

116 FlowWater

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SPEAKERS

Matt Hunckler, Raz Razgaitis



Raz Razgaitis 00:00

Those are literally the two things that caused me to be like shit. I got to get out to like one of these poses and like start creating. And it also caused me to realize I don't ever want to be in a position where I'm debating or wondering should I've gone and tried the entrepreneurial pursuit?



Matt Hunckler 00:30

Powderkeg fans, this is Episode 116 of powder keg 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 speaking with Raz Razgaitis. He's the co founder and CEO of Denver based flow water, which is a company that's revolutionizing the way people get drinking water. Raz started his career in fortune 500 companies including Johnson and Johnson, Eli Lilly. At some time in Indiana, which is my home state, and since then he's been the CEO at several high growth companies out to Silicon Valley back to the Midwest again. And he's combining 20 plus years of leadership and tech experience to deliver flow water, which is a water refill station product that keeps 2.38 plastic water bottles from reaching our landfills and oceans every second. I love that stat. And I love that he's doing that. So I'm super glad to have him on the show. He's got lots of thoughts on the art of building a disruptive brand, and using innovation and technology to change paradigms to save the planet. Ross, thanks so much for being here today, man.



01:35

Thank you. It's great to be on the show. And I love talking to another Hoosier and someone that's building in the Midwest.



Matt Hunckler 01:41

Absolutely. It's a real pleasure. And I love the product that you're building. And I've been reading all about it. And I love that you're building it from Denver, Colorado. But first I want to add before we dive into what you're doing now, I always like getting a little bit of the backstory because I always think it's very interesting to hear how a family got to doing this crazy thing called entrepreneurship, which, you know, with, with all the data and statistics and knowledge that we have really no sane human should actually go and do. But I really appreciate what you're building. Now, how did it all kind of get started for you? And how did you end up in the Midwest?



02:21

Well, when you say end up in the Midwest, you mean the most recent trip to the Midwest? Right? Or from the very beginning?



Matt Hunckler 02:29

Take me all the way back to the beginning. Yeah,



02:31

I was born in Texas in early age. And of course, when I'm talking to a Texan, I claim that all day long, that's about the highest ROI of any state, but for all intents and purposes, was raised in Ohio. I grew up in Columbus, Ohio. My dad taught in Ohio State and was responsible for a variety of academic and how to write a different academic roles and then he actually ended up running Commercial licensing and business development for beta labs in Columbus, Ohio, which I don't know how well known it is now, but back 2535 45 years ago is fairly well known. And I went to school I went, as you know, it's a small school in Indiana Anderson University, which, anytime I'm talking to somebody in New York or SF, I basically just tell them because they've never heard of it. I tell them, it's the Harvard of the Midwest. Because I get the position this however, I really want to position. I in fact, I've said that so many times I've said interesting universities, the Harvard of the Midwest, so many times in California and Silicon Valley that I have now run into people

with, I'll tell them the name and they're like, Oh, I have heard that's like the Harvard of the Midwest. It probably started with me saying this over the last 10 or 15 years.



03:51

And so



03:53

it's kind of it's gonna be



Matt Hunckler 03:56

our first guest on this show, as you pointed out, was also an Anderson University grad Christian Anderson Yeah. So it's it's got it's a good vintage I mean like and I think was the state was the same year as you right?



04:09

He wasn't Same here. Yeah, super talented guy,



Matt Hunckler 04:12

small world, small world.



04:14

I went to undergrad at a you I thought going into undergrad I wanted to either be a pediatrician or a trial lawyer, which would have either probably made me a pretty scary pediatrician or a pretty scary trial lawyer. I saw cadavers decided I cannot go through med school dealing with with things that are bleeding. And literally that was just one of the drivers for me was I just like I don't have the stomach for it. And then the other part of it was I think something about entrepreneurialism is that I do not think that there's some genetic code absolutely unequivocally for most people. I think there's, I do think there's a binary on it, which is some people are completely wired to be an entrepreneur from the very get go, and some people are not. And then I think there's a fair amount in the mid range, which is, you know, why I think you see a lot of people in SF, that are entrepreneurs

is because those people that are in the mid range are just much more as a result of, you know, your surroundings, to be able to identify pathways to become entrepreneurial. And so I don't, I don't know that I would certainly say I'm entrepreneurial. But you know, I don't know that I had the 100% binary, I gotta do this. In fact, I probably don't have that in the sense that, you know, my very first job coming out of school was Johnson and Johnson. And so as I got in the, you know, my first year of undergrad, you know, I recognize I didn't want to go spend seven years in medical school. I didn't have it in me to do that. So I kind of lost that three years. In fact, very many, very few people don't even know that that was that was a dream of mine kind of going into undergrad in quickly lost it for those reasons that I mentioned, but I loved business. I was passionate about business. I ran a 70 person kind of startup company when I was in college in between some years in college that was very entrepreneurial, but very, very low tech, I will add, and we might come back to that, but I really enjoyed business and wanted to get out in the trenches. And I ended up getting a marketing undergrad from Anderson University and leaving school as I was getting ready to graduate. I really wanted to move. I wanted to go out to New York or SF like those are the places you know, I felt like at the time I felt like well, this is where you have to be if you really want to make it or I felt like these are super competitive places and I want to go compete and super competitive places and like go play You know, football at that level, kind of metaphorically. And I don't think that's the case anymore. That used to be the case a lot more. I mean, of course it just because there was not nearly the infrastructure, but now there's great tech companies being built all over the US. But in any case, when I was graduating I, I had three job opportunities that I'd narrowed it down to one was with IBM, one was with hp, and another was with Johnson and Johnson. So kind of going out of school, you're thinking like, Alright, like this is like what I'm gearing up for, I should go get my classical training like j&j. Each of those companies were kind of the Google of that time, in 96. And so I took the job at j&j and moved out to the east coast outside in New York City. And so that was kind of that that was the exit point of my Anderson University undergraduate experience and my entrance into business. But of course, you know, as the story goes on, I did not stay in that environment. I remember along because I kept having this nagging underbelly of an entrepreneurial bug where I wanted to not necessarily have to be the person that goes into start stuff. Like I sometimes hear entrepreneurs talk and say, Well, I could never. That's why like, I want to go work for myself. That's an idea that I can't relate to. Because I think also I think the reality is, if you're an entrepreneur, you're working for somebody. I mean, it might be a board, it might be investors, it might be a, you know, there might be advisors or their customers, but at the end of the day, you're working for somebody. So I had this nagging, entrepreneurial proclivity that I've enjoyed working in big companies and midsize companies. But I've also really enjoyed starting and building things.



