FINTECH ONE-ON-ONE PODCAST – BLAIR SILVERBERG

Welcome to the Fintech One-on-One Podcast. This is Peter Renton, Chairman & Co-Founder of Fintech Nexus.

I've been doing these shows since 2013 which makes this the longest-running one-on-one interview show in all of fintech, thank you for joining me on this journey. If you like this podcast, you should check out our sister shows, PitchIt, the Fintech Startups Podcast with Todd Anderson and Fintech Coffee Break with Isabelle Castro or you can listen to everything we produce by subscribing to the Fintech Nexus podcast channel.

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Before we get started, I want to talk about our flagship event, Fintech Nexus USA, happening in New York City on May 10th and 11th. The world of finance continues to change at a rapid pace, but we will be separating the wheat from the chaff covering only the most important topics for you over two action-packed days. More than 10,000 one-on-one meetings will take place and the biggest names in fintech will be on our keynote stage. You know, you need to be there so go ahead and register at fintechnexus.com and use the discount code "podcast" for 15% off.

Peter Renton: Today on the show, I'm delighted to welcome Blair Silverberg, he is the Founder & CEO of Hum Capital. Now Hum Capital is a really interesting company, they have created something unique and what they've done is basically created a capital markets platform for middle market lending that also can work for equity, as he says, but it's basically a data-driven platform where you have companies that are looking to borrow money in the $1 to 50 Million range with investors looking to deploy capital and he has made this, basically they're a matchmaker, but they've done it all with data, and we'll get into this in some depth.

We talk about the types of data they use, why it's important to really have a data-driven marketplace and he's got some lofty goals which we also get into and talking about how that basically capital fundraising is broken and it's extremely inefficient and what Hum Capital provides is a repeatable, efficient way for companies to raise capital. It was a fascinating discussion; hope you enjoy the show.

Welcome to the podcast, Blair!

Blair Silverberg: Thanks so much for having me.

Peter: My pleasure. So, let's kick it off by giving the listeners a little bit of background about yourself, just tell us some of the high points in your career to date.

Blair: My career, I guess, technically started when I was six. (Peter laughs).

Peter: You were earning money when you were six, were you? (laughs)

Blair: Yeah. I wasn't exploited by my parents, however, my grandmother gave me Beanie Babies back in the, I guess we can call it like the early 90's, as eBay was getting going and when you could sell these things for like $4,000 if they had a name tag that had the wrong name on them, they were kind of like the old NFTs.

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Peter: Right.

Blair: And so, I sold some of these on eBay with the help of my mother and accumulated some capital and as a six-year-old, like my parents weren't going to let me spend the capital on anything exciting so it was going to sit in a bank account and do nothing or, at my father's urging, I could learn how to invest it. And so, I actually got into investing really early in my life and I'd say by the time I was 12 or 13, when I had my bar mitzvah, I was like actually investing in the stock market, reading every book I could find on the topic and that started a passion for investing which is really like, from my perspective, a way to understand the world so kind of like a passion for learning about how the world works at a very young age.

Peter: Interesting, interesting. So then, what were you doing before you started Hum Capital?

Blair: I was a venture capitalist at a firm called Draper Fisher Jurvetson and Steve Jurvetson who's one of the founders of that firm is my largest investor now at Hum. And so, I worked very closely with him and, you know, he basically taught me venture capital because I knew a lot about investing and macroeconomics and public markets from my childhood interest. But, you know, I went to Stanford for college, venture and tech is an enormous part of that community and I knew very little about it and so I was super lucky to get paired up with Steve at the very beginning of my career.

Peter: That is a great firm to sort of learn the industry in. So then, tell us a little bit about the founding story of Hum Capital, what was the problem you saw that you were looking to address?

