litigation is Zenefits said, "No, we don't have to pay your legal bills for that. That's your own personal thing. That's not..." And so it was sort of engineered to be this thing where it would actually be millions of dollars to defend this lawsuit that the company was saying we're not going to pay it. And so you're kind of screwed on that front. Even if you think that you'll win the lawsuit, which my lawyers were always very clear about, there were no grounds for the litigation. You still need to spend millions of dollars defending it. That was sort of money that I didn't really have.

Carolynn :   Of course, of course.

Jessica :   Okay. So you were being threatened financially with this lawsuit. I believe also that Zenefits was using the press to blacken your reputation? Correct? For quite some time.

Parker Conrad: For six months. There were just these ongoing daily or weekly attacks and there were reporters that reached out to me and said, "Look, I get pitches from the company's PR reps every week to write an article about you." And when David took over, he hired this guy Lanny Davis, who is sort of a crisis PR person who he represented the Clintons in Whitewater. He's gone on and represented a bunch of other folks, but he's a very... David has this philosophy about media fights that I think Lanny really sort of exemplifies. And so David sort of explained this to me at Zenefits when we got into this sort of fight with ADP, one of our competitors. And David's view was like, "Look, when you get into a fight with someone, you've got to attack, attack, attack. And if the other guy rolls over and cries uncle, that means it's working and you've got to keep attacking, attacking, attacking, attacking." And that was his philosophy on doing this. And so that was what David turned against me once he took over as CEO.

And this continued for about six months and it stopped, I'm convinced it stopped only because of YC. At the time Sam Altman was running YC and Sam came to me, Sam was just talking with me about what was going on, and I was sort of telling Sam about how hard all of this was. And I didn't hear anything for a few weeks. And sort of out of the blue, Sam called me and said, "Look, I've spoken with Marc Andreessen and told him that he's risking his relationship with Y Combinator if these attacks continue." And Mark went and spoke with David and told David that David was risking his relationship with a16z if he continued. And there was apparently a big fight about that, and a couple of other people told me that they had seen this or overheard it. And then overnight it stopped, overnight. And there was ongoing bad press, but it was very clear that there wasn't someone driving it. There wasn't someone trying to get more stories every single week. And that's when it stopped.

Jessica :   Good work, Sam Altman.

Parker Conrad: Yeah.

Jessica :   Helping out Parker.

Carolynn :   Yeah, exactly.

Jessica :   Because I can only imagine. And it's like, I wish I had been in closer touch with you at this particular moment because you must've just been devastated at this point and beaten down and just so demoralized.

Parker Conrad: It was really hard. I was super depressed. I really kind of withdrew from... I sort of spent six to nine months just kind of hiding at home, not really seeing many people or talking with many folks. Because it all sort of unraveled so quickly, but it really was... I mean Jessica, you say you didn't do anything, but YC was really... YC really stood by me through all of this. And I think one of the incredible things about the program is I was really radioactive for a while. When we announced our series A, people got attacked for investing in me, like, "Why would you invest in this awful person?" And supporting me was a deep moral failing. And YC was, they were the most consistent supporters. And Jessica, you were sort of in the first round of seed investors into Rippling. So I will always be deeply grateful for that.

Jessica :   Well, I am just glad now that we can move on to the new part of the story and talk about Rippling. What gave you the strength to be like, "I'm going to do this again."? Because I would've quit.

Parker Conrad: So there were two things. One is, one is that I really wanted this product to exist and I felt like Zenefits had sort of suddenly collapsed for all these crazy reasons that had nothing to do with the fundamental success of the approach. And so I remember talking with Prasanna, who is my co-founder at Rippling and Prasanna asked, "Why do you want to do this thing that's kind of in the same area?" And I

said, I was like, "Look, nobody's going to build this if we don't. And there's a hundred billion lying on the floor right on the street right there, and you and I are the only people that can see it. And everyone's just kind of walking by, oblivious, and all we have to do is go over there and pick it up. We know if we build this, it's going to work. This is what people want."

Jessica :   Prasanna was a YC founder from a different company?

