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Ryan Newman 00:00:46 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 Rob Schutz. Rob Schutz is the co-founder of roe, a direct to patient healthcare company, providing high quality, affordable healthcare without the need for insurance. Rob guides Rhodes growth and marketing and communication functions to tell Roe's story of putting patients in control of their health. He applies his extensive experience in consumer marketing to ensure ROE is resonating with patients by directly addressing their healthcare concerns. Under Rob's leadership, these functions have helped propel ROE into one of the fastest growing companies in the country, achieving unicorn status in 2020. Prior to Roe, Rob was VP of growth at Bark, the makers of BarkBox, where he joined as employee number seven and helped scale revenue from zero to a hundred million. Rob has been recognized by Business Insider as a 30 under 40 leader in healthcare. Rob earned his bachelor's in management information systems from Penn State. Rob, thank you so much for joining us on the Dare Disrupt podcast. We really appreciate you making time.

Rob Schutz 00:02:06 Of course. Thanks for having me. Ryan.

Ryan Newman 00:02:08 We'd like to start this interview as we normally do, which is at the beginning. And so if you wouldn't mind give our users a perspective on, on where you first grew up and and where your early formative experiences were, like prior to coming to Penn State.

Rob Schutz 00:02:21 Oh, yeah. Early formative experience. That could be a whole other podcast we get into. But yeah, I grew up actually in northern Virginia, right outside of Washington DC in Fairfax. My parents are both Penn State grads. They actually met at Penn State in the early seventies, and my brother also went to Penn State. My older brother, he's four years older, so we always had a pretty direct line up to Penn State. We'd come up for games, we'd visit friends, et cetera. So yeah, I grew up outside of dc, spent a lot of time in my early formative years in the music realm. I was a big trombone player. I actually did a year of blue band up at Penn State as well. And then eventually it was time to decide about school and I decided to do the full tour. We did a full Big 10 tour one summer.

Rob Schutz 00:03:04 We went up to Michigan State, we went to Illinois, went went to Michigan, a whole bunch of different places and I was kind of thinking, I don't wanna do exactly what my parents have done and what my brothers said, and like, I wanna be my own person. And we went around and we, we looked at all these amazing schools and then I kind of realized, you know what, I just want, I really would like to go to Penn State because they have everything that I'm looking for. They got a great band, got a great ice cream, which is my mom's top criteria. And just the personal connection there. So I was thrilled to, to get started in 2001, which is sobering, but a few, a few years ago.

Ryan Newman 00:03:40 So you arrive at Penn State. You've clearly have a sense for the place, given your parents and your older brother having gone there, what were some of your first impressions now as a student having your own experience at Penn State?

Rob Schutz 00:03:53 Yeah, I think <laugh>, you know, my first experiences being a student were pretty well consumed with Blue Band. That was something that, you know, you audition ahead of time, you come up, there's a lot of practice, you put in a lot of hours on the field. And so my experience was really building up to that first game. I think it was a night game, the opening game of the season. --

-- And we just practice in practice, in practice. And so I was pretty all consumed with getting my music straight, getting my marching straight, trying to figure out how to put my uniform on, and just getting acclimated to this new world of living with a bunch of cohorts. It was a co-ed dorm, a lot of new things happening, but it was, it was fantastic and it was really eye opening. And for me, I think those first couple months were different. Definitely an adjustment. I wouldn't say it was like seamless, where it just plugged right in and felt, uh, at home right away. But I think over time got to really understand and appreciate what a special experience that was.

Ryan Newman 00:04:50 Well, as, uh, while you're one of many extraordinary entrepreneurs, we've had the privilege of hosting on this show. I can say you are our first blue band, uh, participants. You've gotta give us a little more here. I mean, when you think about practicing on that field, you know, usually a lot of those practices seem to be happening at night under the lights. It gets cold later in the season. I mean, it, it looks like it's really a challenge and at times just straight drudgery. So, you know, set me straight or or confirm that it's really quite a, quite a task.

Rob Schutz 00:05:19 Yeah, full caveat, I only did the band for my freshman year before I decided I didn't have the, I didn't have the stamina for all four years. And that was actually before they had built out, I think a lot of the facilities for the blue band. So we'd practice down next to East Halls and yeah, it was, I mean, it was intense. People took it seriously. It was something I remember five hours before kickoff, you have to be on the practice field. And so a Saturday noon game <laugh> was a rough, could be a rough morning sometimes, depending on how your Friday night went. But it was great. A lot of really passionate people, a lot of folks that really love Penn State and got a chance to, to learn a lot and, and make some great friends there.

Ryan Newman 00:05:55 And you alluded to your, your first game, but what was it like being on the field at Beaver Stadium with all of those screaming fans all around

Rob Schutz 00:06:03 You? I mean, it was pretty terrifying in like a, in like a great way. There's nothing like coming out onto the field with 110,000 screaming fans and, and doing the pre-game and having everyone shouting and you know, the lion and the whole thing. So that was, that was definitely an experience. I won't, won't forget.

Ryan Newman 00:06:20 Great. So you're, you start out having this blue band experience sort of probably shaped a lot of your freshman year. You mentioned that then you, uh, moved on to other interests. How were your interests in your major? How did that take shape and what did you ultimately decide to study at Penn State?

