PK Pod 119 - James Norman

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SPEAKERS

James Norman, Nick Jamell, Clay Gordon

J **James Norman** 00:00

How do you guys understand your audience because Netflix is just about to eat your lunch like I don't know if you know but in four years ago made 900 shows in one year, it's gonna be a bloodbath for you.

N **Nick Jamell** 00:19

Hey there Powderkegk fans, Nick here from the powder cake team, and this is episode 119 of powder keg igniting startups the show for entrepreneurs, leaders and innovators building remarkable tech companies in areas outside of Silicon Valley. And today we'll be speaking with James Norman James is the founder and CEO of Oakland based pilotly, an online platform that enables content creators to get feedback from a representative audience at scale. And James is a serial entrepreneur who started and launched his first company at the age of 16. And it was an automotive e commerce site called MJ ah sound calm. While previously he had been known as a visionary in automotive product planning in the past seven years, the media And entertainment industry, he has become a key thought leader, and over the top media and consumer video consumption behaviors, which is what led him to starting pilot Lee, this interview is super cool. I mean, his experiences are awesome. It's a great interview, and you get some cool insights into what it's like to work in the movie industry as well. So let's get started. Now, we're talking with James Norman, who is the founder and CEO at pilot Lee, which is an online platform that enables content creators to get feedback from a representative of a representative

audience at scale. You know, it'll help with pilot TV shows to advertisements. What they do is they help gather the data needed to optimize business outcomes. And so, James, thank you for coming on the podcast. Thanks for having me. Yeah. And so based out of Oakland, California, correct. Yep. So what? Obviously there's a lot of entrepreneurship in the area. Yeah, especially in tech. But what is it that sparked your entrepreneurial your entrepreneurial journey like what got you going there?

02:00

So I mean, with that respect, I'm semi unique. I was born this way. So I've always been doing this. So I would say like, the better question there is, how did you gain the exposure to be involved in Silicon Valley, right? Because I've been doing businesses since, you know, since I was eight years old. I did my first website and 95. You know, we're the only people online selling cardio. So it's just what I do. But I did get kind of like, sparked into the actual tech space. By way of who was my original co founder for pylea. Actually, my buddy Joe. He was MIT. So his networks very different, right? Like, I went to Michigan. That's a great school. Yeah. But, you know, MIT is kind of, like, do some different things. And so and so his roommate was, you know, a mutual friend of ours, Drew, he started Dropbox. And so I forget, like we were in Manhattan Beach. Replace hanging out and drew Holmes he came to visit, go to my start there bring me in Y Combinator, which is like the first, first a second class. Either way, like, you know, he showed me the whole thing, like they're gonna give me 25 grand. And I was like, That's crazy. Give me the give me money for something that doesn't exist, like as these things that, like, didn't make any sense to me. Yeah. And so you like, pass me light information back from what he learned and, and I kind of like, it's one of those things where you can see other people doing things and you're like, Well, I know that person. And I feel like we have the equivalent qualifications. So I'm gonna go do that too, you know, like, so I want to code something to and get money for that. So that's kind of of how I got into the tech space at the time I was in car design. But the closest thing I was to at that time was Hollywood, because I was at that exact time. I think we were doing cars for fast and furious for. And so I was just like looking at the set and how things were set up and realizing like Spent, I spent at that point, I'd spent maybe 12 years on my ministry. And so I noticed like these parallels between the television industry and automotive, they're both like these American things. They're like 100 years old, with like super legacy problems, right like, and it's only businesses where there's like these creatives that do like great things, the bean counters get in the way. And then they try to distribute it. But it's distributed through people that don't actually like create or own the content is a car dealer and cable company. Nobody really is into either of those things. And they really like to show the consumer experience the consumer feedback loop that helps these people improve. So like, just seeing those parallels, it really made me like want to learn more about every aspect of the TV side. And I use those, I use those kind of like, I guess,

parallels to help me understand how I can operate in that space. So I've been doing video technology since 2008 right now.

N   Nick Jamell   04:58

Awesome. And so the That's kind of how you got the idea for pilot league. How did you get started then with? I mean, obviously, I feel like Hollywood would be a hard place to get into some of these people so well that going.