Blair: There's like the long-term, like I've been thinking about some of these things since I was a kid and then there's the shorter-term, I saw a very discreet opportunity. So, I can give you both, but, you know, the shorter-term picture was I was sitting at DFJ, we were invested in a bunch of companies like Prosper, a bunch of fintech companies, I didn't see anybody offering a reinvention of like middle market lending or larger transactions. And I kind of saw that most of these companies that would go to, you know, a venture debt firm or commercial bank and raise $10 to 50 Million were using cloud systems.

So, like Quickbooks or NetSuite for accounting, payment processors like Chase Payment Tech or Stripe and it seemed to me there was a pretty straightforward opportunity to connect into those systems, analyze data, make much more quantitative decisions about how a business was doing. And I thought, if somebody would build something like this, it could be a great business, it could be kind of the beginning of like a private market exchange or Goldman 2.0, but it also can have tremendous impact because it would introduce transparency, like real data-driven transparency, into this part of the market, where for the most part as an entrepreneur, you get funded if you know the right people and you don't if you don't, and I saw that first hand as a VC, you know, and meet like 2,000 entrepreneurs a year.

I was young, had a ton of energy, like I was out there all the time meeting everybody I possibly could and I just saw a huge gulf between the underlying economics of the business which is what shouldn't drive the interest that society has in allocating this capital to a business versus why companies were actually getting funded. I basically thought that we could solve that problem, we could build a great business, but we could also, if you really take it to its logical conclusion, we can build something that focuses on making society allocate its capital better. And that's effectively the thing you have to do as a society, to grow wealth per person, make all the good thing that are happening in the world happen

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faster and like no one's really working on that problem, no one's being rigorous about how society allocates their capital. And so, we took that mantle and went for it and started Hum.

Peter: Okay. So then, how does it work exactly? Why don't you take us through, you know, both sides of the platform, shall we say. Obviously, you have the company seeking capital, you've got to have capital providers on the other side, tell us how it works.

Blair: I can give you a bunch of customer examples, but that's probably the best way to understand the business.

Peter: Yeah, sure.

Blair: You know, there's one at the top of my head. There's a company called P97 which is based in Houston and they're a business… they're basically self-funded by the founder and some early kind of friends and family and investors and they were able to create this payment processor for gas stations and it's like not the sexiest business on the surface. You know, I don't know if they ever tried to approach VCs, but like if I was at DFJ looking at something like this, I would be like, it's probably not the sexiest thing I'm going to back. Turns out, the economics are unbelievable, just absolutely fantastic business.

And so, as this business has been growing, you know, they came to Hum initially because they needed some working capital and so we helped them raise something in the order of like $3 Million from a fintech lender actually. And then as the business grew, they started ramping the different gas station clients that they have because they basically sign deals with major oil companies like Shell and then they go out and they do a rollout with each individual gas station. So, there's kind of this really interesting, like you get a whale and then you have the, you pave the way to grow the business enormously based on the contract, it's just a matter of time and rollout. So, anyway, they had financial needs that got much more sophisticated, and they were growing so rapidly, this happened like six or nine months after they initially raised capital on Hum.

And so, you know, we're constantly, with our software, monitoring their data, seeing that this has improved, proactively paying them with things like hey, you may to refinance this thing you just got in your balance sheet because, yes, you just took it out, but also the business is so much more eligible for lower cost capital, you may just want basically to click a button to make that happen. And so, they did, like six to nine months into the life of their first transaction on Hum, refinanced with a private credit fund called Peak Rock which is a fantastic investor, raised something like $40 Million and they've just been off to races building a fantastic business. If you think about that life cycle, there's like two things that they were able to benefit from that's very different than how private market capital raising typically works, like one is totally fluid variety of capital. So, you know, they connect to their data and just got to choose from a menu of what capital makes sense to them, they didn't have to do a lot of work to go chase down different options.

And two, like ever better terms as they got better as a business, so they didn't have to sit and pay more for their cost of capital than the business deserved. As soon as the business was eligible for better financing, they clicked a button and they got it and that's really the future of how funding should work, like the concept of a funding round, businesses may progress every day, it makes no sense that there's a funding round, the funding process and the fact that there's this SaaS data now available to help investors make very clear data-driven decisions is the key thing that enables this new kind of streaming financing kind of model.