Matt Hunckler 08:44

Did you get that sort of foundational break into the world of business, training and skills that you were looking for when you went and worked for Johnson Johnson, Eli Lilly?



08:55

Well, that's a really interesting question. I think that uh, Yes. Now I think the short, the short answer is really yes or no, the longer answer on that is yes. And the way that, you know, there's some really, really smart people working at j&j. And there was a lot of just templated training programmatic around like best practices around selling business development. But then also marketing. I ended up after j&j working at HQ, any light Lilly's headquarters in Indianapolis, and I launched a what's now you know, I was on the launch team for a billion dollar drug. It's now a billion dollar drug when we launched it with a couple. I think we got it up to like 400 million at the time that I'd left but you know, in many ways, you know, marketing strategy business, you know, Corp Dev, I think fortune 500 companies are a terrific breeding ground for learning how to navigate in deal with a lot of different dynamics, a lot of different personalities, a lot of different politics, and structure and methodology and thinking.



10:09

I don't



Matt Hunckler 10:11

know. I was just gonna ask if you have like one thing that maybe you repeat to your team often now that you learned back in your fortune 500 days,



10:21

I'll tell you actually, I learned at my commencement, Anderson University from Mitch Daniels, your one time governor. Oh, wow. I meant who ended up becoming my mentor for years. And I still will periodically email him



Matt Hunckler 10:34

they No kidding.



10:36

Yeah, I'll tell you what he said to me at commencement. It but so this is my dad dragged me up to.



10:44

So Mitch was running with some big muckety muck at Lily at the time that he spoke my commencement and then he went on to be a secretary Treasury for bush and Governor after that, and so on and so forth. But



Matt Hunckler 10:57

it's running pretty University. Now.



10:59

Now. Now he's running Purdue. I've actually tried to reconnect with him. I've been successful yet and there's not a lot of business in West Lafayette for me. Yeah, it's time to do it. But I'd love to connect with him again. But he said, my dad dragged me up after he's like, hey, you're gonna go work for j&j? This guy's a big deal, Lily, go ask him some questions. And actually, my dad asked the question, this is like typical, like, thought that I was shy, just like I wanted to go hang with my friends. It was graduation. And so I go up and I meet Mitch, I was excited to meet him. He's a great commencement speaker and terrific individual. And my dad said, Hey, what's one piece of advice that you would give a young guy starting out on his career that he should take with Him forever? and Mitch, like unflinchingly just said, always do the right thing. And I would look I don't want to sound self righteous either. I would love to say I've always always done the right thing. I've I've found that up before 100. But, uh, you know, part of life is Following things up and then doing your best you can to fix them and get back and redirect towards a mantra or set of beliefs or your vision or your value. And so that story in fact, I ended up later after I got hired in recruited by Lilly and moved back to Indianapolis after I'd been working for j&j for years. I emailed Mitch and I reconnected with him, and he became a mentor of mine. While I was at Lilly, and he was at Lilly, and that was one thing that stuck through with me is, you know, always do the right thing. And, you know, when it comes time to making a decision, and we don't know what to do, because they all seem like they're good outcomes, or it's in the gray zone, you know, we'll use one of those as a litmus of what's, what's the right thing to do here. I mean, hopefully you're always starting with that, but it doesn't always mean that you can start with that. lens and you could go like, you know,

five miles down the road and find out Okay, wait, maybe that wasn't the right thing and so revisiting that route has been helpful for me in a career both aspirationally both kind of thematically in terms of you know how to operate and then also correction Lee in terms of Hey, like, you know, screw that one up like I gotta like get back on making sure that you know I am or we are doing the right thing.



Matt Hunckler 13:30

That's really good advice. simple but profound. And



13:34

I have a tie back to Indiana I promise it governor Anderson but a lot do actually. I mean, that's where like so much of my formative appraising and learning came from my under you know, earlier years and in Ohio, but then my undergrad and my my grad program in Indiana,



Matt Hunckler 13:57

you gotta gotta start with the right foundation.



14:01

It's one of the great things about people in the Midwest, by the way, I mean, truly, I love hiring a percent last because there's just a different kind of value ethos that genetically kind of has gotten developed. And so, not to say that people don't have great values in new I Love New Yorkers. I mean, like, if there's anything I'm probably most genetically predisposed towards, it's being a New Yorker. But there's something unique about people in the Midwest, and it's just one of the attributes that they have with them of, you know, street hustle hard work in a variety of others. So



Matt Hunckler 14:36

doing the right thing is a good part of that. I I'm curious to know what kind of finally tipped the scale for you to actually bite the bullet and follow on some of those entrepreneurial tendencies and I'm wondering if there was someone or someone's around you that kind of pushed you over the edge.



