

-- Matt Brezina: 00:00:03 Within a year and a half or two years from dropping out of grad school. I had bill gates demoing my software onstage by added Microsoft developer conference, and then trying to buy our business. We had 15 million people having downloaded our product and like literally two years earlier, I'm like in a lab trying to make robots do things. And now one of our entrepreneurial idols is trying to buy our company. So it was a crazy, crazy run.

Ryan Newman: 00:00:32 This is Dare to Disrupt, a podcast about Penn state alumni who are innovators, entrepreneurs, and leaders, and the stories behind their success. I'm your host Ryan Newman. And on the show today is mapper Xena, how he founded an exited a software company Xobni and a greeting card company, sincerely, and then became an early stage investor in over 60 companies later. Current Penn state student entrepreneur, Divya Rustagi, we'll ask Matt for any advice he has for student founders. I'm excited to dive in first, a few words from our host organization,

AD 00:01:08 The newest Penn state innovation hub will open this October on burrow street. The building is a multi-use innovation making and learning facility and the future home of happy valley launch box powered by PNC bank, serving students, innovators, and community entrepreneurs alike. This hub will be the cornerstone of the Penn state entrepreneurial ecosystem. Learn more about the building and how you can support and accelerate Penn state entrepreneurship at innovationhub.launchbox.psu.edu.

Ryan Newman 00:01:47 Matt, I'd like to welcome you to the first dare to disrupt podcast. Thank you so much for being here and being with us.

Matt Brezina 00:01:57 Absolutely. I would. I would miss it

Ryan Newman 00:01:59 Well, Matt, from my standpoint, uh, you know, you and I go way back, but what's probably most notable to me is just the idea that if Penn state's going to do a podcast around, uh, what it takes to disrupt and daring to disrupt and entrepreneurship, there's absolutely no one in my mind, as I think back over the last 20 plus years at Penn state that has done more for the entrepreneurial community and in many ways define the entrepreneurial community than you, Matt. So thank you so much for taking the time, not just as an entrepreneur, but also somebody who really has been a trailblazer and pioneer for entrepreneurs at Penn state.

Matt Brezina 00:02:38 That's a huge compliment. And you know, a lot of it has to do with just really good luck and timing. You know, I was in the dorm rooms and 99 watch the beginning of the internet, boom, and said, I think there's a different future for me than the standard path.

Ryan Newman 00:02:53 I love hearing that. And, um, and we'd love to really dive into that. So why don't we start, you know, we'll obviously, uh, talk about your Penn state experience, but why don't we start with just where you grow up and what those early influences were like even before college and, uh, cause I think it's always really interesting to sort of start with the origin.

Matt Brezina 00:03:12 Yeah. So I actually grew up in state college about two miles from campus. I'd say a huge influence. We're having two parents that were just very different, right? Like my father was the engineer who worked at Sri was kind of more quiet, but very strong technically and him and I would spend tons of time at home. Like we never hired anybody to fix anything in our house. He fixed, fixed it and taught me how, um, then my mother on the other side is this gregarious person. You get in an elevator with my mom. And by the time you reached the fifth floor, she has your phone number and she's like inviting you over to the house for cookies and like, you know, knows your kids' names. And I think I'm just a blend of those two parents. Like I studied engineering. I was deeply interested in taking things apart, putting them back together.

Matt Brezina 00:04:00 And then I knew how to talk to people and I knew how to sell. And those two things are really important when you're building a technology company. So I think that was really helpful. And then, you know, a couple of things that they also encouraged me to do, or I kind of was just out there doing one was they made me pay. If I want to go to the movies, I had to use my own money. Right. And so I was like, I need more money. And so, you know, at 10 years old I got my first law --

-- mowing gig. It was my first neighbor. I ran that business for like eight years. I expanded to like over 20 properties. I would lend money to my parents when they were strapped for cash. Cause I had stacks of, you know, bills in my room, uh, at the age of 13 I think is when I bought my first mutual fund.

Matt Brezina 00:04:40 So I had my mom take me down to a broker. She didn't even have one. She took me down to Edward Jones and I was like, I want to buy stocks. So I bought a mutual fund and I thought that was kind of, you know, not that boring. So I started, I like bought over the counter pink slips for like weird companies. I was finding on the internet. Um, and this is like as like a 15 year old, the broker's like, okay, I'll take my commission on the trade. And so I kind of started investing pretty early and it's really good to start that investing early, whenever you're putting like a hundred dollars or a thousand dollars to work, uh, because you know, that led into like 99, 2000. I was in freshman year of dorms at Penn state trading on each trade with other people and like, you know, making a lot of money one day losing a lot of money the next day.

Matt Brezina 00:05:25 So I've learned a lot of those mistakes early. Um, but I think a lot of those, you know, all those experiences kind of put me in a good position where I knew it was like to try to go get a customer. I couldn't conceive like applying for a job and, you know, following somebody else's path to what a future career would look like. And, um, yeah, put me in a good place where when I graduated college, I was like, I'm either going to start a company or going to go learn more so I could start a company

Ryan Newman 00:05:54 And that desire to really kind of, uh, set your own path and not want to sort of follow someone else's. Is that something that you can, um, reflect on as being there from as young as you can remember? And what were you like in elementary school? What would, what would, what would your elementary school teachers say about you if she were here today?

