[00:00:02] Mario Ciabarra: On digital, it's really hard to see where people are hitting friction points. Imagine someone comes to your website and you can understand them like you would in a physical store so you can observe them. They can't reach the product that's on the top shelf. And so you get a ladder out and you pull the top shelf product out and you give it to the customer. How do we handle the problem that we've now removed this physical understanding and interaction and we've added a massive scale to it? And I said, hey, I, I think we can do that and I think we can do it even better.

[00:00:35] Ryan Newman: This is Dare to Disrupt 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 Mario Ciabarra. Mario is the founder and CEO of Quantum Metric, a customer centered digital analytics platform for today's leading enterprise organizations. Since its founding in 2015, Quantum Metric's approach to in depth customer understanding has seen rapid adoption from Fortune 500 companies. The world's largest airline, telco retailer, Healthcare bank and more have adopted the Quantum metric platform. In December 2022, the company celebrated its 100 million annual recurring revenue benchmark and now captures insights from 45% of the world's Internet users. Mario graduated from Penn State with a degree in science focusing on biochemistry, microbiology and computer science.

[00:01:37] Ryan Newman: I'd like to welcome Mario Ciabarra to the Dare to Disrupt podcast. And Mario, this is a first for us. You are the first unicorn founder that started a business in Colorado, which we'll get into. Thanks for joining us today, Ryan.

[00:01:51] Mario Ciabarra: It's a pleasure to be here. It's great to see you again. It's been a while.

[00:01:54] Ryan Newman: It certainly has, Mario. And in some ways, as things change, they certainly stay the same. And I think that's true for you. But before we get ahead of ourselves, why don't we start at the beginning as we like to do with our listeners. Can you take us all the way back to those early formative years? Young Mario growing up before Penn State.

[00:02:12] Mario Ciabarra: Well, Ryan, I'll be honest with you. I don't like the words when you say go back to the young Mario. I feel like I'm still the young Mario. But the early days for me, I grew up just outside Philadelphia, Montgomery county, which for a lot of Penn Staters that might be a familiar start. I was the youngest of six kids. My dad immigrated here and when he was in his mid-20s, he met my mom. They got married, they moved to the States. And I think that was a shaping moment for just, you know, all my siblings, like everyone in my family. You come from a family that doesn't have a lot of wealth, that doesn't have a lot of like history in the United States. You kind of want to make your own history. It led to a lot of entrepreneurial endeavors. In my early teens, I had a school that had a variety of people's economic statuses. And I think you just look out there like, hey, how do I make wealth for myself? How do I create success for myself?
And definitely during that journey have come to realize that wealth as a success metric is absolutely the wrong one.

[00:03:13] Ryan Newman: So you're growing up, you're. You're in this large family, you've got immigrant parents, and you're trying to focus on what comes next. So you get to Penn State and you got to figure out what to major in. How did you decide in your major and what was that course of study?

[00:03:26] Mario Ciabarra: I had this entrepreneurial bone, whatever you want to call it, early on in my life. So, hey, business is a great place for me to end up. It was just I wasn't being challenged enough. And as I looked at my peers that were in the science college, I thought to myself, like, wow, they look really, really busy. I don't know why they're not having fun on Thursday nights as I was. And so I thought about it a bit and I thought, I've always loved science. I think my future

might be some kind of combination of science, you know, technology, if we put them in the same category, and business. And I think that might be my future. I think I might want to get more involved in science and technology early on. And I switched into the five year BS MBA program. So it was like a three year undergrad and a two year MBA program.

[00:04:08] Ryan Newman: Fascinating. So you switch into this science track and did you find that you were challenged more in that course of study than you were previously?

[00:04:15] Mario Ciabarra: Oh my gosh. I finally realized why people in engineering classes were not going out Thursday night at Penn State. It really, really hit me. It was an order of magnitude of effort. Like I had to do a real big shift in how I studied, how I went to class. It was a struggle. I'm happy for it. But it was, it was a very different mindset.

[00:04:35] Ryan Newman: So you did this change of course of study towards the sciences. You still had this business mind at heart though. How did you exercise those business muscles when you were at Penn State?

