Episode 24: Accelerating Out of the Curve: How Startups are Driving their own Pandemic Recovery

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Note: With our recording studio on the USM campus closed, we will be posting episodes using the "live" audio from our new Covid-19-focused Greater Good webinar series. You can find out when the next Greater Good webinar is by visiting our Events page.

Amidst the flurry of efforts to keep small businesses open and their workers employed, how have Maine startups been navigating the Covid-19 pandemic? To answer this question, we invited two entrepreneurs and a business professor with deep roots in Maine's startup community to discuss today's startup landscape and share their perspectives on the last seven months. We talk about changing customer needs, pivots, access to capital, hiring talent, and how people are emerging from the first waves of the pandemic with new ideas and businesses.

Brian Rahill is the co-founder and CEO of CourseStorm, a four-year old company based in Orono, Maine. CourseStorm makes a course registration and marketing product that helps adults register for classes to help them connect to their community or retrain for new jobs. They are a small but fast growing company and have customers all across the US Before founding CourseStorm, Brian founded and ran RainStorm, a website and application development firm focusing on building interactive websites and custom software.

Patrick Breeding is the co-founder and CEO of Marin Skincare, a startup whose flagship product is a soothing hydration cream for people with sensitive skin conditions like eczema. Patrick is a passionate entrepreneur who has a Master's in Biomedical Engineering from the University of Maine at Orono. In grad school, his work involved finding new biotech applications for sustainable marine resources. Upon working with some of Maine's most experienced marine resource industry experts, he discovered marine glycoproteins and their incredible use to soothe and calm aggravated, dry skin. Patrick is energized by the science behind marine glycoproteins, and passionate about the path of building a business that improves peoples' quality of life.

Prof. Jason Harkins is the Associate Dean of the University of Maine Business School and the Co-managing Director of Scratchpad Accelerator. Dr. Harkins received his Ph. D. from the Price College of Business at the University of Oklahoma in Strategic Management with an interest in entrepreneurship. He has teaching and research interests related to the intersection of strategy, entrepreneurship and small business management. His newest research streams focus on studying human capital acquisition and retention in new, small firms and entrepreneurial exit. He has also done work investigating the role of pre-IPO actions as signaling devices, sales support in small businesses, knowledge flow, the intersection of strategy and HRM and the determinants of disclosure content by firms. His work is published in peer reviewed journals such as *Strategic Management Review, The Journal of Business and Industrial Development, and the Journal of Management Policy and Practice*. He is a member of the editorial review board for *Strategic Management Review* and an *ad hoc* reviewer for *Strategic Management Journal.* Finally, he is a member of the Academy of Management and the Southern Management Association. In addition to his academic research, Dr. Harkins has worked within the entrepreneurial ecosystem in the State of Maine since arriving in 2008. He has acted as a fractional executive officer and advisory board member for several scalable, investment oriented companies in and through the seed stage of investment. He ran Scratchpad Accelerator in 2015 and 2017 and facilitated Bangor Top Gun classes from 2013-2017. At Scratchpad, he is the team leader, overseeing all aspects of the program with a key focus on developing the business roadmap, setting and monitoring milestones for investment, accelerating the learning cycles, and coaching entrepreneurs.

This transcript was generated by Zoom and has been lightly edited for clarity.

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The Greater Good: Episode 24

Let's get started. Good morning, everyone. I'd like to welcome you to our third greater good webinar today, which is a spinoff of our greater good podcast series, emits the flurry of efforts to keep small businesses open and their workers employed. How have main start-ups been navigating the coping 19 pandemic? To answer this question, we're joined today by three yes with deep roots in Maine startup community to discuss today's startup landscape and share their perspectives on the last seven months. I'm Rebecca Gilbert, program manager at the University of Maine graduate and professional center. The Maine Center brings together programs in law, business, policy, and public health to train the workforce of the future and grow Maine's economy. Today I am so pleased to welcome our three guests. Guys feel free to unmute yourself and hop on video here. Today we're joined by Brian Rahill, Patrick Breeding, and Professor Jason Harkins. I'm gonna let them introduce themselves today. Brian, would you mind kicking us off?

Yeah, sure. Thank you, Rebecca, please hear this morning. Welcome everyone. I'm Brian Rahill. I'm the CEO of CourseStorm. CourseStorm makes a course registration and marketing product that helps adults register for classes to help them connect to their community or retrain for new jobs. We are a small but fast growing company and have customers all across the US, about 500 customers right now.

Patrick, you want to go next?

Patrick Breeding. I'm the CEO and co-founder of Marin Skincare. We discovered a glycoprotein found and lobster that protects anhydride skin. So we use it as an ingredient in skin care products for people with eczema psoriasis and other types of dry, aggravated screening conditions were relatively new startup. We started working on this about 13 months ago. And it's certainly been an interesting process happening, a physical product going through Covid trying to launch a brand. But yeah, we were fortunate enough for our first product a couple days ago. Or soothing hydration creams though it's been a really excited me for our business. I'm excited to be here to talk about the experience.

Jason Harkins, I'm an Associate Professor of Entrepreneurship at the University of Maine and Maine Business School. And in addition to that, do a whole variety of things in the entrepreneurial ecosystem, including running and managing Scratchpad Accelerator. And generally, I do everything I can to support entrepreneurship and the state of Maine, including working with both of these gentlemen today. So I'm excited to be here and talk.