Matt Brezina 00:06:12 Yeah. Um, you know, one thing I really remember from elementary school is we, we did this project in fourth grade and it was called little city or something like that. So everybody had jobs in the city. There was an election in the city, like you tried to, um, you know, accumulate the most capital. This isn't a class of like, you know, two classes across two classes of 30 each. I became the town mayor and the millionaire in fourth grade. So, you know, I think back to that, it was kind of like, I was proud of it at the time, but then I think back then I was like, man, maybe, maybe that was a sign of something to come, you know, I would, I would like stay after school. Like the ways that you made money was like stay after school and help her clean the bookcases. Okay. I'll do that. Um, so I don't know. I kind of been weird like that for awhile, I think.

Ryan Newman 00:06:59 And the path to Penn state. Was that something that was sort of a foregone conclusion, given your parents lived in town presumably maybe had ties to the university? Or is that something that, um, you know, you, you actually did look around and Penn state was the right fit.

Matt Brezina 00:07:12 Yeah. I fought, uh, the idea of going to Penn state actually, because I wanted to get away. Um, my parents, we didn't get any discount. My parents weren't affiliated with the university at all. Um, I knew it was a really good school. And actually I was doing research at Penn state when I was in high school. So I had a lot of the resources that university I was already leveraging. Um, so I did apply to other schools. You know, I got a scholarship to Carnegie Mellon. I got a scholarship to Cornell. Um, but even with those scholarships, um, I think Cornell was like 30,000 a year with a scholarship is still going to be 15. And then Carnegie Mellon, I think it was like 30,000 a year and I was still gonna be, I got 10 K scholarships. That's still going to be 20. And then Penn state, it was like, they gave me honors program.

Matt Brezina 00:07:57 Um, and some other scholarships ended up being like really cheap and to be in the honors college. And, you know, I'm, I've been pretty scrappy and focused on capital and my parents didn't have like just giant savings funds to send me to college. And so I was like, I'd prefer to leave college without debt. That would --

-- put me in a good place to be able to do what I want to do when I graduate instead of, um, having to go get some job just to pay back debt. So that was a big reason. I went to Penn state and the promise that I had with myself and with my parents was I'm going to study abroad as soon as possible. And so I studied abroad the second semester of my sophomore year. So if I was going to go to school in my hometown, I got to get out of there soon and study abroad. It was one of the best things I ever did. And I think doing it young was really valuable too.

Ryan Newman 00:08:43 Where'd you go in that first, uh, out

Matt Brezina 00:08:45 Of the country to Australia as the first time I got a passport, you know, not extremely different place. One of the reasons I went there was I was able to like stay on my engineering track, still the same courses. And, uh, yeah, it was one of the best things I ever did.

Ryan Newman 00:08:59 Shifting from your Penn state experience to your first business idea, and which very much certainly probably occurred to you around the time you were at Penn state, but what was that first business idea, a formal idea. And where did it come from and how did it take off? Wow.

Matt Brezina 00:09:15 I had some other business ideas, but one part of the story that we're not catching, as, you know, whenever I graduated school, I had job offers to the big companies that recruit out of Penn state, uh, Lockheed Martin, Accenture, and I wanted to start a company, but I felt like I didn't know enough. And so I figured, well, I guess the best way to learn more is to go to grad school. So I actually went to university of Maryland for my PhD and control systems. And the reason I went there, one of the reasons was I was already doing research with the Naval research lab, right near there doing really cool research. It's like continue that research and kind of develop it into, you know, my, my PhD. Um, so I actually spent three years at the university of Maryland. I found out that academic path to a PhD, wasn't the best path to starting a company.

Matt Brezina 00:09:58 Um, and most of the people that were there in my program with me weren't entrepreneurs. And so I kind of felt different and I eventually dropped out to start my first company. And it wasn't even my idea. It was, um, this guy that I had met, who, you know, we met on Craigslist, looking for roommates. He became my roommate. He was an MIT student. He was down in DC, um, an internship. And he was just like one of the smartest, weirdest people I'd ever met. Like he was moving into our place and I helped him unload. He was just like unloading servers and like four different monitors. I'd never seen anybody operate four monitors before he wanted me to go to home Depot with and buy this giant piece of plywood. So he could build this like huge desk for all his monitors and all these servers.

Matt Brezina 00:10:40 And I was like, wow, this guy is crazy. He was weird in a lot of other ways, too. Very, very smart. And he's the one that basically recruited me to start a company with them. He was like, oh, you're technical. And you can talk to people that, that should be really valuable and said, he said, Hey, this guy, Paul Graham is giving, you know, grad students like you and me, 10 K to go try a startup for the summer. And eventually, you know, he convinced me that, yeah, this would be a good thing to do. And I moved up to Boston and never looked back.

Ryan Newman 00:11:10 And that first business that once you moved up to Boston and took capital, can you talk about that?

Matt Brezina 00:11:15 Yeah. So the company was called Xobni my co-founder. And I basically said Google built the world's, um, search engine for public information. No one has done that for your private information. And there's more information that lives in private data stores than lives on the public web. This includes all of your emails. It was the beginning of social networks. So everything is happening on social networks, but like there's no easy way to navigate that, find that and organize that. So we can build the Google of personal information. That was our pitch. Um, and we started out with email, specifically, a tool for Microsoft outlook, and that tool would allow you to click on somebody's name and outlook, and it would quickly index all of your email and find it, create a profile about your relationship with that person, every att --

--achment you've ever sent or received people you have in common previous email threads, as well as scour the web and connect data from social networks into your email.

