

## Vernon Howard of Hallo

**Speaker1:** [00:00:04.77] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode. Hello, this is Hall Martin with Investor Connect the Day, we're here with Vernon Howard, CEO and founder at Hallo. Hallo is an online events platform to build authentic relationships with diverse candidates? How is versatile platform helps teams and passionate employees connect with candidates in natural ways. Vernon, thank you for joining us.

**Speaker2:** [00:00:39.69] Thanks for having me. Great to talk to you guys.

**Speaker1:** [00:00:42.75] You bet. So what was your background before founding? Hello. What did you do before this?

**Speaker2:** [00:00:47.93] I think my background ties directly into why I started the company most of our career paths. They don't take this, like, linear approach, which is like a straight forward path. And mine certainly was not. I grew up in Rochester, in New York, which is I mean, it's not the cool part of New York. It's not New York City. Definitely tech sector, though, in my opinion, graduated at 16, had no idea what I wanted to do. You know, I was interested in technology and math, of course, but I ended up going to college at VCU to study computer information systems. And at graduation, I'm like, what do I do now? Right. Like, I got through college, like, what's the next kind of mountain to climb? And it was like getting a job. I think the biggest thing I noticed when I went to Virginia Commonwealth University in Richmond, Virginia, was was an awesome school. But a number of the companies that I was like very much interested in pursuing a career and they didn't attend my school for whatever reason. Right. And I think that limited the amount of information access I had to understand what those companies were looking for and a hire and then also have that network to activate a potential job application or like an inbound at these companies. So so, you know, fortunately, one company that came that kind of stood out to me was Capital One. And they initially pitch me in like, this is a bank I want to work in, like a deeply technical role, like Facebook, Google.

**Speaker2:** [00:02:00.75] And they were like, yeah, we're going to be 2012. We're going to be the first digital bank. You know, we're just doing a lot of things on my website and like we're just spinning out really quickly. And, you know, digital banks are like it's a natural thing now. Right. But back then, that wasn't it wasn't a thing. It started working at Capital One. I helped build out their their first native mobile banking application. Want to do something more technical, rotated over being a hacker for Capital One, which is like you built the app, now break it. And then I kind of got bored in that role and I wanted to do something else, like in the financial sector, just deep finance. And I started trading my bonus in this guy who is, you know, managing most of the derivatives trading floor was he was like, oh, I hear you're trading your bonus. You just got out of the college rotational program like, you know, for lack of better terms, like, what are you doing? He's like, well, you know what? Why don't we do you want to come sit on the trading floor and look like. Yeah, and I actually moved my roll over to risk and finance technology and was helping the traders look trades in this platform called Murex for derivatives. So interesting career.

**Speaker1:** [00:02:59.20] Great. That's what led you to start work in this particular space with Harlow?

**Speaker2:** [00:03:03.39] Yeah, I think this story, which is long winded is, you know, it would seem you're in the country, Capital One would talk to students. You're just like one burns a minority to you didn't go to an Ivy League writer's background to get to where he is today. Doesn't match what we usually see when we go out to recruit, which was mostly Ivy League schools for Capital One as well. And we want you to talk to other students. We can find more people like you because for lack of a better term, you're running laps around all of the top talent that we usually go out to Shepherd in. And I was pitching the story and it sounds great now, but I noticed like sounds great now. Anyone could connect the dots going backwards. It's like, OK, great. Yeah, this. And I do this and it's like I'm like, oh, most of this is based on luck, right? Like I met the right person, I got this right introduction. I got all these things and I was like, well what if I eliminated a portion of the luck out of the equation by letting students make real time connections with a lot of these companies so they could build community around gathering information on how to get a job at Google and who's the right person to talk to. And if they don't come to my school, how do I interact with this person for the student? But also on the company side, I knew they just lack the understanding of how to educate these students at

scale and then how to actually attract these students at scale. Like if I could build a marketplace around here around this interaction of student university and company, I probably have something big here that people will pay for. And I started building it out in 2017 early and just, you know, again, and as luck would have it had the opportunity to meet at camp the co-founder of Uber and he funded the company and moved me to San Francisco in a pretty short timeline.