05:11

So in no way, obviously, we knew nothing. So we went to some conferences. And, and streaming video is very new at that point. So it was like super thought leaders showing up. And they were very accessible because there was a large portion of people who didn't believe in what they were talking about, right? So I could show him meet people who are now like, doing serious things like the other day I met Albert Chen, he's the head of Amazon Studios. I mean, I was saying 2008 like, and he was like a big proponent of streaming video and like, taught me a lot about what I needed to know about the industry to build, build my initial platform. And so, you know, by way of going to these conferences, meeting people who are excited about their careers and understanding like why they're excited about the space, and then and then dislike, always looking for feedback from them. The problem becomes innovating in Hollywood challenging for Silicon Valley, because Silicon Valley is always trying to disrupt. And Hollywood only disruption, we are a 40 $50 billion. And we know all kinds of money. We don't really need to be disrupted, right? And so when you go in there with the mindset of Well, where do you see the problems? And how can I be of help to you? It just changes the whole dynamic. You know, when I show up places, people are looking at me, like, Oh, God, here goes, that guy's like, oh, cool, is James, I can tell him something, he's gonna make it reality. You know, it's kind of like, you know, you kind of have to look at yourself, that whole place looks at everything is talent. So for a period of time, all this talent agencies, they were trying to be VCs, and like, look at entrepreneurs as talent and like, put them in little buckets and like, try and get some percentage of their transactions, like, not realizing that model doesn't really work for that. But it's a talent driven place. And so if you present yourself as a talent that can create something and make it great, then they're excited about it. They're excited about stories. And so I think the way I got into Hollywood was through going to USC references and learning. But it was also my personal story. If you have an interesting personal story, then they want to know you if you don't have any, if you just kidding went to MIT who's like, I have new technology, I think you really need it. They're not interested, you know, if you're if you're a guy, oh, I'm from Detroit, you know, I design cars, and I built

cars for this movie that you are a part of. I'm interested in that story. Tell me more, you know. So it's a story driven economy. And I just happen to have an interesting story. And that helped me become a part of that. But to quickly answer your question about getting to pylea, adult group flicks, and it was going to be the first ala carte TV service where you choose what shows you want in the monthly subscription. And to do that I needed a few million, I needed $2 million to pay for the initial content contracts that I was going to set up. So these investors said, Well, if you can get the contracts, we'll give you the money. So I go out, got the built the platform, got the users all that got the contracts. What's the best series that best suits the spirit was like, Oh, that's great. So you told me to go do something, I go do it and now you guys disappear. So, I went back to the studios and asked, I told him what happened. Again, story. And I was like, hey, how do you guys understand your audience because Netflix is just about to eat your lunch, like, I don't know if you know, but in four years ago made 900 shows in one year, it's gonna be a bloodbath for you, like in terms of like, you're gonna have trouble finding creatives to make stuff on your, on your network. And, um, and so they told me about in person, focus groups, and Nielsen and all that I was just like, this sounds expensive, sounds slow, you know, is your content gets more niche, you're not going to get that same audience in one room to get the right feedback. It does sound like there was lots of problems. And these are the problems that the big guys have the small people who came in for this stuff, like they're just kind of, they got nothing. So that's how we came to pilot. So like, we just like, basically took that platform, which was going to be a consumer facing streaming video platform and transformed it into a market research platform.

N Nick Jamell   08:51
That's awesome. Yeah, that's really cool.

C Clay Gordon   08:53
Yeah. Could you just elaborate a little bit more on the product? So like, how does how does it work? Okay.

08:57
Yeah, yeah, so, like, right Now NBC is running a study. They're doing something around Facebook. So I give you a couple quick examples. Because the environment in which the user takes the experience, the most user thinks the study, they experience changes based on the type of content and your goal. So if you want to test out a set of Facebook video ads that you're going to put out, we'll put it into our simulated Facebook feed and make it

a mobile only study. Someone will get activated via email, it'll tell them they get this many points for taking the study. those points are redeemable for gift cards. They come into the study, they answer a few questions. We're profiling them like coffee, and you use Facebook, once you're familiar with these TV shows, make sure you fit who we're trying to get feedback from when you go into the feed, interact. And then if you don't interact with the target content, we're testing we're going to put a recall prompt. Did you see it? Did you not see it? If you didn't see it? Why did you interact with it, and then we do a force exposure of the video that makes sure you seen the whole thing to do a crave analysis, all that information, all those interactions are going directly into the client dashboard and being processed in real time. So you're not is getting out like an Excel sheet of data for you to try and figure out what happened. You're getting like key visuals that are directly comparing, like the performance of each ad, not only against each other, but against control stimulus that we have it within the feed that we have normative data around. So the system can automatically tell you what perform best and why. And the same thing transitions over to when you do a TV episode, except for the metrics are different, it's not percent click throughs and how long you stayed on the card and whether or not you fast forward at the video and fullscreen watches and all that. It's about overall watch ability, character, likability, show pacing, how many people tuned out? And what was the drop off? Like? Those are some of the key benchmarks that you see. And you can dive into that. It'll tell you why this character perform well. It'll tell you why the pacing is working well based on the type of activity that took took place during a certain period of time during the video. And so we're only in the in full service solution that allows you to both target audience capture it dynamically run a study and get all the data out and get insights.