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Peter: So then, did your platform...you talked about how when they had one investor then they refinanced, they had another investor, so are you doing a matchmaking service or is it more sort of a data-driven thing where the investor has like a credit box that they're interested in and then you say, here's this one in your wheelhouse. Is there automation or how does it actually work?

Blair: So, you think of it exactly like you described. So, there's a credit box and investors can program really specific boxes, like hundreds and hundreds of variables, like I'll tell you crazy things we've seen like, you know, a bunch of thresholds around customer diversity, customer diversification is accelerating, you know, probably 50 ways to think about revenue growth. So, you can get hyper granular and even push in to codifying things quantitatively that most investors, if you talk to them today, would say are qualitative which is a whole other topic we can talk about. How quant funds developed in the public markets and how this is coming to privates and why a bunch of things that are obviously not qualitative in the modern day in the public markets are still thought of as qualitative in the private markets. So, we can come back to that, but essentially, we have people who program extremely thoughtful quantitative techniques into the system.

And then on the flip side, we have a whole community of investors that say, hey, I want to run some basic rules, like gross margin greater than X, revenue growth greater than Y, a certain amount of runway, you know, outstanding in the business, show me every company that looks like that that wants to meet me. And so, it's a highly data-driven basically matchmaking service, exactly like you said, and, you know, we basically think no view on like qualitative factors in the business, it's all about just, like if a company is good data, matching the people who we know will quantitatively back that business. And then, as a company, you meet investors who you know have done deals like this, there's no mystery, it's like, would this person fund me? It's like, yeah, like they programmed in the criteria, they will fund people exactly like you, they do that all the time. So, it takes a lot of mystery out of meeting investors and it just creates a ton of efficiency.

Peter: So then, the investors must trust your platform because, like I imagine, well, maybe you can just give us a sense. An investor sees something that's in their wheelhouse, then do they go through this month-long due diligence process then with the platform they're going to invest in or do they just say oh, this is inside our credit box, all the data is correct, here's the cash?

Blair: Some investors are totally passive, exactly like you described, and some investors basically run their same process, they just use our data and tools. So, they don't have to ask the company hey, can you do a cohort analysis that answers this particular question, the system spits out all that stuff to them so they're basically speeding up their existing process by both sides, avoiding a bunch of manual data analysis they'd otherwise have to do. But we kind of meet investors where they are so like a commercial bank that has a regulated credit process sticks with its existing process, zero changes, they can just take our data as a starting point. And then there's other investors who, I'm thinking like some of our life insurance customers who are very used to buying ETFs in the public market.

Peter: Right.

Blair: There's no ETF equivalent in the private markets, no index fund so they have that need, they're like hey, I kind of know what all these private credit funds I'm in are doing, they're charging me really high fees, it'd be awesome to replicate some of their strategies passively, can you do that for me and so we kind of meet that need all the time.

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Peter: So then, is it primarily debt or is there a mix of debt and equity on your platform?

Blair: So, today, we're very debt focused. There's nothing in the system that is exclusively, like only works for debt. It's just, you know, private credit's growing very quickly, the cost of capital on private credit is a lot lower than equity, in general.

Peter: Right,

Blair: There's a lot of appetite for it, it's underutilized by companies. Some of the best companies have, when you start looking at the private credit options available to them versus like maybe a very sexy venture financing, you get to some math that makes it a no brainer to take up private credit so we really like focusing there initially. But we do all sorts of stuff just very quietly around equity, it totally works, like same systems work for equity.

Peter: Yeah. I was thinking the same and it's all, when you've got all this data it's, I mean, debt's a less complicated transaction so it's got that going for it, I imagine, it's a little bit quicker. Obviously, you don't have to be a venture-backed company, you could kind of be just a mainstream American company, obviously, you're not dealing with $250,000 loans here, what is the range of deal sizes and where's that fitting on an average?