**Speaker1:** [00:04:36.78] Well, great. So you see a lot of startups and investors in this sector. What's your advice for people investing in this space? What do you tell them to do before they write that check?

**Speaker2:** [00:04:45.21] Yeah, I mean, I think the biggest thing that I'm seeing in this space is like, you know, I started how in twenty seventeen initially and online events weren't even a thing. Right now it's like pulling teeth. Pitching investors about digital is going to be a thing. Digital experiences are going to be a thing. And now I mean, I've been super fortunate to see a real time technology shift due to covid where digital experience is in online communities are booming. Right. We saw recently Hoppen raise a massive amount of funding to build an online community. And I think our online event platform, I think the biggest thing we're seeing is that investors on the. I have to be very open to the fact that online communities and digital communities are here to stay, but also in our space, which we're more so focused on, not just now, not so much recruiting, but more so education, which is a bit more sensitive. We have to be very understanding of the fact that the educational system is inherently broken and we're seeing the effects of this now where it's all tied to socioeconomic status. And if you can pay for the right school, you have the right connections, you go to the right school, you get the best job. But that's that's not that's the one percentile. Right. So we really focus on investors who see the world the way we do and want to build around that space.

**Speaker1:** [00:05:55.45] What's your advice for people that are running startups in this sector? What do you tell them to do before they go out to raise funding for it?

**Speaker2:** [00:06:00.73] Yeah, I think yeah, I have some friends who are building in this in this sector. I think online even communities are super attractive right now. And I think for us, when we were initially building this, I talked to the VCs and it was like, you know, online even communities are great. I think we see some people building full businesses around them. And I

think for us it's a feature. And I say that as one of the people on the product team, I think online, even communities are a feature set in a larger toolkit to build that along a much larger vision. So as I continue to talk to even some friends who are building in similar trajectories of online communities and just like, hey, make sure that you're not only showing that what you've done today to grow this community, but what happens next? What are you going to do with this community to activate other business models to charge and ultimately make money and add value? So making money from this community is like really huge, right?

**Speaker1:** [00:06:51.52] Well, let's talk about the sector itself and how it's evolving. Where do you see the industry going from here now that we're coming out of covid in various stages of reopening what you think is going to happen next?

**Speaker2:** [00:07:02.30] Yeah, I think now that we're coming out of covid, I'm super bullish on the fact that many of the people who did not interact in an online manner or they maybe didn't have an online presence, I feel like they are for sure fully bought in and spun up. And we're seeing this with the fact of remote work. I mean, everyone just left San Francisco, right, and moved to Miami and L.A. and everywhere else. I think what's going to be super, super interesting is that after covid, most of the money we spent doing a ton of things in person, we're going to notice those savings that we incurred during covid by doing most of our things in a digital environment. And I say that to say like not only just like in our space or recruiting or careers or network interactions. I think just even during CO it's funny, like certain people are just like, wow, I'm not going out as much to dinner, like I'm saving a ton of money by staying in the house. I think a lot of this has many negative effects as there were four for covid. I think some of the positive effects we saw we're going to carry over as lessons.

**Speaker1:** [00:08:04.00] Right. And so what is the growth rate of the sector? How fast is it moving now?

**Speaker2:** [00:08:07.48] I think it's booming. I mean, we see tons of companies raising money. I mentioned one of the largest was HOPPEN. Those guys are doing the online community. And, you know, many VCs are diving into their thesis around what online communities are and what they'll be. But I think we're we're only scratching the surface right now. I actually saw one community to their day where it was kind of like it was it reminded me of our version of The

Sims, which as a kid, I just started out over The Sims all the time, like a pseudo life. Right. But I think what becomes really fascinating is how people begin to live in these online communities and what they're built for. Right. I think there's just plenty of other environments we're going to see tap and open up in this space and dating. We already saw some some versions of career fair things kind of come and open up. I think there's got to be a ton of community spirit up, especially in the dating space. I'm like super bullish on that. It's going to happen.