Great. Welcome to all of you. I'm so glad to have you on here. So for those folks listening, at the end of today's discussion with our guests, we're going to save a bunch of time for questions from you. So feel free to submit questions using hopefully the Q and a feature at the bottom of your zoom window. If you feel like you want to say hi or you have resources, you want to suggest an article you just read that references something we're talking about. Feel free to add that to the chat bot for questions, please keep them in the Q and a so that I can track them as we go. So I think we're ready to get started. So today we'll be talking about how stars have been navigating the pandemic. Set the scene. I want to start with a question for Jason. So the question is, how are startups generally doing right now, both nationally and hearing me?

Well, that's a great question. So before before Covid, we were kind of a that this long recovery and for startups in Maine in particular 2019 reporting was particularly good that Kauffman Institute, which has some amazing resources to support entrepreneurs and entrepreneurial ecosystem builders from around the globe. But focused primarily in the United States, has a ranking and they had ranked main in last year's report as having moved from number 37th in the nation to number six, driven primarily by the fact that in Maine are startups, survival rate was the best in the nation. Which is, which is really incredible. So things were humming along and they were, they were generally going pretty well. And then as we all know, COBIT hit and flip the script on a lot of those things. And so we saw enormous drop offs in terms of small business revenue reporting to be down more than 20%, as well as a number of businesses that either furloughed workers. And you're seeing more and more of these announcements from small businesses and big businesses alike about the, the long-term impacts as we're looking out. But what's really interesting is the most recent data that we can find actually suggests that 20-20 has been really a high point compared to the last decade in terms of the actual formations of new businesses. So there's been some really interesting research done trying to track things like the number of requests for employer identification numbers and other things that are linked to the formation of new businesses. And in the United States this year, there have been more than 3.2 million applications for these employer identification numbers of basically a federal tax ID, which is compared to 2.7 million last year. So new business starts are up. And they're not just up for people who maybe were an Uber driver or essentially a gig economy worker and they're now forming their own business. They are actually up for the subset of businesses that would tend to be employers. Which is a really important part of what we want to talk about. That's why we've got both Brian and Patrick here today. That's up 12% over last year. And it's actually at the highest level since it was before the great recession and before 2008. So the numbers are encouraging on a national level that the same trends are true in Maine. We're seeing a large number of new business starts as people I think look at the opportunities that are being created in the current environment and seeing the, the shifts and the volatility that exists around all, all of the Ways in which things are being reshaped and they're, they're stepping in. So there's there's a lot going on. We know there will be a lot of businesses that closed for good. At the end of this year, we won't have really good data on that until the end of the year. But, but we also know that there are people jumping into the gap that are looking at those opportunities and seeing mode. This is the perfect time to be able that to accelerate into what we expect will be the recovery on the other side of getting the public health crisis under control.

Great. Thank you Jason for setting that scene for us. So I want to turn to Patrick and Brian here. So the complexity of this new economic environment creates a set of challenges and opportunities for entrepreneurs. I was wondering if each of you could kind of talk about how you'd been weathering the first few months of the pandemic and what you've learned, I know that Brian, I already had an existing company where as Patrick was trying to start one. So you guys both bring very different stories about how that went. So Patrick, would you start and then we'll go to Brian next?

Happily. It's certainly an interesting experience because a lot of what we were doing in the fall leading up to early 2020 when coated pit was planning what launching the business would look like? Probably in April or May. Planning the the the different lead times for the different pieces of or inventorying the different components of our product planning. The the, you know, the plan to capitalize and get enough money and so that we have enough inventory, we have enough to keep the team afloat personally, as well as the ongoing burn accounted for. And so covert headed. I think the book before we felt the impact, I think I think I remember talking to JSON. You remember that JSON but Jason said, bring in more money than you need, prepare more than you think you have to. Which is what I think we did when we weren't it wasn't necessary for us to go out and raise angel funding at that time. But we went out and we started to do So anyway because anything could have happened, like Jason said. So incredibly volatile. It still is so incredibly volatile. So we wanted to make sure we kind of had the padding to weather that storm because we spent a lot of time finding a real opportunity. We found a real solution to the problem that we found, and the problem is solved. Problem IS anything, it's more of a problem. Nows, more people are washing their hands. Theorist causing more stress. People are more inside their atmosphere is worse, not exercising as much, the nutrition is declining. So the problem that we solve for people, which is their XML flare-ups is a real thing and cope with change, anything about that. So we went out and raised a little bit of funding and it ended up turning out that My partner, co-founder Amber, I brought on a co-founding CEO of who also brought some money and provided that padding. But it also provided something that's really, really critical that we didn't know what we need it, but really came in handy throughout the Covid time, which was his background as a much more experienced operator, spend a COO, Chief Product Officer for several companies over the last 20 years. And that type of expertise and just knowledge to be able to draw from as we were going through this process was critical because we've seen anything during this time, it's dot v times for everything are much longer. Our lead time for our own product was three months and it was going to be less than that, turned into seven plus months, which is why we just launched this week instead of June and July, which has a huge financial impact on the company. And he has a huge impact on the way we make decisions going forward in real time. The way that we ended up breaking through the noise and getting to our customers because the last three months of burn blew through marketing spend and things like that. So I think that the actual takeaway to get back to your question was we had to prepare more than we thought we needed to, which be grateful that we did that. And we've had to be much more meticulous operators. So we've been getting very close to our manufacturers, our suppliers, our partners. So that's everything from our packaging, from ingredients, person actually manufacturing a product which is done in a professional laboratory, to Luke's Lobster, who was our partner and collecting art or locks or glycoprotein ingredient. You know, this, this kind of loosely put together network of people that, that became the vehicle by which our product was made. Very close. And we had sued because everyday calling and making sure you open has the SCO and what does this look like? It was just preparation and trying not to let the fear get to you. I would I would say and kind of thinking on what's the next thing, what's the next thing? And that would be one thing that covert it's granted us is the ability that the time which I you know, I wish we wouldn't have had the time due to the lead times, but now we've been able to think about the next couple of steps forward. So if anything, it's prepared us to be a better company in a way that we didn't expect. But I'm very grateful that everything has unfolded in a way it has great.