Clay Gordon 10:58

I think to that point, you might just highlight On almost like competition in the space I assume with the amount of content out without and all these kind of feedback mechanisms kind of what makes pylea us

11:11

yeah so like, um, I think in the digital realm you'll find a lot of people using what I call level one analytics like very high level. So YouTube crater I got this many shares, I got this many let's get this many comments. But as you go into you start to realize that these are kind of vanity metrics, they're kind of giving you like an overall Nielsen rating, you can call it but it's not really telling you the why. So we live in the Y. So most of the things we out there, out there we see is like signals and high level information. But combining that information within the context of what you're actually trying to learn is what makes pylea special. So, you know, we can set ourselves apart market research, but ultimately we are the category

we've carved out for ourselves is audience signal comprehension. So we collect all these signals, we can look at signals from anywhere, but it's all about comprehending it within the context of what's important to the client. Right now that's only done through market research firms. So you hire a Nielsen, you hire a Millward, brown market cast screen engine. And those people use a bunch of random tools that they can pull together. And they do a bunch of research internally. But it's expensive, it's slow. It's not something that's scalable. It's not even accessible to most content creators. It's just too expensive.

N Nick Jamell 12:18

So I guess my question would be, then, if you're doing so, a lot of these things are hiring you for a one off, you know, research project, let's say they want to test how this specific ad or this show is going to do. How then do you turn that into something that's recurring? How do you get elected? Oh, I get that.

12:38

So every research company ends up like that, right? Like I have this project. Can you run it? Can you there? We're in the business of changing business outcomes for entire organizations or for independent producer. When it comes to like the independent creators, why not? We have an express product that they can do and that's like, inbound, we don't reach out to them. We hang out with those guys. We let them know But like, they come in, they can rent a stuff, they can spend two grand, it makes the questions automates output, boom, it's like, five step process, the business that I focus on in terms of like our outreach and our main clients is organizationally based. And so I know that if you use my product once something else is gonna come up after that, you're gonna forget that you just used it. And maybe you'll remember four months later, when you have a problem. And you're like, Who else can solve except for pylea? Now we've become the emergency company, like you need to get something done and like, well shoot the research company we have can't do it. My friend can do it. Remember, pilot? Maybe they can do it. And of course we can they show up like they can we launch this tomorrow. I'm like, you can watch it today. If you have time, you know. But what you realize is you have to I don't we our product is not available transactionally to organizations. Because if you are wanting to make the mental shift to use a different way to understand your audience, then you have to make the shift. You can't just use it here and there. And so what you do is you get a trial. So people show up and they'll say how do I use This will well let us know how long you need to figure out whether or not this is the solution to your problem. Is that solution a problem? We can part ways. But I know my heart is such a problem. So never worry worried about about posing that right? Now. Okay, what do we do? Well, I build the

right card, because even though our cost is very variable, because the audience component, we know that every customer has a finite amount of audiences they want feedback from so by building a rate card, I create this value menu by which now I can build you a trial in a minute, because you can say, Well, I do want to parallel test a TV show for this audience. And I do want to promote for this one. So let me get to number twos and three number three's and number 10s. That's your trial. So now instead of doing a $7,000 transaction that you're gonna forget about I can serve a $60,000 trial that both allows you to get off our full attention in terms of, you know, which, in terms of like, making sure that we're delivering everything you need, but also it gets your organization changing the way they operate. And so it starts off with like, definitely a hands on service of what we're doing. But it very quickly becomes Well, no, I guess we'll do the survey. That's too easy. We don't wanna pay you $2,000 to do that, Oh, no, I guess we'll manage the fielding, it seems to be all here I will do is press a couple buttons, we won't pay that thousand dollars. And so like we begin to extract ourselves from the process, right? And then what happens is, inevitably, right now, luckily, we have 100% conversion rate from trial, you know, they turn into annual contracts. So it's really about understanding, I'm really focused on the human factors of customers right now. You know, like, how do they feel what, what makes them? What makes them feel good at their work, right, because my client has a client. And I think it's, you realize that you're not really thinking about it, right? And so, the whole I operate my whole business based on that right now. I'm trying to make my clients look really good to their clients. Like, I'm not really trying to provide a solution for them, you know,

N **Nick Jamell** 15:54

that's awesome. And that's really clever way to transition. I mean, you basically have to change the way they think and write That's an interesting way of going about doing that.