14:54

Yeah, there was actually he I'm not gonna say his name. But there was a guy I remember this conversation. This is 20 I'm 46. This is 2322 years ago. And there was something that had two things completely tipped me and they were like, not the defining moment but it was a moment of truth that caused me to radically think about executing on moving entrepreneurial and so I was in Indy at the time living abroad rebel. And I was also doing a lot of travel to California and San Francisco so I you know, fly to SF and get fly ironic. I live part time still seven minutes from SFO. So you know, I kind of have this split dichotomy where I my primary residence is in Denver, but you know, I spent a lot of time in in SF and have a place out there as well and, you know, I'd find out if I get the rental Car place, and then I would get on the one on one. And I'd be driving up and down between like SF and San Jose. And this is like 9798 99. And everything was buzzing. I mean, you're just like billboards and like pets.com was the thing and Dr. Koop probably no one listening even remembers Doc, I was in the I was in the health space. Ultimately, that's what caused me to make the jump. But that was a big deal and medscape and Web MD and some of these still exist, and on and on excited. And I remember just like feeling this level of electricity in this energy around what can be created. It's one of the things that I love. And I think that's one of the things that entrepreneurs love is they love creating, they love the idea of ID aiding and creating and executing like real also executing real entrepreneurs execute to so like everyone. That's all that other stuff is just Daydream. You're not an entrepreneur if you're just doing the other things, and not doing the executing, because quite frankly, probably most of being an entrepreneur is actually in terms of raw time is executing. And so that was a tipping point for me, as I remember, like landing one day in SF, driving on a one on one and seeing all this and I said to myself, I have to get out here, or I have to figure out how I can get into this ecosystem. And then I'd go back to India and I had this nice house and like super comfortable and the people were great. I was on this career path that was really, at least save or so I thought and, you know, I thought it was I was on a pretty fast career trajectory. And then I remember talking to this guy, I remember his name I remember his first and last name. I hadn't thought of his name in 20 years plus, and I can't remember his name. So now I'm trying to be careful not to say and I remember us him talking in a at the end of a meeting. How many How much time you had left to retirement. And he basically said X number of years, months and days, and he'd been there has been a long timer. I remember leaving that meeting, and I never forgotten that, because the only other time I've ever heard anyone describe, like time left in that context was when people were in movies in prison, talking about how many days and weeks and hours that they had left to serve. And that sounds really ridiculous. But honestly, those are two things like all these other things. I have business plans I've been writing. One of them was for a startup called doc knowledge that was going to be in the health space that I was working on in 97. Like I had, you know, I was networking with people, all these things

were happening. Those are literally the two things that caused me to be like shit, I gotta get out to like one of these posts and like, start creating It also caused me to realize I don't ever want to be in a position where I'm debating or wondering should I've gone and tried the entrepreneurial pursuit? Because I totally admire people that spent a career in a company like Lilly, super admirable. There's some really good work that's being done at companies. I'm not anti big company. But for me, I felt like I needed to go and do something that was like an aspiration of mine and I felt like I'd been programmed to go do and I would never regret at least pursuing it, and then I might seriously regret it if I didn't. So that was, that was actually the Genesis that sparked me and that's what got me out to New York City. So I said either want to get to SF or New York. And I had actually



19:52

I had a job offer that popped out of nowhere and got into a start up. So I was like the seventh person hired. In a startup that just raised 10 million or \$7 million in capital in a city and 2000. Actually, that's when I joined. So it took me about a year to kind of figure out where I was going to go, how to get out there. So I really started that process in mid 99 and moved out there and mid 2000



Matt Hunckler 20:18

at that first internet bubble already got



20:22

it. Got it pops up popped in March of 2000. And so, you know, like, I think if you left Lilly in 99, or 98, for high flying tech startup, you know, everyone's a millionaire on paper, like everyone's crushing it. I think it made a lot of I first of all, I don't know anyone that left Lilly, I was the first person that I know that I remember and that arrow of several years I'm sure people left I didn't know anybody because the the deal with Lilly was that you get in you like become a manager, you become a director. If you're on this path, you Even if you end as a director, you're going to end up with millions of dollars worth of stock options. After 30 years, you're going to get the retire, you have this great package. So nobody laughed with that. Now people leave all the time now since I left, and things turned over and only had layoffs and like the reality is nothing is safe. And like, being an entrepreneur, ironically, was more safe for me than staying at Lily, but to your question, the bubble burst and march of 2000, and I left in June of 2008, or July, something like that. And so I remember when I leave, I had people sit me down, and they would say, like, I mean, they were just very direct. They said this is probably one of the dumbest things that you or you

have ever done or will ever have done, because you're on this great career track. And if not everyone said that by the way, other people will pull me aside and be like, hey, like, run, like go for it, make a run for it. Like Get out of here and do what you want to do like not because they didn't love it, but they you know, like, somewhat vicariously living through me But yeah, had it. It didn't seem like the wisest decision on paper at that time if someone had laid it out bubble burst. I'm trying to think actually, in terms of the timing of it all. Yeah, it had it had. Yes, it had. And then I went through another brutally difficult. So the bubble, that burst still went out. And then we



22:28

went through 911 a year later. Yes. That was.



