

Transcript of Kurt Wilkin of HireBetter and Bee Cave Capital (Book Review)

Speaker1: [00:00:04] This is the Investor Connect podcast program. I'm Hall Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity, and many other investors for early stage and growth companies. I hope you enjoy this episode. Investor Connect is a 501 C three nonprofit dedicated to the education of investors and startups for fundraising. Please consider donating \$100 to the program to help others in their investor and entrepreneur journey. You can find the Donate button on the Investor Connect org website.

Speaker2: [00:00:43] But hello, this is Hall Martin with Investor Connect. Today I'm here with Kurt Wilkins, CEO of Higher Better Managing Partner Bcf Capital and author of Hoosier Mike. Kurt, thank you for joining us.

Speaker3: [00:00:54] Hey. Thanks so much for having me. And really thank you for all you're doing for the investment community in Austin and all around the country.

Speaker2: [00:01:00] I appreciate that. So let's kick into it. Where are you calling from today?

Speaker3: [00:01:05] I'm calling from Austin, Texas, and it's about to feel like it's the North Pole here in a couple of days. So I'm going to lose our lose our our spring Austin weather also.

Speaker2: [00:01:15] So tell us about your background. What did you do before your current work?

Speaker3: [00:01:20] So I out of college, I went to work for Ernst and Young and I was a CPA there and their audit group in Dallas. And I got to tell you how I wasn't the best CPA or best accountant. So I quickly found my way into into doing other work. So after a brief stint with a dot com, I got into the entrepreneurial world and I started my own company that grew very rapidly. We we were called the controller group, and oddly enough, it was accounting services. But I was fortunate enough to have really good

partners who are good at the accounting, and I was good at the people in the business development. So we grew really rapidly and ultimately had an exit about five years in.

Speaker2: [00:01:59] Great. Well, you wrote a book called Who's Your Mic? And I read it, and it was really a fascinating read about how you hire employees, and especially in the startup world, growing to the the major world. Can you tell me what inspired you to write this book?

Speaker3: [00:02:14] You know, so after five or so or actually seven or eight years with the control group, I bought higher Better, which is in the people business. And we've been doing this for about 11 years. So after 25 or so years in professional services, working with entrepreneurs, I've seen a lot of patterns and I see a lot of hires gone bad. I've seen a lot of legacy employees that you ultimately outgrow. And obviously I've seen some good things, too. And as I'm relating to entrepreneurs at the lunch table or coffee table or whatever, some of the stories that I'm able to share back with them, very they resonated with them. And so I finally decided after COVID got me out of my comfort zone. Let's take these stories from a 1 to 1 with Hall over lunch and make it a one to many with the book and then podcasts like this and also only speaking engagement. So it's been a great way to really share these stories with the world.

Speaker2: [00:03:04] Well, great. And so who's the primary audience for it? Who are you trying to target directly with it?

Speaker3: [00:03:09] Yeah, it's absolutely for entrepreneurs. I've been told that the stories also resonate with larger companies and employees of entrepreneurs, but there was a point there where I was writing it and I was trying to make it broad for people who worked with entrepreneurial companies so I could sell more copies. And then I realized I'm watering down the message. If I write it for your employee hall versus you, the entrepreneur. So ultimately, the the audience is definitely here for the entrepreneurs.

Speaker2: [00:03:36] Well, who else could benefit from reading it?

Speaker3: [00:03:38] Well, like I said, I was on the podcast with the one thing Gary Keller's book and his organization called The One Thing. And those folks are very much from larger corporate America and they're like, Kurt, we've seen these characters in

every company we've been in. Everybody has a pipeline. Paul Or a resume. Ralph, who's kind of full of crap with his resume and all these different characters in the book that definitely resonate with other audiences as well.

Speaker2: [00:04:04] Well, as you wrote the book, what surprised you the most about capturing that information or what jumped out at you? That was unusual.

Speaker3: [00:04:13] You know, that's a great question. What was unusual about it, I guess, how many how consistent the themes were. So I'll just share it with with you and the audience. The title character is just one of many characters in the book. His name is Mike, and the story is basically Mike is one of your first employees, one of your long term employees. It may be a really good person. Definitely good in the early days to be able to to take in this case, it was your accountant. And then as you grew and, you know, 3 to 5, ten years in and you're doing five, ten, 20, \$30 Million, you continue to reward Mike for his work ethic and his loyalty by promoting him. And so before you know it, Mike's now your CFO, and you're trying to do things that are outside of his or her experience and skill set. And so you look up and you realize you're trying. Mike's trying to negotiate a big deal with your bank, maybe a merger agreement with your biggest competitor. And Mike is swirling. He's in over his head. He's working 100 hours a week to try to keep up. He hasn't built a team. He didn't know how to build a team. He doesn't know what he's doing. And so the question is, who's your mike? Everybody's got a mike. Whether it's now get a mike, you will have a mike or you previously had a mike, somebody that you've outgrown over titled and just they've lived beyond their useful years in that role.

