107 Scale Computing

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SPEAKERS

Matt Hunckler, Jeff Ready

Jeff Ready 00:00

They do two things at once one they fall in love with their idea and two they're so convinced That's awesome. They don't want to tell anyone else about it. Right there they're gonna steal my my fabulous idea. Right? Right. I my advice is, is tell everyone about the idea.

Matt Hunckler 00:25

Hey there Powderkeg fans. This is Episode 107 of powderkeg igniting startups the show for entrepreneurs, leaders and innovators building remarkable tech companies in areas decidedly outside of Silicon Valley. I'm your host, Matt Hunckler. And today, we will be talking with Jeff Ready, the founder and CEO of scale computing in Indianapolis based company that is the industry leading application platform for edge computing. We'll talk a little bit about what that is as computing environments that covers anything from global retail to manufacturing to financial services and government. Really cool company based right here in Indianapolis, Indiana. We are in Scale headquarters right now. And Jeff is a serial entrepreneur with years of experience as a leader and executive who has started and led numerous companies. I hope we get to talk about some of your past companies as well today, raising millions and venture capital for his own ventures, as well as for others, and has helped guide amazing companies from just an idea all the way through exit. Jeff, good to have you here, man.

Jeff Ready 01:23

Absolutely. Thanks for agreeing to do this. Yeah, no problem. we're

Matt Hunckler 01:26

grabbing beers a couple months ago at this point, probably. And I think I got your beer to the point where you said, Okay, I'll do it.

Jeff Ready 01:35

Yeah. I don't take much I love talking about ownership. And I love beer. So hey, go.

Matt Hunckler 01:40

We should we should have scheduled this for later in the afternoon. We could have made it made it part two. Well, I wanted to, I definitely want to talk about what's going on at scale, because I know it's super exciting times with everything that's going on winning awards left and right. Mostly for stuff that I don't understand at all because I don't know how to do edge computing. But I want to take it back first because Got a really interesting backstory. And I'm just curious, what were you like as a child? What were you into? We always working on computers and technology? Uh,

Jeff Ready 02:11

yeah, more or less I would say,

Matt Hunckler 02:13

like, earliest memory.

Jeff Ready 02:15

Yeah, well, I mean, I got my, I got my first computer was an Atari 800 that I got for Christmas when I was in third grade. So that for me would have been December of 1982. That's awesome. When I when I got that computer, see when I think of Atari, I think of like

Matt Hunckler 02:39

joystick. Yeah, I had a garage

Jeff Ready 02:42

sale and so they obviously had that right. And then they had, they had two computers one called the Atari 400. Guitar 800. They were effectively the same. But the the Atari 400 didn't have a real keyboard. It was kind of a flat mat with little bubbled I don't know imagine like a vinyl thing with like slight little bubbles that you couldn't really type very well I'd say 800 at a real keyboard that was the big difference. But you could put twice as much cartridges in it just like you would if you had an old Atari 26 Oh really? Yeah, but it was a full with 48 K of RAM system and sometimes if you try to boot you know something off of the tape drive or the floppy drive, and it would pop up with this error that said, Please remove the cartridge if you had one in there because this this program requires all 48 K of RAM so the cartridge took eight or something anyway but

03:39

people today don't appreciate

Jeff Ready 03:41

Yeah, yeah. And I and so I you know, I fell in love with a thing kind of right out the gate. And, you know, my dad so my dad was in what we would now call it was called Information Systems. Yeah, then. And so you know He's doing and I'm sure that it led to that and I remember he had but it wasn't forced upon you. It was not forced I wanted one in fact I remember I had asked I think for a computer I don't remember but I know I did not ask for an Atari but somehow dad had the the line on people where you could pirate software from and stuff with the talk. So as we did I remember he among the stuff was a photocopied book and how to program in basic that he had done yeah, I guess they had these things at his office. Right. So as on this, you know, these weird spiral bound things they'd run through the company printer I'm sure not printer for Xerox machine, right. Yeah, I'm sure and so I remember like starting to teach myself how to code out of that, that photocopied book, right. And then, you know, back then, you know, there were magazines, the library, I checked out magazines, the library and like enter in you know, write programs. Yeah, and, you know, the other thing you could do, then which you really can't do now is a lot of times you'd be running a piece of software. And if you hit the, you know, effect, you know, control break, like, you would be in the code, like, you could then like, print the code, edit the code, right? I would sometimes go in there and like edit the game. So it would say, like, written by Jeffrey Ed, right, even though Yes, but yeah, so I so I did

that. And then

Matt Hunckler 05:24

what what was it about that that really caught your attention? I mean, were you I, you know, it seemed like something that would come naturally to me being not sort of have that engineering mindset.

Jeff Ready 05:37

Yeah, no, I Well, I mean, as a couple of things. I mean, I love the games, right? I mean, so I always so it was a big video. I'm still a big video game. Yeah. And, you know, I always joke when I get on now and I'm playing, you know, Call of Duty or whatever, right. And with, you know, typically people much younger than me, right? And sometimes I'll get the question like, you know, how you sound older. How old are you at My standard answer is I'm as old as you can be to have always been playing video games. Right? So I was never really, you know, a time when I didn't have some kind of video game around. My parents had a Pong.

Matt Hunckler 06:12

Yeah. So your voice has some presence. So if you're playing online, yeah. Playing with kids. Yeah.

Jeff Ready 06:19

And so and so like the games and you know, a lot of the, like compute magazine and stuff when you were coding was to write make games, I mean, a little games that you could like, write and yeah, you know, and at that point, right, I mean, the difference between the game that you would write just out of the back of the magazine and what you actually were buying, they weren't that different, right. I mean, you were basically able to create, you know, quote, unquote, commercial quality games,

Matt Hunckler 06:46

right. And for what commercial was putting out at the time. Right, right. You didn't have teams of hundreds of people working on one game.

Jeff Ready 06:53

Yeah. And then you know, I think the engineering mindset, I suppose, right. I mean, I was always I was always trying to figure out Way to use the computer for something else, right? So I like I remember, you know, I don't know, there was some, you know, I don't like to make classes do this anymore but the class got in trouble like in school and we all like homework assignment was we all had to write every number from like one to a thousandth of one to 10 I don't know some there was something to write all these numbers out like as punishment for whatever the class misbehave and suddenly, oh, I'll use the computer. So I just like wrote a little program to print. I mean, it's the simplest program ever right? But to print out, you know, and I just printed out like one through a million and like, brought him in the teacher, the teacher, look, that's fine. Right? Okay, you know that that worked, right? And, you know, I was, you know, such a geek, I was the first kid to ever turn in like a, you know, fifth grade paper that was on a dot matrix printer because I had like, written it on the computer, right. And again, my handwriting was horrible. So I was solving a problem. And so you know, all that kind of stuff. And then Um, you know about the time. So, you know, around that same time is when this world has been called BBs rights as a precursor to the internet where you could like use a modem and have your computer connect to somebody else's computer. And, you know, you could sort of do email wasn't I don't even know if we, I think we just call it messages then but, you know, if you had a computer, I could remotely log into your computer and leave you a message and then you would get it 9121 almost, and if but if I knew, you know, my other friend was gonna also get on your computer, I could leave a message for him so long as he eventually got on your system and that's where it was, it was like a bullet. That's why it was called a bullet. Listen, boy. Yeah. And so you know, I got into those. My dad night much later, when I was probably six seventh eighth grade, like we actually ran a bulletin board and all that kind of stuff. And, you know, but again, again, I mean, rolling back a bit younger than that. I was always into it. I mean, my dad so again, like an IT guy. would have to go in on the weekends because stuff would be broken because that's what happens in it. And, you know, this was this was mainframes with punch cards and stuff. And I would sit there as you know, when I was six or seven and just play with the punch card machine, right, trying to make shapes out of the punch cards. It's never worked, but I was like, Oh, I wonder if I can make a diamond on the punch card or whatever. And, you know, so I just, I've always been around him. Right. And, you know, and I just, I just talked to him the whole time, right?