Rob Schutz 00:06:34 Yeah, I knew, I knew that I wanted to do something in the business school. I didn't really know what exactly, So the first two years, I think before I kind of had to declare a major was a little bit exploratory. I eventually settled on it was management information systems at the time, which was like a little bit of programming, a little bit of business and kind of finding the, the happy balance in there. But it was great. You know, I I remember crushing it on the kinesiology courses. I think I wound up taking four by the time I graduated. And I loved taking, took like volleyball my freshman year, had fencing, ballroom dancing and racquetball another year. It was fantastic. And I think it was right at this interesting period of time, again, before the new ISD school had launched, where this was kind of a bit an emerging field of this combination of different functions. And so it's cool to be right in the middle of some of that change.

Ryan Newman 00:07:26 And so you graduate Penn State and what were your thoughts around first job, early career launch, graduating with this, this degree that's in a period of transformation?

Rob Schutz 00:07:36 Yeah, I remember leaning pretty heavily on the recruiters on campus, helped get a lot of access to interviews. I I also remember having a pretty tough time getting my first job. In my mind I was very hireable and I remember going through a couple series of interviews and trying to land a few different jobs and striking out a bit and eventually wound up landing a job back in Northern Virginia is not by design, but very c --

-- lose to my parents in Northern Virginia, a company called cgi. And they were doing, they're a big Canadian based technology consulting company and I wound up working with their group that was actually helping digitize medical records. So going into hospitals and helping them install their systems and scan in a lot of their old paper. So even when these new hospitals will implement all these fancy systems and electronic medical records, they're still decades and decades of paper records.

Rob Schutz 00:08:30 So we would kind of go in, help them with the technology set up sometimes, help them scan in hundreds of thousands of pages of medical records and link that up. But I was there for about five years and it was a great job outta school. I learned a ton and learned a lot of what I liked to do and what I wanted to do more of. And just, you learn a lot by doing stuff and then figuring out what you don't want to do again is a pretty good indicator as, as everyone kind of trying to, to, to figure out where to land their own plane. So

Ryan Newman 00:08:57 You leave the comforts of CGI and then have your first entrepreneurial pursuit after that? Immediately

Rob Schutz 00:09:04 After, actually they overlapped for, for about a year and a half. There was a buddy that I had from Penn State, Matt, who was a developer and we kind of had been poking around, we'd been playing with different potential business ideas and I had been at cgi, I don't know, three and a half years, and I'm starting to get a little bit itchy and we wound up launching a daily deal website when those were a thing back in the day, I guess 2008, 2009, kind of like Groupon, a Groupon style competitor. They had hundreds of millions of dollars in investment. We had like 10 k from my parents. And it was an amazing experience. You know, I, I was still working full time consulting, but on the side we were standing up this website and I was actually in DC a lot the, those days just walking around, going to restaurants and spas and bars and trying to set up 50% off deals.

Rob Schutz 00:09:54 And I just learned so much about how the internet actually worked. That was kind of my crash course on how does e-commerce, before it was e-commerce work, how do you set these things up? How does marketing work? How does email and search work? So it was a really good crash course on how this stuff actually came together. I didn't know what any of it was called or like the formal teachings around this stuff, but kind of like figured out as you went. And so I did that in parallel for about a year. And then I left a CGI to go full time on the the daily deal website. And in all honesty, because this is that type of podcast, Ryan, like the sense I didn't really know what I was doing. I mean, I knew like how to do the deal portion of it, but I didn't know how to raise money.

Rob Schutz 00:10:37 I didn't know how to like sell the company. I didn't really know how to expand. So it was starting to feel a little stuck like, hey, things are going fine, uh, but I don't really know what to do with this. And we got really fortunate that that point in time in around end of 2010, Groupon win public and that market was so hot and I got some really good advice from a friend who was like, Hey, if you ever wanna get out, now is the time to like take advantage if, if you don't think things are gonna get any hotter, this is, this is the time. So wound up cashing in some chips and meeting with a few people and getting introductions and was fortunate to be able to sell the company to a competitor outta New York City in 2011 and, and help them kind of formalize a little bit of their, their daily deal strategy at the time. So that company no longer exists in the deal space, but for me it was like a real sigh of relief being able to like have an exit and being like, I did a thing, you know, check, I now know how to do some stuff. And being able to kind of transition more eloquently. I had, you know, a year at the acquiring company to, to help with, uh, that transition as well. And so that was a really, really formative experience I'd say for me professionally.

Ryan Newman 00:11:55 So you have your, you, you leave the, the comforts of industry, you golf on your own and in a matter of a few years you're able to actually have an exit. Uh, sounds like you also transition from DC up to New York. So you are sitting here, you're, you know, still relatively young. You're, you --

-- 've already got an exit under your belt and how do you sort of decide what's next at that point?

Rob Schutz 00:12:17 Yeah, it's a good, it's a good question. I struggled with that fair amount. The exit again was great and I was very pleased to have it, but it was much less of a like, I'm now set for life type of money. It was like, cool, I can pay my parking tickets type of money. So I took a little bit of time, actually got married that summer and I was not working, which is the butt of a lot of jokes at the wedding and took some time to kind of figure out what do I want to do next? At first I was like, I'm in an entrepreneur, I can build businesses, I'm gonna go build some stuff. And I like had a few failed attempts at building some startups and some apps. There's <laugh>, there's one app that I poured a fair amount of money into.