Blair: So, $1 to 50 Million is kind of the archetype you should think of. So, exactly like you said, big and small business lending, there are a plethora of ways to get a $250,000 loan. Once you get to $1 Million, you're dealing with sophisticated institutional capital and that's where things get a little bit more complicated and then as you grow that size up to call it 50, you start bumping in larger deal sizes against like Goldman Sachs.

Peter: Right.

Blair: Or Cowen and Company is one of our investors and, you know, they'll tell you things like, the investment banking business is a percentage of transaction fee model, so you'll spot a deal, the harder it is to make money with people. Most of these guys like transactions greater than some threshold and so what that means for companies is you're basically totally on your own in this no man's land between $1 and 50 Million. And in some ways, investors have kind of tried to train the community, that's normal, we don't like banked transactions, we don't like intermediaries, like, yeah, that's because that means better terms for investors.

Peter: Right

Blair: It's not good for companies so we are that intermediary, it's just that, you know, to be an intermediary of this size of transaction you just have to heavily rely on automation and technology and data. So, that's why when you asked what kind of business, we are like sometimes I describe the business oh, it's like Goldman 2.0, other times I describe the business, oh, it's NASDAQ for private market transactions, it's honestly, it's a little bit of both.

Peter: Right. You know, others I've spoken to in the space, there's not many players really particularly with the fintech angle, a lot of them say it's very much a relationship-based business, like where the relationships with investors, relationships with the brokers, whatever, who are bringing deals. Sourcing deal flow is a really important piece, right, how have you taken the relationship out of that?

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Blair: I have to give credit to Peter Thiel for this one because there was a point early in my career when I was going to go work with Peter Thiel, I'm a big fan of his. He has this notion that the best business ideas come from when you see something that the market doesn't see so you kind of know a secret that nobody else knows, but markets are really competitive. So, no one actually knows a secret that nobody else knows, there's always like 10 or 15 or 20 people who know the same thing and I saw this when I was a VC. There will be like the craziest technology, like oh my God, how did you think of this, there's like 20 companies doing the same thing. (Peter laughs) So, the place secrets actually come from is you have conviction around some concept that the market has an incentive to tell the world is false.

Peter: Right.

Blair: And relationships in investing are exactly this concept so whether it's a bank or whether it's a private market investor, their edge, their alpha, if it's based in relationships, it's really opaque, really hard to understand and who are you to say that bank doesn't actually have a big relationship advantage with its clients. So, it's almost a perfect narrative to create to describe why your business is protected and it will never be disrupted, the problem is it is completely false in the classic Peter Thiel style and you can run a super simple thought experiment. So, if you take like your typical VC who may sit on the board and say hey, we're the ultimate relationship business, the venture capital business, now when one of their companies wants to raise venture debt, what's the first thing they say, do you have multiple term sheets? If not, please go get some.

Peter: Right.

Blair: When those multiple term sheets come in, the last thing you're ever going to hear from a venture-backed board is, take the more expensive one because I love the banker there. So, fundamentally, if let's say commercial credit, whatever the number is $17 or 20 Trillion of US commercial credit outstanding right now, if commercial credit is not actually relationship-based then why would we think the rest of private market investing is somehow, for some strange reason, relationship-based?

So, I think it's just going to be a matter of time that the relationship narrative starts to change and, you know, entrepreneurs and investors get more focused on kind of like they do in the public markets, like good decision making, good data, really good insight and imagine if people spend all their time trying to figure out hey, how do I finance optimally this company that's doing this really crazy interesting thing? That's applying brain power to solve a real financing problem versus hey, how do I take this person out to a box at the 49ers game 50 times so they ultimately transact with me? It's way better for society, for smart people to be figuring out how to finance clever things then to just taking people to 49ers games.