Parker Conrad: He was a YC founder. He started a company called Likealittle, and then he worked with me at, he was an engineering director at Zenefits and then joined me to start Rippling.

Carolynn :   I just want to take you back. You're kind of at home hiding, feeling very depressed about all that's going on. What kind of got you out of that? Was there an event, was there a conversation or was it just like you just needed time and then you sort of emerged and you're like, "Okay, I'm ready to do something new."

Parker Conrad: It took years to snap out of that, I mean I think it wasn't that I sort came out of that. It was that once I sort of realized that David was kind of burying the company and it wasn't going to work, I thought, "Look..." So one was I wanted this product to exist, but the second piece of it was that I was not good at... David is an incredible polemicist, he's an incredible writer and really good at framing these attack narratives. And you see it with some of his political stuff now, but I've never been really good at that.

                              And so I sort of thought I can't win on that front and the only way for me to... And I wasn't allowed to talk about the things that I'm talking about with you guys or have been talking about with you guys right here. And so I thought the only way for me to talk about this, to speak in some way to my former colleagues, to extended friends and family, to the tech community, to the media about these issues is to build this specific company and build it into an enormous hundred billion outcome. And that if I did that, that would make a statement and it would force a reassessment.

                              And that was the thing that got me going. And so it wasn't that I wasn't depressed about all of this, it was that this felt like the only path forward was to do this and to make it really successful. And look over the last seven years, there are many other things that I love about Rippling. I love the product, I really like the people that I work with and enjoy that an enormous amount. But there was a long period of time where that was the first thing on my mind every day when I woke up in the morning and the last thing every night when I went to bed. And that was the thing that got me to put one foot in front of the other.

Jessica :   Oh, wow. On the subject of Rippling, I know it centralized all employee data for its customers but can you talk a little bit more about it and what makes it unique?

Parker Conrad: There's one critical insight behind Rippling and that is that employee data is really widely distributed across an organization and importantly not just inside of HR systems. And because of that, I think the right way to think about employee data is as a primitive for a lot of business software that companies use. There's sort of a problem that this situation creates for businesses that we can solve. And there's this related corollary opportunity for Rippling. And the problem that it creates is that this sort of fragmented employee data across your organization and across all these different business systems is secretly the cause of a very large percentage of the administrative work required to run a company. And you see this as a company in stark relief whenever you hire someone, because you need to set them up in all these different places. And you don't just need to set them up in HR systems, you need to set them up in every business system that your company uses.

And one of the great things about Rippling that we see is we've had third parties go out and look at businesses that use Rippling and businesses that use anything other than Rippling and look at the number of people that those businesses have in HR, IT and finance. And one of the things that they found is that at every stage of growth, companies that don't use Rippling have about twice the number of people in those G and A roles in HR, IT and finance as businesses that do use Rippling. And it's because of the sort of additional administrative burden that you have if you're using really anything other than Rippling. And it gets quite extreme, like a thousand employees, I think it's something like 46 people for businesses that don't use Rippling versus 28 people for companies that do use Rippling.

Jessica :   That's amazing.

Parker Conrad: And so there's a real operational... Rippling makes your company more operationally excellent because you don't have a bunch of people doing a bunch of administrative work that you otherwise would have. The second sort of corollary opportunity comes from the fact that companies that make business software, and I don't mean companies that make HR business software, I mean all companies that make business software, they're kind of aware of this dynamic. They sort of know that if they ask you for a lot of information about your employees, it just means a lot of work to implement their software because now you've got to load all that data into their system and you've got to maintain it. Anytime you hire someone, anytime something changes, you've got to make changes in their system along with all the others. And so companies that make business software, tend to ask for as little information about your employees as they possibly can.

And that's led to the situation where companies... Business software just knows much less about your employees than it ought to know. And that has a whole set of product implications. It means that most business software is dramatically under permits because in Rippling you can set up role-based permissions that are inherited based on someone's job or function within the organization. But in most business software, what happens is everyone has no administrative

permissions at all by default. And you need to click and make someone an admin one person at a time, which means that you don't do it very much. And you end up with this kind of bank teller situation in most business software where they're a very small number of admins and everyone needs to sort of wait in line for those people to kind of help them do their job.