Matt Brezina 00:12:06 We were the first people to ever bring a social network into email. And, um, that was the idea. Uh, we, you know, we made tons of mistakes. We really had no idea what we were talking about. Um, cause we had never even been in a professional context where people use lots of email, but we talked a lot of people and uh, we ended up becoming an early high profile company within Y Combinator. We were the first company to my knowledge, that raised a series, a out of Y Combinator rates, 4 million bucks from the node Cosla and within a year and a half or two years from dropping out of grad school, I had bill gates demoing my software onstage at Microsoft developer conference and then trying to buy our business. We had 15 million people having downloaded our product and like literally two years earlier, I'm like in a lab trying to make a robot to do things. And now one of our entrepreneurial idols is trying to buy our company. So it was a crazy, crazy run with tons of mistakes, which we can talk about. Um, and like I've, I swear everything that I've done since then has been guided by the mistakes I made then. And when I help founders, now it's all about trying to help them avoid the mistakes I made. And that first company

Ryan Newman 00:13:14 You mentioned, Y Combinator, uh, very well known to many, but unknown to some, can you, can you provide an explanation of what Y Combinator does the role that they played in your organization and how they're viewed today?

Matt Brezina 00:13:25 Yeah. So when we, it is very well known now, but whenever we did, Y Combinator was not known. I mean, it was like some Reddit didn't exist. I mean, that was in a Y Combinator company. It was like people reading Paul Graham's blog. It was basically kind of like a bunch of engineering grad students. Um, and what Paul said is like, Hey, instead of going and taking an internship for the summer, um, or, you know, going and work in a big company, like I think younger people who are technically savvy or interested in new technology could start their own companies. And instead of just saying, they should do it, I should actually fund them to do it. And so, and he said, it's also important to have the support network around you, which is like going out there, starting a company on your own when no one else around you is doing it is really lonely.

Matt Brezina 00:14:12 There's probably a lot to learn if like six teams did this at the same time together. So he created much like a, you know, MBA cohort where you would go take 10 K um, meet with other teams once every week for dinner and then go back and work on your companies and have a peer group. And that was the beginning of this whole concept called an accelerator that, you know, now Y Combinator funds hundreds of companies per year when we did it, I think there were seven companies in our class. And, um, yeah, just kind of gave somebody like us that didn't have connections to the Capitol. Didn't know the first thing about starting a company, they kind of got rid of all of like the easy questions. Like here's how you incorporate, you know, here's how to set up a bank account and just kind of threw us into the fire with a bunch of peers that were doing it and tried to help us and ends up. They, they did, and they attracted really smart people. And now there's, you know, some of the biggest and best companies in the world were started out at the Y Combinator. It's just unreal.

Ryan Newman 00:15:14 And at the time you were living in San Francisco and what was that move like? Cross-country

Matt Brezina 00:15:18 So we actually, we lived in Cambridge. YC was based in Cambridge at the time Paul was living in Harvard square. Um, my co-founder is MIT, so we actually just moved up there and, you know, that was cool. I'd never, I lived in Melbourne Australia, but I, it was just great living in a city, you know, Boston, and there's a lot of smart people around, you know, I got to know a bunch of people that are now doing big things like Dharmesh Shah started HubSpot, you know, large public company. I just remember like eating ice cream with him in our crappy apartment, you know, or one of the other people, you know, was our friend drew, uh, who was like working on an sat prep compan --

-- y and rented space in our apartment to work on his idea. His next company ended up becoming Dropbox. Um, so it was kind of a magical time, you know, the founders of Reddit, you know, they were just some of the guys we would go and, you know, get euros with, you know, um, cause we were working on different ideas.

Matt Brezina 00:16:12 So it was a really magical time. The best way I described it to my mom was, oh my gosh, mom, I think I'm like part of the first Harvard MBA. Like if Harvard MBA never existed, like this is the new Harvard MBA and I'm part of the first class, that's a big deal. It felt like that. And the other thing is, Hey mom, I've never met a group of people. I feel like that are more, my people like have the same interest in me and like technology and engineering and science, but then also in business, like I just never intersected with a group that I was like, holy cow, these people are, these are my people. So that was really special. And then you mentioned, you know, moving out to San Francisco, like we actually all moved to San Francisco together. We all found that like the investors on the east coast, weren't willing to give 22 year olds millions of dollars to work on their startups.

Matt Brezina 00:17:00 We pitched them and they'd say, you need to go hire a CEO with gray hair. We went to California and like a lot of the early Google guys, like the first 20 employees at Google, we met a couple of them and they were like, yeah, you remind us of Larry and Sergei. Like, we'll give you some money. Um, and that just like just kind of things took off. And we, you know, we made a trip out to California, met some of these early Google guys came back to the east coast and we're like, we're packing up, we're moving there. Like that's where we need to be. And a bunch of us did that all together. We actually all moved into a big apartment building together in San Francisco. Um, there, we probably took over 15 apartments in there eventually there's, there's probably five public companies in that group. Um, 10 billion companies, I mean, in one apartment building all from like 2006 to 2008, 2009, crazy, like I said, timing's a lot of this.

