

**[00:00:00] Ryan Newman:** Hi dare to disrupt listeners Ryan here with an exciting announcement. We will be hosting our first ever live in person dare to disrupt episode recording. It will be in State College on Wednesday, March 20 as part of Penn State startup week powered by PNC. I will be interviewing the founder and CEO of Honeygrow, Justin Rosenberg. He'll talk to us about his journey launching and growing a fast casual stir fry and salad restaurant chain to over 40 locations.

Don't miss this amazing opportunity to learn from Justin about how he's been able to grow a forprofit business while also cultivating a strong social impact component. So come be a part of our live studio audience. You'll even have the opportunity to ask Justin questions on your own. Find the event details in this episode's description or visit [startupweek.psu.edu](http://startupweek.psu.edu) schedule. There will be limited seating available, so be sure to register and secure your seat today. I look forward to seeing you there.

**[00:01:13] Matt DeSoto:** I say, wherever we're in a manufacturing plant, what job sucks here? Think what job would any of us not want our kids to do? And let's find a way to improve that process. Let's make it safer. Let's have the process be more reliable and consistent and have less effort by the team members.

**[00:01:35] Ryan Newman:** This is dare to disrupt, a podcast about Penn State alumni who are innovators, entrepreneur and leaders, and the stories behind their success. I'm your host, Ryan Newman, and on the show today is Matt DeSoto. Matt is the president and CEO of MITER Brands, a family of leading window and door brands design for residential projects in the new construction and remodeling markets. Under Matt's leadership, MITER Brands has become one of North America's largest fabricators of vinyl, aluminum and fiberglass windows and patio doors.

Matt studied marketing at Penn State.

Well, this is a first for us on dare to disrupt. Matt, you are the first guest we've had that has a very strong partnership with another one of our guests in the home remodeling space, which we will get to deeper in the interview. Thanks so much for joining us.

**[00:02:29] Matt DeSoto:** Yeah, thank you, Ryan. I'm glad to be here.

**[00:02:31] Ryan Newman:** So, Matt, I'll get started as we always do, which is from the beginning. Would you mind sharing with our listeners where you grew up and where you spent your formative years and just some of the highlights from your early experiences as a youth growing up.

**[00:02:43] Matt DeSoto:** So I grew up in central Pennsylvania, small town near Harrisburg called Elizabethville. The things that stand out the most out of being a small community is that you know everybody and everyone also knows you, and I actually still live posted there today in a small town called Millersburg. But I do joke that if you turn right all the time in the morning, and for some reason you chose to turn left, the entire community seemingly knows about it before you actually made the turn. So it's fun, though, and I'm enjoying raising my family there.

**[00:03:16] Ryan Newman:** So you grew up in a small town. You now currently live in a small town, but in some ways you picked one of the biggest college towns on the planet in the form of Penn State. Can you talk about what led you to select Penn State as a school and what some of your early experiences were at the university?

**[00:03:33] Matt DeSoto:** Yeah, no, it's a great question, and I love State college, so I'll start with that. I did not grow up in a home that paid a lot of attention to athletics, period. And so my oldest brother went to West Point. So the first football game I had been to was a game at Mikey

Stadium up at West Point where Army was playing Colgate. And that was a cool experience, like really neat to see the cadets and still one of my favorite games I go to. But then in 1992, I got invited to go watch Penn State play Notre Dame and loved it. So we stayed the weekend. My buddy's family had an rv and we stayed up there the entire weekend. So got to experience that as someone who was young in my high school years, had a heck of a time and won that game. So walked away from that point forward saying, not only is Penn State my team, and I'm now officially a college football fan, but wanted to go to school there. I loved the town. We just spent some time in town that weekend and got to see pep rally and all the things that just drew me in early. So when I had a chance to apply to schools, I only applied to a few and thankfully it was accepted to Penn State. And from that point, I didn't really consider anywhere else. And to this day, when I pull into state college, my blood pressure definitely goes down. I just love that town.

**[00:04:58] Ryan Newman:** Well, Matt, before we accelerate through your career, which has been really phenomenal, and talk about your business success, can you share with us what you were thinking from a business perspective when you were in college? So you're in school, you're finding your way. What were some of your earliest thoughts about what you may want to do?

And ultimately, what did you end up doing after you left Penn State at.