[00:04:45] Mario Ciabarra: We started a company called YourNotes.com. it was going into classes and paying students to take notes and then publishing those notes for free for other students to get. You know, part of the reason was I still hate taking notes, Ryan. I don't like taking them. I take them out of necessity. But if I could pay someone to take notes for me, I would absolutely do it. And that was the concept back then. There was a company called Nittany Notes. Back then, you had to pay Nittany Notes to get the notes. I was like, well, look, I'm a poor college student. I don't have money for that. How do we get sponsors to pay for it and then pay students to do it and then publish it back then? It's a really great, fun exercise. And I think that the big takeaway for me wasn't success or not. It was an experiment of working with friends like Ryan, like you and four or five other folks on that team at your notes, being able to work with friends, like, how do people work in business and have and maintain relationships with their friends? It was a great setup for what my future endeavors would look like. So I look back at it very fondly.

[00:05:47] Ryan Newman: By the way, that novel concept of having the sponsors pay for the business, right, as opposed to the students. I mean, that was very new. You're talking about.com era year 2000. Can you just talk through how you kind of stumbled on that as a business model and what you were studying that got you to arrive at that conclusion?

[00:06:04] Mario Ciabarra: I think for me, back then, it's kind of the advent of advertising. I remember when my roommate was like, hey man, have you checked out this Google thing? I'm like, no, I'm good. And I remember that moment. And he's like, just try it. And I remember trying. I was like, wow, that was amazing. And you look at what their business model was becoming. It was advertising based. I'm like, well, great. Why don't we take that same logic of advertising around interactions with content and we'll make that a business model. I think there's a lot of things in business that, you know, you just don't need to reinvent the wheel. And there are some things that you need to have like that differentiation around, like how we were going to create revenue. I just needed to borrow from something like Google. I think for us it was just more the mechanics of how do we get the sponsorships, how do we get the students, how do you run a business?
And I don't think this is ever going to be like, oh my gosh, we're going to go create that unicorn business. Here with this note taking service. I think if I look back at it, it was more an experiment of how do you start a business, continue to operate it. Just the mechanics of an organization. We had about 30 note takers every semester. Just managing that. It's hard when you have your actual work of your schoolwork. How do you balance that and then manage it? It was fun. It was a great exercise.

[00:07:14] Ryan Newman: So you have this experience at Penn State, you have this

Entrepreneurial itch, if you will, that you start to scratch. And as you get closer to graduation, did you ultimately pursue that integrative MBA portion of the five year program you mentioned?

[00:07:28] Mario Ciabarra: It's a great learning lesson. It's almost an embarrassing one on one. I don't want to shy away from giving the details. So I was getting to graduation and this program was you would matriculate into the Schmeel College of Business mba. And I thought to myself, and it was some outside influence like why would you go to the same college and get an mba? And so I thought, you know what, I should probably apply to some other schools. Which I did. What happened was I had gotten an offer from my internship. I was at Anderson Consulting or today called Accenture. I said, hey look, I might need a summer internship or a full time job. I'm not quite sure what I might do in the fall. Depends on where I'm getting into school. And that gentleman, that partner had a conversation with the administrator of the MBA program at Penn State and that person ended up calling me and said, why didn't you tell me? I wasn't not honest with anyone.

I just didn't decide to reach out. Like, hey, I'm thinking about something else, another option. And that lack of kind of standing up and taking that first step at communicating my thought process left me with. I actually was sort of like removed from the ability to take the MBA program at Smeal. And the job offer was rescinded and it was crazy. So I lost my job, I lost my mba. And it was a great wake up call for me about what integrity really meant. It doesn't mean I didn't lie to anyone. I just wasn't communicating as strongly as I should have in that scenario. And it led to a real good learning lesson. And some lessons you can learn from others. And I hope anyone listening to this can learn from this mistake that I made. And some you kind of have to learn the hard way. And I really believe that this was just one of those moments I was going to learn the hard way about how communication and Being very direct with others was going to be important in my life. Looking forward, on the back of my shirt today, there are three core values of my current endeavor, quantum metric. And the three core values are Passionate persistence. And I thought about the last one and its integrity. And I think integrity kind of comes into play here and how important it was to learn that in 1999 and how it set me off on a path, you know, I think contributing to success. How important being clear and honest and direct with others is going to be in my future.

[00:09:43] Ryan Newman: Well, incredible. I appreciate you actually sharing that story. Do you then return to Penn State and take more classes? And if so, how did your perspective there change after that semester?