Rob Schutz 00:13:02 It was called Chirp Guide. That was live, uh, it was, it was basically um, TV guide for live tweeting so you could go see who's live tweeting a game or, uh, the Bachelor or whatever. And that was super fun, but it was very far away from being able to make any money. And I realized at that point like, I need to get a job, um, and I need to kind of like figure out what my path looks like. And there was another point in time where I, I, I really struggled to get a job. I was a, I was a generalist at that point. I was really good at a lot of different stuff, you know, how to do marketing and sales and you know, fundraising and accounting and everything for when it was like my business. But then as I'm interviewing at larger companies, I was a little bit too general.

Rob Schutz 00:13:45 So I had no problem getting coffee with people and meeting up with people and talking about their business and they'd say, Hey, could you do this thing? Be like, Yeah, sure I could do that. But that's not that we're looking for. They were looking for someone who is like really good at email marketing or really good at sales. And so another piece of good advice I got at the time from a friend, which is a favorite of mine now, but is really just around picking a path. He's like, Hey, it's really hard for people to help you right now. Like, you're not a, you're not a specialist in anything. It's, it's hard to introduce you and say you should hire Rob for this thing cuz he's not an expert in anything. And so I really took that to heart and kind of picked my path as this path of like growth.

Rob Schutz 00:14:29 And at the time it was more like user acquisition marketing. I wasn't an expert in that yet, but I took some classes, then I wound up TAing classes, then I wound up writing curriculum that kind of like quote unquote made me an expert, right? Like you can put all that on your resume plus previous experience and now is more of this experience of like digital growth and, and user acquisition marketing. And so that then made it a lot easier to go out and say, okay, this job at this company, that's a title that I'm qualified for, right? They, they need to grow and they're looking for something to help, uh, with acquisition overall. So that for me was really, really important advice where it doesn't have to be forever, uh, but you do at some point or it can be very helpful, uh, for you to pick a path so that you are, you know, more easily introduced and more easily qualified for some of these different roles.

Rob Schutz 00:15:20 And so from there I did some teaching, some curriculum building. I wound up honing in on a few different companies that I was really interested in. And actually it was two companies and I went to a career fair to meet them specifically. And one of them was Bark BarkBox at the time, which was a real ragtag team of, uh, it was about five people and, and six dogs that were starting out trying to get this concept of treats and toys, you know, ship monthly to your, to your pop store off the ground. And so met them there at a very early point. They didn't have anyone really thinking about growth or marketing and how that worked. And I was like, Oh, well it just so happens that I'm an expert in in all of those things, look at my experience and resume. And so I was lucky enough to trick them into hiring me and entered kind of this new, this new era of my career.

Ryan Newman 00:16:12 As you're thinking about that, I just wanna highlight one point, which is you actually sounds like went to school and took some classes. I think sometimes peo --

-- ple struggle with this idea of what's the benefit of taking classes if it's not towards an actual degree in something. Hmm. But it seems like in your case, you actually were able to optimize just the course taking as opposed to having it sort of be advanced enough to say, I'm trying to actually get a degree in something. Was that conscientious on your part or was it just the function of how your path, uh, proceeded?

Rob Schutz 00:16:39 I'd like to say that it was conscientious. I think it was a combination of things where I said, this is interesting and I like this type of work. Uh, but then I kind of, with the benefit of hindsight have been able to look back and realize that was a really good way to be able to become an expert in something. And that's something I coach entrepreneurs and people who are just generally looking to figure out what comes next for them. I encourage people to, as they're trying to figure out what comes next, like look at jobs and look at job titles that you want and bucket them so that you understand like, hey, I really want to be a search engine marketer. I really want to be a product manager whenever that it is, figure out the title and then figure out what the qualifications are underneath it that you need in order to get that job. And then just go out and start to build those skills. You take a lot of courses online, you can volunteer your time with non-profits doing a lot of these types of things, and you're just building up your credentials so that your resume now reads, you've done all these things in this space and you're much more qualified for that role and you're much more of an expert than if you're just working and consulting and now you're trying to apply to be a product manager. That's, that's a much tougher jump.

Ryan Newman 00:17:47 And so now you're at this new startup Bark, you mentioned just a handful of people and almost almost as many dogs as there were employees, obviously it's another startup environment. What was it like being at that startup? How did that, how was that experience different than your prior experience and how was it, uh, in some ways similar?

Rob Schutz 00:18:04 Yeah, I would say it was very different in all good ways. I mean, the company that I built was very, very unstructured. It was me, it was me and three other people. And again, I didn't know how Venture capital worked. I didn't know how renting office space worked and dealing with payroll. Uh, so when I joined Bar, they were small, but Matt, who is the, the CEO and still is the CEO now of a public company, had, uh, previously built a few companies. He, he was one of the co-founders of meetup.com and he had experience like in how to structure and build, build a startup. So it was really different in that sense in that there was people that kinda knew what they were doing and, you know, overall it was, it was a very different environment in that one. There was more specialized roles, you know, when, when it was a smaller team, everyone was doing a little bit of everything versus I was come in to help figure out our marketing and, and growth, uh, strategy and how we're gonna actually build out the team.