Matt Hunckler 09:26

Did you ever run into some barriers or obstacles? or big challenges where you were really feeling frustrated with it? Or did it was it always just natural, easy, kind of smooth sailing?

09:37

I

Jeff Ready 09:38

mean, I think the, you know, for at least the level of programming I was doing, right? I didn't find it terribly difficult. What, what was difficult or what was frustrating? It was frustrating was at the time, right? There was no, there was no way for me to get any kind of actual education in this stuff, right. And I remember when my When my grade school I first got Apple, two computers. And, you know, that would have been when I was say in fifth grade I don't remember exactly. But I'd already I'd already knew how to priority knew basic programming, right? And so, you know, so they had a class Oh, come learn to program and I go into your class and this was all stuff like that was way behind me right and so, you know, I ended up helping the class and then when I was in like sixth grade they actually had me co teach the eighth grade programming class, right. It was just like there was, which was great. I mean, I got a lot of experience from doing that. But I wasn't there was nobody to teach me right. The programming stuff.

Matt Hunckler 10:35

We had a hunger for more, but there's no way and I know internet was not

Jeff Ready 10:39

No, no internet. Yeah, you know, and you could get a little bit off the BBs is and yeah, most of it was the library. Right. I also like I like hanging out the library. Where'd you grow up? Griffith, Indiana. Okay, so it's up just outside of Gary. Nice. Yeah. And yeah, you know, I've read books on this stuff and whatever and I probably like many engineers In geeks, like I wasn't about to sit down and like read the programming book, like, I'm gonna, like jump to the end and like, see if I can like start sucking code out of it and whatever I do I kind of thing and then, you know, my dad and I later like when I was in fourth grade or so we started building computers for, you know, neighbors. You know, if I were in college, I'd have been like the mike perfect Michael Dell age, right? Oh, yeah, I was in like, PCs in college, but I was younger. Right. So.

Matt Hunckler 11:26

So when did the monetary piece come into it?

Jeff Ready 11:28

Well, you know, I think so. That's a slightly different story. But when I was 11 or so 10 or 11. I know, the fortunate I don't know. Life is funny, right? When you look back and you think a little things actually gonna make a big difference. I had a neighbor. Our immediate next door neighbor asked if I was interested in Mona's lawn, right? Because I mowed our lawn, and I said sure, and I think he asked because it actually turned out you're getting Again, random circumstances right but our, our front yard and his front yard were actually adjacent the grass. It was like there was just grass between two driveways, right? Yeah. And so, you know, my mom would say Well Mr. Marin is older like at least just cut his front yard because it's gonna take me an extra three minutes. And he's we're small, like suburban, you know, lots, right so right so yeah, so I would just mow driveway, the driveway and and eventually He's like, Hey, you want to mow the backyard too, and I'll pay you and I did that. And I thought, Well, that was fun, right? Like that wasn't really that hard. And he paid me and then you know, pretty soon two other neighbors across the street were interested in having me mow their lawn and so I had a little thing going and then you know, I'm like, Oh, well, you know, I can really start making some money so I remember I like you know, I made on my computer, of course, like a little flyers, right that said, Hey, this is what I would charge to mow your lawn and I would, you know, I printed out a little form and I would check the box you know, with a manually right and drop it in the mailbox. Yeah. And like, I don't know Quote basically Yeah, like a quote right I mean, this was just marketing. Yeah. So you know i lo and behold I'd get some people would call right and they would do and they were always the people who would like let their lawn go for like two months, way high pain but still I would get it and then you know this continued I kept doing it do and do it and then by the time I was in high school, you know, I had 50 salons and three apartment complexes and I had my friends you know, they were making at the time $3 and 15 cents I think was minimum wage at the time so they're getting mad at McDonald's and I'm like, well I'll pay you five bucks to mow the lawn start

Matt Hunckler 13:37

building a team

Jeff Ready 13:38

Yeah, build a team and then I wasn't mowing lawns anymore like they would mow the lawn I would while they were cutting the lawn I would just go to knock door to door Yeah, because if I could get another lawn that was right there. Right. It's you know, super easy, right? So like that sales part of it. I did I think I mean, I you know, it's always intimidate still intimidating, right cold calling is still intimidating, but the The exciting part of like getting

the deal if somebody says yes and then it's like it all works and you know, I love it. I still love I talk to customers all the time at scale. And I'm and I love talking to customers, right? And, you know, making them happy and every, you know, it's a win win for everybody. It should be right in the end. And so, you know, so those those two things were happening. Right. So I was, you know, I very early caught kind of the entrepreneurial bug. Right. And I had the tech bug, right. And then perfect combination. Yeah. And then just, you know, the timing of all that as I as I went, I went to college and actually started a couple companies with buddies while I was in college just for beer money effectively in Terre Haute, Indiana. In beautiful Terre Haute, Indiana. That's right.

Matt Hunckler 14:46

So rose Homans a pretty pretty incredible engineering school. Were you able to actually find some education at that point?

Jeff Ready 14:54

Yes, that was yeah. Oh, yeah, I was I found myself way in over my head actually. So it was funny. I you know, I Um, all through high school and everything I was, you know, we had by that point you ever starting to be like, you know, academic competitions and they were programming and it was still very, it's still very easy to me and you know, so I was always on our team and you know, we won all the time, like almost a few that still burned me that we didn't win, but almost every competition I was in we won and, and so when I went to to college at rose, I thought it was be easy. Yeah, it's gonna be more of the same. Right, right. And no, not so much. I. It's funny. I very quickly learned like, yeah, I went from being like the best programmer in the room to like, I'm not even on the same plane. Now. You know, maybe some of these guys had a quote unquote unfair advantage because they were learning things along the way or I wasn't necessarily but be that as it may. I mean, they were great. And I was playing a lot of ketchup.

Matt Hunckler 15:55

How did you handle that?

15:57

A

Jeff Ready 15:59

poorly At first, it was I was just not I mean, I get I mean, it's not uncommon, right? If freshmen in their head, especially, you know, it's a very high end. Tough academic school, right? It's known to be like, tough on academics. It's all technical. And so there's a lot of kids there that sort of had it easy in high school, right? And then find themselves like, Oh, this is way harder. Right? And, but then what you find out it's a bell curve, right? So of the group that ends up there, there are still people there that seem to find it all incredibly easy, like, oh, differential equations to no problem. I gotta be kidding me. I don't even know what we're talking about. And so, you know, so I got that, but what's happening? It's funny, like, over the course of my time at at rose, I found myself being in the best position, if, you know, a group would get formed for a project and, you know, volunteering to be the leader of the group, right because then I because I had I can do things again, going back to my knocking on doors when I was 11, I was willing to talk to the professor and keep it to me, my senior project group, like, I didn't write any code zero code in that project was for me, my job was to keep the professor from bugging the other bugging the programmers, right? Yeah. And, you know, so and you know, fast forward today, and I got to keep the board of directors away from the engineers. Same kind of thing. But you know, doing that and, you know, that was a real project for a customer effectively, and I talked to the customer, I talked to the professor, I try and make the whole, you know, organize the meeting and all this kind of stuff. I remember I had a professor and he retired a year or two ago, Dr. laxer, and he, when I was a freshman, the first what they called cs 231, the first computer science course for computer science majors. And you have a group project and he assigned the group leaders right and I am is assumed and maybe it's true, I assumed it was random, right. And he picked me to be a group leader. And but, you know, looking back at, you know, when I, by the time I was a senior and looking back and seeing who he picked as group leaders and kind of how he worked, like, obviously, he's put is, at that point, I don't know, 30 years of experience, like he was picking intentionally Yeah. And it was great. I mean, I had some guys that were, you know, even on that team, I still remember their names. And they, you know, they were awesome programmers, again, better than me. I was still writing some code when I was a freshman and sophomore, but the, you know, it just getting in that position. And, you know, I think great teachers, you know, know how to extract or how to how to put you in a position to succeed and that certainly that was what was happening there. Right.