**Speaker1:** [00:08:57.40] So how many companies are engaged in it now on Hollo? Well, in the sector itself, as far as online, how many are coming into it? This is a hot space, of course.

**Speaker2:** [00:09:07.51] Yeah, I think it's a hot space. I'd say there's there's what we call the usual suspects and then ones that are spinning up. I think here's here's the challenge here. I think a ton of communities are spending up in places that we may not be looking directly at. I see, you know, Twitter spinning up unique communities read. It's already been like, you know, spinning up communities depending on what your what your flavor is. I would say that is there's at least one hundred companies in this space that we're seeing, like spin up different versions of online communities. There are like some bigger names that just come to mind when everyone's mentioning this topic. And I think there's around maybe fifteen. I saw one of the investors at Greylock, Koreen. She's awesome. She she actually wrote a piece, a medium piece about online even communities. We see tons of other investors like Alexis Ohanian mentioned online eBay communities and how that in future. So we're seeing a lot of companies spin up here and a lot of investors take take notice.

**Speaker1:** [00:10:02.51] Right. So what are the challenges in this space and bringing a company to market with it? Right.

**Speaker2:** [00:10:07.88] I think most of the most of the challenges I see that I speak on my own and I'll speak on others and then my own. The challenge I see others kind of making, especially when they're building communities, is. Understanding that they're slowing growth in that engagement, so I think we see a ton of communities growing super quickly and it's a growth at all costs, like, oh, we have a million people signed up. But then the engagement is very, you know, lackluster and I think. In building a community, you'd rather have it just like a concert, right? You know, artists always say regardless if there's one or 10 people in the crowd, I'm going

to perform and do my best. I think that's an awesome thesis when you look at community as well, because those 10 people could be 10 super fans as long as they're engaged in what you're doing to go and recruit 10 other people versus if, you know, no one is actually engaged and they're just signing up to go to the concert, but they never actually show up. So I think that's like a break in the model for us when we were building our community.

**Speaker2:** [00:11:08.60] Initially, it was early. No one was actually thinking about this in his space. I talked to a ton of investors, so they'll probably laugh because it was like a thing with me. I'd be jumping on the table like, yeah, this is going to be a thing. And like, I don't think so. So I think for us, it was a lot around convincing folks who were very naturally, naturally accustomed to doing things in person to come online, to do things. And that sounds really outlandish, right? Because we have Twitter, we have Facebook. But interacting in a live session, you know, at one point was people why would I do that? Like, why would I ever do that? Why wouldn't I just go talk to this person in real time and face to face? But now it's a thing. And I guess I'm super thankful that it is a thing because I spent the earlier days of Hollo just trying to convince people that, you know, digital communities were going to be a thing.

**Speaker1:** [00:11:58.70] So how does how I fit into the landscape, is it the previous supplier, the low cost? Where exactly did

**Speaker2:** [00:12:04.61] I think the biggest thing for us is we always consider ourselves a premium supplier. And the reason being is, you know, I can announce this now. We recently closed a pretty sizable deal with Apple. I think what's interesting here is that, you know, we work with a ton of companies and I think over 100 at Hollo, some of the biggest and some of the smallest. And we only want to work with companies who inherently believe what we believe. And I think it's an interesting space and a super sensitive right now where diversity is a big thing. And, you know, companies are throwing tons of dollars at diverse recruiting and engaging with communities that are full of diverse people, minorities and women. I think we believe, though, is that it's just not a one off thing. And I think in the past that companies have felt their method to recruit diverse talent or engage with them was one thing throw some money at a community and then kind of like set it and forget it. I'm pretty sure I stole that from an infomercial, set it and forget it. And I think that's a broken model because that's not actually how you build a relationship. A relationship is built over a long course of time where you're

consistently making effort and putting forth effort to engage and understand one person's needs, values and wants. And the other person needs, values and wants. And once they align after, you know, sometimes years of engagement there becomes a relationship there and an authentic one. So for us, how we only work with companies who have a mission to say, yes, I want to attract more women in communities of women in STEM or gaming or wherever, but I'm going to make an effort to not just in lack of a better word, come there and check a box. We want to actually have you roll up your sleeves to do the work to build a true, authentic relationship with this community. So, yeah, we charge a premium for that because we've been able to exclusively build relationships with over hundred and twenty five universities today.