Rob Schutz 00:19:07 And it was, it was different but really great in a bunch of different ways. One was I didn't have to worry about the fulfillment of, of those products. There was a team just focus on how do we either buy or build our own treats and toys and make that ourselves and get that shipped out. And they had to keep up with growth. So their job was to make sure they were fulfilling all the orders that were coming in. And my job was to just get as many people in the door as possible. So that's kind of the benefit overall of specialty, but being able to specialize and just saying like, I'm gonna get as many people as we can to come and try these products removed, that worry that you have when you're doing everything of like, Oh man, if we get a thousand people to sign up today, we're not actually gonna be able to fulfill it.

Rob Schutz 00:19:53 That's somebody else's problem now. Which seems like a cross way to say it, but like, that's the benefit of having people working really hard in their own specialized areas. So I learned a ton there. I learned a lot about the founder dynamic. There were three founders at Bark, Matt Carley and Henrick who just genuinely liked each other and they would argue and, you know, disagree on things, but like at the end of th --

-- e day had a ton of mutual respect and I feel like I learned a lot from them. And then in general, I was very fortunate that a time that I joined was this point in time where the internet and marketing really started to explode. Like I launched Facebook ads the first day that those came out within the newsfeed. And that was like a pretty massive shift in the industry overall. So I was in this seat where we had money to spend, we had a product that people wanted, was able to use pictures and videos of dogs as my ad creative, which doesn't get much, much better than that. And was able to like really scale all of these different channels and build a team and figure out a way kind of in this new ecosystem that really never existed in that format before. How to, how to grow, how to grow in that world.

Ryan Newman 00:21:03 It seems like in some ways this is really your experience of choosing the ms i s major was in some ways a harbinger of what you were, this was really what you were trying to look for ultimately some way to be on the cutting edge of an industry, on the cutting edge of technology and actually in that poll position. So it's interesting to kind of think back to your college experience related to what, what ultimately transpired for you at Bark.

Rob Schutz 00:21:26 Yeah, I, I, I think about that a fair amount and I think I'm, I'm less familiar with the curriculum these days in the business school and and ist, but I think that there's generally a lag between industry and the needs and the skills, the hard and soft skills need in industry. And then what gets taught at school. I don't think there was a class, I don't know if there are classes right now that teach digital marketing tools and how to get Google certified in search and, and, and run Instagram ads. But I do think that that a lot of times will trail what is needed in, in, from an industry perspective. And that's probably just another example of those, like these types of platforms and ad units didn't exist when we were in school. And so that wasn't even really a thing. But you would learn kind of the core fundamentals in school and then you figure out the best ways to go apply that down the road. But it's gonna be different than what you learned when you were sitting, uh, in the classroom.

AD 00:22:22 Hosted by the Penn State Small Business Development Center, Global Entrepreneurship Week, Penn State cultivates town and gown relationships by celebrating the entrepreneurial spirit across Penn State campus communities, global entrepreneurship, weak Penn State takes place every November and features virtual presentations, workshops, and networking opportunities geared specifically to entrepreneurs, local startups and innovators. To learn more about how you can get involved visit gw.psu.edu.

Ryan Newman 00:23:01 So you're at bark, you're clearly having impact, you're in this position where you've got the benefit of capital and people who want your product and be on the cutting edge of technology. What was it that led to that transition to actually step away and, and co-found a different business?

Rob Schutz 00:23:18 Yeah, it was a tough, it was a tough decision. I, I'm still very close with the bar team and really respect what they, what they've built. And I haven't been there for just about five years and I had started to get a little itchy again where it was like, Hey, this is good. It's becoming a big company, which is what we want, right? Like, that's what you want to have happen. But as companies get bigger, your role changes. The expectations change where, where and how you spend your day to day changes a little bit. I had met one of my row co-founder, Simone, actually through Bark. We shared an office with him and the ventures development studio that he was a part of or in the early days. And he's a very unique and talented guy. And he, you know, he, he runs product, he runs design and brand, he runs engineering.

Rob Schutz 00:24:09 Just a very unique combination of skills that you don't see all that often. And so I always stayed close with Soman. I was like, Hey, if that guy ever pops his head up, I wanna make sure I'm, I'm talking to him. And he, he had gone out and he'd built a really big company called Managed by Q that eventually got acquired by WeWork and then he had rolled off and he was kind of looking for what's next. We went on some walks, he introduced me to Zach, uh, our third co-founder wh --

-- o again, very unique individual and that he got regulatory and healthcare and investor relations background from some of his previous startups. And so the three of us started talking and we realized there's this very unique combination of complimentary skills that we have and we genuinely liked each other as well. And so I was very interested, but it happened to be at this point in time where again, I was coming up on five years at Bark, Bark had implemented, Once you hit your five year anniversary, you get a paid three month sabbatical.

Rob Schutz 00:25:04 So I was pretty excited about that. We were also having our second child at the time and we had just bought a house and we were moving out to New Jersey, so this is all kind of happening around the same time. And I remember being very torn cause I'm like, this seems like good opportunity. These seemed like ideal co-founders to go build something. I like the ideas we were talking about around healthcare and what we could build, but I just felt like there was a lot going on as I remember sitting down to dinner with my wife who's very smart, and she said, you know, are you going to look back at this and be really regretful if you don't do it? And the thought about it was like, yeah, I probably will, I'll probably look back and see what these guys are working on and, and, and regret it. And she was like, Well that means you gotta do it. So wound up, you know, taking her advice and transition over the course of a couple months, I was doing double duty for, for a few months there. And then the beginning of 2017 moved into our new, smaller, a little bit junkier office and uh, and the new chapter started.