So the planning for longer lead times and raise more money. That that was good advice, huh? So it sounds like you took that to heart.

I called up this those important Yeah. I would say so.

This is Brian Rahill. I'd say that saying, same was true for us and I've learned that lesson over many years. It always takes more time and more money. And I would say before the pandemic, we, we had assembled an incredible team and we were growing like gangbusters. I mean, we were. We're sort of on, on the, on the, straight away at the racetrack and pedal to the metal. Let lets go. And and then of course, Covid hit. And I mean within within days, just like what happened with everybody. It went from pedal to the metal to a whole bunch of uncertainty. And we, again, we're a software company. We take registrations for adult learning classes, everything from personal enrichment classes to drop to job retraining. A lot of those classes are in-person. So we got just totally hammered in the beginning. I made all those classes got cancelled. Everything stopped for several weeks while our organizations tried to figure out how to read tool and move classes online. And as most people know, that was a that was a pretty heavy lift and changed for for most of those organizations. So so a lot of it stop as accompany out. Like I said, we're accelerating, we're growing incredibly rapidly, we are hiring. And then we had to just reassess where we were and and make some changes to extend that runway to make sure that since we had built such a great team, we took we'll care and making sure we can keep that team together. That was the first thing I told my investors and I told my team, we're going to fight like hell to keep this grouped together. Because this is the team that's going to lead us out of the recovery. If we, if we decimate the team, if we cut costs so badly that we're not going to have anything to come back to and be able to go back to that acceleration. So, so that was, that was critical for us early on, was making those changes to smartly reduce cost to, to sort of, you know, and I like the title of this talk sort of accelerating out of the curve. I I do think of that like came he came from you, but yeah, that's why I like it then I guess. I read an article early on which was talking about managing your business through these uncertain times. And it was like in business management during the pandemic to Formula One racing and going around a curve, a sharp curve in a race track. And the really good formula one racers will hit the brakes early and then actually hit the gas early too. So they hit the brakes as they're heading into the curve. And the curve would be this uncertainty, the, the turmoil. But then quickly start to see as they round the curve, they apply the gas much more quickly than the competitors, so the winning, winning drivers. So I've been thinking about that analogy and if watching on video you actually see the checkered flag over my shoulder there. That was a gift from one of my staff. Because because we talk about this at core storm and early on we cut costs, we, we slowed things down. As we. Now as we've started to see around the curve, we have some metrics to see that things are improving, things are coming back and we can look ahead, and that's what we are doing. We're looking ahead and actually applying the gas now when many people are still very uncertain and I think that's going to allow us to accelerate much more quickly. In fact, if you're listening and you're available, we have two hires up on our website so or to open positions. So we're back to hiring. To accelerate. And Brian, it's not only becase that you needed to keep the team in place because as you're articulating, right, this is a winning team and it'll allow you to really accelerate in. But you actually had to build essentially new capabilities on the fly, right? I mean, you guys weren't built to have to deal with gigantic mass cancellations of classes where you are now having to do all these things you're built to, to deal within flows and help support them in, in standing up classes. And now you're having to build things to also help have them essentially undo those classes? Yeah. Yeah. They went from how you grow your classes, how do you get more students? Do hadoop, cancel fewer classes? It was a total ship. And in fact, elements, our app of our application were never built to take a class that was incredibly pop. We never anticipated that somebody with 50 people in class totally Full with waitlist would cancel and we'll just say, let's cancel and refund everyone. So, so we had to do that. And then we also saw our, our customers are incredibly resilient. And so that is, that's amazing. And they, they made changes to support new ways of learning. And we had to be there to be the application to support that. So when new online training was going to be important, we knew that adult retraining is going to continue to be important and we needed to just to change slightly to support those things. And I think both what you're saying and what Patrick said about really checking in but those suppliers and other things, right? That building some of that volatility and uncertainty and having to deal with this all now makes your company stronger. If you think about some of the great companies that came out of that tech bubble crash in 20012002. The great companies, right? Those are companies that manage to weather the storm and they actually come out much stronger. It's kinda that survival of the fittest evolutionary perspective. They're much stronger than if they had been just growing up during boom times. I think the pressure cooker creates a lot. Sometimes good, sometimes bad, seems like some good in this case, Brian knows he's going to ask you if you are literally curve the pivoting with your customer, where you literally talking to them all the time. And was there uncertainty to each other and to share best strategies with each other. And so that, that I think was really helpful in learning what they were doing and then sharing the best practices across all of our customers. That was key. And yeah, ultimately, I think we were the source of stability for our customers. And that going back to let keeping the team together, staying stable and weathering through this, we kept coming out with a message of like, we're going to be here. We didn't change wildly. We more sort of leaned into the opportunity than, than casted around. And so, So being that source of stability and calm when so much was just uncertain, I think was really key for us. Great questions everyone. So going off of Brian's last point, there are kind of leaned into the opportunities you saw. Back in the spring. We saw a lot of news stories about companies that we're pivoting mostly to make PPE, but also maybe just changing what they were producing so that they could still have customers. Here in Maine flow fold l being American roots all did this kind of, this grand pivot. And we actually had a bunch of folks melody in early in the spring talking to us about it on a greater good webinar. So I was wondering, did either of you guys or your companies think about pivoting to do explore pivoting and what was your decision? Let's take that fred. Yeah, sure. I can start there. And definitely, I mean, as an entrepreneur were incredibly creative and always looking for like, what's the next opportunity? What can we do? And certainly there is like the first two weeks it was like because no one knew what's, what's the new economy going to look like? So I think you cast around a little bit and you question your model and you make sure you sort of stress tested against a number of scenarios. And what we ultimately decided on as the best thing we can do is, is essentially stay the course. Because we were already essentially attracting community colleges which are going to be a big part of the recovery and helping retrain people for new jobs, helping them to upskill for existing jobs.