Just like the way you used to have to... if you wanted to check your account balance or make a deposit or a withdrawal, you had to wait in line for the bank teller to do that for you. A second example of this is most business software is really weak on approvals, things like approvals because they don't understand relationships between people within the organization. They might know who someone's manager is, but they don't know who the VP of their department is or their HR business partner or their strategic finance associate. And often you want to route approvals to people based on those types of relationships as well. And reporting is weak in most business software and analytics because a lot of the way you take transactional data and turn it into insights about your company is you want to look at it by department by manager.

You want to zoom in on a particular work location, you want to filter out your interns, look at only people that have two years of tenure. And so often a lot of the sort of data stacks that people put together, what today we call ETL and data warehouses and BI tools, is really about getting all of this data joined and transformed in a way that you can combine it with org data to get insights about the organization. And so the opportunity for Rippling is really, what if you had a different set of assumptions, if you didn't start from the assumption that you're just not going to have access to this data about employees and about the organization. There's a lot of business software that you would build very differently and it would be I think much better as products. There are a lot of product capabilities that you would have in all of these other areas if you started with employee and organizational data deeply embedded in the foundation of the product.

Jessica :   And is this what you refer to as a compound startup?

Parker Conrad: Yeah. And so that's when I talk about a compound startup, that's what I mean. It's saying, "Look, we're going to build a whole suite of deeply integrated and interoperable products that are all built on top of this foundation at the very base layer, this just deep understanding of all of your employee data." We call it the employee graph because it's this sort of graph based representation of not just employees in their department and their work location, but also data that's coming in from other parts of the product or even other third party products and information about their GitHub pull requests and the opportunities that are in their name in Salesforce. And that sort of forms the foundation of that data layer. And then on top of that a set of what we call middleware components or platform component capabilities that are like shared capabilities across all of our products.

So things like analytics and permissions and workflow automations and approvals and a few other things that then you take as reusable Lego blocks and you use to then build all as the sort of underlying structure for a lot of different business software. Our goal at Rippling has been to launch five new SKUs every year, and so we were sort of constantly seeding or nucleating new product organizations to build these new products on top of this sort of larger system. And the advantage is always that these products deeply understand your organization in ways that they're competing standalone products. We tend to invest really deeply in these sort of fundamental components of business software, analytics and permissions and approvals and workflows and things like that. And so they tend to win on those things because competitors will kind of build those things as sort of afterthoughts, but because we're building them across all these products, we can invest much more deeply. And everything's all in one system with one UX and sort of much easier to use for that reason as well.

Carolynn :   Well, I'm glad you brought up competitors because going back that was one of the driving concerns at Zenefits, right? You were talking about how you guys really wanted to make sure you were the ones and that you banished all competitors along the way. Different mindset probably for Rippling or maybe not, you tell me, how do you think about competitors now?

Parker Conrad: Yeah, I mean Rippling competes with a ton of different companies. I think the mistake that we really made at Zenefits is I think we did this thing to sort of grab market share very early on, which was not scalable. And I think that was okay at first. I mean YC's mantra is... one of YC's sort of pieces of advice is do things that don't scale. And I think that's absolutely right early on, but the sort of counterpoint to it is eventually you need to scale them and we really didn't. And that was the problem. And so the issue, I think the real mistake at Zenefits was doing all of this manually and maybe we should have done that during YC, but then we should have really focused on automating that before we started growing again.

                    And that was the thing, we did that very differently at Rippling. And so at Rippling it took us a long time to launch. I mean for two years the company was 50 engineers and me and a few other people, but mostly engineering. And we sort of built this thing end to end, but all in software, there were no operations of any kind inside the company for a long time. And actually until we were at 5 million in ARR, we didn't have anyone in support in the company. And so I did a lot of the customer support, the engineering team did a lot of customer support for their specific products. And it was only once we got to some really large scale that we started bringing in a support team, but it forced us to just drive down all of the operations work inside the business.