Ryan Newman 00:26:10 What were those early experiences like? I mean the, the idea of actually starting a business co-founding a business. You know, you think back to your experience, obviously you had had an experience, uh, earlier on in your career when you were in DC but this is now yet, and again, you're kind of back at the same ground level yet with a lot more experience, maybe a lot more resourcefulness and capacity in your partners in terms of their capability. But those early experiences of trying to figure things out, how was it similar to your earlier founding experience and how was it different?

Rob Schutz 00:26:40 Yeah, I think very different than my initial founding experience. I think when I launched the Daily Deal website, I look back on that and view that as kind of my pivot. Like that was my personal career pivot. Less of like I built a proper company. It was more of like, hey, I, I started working on a bunch of new stuff, got the company acquired. I successfully now entered into this new world that I didn't even really know existed when we started ro. I mean, it's very different. I learned a lot more, I'd say from my, my BarkBox experience there coming in very early. But one of the big benefits, and one of the reasons I was excited to work on this with Zian Soman was they'd also built companies before. We had all founded things in the past, and so there was a bit more of a blue print and a template for how do we wanna structure these things, where are we gonna focus our time?

Rob Schutz 00:27:29 Like where are we gonna spend some of the precede money, et cetera. So they had, neither of them were really working full time at that point. They were kind of playing around with different ideas. So they were able to devote a lot of time to the initial structure. And in healthcare there are a lot of nuances structurally how you have to set things up, state licensing, et cetera. And the very first thing that we did was actually got an office and we built a physical pharmacy location in the middle of New York City. And that was always a big strategy decision for us was there were other kind of folks in this space that were launching around the same time, but they were using a partner pharmacy and a partner physician network and a partner partners for licensing and partners for website design. And we said, we're just gonna do everything ourselves. Everything is gonna be full stack, we're gonna own from soup to nuts, like how a patient comes in, the interactions and how they get something shipped to their door. And so we set that pharmacy up six or seven months before we actually properly launched the business. And that was the, the very first thing we did to get going.

Ryan Newman 00:28:27 So the one challenge with vertical integrat --

-- ion is that it, it's more costly, right? Oh yeah. You've got, and you have inventory management and you've got fixed costs. And so how did you navigate the fixed cost of a vertical vertically integrated business right from the start with obviously, you know, probably not a lot of money?

Rob Schutz 00:28:45 Yeah, I mean it was definitely a different strategy that we took that's caused us to move a little bit more slowly. Not only just getting the systems in place, which we wound up building and the physical components, but also from the healthcare perspective, there's licensing. Each state you operate in needs to have a physician who is licensed in that state. Each state that you ship to, you need to have a pharmacy that is licensed in that state. There is regulation on regulation on regulation when it comes to healthcare. So that was probably the, the one piece that took the most time. And we only launched initially in, I think it was three states. We only had licenses in three states. And so there's a lot more complexity when it came to building the software and training the pharmacists and the pharmacy technicians in the early days than it would've been to just go use a partner for it.

Rob Schutz 00:29:36 But our hypothesis even from the very early on was the winner in this space will, will have the best patient experience you have to build the best experience for patients overall, whether that's interaction with a provider, whether that's shipping to someone's store, and you can't own that experience if you're subbing everything out to a third party who has many, many mouths to feed. And so while it was slower and it was more expensive, and I remember investors at the time were like, You guys are crazy. Like, why don't you just go use this third party pharmacy software and you don't have to spend all this time in licensing. We held pretty sofast that like our approach is vertical integration. We are going to vertically integrate it, build and own all of this ourselves. And over time I think that has played out to be a real competitive advantage for, for roe. And now you see a lot of other folks in this space are going back and trying to build in this infrastructure now, uh, versus kind of some of the head start we've had doing that early on and now ROE has 10 physical pharmacy locations across the country that actually handles all the distribution. What

Ryan Newman 00:30:40 Was it like seeing your initial idea take hold in terms of user demand and the, and the growth of user demand? That must have been very exciting to sort of be on the front lines and not knowing if the service you were offering was actually one that was even gonna be taken up by consumers.

Rob Schutz 00:30:55 Yeah, absolutely. I mean, I remember how long it took between getting, you know, getting the company up and incorporated, building out the pharmacy to actually launching was, you know, six plus months. And there's a lot of angst that went into that for everyone, but especially for me, like I'm the one that needs to go out and find that fit and scale it and how does that work? I think one of the reasons why I felt really good about that going in was our initial offering was in men's sexual health was was for erectile dysfunction. You know, it, it is an industry that's been around a long time and I think everyone has seen the 20 years of awkward bathtub ads during football and it's a proven, it's a proven product that people, that people want access to that is effective and now is coming online.