**[00:05:20] Matt DeSoto:** A relatively young age, probably nine or ten years old, I had determined in my own mind that I wanted to run the window and door business that my father was running. At that time. In our family, we didn't own any of the business, but he was very clearly the senior leader of the business, and I loved that. As a child, I really enjoyed being around the team and the business. So barely double digits, I had determined I wanted to be in the business. So then, as I fast forward, I decided to not work in the business at all throughout my years at Penn State. But in my freshman year at State College, I went to an info session for a company called Student Painters. And that spring, I started to go out and market door to door, door hangers or yard signs or whatever else I could figure out to get leads. Got leads and sold jobs in the spring, hired some team members, and we produced jobs that whole summer. So interior and exterior painting jobs throughout the summer. And when I got back into school that fall, the company had asked if I'd be interested in being like a district manager. Started to go out and open up other locations across the state of Pennsylvania. So by my last year of school, we had 15 locations throughout the state. And so that was just a heck of a time. It was a great way to learn about business, albeit it was very small, but you had to negotiate with your supplier, you obviously had to find a team, had to sell jobs, had to produce jobs, had to collect money, and of course, in the end, stay in business, which means you got a profit. That really taught me a lot. I met a lot of really amazing people there, some of which I still work with today at MITER Brands. It was a huge impact on my life, and I think provided the right level of experience to at least share with the team when I joined MITER, why I might be worthy of getting an opportunity to join in on the sales team.

**[00:07:25] Ryan Newman:** Really interesting. So a couple of things there. First, on the painting job, in terms of going on hiring and finding folks or finding jobs, your desire to do that, was that based on the entrepreneur aspects, needing a little bit of money in your pocket, what was it that sort of drew you to that initially? Because most college kids would hear you say that you went and did that and would say, boy, that sounds awfully scary to me.

**[00:07:48] Matt DeSoto:** Yeah. And I guess in some ways, as I look back, it probably should have been scarier than what it was. There was a few reasons why I wanted to do that. One, I wanted to make money. So you hit one of them head on. I think the second was, I wanted to have a job, but I wanted something that I felt like would position me better for what I was going to do post Penn State and realizing that I had an objective to come work in the business, which our family now became partial owner of in 1997, that the conviction started to grow that, hey, this not only could be a good job and hopefully a long term career, but also potential to have an equity

position in the business over time. That I viewed those years while I was at Penn State and the job in particular with student painters as a way to gain a lot of experience in a much smaller business and something that my family had nothing to do with. And I wasn't going to get a role because of my last name, but rather I was just earning it by virtue of effort. And the risk seemed very low to me. So if that didn't work out, I could still go try something else and build my experience in that something else if this didn't work out, on the other hand, if it did work out, the risk reward equation seemed weighted towards my favor.

**[00:09:08] Ryan Newman:** And the other question I have, based on what you said, is you mentioned from the time you were nine years old, watching your dad and thinking, this is something I want to do, and potentially have ownership in a business like this. Even though your dad at the time did not have any ownership, where do you think that motivation came from? What was it that you were seeing that your dad was either doing or not doing that made you feel like.

**[00:09:29] Matt DeSoto:** This is something that I wanted to do? Early in life, I was able to witness my dad in a lot of environments where I could tell he had a lot of pressure with the role that he had. But at the same time, it seemed the rewards that he was able to get and ultimately our family was able to benefit from. If you're willing to give a lot of effort and willing to put your neck on the line from time to time, that you could really get a lot of upside opportunity. The biggest thing that I watched and really admired and still do about him more than anything else, is that he showed a lot of other people that by doing that, you can really accomplish a heck of a lot. So a lot of opportunities were created for many people who were willing and wanting to work with him as they built the business from a very small window and door company into something that in a relative short period of time, began to scale a large portion of the nation. So I just admired the leadership and that you put in effort and you get reward and for not really that much more risk, in my mind anyway, by putting yourself out there a bit more, you can get a heck of a lot more upside.

**[00:10:44] Ryan Newman:** So you're fresh off your student painters experience, you've risen to the level of management, you're overseeing a team, you're having great success, you leave Penn State and what comes next? Do you go right to MITER or is there another stop along the way?

**[00:10:58] Matt DeSoto:** No, right post university, I started, and at the time it was called mi, windows and doors. So I started there in a sales territory, and it covered central Pennsylvania, New Jersey, Delaware, Maryland, Virginia, selling windows and doors through distributors to builders. All new construction and focus, and then from there grew into sales leadership and then ultimately some more operational, broader operational responsibilities by the mid 2000s.