And so that was already a big market for us. And we just again leaned into it and did more of it. So I wouldn't say it was it was so much of a pivot as just an evolution of what we're doing. We accelerated a few things that were in our product pipeline, but we didn't, you know, we don't have the capabilities to make PPE or we might have. But, but certainly we looked at other ways that we can help support the recovery that we're already in line with our mission because we still felt like that was strong. We still felt like we were providing and incredible service that's going to be here for a long time. Regardless of the mass cancellations right now, we know adults are going to continue to learn across a lifetime. And there go not only increasingly need to train and retrain for new jobs. So those were core and that's that state saying yeah, I wanted to let you take that first if you could speak to it really well, brian, I feel exactly the same. I mean, I think as beautiful as the, the kind of this, the sound of the story of, of everybody being able to collectively respond to that in terms of some type of pivot or massive reallocation of time and energy that your company is a great story. It's just not reality. We're not set up to do really anything to help the workers, the people that are, that are affected by Coven. And neither is a, is a SAS company. It just simply doesn't make sense. And, and, you know, definitely learned in these past few months, this year that in this kind of bridge that we're walking across, that is the business we're building every every little plank that we step on, it isn't necessarily there for sure. So if we make the wrong pivot, that could completely sink our company. So kind of what I was thinking about earlier, what I, what I really meant by saying We spent a long time. Identifying the problem and making sure the solution fit. That's a really hard process to get to. And when you get to that point, that's key inflection point in the, you know, the potential of the business. So we spent so much time finding that problem, validating the solution works, crafting that beautiful solution for people. Why would we deter to do something we're not set up for? Completely shift our attention, focus and really lose out on chances to capitalize on the opportunities that we found. So no for us third, there was the thought of a pivot, just like he sent Ryan in the first couple of weeks, there were nobody knew what was going on, but there weren't there weren't viable possibilities for a pivot the most. The scenario to pursue with the highest likely Mrs. process of success was the one that we have been pursuing. So we stayed the course as well. And, and I think that, that both of those points are really important and you did a great job summarizing that Patrick, good entrepreneurs are laser focused on the things that they can do and they ignore all the shining bubbles that are outside floating around out there. It's so easy because entrepreneurs are overwhelmingly problem solvers and they see opportunity everywhere to say, Oh, we could go do this and oh, we could go through this and flow full, clearly. Great Pivot. Well set up to execute on that. So, you know, there's nothing wrong with that pivot and that focus in the seeing of the opportunity. But it is if you go chasing off everywhere, you know, you end up like a cat chasing one of those laser pointers and you look crazy and you know your investors don't know what they're investing in. Your, your partners and suppliers don't know what they're supplying two. So really just knowing where your lane is and remaining laser focus, that's that that's a critical element and that's one of the, That's one of the hardest disciplines of entrepreneur. Yeah, I agree with you there, Jason. It, it's, it's nearly impossible to always stay focused. It is just because you're your problem-solving and creative your hunters and trying to, trying to find the next opportunity. But I have seen the benefits of staying the course and been, been doing some reading lately. And one of the quotes is that there are always more good ideas then there are the ability, then there is the ability to execute on those ideas. You're always and, and the idea is don't mean anything. It's just what's your ability to execute on those ideas and you can only execute on one really good idea. I am. Just stick with that. So that's, that's been a lesson I learn and I've been an entrepreneur for a long time, but I learned over and over and over again. Yeah, I have to stay the same. I'm I mean, I'm I'm a new entrepreneur, but I've been in the trie and tried to have been in the quote, unquote startup entrepreneurial space for a little bit, but it's always been in pre-revenue, pre-revenue startup mode. Not they don't have the product fully put together, which is, there's nothing wrong with that. But I'm also a person that has traced the shiny objects and we spent, we spent a good amount of time killing opportunities, not pursuing them and shutting them down. And now we finally seen, you know, our first thing come to lyse. Yeah, we had to be laser focused. That was so important. I'm impressed with your ability to do that, Patrick, I would say early on as painful company. It's harder and harder to do that early on. Very painful. It's like letting letting a like a child that you thought you were about to have GO and you have some emotional attachment to it, you know, feel like the more reps you get in letting that go, the easier it gets over time. Because you're, you're seeing that that primary thing you're working on coming to fruition. Why would you do to that thing a disservice by doing other things. Great points, everyone. There's a folk band called Darlene side that's been working up the charts. And their name. I actually went to college or some of the guys and their name comes from the idea of you must kill your darlings. From a writing, like a songwriting class that they were doing. That it's like just because you love it doesn't mean it's the right one. So they went with Darley inside is the name of their event, plugged with them. So I wanted to move a little bit to talk about fundraising. So I was wonder if we could talk about what does a fund raising ST, landscape looked like right now? And what can we learn from previous economic downturns? I don't know which you might want to take that 1 first, whether it's from a personal point of view or JSON talking about what you're seeing from a bigger picture. I can, I can jump in, maybe just to do a little bit of context setting. We, we don't have, we don't have a lot of data right now. It's very good about what the long-term impact of this will be for right now. Bank lending is certainly tightened up in terms of the commercial lending side of things. But VCs, private equity guys that are professionals not necessarily be individual angel investors. They still have funds committed. They