Matt Hunckler 18:43

Do you still believe in playing to your strengths as opposed to working on your weaknesses? 100%

Jeff Ready 18:49

Yeah, I think that you know, I mean, everybody can, I mean, to some extent, you if you have a weakness, right, it needs to be shored up enough, right. So it's not a burden, right? I mean, if you're not, I mean, if you're not a public speaker don't you don't need to force yourself to become like a great public speaker but you can't be put into a situation where you're going to be in like a group meeting somebody has to present something and you can't do it right like you need to at least be you know, good enough there and the same same sort of thing like I I find myself like even though I learned along the way like okay, I was not going to be the best coder right of everybody that was here but I know how it works right I got it and now I can use that and explore these other areas and that to me that that's how we do we that's how I try to even have my team like focus on what their strengths are and and we've even done some of the sometimes I think these things are a little bit cheeseball but sure like Strength Finders that I they do seem to be reasonably accurate right I don't know to what extent they're accurate like a horoscope is accurate. Like it just fits anybody but but yeah, when I've seen it pick out like different things here and people that I know or members of my executive team and stuff made it out they are pretty accurate and it's just like okay, well now in the benefit of doing something like that in, you know, kind of the group publicly is that then everybody knows right okay, this is the guy who's really good at you know being the icebreaker with a new prospect right which is a different a different skill set than being the guy that closes a deal because the guy that makes the product right and so, you know, everybody gets on the same page, especially early on in a startup we got, you know, four or five people right it's good to know like how those those roles all kind of break out. And so yeah, I just I you know, and along the way I always write I never had a real quote unquote real job right? I mean, I've had a few jobs along the way and they were very clean for like three months. That didn't last but the because I couldn't make the money I could make no one lawns I thought maybe in the wintertime I could do Dairy Queen and I just couldn't stand it but the at a certain point,

Matt Hunckler 20:53

he's gonna buy your own blizzard.

Jeff Ready 20:55

Exactly. I just forget it right. And I'm like, maybe I could just shovel snow which I then tried to do. Like, it's way more work than mowing lawns. So I scrapped that whole project, but the, you know, I mean, but I, you know, I started, you know, my first, quote unquote real company, meaning that this had to, like sustain me in life. In a while I was a senior at Rose hulman such that when I graduated, that's what we did. Yeah. And, and I've never

stopped, right. So. And, you know, I've always, I've always, I guess that, you know, I don't know if that's hardwired or, or, you know, circumstantial, because of all the other things I just talked about. But and, you know, that's my approach. I don't know what else I would do. You know, in its it. I tell people sometimes, like when you start enough companies, and at some point, it becomes almost a curse, meaning that like, I see problems and I'm like, Well, I could, I could figure out a way to fix that. And

Matt Hunckler 21:53

I the other unique ways that you've come up with startup ideas.

Jeff Ready 21:57

Yeah, no, I mean, I so you know, one of my One of my go to things is to make sure that you've that I've got right. Lots of ideas, hundreds of ideas. Because it's easy to become infatuated with one idea. It's almost the trap. I know almost every first time entrepreneur at least, I see fall into I'd call it a trap. I mean, there's clearly people that had one idea and it was wildly successful. And that's awesome. Right. I, you know, certainly

Matt Hunckler 22:27

the exception, not the norm.

Jeff Ready 22:29

Yeah, I mean, so, you know, when I The funny thing, I kept going back to rose home, and when I met the guys that became my co founders, who, you know, at least some of them are still with me today at scale and other and most of them were involved in all of my, my founding stage of the companies. And like we had decided, we were going to start a company and we had no idea what it was gonna be like there was there was no idea at all. It was just like, hey, what I want to do is start a company is Scott Scott laufman. Who? Who's my Chief Product Officer here at scale. He lives in San Francisco. The way I met him is he came to my dorm room. And he had a drawing of a T shirt of Barney the Dinosaur with a bullet in his head in his head and said Barney must die. And he said, Hey, I'm selling t shirts. Do you want to buy a Barney must die? t shirt? and sales? Yeah. And I'm like, Well, no, but and what I know what I like, do you have the T shirts? He's like, No, he's like, I was really just trying to figure out like, if enough people wanted them, then I would go order t shirts and have them made and I'm like, I like this guy. Right? And so he and I started started talking and became obviously great friends and, and he was one of the guys that

was in this like, well, I don't know what I want to do when I graduate. We're gonna start a company, right and, and so when you approach it that way, it's very natural to say well, we got to come up with a lot of ideas. Right, so we can vet these things and see what sticks. And so that's, you know, that's what we did. And it helps you avoid, like, just, it's so easy to fall in love with your idea. And, you know, big one of the biggest mistakes I think people make is that they, they do two things at once one, they fall in love with their idea. And two, they're so convinced it's awesome. They don't want to tell anyone else about it. Right there. They're gonna steal my my fabulous idea. Right? Right. I my advice is, is tell everyone about the idea, even if they don't want to hear it. Tell everyone right? I mean, I suppose if you you know, somehow come up with a new protein that kill cancer, something that's a little bit different, right? But even then, like, if you tell me about it, what am I going to do with that information? I don't know how to make that protein, right. I mean, I know you're tired. I'm I don't even know I'm talking about right now. Right? So, you know, what are you going to do with that and you never know who is going to be able to help you or guide you or give you some feedback that that changes, you know, to changes things a bit.

Matt Hunckler 25:01

prevents you from following a terrible idea.

Jeff Ready 25:04

Yeah, I mean, even at the founding of scale, right, and so,

Matt Hunckler 25:09

yeah. How did that idea come about?

Jeff Ready 25:10

Well, yes, it was it started. And it started in a couple of convoluted ways. So scale, to slightly contradict myself didn't actually start, as purely one of the ideas in kind of the idea notebook. We had actually been pursuing a different idea. That was around we had to build we built a we're going to do stock trading using artificial intelligence kind of before AI was a thing anyone talked about, and wanted to build a effectively a supercomputer to do the AI processing. And we didn't know it was our money. So this was not going. This was not like IBM just going to build a supercomputer. We're going to build this thing out of consumer parts, right?

25:56

Yeah. And What year is this?

Jeff Ready 26:00

This would have been like 2003 2004 2004 2005 2006. Kind of we worked on this for a while. Yeah. And it started it started as like a science project, like, Oh, so the company I had before kind of this thing was in the anti spam space. And we used AI to do anti spam. And so the idea was, like, Oh, well, we'll just use the same AI techniques and do stock market forecasting. And it'll be a magic black box. It makes us rich, and that'll be great. Right? And so I like this.

26:29

Yeah, it

Jeff Ready 26:30

was just I don't know that the science project part of it was a lot of fun, trying to figure it out. And okay, new algorithms, new change this change that the computer kept getting more and more complicated, the physical hardware and so we kept adding on to it and adding on to it and I got it. There's all kinds of stories I could tell you about that. But the, you know, to when we can come back to if you want, but to jump to towards the end. We finally did it was working. And we then said, Okay, we're going to turn There's no real business and so that meant a hedge fund right? So you're gonna get other people's money invested and skim off the top right is the fact of what hedge fund does right? And so really okay, it works like this and so we went around and raise the money or we're pursuing so I didn't know anything about hedge funds right a lot of smaller hedge funds are actually get funded by bigger hedge funds kind of like VCs invest in startups and sort of the same sort of thing. And so you know, we finally got a fund that was willing to put in a lot of money not not as an invest in equity investment but actually money we were going to then use to buy and sell stock principal amount. Exactly right. And you know, then so me and the guys were just sitting around literally, I mean, you and I are sitting around this wooden table it was a table very similar to this in a garage and said, Okay, do you know there's gonna get this is gonna get real if we take other people's money, right or money in there is one thing right? And so we took a vote There were six of us. We took a vote one of the guys was literally wearing a hat, a baseball hat. And so I just had people like write on a piece of paper Yes or no? Do we want to take the money and proceed throw it in the hat? pass it around. We had six noes. Wow. And, and the reason was, and

the business the business wasn't fun, right? The science project was fun trying to like beat the stock market and beat the other traders was fun. The idea of like, someone's gonna give us money we invested either were the hero or the goat. You know, depending on if you made or lost money. Like it wasn't. I didn't, you know, learn a little bit about myself in that, like, there was no there was no product, there was no service that made anything better. It was just purely financial. And it's okay. Right. And there's nothing wrong with that. It just for me personally, it was not very exciting. Yeah. And, and for the other guys, too. And so

Matt Hunckler 28:50

you got to follow what excites you?