[00:09:52] Mario Ciabarra: You know, I was fortunate. So this is my graduating senior, second semester, senior year. You know, it's April and I don't have a job and I don't have an MBA school to go to. What am I going to do? And through. It's funny because we'll bring it back to your notes through that sponsorship. There was one of the companies that sponsored was Pricewaterhouse. I reached out to the executive that sponsored us and said, hey, look, I find myself in a very difficult situation. I'd love to apply for a position in your company. And, you know, like, April of 1999, all the jobs are filled, right? Like, all the college candidates that they had open spots for were taken. So now you really got to go ask for a favor. And because of building a relationship with this executive, they were able to say, okay, great, hop on a flight this weekend, go do an interview here and take an exam. Which was weird for a job interview, but either way, it all worked out. A takeaway for me is like, one life's going to throw challenges at you. It's not about how many challenges that you have or how severe they are really. I think how you show up and manage that challenge defines who you are. And I think the second takeaway is relationships go a long way. I think for a long time I would never want to be successful because who I know, who I was friends with. And I don't think that's the point. It's really about developing relationships is sort of just part of how business runs. And so you better find a way to develop relationships with others, because there'll be one day that you'll be able to help

someone out, and there'll be one day that you'll ask for help.

[00:11:17] Ryan Newman: So you joined PwC, and what were those early formative experiences like for you? And how did that. That journey take you to the next.

[00:11:24] Mario Ciabarra: Step, I think uniquely in consulting is they group you by your graduation year, essentially, and you're only amongst people of your age. And that shared weird experience where if you get a job in just general corporate America, there's obviously going to be a stratification of age groups. So we're all 21 years old, we've all temporarily moved to Florida for a few months and they're teaching everyone how to code. And so today we kind of call it boot camp. And I get two months of just hardcore programming that I was very incentivized to learn because they paid me. And knowing that I was going to be like I was going to get fired and not get a paycheck if I didn't do well versus the opposite. I was more motivated than I was at Penn State to be very honest with myself and that experience. I excelled in coding. The roommate that I had there, I get to talk to him every day. He works with me at Quantum Metric, my instructor that taught me how to code, we hired him about four months ago and I get to work with him now. So, like those early bonds were real. Like I've stayed in touch with those folks, folks over the last 20 some years.

[00:12:24] Ryan Newman: Amazing. So you had this early coding experience at PwC and my guess is you didn't stay around very long. So what was your decision on the first business venture and what was the business problem you set out to solve?

[00:12:36] Mario Ciabarra: It's funny. So I got into launching AT&T's 3G wireless network, which 3G sounds really old, by the way, all of a sudden, but I remember launching it, got a lot of great experience how enterprises work, how enterprise software and architectures work. Had a strong affinity for programming languages, performance. Like, you know, sort of the kind of thought process is anyone can code, but can you make your code efficient and fast? I had sort of given up, to be truthful, Ryan, like I'd given up on being an entrepreneur. I was like, you know what? Like, I can, I can make a good living. I'm not going to tax myself. There's really no risk. I think I could be happy. And then one day I saw this opening where it was like, I'm really good at making performance analytics, like thinking about where there's problems and there's really no software that does this. Well, I think I could do this. So I decided to from seeing the pain in my day to day. And I think it's an important characteristic of when to do a startup. Like, I think you really need to feel the Pain, like I felt it at the Nittany Notes. I didn't like paying for it. There's something I wanted to fix. In this same scenario. I felt the same pain. Like as an expert in that field, I could, you know, use the data that was made available and make decisions. I found other struggle to use like the one or two pieces of software packages that were out there to do this job. And I was like, this could be so much easier. So I'm pretty risk averse, which sounds crazy for an entrepreneur. And I decided I didn't want to quit my job for this. And I was just going to work on my nights and weekends. So I kept my day job, I worked my nights and weekends. I had actually gotten married to someone I had met at Penn State. And I turned to her, I said, look, is this okay? Because this is going to be a big tax on our relationship. I'm not going to show up on nights and weekends, which is kind of like your only time you spend with your, your significant other at the time. And she had asked me for how long. I said 12 months. So fast forward 11 months and I had an opportunity to sell the company. It was only one person big. It was $80,000 in revenue, which basically means no revenue. We had three customers and it was an outsized offer for that and we took it. And it was a life changing event and that was pretty exciting. So you have it happen so quickly was probably the most exciting part. So 11 months after starting to finish the company was really like a fun, quick journey.