22:33

I don't know. I mean, just economically, I'm not obviously it was way more tragic than the bubble bursting. But economically, you know, what a lot of people don't realize is that if you're in an early stage company and a lot of your businesses in the tri state in that time, like you had multiple compounding issues there and so I went out I was in New York from 2000 to 2002. Where I was I ended up being the VP of Sales and Marketing for an An early stage company that was a in the health space. It was a website very first syndicated health content creation vehicle. Wow, doesn't sound super sexy. But what we're doing is we're powering people's health content across the interweb and creating your own content and syndicating it across the web. It's like PR Newswire for health content.



Matt Hunckler 23:22

What did you find was the biggest difference between corporate business versus startup business?



23:30

Well, I mean, the speed I cannot describe the speed and the urgency and the raw like, it's, it's like going out and going from like, I think Middle School, like playing middle school football or sports, just pick your sport, soccer or baseball, whatever, to playing like college level in terms of speed. I mean, you know, I don't know that the people are any smarter and faster. They might not be smarter at all the people corporate might be actually like kind of IQ. In fact, I'm quite sure of that, like the people that, that Eli Lilly, I worked with

some wicked smart people and these all have like, for the most part prestigious MBAs or PhDs or MDS, none of which I had, by the way. And



24:21

the speed, though, is unparalleled. And you know, New York, but then layer startup on top of that, having come from Indiana, fortune 500. So that's one The second is meritocracy wins, or it should win. I don't think you will find many successful startup companies where meritocracy doesn't generally win more often than not, and that is not the case in big companies. I mean, I you know, in fact, I just talked to a group of executives at a Denver sustainability summit and then before that, I talked to some Atlanta at some green Business Forum, a bunch of sustainability executives from fortune 500 companies, and one of the things that I really encourage them to do, because asked if I had any takeaway for people that are carrying sustainability back to their Corporation, and one of the things that really interesting to do was like, I mean, I guess if I were to synthesize the comment, it would be blow shit up, which is go and try a bunch of stuff. And like, pilot and experiment and like, come up with a thesis, have a hypothesis, and then go start executing stuff. And I think that element of executing and meritocracy and driving things to the point of a binary, right, which is that binary outcome is not called like, hey, let's like dish something up that we did it and it doesn't look so good. Like let's kind of put window dressing on it so that people don't know what really, really good is versus really not good. And it's one of the jokes that I make from when I'm interviewing actually interviewing a CFO right after this one. The jokes that I'll make is Tell me about your least strength, which is, in other words, tell me what you suck at or you're not good at. But like it Lily, we used to say, Well, what is your least strength? And sometimes they the commentary gets so marginalized and diluted, that it's a real threat to getting visibility and clarity as to what does the landscape look like? And the reality is, as entrepreneurs, we're all going into things that they don't make sense if they made if it was obvious, it would have already been done. So we're already going into things that are murky. And we're trying to find clarity amidst that murkiness, which is why, you know, meritocracy, the best idea winning is so critical, and then putting points on the board. I mean, I think that's the other thing is the ultimate irony. And I'll end on this one. Before you go to your next question, but, you know, I remember leaving a lily and I was getting kind of counseled of like, Hey, this is super safe, and you're gonna like end up a millionaire here. You know, the Reality is a bunch of people years later, and not that many years later that we're all super talented hired from like Wharton and like Harvard and all these feeder schools into Lilly, a bunch of those, you know, hires that were at my level got laid off, they got let go, which was unheard of it really, and corporate because of market changes and contractions and whatnot. And they weren't laid off because they were poor performers are not the strongest performers. It was tenure, right? And so like, I had the exact opposite experience. Where did the startup

company, you know, we made a bunch of capital, capital markets constricted, we couldn't raise more capital. So we either had to, like basically our portfolio was our lead investor, it was on the common was an agency in New York, they basically said we're closing the fund. If you guys can make it on your own and figure out how to do that great, you can make it otherwise like all of our portfolio. Companies are just going to go into BK. And all of them did. Actually, I think we're the only company that returned capital to Omnicom out of all the investments that they made. And all of them didn't make it except for one, and that was ours. And the reason that we made it was because we were fricking, relentless, and tenacious, and we had good luck. But we figured out how to succeed. And I guess my point is, as part of that process, we hired a bunch of people, we had to let a bunch of people go, we went from like, seven people to 7080 hundred people down to like, 60 people down to 30 back up again. But I had a job throughout all that. Why don't have a job I was because, you know, I was one of the performers. I mean, all everyone that performed in that company, did not lose their job. And it wasn't based on it was based purely on merit, and not time, not relationship and whatnot. In fact, I saw some very trusted friends of the founder of that company, get let go in the process. Very brutally difficult. That would never happen in big company. So that's my third One is that you know, meritocracy really, really wins the day. By the way, when I say meritocracy, that doesn't mean you can just go be an asshole and do whatever you want either. Like sometimes I think people think of like, I'm kicking ass and I'm performing, I can do whatever I want. And you know, that that I've learned as well. I mean, I, I probably erred on the side of taking meritocracy, too liberally and just, you know, being too much of a bull in a china shop. It's hard, you got to temper your own self, but I just want to be clear, you know, meritocracy is about performing. But it's also about lining within the norms and the cultural expectations that the company that you're joining.



Matt Hunckler 29:40

Any advice for people who work at startups or high growth tech companies to make sure what they're working on is providing the most value?