Ryan Newman 00:17:59 And so you mentioned some mistakes that you had made and it sounds like you've, uh, relived or, or reflected on some of the larger mistakes that have led this to be the fuel for your own self discovery, as well as the discovery of others with whom you mentor. Can you just walk through some of those examples of the early mistakes that, uh, you or you and your partner made?

Matt Brezina 00:18:19 The biggest mistake we made is there wasn't honest clarity around each of our roles in the company and that we're aligned with our strengths. So my co-founder brought me into this concept. He like said I'm starting a company, brought me in. So he was the CEO. I was the COO, but in every thing that our CEO would traditionally do, I did that. So that's like anything public facing, um, uh, anything around fundraising, uh, you know, anything, anytime our business is presented, it's just things that I'm naturally better at. Um, and that created a kind of just a little bit of a riff between us and then also a lack of clarity with employees. And then eventually, and then we raised money, like lack of clarity and trust with our investors that led us to, we brought an investor who, you know, that clarity wasn't there.

Matt Brezina 00:19:18 They use that as kind of a wedge and a weakness to go in and basically force an external CEO on us in the company. And I w at a wrong time for the company, I mean, we were still like really figuring out product market fit, figuring out our business model. And like our burn went from call it a 50, 60 K per month to like 250 K 300 K per month. Um, which means like you can't be as patient. You can't actually think, and listen, you kind of are starting to run. And, and the business, the product, the business was not ready to run yet. And so, you know, we ended up raising \$45 million for this company that it didn't really need. We ended up selling for like a hundred million dollars, but like early investors, employees didn't make that much on an exit that should have been worth a lot more. Um, so it created a ton of challenges and it all just came down to this, like not having clarity around roles and responsibilities between the co-founding team and alignment on those.

Ryan Newman 00:20:25 What's so --

-- fascinating as you think about today and anyone who uses email and you, we naturally just go in and the advent of the search bar and search for a certain name and all of the related emails come up. And this was really an idea that you and your co-founder were hatching so many years ago. It's incredible that despite the, uh, the degree to which the ultimate outcome wasn't as favorable as what it could have been, the actual necessity for the technology is so essential to just everyday use.

Matt Brezina 00:20:55 Yeah. I'm very proud of what we accomplished at that company. Like, um, the number of people that to this day will find out that I created that. And then they're like, oh my gosh. I remember using that. It was one of the best things that ever happened in my work. I mean, we would look at that amount of time. We would actually, my co-founder truly like a software genius. He would just track things like how much time was the outlook window open on somebody's computer at a job. And it was like 30, 40% of people's Workday was like in this application and it was bloated and old slow. And like, we were such a relief of fresh air. And then, you know, he was a technological genius. I was maybe more of the product. I won't say genius, but like person, we, we like brought a different UI into outlook. Like we used different, um, colors and button shapes, et cetera, to, to make this a unique, you know, we kind of brought the web experience into this old application and that was a breath of fresh air for people. So I'm super proud of what we did. And, um, you know, it was like I said, it set me up for an awesome, awesome career.

Ryan Newman 00:22:04 Can we talk about your next business venture or our next most well-known business venture?

Matt Brezina 00:22:09 Yeah. So the next company, we, my co-founder and I have the first company both eventually left while the company was still running. We stayed on the board. One of the people that I met in Y Combinator, I then I hired at our first company. That's Omni. He worked very close with it with me. I really just love him personally, also a great creative engineer. And, um, I went, traveling, rode my motorcycle across the country. Went, went to Hawaii, did not ride my motorcycle there. Um, and, uh, we are, I kind of, I realized that like the iPhone four had come out and it was, it was a remarkable device. Like the first generation of the iPhones. It was like, good. The iPhone four is especially profound to me because it was the first time the camera was so good on this phone that you didn't need to bring another camera with you.

Matt Brezina 00:23:02 And if you think back to that time, and we're going to have younger listeners, but like people used to carry like these digital cameras with them to capture the moment. Now you could do that with your phone. And I was like, oh my gosh, this is transformative. It's going to change the world. I was like, okay, well, what kind of businesses could be created around this? And I said, okay, these photos are going to be, people are still gonna want to like, turn these photos into printed memories. Uh, they're going to want to turn this into something. They can send somebody physically and physical, still meaningful. Um, and I can make money from that on day one on the last business, I felt kind of behind eight ball. Cause we couldn't make money for a while. We had to like get a lot of users before we can make money business too.

Matt Brezina 00:23:40 I said, I want to make money from day one. So, um, the first product that we launched was that allowed you to use your iPhone and take a picture, turning into a postcard that you could send to somebody else in the mail. And the big vision here was to build this was like 2010. It was, we said, we want to build the physical social network, which means we would have the graph of where you and all your friends live, even CSEC at Facebook does not know the physical addresses of you and your friends. And 30% of the commerce economy happens around gifting. And so if we could control that network, I mean, you imagine a future where you could connect to the company's called sincerely. You could connect to sincerely in your Amazon address book and you could send somebody a gift in the mail because we know their address and you can do that.