Peter: (laughs) Indeed. So, with that I still am curious about sourcing deals from like people who are looking to raise capital, how are you doing that? Do you work with brokers or is it more of an online promotional play?

Blair: Yeah. It's an online, almost like a freemium model, so it's surprisingly unsophisticated and straight forward. You know, you put up a website and you say hey, if you're thinking about raising capital we will tell you for free exactly what an investor's going to say about your business behind

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closed doors. When you put up that pitch, people just show up, they want to know these are secrets, closely guarded secrets that investors are trying to hold from the market and we tell them all, more or less. Now, we don't tell underlying investor strategies, there's a bunch of things that are highly sensitive, highly specific to clients on Hum, but the general lessons, like how should I measure sales & marketing efficiency, we tell you exactly how smart investors think about that.

And so, that's all free, you get all of that when you come to Hum and, you know, plug in some data and start to basically build out your account and then the place where we make money is when companies actually want to transact with an investor. So we earn a fee when they successfully transact and that's the entirety of the business model, it's basically success-based, almost like an exchange like fee.

Peter: Right. So, I want to switch more to the data side, you've talked about it a little bit, but when businesses have lots of data, I mean, there's payments processing, there's payroll, there's accounting data, shipping data, it could be Amazon, whatever, what kinds of data are you working with?

Blair: There's 20 types. Including every category that you mentioned, and the amount that we suck in has a lot to do with what the business is trying to get financed, so the simplest case is hey, I want a loan at 1X EBITDA. We basically need two things to do that, the income statement and then a connection to you to the bank account, through the payment processors because we audit and validate that the income statement has not been doctored, we do that automatically in the system. All of our investors rely on us to do that comparison across the system so that we know the data is real, that's the simplest case.

More complicated cases can give you things like hey, I think I have a really repeatable sales pipeline and I want to take out financing against it, I've got 200,000 leads, I've a history of converting them at a predictable rate. We actually have almost like asset-based financing that investors on the platform have done based off of Salesforce data, like net new, brand-new product doesn't exist in the market, but we need Salesforce data for it.

So, we kind of, you know, take this approach that we ask for the data that is critical to making an investment decision based off of what you're trying to do. And what's beautiful about this is if you think about the amount of like manual effort that investment firms, consultants who help them and then the auditors spin trying to run to ground what's actually going on in the business, what they're basically doing is manually logging in, usually with management's help, to the systems that management's using to run a business anyway. So, the data is all online, we just grab it, you know, organize it, analyze it in a streamlined fashion effectively replacing what humans already have to spend a lot of time doing, anyway, to make these transactions happen.

Peter: And so, if a business owner comes to you and says, you know, I need $5 Million, they want obviously the best deal, right, but there's obviously lots of different products. You know, as you say, there's asset-based financing, term loans, you could do like a merchant cash advance type product with a future kind of receivables, you know, they could be backed by real estate, how do you point them into the best deal and are these mainly term loans that you're doing or tell us a little bit about the products.

Blair: Yeah. I mean, they're super varied so there's probably 20 to 30 different structures that commonly like pop up in the marketplace and I can go into some of the categories in more detail. But I

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think the important point is that let's say you get five options which is the average number of options that companies on Hum will get and they're all different. One's a short-term factor, one's a MCA, one's a term loan, with no warrants, the other one is a term loan with warrants but a lower interest rate, so you have all these structures. Investors spend their whole, you know, careers day in and day out refining and tweaking structures, so it's fundamentally a very asymmetric game.

Peter: Right.

Blair: So, when you're consuming these five options you're like, what do they mean? You often don't know.

Peter: (laughs) The ones you just described there, like the cost of those is very, very difficult to calculate.

Blair: Very difficult to calculate, yeah. So the key is transforming those five totally different options with bells and whistles and nooks and crannies and all sort of things into the simplest possible way to compare them. And essentially the way we do that is we show just two factors, one is if I take this option versus this option, how much is my personal value, my current stake in my business going to be worth at exit, you can set your own exit, you know, value five years from now, some price or whatever, how much more money am I going to make with Option A versus Option B, that's the upside.