**[00:11:26] Ryan Newman:** So you mentioned that your family started to have a bit of an equity stake in 97, and so that overlapped your original time there. How did you navigate your own role versus your family's role, and thinking about what you were doing to have impact then, and how you potentially thought about how you would have impact in the future in the business?

**[00:11:45] Matt DeSoto:** Our family at that time was one third shareholder of a holding company, of which one of the businesses was mi. Windows and doors represents about half of the overall.

And the other two thirds of the equity were held by the daughter of the founder was one third partner, and the other third was owned by a gentleman much like my dad, that had really sort of earned his way there through sweat equity. So even though we were a shareholder in the business, we were not the primary nor the sole. And what I learned early on is that there are reasons why you have to establish clear governance and understanding the role of board versus leadership. And my dad had really great partners and they had a lot of things that they did extraordinarily well. On the other hand, one area that they struggled a lot is when times got a bit

tougher, they struggled more with, okay, where does the final decision lie? That really helped, I think teach a lot about what you want to do when it comes to strategic decisions and how you want to operate the business as compared to what the group is that's representing the interest of the shareholder. And in many cases, they're all three. They're a shareholder, their board member, and they're a leader. When you're moving between those roles, you really got to have clear definition around what it is you're trying to achieve and what your role is. So if you are at a point where you're not fully aligned, but someone has to make the final call, what have you done to make sure that that's clear to each other, who that is, why it's that, and how you can resolve conflict, because inevitably there's going to be some. And so that I think what I learned most in those early years was, as you are growing a business, you have to constantly be prepared for change and evolution and realize that everything is fluid and you have to have the right points at which you pause and say, is this still working? And are we getting what we want out of it as a shareholder, as the board member, and as the leader?

**[00:13:56] Ryan Newman:** Interesting. While you've really eloquently laid that out, it also is clear from your answer that you spent a lot of time thinking about it and working through it. So how did this observation that you had and potential conflict ultimately resolve itself as we stand here today?

**[00:14:11] Matt DeSoto:** Yeah, and really, like most things, it takes something significant to occur in order for change to then follow that. And the significant occurrence was the great recession. So the business had gone really down to about half the size in a matter of a couple of years and

had to let a lot of team members go close a lot of operations. The balance sheet was stressed. Obviously, cash flow was very different. What that really started to do was draw to the surface the deeper issues amongst the shareholders, which are also the board members, most notably, what do they want to do for the next 10 to 30 years of their life? What do they want out of it? My father had next generation in there. Myself and my brother Nell were in the business, but the other two partners didn't. My father was very close with three quarters of the business, and the leaders really looked to him as the leader. He was much more emotionally connected to the business and also was having to sort of walk through the trenches, if you will, as a lot of this stuff was going on. And I think it really ended up in a good spot where the other two partners recognized they didn't want to be in this business for the long term. They didn't have next generation, they wanted in the business for the long term. They both had achieved a lot and that it was time to move on. And that really, I think, was a great learning experience, too, because they approached all of the leadership teams of the various entities that they owned and said, hey, if you want, you can buy the business. Here's the price and here's the time frame that we want you to do this in, and good luck and let us know if you're interested. And if you're not, we'll go sell it elsewhere.

**[00:16:06] Ryan Newman:** Well, it's interesting, you speak of the great Recession of 2008, which was really felt by all, but especially felt by the homebuilding sector. So you were literally right in the teeth of the ultimate source of so much of the challenges which really existed in homebuilding specifically. And so being in the eye of the storm, what were some of the big reflections you had as somebody really trying to operate and run a business at a time where you're watching your revenues dramatically go lower year over year, quite frankly, outside of your control by virtue of the macro factors affecting the overall economy.

**[00:16:44] Matt DeSoto:** So in 2007, which is really when we in our business, when we started to feel a pretty significant impact from the early onset of the great Recession, and I was not involved in the financing of our business, that was all done at the holding company, but I showed a lot of interest in it and said, well, I wasn't initially asked to be a part of it, but because the bank we were transitioning to was based out of Baltimore, I had geographic access which allowed maybe me to be in more conversations than potentially what anyone wanted me to be in the middle of. But I was thankful to have that chance.