Matt Brezina 00:24:26 Even just giving their us their email address, because everybody would be a member of the social net --

-- work. Well, parts of this work parts of it, didn't, uh, it's ends up. It's really hard to grow a new social network fast. Whenever things like sending a piece of mail that takes three days is involved. That you're just not going to have that viral coefficient as well as there's a cost. Like there is a cost of sending something physical. There's not really to sending something digital, like sending a picture in the mail. So it wasn't going to grow as fast. So we built a business, tons of lessons learned applied from the first company to this company like me and my co-founder ended up. We had like completely clear roles. There was never a doubt in the company with investors between him and I or employees. And that was really good way less thrashing and stress.

Matt Brezina 00:25:09 I mean, I could feel a difference in my stomach on the second company. Um, we, because of that, we knew who we were. We wanted, we brought in a great investor, B John from spark, somebody who, you know, wasn't going to try to take control of our company, like believed in us, believed that we could take this to become a huge business in and of itself. Um, and we monetized early, you know, we only raised first company raised 45 million, second company only raised 3000002nd company. I wish it could have been bigger. We, you know, we kind of learned about this friction of a physical network and, um, so it wasn't taking off at the rate we wanted it to. And so we ended up selling it two and a half years. First company, it took like eight years to sell. So the second company, just like, I wish it could have been a lot bigger, but everybody made more money, even though the exit was smaller. I think there was just like less stress in the company because starting with that co-founder relationship was really strong and really clear. Um, and we unpicked packed at a lot of people and we are our products. We ended up going into flowers. We were eventually bought by a flower FTD, the flower giant flower company. Um, our products made it to like 5% of homes in America. Um, like we had good reach. I wish it could have been a bigger business, but I'm still really proud of it.

Ryan Newman 00:26:23 Somebody back then who, uh, got to know you and actually use the product to send my grandmother pictures of my kids. Uh, I can tell you that there was, I was definitely a happy customer and, and really sort of found value in this idea that you're taking photos and you want to be able to share them with somebody who may not be as technically literate and, uh, this, this really enabled that. So thank you for, for as, as one user, to, uh, to a founder among many thank you for that.

Matt Brezina 00:26:50 A lot of products don't live on in the future. Um, that product Postagram sincerely Inc. Uh, they are still out there being used by millions of people, which I'm really proud of.

Ryan Newman 00:27:03 So following these, these two business endeavors, both of which ended in certainly from an entrepreneurial perspective, great success as you looked on what you wanted to do next, how did your perspectives and focuses change?

Matt Brezina 00:27:18 Well, there's two things that caught my attention. One was that I started investing in my friend's companies in 2008. So we talked earlier, like I start investing in public stocks, like at age 12, 13, 14, but you know, I didn't have as much of advantage there. Whereas in this early stage startup world, like I had some great advantages, you know, it was one of the early members of Y Combinator. So, you know, the next batches of companies they would ask me for help, I also kind of had been a CEO and raise money and build a business in this space. And so I kind of knew what to look for in other people that I thought had the potential to do this. So I had an information advantage in early stage technology companies that I just started, you know, putting money against. And so I started writing checks in the companies and by 2010, it ends up that like I had made as much money investing in companies as I had starting and building my own companies.

Matt Brezina 00:28:12 And now at this point, by 2020, it's probably like a five or six to one ratio in terms of like net worth driven by investing in other people versus building my own companies. So I, I just saw something working there and I really liked it. You know, I like my mom in the elevator, you know, getting to know somebody on between for t --

-- he ground floor and the fifth floor. Like I'm kinda like that too. Like I just really like getting to know people. And I think entrepreneurs are the most fascinating people on the planet that I want to spend as much. I mean, Ryan, you're the same as me. Like these are your customers. Like these people are amazing, like their drive, their creativity. Um, a lot of them, their stories where it's like they come from even more humble backgrounds than I did. And they're creating, you know, creating generational wealth and doing amazing things with, uh, you know, with giving people jobs, which is something I really loved about building my companies is giving people career opportunities.

Matt Brezina 00:29:10 There's not many better gifts. You can give somebody, I love spending time with them and ends up. I think you're going to be good at things where you just love spending time with the people that are doing it. Right. Like, so investing was one thing that I knew I was going to continue doing. The other thing was there was another little thread happening across my career that I wasn't totally aware of at the time, which was, you know, I had these job offers leaving college and it was like, I remember going to them, I had to drive to some suburban office park. The place was just gray and dull. Everybody would like pack a lunch or eat at some crappy cafeteria. It was just depressing. It was monoculture. Everybody in that zone worked at the same company. And I was like, I like college campuses.

Matt Brezina 00:29:58 I like where there's like, there's, I can hear people rehearsing like music and, you know, I can walk to a bunch of different places to eat. And I was like, I want to work like in a city, in a walkable environment, I would do these internships. And it would be like a 45 minute drive home. And I would be so tired. I didn't have any energy for the rest of the day. I was like, I can't do this. So one of my goals and starting a company, it's like, I want to build a company where I can ride my bike or walk from where I live to, where I work, walk out of work and be amongst a diverse community. And so this was like really part of this trend of companies coming back to cities, we started, we helped start this, right. It was like these little startups.