Jeff Ready 28:52

Yeah. Right. Exactly. And it was just the science project part was super cool, right. It was like, yeah, we can make this work. And then when we had it, we kind of work in it's like Nevermind, right. So, so we scrapped it, and we decided we're not going to do it.

Matt Hunckler 29:04

And did you at least, like sell it off to someone? Oh, license it?

Jeff Ready 29:08

Well, it was stupid, right? I mean, it was it was working right. And it's, but this was this was before the 2008 stock market crash. Yeah, my joke is always like, we would have gone to jail either way, because it was a highly leveraged model. So either it would have predicted the stock market crash, and we would have made a ton of money and no one would have believed this, or it would have complete it would have lost all the money like in one day, and that kind of, you know, 10% move or whatever the stock market was that day with us being all leveraged in like we would have lost all the money if we bet wrong, and that would have been bad too. So either way, we didn't do it. But as we were thinking about it, we said okay, well what are we going to do next? And so we had our idea notebook, right, then bust that thing out again, looking through that, and one of the guys like, Well, you know, this, this computer system that we built for us is Pretty cool, right? You know, not the AI part, right. But the parts of the AI but not not the stock trading part, but just the way that the system was built, it was built because the way that the thing happened is that we started with, okay, there's one computer run an algorithm, then it was too slow. And so

then we had to have other computers kind of network together running the algorithm. And it kept going, going until we had hundreds of processors like running this thing, and which now isn't that big a deal at the time, though, it was a major undertaking. And we're like, well, surely other people would benefit from that type of scalable, hence the name of the company scalable architecture. Right. And so we decided, well, let's, let's find out, right, so again, it wasn't even a it wasn't really like that. We're just running with that idea. Just went into the notebook. Right? Okay, we could

Matt Hunckler 30:45

do this is where you're collecting all your startup ideas, correct? Yeah,

Jeff Ready 30:48

that's right. So you know, and all kinds of ideas in there. And I wrote a business I wrote it, you know, sometimes I write these kind of mini business plans is is I don't know hobbies or I'm on airplane or something about some idea and I just file it away. All right. And so, you know, I've written a business plan for a brewery. We wrote a business plan for a chain of Irish pubs, right? I mean, these are the end, whatever these things were. And these were these were legitimately competing, like, we really liked the idea of the brewery. Yeah. And so it was like, we were pursuing it, like, along with what became scale computing. But in the in the notebook. Scale computing was written down as, you know, whatever idea number 64, or whatever it was compete with VMware. So VMware is a is a company that makes software that, you know, basically runs data centers is a software that runs the other software, right? So not something consumers would typically be familiar with. If you're an IT guy, hundred percent. You know what VMware is, right? So it makes cloud computing possible, right? Yeah, effectively, right. It's the idea that I've got one server but I need to run like six servers where the stuff so it sort of creates a, a virtual server on top of the physical server. And that's that that's the, that's their original idea. Now, it's evolved well beyond that, but that's what it was. And so they had said at the time that we were screwing around with this, the supercomputer thing. VMware had just gone public. And they went public. And you know, I watched these things again, because a lot of times I'll see companies go public, I'm like, that's a good idea. And I just put it in the notebook. Right. And that was basically what happened here, like compete with VMware. And that stock was, you know, doing extremely well. And they had something like 98% market share in this virtualization space that as it's called, and I, they need a competitor, right? 98% market share, and so when a notebook and then we're like, okay, we kind of put two and two together like this architecture we built is pretty cool. VMware needs a competitor. What if we merge those two things together, and come up with this cool solution. And so, so that was a neat idea. And so then our next step is Oh, let's let's find out if anyone cares.

Right. I mean, before we've noticed not write any code. Yeah, let's just see if anyone cares. And so I very cleverly went to the VMware website. And they have a list of some of their case studies, right. So here are their favorite customers. Yeah, I made a list of their 15 or 20 favorite customers, and we started calling them and show they love that. Yeah, no, I'm sure VMware wasn't happy about it, but that's what we did. And so I get folks on the phone and

Matt Hunckler 33:25

cold calling.

Jeff Ready 33:26

Yeah, it was called back to cold. Yeah, back to cold calling. And I printed a hand handwritten quote,

33:31

and yeah,

Jeff Ready 33:34

throw on the mailbox, right. I'd throw that thing out there any you know what, what my pitch was? was very simple. Like, hey, you know, I'm thinking of starting a company. I don't have anything to sell you think of sorry, company. If I could do everything that VMware does for 30% less. Would you buy it? Right now that that was the pitch Yeah. And, much to my surprise and a bit to my business. May I was getting a lot of No, not really. Like, okay, and so you're adjusting, right? And so I'm like, okay, make a couple calls. I'm getting that feedback universally, right? Another one, one of my other guys who kind of runs, as you know, the other guy more on the sales side like me, less technical than me, but more salesy than me, we're the world, the two that are making these calls, right? And he's getting the same feedback. And what's asked him 50% 60% 70% less than, you know, I'm telling you, I'm like, 70%, less than VMware, okay? No, not really. And I'm like, What the hell right? And so I get whatever, it's fine. I get some kind of phone and he was kind of engaged. And you know, if you've ever made these kind of calls, which I encourage anyone who's starting a company, like talk to us, like step one, should we talk to those who would be customers before you do anything else? Yeah. And, you know, this guy was engaging, right? And so instead of being a two minute call, it was we were 10 minutes into the call. And finally I said, Well, what if it were free? Right? What if I did everything

VMware could do And it was free. And he still was like now i don't know if i may be, but I don't know. And so now now my brain is like going like I don't know, like, what is the deal here? And so I asked the guy, and it was it was a law firm out of California called Fenwick and West. I share it all around. Yeah. And so he was the head of it for Fenwick and West. And I said, and he's like, no, and he's like, well, he's like, and I said, Well, I the question I had was like, Well, how much do you spend on VMware? He's like, Oh, it's a great question, because we just built a new data center. And it was and I know exactly, it was about $500,000 to spend on VMware. And you know, I'm a little mystified, right, because I'm like, if I could save you half a million dollars, and it cost you nothing, Mike, that's not interesting. And he says, well, in reality, that data center it was that was a $10 million project. And but VMware is only a half a million dollars of that project. And then the light bulb went off and I'm like, oh, Like I write, I, what I heard myself asking was $500,000 versus zero? Would you take zero? What he heard was $10 million versus $9.5 million. If I go with a startup I've never heard of the answer is no. Right? And I'm like, aha, and so I get it. Right. And so VMware is not it's not an independent purchase in that way. It's part of a bigger project. And so I said, well, when that data center, what what's the most expensive component and at the time, and this is probably still true, actually. But at the time, he said, Well, by far the the data storage, yeah. And he said that was 7 million of the 10 million. And I said, What if I could save you 30% on the data storage? He said, I'd write you a check right now. Okay, right now we're getting our taco. So we went back and changed our plans and data storage was always part because again, we had this kind of compete with VMware component as well as this hardware aspect in terms of the architecture and so on. We just re reprioritize and said, Okay, we're getting Well firstly, you just start asking other people. Okay, let's stop asking about VMware and just start asking people we can save 30% on storage. And now and we're getting Yes, yes, yes, yes. Coming back, like, Okay, well, now we've got something right. So then close together, right, the right thing. And this is, uh, you know, to take a pause on that, but this is exactly what I'm talking about, if you get infatuated with your idea. And I go and spend years and maybe 10s of millions of dollars of venture capital building the VMware competitor, and no one cares. Like, that's a total waste of everybody's time and money. Right. Yeah. And so and this was, you know, this was cut off in an afternoon of making phone calls.