have raised millions, tens of millions, hundreds of millions of dollars over the last couple of years into funds that they have to deploy in anywhere between maybe three to five years so that they can look at their return horizon and cash out and, and payback their limited partners. And so they're still investing. We would expect based on models from two thousand and two thousand one and then certainly 2008, that there will be a diminishment depending on what the economic, the long-term economic impacts of coded are. Whether we rebound quickly in a V-shape recession or we end up in a U shape recession. But, but we would expect that there will be a period of time where the economic damage done by CO bid will slow their ability to raise the next fun. But that is that still into the future. So there is still money in private equity and venture side that is being deployed. But, but no matter what you're seeing investors, they're recognizing what the future looks like. And so they're starting to really try and pick companies a little bit more tangibly. Some of the stuff that I've read, mostly anecdotal at this point is. They're, they're moving away from great ideas with big market opportunities towards, okay, which companies are we going to invest and that are going to get to revenue, profitability more quickly. And we saw the same thing coming out of the great recession in 2008, where all of a sudden we couldn't invest in some unlimited future potential we now needed to be very focused on is this company going to be able to generate revenues and how quickly is it going to get to profitability? That's interesting, JSON and say, you know that to echo some of that back to the, it always takes more time and money advice that we've all heard and you've given early on when this happened, we were we were about to go out for a fairly substantial fund raise and continue our acceleration. And that usually takes six months to put together, maybe nine months to put together depending on what you're doing. And then and then we were just starting on that process to wrap it up by the end of the year, what we, what we did was we changed course a little bit and we actually wound up raising money. And about 3.5 weeks, we went back to our existing investors. We told them what the situation was. We gave them picture that was realistic, that we understood what we could do. And they have always believed in the long-term health and promise of this company. So, so we pulled in a couple of new investors, but primarily our existing investors stepped up and we were able to raise money very quickly, which gave us that stability, I think, was really important. We also took advantage of PPP loans and any other resources that were out there to to make sure we have that foundation. But the conversation shifted from sort of a grow at all costs. You know, don't worry so much about the balance sheet or the p. Now, just like, just grow like crazy. This was now we were talking with our investors about being able to extend our runway indefinitely to bring this to a place of profitability where we can always just sort of ride that line between high growth and a cash-flow positive. And, and that's been a, been a good story. And one that we've really played out is to, is to just keep, keep the growth, keep accelerating around the curve, but do it in a smart way that your trajectory, trajectory leads you to a path to profitability so that, that we have options are not beholden to what happens with the capital markets too. Keep the company intact. And I think that sorry, I didn't mean to interrupt, but I think that that's a super important point where you were just saying is, it's really the shift as you were telling that story to your investors and the investors were hearing it and reflecting it back to you. It's that shift from, you know, scale at all costs no matter what it looks like, kinda the Uber model of we can burn $3 billion a month and it'll be fine because we can always raise more money to yes, we want you to grow. And that growth is super important because that affects the long-term value of our investment. But we don't want you to grow recklessly and crash and burn. So I think that that's that's a that's exactly right on. That's kind of an interesting. I didn't really have anything to add to that because we haven't gone out and done a any type them traditional fundraising round. But the last part that you just mentioned, Jason, where you're just burning through extensive amounts of capital to, to, to get somewhere. Which I feel like is the mantra in some startup spaces, in some types of startups. That's one of the things that, that has changed for awesome shirts only approved for Brian is the way that you think about using the funds that you have and being more mindful about applying them in the places that are going to give you the best return. Same way that the investors are looking at the companies. I think the companies that are looking at themselves. Which has been a really interesting process of maturing for us as a company. But I only saw the same thing in the beginning of Coven when we were trying to raise to small amount, people were more apt to put money into companies. If they, if they weathered that depth, we raised funds from individual investors. So they weathered that depth. They were happy to invest because I don't want to account for what they lost or are they? Stick to the fundamentals and know that the world isn't changing in the world isn't a completely new place and still abides by the laws of physics and economics and all, all these fundamental thing. So, you know, things aren't, things aren't completely shifting. So I, I don't think we talk to a single investor that was incredibly negative upfront. Mostly only positive conversations about the opportunities moving forward. And I think the reason is because there are opportunities that weren't going away and it's disapprove an opportunity. And they want to, they want to see, I think that accompany that knows how to manage themselves and their own capital. And not ridiculous way where it has to churn through excessive amounts. Someone that knows how to operate and really, really grow it in a way that you can control the rains that you're kind of holding. That's what we see. At a certain point and growth, I mean, if you're accelerating so rapidly that you need the investors to save you. I mean, the wheels can come off the car to keep the racecar analogy going and, and that's bad news for anyone. So, so I think just sort of managing that, that acceleration in that burn is, is incredibly important in this time. So Jason mentioned earlier that this year seems to be still a pretty robust year in terms of people starting companies, people getting really creative about what they could do or, you know, whether they saw an opportunity or they got laid off and they were like, I need to go do something. So if you guys were