So that was when I realized I should have taken more finance courses at Penn State, but nonetheless was just going to learn it on the fly, and also realized that if we didn't make a lot of changes in our business really quick, we were probably going to go bankrupt. And that became very evident to me. And so we had already closed one location and had laid out a plan to close five more locations over the next couple of years and sort of force rank them that if in fact, this goes deeper and goes longer, we've got to get ourselves in a position where our cash flow is better. We have to redeploy assets, sell off things that can create cash, and allow us to navigate all this. As I reflect back on the Great Recession, living through it was no fun at all. And we had to let go of a lot of really great people, and it hurt a lot of families and a lot of communities, which is nothing short of horrible. At the same time, the goal was the business has got to survive. That's got to be the goal, because more people win by virtue of the business surviving than just everyone try to barely hang on. That period of time not only taught our entire leadership team a lot about how to operate the business and the importance of margins and healthy cash flow and good times, but it also allowed for me personally, maybe, to get out from the shadow of my father.

So he was the CEO, but these were very different times, and it was something that he was struggling with a lot. He hated it. And we got into a fair amount of disagreement through that time. But what it did do was allow me to get out of his shadow. And I think it showed the team that we could collectively make tough decisions. And in the end, someone had to make the final call and I just sort of turned into that person.

**[00:19:12] Ryan Newman:** Well, it sounds like it was a very challenging time, but also a career and character shaping time for you as well. When you look back on it, having been through something so challenging, but ultimately something that allowed your professional skill set and capabilities to develop so meaningfully, how do you reflect on that as you sort of sit here today in a business that's, quite frankly, much larger and even more impactful, which we'll get to in a moment?

**[00:19:36] Matt DeSoto:** There's been no greater education than what I got and what a lot of the other leaders at MITER brands got through the great Recession. And it taught us not only a lot about how to survive a time like that, but it showed us, most importantly, why we need to figure out a way to perform much better during good and great market conditions. We will navigate times like that again, hopefully not that deep in that long, but we will go through downturns again. We are in a cyclical business and we, I think, learned the hard way, but in an impactful way. Why you need to perform good in good times.

**[00:20:13] Ryan Newman:** Really incredible. Now, one of the other big changes that's occurred in the industry, I should say evolutions, has been the focus on the environment. Can you talk about how you've worked to position the business in light of the continued focus on environmental efficiencies and ways, both in terms of in the home, but also the products you use and the raw materials?

**[00:20:33] Matt DeSoto:** So in the last couple of years, we've been investing a fair amount of time into what's our answer to ESG? As we were pulling together our view and our responses to those questions, what became apparent was the most important thing is that we've always been doing this, and it's just called this now, but we've always been really concerned about the safety of our team members. We've always been really concerned about the impact we make on the environment. And we certainly have been concerned about the efficiency that our products can create, the energy efficiency that they can create in a home, whether it's a new build or a repair and remodel project. There was a time that I think we learned some really hard lessons. Our leadership team inherited some of that. We had an asset in Indiana that probably for a couple of decades, our maintenance team was using a material to clean tooling and then just dumping the

remains of this liquid into the ground, like just out the back door, literally. And that took us at least two decades to remediate. And that was at one location. Not because anyone on the team was saying, I'm going to go hurt the environment. It's just what they knew to do. There was no process or no team that was coming around saying, oh, my gosh, what are we doing? Do you realize that how this is impacting the environment? So I think a lot of it has been natural evolution, not just in our business, but I think in industry in general, but in particular, that one example really stood out heavy, because that experience really taught us a lot about what are the materials we're using? How does it affect the environment? How does it affect our team members as far as raw goods that we use in our product? We want to make sure we can use things that are having the least amount of impact on the environment as possible, but yet at the same time, allow our product to be as affordable to as many people as possible. So it's like there's that balance of vinyl products, which the products we make are vinyl windows and doors. Vinyl is 70% of the market in residential. So people can argue the pros and cons of vinyl, and someone who goes to the extreme on environmentally friendly would say, hey, the petrochemical in that is not environmentally friendly. But you can argue it the other way that, okay, use a wood window indoor, where does the wood come from? And yes, you can reforest, and there's ways to work around all that. But in fact, there is an immediate impact to the environment in some way, shape or form. And that's not me even trying to make a play for which product someone should use versus the other. It's more just a point that regardless of the product or regardless of the industry, I think there are things that are going to impact the environment. Our role is to minimize that impact. In our plants, we make a lot of insulated glass, as you'd imagine, most of the window is glass. Well, you have to clean the glass, and before you put it into the window, we use reverse osmosis in all of our manufacturing sites. It reduces the amount of water substantially. Keep reusing it before you ultimately flush it down the drain, if you will. So, I mean, there are so many little things that the team finds that allow us to be just ever so much more environmentally friendly every day.