Matt Hunckler 37:40

Is that still in the DNA of the culture at scale today?

Jeff Ready 37:44

I I hope so. It certainly is mine. I still I still make a lot of customer prospect calls and ask him questions. And, you know, it's, uh, I mean, you know, in a in a big company, it's a

product management question, but, but you need to you need to embrace it. Culturally more than that, because if you just, you know, Product Management almost by definition, ask questions that tend to be more incremental in nature, like we have this product like do you want these features, those features, etc versus something way off the wall, right? When you're a brand new startup, it's easy to think way off the wall because you have no if you do it before you've written any code, you have nothing. So what's the difference? Yeah. And so in the end, we did launch originally with this kind of date scale computing. We were incorporated with this vision of competing with VMware and, you know, VMware plus, right, VMware plus the architecture. But the product that we shipped was data storage. And so we had like the world's most badly named storage company called scale computing, right, which doesn't make any sense, but that's what it was for the first three years and then as the market started to change, and sometimes how we wanted sometimes not how we wanted, but eventually it came around where the world was starting to open up to, effectively a more direct competitor to VMware. And that's when we started take the company that direction. And so today, I consider VMware to be my number one competitor. Now, not just VMware, but we do data storage. We do lots of different things. Right. And

Matt Hunckler 39:17

those are like a decade long journey to get there. Yeah. 13 years. 13 years. Yeah. Wow. Jr. Oh, happy birthday.

Jeff Ready 39:23

Yeah. Right. You know, it's a 13 year old startup, which is is crazy. Yeah. But But yeah, I mean, it just, this is how it works. Right. And I love it. Right. I mean, I hate it. And I love it. It's a pain but I always say if if you're having fun 60 to 70% of the time, you're doing better than most people, you know, go for it. Right? Absolutely. Still work sometimes. But

Matt Hunckler 39:46

one how much capital Have you raised? It's different than a sass company in terms of the capital. No, he's

Jeff Ready 39:50

now Yeah, cuz we ship hardware. Yeah. So we've raised almost $100 million. Wow.

Matt Hunckler 39:56

Over 13 years. Can you give me an idea of the scale of scale? At this point, yeah, I mean, well, I'm not getting away proprietary, right?

Jeff Ready 40:05

I know, I gotta we got to get my investors get, you know, a yell at me but you know what we are we are on track, at least from a revenue standpoint that, you know, by this time next year we could be talking about an IPO. Awesome, right. So you never know a lot can happen and, you know, the macroeconomic conditions you can't control right. So it's, you know, it's I'm going to be a company that's capable of going public whether or not we end up going public is your story but, but that's, you know, so we're, you know, we're approaching 200 employees so yeah, it's got it's a lot bigger than it was me and you know, three guys at a table making phone calls right at one point, but

Matt Hunckler 40:48

I want to give you a heads up we did hit our time. Do you have another meeting or can you go another five? No, I'm all right. Cool. Good. Awesome. Awesome. Well, can I I certainly have more questions.

40:58

Yeah. You're at a,

Matt Hunckler 41:00

you're at a scale now a scale where you've seen a lot. You've learned a lot, and it's certainly not your first technology startup, you know, but it when you come into the office here, you can feel a certain vibe. And I feel like it's a very unique culture. When you talk about a tech startup tech culture and 13 year old startup, you know, it's Yeah, very different than a, you know, 13 month old startup or a 13 week old startup.

Jeff Ready 41:29

Yeah, no, I, you know, again, I mean, I'm a startup guy. So I think I, Scott and I mentioned earlier, you know, again, we've been together since we were 19. At this point, I mean, literally, we've been quote, unquote, married longer than I've actually been married. The,

you know, so we've always done this and I've one thing I've learned over the years is that you can't like as founders, you sort of set the tone of the culture But that can't be done artificially, right? There's no like, oh, we're going to be this kind of company. Like, if you're not actually that kind of person, or you're not whatever we're not, you're not willing to embrace those specific values, like, deep down, it'll never stick. It's just it's just words on paper. It has

Matt Hunckler 42:19

to be authentic,

Jeff Ready 42:20

to be authentic. Right. And so

Matt Hunckler 42:22

otherwise, it's a ton of energy to try to be that person. Yeah. It's and fake it.

Jeff Ready 42:26

Yeah. And so we, you know, so then, you know, for us, it's like, well, you start off hiring employees that like you want to work with, because I'm expecting to spend a lot of time with these people. And so and if you do that successfully, and they see that and they start to do it, well, then as the company grows, it's sort of building on that culture. Not with no one ever having written down. This is the culture. Yeah. In fact, and that's what well, I can appoint a second. That's what you see at scale today. Day, right? I mean, my I don't even have an office right my desk sits in with everybody. I my desk is in the corner, I get myself that privilege. Mostly because my voice is so booming that it's you know, I'm on everybody's phone calls one way or the other anyway, but we're all out there and it looks sometimes it's the open floor plan concept, but that again, not really intentionally. I mean, I never thought, well, we're gonna do open floor plan. It was just like, well, it started off because it was me in a room. And then you added a few more people in a room. And then we just kept adding more desks in the room. And we're like, well, that works. So just just keep doing that. It was like natural, I don't even think twice about it. And we got almost two years ago, a year and a half ago. There was a group within scale and they wanted to prepare a presentation for our annual kind of all hands meeting and it was around company culture. And I didn't I didn't hear about this at first and and then I caught wind of it probably after I'd already spent a few cycles, worried about it and I thought to myself

Oh my Lord. Like this sounds like a train wreck to me like, like it's gonna be some cheeseball mission statement and all this this garbage corporate garbage is what I thought, right? Ironically that it's like it's coming from the middle up right not from like some top down like go do this right and so so I was just talking with Scott and and Scott's a big believer in corporate culture and he also was like I could I could feel the grown maybe even actually grown when I told him that I heard this was happening he's like well I'm gonna he's like it I've learned over the years a certain thing like as a CEO there's certain things like that it's harder to like get in and and do because I'll say something everyone just like blesses it like it's the Pope's holy truth right and it's not even though I'm just kind of making it a comment and so like, I don't want to like if I go in there and say well I think the culture should be this everyone's just gonna be like sir yes sir. And that's where they that's not what I want. Right? So So Scott's like, well, I'll get in there and I'll I'll do this and and he was just sort of Serving, right and his the people who are putting together didn't even know his whole role was was to hit the kill button. Like if this thing is going to turn into corporate stupidity just kill it off corporate stupidity to you means

Matt Hunckler 45:13

something contrived something.