Rob Schutz 00:31:48 So I felt very good like in this new world following all the regulatory components that we need to, you know, provider, physician licensing, follow up care, et cetera, that if we can do all of that, well we can, we can move this online because the friction that is involved with going to a doctor to get any prescription medication right now, even if you know what you need is high, you have to book an appointment. The average appointment time is 29 days to actually go see a doctor. You have to physically go to the doctor and you have to physically go to the pharmacy to pick something up. And especially with where we were starting with like erectile dysfunction medication, people were still very uncomfortable talking about these things. And so the idea of moving it online where you could answer and you can actually get much more in depth with your answers and your questions and answers when you're not --

-- having to physically look the doctor or nurse, nurse in the eye and talk about sometimes the inability to be intimate with a partner that felt like it was ripe for disruption. And so while had no idea if it was gonna work or not, had a pretty good hunch that there's already product market fit had a pretty good hunch that this new kind of like channel market fit, we could really make work.

Ryan Newman 00:32:59 Very neat. And, and as the business grew then presumably came the time to accept outside capital. What was that experience like actually formally fundraising and taking in outside partners from an equity standpoint?

Rob Schutz 00:33:11 Yeah, we, you know, we kind of signed up for the express train on, on the VC and the fundraising side right out of the gate we'd raised a precede. We needed the money to build the initial pharmacy and we had seen that early traction and we'd always wanted to build a big company. We always wanted to build a big company that could scale, that could grow quickly and that relied on capital. And so I hadn't done a ton of fundraising in the past, I hadn't had a ton of exposure Zach and Simone had, which was very helpful. So I was able to kind of come in, learn the ropes a little bit, and then apply kind of my expertise being, you know, like the growth and marketing person being able to say, Here's the traction we have at roe, here's what I've built, you know, zero to a hundred million dollars in revenue on the BarkBox side and bring some of that credibility to the table.

Rob Schutz 00:33:59 But it was fascinating. We met a lot, you know, we met a lot of people, especially when we were just starting out and we were just doing erectile dysfunction. We met a lot of people that did not take what we were doing very seriously and it was cracking jokes during the, during the pitch. And we pretty quickly were able to weed out a lot of people that we did not want to work with. And then we came across a really, really incredible set of investors around our series A that totally got it. They totally got the vertical integration play, they got what we wanted to build. They understand that we were starting with kind of the wedge. We were starting with one condition that already had this product market fit to build, you know, build revenue, build credibility, get ourselves out there, but then our trajectory was, and our, our desire was to build a healthcare system that was just better overall for people and put patients back in control of their health. So it was a, it was a new experience for me. I've met a lot of great investors over time, Let 'em met a few not so great investors, but you know, I think we probably got over 40 notes, uh, during our a before we got rss and all those folks have continued to invest and have stayed on the board, have been incredible partners over the course of the last couple years

Ryan Newman 00:35:12 And over. And your, uh, growth hypothesis has taken hold in terms of the ultimate different product lines you can go into as well, expanding well beyond where you started?

Rob Schutz 00:35:22 Absolutely, and you know, for, for Roe it's an interesting time where for years, because this is how we have marketed, we, we kind of built a little bit of house of brands where we've had Roman, which is the men's health company. We, we had a a, a brand called Rory, which is focused on women's health. We acquired a company, uh, in the fertility space, we launch a mental health product. All those kind of had slightly different naming conventions. We're now really introducing RO into the world as the consumer brand. That's, that's a bit more all-encompassing. Roe is like going to a digital hospital and just depending on which door you want to go into, you might want to go into mental health, you want wanna go into fertility services, you might want to go into, um, sexual health, whatever that might be. But up to this point, because we've done a lot of high profile advertising and marketing people primarily know Roman, but over the course of time we're kind of in this transition, uh, to Roe as the overall company that, that we want people to know.

Ryan Newman 00:36:19 Well, what's really extraordinary is that when you do take in outside capital, obviously this evaluation process, which takes hold and Roe has really blown through the billion dollar valuation. So congratulations on not just being a co-founder but also a

co-founder of a unicorn, which --

-- as our listeners know, as any company that has a private market capitalization over a billion dollars and based on recent fundraising rounds suggest you're well beyond that, which is really extraordinary.

Rob Schutz 00:36:43 Yes, thank you. Well, we've been very excited and feel very validated by, in our investor's confidence in, in row. We take that as very much a just a next step where we say, Great, now this gives us more, a little bit more breathing room to go build the stuff we said we were gonna build and do the things we were gonna, you know, we we set out to do. It's, it's tricky and you hear about unicorns a lot and it's certainly something that e should be proud of companies should be proud of, but it really just means you're, you know, you're on step five of a hundred step process now. It is a long game and a lot of times being able to just take in capital extends your runway and your ability to innovate and to pivot and to make changes. Um, it's, it takes a long time before you are a, you've done it. And I think that's sometimes where, where startups get caught in that cycle a little bit, where it's like, great, we got a big valuation, we've done it right, like <laugh>, let's go, let's go pat ourselves on the back. That's actually when you have to work even harder. Now you've taken more people's money and the expectations are even higher. So it is this cycle, but of course you will always wanna be in a position where you control your own destiny and you've got the runway runway to get there.

Ryan Newman 00:37:56 Well, speaking of next steps, you, you announced your own next step in a a very candid LinkedIn post recently. Can you share with our listeners just about what you've decided and, and what the future may hold for you?