Carolynn :   When did you get an HR team?

Parker Conrad: We hired an HR team reasonably late. When I'm talking about operations, I mean more like customer operations. So it was like things to get people enrolled

in insurance. And so we were trying to make sure that everything ran on software rather than people for customers. But actually one of the things that's still true about Rippling is that I am the only full admin for Rippling in Rippling.

Jessica :   This Is going to be my question. I wanted to confirm if you are the HR administrator for Rippling.

Carolynn :   Well, that's where I was going with my question too.

Parker Conrad: So to be clear, we also have a great HR team that helps with other types of things. And obviously it's very important from things like compliance and making sure that things don't go off the rails that you have really good strong in-house HR. So we have a great HR team, but in terms of a lot of the administrative work around HR, that's something that I handle personally. So I run payroll for... Rippling has 2000 employees across a dozen countries, and I run payroll for everyone. I manage employee benefits, manage a lot of IT, app provisioning rules, things like that. I approve every expense above $10 in the company because we have a med expense management software. And so-

Jessica :   That's amazing.

Parker Conrad: ... a lot of why I think the product works so well for customers and why you see that customers are able to have so many fewer people in these functions is because we spend a lot of time working to sort of make it possible for me to keep doing that. And that forces you to constantly automate more and drive down the level of administrative work and there are benefits that accrue to all of our customers from those investments.

Jessica :   And for any founders out there who are listening, I need to point out that we get really excited when we hear of founders who are eating their own dog food.

Parker Conrad: It's a huge advantage because look, I promise you... Look, we have payroll competitors that don't use their own system for payroll SMB payroll systems that run on Workday because they can't use their own system. And I know the CEOs of ADP and Paylocity and Paycom and UKG and they don't run payroll for their companies. And so I think that doing that, I think it gives me a right to an opinion about the product. One of, I think, the great pieces of advice that YC always has for founders is to talk to customers. And that's great advice, but another way to do that is to really be the customer yourself, and then you can have those conversations in your own head and they're often much higher fidelity and can happen much more quickly.

Jessica :   You're your own user. Yeah, I love it. Can I go back quickly to this sort of modular structure where you try to launch the new products and stuff? I've also heard that you hire a huge number of founders to sort of run those business units. Is that on purpose that you've done this or is it just worked out that way?

Parker Conrad: What Rippling is doing when we're building all these different products in parallel, it's very much counter to the conventional wisdom on how you're supposed to do this. Because the way you're supposed to do this is to focus on one extremely narrow thing and go deep on that. And I happen to think that that advice is wrong or at least limiting and that I think that the way that we've built business software over the last 20 years is mostly incorrect. And it's been to build a lot of these sort of narrow point solution products that inhabit these sort of local minima from a client perspective. But actually the global minimum is to take this compound approach and have one system that does a whole bunch of things for companies. That is, the way we build software today... And this is not my idea, I'm stealing this from someone else.

But it's kind of like if you bought a car and instead of buying a car, you bought a steering wheel from one company and a chassis from another and a carburetor from a third. And you sort of brought it home and sort of tied it all together with scotch tape and glue. And then of course when you're driving down the road you'd have parts falling off and it wouldn't work very well. The right way to do this or the sort of global minima. The ultimate product for customers is to do this, to do all in one and not just all in one, but all-est in one-est. And so that's the approach at Rippling. So we knew when we were starting Rippling that this was unconventional. And so we were always thought, this compound approach was both something that could become our biggest enduring advantage, but was also if the company doesn't work, why will it not work?

And was like, "Because it's really hard to do this and there are a bunch of reasons why this is not supposed to work." And so a lot of our focus at the company has actually been on making this particular approach to building software work and finding all of the different places where it breaks down and then finding solutions for each of those things. And there are a bunch of places where it breaks down or places where we've had to find really clever solutions. But one of the things that you absolutely need is you need to be able to create these small teams that are individually very focused and can run quickly to build products within Rippling. And the best profile of person for doing that are people that have had this experience of starting a company. And so we hire a lot of former founders. I think the last time we looked at this is like a year or two ago, and I think we had something like 50 people that had started companies at Rippling, including-

Jessica :   Wow.