Matt Brezina 00:30:41 That's what, that's the world that we wanted to see exist. And so the thread here is like, that's one of the reasons I also started a company. I would make it really easy for people to ride their bikes. And my second company, like not a single person, drove their car there. And I had like great bike parking in the office. We had loaner bikes, people could use. And, um, you know, I met this girl who then became my wife and she started using a bike to get to her job. And then I realized like, oh my gosh, I've been riding my bike around for 10 years. For other people. It's really scary. Like American cities are really bad. Um, they just like gave every square inch to cars. And then after I sold my second company, my wife and I went and we rode our bikes across Germany and Austria.

Matt Brezina 00:31:27 And we're like, oh my gosh, it's so safe here. Like, grandma's are riding their bikes here safely. Kids are undersized bike safely. And so I got really passionate about trying to solve that problem, which is to reconfigure urban America so that people can walk and bike safely and they don't have to choose a car. Uh, and this aligns with the biggest crisis of our time. Not COVID it's the climate crisis cars are the number one source of greenhouse gases in America. Even if we're using electric cars, like the battery required to power a Tesla model, Y can support 300 e-bikes it is from first principles basis. It is, does not make sense to use a 6,000 pound vehicle to move 150 pound human, which the occupancy in most cars is like one person. So, um, and people are happy, more connected with our community when they're not stuck in a steel cage, stuck in traffic and honking at people. Um, and so that's been a huge area of focus for me. I spend my time now investing in helping other entrepreneurs and then doing activism, activism about trying to make our streets kids safe. If they're safe for kids are safe. Everybody. I want a kid to be able to walk bike to school, to the park, to daily activities. If we can do that for kids. And a lot of people will be doing it. And America is really far behind on this, and it's critical that we c --

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Ryan Newman 00:32:54 So that someone listening to you and hearing your passion that wants to do more get involved. Uh, what, what advice would you have?

Matt Brezina 00:33:01 The nonprofit that I have working on this? It's very city by city, these battles, um, not my nonprofits called kids safe, SF it's kids, safe, sf.com. Um, and so they can go and check out like what we're working on. Uh, we're trying to keep cars like in, in the middle of golden gate park in San Francisco, there's a street that used to be one of the most dangerous streets in all of San Francisco, for people getting injured in our park, since the pandemic, they shut it down and let, let it just be open to people. And the number of people using it, especially kids has just like gone up just dramatically. I should say. Um, number of people, biking is up like five X number of people walking is up two or three X. Um, and so we're trying to preserve that some of these things that we got through COVID through an emergency, try to keep them because they relate to this other climate crisis emergency.

Matt Brezina 00:33:51 Um, and then I would say I've connected with advocates across the country and around the world via Twitter. Actually, it's huge for this urbanism movement. Uh, that's tied to, you know, climate action. And then also, you know, if you can afford to try to get out of the U S you know, I think most of our listeners will be us, but like try to go spend time in other countries. In 2016, I spent significant time at two countries that help form. So much of my thinking on this one was China. China has historically had one of the highest bicycle mode shares in the world. This was whenever the shared bike thing was happening exploding, and they were building bike lanes overnight. But one advantage of an authored authoritarian government is they can just do things without public process. And they were just building giant, safe bike lanes overnight.

Matt Brezina 00:34:39 It was amazing. And then of course spending time in Europe, they've been ahead on this for awhile and they're even accelerating now. Um, so I'd say spend time there, get to know people on Twitter, follow the stuff that we're doing and follow me on Twitter because I work on this a lot on there, um, at Brezina, um, it's a huge, hard battle, but it's really important. I oh, and I should say, I tell founders, you don't want to make a wave. You want to ride one, right? Like that's the founder's job is to like find I'm a surfer to like, find that wave. That's going to be perfect. And then ride that wave. I would not be working on this thing around transitioning away from automobiles, towards other modes. If it wasn't for e-bikes like this revolution of battery technology, um, is a wave that basically brings the e-bike and other light mobility to the masses.

Matt Brezina 00:35:27 So I, I don't think that you don't have to be like an athlete to be able to choose a bike or a scooter to get around. And that's a really big deal. It's one of the reasons I'm working on it now, like it's, it's a giant wave and it's important because it couldn't come fast enough, like cars, not only, they, the number one source of greenhouse gas emissions in America, they're also the number one killer of children, age three to 19, the number one way your child will be taken away from you in America is by a driver of a car or yourself driving a car it's really, really dangerous. Um, unhealthy.

Ryan Newman 00:36:00 So when you think about the role, the things you're passionate about today, and then marrying that up with meeting entrepreneurs and advising entrepreneurs, what, what types of advice do you really find yourself? What, what intersection advice do you find yourself giving entrepreneurs in terms of where they are at their crossroads, in terms of whatever business they're trying to build or idea they're trying to bring to market

Matt Brezina 00:36:21 The sustainable transportation intersecting with investing, I'd say a couple of ways that helps one. There are some great businesses being built in this space. Like we are seeing a revolution of vehicles. I mean, Tesla, I don't believe that cars are our answer, but like they are electric cars are part of it. Uh, we're going to see a wave of other vehicle types and I'm an ambassador. And some of those like jumped bikes, which Uber bought spin scooters, which are deployed a process across the country was b --

-- ought by Ford motor company. Um, so I get into a lot of those deals. Like I see all of those as well, software companies that are supporting that space. I love a company called Zoba. It's a geospatial data science company for urban logistics or cocoa delivery. It's a sidewalk robot that will bring food and other delivery. It's crazy.