[00:14:46] Ryan Newman: Incredible. And so at that point, what do you do next? I mean, you talked about it being life changing. Did it in fact change your life and did you use it as a chance to shift

your life around?

[00:14:56] Mario Ciabarra: It was, it was, a lot of, a lot of problems were created in that moment in this context of like if you look back at the young Mario and you knew young Mario Ryan, the absolute entrepreneurial passion and thinking about the American dream, like having this immigrant family that wasn't super well off financially. The American dream is like, it doesn't matter where you came from, you can be successful. And that's what this first endeavor was like. This first real tech company is tech startup. And it was life changing. I retired, I traveled the world, I went to 27 countries for six months and I came home, I'm like, shoot, what now? And I kind of had all these discussions like, what's life like after the American dream? For about six months I started asking people, random people at a restaurant or anywhere. I could find access to an individual.

And I'll challenge you, Ryan, right now. Ready? If you had all the money you could possibly ever want, what would you be doing right now?

[00:15:50] Ryan Newman: I think you maximize your time with your family, your friends, and whatever else gives your life a sense of purpose.

[00:15:56] Mario Ciabarra: And my answer would be, I'd be on this podcast. And it's not because I have all the money in the world, right? It's not. I don't want that to be the mixed message here. It's that if you answer that, seriously, you should go do that, whatever it is. And like, I'm doing it. Like, I love what I do at Quantum. I love, love to be able to reconnect with you and be on this podcast and share some of the experiences. But I think if society started thinking a little bit less about finance and financial success and more about the meaning and purpose, I do hold my family really high in my meaning and purpose and I do try to optimize the time I spend with them. They're in school, so I'm good being on this call with you. By the way, I don't like the word balance, but it's really figuring out all of your passions and finding the right mix of time for them. So, yes, it was a life changing moment and it really meant for me, like, only do what you love. And then there was a little bit of a journey of what is it that I love? And it came like out of luck that that first company that kind of gave me the freedom doing that is actually what I love the most. Like, I actually love creating startups and iterating and building a brand and success and it's fun. But I think the younger me was like, it's the financial goal. And I think after that first win, financial success, like, money doesn't make you happy. I know it sounds easy if you have money to say something like that, but I can promise you money does not make you happy. In fact, I've seen more people cause trouble with money than I've seen them create happiness with money.

[00:17:22] Ryan Newman: Well said, Mario. So how old were you when you sold after that 11 month run?

[00:17:27] Mario Ciabarra: 27.

[00:17:27] Ryan Newman: Wow, so you're 27 years old. You've in theory reached the apex, quite frankly. So many of our DARE disruptions, podcast guests are not even at that apex of the mountain. They're still chasing or climbing the mountain. At 27, you basically achieve one of many mountaintops. How long did that period of sustained euphoria last before you dug into your next venture?

[00:17:50] Mario Ciabarra: It was actually a Journey of figuring out what was really supposed to be next for me. I thought of. I did photography because I love. I've always been passionate about photography. If you go onto my Instagram, you only see photography there. I thought about being a teacher. My mom taught for like 40 some years, and I guess that's where my love and passion of teaching came from. I kind of tried it a little bit and I thought, wow, like, there's a little

bit of discipline management in teaching. And that didn't seem like fun. And I thought, you know, I really love that programming startup thing. So I sold the company in 2004, in 2007, and I hadn't quite committed to, like, what my future endeavor would be. I picked up an iPhone and was like, wow, this is really cool. Wouldn't it be cool if you could create your own products on the iPhone? At the time, there was no SDK, there was no app store. And I was like, this is a computer in my pocket. I want to kind of do what I want and create my own applications for it and stuff like that. And so there was a capability called jailbreak, where you could unlock Apple's control of your iPhone and do whatever you want with your phone. It's your physical computer. You could do whatever you want. And that kind of brought me down for the next two endeavors of turning the iPhone into a WiFi hotspot 18 months before Apple did, and creating the notification center on the iPhone five years before Apple did, and then creating an app store as my third endeavor, like creating an app store that could sell into this jailbreak market. Both creating the apps and creating the app store were just tremendously fun, exciting, and extremely financially profitable businesses. I think it's a good measuring stick of how much value did you create in doing that endeavor.