C **Clay Gordon** 16:02

I'm really interested just because the amount of content that is currently out there, and you probably get pulled in a lot of different directions, you know, what is the vision for pilot Lee over the next three years.

16:12

So I'm

fortunate unfortunate enough to like not have enough funding to do some things. And so we made we made a lot of little world able to test Facebook, Snapchat, podcast, TV show film, because we had to keep creating new solutions to keep making money. So now that we've done it, we don't really need to go out and build a bunch of like random solutions. Everybody comes around, it's like, these are the solutions we have is there's a bunch of them anything outside of that we don't do it because we already got enough. And so my vision right now is really to hone in on expanding expanding with the customers I currently have. You know, when you talk about organization, like Viacom like we work very heavily with like Comedy Central and Paramount, but we only do it Little bit work with bt I should be doing a lot of work would be like if this African American network, I want to be the guy doing all this stuff, it was Tyler Perry, I want to be the guy doing all this stuff, you know. So like, I right now I'm looking at the organizations that we work with and trying to make sure that entire organizations bought in. So everybody gets good gets a good value out of it, but also just becomes, again, that consistent deliverable that their clients internally are used to. So everybody gets excited about that. So I think that's my thing. We're not focused on any one individual vertical like because because it's flexible. So as long as they have a market research team, they're willing to shift themselves towards more of a DIY solution over time. Then, like we're willing to work with them. And I think the most interesting thing that we're gonna do that we're not doing heavily right now is going to be around audio. It's going to be your podcasting is becoming really big, is entertainment. And I kind of realized I studied the creative elements of video to build the boat. I did that under the teaching, you know Learning with people who are experts in audio, you know, we never really thought about it. But, um, you know, I'm an expert in audio. And so our source some of the people on my team, and we're passionate about we're audio files. So I think I feel like people are still spending money with Nielsen the test, literally radio. You know, people are calling up these little startups to try and test some audio and like they're literally like having people thumbs up and thumbs down and like, it's not that it goes way deeper in that it's like, where do the tones where the progression is is a crescendo diminuendo, you know was the was the tempo is like all these different aspects in which you can quantify creative content to help you understand what helps you perform what doesn't help perform. So like I like I'll go to Dolby and we'll sit in the White will sit in the room and whiteboard with these people. These guys are smart. We'll just geek out on like how far we can break down some stuff, video or audio. So I'm like we're keep doing what we're doing around The enterprise level very focused on that not so much focused on the individual level. But then hopefully having the bandwidth to kind of geek out more on the on all the information we have and find more ways for the system to quickly get you to the story of your data.

C **Clay Gordon** 19:17

Well, I'd love to learn a little bit more about the culture at pilotless. Oh,

19:20

yeah, that's super important. Again, like going back to the story thing, like how we got to the business, doing what we do, like, for instance, like this defensibility is kind of some, sometimes it's like, I always talk about how defensible the product is from the standpoint of our ability to take all the signals and placed them into algorithms to actually comprehend some insights. But you can say to yourself, I look at the user interface, I could copy that, or I'm gonna try and copy this, copy that right. But when it comes down to like, putting all that in like an orchestrated fashion that works and having someone developed that it took two years to do that was with people One who can code in two are all creative. Like, my CTO is an actor. Like he's been our young and the restless. He's been on my family's been on blackish you know, other developers and actually artists, you know, I produce music. We're actually creative. So like, our ability to understand the creative side, and the technical side is like, top notch. It's still, there's still days where I look at my team, I'll be explaining something to them and they don't get it. I'm like, I don't understand. Like, we're back and forth. We're going back and forth. I'm like, but these guys are the best people to possibly understand what I'm saying. So I think bringing in for me, my culture, I'm in the creative world, I need to bring in people who have creative sides. So that's a big part of my culture. It helps everybody have a common basis on which they can like communicate with me about non work stuff. And I like to I like the, I like the variety and age of my team. You know, my CTO is much older than me. So he has much more work experience. And so you Even when I may do something that is, you know, out of pocket, or whatever, he's not gonna react to it like a 30 year old person, he's gonna react to it, like older person will be like, I think you should approach that differently. And this is why this is how I've seen this before. And then you have younger person who's like trying too much cool stuff, but sometimes needs to be calmed down. And I'm the older guy doing that. So it's like, having that group is super cool. But then also, just from like, a background standpoint, you know, having different worldviews is important to me. So you have the common basis of the creativity. But we technically come from different places, right? where we come from a lot of differently ethnic backgrounds. So it leads us to come up with more interesting ideas just because how we look at problems, we all look at them differently. And everybody's open to that. And so that's super cool. So right now I would say is five guys on the team. I mean, focus in the next five employees that have at least one or two more women, it could be all women for But it has to be at least one or two. Yeah, man, especially on the development team, because it sets the tone for what the development organization is going to be like. And if you don't have women in the first