**[00:24:09] Ryan Newman:** Well, it's glad to see that you've been able to focus on this and in some ways, just highlight the things you're already doing and in other ways, look to ways to improve. And for those of our listeners that may not be as familiar, environmental, social, and governance investing was what ESG stands for. And I'd be remiss if I didn't ask, what does MITER stand for?

**[00:24:27] Matt DeSoto:** We created the holding brand in 2022. It was mi windows up until then.

And what started it was we had done a transformative acquisition in 2019 out in the western part of the United States. The name of the company is Milgard, and it's named after a family that founded it. It's a very strong brand name in the western part of the country. So immediately when we were looking at this acquisition, we had determined that the last thing we would want to do is change the brand name, because it's one of very few vinyl window and door companies that actually has a consumer brand. That was all well and good, except what I felt inside the business, and I think a lot of other leaders felt inside the business as well, is that Milgard team members had a feeling of being inferior because there was mi windows, the product brand, but then there was also this Mi windows. I'm Millgard. I want to be known as Millgard, but I've got these people from Mi that are now trying to influence things and in some cases recommending or just pushing through a change.

And it was maybe late in 21, mid year, 21, I guess, when we had got with the marketing team and said, there's a problem here. We've got to create a name that connects everybody to one team and allows us for future acquisitions. And if the brand of that company makes sense to keep, we have clear logic of how we keep it and don't want to confuse product brand and parent or support brand. So that's where MITER came from. We wanted Mi to be a part of it, and there's a MITER joint. So in construction, there's maybe some logic there, although it's not spelled correctly for that. The other part that was important for me is I wanted it to have meaning. So it's an

acronym, and it goes, manufacturing, inspiration, trust, experience, relationship.

And it's not a product brand at this point, but it is a team brand. And so we all work for MITER, and we promote whatever product or make whatever product that that brand, it holds.

**[00:26:39] Ryan Newman:** One of the other ways or areas that your business has really looked to grow has been your partnership with Westhore Home. We had the pleasure of having the founder of Westhore Home, BJ Werzen, on our podcast. This is the first time we've had individuals who are so closely aligned from a business standpoint, can you share what that partnership has been like for you and your business?

**[00:27:00] Matt DeSoto:** So we have been very focused on balancing our business with the end market demand. So traditionally, about 60% of residential windows and doors, the demand for those is in repair and remodel projects, and obviously the remainder and the new home construction. Now, there are times where that gets closer to 50 50. And we're actually in one of those times currently, just given the amount of demand there is for housing and the low level of resale, existing home sales that are out there. Back to R R, though, one of the channels that's been growing very quickly is the direct to consumer channel. And West Shore home is a really big player in the direct to consumer.

And BJ and the team there have really built a remarkable culture. First and foremost, he's a fascinating person, very driven and highly competitive, very passionate and focused on the vision that he specifically has laid out. What we love about the direct to consumer channel, in particular West Shore home, speaking of their team, is that we can learn in very real time about what the consumer cares about. So as a manufacturer that always sells products through distribution of some sort, in this case, it's that direct to consumer channel. We're counting on the feedback of BJ's team to say, the features you have on your products right now, they're perfect. Homeowners are loving them. It's going up well against the competition, and we're nailing it. But they're also very efficient in telling you, hey, we're missing the mark. We need to have a feature and we need it, like, now. We're losing jobs now because we don't have that feature, or it's not priced right, or our service levels aren't right. Because the DTC channel that's right there, we say they're buying furniture, and they're literally, of course, sitting on their couch, watching the windows being installed right in front of them. It's a high ticket investment, and that's their investment. Maybe for that year, maybe for those two years. So the attention to detail that we need on the product, we got to have it right. Because West Shore home, their installers, and the salesperson who made the commitment, the promise to the homeowner, they can't afford anything else. Because not only are they trying to get that window sale done in one day and flawlessly, with a great outcome and get paid, they're wanting to be back there a year from now, doing a bathroom rehab. And a year after that the next product line that they're going to introduce to their business and the year after that, as a supplier to West Shore, you got to be flawless everywhere. If you want to win, you got to be the best. And I think consumers really do appreciate high attention to detail and service. We all do.