[00:19:16] Ryan Newman: So if memory serves me correct, you're now basically three companies in, and you're still probably only now 30 or in your early 30s. Definitely.

[00:19:25] Mario Ciabarra: Yeah, about 30, 31 at the end of the third company. Yeah.

[00:19:29] Ryan Newman: So definitionally, you're serial entrepreneur big time at this point. And with these other businesses, any major takeaways or reflections or learning lessons that you then took with you to form what ultimately became your biggest business, which we're going to talk about next.

[00:19:44] Mario Ciabarra: Yeah, I think that every business is a reflection of the founders and the people that they organize to join the team. Like a reflection of all their experiences, because that's just how humans develop. Right. We just, like, keep building upon our experiences. So the fourth company, if you step back for a minute, Is super clearly an amalgamation of the first three. There's different learnings from each. I think the fun of the second and third company, like the first company was dealing with Enterprise. We had three customers. The second and third companies together had 4 million people around the world using the software. A million people using it every day. And it's a very different motion to win an enterprise than it is to win a consumer. You know, if someone wants to call me because they spent $4 million with my company's software, like, you can call me at 2:00 and I'll, I hope I can pick up for them and I'll be excited to pick up. If Someone gave you $2.99 and finds your home phone number and calls you because they want some support, like, it's a little bit of a different story. It's sort of anecdotal. We can all laugh at it. But I thought to myself at the end of second and third, I'm like, you know, I really love enterprise. I want to get back to enterprise.

[00:20:49] Ryan Newman: I had an entrepreneur explain to me once, says, what's the price of admission for your time? Right. And you're basically setting the price of admission for your time is much higher the first go around. Although of course, in a consumer business, volume is king.

[00:21:00] Mario Ciabarra: Right?

[00:21:00] Ryan Newman: And so if you get massive volume, even though each unit cost is so low, you know, it adds up to be a lot of numbers which obviously you experience both in a tremendous capacity.

[00:21:08] Mario Ciabarra: I have like a foreshadowing that I might experiment with the consumer side on the next endeavor just because like you got to change it up and have some more fun.

[00:21:16] Ryan Newman: Love it. And a serial entrepreneur is not one to rest on the laurels, right?

[00:21:19] Mario Ciabarra: Exactly, exactly. And you don't want to just keep doing the same thing because it worked. And so what's the proof? You got to challenge yourself.

[00:21:25] Ryan Newman: So you have these success with three businesses. It sounds like they all have varying degrees of success and outcomes. How did you ultimately find your way to Quantum Metric? And what is the ultimate problem that quantum metrics is setting out to solve?

[00:21:37] Mario Ciabarra: Probably the most distinctive memory I have that led to quantum. We had an app store and I remember communicating with some person in Japan who couldn't purchase through the app store. And I remember emails going back late at night because the time zone differences and I'm trying to understand his problem and his English isn't that great. And I speak zero Japanese, so I'm like, at least happy speaking some English. And I couldn't figure out the problem. And it took me like three months to figure it out. And I finally figured it out. It was the software that we had deployed to take his payment was forcing him to add an additional character to his zip code because in whatever prefecture he was in Japan, it only had four digits instead of five or whatever the right number was. And it was wrong. So it kept saying you didn't type in enough digits. And so what's his solution? At a zero on the end or something like that.
And it keeps rejecting his payment and he couldn't communicate to me and I couldn't understand. And finally I figured it out and fixed it and he's happy and I made $2.99 or whatever it was. It wasn't that substantial of an improvement. And I just thought to myself, man, if I could have just seen what he was doing, this would be so easy. One of my colleagues that I was working with on the company was called Rock youk Phone, the App Store. He was telling me about a problem he had during his day. I said, what is the software called? He said, Tea Leaf. And I said, well, it's Tea Leaf. And he shows it to me. I'm like, that's a really cool idea. And the premise of Tea Leaf was imagine being able to see what a user sees. And it was only built for websites at the time. But imagine someone comes to your website and you can understand them like you would in a physical store. So you can observe them. They can't reach the products on the top shelf. And so you get a ladder out and you pull the top shelf product out and you give it to the customer. On digital, it's really hard to see where people are hitting friction points. The other problem that was happening on digital versus physical was like physical was a one on one relationship. Like you didn't have a million people in your store with one associate to manage. On digital, that problem exists. You have like a million people. That one analyst is trying to understand and direct the company's resources to improve the experience. Like, how do we handle the problem? That we've now removed this physical understanding and interaction and we've added a massive scale to it. So that was kind of the premise of like, hey, I like what tea leaves doing. I think we can do that and I think we can do it even better. And when you look at your question or like, what did you learn in companies one, two and three that led to number four? Well, there's this enterprise theme that's there and I think that first enterprise company and one Was how do I understand the bottlenecks and the backend technology where Quantum is, how do I understand the bottlenecks? From the way it looks like from a customer. This idea of understanding how native apps work, really, no one had cracked that nut around. How do you get visibility to what's happening inside of native apps? We brought that to market and, you know, it's exciting to share. We have the world's largest bank, airline, telco, healthcare, gaming retailer, and more as customers helping them understand, like, where is the pain that customers are having on their digital experiences in a quantified way so that if they invest resources to improve it, they'll have the biggest impact to their business and obviously to the mass audience of customers that they serve.