29:50

Yeah, I do. Actually. I've never heard anyone asked that question before, though. I asked a in an interview. It's a great question. That's just generally a great question for humanity, which is, you know, how can I be adding more value? I mean, really, and I think the best thing that they can do one is really understand the strategy and the KPIs, the key performance indicators of their organization. And in fact, I'd like to haffley attempted to walk you over to a scorecard that we have. So we have a big digital dashboard in the

company, and on it usually are five KPIs or six KPIs for the business. And these are the things that are the macro economic indicators that are most essential now, because it's in December, there's one KPI, it's down to what we've hit all our numbers except for one, and it's down to literally one number. So I hadn't changed the board last week, and I said, it's all eyes on one number. And so one has to know what the KPIs are of the organization and the strategies and then really understand it, I can understand that depending on where you are within your company might be it might feel like it's like hard to understand or, you know, it doesn't fit because you're seeing a segment of the business rather than the macro of the business. I'm really encouraged like in your town hall meetings every month through your huddle, ask your CEO, the questions around strategy so that you understand because believe me, he or she desperately wants you to understand what those are and know them so that you can be operating in accordance. So that's number one. suggestion number two is I call them people managers, their managers or their bosses I sometimes will slip and say I call them now I call it your up to your boss is your up team. You know, in your direct report is your down team. And I would ask your up team you know, that's next thing that you can do is at the end of every one of your one on ones would you I'm a fan of one on ones. I mean, I don't necessarily need to have it scheduled, but I think one on ones are essential. You have to have for alignment, otherwise, like everyone's running all sorts of directions. And it's your responsibility as your up team to be regularly having reporting with your one on ones, I use a very specific template for that. With all my direct reports, some of them I hate it, I don't know, I don't really give them the choice. But it's so that there's a discipline, I believe there's a best practice. And we can modify and prove some things. I think executing against best practices where things are known in my business, so many things are unknown, that there is a best practices way or a variety of ways of conducting on one on one that is better than not having one just choosing your own adventure. So part of that one on one and one of the things that I encourage all of my my teammates across floodwater to do with their up team and their one on one is ask them, what could I be doing? Better are doing to add more value or having a bigger impact in the company. And I think if you understand the first question around, what are the KPIs and the key fundamental business strategies, Eg, what has to happen by the end of this year or in 2020? What needs to happen by 2020 you're doing that. And then you're aligned with your direct report or your up team and constantly asking them for feedback. You're gonna get, you're gonna make more progress. Like I think, you know, one of the difficult things. I'm trying to give you too many pieces of answer here, but I have, you know, there's things that are flooding to my mind. But I think one of the things that is really difficult is giving feedback and I don't think anyone that's we're just me, whatever accuse me of difficulty in being dropped. I think. I say I'm over to overdrive. Bye. It's a balance. And it's hard. I mean, frankly, where I feel like I struggle the most is in how I do the directness I, I, for people that knew me 25 years ago,



34:12

they would see a very noticeable improvement in my ability to appropriately be dragged in ways that are like empowering and encouraging, leaving, it's not always the case, even still, I'm sure people that are sitting out there like well wasn't so empowering, encouraging the other day when, like you were raising a hand about this issue, but one of the ways that I feel like you can get away with that, first versus you gotta like people, you got to really care about your people, because the end of the day I want, I want them to be successful individually, because that's what's going to make the company successful. So this is like a little bit of maybe the desire to bend a football coach, perhaps in some form of my life of, you know, extracting that 20% performance index, the last 20% but one of the best things that you can do is ask your up team and your colleagues for direct feedback. Like you're sitting in a room and you want if you want to hear feedback, you need you. If you want to hear a real feedback, you need to be prepared to hear, like, it's not even good and bad. I think if it is feedback, it's not like, tell me what you like, tell me what you don't like. It's kind of like, tell me, tell me about this thing that we're undergoing. And to me, it's not bad if someone shits on something and they say, hey, like, I think is a terrible idea. And here's why. I want to hear that stuff. And the faster as a employee boss relationship, to get to that level of directness. It actually builds trust and confidence like you can enjoy. I have conversations with board members where you know, they're like, Hey, I think you're thinking about this totally wrong. Or I think you're missing something. It's like, I don't I'm not I'm not defensive about that at all. I'll say that to them as well. It's a real freedom that you have and be able to operate that way. It's really hard to get there. I think it's one of the hardest things in terms of people dynamics to get there. And as an employee, people are like, Oh, it's my boss's job to do that. One of the best things that you can do is help facilitate that with them by asking for feedback and say, Hey, can I be direct with you? Will you be direct with me? Like lay it out there?



Matt Hunckler 36:23

That's really great advice. I feel like I could probably ask you 12 follow up questions too.



36:29

Well, I feel like I could give you 36 answers to those 12 follow up questions.



Matt Hunckler 36:33

I have a hunch that you that you could, but I want to make sure. I asked you about what

you're doing with flow water, because I love the mission. I love the impact that you're making. So I would, I'd love to just know, how did you even come up with this big hairy, audacious goal? And the idea in the first place?