In this case, obviously, it's pretty high ticket in West Shore. They've done a remarkable job.

**[00:29:52] Ryan Newman:** And so how do you think about your supply chain? You can answer that in two ways. One is supply chain during COVID which was highly disruptive for every industry that touch manufacturing. But then also this idea of supply chain. When you're working with a partner who's looking to align projects with a massively truncated production schedule relative to competitors, the.

**[00:30:14] Matt DeSoto:** Way that we differentiate our product versus all others is through our service. It's a commitment to 100%, on time, complete, accurate, and promise quality all the

time. We say that at 99%, you're an a minus. At 98 and a half percent, you're a b plus. At 98, you're a b, and 96%, you're failing on that on time in full. So it's a part of the culture that we've built in saying, if you don't do that, you put yourself in a place where you're quite vulnerable to all these other folks that can make product quite similar to yours. You have to start with that mantra internally, but if everyone externally doesn't believe in that, you're in trouble. So we'll start with our supplier, whether it be glass or hardware or lineals or any of the other components that we buy and ultimately put together to make the window. If we don't partner with a supplier that has that same mindset, we're doomed. We can promise it to the customer, but we can only control the environment that we've got in our four walls to make the product. Well, if the materials don't show up on time, complete, clearly we can't fulfill the promise. So I think a lot of it starts with, you got to establish the culture internally. You have to make sure that, in our case, as a manufacturer of a product, keep it simple. So decide what you're going to make, make a lot of it, and then keep it easy for your supply chain so that they aren't having to wonder, are you Baskin Robbins, 31 flavors, and which one are you going to buy today? Keep it really simple. I like to refer to it as neapolitan of chassis, but Baskin Robbins of toppings, we can keep it really simple. And we learned that when we went through a Toyota plant in 2004, when we watched a Toyota Camry, a Solara and an Avalon all walk, go down the manufacturing line right back to back to back, and they were on the same chassis, and it's like, okay, this makes a lot of sense. So now the buyer preference could change, but the manufacturing environment remained as simple as it could. That's important. So our supply chain, we've got to be simple and define clearly what we want to do so that they know how to align. And then with our customer, you got to find people, and BJ and the team at West Shore, great examples. You got to find people that want to grow. If we're investing in capacity and growth and we have a customer that's okay with where they are, that's a problem. We're going to have a cost structure that's way out of line because our customer is not growing. And it's a heck of a lot easier to find people that want to grow and hang with them and just invest big behind them as compared to always finding new people. You learn to trust customers, and once you have that, they want to grow and you want to grow. It's almost like the opportunities are limitless.

**[00:32:53] Ryan Newman:** Amazing. Well, I have to ask one final question before I turn over to our student, which is your charitable interests and not only interests, but really impact you've had in the community. And you've really done that in a variety of ways. One is your support of different missions at Penn State, and then also you've done a number of things beyond that, specifically even potentially related to Penn State connectivity in terms of your commitment to four diamonds. But the more broad question would really be around how you've really tried to impact the community and really putting your dollars where your message is and your mission is in terms of MITER.

**[00:33:28] Matt DeSoto:** Our team will regularly point out that it seems as though that my passion is much stronger with our foundation than even what it is at MITER brands. And I'm real quick to respond with they're right. I don't mean that from a perspective. And I suspect some of our institutional shareholders and debt investors will end up listening to this at some point. And I wouldn't ever want them to think that I don't care about the profits and the growth of MITER. They know that's the case, but they also know the reason why. I answer this question, the way that I do, is that my view is that the better MITER brands does, the more we can give, and then that allows the foundation to grow. So, yes, one of my primary objectives in life is to figure out how that the MITER foundation can grow and that the team that works there can grow. The primary contributor to the foundation financially is Miter Brands. So the only way the foundation grows should say the primary way it grows is by miter Brands growing and contributing more. When we put the foundation together in 2014, it really started with what I called giving. Based upon the emotion of the moment. We were making choices to give to organizations or individuals based upon how we felt at the moment. If you caught me or any other leader on a Friday afternoon where we just found out we had a good month, the decision was different than a Monday



morning off a really bad month.