Jeff Ready 45:16

Yeah contrived, fake, like people are gonna see it and it's just gonna feel like confetti and garbage. Yeah, like and it just like, I don't want people wasting their time I just felt so unauthentic and so and I'd been in companies I've seen you know, companies where this is like, you know, they list like, you know, honesty and integrity is there to top cultural values and the CEO is getting hauled off to prison for like, you know, faking the books, right? Like, okay, that didn't really happen. And so went through this whole thing and ended up doing a survey and in the end, and on the side, Scott and I had written down like, Okay, well what, you know, what are the things that we you know, believe in here and then Things like fun and innovation, right? I mean, yeah, it was, effectively Jeff and Scott thinking back, and when we hire those first employees, what are we looking for? Right? And we're looking to do cool stuff with people we like, right? And to have fun doing it. Right, and hopefully to, you know, make some money along the way. Right. You know, it's not rocket science, right? It's right to do and, and effectively, right. That's what came out of the process. Right. And it was it was actually it was fairly moving to me and probably for more moving to me, that was the other people within the company just because, what what what came out of this whole process was, was what the culture actually was. Yeah. As opposed to, like, it wasn't forced. It was just like, that is what the culture is, and that's what people voluntarily said the culture was and, and to me, that, that, that sort of proof

that you don't need to do these kind of exercises, right. I mean, it was cool to see. But, you know, the culture is what the culture is, and, you know, you've got to embrace it. And you know, it As the company's gotten bigger, different departments, they're slightly different versions of that culture within departments when you report and sales don't work the same way. Yeah, there's but there is a foundational element. Right. And that's, that's really important. That's what it keeps it exciting for me to come in here and do stuff. Yeah. You know, I think that you before we started, you mentioned, like soft skills. Yeah, is something and I think, you know, if somebody is looking to get into a startup, and, you know, there's a number of things that I think make for a great startup and do actually cause some challenges as the company gets bigger. But one of the things that that really makes for a great startup team is, you know, what, I call that the propensity of everybody to jump on the grenade, like a grenade rolls in the room and everybody jumps on it. Right? And that's, that's what you're looking for. Right? There's a problem. Everyone's gonna fix it, right. And it's sort of the whole team. It's not anybody's job, right to fix it because there's a million things that have to get done in a star. up, and you got a half a dozen people do it. Right. So there is no Oh, that's not my job. That's this guy. There's none of that right? Now. So there's the so there's the, the negative version of that, which is it's not my job, so I'm not doing it. Right. The positive version is this person is it is their job, they want to do it. And now if I stay back, I'm not in their way. Right? So and so as the company grows. It's a balance, right? I mean, you can't have a 200 person company where a tech support call comes in, and everybody jumps on the call, right? And so, you know, that's where you get into the, you know, I'm going from a military analogy to a sports analogy, but you know, okay, everybody do your job, right? Like it. And by doing your job, it means you trust that your teammates are gonna do their job and they will ask for help when they need it. You're never it's not binary, right? You're not 100% in either camp. You have to be willing to do both because you know, people We'll see different things that so that's one thing, right? Is that Is it just a willingness, almost a psychotic willingness to pick up anything you see and run with it? Yeah. Right. And as well, as you know, to kind of go back to my earlier point is a willingness to make the uncomfortable phone call to the prospect to an existing customer to whoever and ask stupid questions. You learn so much. We won Congress, I mean, that that litter that one conversation with the guy from Fenwick and West changed the entire direction of where we would have headed. A year of searching on Google for what we should do would have never unveiled that. In fact, it was basically the searching on Google that suggested we should just compete with VMware, right, right, market share market percentage, all that stuff, and nobody would have ever bought it. Right. And, you know, it apparently was a good idea, because now 13 years later, well, probably by that point, seven years later, people were buying it and that's what we do now. But yeah, it's still you had to get it on the market to catch Exactly how to get from A to B. And I think that's it from a technology entrepreneurship standpoint, certainly has been in my track record is, you tend to see where the markets going before the market gets there. And it's a

real pain when you're there early. And it seems like we're always there early across all my company, even when we're like making decisions intentionally to try to not be there early, you end up being early. We're going to be cognizant of that, right? And asking some of these questions helps you, you know, kind of deal with that. But I always tell when you're writing a business plan, write all of your business plan can be written by interviewing prospects, right? Because eventually that those conversations I had with Fenwick and West, in data storage, he said he'd spend 30% less well then that now I'm establishing the price, like, what should we charge? Well, he just told me, right, well, I told him 30% less but then he's alright. What if it was 20% was what if it was 50%? Now you start figuring

50:52

out what surprises

Jeff Ready 50:54

you figure out the roles of the people who make the buying decision, you'd ask question Oh, when you do buy store Who do you buy it from? Do you buy that directly from us? Or do you go through a, you know, CD w or one of these big vendors and you start to figure all that out? And then when they say, Oh, yeah, we use a particular reseller, and well, who's that? Oh, it's this guy, you should call him he'd be really interested in hearing about this, right? You just kind of, you know, you can build the whole thing. And then you know, if not every company is suitable for like venture capital, are you raising money at all, but when you do come to raise money, having been on both sides of these kind of pitches, made the patient pitches and heard pitches? Having those little anecdotes like me going in and saying the reason that we're pricing it this way is because I talked to Fenwick and West and they're the ones that told me to sell data storage, like that's worth infinite. your credibility just went through the roof,

Matt Hunckler 51:50

right? It's a lot better than I went on Google and looked up Google. Here's you know,

Jeff Ready 51:53

Gartner IDC research says, blah, blah, blah, blah, blah, right. And you know, if you've been in the business At least in tech, I assume other industries work the same way. I mean, all these analyst research reports are basically the amalgamation of the analysts talking to companies who are already in the space. Yes. And so of course, those companies are

going to feed them information that makes them look best feel in the best position, you know, it may well all be 100% accurate, right? But they're not gonna, you know, be the data storage company is never going to say, Well, you know, the market would really open up if somebody sold it for 30%. Less, like, that's never gonna show up in an analyst report, right? So you have to get that stuff firsthand. And by the way firsthand, is free and, you know, takes way less, it feels like it's a lot of work takes way less time. And those little anecdotes are just, I mean, that's the gold of how you sell a an investment in an early stage company. Right?

Matt Hunckler 52:49

Well, what should other people know before working in a start up?

Jeff Ready 52:55

So I would say, so let me let me answer that by first telling you what I do. So entrepreneurs they should think about before they even start a startup, and which is that you need to recognize that a being an entrepreneur, startup entrepreneur is a lifestyle choice, not a career path. And there is no such thing as work life balance, there is only one thing which is your life, which also happens to be your work because it's you like you are the company you are whatever it's going to, it's going to touch everything. There's no tracking hours of work. You know, now, this is my perspective, right? I have seen guys that are pretty good at that. Okay, well, I can take they can take a vacation. I even now I've been doing this for 25 years, I I find that I can go away from the Office for four days, maybe five days and decompress. And by the end of that fifth day, I'm starting to get antsy because I want to know what's going on right? Even though I don't want to be antsy. It's just like I you know, and I'm not I'm not a controlling guy, like I'm not a micromanager. In the least, and it's just like, I feel like a responsibility to the customer. I just like want to know, like, I need to keep things going to, you know, know what's going on and you know, some guys don't do it that way. But But I do and so you have to know that and early on Okay, not gonna be a lot of weekends. You know, I used it when I was first starting scale and I, at the time I was active on Facebook, I'm not anymore, but I remember I would always sit down and like I would, you know, I'd work all day on scale. And then I'd go home, I'd eat dinner with the family. I at the time I little kids, I'd put the kids to bed and you know about 815 I would log in I bet and I just got on Facebook, I'd say starting second shift, and I would work from 815 to midnight or whatever and I get up the next day and do it all over again. Just how it is right and so that's the that's the lifestyle right? And if if it's all if it all feels like work, no good. And if you're the kind of person that likes to compartmentalize like this is my work life, my home life, my family life is I would just avoid it just not for you, right? There's nothing there is hundred percent nothing wrong with leading your life that way like this would just be a