**Speaker1:** [00:13:48.32] And so what's the key value proposition here for the university? That way they choose your package over somebody else's? Right.

**Speaker2:** [00:13:55.16] I think universities was really interesting is as we zoom out, especially in this digital landscape, I speak for the company in the university and I'll kind of speak for them as one unit data is becoming so important to make decisions in the digital space. And I say that to say the reason it is becoming so important is because for a company, if you're doing events or engaging with communities online, you want to actually have data to understand what success looks like there. Where you at today and how do you you know, how do you measure where you're going in the future? So, you know, for companies and universities alike, when they are building relationships on in Hollo online communities and events, we actually provide them with data sets around for the university engaged students and in for a company engage students from different universities around the U.S.. I mean, you can actually, as as a company, zoom out on Hollo and see how many universities you've engaged over the U.S. over the course of the live event and then dig all the way down to a specific university and break down things such as demographics, race, gender, you know, even some data elements that students give, such as GPA. I think in digital space, marketing becomes so important for companies and universities. But marketing is very expensive and you need clear KPIs and metrics around your marketing efforts and why they should exist or they should not exist. And we're able to one set up that experience for you online to drive your engagement around in these communities, but then also give you data to understand what worked and what did not. That's a premium experience from our from our knowledge.

**Speaker1:** [00:15:25.70] What's the next step for hello? What are you going to do next?

**Speaker2:** [00:15:28.73] Right. So we're just finishing up, raising around, which will likely be announced soon. And then, yeah, we have a ton of stuff that we're about to. Deal. I don't want to share too much, but I'm super interested in what happens next for younger generations in, say, younger generations, because I just turned 30 once. I feel old. Younger generations, how they actually live in these communities to interact and function. I think remote work is so huge now that, like, what happens when people may opt out of going to the office and how that exists. They just have a work community that's fully digital. And I mentioned The Sims. So I think it's kind of where I'm going is like, how do you exist in an office space digitally? And you do your work digitally, but you still have that kind of community effect of being at work.

**Speaker1:** [00:16:17.15] You're yeah, makes sense. It looks looking forward to seeing what you come up with on that. Well, in the last minutes that we have, what else should we cover that we haven't?

**Speaker2:** [00:16:24.19] I think the biggest thing for for me and I've been seeing in space as I continue to like I wouldn't say understand this space, but as I continue to do the research in this space is specifically for VCs and investors that are looking in space really take the time to understand the founders and why they are building these communities. I think Facebook is a great example of this idea that initially started off as one thing and then as a scale rapidly, it quickly transitioned to transition to something different that we're all kind of like Facebook's kind of different now. So I think it matters as we continue to open up these communities that investors really understand who the founders are building this and they're why, so that when they do rapidly scale, we don't see something that was supposed to be for for a social good turn into like something very, very different.

**Speaker1:** [00:17:11.29] So it's good advice. So how best for listeners to get back in touch with you?

**Speaker2:** [00:17:15.40] I'm super active on Twitter. I just post all my music on Twitter all day. So, yeah, just my name on Twitter is Young Windbreaker, which I'll explain. It's just doesn't even mean anything. I just like jackets Atun. So I just want a name.

**Speaker1:** [00:17:30.30] Yeah, that's great. Well we'll put that in the show notes and I want to thank you for joining us today and hope to have you back for a follow up soon.

**Speaker2:** [00:17:36.79] Thanks so much.

**Speaker3:** [00:17:38.77] Investor Connect helps investors interested in startup funding. In this podcast series, experienced investors share their experience and advice. You can learn more at Investor Connect, Doug. Paul Martin is the director of investor Canek, which is a five Wannsee three non-profit dedicated to the education of investors for early stage funding. All opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.