Rob Schutz 00:38:07 Yes. So I announced that actually post-lab day, which we are now post Labor Day, I was gonna be stepping back from day to day at roe. And so since inception we've, you know, I I've kind of overseen our growth, our marketing, our communication strategy, and I've picked up a few other functions along the way and now almost six years in, you know, a company has grown, the team is amazing. We have a lot of really senior leaders in place who are experts and are, are help driving and pushing the business and directions can never have imagined. We are kind of at this different phase now that, you know, I mentioned it before, but as a company grows you, the responsibilities and the expectations and the areas of expertise themselves continue to evolve. And what I kind of, you know, had been reflecting on and talking with my partners on was just where each of us naturally gravitate towards.

Rob Schutz 00:38:59 And being honest with myself, I realized I, I do gravitate a bit more towards the earlier stage and towards like getting things off the ground, zero to one, one to 10, 10 to a million, whatever it is, but feel like at this point rose in such good hands with the team that I wanna make sure that right folks are in place to, to spend time on the right things. And I'm gonna give myself a little bit of breathing room to think about what comes next, where I wanna spend my time, might, you know, I've already the last few weeks kinda spent a lot more time with my young kids and pick up some personal life stuff that I've wanted to do, some volunteering, some hobbies, but still continue to stay close with Roe and the team and continue to serve on the board and wanna make sure, as I've said to them, that I am available at any time if I can add value or help in any way. But it's definitely a, it's definitely bittersweet and I was actually back in the office last week for, for happy hour, but I love the team, love the people, really, really proud of what we've built. But knowing there's never a good time to do anything, uh, felt like this was, this was as good as any to take a a step back and take, take a breath or two.

Ryan Newman 00:40:07 Well, needless to say, there's also countless other founders out there trying to go from zero to one or one to 10 or 10 to a hundred who would tremendously benefit from your wise council.

Rob Schutz 00:40:17 Mm, so wise, very such wise council. Yes. Yes.

Ryan Newman 00:40:20 Well thank you Rob for taking the time today to share your entrepreneurial journey with me. I'd now like to hand things over to a current Penn State student who is in the midst of her own entrepreneurial journey and is very act --

-- ive within the Penn State entrepreneurial ecosystem. Emily Snow is a fourth year honor student studying biomedical engineering and is on the premedical track through Penn State's humanitarian engineering and social entrepreneurship program. Emily helped develop a technological solution for literacy education in Kenya. Emily plans to become a surgeon. It's particularly passionate about the intersection of preventative personalized and holistic healthcare with technology and biomedical engineering. Emily, over to you.

Emily Snow 00:41:05 Thank you Ryan. Rob, it's really good to meet you and thank you for all of the information and all the life story you've shared with us today. It's really cool to see where you've come from, Penn State and, and just everything that's happened after that. I have a couple more questions, more on the healthcare related side with roe. It's really cool to see more technology in the he in the healthcare industry and just seeing where that could go in the future. So one question I had was, how have you seen this technology shape people's experiences with healthcare delivery medicines and being able to take control of their health?

Rob Schutz 00:41:44 Yes, thank you Emily. And congrats on all of your accolades. You have a lot going on for, for <laugh> still being in school. Yeah, you know, I think one of the big, and pretty related to to that question Emily, like one of the big realizations that we have and have really dug into is this concept of that you mentioned at the end of putting patients in control of their health. One of the biggest challenges in healthcare is that generally the incentives are pretty misalign when you look at the existing healthcare system because you look at e-commerce, if you wanna buy a pair of jeans online, the, the customer goes out and they buy the pair of jeans and there's a lot of competition. People can decide based on price, they can decide based on quality, they can decide based on ship, whatever it might be.

Rob Schutz 00:42:30 Healthcare is one of the only industries where in a lot of cases the patient is not the one who is paying money for the service or for the product. And so that's one thing that we felt really strongly about early on, in order to create a better experience for patients, patients have to control the flow of money they have to be the ones to reward or punish businesses for the service and the products and the quality of of those that they're receiving. So that's one thing we we learned very early on, which is if you can operate outside of insurance and ROE is still very much cash pay that allows you to one, spend a lot less time coding for reimbursement and spending engineering time and you know, resources trying to actually get paid for something. And two, it makes you focus on what patients actually want.

Rob Schutz 00:43:18 Patients want fast shipping, they want someone to pick up the phone or answer an email when they call. They want to hear back from a provider quickly. They want effective solutions. So there's a lot in healthcare that seems very basic for all other areas of someone's life, but because insurance has been in the middle and has a lot of time been the payer, that those incentives have not been super aligned. A great example of that is if you look at procedures that are cash pay right now versus things that are covered by insurance. If you go to get an mri, it's covered by insurance, great. You probably sit in a waiting room for 45 minutes. You're using technology that's dated and costs similar or probably more than it did 20 years ago. That's because there's not competition in that space that drives to better overall quality of of care.

Rob Schutz 00:44:10 If you take it lasik, you want to go get LASIK surgery, which is cash pay, that's an amazing experience. The cost has come down probably to 10% of what it was. You'd probably get a beautiful waiting room with a glass of wine or a cucumber water while you wait and the procedure is quick and catered to you. That's the difference between a patient actually controlling money that comes outta their wallet and insurance being the one that decides who gets paid. So I think that is a trend that will continue to get pushed. It's not something that will happen overnight. There are a lot of entrenched players there, but we're, we're firm believers that cash pay is the best possible way to put patients in control of their health and actually --

-- create lower costs and more competition these areas that really need it.