Speaker2: [00:05:30] And how many startups you think actually fall into that? Is that half of them or more? What do you.

Speaker3: [00:05:35] Think? 100%? 100%.

Speaker2: [00:05:38] Everybody's got death.

Speaker3: [00:05:39] Taxes. And Mike.

Speaker2: [00:05:42] But what's the most important takeaway that you found in this process of working with Mike's and Ralph's and Paul's?

Speaker3: [00:05:50] The first one is as an entrepreneur. You're not alone. Everybody makes mistakes, whether it's hiring mistakes or holding on to somebody too long, mistakes. And so that's one of the takeaways I want entrepreneurs to have. The other is deal with it. Don't let it fester, because the longer you let a bad employee fester, the more you're going to lose. The faith of the rest of your team. They're going to be there. They see what's going on. The rest of your team sees what's going on. And if you've got a Mike that's struggling and not able to hold his weight, they're going to start looking at you as a leader. What are you missing? What are you lacking as a leader? So they're going to start questioning you and then just ultimately have good, honest conversations with your employees and and talk about what What's going well? What's going not going so well.

Speaker2: [00:06:34] Great. Well, if you wrote the book, did it change the way you think about it in some way, or did you continue just to as you were?

Speaker3: [00:06:42] Well, it's one of the things we can't put the genie back in the bottle. So, yeah, it's a topic of conversation almost every day. The biggest surprise for me after the book is I thought after the book called that everything was done and I could just relax and sell copies of the book. And reality is just my work just started. Now it's doing podcasts like this and going on the speaking circuit and just getting the word out there about the book. And I'm not really. The funny thing is I'm not really trying to sell books all now. It's just telling the stories. And so every entrepreneur I talk to, if I can share some of these stories with them and and now they they can make their own personal decisions based on the stories in the book. So it's not a how to necessarily, but it's a guide to help you figure out the right answer.

Speaker2: [00:07:26] Why was it work for with a successful serial entrepreneur? He has started in over 20 businesses and he was later in life and he was posed the question to me, When is the best time to fire an employee? And I thought about it and thought about it, and he jumped in with the answer is the first time it crosses your mind, What do you think about that?

Speaker3: [00:07:45] I think that's great advice. No one ever looks back and says, Man, I wish I had done that earlier. I always say, I wish I hadn't waited so long.

Speaker2: [00:07:55] Yeah, it took me by surprise because I hadn't really thought about it. I thought, you're supposed to think these things through and be careful and so forth. But I think everyone, as you said, goes through this process. And when you look back, it was just wasted time after, you know, after, you know, it's just might as well have gotten over with and finish the process.

Speaker3: [00:08:13] Yeah. Let me clarify my my answer. My answer. I guess I was thinking of to make the decision now once I make it. Once I starts crossing my mind, as your friend said, you make the decision to fire them. It doesn't mean rush off and bring them into your office and fire them on the spot. Obviously, there are a lot of other things to think about. Whether it's something regulatory, like if they're in a protected class, for example, or whether they have the keys to the kingdom, and you want to make sure that you get the transfer of knowledge whether you're just doing the right humane thing for them. So there's a lot of things that play that aren't knee jerk, but it doesn't shouldn't change your decision. And yeah.

Speaker2: [00:08:50] That's a good point. You should be starting to plan the transition and make sure it's fair for all and smooth for all as well, because that's not a great, great look to the employees and others as well, for sure. So based on this experience, what would you consider writing next?

Speaker3: [00:09:08] Well, nothing is the short answer. It is a long process. I did allude in the last chapter of the book know this book was all about the employees you're going to have on your entrepreneurial journey. But oftentimes challenges that you have on your journey are self inflicted. So many times you are the problem as the entrepreneur. So if I have an appendix or a. What's it called? Epilogue in the book called When You're the Problem, and it gives stories about when the entrepreneur is the challenge. So that would be if we did another book, it would be about similar growth challenges. Looking in the mirror.

Speaker2: [00:09:43] And what we say the top one or two reasons is your fault, not not their fault. What are some example cases?