three employees of your development organization, good luck ever having them. And at least for my business is super important, because we did have a couple women on Team one was doing the UX, which was phenomenal, and other ones handling marketing, but we ultimately didn't have the resource to keep them on at that time. But having those people back and also having them on the development team changes the whole game. Like there's a reason our product functions as smooth as it is, is because there was a variety of people that helped put that together. And then so like, that kind of goes into, like, you know, an external thing that I do, I run a nonprofit called transparent collective. And that brings together women and people of color from around the country like the top performing companies, so you have to have a product, you got to have customer validation. I'm essentially looking at your company and knowing that you should be funded, but you might not be able to tell the right story. You might be missing One little piece of the puzzle, you might be missing a certain team member, wherever you might be missing one piece of the puzzle by No, I can bring that to you. So we fly you out to Silicon Valley, find a program or product strategy, fundraising strategy, storytelling, legal, we do a demo day, like a curate, investor set. And, you know, everybody on my team is passionate about that. And we kind of see ourselves as like the, you know, the golden team that's like, really showing like how you can bring all these different types of people together and do something super interesting. You know, the program's doing really, really well. They raise more money, and I have, you know, 78% funding rate, they raised $35 million in seed funding over the past three years, this 40 companies saw my likes, people raise a half million dollars like a week after they got the program. So super, everybody super passionate about that, and everybody kind of volunteers on that like, like probably about eight hours or nine, sorry, probably about 20 hours a year. But you know, it's not much work to have such a great output and then What that does for me is I mean, one of the team's super close. So like, my team's never going anywhere, right? But it just, it gives lab exposure to me as a founder.

24:11

It gives exposure to the company. And when we hire people, it just puts a statement right there like in the culture, like you already know who you're coming to work with. And a lot of people going to work for Google and Facebook, they're all complaining, like, Oh, no, this three environment for me yada yada. People take $100,000 pay cut to go work somewhere, they love going every day, you know, they're not gonna they don't need 250 they can get paid 150 they're gonna be they're gonna be happy every day and come work for us, you know? So I think it just helps in all aspects.

Nick Jamell 24:39

Yeah. And that's a huge part too, is building that employer brand as well. If you can tie that in and have people know, when they come talk to a lead or if they're, I know what it's like to work there already. Mm hmm. You're gonna attract the right kind of people and they come. I feel like hiring comes a lot easier than

24:55

Yep, yeah. So it really has I mean, one thing stopping us from hiring Capital so we go and go get a little bit of that hire some more people make some more money could be a little more like, that's where you're at on that. Yeah.

Clay Gordon 25:08

For the listener that wants to get more information on pilot Lee, where can they go to get more information

25:14

um, simples, pilot Li, new website will be up in q1, you'll actually see customer journeys on it. So it'll make a lot more sense to you. But right now you can go the pilot Li and learn, you can both learn about being a user and like giving feedback on surveys. And also if you're a client who like needs feedback, you can see both sides of it there in English, transparent, collective comm as well as my nonprofit and you can learn more about to awesome.

Nick Jamell 25:38

We'll have links to both of those in the show notes for you today, too. So for all the listeners, you can check that out. And thanks for coming on today,

25:44

James. Cool. Thanks for having me. Yeah, James.

Nick Jamell 25:47

That's it for today's show. Thank you so much for listening, and be sure to check out James

and pilot, a pilot lead.com and for links to his social profiles and other people, companies and resources mentioned in this episode. Head on over to patreon.com and check out the show notes. And to 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 Powder Keg comm forward slash iTunes. We'll catch you next time on Powder Keg igniting startups. All right.

26:22

Here we go. Let me know if you need anything else all done.