36:53

Yeah, well, let me let me tell you a little bit of a story around that. And so I was I we just pre flow water. I just sold a company it was a restart was a tech company that had failed. I got brought in by the VCs, to reboot it. So I done a tech startup in New York kind of from scratch, then I did a total reboot. It was, frankly, it was a disaster of a company. And I would never ever recommend someone go into a tech company at a series A that didn't or a Series B, that was totally dilapidated, no proof of concept and they were trying to reboot it. You just are better off starting a new company. So I did reboot it. We ended up selling it. It was not a lot of fun. But I learned a ton. That's I learned a lot from that. And Around this time, I had this huge transformation. Physically. I three big transformations that happen. One is add kids. So I've got two amazing daughters. They're 16 And almost 18, now Zoey and Royce, and that was one. So they were, you know, 10 and 12 or so at this stage. Second transformation that I had was a kind of moving away from the pharma space. And you know, one of the things that this is, again, not a dig in pharmaceutical companies or biotech companies, but one of the things that I started to feel really strongly about is moving kind of the progression of humanity and medical care and naturopathic care and alternative care and just self care towards preventive measures and things that were oriented around wellness. You know, and there's not one brand director or vice president Eli Lilly, that gets paid on prevention there or any pharmaceutical company, you know, j&j or Pfizer, you pick, pick a company, they don't get paid on. They get paid on maximizing revenue. It's not, you know, appropriately prescribing it for this condition or that condition, it is based on revenues. And when you're doing that you're not thinking about the total health of a person. And frankly, at a certain point, I think doctors in many ways conventionally have forgotten that. And so the second transformation that I had and I'll skip all the getting back to your question, I'm kind of in the middle of the question, but I'm telling you some stories alongside of it. Is this narration just sort of gone ring? We close the deal? I think so.



Matt Hunckler 39:28

I tend to update the scoreboard.



39:31

Yeah, exactly. That's exactly what's happening right now. That's great. The scoreboard is literally getting updated real time. Second thing was this migration towards wellness and wanting to see like a sense of humanity and and health and fitness be different than what it was like more preventive rather than treatment oriented, and kind of tied it out as my own third revelation, which is, you know, I grew up on Dr. Pepper and donuts. I love Dr. Pepper. Once a year anymore, I'll have it. That's it once a year on Thanksgiving tradition. I stopped that crap A long time ago. But, uh, you know, I played sports in college. So like I didn't, you know, I was fit when I was 2530. And I was eating donuts every day like I was in college and drinking Dr. Pepper all the time and eating like crap. I got to be 290 pounds at 1.1 98 right now for comparison. So, literally, I think two actually 280 was my hot. And so I had this huge transformation around being programmed. And I and I, this is where all starts for me around. I think. I think sugary carbonated soda is like a legalized form of liquid heroin. I really do. And the reason for that is it's just like big tobacco did in the 60s, which is your market, the teens you market the kids that are college, you get them hooked on It has all these addictive properties, you make it cool, you brand it. And then suddenly people have multi decades lifelong addictions. And there's a lot of data that shows that nicotine addiction is every bit as strong or second, strongest to heroin, second strongest to heroin. It's highly addictive, and it creates lifelong dependencies that people are forever stricken with and has horrible health outcomes. I think a big soda is the same way in many ways. And I saw I got programmed, and then it had these health impacts. And I had this huge Revelation where I started running marathons, and I started eating super clean, and I gave up all that crap, but that's kind of like the gateway, the gateway drug that a lifelong love that eating so I started seeing my daughters, you know, I'd show up to their soccer games and like, people will be bringing cokes and I was like, holy shit, like, what this is how it happens. Like, this is how it happened. So like when it got me that's what got me excited about flow water is 70% of Americans. chronically dehydrated, there's a huge plastic epidemic that that is ongoing. No one had done this before, and water hardware had not been invented. And so I had a business partner that was actively involved in the business at the time. In fact, he was the founder. I joined him as co founder, but that but the real I think evolution of the business platform plays been in the last couple years, which you know, this product you see behind me right here is a refill station, but that's around that's the tip of the spear, a building in kind of platform of water infrastructure throughout the world. I was an answer to that question. But there's some storytelling that has to go along with that. Because that's really what you know, I like it's rarely I think, like someone's like, I had this magical idea of like, how to make XY and Z and what have you and sometimes, but it's usually from a problem or a systemic change or like a philosophical like reason for being or something that's like really soul seeking and stance, coupled with market opportunity.



Matt Hunckler 43:03

Quick Time check. Do you have another 510 minutes? I do. Okay, awesome. Are you



43:08

10 minutes? What's that?



43:10

You have another 510 minutes? Oh, for



Matt Hunckler 43:12

sure. I definitely do. And I want to I want to hear more about the story because it sounds like a huge I mean, it is a huge transformation, shedding almost 100 pounds and changing a lifestyle. I mean, some people struggle their whole life to make a change like that. What was it for you? That made you say, you know what, the way I'm living is not how I want to live.



43:38

I'll tell you there's it's funny. You're asking these questions that are literally drawing me back to the most distinctive defining moment that I've recalled before in the past, but it's like driving complete clarity to to a moment in time. And by the way, I want to acknowledge I think, like one of my passions is on, like this kind of pursuit of improvement and optimizing oneself towards it's, in other words, it's getting the last 20% out of somebody, right? So I don't like getting someone from like zero to 50%, you know, and that's like a lot of Lily by the way. It's taking like raw talent. But it's not that I don't like it really, it's just that it's too inefficient. It's not as fun as like, how do you extract the last 20% from someone when they don't even know that they got it is taking



Matt Hunckler 44:32

someone who maybe thinks of themselves as an A player. But you know, they're actually at be a plus