Parker Conrad: Yeah, including a whole bunch of former YC founders that work at Rippling and in a variety of different roles, but many of them have started and are leading individual products and business lines within Rippling.

Jessica :   I love that. That makes me so happy.

Parker Conrad: Yeah, it's great.

Jessica :	Speaking of which, you know how you were saying you have this underlying system that has all the employee data and sort of seamlessly just works amongst all these different business units. Because that underlying operating system or technology, if you will, is so robust, will that make it easier to introduce AI into different things if you want to do that? Are there any plans for that?
Parker Conrad:	My take on AI is, I mean, first I'm really skeptical of companies that issue press releases announcing that they're now an AI company. So one of my goals is to never do that. And I also think that-
Jessica :	That's funny.
Parker Conrad:	I think that when people incorporate ChatGPT into their products, I think they're actually incorporating the wrong part of it. They're sort of copying the chat interface and I think the chat interface is a bug and not a feature. And that nobody actually wants to chat with their payroll software or their expense management software. But there are a bunch of ways that you can incorporate or that you should incorporate some of the ability to work with unstructured data and the capabilities that that brings into your product. And so I guess my sort of thesis about Rippling and AI, and we're sort of very early in doing this, is that a lot of the B2B AI use cases, will end up requiring a deep understanding of your organization and your company almost anytime that you want to sort of do something AI related with employees. And again, that's not just an HR software.

It could be in any sort of B2B software vertical. It kind of matters. You need to understand is this person a junior IC employee or are they the VP of a department? Are they in engineering or in customer support? Are they in San Francisco or in Bangalore? Are they an intern, a contractor, or a W2 employee? What teams are they on? All of that context about their job and role and function and their relationships to other employees within the organization is a really important input for almost anything that you might want to do from an AI perspective in a B2B software context. And so when we think about AI, it's always about what are the types of applications that require this deep contextual understanding of your company? And those are the areas that I expect that we'll focus on. |
| Jessica : | Okay. We won't hold you to anything specific. How was Y Combinator different? How was your experience different between the winter 2013 session and 2017 that you went through it twice? |
| Parker Conrad: | Yeah, so the first time I did Y Combinator, I mean it was the three most productive months of my life. It was an incredibly, incredibly intense experience, and I think it was intense both because the YC program is designed to do that. It's very effective at doing that. I think the real value of the program, which I only came to understand once I was doing it, is that YC is just great at creating a whole bunch of urgency inside of your company right from day one. And the challenging thing, one of the challenging things I've always found about starting |

a company is it feels superficially like being unemployed, you're kind of sitting around on your couch screwing around on the internet.

And if you don't get anything done on any particular day, nothing happens. Nobody gets mad at you. You don't have customers that are yelling at you. And so it's really hard to get in this groove of just moving quickly, but that's absolutely critical for making the company successful. And I think YC with having this cadence of dinners where it's sort of once a week but not five days a week, it's just precisely tuned to sort of create a lot of urgency and you sort of look around, it feels like everyone else is accomplishing something and it creates a lot of pressure for you to do the same. That is what has always been so powerful about YC for me. And that was very true for us the first time around. There were a few things I think made it really different the first time around. So one was, I just remember PGs opening talk to the batch, and it was really incredible.

And I had come off of this sort of seven years of working at another company where things were not working, and PG at one point sort of said, "Look..." I mean there were many, many really great lines in this talk, and I don't remember all of them, but I remember he sort of said, "Look, there are two or three of you in this room that have what it takes to be really successful founders and the rest of you probably don't. And that's okay, there are other things that you can do." But I remember thinking like, "Oh my gosh, I hope it's me." And then one of the other things that really sort of dialed it up a notch for us is that there was another company in our batch that was doing the same thing that we were doing called Simply Insured. And they started in a slightly different area and then pivoted and we were kind of doing [inaudible 01:01:39] things.

Jessica :   Oh yeah, I think they pivoted into it.