bad choice, right? It'd be like, you know, oh, I decide I'm going to become a professional surfer and I have bad balance. Like that's a bad idea. Right so so that so then now back to your question right if you're if you're not the the founding team or the founding partners, you're not you're not necessarily taking on that same level of responsibility. But on a spectrum of punching it in from nine to five every day and going home. Versus I'm the there is no work life balance. You're going to be sliding toward the no work life balance, right? Yeah, jump on the grenade. The customer call comes in at 8pm and sorry, everyone, I gotta jump in and do this thing and it if that feels too much, like, again, like work or like something that's unnatural. Maybe not for you, right? Yeah. You know, because, like I said, on one hand one of my soft pieces of advice on advice is to say, when the grenade rolls in the room, you know, go out of your way to jump on it, right? Yep. And, again, you're probably not gonna fake it right? Not not more than a couple of times, right? Where it's, like, unnatural for me to jump out. If you don't like it. You don't like it. And, you know, I do think though that, you know, the, if you're the kind of person and that a lot of you fall into this category, it's what draws a lot of people to earlier stage companies, which is they, they can see the direct connection between their work and the outcome of the company or for the customers and so forth. Right. And, again, that's going back to that that's what was no fun with a hedge fund. Right. I mean, I could see their bank account changing, but that was that was not that exciting, right. So. So people like that. Otherwise, you know, sometimes they work in big, you know, fortune 500 and they say I work on this stuff, and nothing ever happens with it. I never seen anything like you know, I wrote engineers. I wrote code three years ago. It hasn't made its way into the product yet. It's frustrating. That won't happen at a startup, right? I mean, a startup if you're an unpaid intern During your sophomore year, your code is probably going into the product, right? So that's really rewarding. The it all goes hand in hand though, write your code go like so usually engineering, but your code going into the product also means when the code breaks in the grenade rolls in the room. You gotta jump right back on that thing. Right. And that's got to be okay. So, you know, there's an appealing aspect, which is yes, I like the idea of my work being I mean, who wouldn't try like my did my work being more connected? It comes with the territory. Yeah. But that's, that is what what it what is like there's also you can make a bigger impact, but

Matt Hunckler 57:37

also your actions or inactions

Jeff Ready 57:40

have wrapped. Yeah, exactly. That's a good way to put it. Your actions and actions have a

bigger impact and you're, you're shouldering a greater responsibility, regardless of what your job title says. or anything like that.

Matt Hunckler 57:50

Yeah, right. And the upside of that, too, is well, at least for a lot of early stage companies is sharing in the upside as a co owner

Jeff Ready 58:00

Correct. Yeah. Yeah. And that's, that's, that's part of it. And, you know, we've taken the approach, always at scale that, you know, everybody has some kind of stock options coming down the board. And it's been very important in

Matt Hunckler 58:10

a pretty ahead of the game with that here in the Midwest.

Jeff Ready 58:14

Yeah, well, I've I started a couple companies in Silicon Valley. And so, you know, that's like, how it got structured. And I carried that over. It's interesting. I've seen you know, in more some recent trends, there's, there's a bit less of that now happening even in Silicon Valley, where they're sort of concentrating equity ownership only among kind of executives or so forth. You know, so I'm either ahead of the game or old school depending on your viewpoint where we still kind of spread it around, you know, again, to me, it's, to me that's natural with this jump on the grenade kind of aspect. And I think that there's again I would jumping on the gray can get in people's way. Like I said, as far as culture at scale computing goes, we lean more to the it's better to jump and not jump yet, right. Try not to jump unnecessarily. But if you did, No one else is jumping on that grenade jump on. Yeah. And we'll we'll kind of, you know, work from there. So. So yeah, the other thing I think is probably obvious is that, you know, startups have a lot of emotional ups and downs, right? In it, you know, the obvious thing is money, right? So you could join an unfunded startup or a newly funded startup, but like, I starts always running out of money, right, in some way, shape or form. So you might get lucky, right? It might be something but I mean, you look at something. I mean, you know, I mean, Uber, the fastest growing company of all time is still losing money. Right. So yeah, you know, not every business works that way. But, but that happens, because you have that direct, you know, seeing your work being put to use also means you're going to see when worked up when your work, didn't work and other

people's work, didn't work, have a sales guy didn't sell something, there's probably only one sales guy and it's probably also the CEO or whatever, right? I mean, you're gonna see a lot of this stuff and that that can be emotionally challenging, right. You know, that There's a lot of people think they want to know everything that's going on in business they work for a few of them probably really want to know everything that's going on, right? Because there's going to be there's a lot more uncertainty than they probably would expect. You know, you work at looking out the window at Eli Lilly, I'm not throwing him under the bus, but you work the hi Lily, you probably don't have any real idea unless you're in the finance office at the high level, like, is Eli Lilly, you know, about to bust through some kind of debt covenant or something? Who knows? Yeah. You know, in a startup, you can be doing tech support and a five person startup and you're gonna know right, and that that that's challenging, but then it's, you know, you also get to live on that upside. So if the, if the upside if the the rush you get out of being on the upside outweighs the downside, right. And I think that helps. I think, you know, it's funny I am, I consider myself a fairly emotionally stable guy. You know, I'm kind of even keeled I think that that helps me. You know, on the other hand, I've seen, you know, very, I mean, some notoriously very successful entrepreneurs are like, wildly unstable emotionally. Right. So, so I don't think it's necessarily just that right. But if there is a,

Matt Hunckler 61:17

I have an effect on culture.

Jeff Ready 61:18

I owe 100%. It does, right and everything it does, I mean, yeah, we all get destroyed. You know, I read all the stories about Steve Jobs. And you know, I know guys that work at Apple. And, you know, I know one guy won't name him but you know, he was in a meeting and the first thing Steve did in the meeting was pulled a coffee Korea's old school coffee maker, right where he had like the glass crappy, like, pull the thing off and threw it at him in the meeting, right. So, so yeah, that's not gonna have that. Well, I hope they got doesn't happen at scale. Right. That is not my approach. Yeah. And obviously, very successful with that, right. So it's it you know, it can all work right. And again, companies have wildly different cultures have success. One thing I would say if you are looking at joining a startup You know, go in there and interview them. And just, I don't know, if it's a smaller company just feel feel the vibe, right? And see if it Matt, if it fits, interview that startup interview 100% innovative startup because you're gonna be heavily invested in it. And yes, maybe your stock options become worth 100 million dollar it can happen, right? We know those stories, but you know, the the odds are, that won't happen, right? You want some upside, we all have to get some upside but the other one happens. So put yourself in the

mind if it doesn't happen. Was this still worth doing? Right? Right. I think that's the best way to look at it. Because if you're like, Oh, well, but I love that I love the product and the people and the culture, whatever that culture might be, right? Because not everyone fits in every culture, whatever that is. If it's, again, if you're having fun 5060 to 70% of the time. It's It's not bad, right? So yeah, it's it's funny. I Get you see you know, one of the things when we're doing this this go back to the culture thing So Scott did a little bit of research on what other companies said about their cultures right to compare but mostly because we were again checking to see if this is all bunch of BS or not but

Matt Hunckler 63:18

nobody's very skeptical. Yeah, employer branders

Jeff Ready 63:22

exactly right and so So Scott one of the one I one of them I remember you had a few little bits but for Uber one of the stated cultural values was they use the word fierce right and I'm like, I guess so. Right that actually shows up yeah in compared to like, I don't know what lifts said but I mean, you know, now they I mean, at least back me up before the CEO change like they kind of took on this persona of like, bad guys. Good Guys, right and fierce was to come in there. And, you know, the culture of Amazon versus the culture of Google They're not the same Google sorry, is not the same thing. Right? Yeah. They're both wildly successful, both great places to work, if it's the right fit for you. I would be very skeptical that somebody would work at Amazon and work at Google and say they were a fit for both. I don't think my understanding of those cultures is that they don't overlap all that much. Right, right. Oh, again, nothing wrong with it, but just interview that startup and get a sense for it, you know, talk to some people who work there. And, you know, you can learn a lot by talking people who may used to don't work there anymore with a grain of salt that maybe they got fired and you know, whatever. But, you know, if, if you hear things that are interesting and appealing for people who don't work there anymore, that's a pretty good sign. It's probably still it's probably what's going on in there. Yeah. So, and there is all the other thing is, in my experience, companies go through a fair number. Have changes like a company that is 10 people feels different than a company of 30 people. And I picked those numbers specifically, there's a change that happens after 10. In my experience, there's another change that happens after about 30. And then a 30 person company seems to ride out to around 100 or so. Yep. And then it changes again, right? So if you you know, if you come in and you I love this like eight person company, and they show you the business plan that says is going to grow out now, growth is exciting, right? There's nothing wrong with that, but it is going to change.