And then the second metric we use is the downside, hey, if things get bad in my business, how bad do they have to get before I'm in trouble and we find with those two metrics alone you can really bring a clear-eyed comparison to anything you may see in the market, now the work behind the scenes to actually make them accurate and say hey, on Option A your stakes can be worth $12.4 Million entrepreneur, but in Option B your stakes can be worth $17.6 Million. That is where a lot of analytics and systems come into play, but for an entrepreneur to just look at options in that way, like how much am I going to get, and then basically by what percentage can my average revenue decline before I'm in trouble if I take Option B versus Option A?

It really simplifies the analysis and it focuses people on what matters and so often in choosing financing you're focused on what doesn't matter, like what is the headline interest rate. It's like well, if there is a discount in OID, basically an origination discount, if there's an upfront fee, if there's a make-whole, if there's warrants, if there's multiple tiers of warrants, you know, that can get really confusing so we just try to keep that super, super simple.

Peter: Interesting, interesting. So then, I'm curious about the whole idea of bias and, you know, it sounds like what you're basically creating is a database fundraising system that has, by the way it's been created, doesn't have the bias that the old system has. I mean, how do you think about that?

Blair: Yeah. That's the goal, like one of our core kind of cultural premises is remove all bias from finance period, that's the goal. Now in reality, there's still a lot of bias in the system, there's not bias in the data, but like how did the data get that way in the first place? So, to people who are like highly educated and have a bunch of personal capital to put into the first round of their business and they just have a lot more time and capability to get something off the ground than others, do those people have an advantage, like absolutely. Is that fair, no, you know, who needs to fix that, like the combination of

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us making these things visible quantitatively and society figuring out how do you really get people more of an even playing field?

So, that kind of bias exists, but the kind of bias that goes away immediately, like for every one of the customers transactions we've done, I don't know what number we announced publicly, but it's in the order of a billion dollars in transactions since we were founded. The kind of bias that goes away immediately are: it doesn't really matter who you know. We have investors passively making investments, they don't even need to meet you, in some cases, it doesn't matter therefore what you look like, it doesn't really matter like if you're from the industry or not or you can tell a good story because the proof is in your performance. So, a lot of the traditional sources of bias which make great talents feel stifled if they just don't connect to the investment community well, are gone and that's really a powerful thing.

Peter: Right. That has tremendous potential, for sure. So then, we're recording this in mid-January of 2023 and people are…the smart economists in the world think we might have a recession this year, how are you thinking about that when….you know, obviously you're a platform, you're a marketplace in reality, but you want to have all these deals be successful, how have sort of changing economic circumstances impacted the way you guys operate?

Blair: Yeah. I mean, that's really interesting because you generally just have things shifting around, but it's really hard to know what's happening. It's like I rarely watch CNBC, but earlier I was watching the CNBC anchors talk a lot about Discover Card I guess came out with higher-than-expected losses and the question is like today, the question is like oh no, what's going to happen to the consumer over the next quarter? And we're piecing together like really opaque insights. We get like a quarterly snapshot of one company's earnings, Discover Card, we don't really know the segmentation or mix of all the underlying sub-archetypes and so on and so forth and it's like, from these snapshots you're trying to piece together like what is going to happen to the economy?

Conversely, you know, if you're a company and you look at your data every day, it's pretty easy to see what's going on, like are my sales today falling off the cliff? No. What's actually changing in my business? Are people are trying to re-negotiate contracts? So, we get a bunch of that level of insight, and we just sum it up and generally, we can just find pockets. So, like one of the most interesting things in the early days of our business is we lived through COVID and we had some major food delivery companies on Hum and like one weekend of lockdowns we saw that their revenue just exploded long before DoorDash announced positive earnings.