44:39

actly 100%. So, and I think some of that is around, how do you activate these things in your life? either remove a roadblock or activate these things that you're on the cusp with. So going back to your question about fitness, you know, I don't I remember Number two things triggered me. I remember Gosh, living in New York City in 2000. In two year after 911, I think they had the marathon the next year they did. And I remember watching the marathon, and I was married at the time, and I was married for 17 years. And like one of the, one of the casualties, not just a being entrepreneur and startup because I wouldn't blame it on that. But that added a lot of stress to it. So no longer married, but I remember telling my wife at the time, I'm gonna run the New York City Marathon someday. And I was like, starting to get out of shape. At that point. It was kind of like, it kind of became a joke to her, I think after me saying I was going to run a marathon for like 10 or 12 or 14 years. And then one day, I'm like, in my mid to late 30s. And I'm like, Man, I'm getting like really big, and I'm not moving in the marathon direction. And I remember seeing all these before and after photos with someone It taken some protein product, it was that and then they done some workout. And then there was some clean eating program. And I remember just looking at all these before and after pictures, and I'm looking at all the before. And I'm like, that looks like me, that looks like me that they're fatter than me. And I'm looking at all actors. And I'm like, this is ridiculous. Like, I could do all these other things, like moderately well, maybe not out of talent. Maybe it's just sheer brute force. But like I can hustle and tenacity, I can do all these other things. Like why the heck can I do this thing called get in shape. And I finally came up to the realization that I just needed to put an action plan in place and part of the action plan was, you know what I remember like all these things converge at 1.1 was realizing I wasn't gonna run a marathon if I didn't like make a dramatic change to missing all these before and after photos. Then three was actually realizing that you can't outwork a bad diet. Like you just can't do it, and I had never really had that. I knew that because programmatically all the way through high school in college, that's all I was doing all day long, like, didn't matter what I, you know, I was like a little bit more wait for the football field or whatever it was. And then I started like studying this stuff. And I realized, man, I'm consuming like 500 calories of soda a day, like, multiply that during the course of the year. So those three things like were huge, like transformation shift, then it literally came. All right, like set a plan, like what's the goal? What's your start date, like go have your binge doughnuts and like, go have your five sodas and your two bags of Cheetos and how to date I was like this is what I'm going to do is follow the plan. I'm going to follow the plan. I'm going to kind of kick my ass a little bit and get back on plan but also be gracious enough with myself that I didn't guilt me into doing it. And that's kind of what started for me like a seven year you know, I ended up doing a bunch of marathons and doing an Ironman and not something like fitness Maven, but like compared to what was 20 years ago or 15 years ago. I am But that also led me to

flow water in some ways as well around how do you activate? How do you use a company as a platform to activate someone's employee potential, and I don't think of them as employees that is like, teammates and ambassadors and colleagues, and people that are like partners strength. I think of them as all co founders, even if they joined, died, someone joined today sitting across me, you know, I think of Joe as a co founder, but you know, how do you also do that in time with aspiration around what you want for humankind or society or a certain demographic?



Matt Hunckler 48:35

It occurs to me that this was a personal paradigm shift. And in a lot of ways, what you're trying to do with flow water is a paradigm shift at a global scale. Can you talk to me a little bit about how that journey has been for you?



48:51

I can say no. So the whole the whole strategy around flow water, so the vision of the company is to radically change the way People view water and that it is distributed and consumed. And the mission of the company is to put an end to single use packaging, not just single use plastics, but single use packaging. Let me kind of translate what that means. If you look at the problem in the world today, and let me start with the US, there's a separate worldwide problem that's really prevalent, but we don't have time to address that. But let me just start with the United States from the US is that, you know, once upon a time, we had pretty good drinking water and then bottled water came out and Perrier in the 70s and 80s. And then there was like, clearly Canadian, it was like flavored sparkling water. And then you know, Aquafina and the Sony launched like mid 80s, you had a proliferation of 90s era bottled water and packaged water brands. And now there's like, you know, you go to Whole Foods for like 60 different skews if you go to a big enough Whole Foods of just packaged water. So we took something that was free and available at the top We did is we created this insanity almost to the point of like, well not almost literally to the point where one of the top water brands is buying it from Fiji shipping it to the US putting in plastic packaging it shipping co2 spewing all over the place drinking it throwing this plastic shipping it back to Asia, ending up in oceans where it turns into micro particulates where now the average consumer average consumer drinks, two credit cards worth of plastic every month, just from just from drinking tap water if it's been unfiltered on purified or bottled water by the way, that's a recent study out of SUNY. So



50:39

wow



50:40

Problem number one is like big bottled water looked at this and they're like hey, we can make a ton of money doing this and get people like hooked on brands and like you know, taste and flavor profile or mouthfeel or whatever it is. 50% of packaged water is just tap water in a package. Bottled water companies don't sell bottled water they sell Plastic bottles have been out of water. That's what they saw. So, however, there's something that's super interesting that's happened, which is tap water is no longer seen to be desirable from a taste perspective or trusted 70%, over 70% of Americans don't like or don't trust tap water. And that could be real or perceived that just gave it just it was like six, eight months ago, but I was in Michigan, Detroit doing a TEDx talk talking about water, and part of the underlying thesis is that, you know, today we have to deal with things like glyphosate roundup that are in our tap water that 3545 55 years ago, we're not in existence. And now we literally are drinking weed killer on tap, and micro dose amounts. And just like cigarettes, one cigarettes not going to hurt you 10,000 is not good for you, 100,000 will kill you. And the same goes with micro dosing things like contaminants that are being distributed in our water, and so on. You know, this is not the municipal water companies fault. I mean, this is this is this is glyphosate. This is roundup issue. This is a micro plastic issue. There are over 300 pieces of micro particulate in every liter of water, whether it's bottled or tap now over 90% of the time. And so what we're building at flow water is the world's first decentralized, distributed platform that puts a flow water at like device or piece of technology, wherever ultimately there are water ygritte points wherever there are water faucets, we want to own the last six feet of water infrastructure. So effectively what we're doing is we're treating and tight twice, we're taking water using the best of the municipal to chlorinate it distributed delivery, even its fruit, even though it's through a very aging infrastructure. It needs to be cleaned twice at the distributed source so that consumers prefer the bottled water. And that's what we're doing with flow water. So now that when someone installs a flow water refill station, We'll see a two to five fold increase daily and hydration. And this is all schools, corporations, gyms doesn't matter the environment, by the way, they had water there before. It's not like we're taking this out to like, you know, the middle of Arizona saying, hey, well people drink more water and there wasn't water. We're putting this next to a water fountain, a five gallon jug of water cooler. And also we're seeing a 50% reduction in soda and coffee consumption when simply we have a water refill station, a flow refill station press. So what that means is they're drinking more water, we're driving the outcomes. And that's the whole strategy of our company is run a mission to radically change the way that people think about water and to decentralize it through this democratized platform because every consumer deserves access to clean drinking water that they trust.