having coffee or let's say virtual coffee with one of the entrepreneurs who's starting a business this year or who's thinking about starting a business? What advice would you give them? I can go run. I would I would I guess say exactly what I just said, which is to ignore ignore the noise. Do things that are, you know, kind of over there relative to what you've been doing or want to be doing and focusing on, focus on fundamental things which is, you know, depending on where it is in the spectrum of where the company is. So if somebody's trying to start a new company, you know, find the problem validated to real problem, find a solution, validate it's a real solution, and get to a point where you can build a sudden how prototype version of that solution go to the customers that experienced the problem. See if that clicks with them. Optimize it a little bit to make sure it clicks, but don't be too much of a perfectionist and not release it in an early stage and then get to market because it's really unforgiving now, I'm seeing it with other friends that are working on startups as well. It's not the time to be perfecting an MVP. It's the time to be getting that MVP to a point where start making some initial sales from initial revenue to the customers that you'll have that you've found the right problem will want to start adopting it, wants to start trying it. That's the, that is the very nature of an early adopter. They want to try it and started using it. And if you can find those people and get that rolling, it ends up being a really simple process. For me, looking back at the last year, really simple process. But in, when it comes to executing it, you can get distracted. You can, you can have self-limiting beliefs. So, you know, really staying the course and finding the problem and identifying solution. See if the clicks go launch. Then worry about, I would say if it's possible raising excessive amounts of capital. And of course, there are so many different scenarios where fund-raising needs to come into somewhere in that timeline. But don't don't worry about literally anything else. That's the only thing that's important in the business. You know, you bring in customers, you give them a thing, they'd pay for it. You hope that they find more customers for you and then you continue the cycle of finding more customers. And that's, that's it. So focused on the most important things that are going to move that forward, which is no different than good advice would have been before covert or after comb it. It's the same thing. It's just there's less room for forgiveness though. Thanks, Patrick. Definitely. I think that getting to market early and not yeah, not not necessarily polish everything is a is a lesson that I learned early on and it was through some of the some of the education being in the innovation engineering classes at the University of Maine. That was super helpful for me. The, the, the other lesson that I keep learning over and over again every time I run into a problem. And there's, there's no end to the problems or challenges that you're going to run into as an entrepreneur. Is that there's someone else that solved this problem. So this there is if you're having an HR issue, if you don't know how to do X, Y, or Z because you can't know all the things. And, and there's someone else likely right here in the state that's already solved this and can provide some advice. So the thing that's always benefited me is to try to go find that person and to use my network and use the resources that are out there and available to me too to help us move more quickly, connected those people ask them the questions, learn from them, and you can move more quickly. We're all, there's so many other entrepreneurs in this state. There's so many resources for entrepreneurs across the state. And that's, that's one of the best things about mean is it feels like you can really in this community connect to anyone you need to and get advice from so many different places. There's such a support network. So we'll use that network. You guys you guys hit on mine kind of two or three points that I had written down around this particular question. You know, really knowing your customer, providing them with clear value and solving a problem that they have, access and leverage those resources. You're right, Brian, There are so many of them and they're great and they're all throughout the state for all different stages of companies and sizes of companies and types of companies. And then I think that, you know, it's really lean in and connect, right? I mean, I certainly believe in and would advocate for whether their founders like yourselves are employees of start-ups or people running larger businesses in the state. To really taken other centered view of how do we make, how do we make main the most supportive state for entrepreneurship? And a lot of that is by just leaning in and offering to help. And no matter what your background is, no matter what organization you come from, you might say, oh, well, I'm a VP of HR at a, at a healthcare. In addition, what do I know about startups? Well, you know, you, you might know lots of things that start-ups don't know and that they're having a hard time answering questions in terms of, you know, I'm thinking about putting together an employee benefits package. I don't even know where to start. What do I do? Right? But if you've leaned in, you've connected and you're offering to help them. We can build this startup community that can make main even more likely to support the next great entrepreneur. So I think that your guys points were right on. I think it's the exact same things. I just wanna add one more point to. And I'm not just trying to take the Moon Self talking, but the one thing that I think is so important to go back to your question, Rebecca, to N So what would I tell people relating to what Jason just said is, when you're looking for resources, ask the right question and ask that succinctly. I think that's a big problem when people are starting. And there are other advice is to go, go find mentors, at least for younger people like myself that are not experienced. Boko find generalist mentors that they'll have different character traits I looked up to or something like that. And they'll bring that person into their sphere of influence or the Bible or whatever it is that they won't. They won't ask specific questions that they need to move the needle for them. So it results in them getting a little bit more distracted like rustle in the bushes over there. Oh, what's that? You know, and trying to learn more from them rather than specifically getting that piece of information. And it's not like a building a relationship with a mentor is a calculated, you know, experiment. But it's something that we experience and it was so important for us during Cove it to ask people, I'm looking at this, this, this, and don't bring anything