Speaker 1 00:37:05 We use giant trucks to deliver like hamburgers. Um, so that helps. I also connect with the founders this way, you know, a founder visits, San Francisco, like I have extra e-bikes. I just like take them on a bike ride and that's very different than just the standard coffee. Um, but most of what I spend my time helping founders with is, um, all the stuff that I dealt with when I was building a company and now I've helped a bunch of other founders do it. So it's helping them work on their story and preparing them to raise money, helping them evaluate and decide between investors, how to I help them a lot, like how to scale their team. And I'm part of that often trying to introduce senior members, as well as, uh, I do rec recruiting phone calls. Like that's, I think what I'm doing right after this is, uh, recruiting a head of partnerships for a company that I'm helping actually a Penn state grad, Joseph Kitanga, if you haven't met him, he's amazing.

Matt Brezina 00:38:02 So these, all these founders, I back, they have my cell phone number. They just send me a text message there between, I know what it's like, where their dates full of so much hard work and so much stress. And it's really helpful if they can just get my ear for 15 minutes and I try to be that person. And that's, you know, my idol, one of my idols is Josh Koppelman there in Philadelphia. He was that for me, he was just like always available when I just really needed Josh's thoughts. And I try to be that for founders. And that's, that seemed to be working really well for me. Well, Matt,

Ryan Newman 00:38:35 From my perspective, this has been really just a tremendous opportunity to just spend time with you and really to give our listeners or chance to learn more about your story and what you're doing, all the things you've done, entrepreneurially, and also all the ways that you give back. So just for being who you are, thank you so much. And thank you for making time for us.

Matt Brezina 00:38:53 I love it. Anytime.

Ryan Newman 00:38:55 Now we'd like to hand things over to a current Penn state student who's in the midst of her own entrepreneurial journey and is very active within the Penn state entrepreneurial ecosystem. Divya Rustagi is a senior at Penn state studying computational data science over the course of her college career, she is placed in to international innovation challenges and started two ventures. Her current startup is called Apoio, which provides a clinical decision support tool for mental health providers to accelerate psychiatric patient intake using artificial intelligence Divya. Now turn over to you for some questions you may have for map

Divya Rustagi 00:39:31 Matt. It was amazing listening to your story. I'm very inspired. Um, now a couple of questions I would love to hear your thoughts on are, you know, you mentioned, um, being involved in funding and getting money for your business at a really young age. Um, for many students, startups, including myself, investment and funding can seem intimidating. So how did you think about it when you were still at Penn state? How did that change and how would you demystify it for student startups now as an angel investor?

Matt Brezina 00:40:07 So first I can't believe we haven't met before. I'm super excited to hear about all the stuff that you're working on and like, let's follow up after this. I'd love to talk to you more. Um, when I was at Penn state, no one was talking about startups, like the thing to do. I mean, we're talking 99, 2000. The thing to do was to quit. And, uh, if you're an engineer to quit Penn state and go work at Cisco, they were going to pay you \$70,000 a year. Uh, and friends went and did that. It was this startup. Well, one of the things that happened was like those companies that were much more expensive to start, like you had to run your own servers, right? We didn't have AWS. And so it was really hard for like two students out of Penn state as undergrads to go start a company.

Matt Brezina 00:40:50 So there really wasn't a funding environment. Um, and so tha --

-- t's one of the reasons I went to grad school. I was like, I just need to learn more. Like maybe if I have a PhD, people will support me more. Um, that's totally changed. And so I can't say much about like how I would change or what I would advice from my time at Penn state. What I can say is my advice from the world now that you're graduating into, which is the most, probably the best funding market for founders that has ever existed in my lifetime. I mean, it is, it's crazy the amount of companies that are getting funded and then other people are building businesses. Um, and you know, the best path for a lot of these founders is to try to find one of these accelerators. That's why we started the summer founders program at Penn state. Have you ever applied to summer founders?

Divya Rustagi 00:41:41 I will be this year.

Matt Brezina 00:41:42 Okay, good. Because like, that's the reason I started that was to build something like the early Y Combinator for Penn state students. It's for somebody like you to be able to, you know, I know you have to pay rents and you have to gotta pay for your Chipotle. We want to make sure that you have enough funding, that you can do that while working your business. You don't have to go take a summer job somewhere. So I think those are the best on-ramps for students. And when you're in that, you know, I'd say like half the students really take advantage of it. And the thing to take advantage of when you're doing that is to pick a metric that you're going to grow and grow it. And sh you know, you should be looking at a metric every day. You should review reporting it out to your team and your advisors probably every week at those stages.

Matt Brezina 00:42:24 And eventually we'll move to every month. But the thing investors really want to see is like, is momentum. And that metric it doesn't, you know, a lot of people think, oh, revenue is the only metric. It can be page views on your blog. Maybe you guys have a blog that's really hitting or followers on your Twitter account, or a number of people that have downloaded your white paper, pick some metric that really shows investors that like what they are building matters, because look how many people are downloading it or following them, or listening to what they have to say. Um, and that could be a seed of, of a big opportunity. And when I'm, uh, if you want to like send an email to an angel investor, get their attention, give, give them some growth metric in the subject line, be like we do X and we're growing this much month over month. We usually open those. We'll read your deck.