Speaker3: [00:09:51] Well, in many cases, entrepreneurs struggle to get the hell out of the way. When you bring in a player to be your operating partner, for example, and you continue to meddle and in get in the middle of things and make your voice heard as loud as it can be versus working through your partner, for example. The other one is sometimes you get out of the way too quickly. You just hand over the reins, wash your hands and go sail around the world. And meanwhile you brought in a new person to who's going to struggle, learning the lay of the land and getting onboarded properly. So there's a whole heap of things that we can talk about on that one.

Speaker2: [00:10:27] Was great. Well, so you're in the space for quite some time and always ask this question of everybody. What online information source do you find most helpful in your work?

Speaker3: [00:10:36] What online information source do I find most helpful in my work? Interesting. I found Medium to be a really interesting place for four different things to read. And I I'm not a big guy in reading business books. So in fact, it's one of the themes of the book is it's not a traditional business book. So I would be hesitant to say Ink magazine or Entrepreneur, whatever. But I do like to read stories of other life experiences because I think that helps me be a better leader.

Speaker2: [00:11:12] Well, that's great. I find that question really illuminates where you can find new information sources. It's great for discovery, and I accept any answer except Google search. I've got that a couple of times. I thought, Well, that's a little too easy. Let's let's narrow it down a little bit more where you spend more of your time than Google search. But understand the issue that the sees there. But the other question I always ask is, in the start of space, there's a lot of new business models and a lot of new technologies coming up, especially in today's world. And you get a good view of that in your world where you're working with startups as an investor and you're working with companies hiring people. If you could start a business tomorrow, what would that business be?

Speaker3: [00:11:55] It would be one that didn't involve people. People are a pain in the ass. It's funny, you know, the controller group, we had about 120 professionals, and after I sold it, I said, My next business is going to be no people, just technology. And so I

spent a year or so shopping for a tech company to buy, and I realized I suck at that, too. So anyway, ended up buying higher Better, which is in the people business. Obviously tongue in cheek. I do love people, but it is a hard business to run and manage. You know, we're I invest in so many different companies with so many cool, different products and services. So that's a tough question. I think I'd want to be involved in 100 different companies, not just one.

Speaker2: [00:12:39] That's great. That's great. Now, you talk about the secret sauce behind Higher Better. You've got a great deal going there. Can you tell us more about Higher, Better and what that's all about?

Speaker3: [00:12:48] Yeah, you know, you mentioned I invest, too. So I work with entrepreneurs both for capital and talent. I think that's the two biggest things that all entrepreneurs need in order to be successful. And so with higher, better, we attack the talent problem. We help as a talent partner. So many of these entrepreneurs don't have somebody to lean on as as a talent partner. So part of where we make our money is recruiting, but 70% of our time is just working through challenges, people challenges. You'll notice who's your mic is very little about hiring. It's more about assessing your existing team. And that's what most entrepreneurs struggle with. What is my existing team? Where are the gaps? What am I trying to accomplish? What is my roadmap to get there versus just willy nilly hiring the first pretty face that they see?

Speaker2: [00:13:32] That's great. And as an investor, what do you look to invest in?

Speaker3: [00:13:37] It's funny. I invest in people, so I've made a few mistakes, as you and I are both aware. And when I invested in maybe the product or the service versus the people. And whenever I do that, it doesn't go well. But when I invest in people that I believe in and I have, I can vouch for and validate usually works well.

Speaker2: [00:13:57] Right? When the last thing is that we have here, what else should we cover that we haven't?

Speaker3: [00:14:03] Let's see. Well, we haven't talked about where the world's going with with entrepreneurialism and where the hiring market might be might be headed with

this global recession that we keep hearing about now might be something to dive into, too, for 30 seconds.

Speaker2: [00:14:18] Sure. Give us your take on that.

Speaker3: [00:14:21] Well, first of all, my take is I think some of what we're hearing is marketing. It's the press telling us. I think it's almost a self-fulfilling prophecy, prophecy in many ways. But I think that there's a. Many companies will do well even if the market is down and interest rates are high. And that's where most entrepreneurs are born during a downtime. So I would encourage, if you've got an idea and you've been considering becoming an entrepreneur, there's no better time like the present to put yourself out there.

Speaker2: [00:14:50] Well, that's great. Well, so how best for listeners to get back in touch with you?

Speaker3: [00:14:55] Well, a couple of things. We have a fun quiz on who's at who's your mic dot com. So it helps you assess whether you have any of these challenges that we outline in the book. Who's your mike dot com slash quiz? And if they want to reach out to me directly they're welcome to hit me up at Kurt at higher better dot com so Q r t at higher better dot com.

Speaker2: [00:15:13] Great. We'll put that in the show notes. I want to thank you for joining us today and hope to have you back for a follow up soon.

Speaker3: [00:15:19] Awesome. Hall Thanks so much. Really appreciate what you're doing.

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