else into the conversation and those things will come to you because like Jason said, resources are there. You just need to communicate where you're looking for so people can receive and understand and make the right connection for you. That happened for us with the way we brought incredible marketing competencies onto our team. The way we're bringing on cosmetics, skin kept beauty industry expertise onto our team. We needed to add, ask the right questions rather than get these generalist introductions which I grade. It's just not moving the needle as much as that you specifically say what you're looking for. Super simple, but I wanted to throw that out there. Patrick. I think that's a great point. And also I would think it's someone who's being asked those questions. You know, your time is valuable. And if someone comes to you and has a specific need, then that's really, that's a good relationship for you to have. And that's something that's easy to say yes to. Doesn't feel like it's big a lift I think than if someone just comes and says, tell me everything, you know, Brian, you wanted to hop in there. I was just going to say yeah, I think thank you. Spending the time to get your own clarity about what it is you need about what it is you're looking for. To Patrick's point, the more clear you can be, more easy it is for other people to help you. So we're going to start moving towards a question. So if you have questions for the panelists, please toss them in the Q and a. I'd prefer to put them in there than the chat, but if you do the chat, I will look at it. So before we start going the questions, I wanted to kind of bring us back up to 30 thousand feet per second. Json, you, when we had been preparing for this webinar, you had been talking pretty strongly about why it's so important to support and invest in startups at this point in the pandemic. And I was wondering if you could elaborate on that for us. I think it goes right back to kind of a combination of what what we were just talking about in terms of answers. And what Brian said at the very beginning. Out of these times of great uncertainty and huge volatility come startups that will be the next generation of really truly scalable start-ups, which generate a substantial majority of all net new jobs. So if we're going to talk about companies that are able to go from 12 to 20 to 200 to 2 thousand employees. Those are the scalable start-ups that we need to be investing in now. Investing certainly capital and money, but also time, energy and effort. And if we as a state can pull together. And we can get more and more people from around the community that can recognize the value that they can contribute by just leaning in and offering to support in whatever way that they can. We really stand a chance of transforming mains economy building on the traditional resource based businesses that have been so successful and so important domains passed. But then also leaning in to companies like the two that we have here as well as a whole variety of others that are growing throughout the state. It's really was profoundly influenced this, I read this book by Brad Feld. Two, there's a founder who started, he wrote a book called Startup communities. He's got a new book out which is on its way from Amazon for me right now. And, and he talks about You need a 20 year time frame. But that means you need a 20-year timeframe every single day and every single year. And so if we're not leaning in to what main's economy and the future main businesses that will be waxes are idx is area you enums will be today than than they're that much less likely to be able to start and stay and be successful and name. And so I think that it's really important in these times where you get this volatility and uncertainty. It forces people to focus. It separates the wheat from the chaff. And so if we can support startups today, it has an exponential growth impact and the feud. Great. Thank you Jason, for making a point. So we have a question from Brandon McDonald, who is an SBDC advisor here in Maine. His specialty is in the tech sector and he appreciated Patrick's note about generalized mentorship. So his question is, how should advisors and mentors and main adapt to the emerging needs of the start-up sector that don't have the same needs as typical small business clients? I can I'm sure Brian can speak to that really well and so convinced him, but my immediate thought is exactly what Brian said. So sometimes, you know, you may get the question. I think it really comes down to listening to the question, listening to the way they're asking the question, what question they're asking, not exactly what they're asking for. But, you know, if you're working with a client, you probably know a little bit about them and their business in the way that they operate it. Or they asking the right question at the right time and do they really need that? Or like Brian just said, Do they need to be nurtured and push in the direction of, you need to think a little bit more about what you're asking for it. Because the answer when it comes to resources is, of course I'll give you this tree stores which one is going to move the needle for you, the mouse, what's going to have the biggest impact? That's what you really should be asked and you're thinking about as the company coming to it, you know, any type of advisors like that. So I would say to kind of bright Bryan's point. They think about the question and think about the way they're thinking about their business and where they're focusing the energy, and what they're asking for it and think about whether or not it would be, you know. The best way you could serve them is to better direct them into thinking about the right things rather than leading them toward a resource that might be completely distracting. So I think, I mean, it would be the same thing for managing one type of small business to another one. What are, what are they asking for? And there are they asking for the right things as the person that can see it at a 10 thousand foot, you or are they doing that in the right way? I hope that makes sense. Yeah. I mean, I think I think the only the thing that I would add is I know maybe a number SBDC, counselors and resources are focused on main street businesses and and I think that those are obviously incredibly important. And I wonder if there is also an opportunity to see, to see a larger opportunity for some of those businesses. We've had some great examples of some of these businesses thinking a little bit. I would say bigger or differently then and, and kinda flipping a switch that, that was important to me to have mentors that could say, hey, you've got a great little business here, but this could be an incredible big, big business. A job creator. Let me connect you with those resources that are just a step or two ahead of what you're thinking right now. So you can see those people that