Matt Hunckler 65:36

Yeah, and, and be ready for that.

Jeff Ready 65:39

Be ready for that change. And, you know, try to embrace the change. And if you find out it's not for you, well, there's plenty of other 10 person startups that need help, right? You haven't switched to them. And hey, if you find out later that you really liked the 30 person to the hundred person feel better. Those are still early stage companies. Favorite those right? They all do feel a little bit different. So

Matt Hunckler 65:59

yeah, that's it. That's good perspective. I've definitely experienced that myself at various tech startups. What do you most last question for you? before we break in? I think we're gonna have to do a part two here, because I know we're only scratching the surface. Yeah. What are you most excited about at scale right now? Or in tech in general?

Jeff Ready 66:18

Well, yeah. So it's scale? Well, my view is going to be basically, one in the same. There's other things in tech not related to scale, and also excited about but it scales specifically. And so we now we've evolved the business in 13 years in it effectively, that's a multi generations of stuff. Yeah. And so the business evolved into what's now called edge computing, which you had mentioned earlier. And edge computing is a fancy way of saying anywhere I need to run applications outside of the data center, right? So you know, so and I'm going to, I'm going to group the cloud into the data center, right? So the joke all of us in the industry have is the cloud is just another word for something. else's computer. So it's still there's still a data center stuff is running there, it's managed a little differently, right? But it's there. The Edge means it's outside of those, when you think about a data center, a data center has, whether it's a regional data center or the cloud, there are certain things that you can take for granted, right, which is, oh, it's got redundant power. And it's got good internet connectivity, and it has people there to do stuff, and it's got cooling. And, you know, nobody who starts a data center because they're trying to, you know, save the environment with low utility bills, right, like the opposite of that. So you've got, you've got a certain framework to work in. When you start talking about I'm going to run these applications outside of that environment. So as an example, we do a lot in retail, right? So you get grocery stores, coffee shops, gas stations, etc, that now need to run applications locally. For a number of reasons, right? Which I can get to, but they're

gonna run those applications locally on stuff that's running locally. Well guess what, they don't have their there's no IT administrator in the back of McDonald's, right? The physical size of servers, which makes almost no difference in the data center suddenly makes a tremendous difference, right? You can't put a rack of gear in the back of a coffee shop not gonna work right? The power consumption the noise that it makes the heat all these things these matter a lot and so scale so you know, we play in all all these markets data center cloud some edge, but we're we're very strongly positioned is that as we kind of alluded to, on the way some of the some of my background is in artificial intelligence, and machine intelligence, and so there's a foundational element of the scale product built around machine intelligence, which shows up as it's really easy to use, but but what's really happening is when when things break which they break in it all time that's why you have it people. Yeah. When things break the system is designed to detect that and fix it by itself. Which is now Korea. It was really cool when we were selling into data centers, especially if it were a smaller company that may have had only three or five it people because that automation enhanced there. It was like a six or seven person right? When you go out into the edge where there's no it people that automation is is the killer app. Yeah. And so we get that installed and all of our mom's laptops. Yeah, exactly. Right. So he might have to carry around like three laptops and I can make it work. So yeah, it's funny you say cuz I still do tech support for all my family, you know, the scale, but I'm also like the family tech support. So the you know, but but mainly moms and dads alike. Yeah, of course. So being able to run those applications and know, right, so if it's the, if it's the applications right in the cash register at the grocery store, like and the server goes down like then you can Take people's money. That's bad, right? So. So that means a lot about the cloud. Well, what if the grocery store loses its connection to the Internet, right? We're not talking about a data center here, we're talking about a grocery store that probably has a comcast cable modem connection to the Internet, it might lose that connection, you know. And then the other reason that this stuff runs locally tends to be speed. So you know, the joke we use in the industry is if you have a Tesla, or some other self driving car, and an animal runs out in front of you in the road, you don't want the Tesla asking Google if it should stop, right? That decision needs to be made locally. And part of it's a matter of physics, right? That if you are if you're in New York, and you're hitting a San Francisco based data center, at the speed of light, that's going to take 50 to 100 milliseconds. I don't know what the exact number is, right? But it's in that range. If you're going 7080 miles an hour, you've gone 15 feet by the time that data packet comes too late, right? Yeah, that decision we made locally. And there's a lot of that right. You're seeing cameras get deployed everywhere. Cameras generate a lot of data which can easily saturate right I mean, putting a drop cam in your house as well. thing, but if you're, you know, I'm a factory and I put in 1000 cameras to look at all kinds of stuff in the factory, right? There's a lot of data there. You're trying to make decisions locally. And so that. So this big rise now of edge computing, it's effectively the next, you know, everyone now knows the cloud. This

is the next thing, right? So you had, you know, you had mainframes, then you had client server infrastructures, then you had data centers, the cloud, now you're getting edge computing, right. And when you look at what I'm most excited about, as it relates to scale, is if you look at each of those different generations, the company that you think of when I say mainframes, you think IBM, right? If you're a tech person, maybe if you have no idea what I'm talking about anything but if you have a tech person you think IBM share, that's because IBM wrote the software that made the main framework. They also built mainframes, but it was the IBM software that kind of made it all work. When you think client server architecture, if you're an IT person, you think Microsoft, right? So that's on my Microsoft Word. You start running Exchange servers in the back your office, and so forth. When you think data centers you think VMware, right. And the opportunity for scale is when you think edge computing, you think scale computing, right? And so big upside to be effectively the operating system that runs everything. And that that's, you know, I did not predict when I, when I wrote down in that notebook compete with VMware, I did not predict edge computing is a thing. Sure. That's evolved, it's evolved. And we've changed and, you know, and it's, it's fortunate that we're in the place that we are, but it's not completely by happenstance, right. I mean, we were evolving and adjusting, and it happens to be like, all of a sudden, our product in the market like perfectly aligned, right, and but VMware was the previous generation of that software. And now we've, you know, here we sit with something that fits this next generation much, much better, and that's what I'm most excited about. And, you know, some of the other thing I'm excited about in tech, you know, are are really in related areas. I mean, you know, the, um, you know, automation robots, what do you get The you know, all this stuff all this stuff effectively are we're talking about the Apple has to do tie into the edge. Yeah, totally. And you know, I just know that we have a grocery store customer and they have some of their kind of beta stores, if you will do have robots that stock shelves and stuff at the scale thing goes offline, they're all going to start killing people go rogue, but, you know, so so there's a lot of really cool stuff happening. You know, I think that, you know, if I think about where we are today, I think that, you know, drones and, you know, robotic automation using cameras and laser base radar and that kind of thing that That to me is where to that to me today is where I was with kind of that that atari and that bulletin board system back in 1982. Right. I think we're at the very beginning of where all that stuff is and, you know, and the, you know, the kids who are getting into that stuff now. You know, they're the ones They're gonna put old guys like me, like, you have to retire, right? Because I'm like, wait, I'm too far too far separated just like a mainframe guy. And all of a sudden these guys are showing up with this other stuff. Right? It's, you know that that I think is a really cool area. You know, we'll see so the world's gonna be shaped

Matt Hunckler   74:17

along the way. That's it for today's show. Thank you so much for listening. A huge thank you to Jeffrey Ed for coming on the show today. Be sure to check out Jeff and his company scale computing at scale computing comm for links to scale computing and all the social profiles and all that good stuff. Sounds like Jeff's not on Facebook anymore, but we'll get all the other ones on there. Head on over to powder keg comm check out the show notes. You could subscribe at Powder Keg comm slash iTunes. And then finally, to be among the first to hear about the stories about entrepreneurs, investors and other tech leaders outside of Silicon Valley. Continue to subscribe, pay attention for the next episode, we would love a review and we'll catch you next time on Powder Keg igniting startups.