Divya Rustagi 00:43:15 Thanks, Matt. That was actually super helpful. Um, I think I'm going to email you with that would that have in mind now? So, um, the next question I had was, um, more pertaining to your move to San Francisco from Penn state. Um, what was the difference that you noticed in entrepreneurship as a whole? You touched upon it a little bit, but what was specifically so different than what's something that we can adopt, um, in our startup ecosystem at Penn state?

Matt Brezina 00:43:45 Oh man, these are the ones that like small town mayors and university presidents don't like to hear. Um, and so the truth, the truth is, is that there is an incredible accumulating advantage and network effect to business capital. So like New York is a finance capital because that's where all the other finance people are. Um, you know, DC is where you do government work because that's where the most government work is. San Francisco is the global Capitol of the internet. Like there, um, you know, I'm on a S a street of row houses with, you know, it's probably, I don't know, 60 residents on the street. Like there are, there's a CFO of a public company doors down from me. I'm an investor of the woman. Who's two doors down the other way for me, she's going to about to raise a \$10 million series, a like the concentration of people here and people from all over the world come through here.

Matt Brezina 00:44:43 Even if they're not living here. Like last Friday, I went for a bike ride to the beach with a founder from Mexico city who I'm an investor in, um, uh, I'm meeting with a founder from Kentucky today who is, uh, you know, here for a couple of weeks meeting with investors. Like it is so powerful to be here that it's, it was recommended whenever I was building my company, they were like, yeah, it's gonna be a multiple multiplie --

-- r on your success. If you're based in the bay area, people say with the world of remote work, that like, you know, we can do zoom calls and stuff, and that's going away. I'd say it's less pronounced, but it's still very pronounced. Like we are, we still build relationships in person. Like if you can go on a bike ride with somebody or go meet up for a drink, or like, if you have children, you can go to a playground and you can talk to another parent, but they're also a founder.

Matt Brezina 00:45:32 It is very, very powerful. Um, but that's, doesn't mean to say that, like the pencil ecosystem hasn't gotten better, we now have lots of successful Penn state startup founders. And there's a, there's a thing about Penn state, which is like people that go there. They really love it. They love Penn Staters. Like I love people from Penn state. There's something special about people that are Penn state. I'm now an investor in at least three or four, no four, or maybe more Penn state startups. And these founders all want to come back and help. They want to come spend time at Penn state. And, um, so I think that that ecosystem there is getting stronger. And I guarantee that you have peers, you know, summer founders programs going on right now. There's six companies in there, like they're helping each other. Um, they're all there in state college. So the ecosystem is getting better there, but eventually I think for most founders, it's good at least spend some time living in the bear if you can.

Divya Rustagi 00:46:30 That's awesome. And, um, I think that that's something that always inspires me to connect with other entrepreneurs on campus. Uh, you know, have some friends who can, who can understand late night calls. My last question is, uh, I would love to hear your thoughts on the mental health care space right now, when it comes to tech. If you could describe, uh, the technology in, in one or two words, how would you describe it and why?

Matt Brezina 00:46:56 I think health tech broadly has been one of the best sectors of investment for the last two, three years. I see that in my own portfolio, um, mental health as a segment, I mean, there's clearly some very big winners happening there. I'm looking for the opportunities that aren't necessarily always like the trying to win the direct to consumer piece, like the Headspace or the calm, like how do you, how do you beat somebody that's so entrenched like that? Um, I, my favorite investment thesis are businesses that empower other entrepreneurs. So in, it seems like your business might actually do this, which like these therapists, they want to like take care of more clients and be better at their job that allows them to make more money and be less stressed and in their own own jobs. So I love businesses that empower those types of people with software.

Matt Brezina 00:47:42 Um, I've been personally trying out a device called a leaf that you wear on your body and it measures your heart rate variability it's used, um, instead of depression and anxiety medications. So it will vibrate whenever your HRV goes down, HRV is a very good indicator of like your sympathetic nervous system. I mean, I'm, I'm using this. I don't, I'm not diagnosed with those problems, but like, I even notice it. And I noticed that I feel better whenever I get that haptic feedback and respond to this device. Now, devices are tough because there's a physical cost and, you know, Adam's are harder than bits we like to say. But, um, I think there's, there's a lot of interesting stuff going on in this space. It's a great place to be operating right now. Yeah.

Divya Rustagi 00:48:25 I Am very excited that you mentioned that.

Matt Brezina 00:48:27 Yeah. You're in, you're working on the right stuff.

Divya Rustagi 00:48:31 Yeah. Thank you so much. My, for, for answering those questions, it was, it was an absolute pleasure. Again, listening to you and having you respond to my questions. Um, and thanks Ryan for the great intro

Ryan Newman 00:48:48 That was Matt Brezina, founder of Xobni and sincerely what a true trailblazer and pioneer for so many Penn state students and with an entrepreneurial interest who have come after him next time, I'll be speaking with Mo bandy about how he founded software company Karat. Be sure to subscribe and look out for that episode in your feed next month. Do you know a Penn state student entrepreneur who would be perfect to intervi --

-- ew our next guest, fill out the student guests nomination form at invent.psu.edu/daretodisrupt.
Thanks for listening.

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