have already charted the path, other entrepreneurs that have made those transitions. I think that that's incredibly inspiring for me as an entrepreneur to see someone else that has gone through those transitions and can, I can learn from them because they're a step or two ahead of me. Great, thanks. So we've got a question from burst Nicholson and I'm going to kind of combine two questions into one. So the question is kind of what is the role of accelerators in the state right now? This might be for Jason specifically, that kind of, Yeah, what is the role that accelerates should or our plane in helping startups at this point in the pandemic. Yeah, so accelerators generally tend to focus on taking startups like Marin or core storm that are scalable companies and providing them assistance to really step into and leverage their growth and get to scale or to continue scaling much more quickly. And so what programs like scratchpad accelerate or operate over a very fixed length of time. In scratch pads case it's about a 13-week program. Some accelerators operate for a little bit longer, but the idea is it's a fixed length. There's a specific cohort and it's really designed to, to pour gas on the fire. And it's really designed to really help lead into growth opportunities that exist. And so, so they're incredibly important and we're seeing the proliferation of new accelerators. There's at Bio Sciences accelerator that's coming from main center for entrepreneurs that they're standing up with the help of an ETA Grant. And there are a couple of accelerators. That are being created inside of organizations. But, but generally speaking, they're designed to take these ideas that are scalable and wrap a whole lot of resources around the entrepreneurial teams and, and let them, let them go bigger, better, faster. And it's right, it goes right back to Brandon's point about the kind of specialization there, a generalist mentors which can do a kind of variety of things. But when it comes time to thinking about how do you manage your board or you're going to go out and raise private equity. You want to be working with people who have experience in that and who have a perspective on that. Those, that's where you tend to separate the main street businesses from the scalable businesses. And in that domain, the scalable businesses are well-positioned to take advantage of the resources that accelerators bring to bear. Great thanks for that clarification in adjacent Brian, did you want to happen while I was going to say for me the scratchpad axillary or that we're a part of that was run in Bangor Region was really important to us. I was running two businesses at the time and back to the point about focus, that's a hard thing to do. I have considerable energy and I do think I can do it all but, but focus is important. And I think being in that accelerator was a chance to focus. It was like, okay, we're going to take 3.5 months and just push this thing is hard and fast and connecting with as many resources as we can. And that was, that was super helpful and eye opening. And I'm grateful for all the, all the different institutions that supported that, that first accelerator and took a risk there. That, that was great. And again, just, just having that ability to to just push on it hard. We recognized the opportunity and, and it led us to our next funding round, the growth, the hiring, and all the customers that really was the beginning of that journey. And those, those institutions I think have been really forward-looking. I mean, the the cohort that Brian was a part of was a University of Maine program. It was partnered with ME technology and to Bangor Savings Bank and eaten peabody being major sponsors of that. And those entities plus others, have continued to expand their support for programs like scratch pad. I think recognizing the impact of leaning into supporting the startup community. I was also just going to quickly because, you know, we went through scratchpad as well on the last cohort. I think the important takeaway for us was working on the business rather than in the business and how to think about working on the business. And it must be very difficult. And I have lot of respect for ecosystem delivers because it must be difficult to measure the impact on the companies. Because you can't really have a control group. And if you do a fugitive before and after, from the beginning to the end of the accelerator, you don't really get really a fraction of the benefits. You really get it afterwards. That's what we see throughout this year. So we finished scratch pad in December. And all of the learnings or at least little seeds, the stimulus that we were intentionally put in there for us to be thinking about. Now are now coming to fruition in terms of us considering them, us thinking about our business in a different way. And if anything, working on the business as a young early founder helped us think about how to think about the business in terms of the lifetime of thinking with the exit in mind and thinking about the entire prop, the entire, you know, maturation of the company and what it looked like at each stage. It's better to understand, you know, what, you're going to build a head of time. And that's that's a part of working on the business that I think was a big takeaway for us. My accelerators are important to younger people like me. Great. So if you have a last question, toss it up, but we are I think ahead of time. Make sure people can make their nine AM meetings today. So I want to again, thank Brian, Patrick, and JSON for joining me today. I just really appreciate your time and your thoughts. This has been such a fun conversation to have and I hope you guys also enjoyed it. We will continue doing this webinar series, but we haven't quite announce the next topics. So stay tuned for that. If you have more questions on these topics, feel free to reach out to each of these folks. We will be we did record this and I'll be posting it to the event page. So if you want to rewatch it or share it with someone, please do that. But thanks to all of you. Any last thoughts before we sign off? I would just I would just make an offer that as I said, main being incredibly supportive community and and I feel like I have gained so much from the community and I'm always interested in giving back. So if I can help someone else along your journey, please reach out. Okay. Thanks. I just I just want to say thank you. Thank you to both Brian and Patrick. I I asked you to join me on this. I got you guys would be great examples and you did a phenomenal job. Really appreciate the opportunity to just talk about startups and, and Maine. So I think that's great and really appreciate the opportunity. Exon. So thanks again. Patrick. Congratulations again on your launch Way to go. Check it out for sure. And great to see all of you. Take care. Have a good day and we'll talk to you soon. Bye.