Matt Hunckler 53:45

I love the mission and I you've reached some really impressive scale it was, I think, at last I read was 2.38 plastic water bottles a second that you prevent from reaching landfills based on The infrastructure that you've built already,



54:03

yeah will be what bye bye just to give Yes, by the middle towards the end of next year. I expect by the end of next year, we're going to have saved 500 million half a billion Sing us package, water and products, including plastic bottles from entering ocean and being dumped in oceans, lakes, rivers and landfills. And the goal is 1 billion by the year 2022. So we'll be getting close to the high 100 millions by the end of this year. I mean, we've only got about three weeks left, but by end of next year, I expect will be well over 500 million saved. And what I'm really excited about that number is it's a real number. I mean, recycling doesn't work. If anything, I look people should recycle. Don't get me wrong, I recycle you probably recycle. But the reality is, almost all the data shows 75% of Americans do not recycle. That number has not changed much. So you should recycle. But the better solution is uncertain. Like how do we create solutions where people don't even need to create the product, distribute something that then has to be done something with in the first place or in the last place. And that's what we're doing with flow water is by building this infrastructure. And so, you know, I'm really not only proud of the 60 employees that are sitting in these walls and throughout the United States, not only super grateful for 50 ambassadors have that have believed in me and many others in this company in this vision. But also we have 5000 customers, almost 5000 customers across North America, and millions of consumers that are making a migration in a way to something that's not only cooler, but it's also a rebellious way to say no to big bottled water and big plastic and packaged water products and to say yes to something that you're actually going to drink more of and do more of. So I have a lot of gratitude for the people that Now that we're early believers in a mission and a cause, and that are carrying that forward, now it's a clear mega trend. I think in packaging, you can



Matt Hunckler 56:10

want it, it seems like you've got some real momentum. And I could probably ask you another two hours of questions just about how you built that momentum and built that movement. But we have to save it for another episode. But before we wrap up, I just wanted to ask you one question, which is, for those that are listening, in the powder, keg community, or the listening community, how can they help with the mission of flow water?



56:37

A straight straight question? Thank you for that. One is one is I'm a huge fan of starting with incrementalism, right? So just even like on my like, kind of weight loss or fitness journey, you know, some people like to make dramatic changes, but I think being intentional, so I'll give you an example. Sometimes I'll be in an event and someone will show up and they'll want to refill with their single use. Plastic, and they're all embarrassed and like, ashamed. And they think, like, I don't think I'm gonna like, you know, admonished them or like shame them or something. And like that, to me is my biggest High Five moment is they're just stopping, they're making the intentional decision to use one last bottle by refilling the one that they already have. And I think there's a lot that can be learned from that which is progress. You know, it's just like running a startup company and scaling a company is there's never one thing it's actually 10,000 things executed on really, really well that end up building this company. And that's through like, in my case, lots of super talented teammates and some awesome investors and great customers. But I think my my takeaway would be make income, you know, for sure, I'd love you to have a flow water refill station in your hotel, school, Corporation, gym, whatever it is, but that's not the pitch the pitches, try to just make some mindful meaningful changes to reducing the impact in evangelizing as to why that's aspirationally a good thing so that together, we can crush plastic and crush the business of big bottled water.



Matt Hunckler 58:10

That's a great call to action. I'm going to encourage those that do and listen to this episode to reach out and hit you up on social media let you know they made the change. And I just want to say thank you guys for sharing your story, or at least some of your story with us here today. It's been a real pleasure. Thank you. You're a terrific interviewer and easy to talk to



58:28

you. And thanks again for having me on your show. It's great to reconnect with somebody from Indiana.



Matt Hunckler 58:34

It's easy when when I'm talking to an entrepreneur that's inspiring and has a lot to share. So I really appreciate it.



58:41

All right, great.



Matt Hunckler 58:42

That's it for today's show. Thank you so much for listening. A huge thank you to Raz for coming in on the show today. Be sure to check him out as well as flow water at my flow water calm that's MY Flow water calm and for links to his social profiles and other people, companies and resources mentioned In this episode, make sure you check out the show notes on powderkeg.com and be among the first to hear the stories about entrepreneurs, investors and other tech leaders outside of Silicon Valley. Subscribe to us on iTunes at PowderKeg.com slash iTunes. We'll catch you next time on PowderKeg igniting startups.