Emily Snow 00:44:57 Yeah. Kind of following up to that, I was interested in like the cost of that for patients. Is that, have you seen that as a barrier to people being able to use ROE or have you been able to lower costs enough to let people still use the service?

Rob Schutz 00:45:13 Yeah, yeah, I think there's, again, that's interrelated I would say with the, some of the insurance conversation where I think primarily there's a bit of a mis categorization in how people use insurance right now. Like people want to use insurance for everything. Where in reality, insurance is important, insurance should be part of healthcare, but it's for much more catastrophic and rare events. Insurance should be for things that don't happen often that are very expensive and we as a society are willing to say we're all gonna put some money in because if my neighbor's house burns down, they shouldn't have to pay for the whole thing. Same with mine. Insurance being used for a, you know, to go get a flu shot or to go have a, a sick visit doesn't necessarily make as much sense. And I think by separating those out, by being able to say, Hey, your copay to go talk to a doctor might be 20, \$30.

Rob Schutz 00:46:13 We can actually do that for cheaper using digital tools. Being able to talk to a provider online and then being able to ship something to your door. In many cases the services that we can provide are cheaper than what someone would be able to get in person. Not always, but that's kind of our belief over the long term is some of these things should just be cash pay and should be as cheap as possible. You know, if you need to go get a generic medication, that should not cost you a lot of money. If you get hit by a bus and go to the er, insurance should be there. You should have catastrophic care insurance to complement. But they are kind of two different concepts that, uh, in concert work nicely together but don't necessarily need to be part of the same system.

Emily Snow 00:46:55 That makes sense. So kind of in a different direction. So wanting to be a future physician, I'm really interested in how kind of physicians interact with this technology and have you seen it as beneficial for healthcare professionals as well as from the patient side?

Rob Schutz 00:47:11 Yeah, absolutely. Our timing was really, really interesting in that we launched in 2017 prior to the pandemic and then as the pandemic hit and there was a surge in kind of online telehealth usage. In conjunction with that, we've also just seen a lot of providers wanting to come over to the platform, wanting flexibility in their schedules, the ability to, to work from home. In many cases, again, we are different than some others in the industry, but we have multiple teams that are just building for our providers that are building for the nurse practitioners and the systems that are building for the physicians in the systems so that the tools and the technology they're using are kind of allow them to use their superpowers. So many physicians, providers, folks in the healthcare system right now spend time on how do I make sure I'm coding this correctly so that you know, I can get reimbursed?

Rob Schutz 00:48:03 How do I make sure I'm following up with a patient With this email, you can automate a lot of these things that give actual providers time to spend that time with patients and hear the more nuanced cases. So using technology to help automate a lot of this has been really, really powerful. We've seen such an amazing response from the provider community that's just so thankful that one, people are actually building tools for them and taking their product requests in into account two, the flexibility it's provided to them. And three, I think you just see a lot, uh, around physician burnout and provider burnout these days with everything going on with the pandemic, with even prior just all the demands, the lifestyle is just very different and the scale in which they can help patients because of automation in the tooling, it has been much, much greater. So we've seen fantastic responses from physicians and some folks are, some folks work during the day or they work a couple days a week and then they'll moonlight on the platform. We have some others that are full-time. So I think it is moving in this direction where providers can have more choice around how they w --

-- ant to practice and how they want to help.

Emily Snow 00:49:09 No, that sounds really cool and I think especially like when I look into things about becoming a physician in med school, and burnout is a huge topic these days, and so it's interesting that you get that more flexibility and, and kind of freedom to, to really focus on the patients first.

Rob Schutz 00:49:25 Absolutely.

Emily Snow 00:49:26 My last question is just where do you see the future of healthcare technology heading next and what would you like to see on the market based on your knowledge and experience?

Rob Schutz 00:49:37 Hmm, it's good questions. You have good questions, Emily, you're prepared. You know, I'll, I'll piggyback off of the first topic we talked about. I do think that more and more over time things will skew towards patients making the decision and voting with their wallet on, on how they want their healthcare to work. I think that the, the current system is for many very broken and very time consuming and this kind of patient revolution that we're seeing where patients are able to come in, they know they have a really good sense of what's going on. They want to talk to a provider, they want to valid, they want to get access to to treatments or uh, get feedback or education. I think more and more will get pushed by the patient. I think as a rule or across the board, I think that will be beneficial.

Rob Schutz 00:50:25 It will open up competition. It will punish folks that are not providing value. It'll cut out, you know, middlemen and help drive down ultimately costs for for patients, which is, which is the ultimate goal. So definitely see more of that coming. And what that should do is it should spur more innovation. It should be more innovation in terms of amazing patient experience, innovation on the actual combination of treatment and you know, cognitive behavioral therapy and using technology to help supplement some of what providers have traditionally done. So I think there's a lot of exciting innovation, but much of it will come from putting patients back in control and letting them, letting them vote with their wallet.

Emily Snow 00:51:06 All right. Well that's all I have. Thank you so much for your time and your willingness to speak with me and answer my questions. It was a great pleasure.

Rob Schutz 00:51:14 Awesome. Thank you Emily.

Ryan Newman 00:51:21 That was Rob Schutz co-founder of roe. If you haven't already, be sure to subscribe to Dare to Disrupt wherever you listen to podcasts and look out for next month's episode. Thanks for listening.

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