So, in general, like if I sum up of all the things we see, there's just pockets in shifting, like you may have venture contract and private credit takes its place, you may have asset-backed lenders, you know, pause, when some particular kind of inventory is having a little micro crisis and other cash-flow based lenders stand in to fill their place. That's happening kind of all the time and then your big macro shifts end up being much shorter than you think so most people don't know that in 2008 the IPO window only closed for 90 days, like that's it.

So, for the most part, if a business is clear-eyed about what its performance actually looks like, the macro environment doesn't really impact its ability to raise capital. It's just you have to have a much, much clearer picture of the performance and be able to communicate that to investors to get their

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attention, but if you're able to do that well, which is one thing we help people with, you know, you can basically have an all-weather fundraising.

Peter: Right. But, you know, the ultimate success of your company though is going to be somewhat dictated by the success of the deals that you have and I know you haven't been around that long, but I presume you've had some deals that have come to a successful fruition, paid out on time or whatever, but what can you tell me about that and how much your kind of ….like if you have a 100% success rate, you're being too conservative, right, what can you tell us about that?

Blair: Yeah, this is a great question. So, we don't take balance sheet risks.

Peter: Sure.

Blair: So, instead of thinking of us as like a big balance sheet, we've got to make some bad loans to learn, instead, think of us as a router to the whole network of commercial banks and private lenders that make up like $17 Trillion of commercial credit that's banked in the US and $1.5 Trillion of private credit. And so, what actually happens under the hood is these are the people that are taking the risks and what we find is there's a huge variety in how they act and operate so some are hyper conservative, like loss rates are zero. Basically, they've kind of try structurally to avoid any possible bad sorts of credit, others are super risk taking, some are so risk taking that they even blow up in cycles. It's just the normal market dynamic, it's just underneath this router where we're able to say hey, work with this guy, you know, work with this guy.

These are the three options out of, you know, 50 potential that are worth your time. Now the thing that really drives our performance over time, for sure, is growth cycles. So, if there's like a major contraction, you know, private credit just shrinks in a whole year, that has an impact on our business, that's not dissimilar from trading volumes in a business like NASDAQ anyway. But, you know, in general, like the economy is kind of, over the long-term, up and to the right, we don't spend a ton of time thinking about short-term volatility.

Peter: Right, right, okay. So, maybe last question then, where are you taking this? What's your vision for the future of Hum Capital?

Blair: So, no bias in finance. If you solve that problem, society will allocate its capital optimally, like as well as it can. If you solve that problem then GDP growth is as high as it can possibly be, we know we're nowhere close to that merely because of the prevalence of companies like FTX, Theranos, WeWork, like the fact that those things even happen is clear evidence that we're not where we could be in capital allocation decisions. But if we get there to a better place, in terms of more rigorous capital allocation, you know, GDP will grow faster, GDP per capita will grow faster and all the great things that happen when that happens, happen faster.

So, that's what gets us out of bed every day, that kind of long-term vision of a world that's more prosperous. In the short term though, I mean, it's like at the micro level, like one customer by customer kind of one at a time, I mean, we get to see entrepreneurs who are building their dreams come to us frustrated because they can't crack the market and they're like, this doesn't make sense, I think my business is working, like why can't I get these people's attention and we solve that problem for them and they pour fuel on the fire, and they achieve their dreams. You know, we have this saying that we

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have to remember like, every company is someone's baby, like someone gave birth to that thing and they want to grow it and often their personal identity is tied up in that thing being successful, and we take that super, super seriously and it's a lot of fun to just like see people achieve their dreams.

Peter: Okay. Well, it's a great place to leave it. Blair, thank you very much for coming on the show. I hope you are able to fulfill all of the things you just said there, it's a big job you've got ahead of you.

Blair: Oh no, thanks so much for having me.

If you like the show, please go ahead and give it a review on the podcast platform of your choice and be sure to tell your friends and colleagues about it.

Anyway, on that note, I will sign off. I very much appreciate you listening and I'll catch you next time. Bye.

(music)

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