And that I didn't think was a really good way to approach giving, and certainly didn't, I think, show consistency. So that's where the foundation really, where we got the idea for it, was, let's create an organization that we consistently give to, and we delegate out to all of our operations across the country, certain amounts of dollars that they can go find organizations or individuals that they think we should be supporting at their discretion. And the only two things we said they couldn't do were give directly to a church or give directly to a school. They can support food banks through churches. They can support a lot of after school activities that enhance and enrich young children's lives. But we just couldn't give to those two things. Everything else was wide open.

And then in addition to that, we decided to get behind a few broader causes, one of those being initially childhood cancer, but now it's cancer of all types. The second one being childhood well being, and of course, pediatric cancer could be a part of that. And the third one being veterans affairs. So we have four pillars there. One is local outreach that I explained through all of the operations, and the other three, which I just outlined, the way that the foundation has grown has been really remarkable, and I love it. As you can tell by the way that I'm answering this question, what we do in the backyards and with these organizations, you see it, it comes to life. Thankfully, I get a chance to meet a lot of the people or organizations that we support, and you just realize the massive impact that we're able to make. But more rewarding than that is watching our team members find organizations and the looks on their faces, the feelings that you hear through their voices, when you hear that they have found a person or a family or an organization that we should support, that they were given that opportunity, and that makes them really proud that's the part that I love about it more than anything else.

**[00:37:13] Ryan Newman:** Very touching. Thank you, Matt, for taking your time today to share your entrepreneur journey with me. I'd now like to hand things over to a current Penn State student. Ryn is a junior at Penn State studying mechanical engineering. Ryn works as a technician at Origin Labs and then Penn State's newest prototyping and fabrication space in downtown State College. Ryn, I'll now hand the interview over to you.

**[00:37:34] Matt DeSoto:** Thank you.

**[00:37:35] Ryn Rizer:** So, my main interest is with robotics and automation, and that's really what I have a passion for. So I was just going to ask some questions kind of relating to that.

**[00:37:43] Matt DeSoto:** Nice to meet you, Ryn.

**[00:37:46] Ryn Rizer:** So, my first question is, how has the growth of robotics and automation affected the way that you run your business?

**[00:37:51] Matt DeSoto:** It is a fantastic question, and my first response to that is, it is impacting it, and it's impacting a lot more today than even what it was five years ago. I think if you were to come into one of our plants and I'd open that invite to you and anybody else you would like to have come with, I think your first observation would be, there are a lot of people here involved in making this product and ultimately getting it onto a truck and out to our customer, and there are a lot of hands involved. There's still a lot of technical skill that our team members have in order to put the products together.

But what we have done is gone on a journey of not only adopting automation and robotics innovation from our core equipment manufacturers, which has been really helpful. And again, if you came to the plant, I could give you, our operations team could show you probably more

better than I could, many examples of it. But our automation and robotics journey has been really driven around what I call worst to first jobs. I say, wherever we're in a manufacturing plant, what job sucks here? What job would any of us not want our kids to do? And let's get there and find a way to improve that process. Let's make it safer. Let's have the process be more reliable and consistent and have less effort by the team member. So how do we get jobs that are moving from. I have to perform the task to observe the task, and I become a person that not only is confirming that the process went right, but I also maybe have a little bit more technology involved than what I would have ten or 20 years ago. So even though fabricating a window and door is not nearly as automated as other manufactured goods, I would share that we are making great progress on worst to first journey, and it's an ever moving target, because once we identify how to improve a process halfway down the fabrication line, and that's improved, well, something else just went to worst. So let's get to that. One of those was at the end of the line. We can make 650 to 750 windows on one manufacturing line and one shift in any given plant in a day. Well, they average, on average, weigh 50 to 60 pounds. So as a human being team member, at the end of that line, 650 to 750 times a day, I'm lifting 50 to 60 pounds and I'm moving it to a cart or whatever, maybe even directly onto a truck in some circumstances. But that's a tough job. There's no way you're not tired. At the end of the day, you don't need to go to the gym. That's good news, but you're definitely tired. So robotics and automation, I think it's a part of everything. And even AI now has definitely gotten very involved in operations.

**[00:40:53] Ryn Rizer:** My next question is actually regarding AI. So in what ways do you look to embrace AI and machine learning to help with manufacturing processes, as well as just make new innovations in the field of Windows indoors?