Parker Conrad: So for us it was just the level of urgency was just extra high because we would see them talking to someone at dinner and it was like, "They're talking to our customers." And the reality is, every company, your competitors are out there, but you don't have to confront that in quite as viscerally a way as we did in Y Combinator in that sort of first go round. The third thing, as I remember having office hours with PG. So I joined Y Combinator as a solo founder, and then Lux, my co-founder at Zenefits joined a few weeks later. And I had built the barest outlines of a prototype, I mean we were so far from having a real working product. And I remember meeting with PG early on and saying, "Look..." And obviously YC had said, "You got to launch early, you got to start selling to customers, you got to do all this before demo day."

And so I said, "Okay, map this out. And we think if we really push, we can get a product live by March 15th, and that'll give us two weeks to sell before demo day." And PG looked at us and said, "You can't do that. You have to launch by the first week of February no matter what. That's just not enough time." I said, "Well, there's just no way. There's no way. It's already the second week of January, we can't build this thing in three weeks. It's not possible." And he kind of looked at us and said, "Well, I don't know what to tell you. You might as well

give up and go home because your company's not going to work if you can't get this live by the first week of February." And I was like, "Oh my gosh, I've already failed. What are we going to do?"

And so Lux and I, we focused on this and we figured out this way and we just really pushed ourselves and figured out a way. And we ended up launching, not the first week of February, but the second week of February. And it actually made a really big difference because we launched and TechCrunch wrote an article about us that said, "Hey, a company doing this interesting thing, doing insurance online and all this sort of interesting innovative stuff." And then Simply Insured launched two weeks later and there was an article about them that was weird. There's this company like Copying Zenefits, where did they come from? And so it actually made a really big difference to the company and was absolutely the right advice. And I think the second time around YC was still a great program. It was not as intense for me personally.

And I think in part because I had done it before and so I was doing it, I wanted to recapture that same intensity. That was why I did it the second time around. I thought it was really important to go back and be right back at square one. But it was not totally the same, I think in part because I had done it before, in part because there was no Simply Insured in the batch, quite frankly. And then also because I think PG as much as the partners there are great, it was not the same without you guys there, without PG there. And so I actually-

Jessica :   I'm going to tell them that.

Parker Conrad: ... I remember there was this moment in office hours or in the small batch meetings where there was a company that was building a sort of assistant, like an AI assistant built into sort of Android. And one of the partners asked them, "How long do you think it'll take for you guys to get something live that will be really useful for just one person?" And the founders sort of thought about it and they said, "I think if we really push, we can get something live that's useful for one person by demo day." And I thought they're going to get it. I could just wait to see what happened. But then the partner sort of said, "Okay, that's great." And then sort of moved on. I was like, "Oh, it's a little bit different." I mean, I get that there's a balance between how much urgency and anxiety people can absorb about this stuff. And there's probably a balance there, but I remember thinking like, "Huh, it's not totally the same as it was before."

Carolynn :   Also, maybe different because group dynamic versus one-on-one. I mean, it sounds like when PG was cracking the whip on you, it was just you and he and your co-founder probably.

Parker Conrad: Yeah, it's harder, for sure.

Carolynn :   But in a group office hour dynamic. I think maybe it's a little bit of a gentler approach, perhaps.

Parker Conrad:	It felt a little kinder and gentler, which you know, there are both good things about that, and maybe something that you miss.
Jessica :	Hang on now though. Now we're getting… I've just realized something. So you're going through YC the second time, demo day, did you raise money after demo day or was it sort of before? What was the timing of when you raised the money and wasn't there some attempt to kibosh the round?
Parker Conrad:	So we raised a pretty decent seed round earlier on in the program, and there were a couple of reasons why we did that. But among them, quite frankly, one of the big ones was just there was so much while I was going through YC with Rippling, there was a lot that was still happening with Zenefits. And so quite frankly, we wanted to just show that there were still investors that supported me. And so one of our investors told me, he said, "There's one reason to invest in Rippling and there's one reason not to invest in Rippling. And they're both the same reason." The reason being my involvement with the company. And so there were always a lot of investors that came out on... there were people that came out on both sides of that dynamic.