**[00:41:04] Matt DeSoto:** To start in the market, we're with Salesforce, which is our CRM, and a couple other tools that our digital transformation team either have or are in the midst of introducing. For our sales team more than ever, our sales team is now in a position where they can almost predict what the customer is going to be asking about during their visit, which I think is a heck of a lot more meaningful and more efficient than what we would have called in the old days. Like Johnny Bag of donuts, you walk in and try to create a conversation by virtue of bringing somebody a snack. And now we walk in with data and the sales team can say, well, in the geography we're in right now, what I'm finding is we're getting these features requested 75% of the time, yet with you, we're only getting it 20% of the time. And what we found is you can not only upsell your sale here and create a great opportunity for your business, but you're also, most importantly, creating a happier consumer because they didn't know what to ask for because they don't buy windows and doors a lot in their lifetime. But if you can introduce this, you're probably going to get the hit 75% of the time and they're going to be happier. So starting there, like in the market, we're using AI in ways that are still very elementary compared to other sectors. But for us, it's certainly game changing. And then in the manufacturing plants, we introduced pool a couple of years ago and it's cameras all over the operation. And initially I think our team was like, what's know, like big brother watching us. I think quickly we're able to get that feeling out and say, no, not at all. That's not what this is. What we're really trying to understand is where is the opportunity to improve the process. It's in many ways attached to that worst to first that I pointed out a moment ago, we'll now bring in our continuous improvement teams, along with our direct production teams, and watch the game film on big screens and say, okay, because we can run it at five or ten times, pace whatever we're doing, and show that on line one in Flower Mountain, Texas. Because we changed this process, we not only reduced your steps between the different workstations, but we've enhanced output in a reduced amount of time. Less overtime for the team member, less effort, greater output. So that's the initial thing is reviewing the game film. But now in Rio is the name of the tool. Now our Rio camera systems are starting to look forward and predict the next step and sharing in more real time fashion than ever before what plant one has done and showing what that would do for plant two or plant three or et cetera. So it's really cool stuff and I can't get much deeper than that. So if you ask any more

technical questions about it, you'll get a deer in the headlights. But I certainly am excited about it.

**[00:43:51] Ryn Rizer:** That's really cool. So I think my final question is, in what ways do you find being the CEO of a company with locations on both sides of the country rewarding? And what are some challenges that you.

**[00:44:00] Matt DeSoto:** Face because of it? Well, the most rewarding part of being in this role, and I share with our team all the time, it's their choice, right? They vote as to whether they want me in this role or not. If the team likes where the business is going and feels as though that their own personal goals and family goals are being accomplished as a result of MITER brands, then I think they place confidence in whoever that leader is. I very frequently share with our team that I'm quite humbled that they choose me to be their CEO. So the rewarding part is investing into people. That is by far the most fun part. And as we've grown, we get to do that more frequently than ever before. And when you get a chance to watch how people grow and how that influences the organization and how they inspire others to do things that maybe they never thought they could do. That is by far the most rewarding part. It's watching the people growth and realizing that machines don't build businesses, people do. The most challenging part is having the business and the entire team trust that the culture of the business is going to be really mutually beneficial for them and the business. I think on one hand, that sounds so easy to do, like, well, what the heck, you have a culture, just expand it, share it, and have people realize that they can participate. But on the other hand, I think one of the most challenging aspects of growing a business is having that culture remain consistent. I think some organizations, they grow, and maybe specifically some people in leadership roles, they're in a growing business. They start to forget what got them there, and then they begin acting as though growth has allowed them to turn into someone they once were not. And that can manifest usually in really ugly ways. I think the most challenging thing is remaining humble in our approach, yet confident in our ability. And when we see people that are not aligned with our guiding principles, we've got to identify those people and coach them first. But if for some reason it's not working, we've got to part ways and make sure that we're supporting the ones that are inspiring and energizing and growing and being okay. That not everyone will look at the miter culture as their culture, but that's okay. They can go find somewhere else. The challenge in it is it takes a constant sharpening of your saw, if you will, to stay on top of that because it's really easy to relax that and then let some personality get into a relatively high influence role and they start to act really different. And that can cause organizational shift quicker than what you anticipate.

**[00:46:49] Ryn Rizer:** Thank you so much for your time.

**[00:46:51] Matt DeSoto:** Thank you. It was really nice to meet you.

**[00:46:53] Ryn Rizer:** You too.

**[00:46:56] Ryan Newman:** That was Matt DeSoto, CEO of MITER Brands. This episode was produced and edited by Katie DeFiore. If you haven't already, be sure to subscribe to dare disrupt wherever you listen to podcasts and look out for next month's episode. Thanks for listening.