But there were always enough that believed in me and believed in the business that they invested in that we always did great. But when we did our series A there were... I mean we ended up with a ton of term sheets and Mamoon from Kleiner Perkins ended up leading the round, but it was a controversial round. And there were a bunch of investors that backed out. I had a general partner meeting scheduled with Benchmark, and the GP that I was working with there called me up on a Sunday night and said, "I'm sorry." So the general partner meeting you get, but for the listeners who might not know what that is, it's sort of the penultimate step in a fundraising process where you meet with the full partnership.

And if it goes well, you might get a term sheet after that. And they usually happen on Mondays. And so on Sunday night, the benchmark GP called me up and said, "Look, I'm sorry, but Bill Gurley is poker buddies with David Sacks and just had a conversation with him. And so we have to cancel the GP meeting." And the same thing happened, something similar happened with Greylock and even Mamoon at KP had a run in with David after we signed a term sheet. David sort of found out about it, got really upset and had a very sort of huge confrontation with him about it. So there was this sort of behind the scenes' effort to derail the fundraising. And then I think after the series A that sort of mostly went away, it sort of stopped from there. |
| Jessica : | Wow, what a story. I'm glad Mamoon stood his ground and got the series A done. Okay, so after all of that, when you measure results by what software has been created, do you think that the world is net ahead with Rippling? |
| Parker Conrad: | Yeah. Well, so first, I mean, I think it's important to say we're not curing cancer at Rippling. And so I don't want to... It's a mistake to be too sort of like, "Oh my God, we're changing..." Every tech company is changing the world in some way. |

But I think we have a lot of customers that are doing that. And Andral's one of our biggest clients and I think they're doing great things for the United States and for sort of the conflict between Ukraine and Russia. And that's a really important company. And we're very small part of everything that they're doing, but to the extent that there are a lot of companies out there that can focus on focus a little bit more on their own products and what they do. And if we can make that a little bit easier and a little more efficient, I think that's really cool.

Jessica :   Good. The world is net ahead. That's how I phrased the question, not are you doing something as important as curing cancer, but is the world net ahead? Yes, it's a net ahead.

Parker Conrad: Yeah.

Jessica :   It was a leading question, I think.

Parker Conrad: I think that's fair.

Jessica :   It's a softball. Well, Carolynn, let me ask you, do you have questions? Because your mind must be racing since you were a lawyer.

Carolynn :   I have a ton of questions, but actually I want to ask one completely unrelated to anything legal. So you are, Parker, literally the textbook example of Formidability for VC. And when I say literally, I mean we used to record interviews. I don't know if anyone at YC has ever told you this, but we actually re-watched your video a whole bunch of times. Because we're like, "This guy's so formidable, can we find clues in the way he answers questions that tipped us off that he's so formidable." Anyway, that was a long time ago, so I don't actually remember any of the specific takeaways. But I guess I'd ask you, when you think about yourself, even as a kid, as a teenager, whatever, were you always like this? What makes you so formidable? In other words, character, circumstance, combination of both. What do you think?

Parker Conrad: That's interesting. I mean, so I think I've had a lot of really big ups and downs in my life and there are a lot of things that have been great for me. I mean, I have wonderful parents. They're fairly well off and my dad is a corporate lawyer in New York and a lot of people have a lot of hardship in that area that I've never had. But I also, I had a really hard time in middle school, was just sort of a bad situation, really sort of bullied and picked on. And that I think ended up being really defining for me psychologically. But then also in college, I spent all my time working on the newspaper, which was a lot of fun. For me, I think it ended up being kind of like running a startup. You're sort of running this organization-

Jessica :   The Harvard Crimson, right?

Parker Conrad:	The Harvard Crimson, yeah. I was managing editor of the Harvard Crimson, but I spent so much time doing that that I failed out of school and had to take a year off. And that was just really hard. And then-
Jessica :	Just like, by the way, VCs, Robert Morris, you're not alone. A lot of great people had failed out and had to take a year off.
Carolynn :	Yeah, that's why I was laughing. [inaudible 01:13:34]. Sorry to laugh at your pain. I was just like, "Oh, that's a familiar story."
Parker Conrad:	In tech, for a lot of people it's sort of like, "Oh, badge of honor, college dropout." But it didn't feel that way to me, it felt like just a deep and miserable failure at the time. Very humiliating and embarrassing. Then same thing with my first company, I ended up... Look, I mean it was a hard slow grind. It was seven years of just ongoing failure. And I think when that happens, different people react in different ways. But I think for my co-founder and I, it was kind of like... I haven't experienced this, so I don't know, but I sort of think of it as kind of what it would be like to be in a marriage where a child dies that just the other person constantly reminds you of everything that's going wrong. And it led to a lot of interpersonal conflict and really ended, I think the friendship that I had with him, but also resulted ultimately in me being sort of fired from the company.
	And a similar type of thing, I thought when I left, I thought I would never be able to do something. I thought my first company was going to go on to incredible success and I was not going to be a part of it. It was this incredibly depressing thing. And so I think there've just been a lot of really big ups and really big downs. Sometimes people would say, "You learned so much from your failures." And I don't think I've learned a lot from failure except for how much it sucks and how much you really want to avoid it. And so I wouldn't advise it for anyone. I think it's very destructive. But I do think that, I don't know if I would describe... I mean I'm flattered that YC thinks that I'm formidable, but I think that to the extent that there's a certain kind of tenacity maybe that I think that's probably where it comes from.
Jessica :	We are such fans of yours.
Parker Conrad:	Well, thank you.
Jessica :	And we're so proud of you. I mean, you're doing so well and there's so many things that aspiring founders could learn from you. We're so glad you're part of the YC community, and I know you recently came back to talk at one of the first back in-person dinners that they've done at YC and that it was off the charts amazing.
Carolynn :	That's pretty awesome.

Jessica :	John Levy, aka, Jay Levy, Carolynn's husband was just raving about it, saying it was one of the best talks he ever heard.
Parker Conrad:	That's great.
Jessica :	So thank you for being an important part of our community.
Carolynn :	That's true, that's true.
Jessica :	Thank you for opening up today.
Parker Conrad:	Well, thank you.
Jessica :	I think it was a really fascinating conversation.
Parker Conrad:	Well, thank you very much.
Jessica :	And congratulations.
Parker Conrad:	Thank you.
Jessica :	We'll talk to you soon.
Carolynn :	Thanks for coming, Parker. Bye.
Jessica :	Bye. What a story, Carolynn.
Carolynn :	Yeah. Wow, that was amazing.
Jessica :	I know, I mean, I think we just need to kind of basically leave it at that, let the story speak for itself.
Carolynn :	I think you're right.
Jessica :	Because I don't think we can add anything. It is a traumatic story. I mean, I will say between us, we've seen a lot of dramatic stories in Silicon Valley, some that people know about, some that people don't.
Carolynn :	That's a good point.
Jessica :	And that definitely classifies as very bad investor behavior and very sort of horrible things happen.
Carolynn :	Kind of one for the record books in terms of crazy behavior.

Jessica :	Exactly. But I will say, because I don't want would-be founders to get scared away, don't you agree that that was sort of an exceptional story and that it's not the norm.
Carolynn :	Oh my gosh. Of course, that's why I'm saying one for the record books. That is a wild story. And yeah, I mean that's just very unusual. That's not really what investors do.
Jessica :	Yeah, so we'll just leave it there. I'm very much looking forward to it coming out. Really appreciated Parker's candor. I mean, telling that story couldn't have been easy. And I feel like he took ownership of the things that he got wrong because he did get a few things wrong. He definitely didn't get wrong in the things that he was accused of getting wrong publicly. But he did get a few things wrong and he took ownership of it. And I appreciated that, and I'm glad he was comfortable sharing it with us. So I think it's going to be a good episode.
Carolynn :	I think so too.
Jessica :	All right, I'll see you next time, Carolynn.
Carolynn :	Bye.
Jessica :	Bye.