[00:24:37] Ryan Newman: And Mari, what's that feedback loop? Right? Because you think

about it, historically, it's like somebody has a question, an issue on a website, maybe they fill out a survey, right? Or maybe survey data historically is what's been used to essentially query these customers. That feels pretty Web 2.0 to, quite frankly, or 1.0, I should say. So how are you actually working to try to cut down the rate of feedback on that?

[00:24:57] Mario Ciabarra: Let's say you try to open a checking account and the website doesn't work. Are you going to fill out the survey or call the CEO or call the call center and saying, your website sucks, I'll wait for you to fix it?

[00:25:07] Ryan Newman: Probably not.

[00:25:08] Mario Ciabarra: I'm going to go to a different bank, right? Like, I'm going to go to and get, and get a whole different kind of service just because your website doesn't work. So, like I was actually talking to one bank and they said, no. As I explain what we do, like, oh, yeah, we already have something like that at our bank. And I said, okay, what do you have? We do surveys. I'm like, okay, cool. What do you do with them? Well, they say once a month we get in a room and we read them all.

Okay, so let me translate that. If I have a problem logging in and I fill out a survey, maybe a month from now you'll sit there and read my problem. And the look on his face was priceless. And they later became a customer. To be fair, it was really about how do I get real time visibility to what's working, what's not. And let's go back to that retail experience. No one's filling out a survey that the product is on the top shelf and they can't reach it, right? There's an associate reading their body language. Maybe there's a Conversation, hey, want that product up top, we can go react and get that product on top. Imagine trying to wire money and you don't quite know all the digits of like the Swift code or whatever and the routing numbers and stuff like that. And you're like, who's there to help you? And imagine the bank could understand, wow, we really lose like 75% of the people trying to wire money. How can we make this process easier for them? And so it's really about getting visibility of where the friction points are in a quantified way across every experience in real time. Not waiting a month, not trying to read surveys, just understanding, like, how can we improve the experiences?

[00:26:28] Ryan Newman: So you've obviously had tremendous success with the business. Can you talk about the path to taking outside capital, the decision to do that, and what it ultimately signified as a sort of growth point or sign point for your business?

[00:26:41] Mario Ciabarra: I ran into an executive leader last week in California, and I remember meeting with him in 2017 at another company that he was at. And I was trying to obviously win a partnership with the brand he was working at. And I remember sitting in the room and his chief of staff Googling the company and going to Crunchbase and looking how much money we had raised.

I always wondered how much of that Google search went into their decision of, let's not spend more time with them. They haven't raised enough money yet for them to be able to deal with a brand this large. So I was sharing it with him last week. So a little bit of a smile on the face of like making decisions to fund. Truthfully, like, that moment went a little bit into like, hey, we should probably go raise some money and make some more noise about the success that we're creating. But I think that's definitely the wrong way to think about fundraising. Just to be clear, I think that good businesses can be created. You look at Qualtrics became 5 to 25 billion, depending on your point of time, company without raising any money. You do not have to raise money to be successful. I think a great company can actually create early profitability if it desired. A lot of things came out of Silicon Valley of like, the growth at all costs. And so when it's growth at all costs, it's go get a lot of money and grow as quick as I can. If I gave you a million dollars, could you create a company that made $10,000 a year like you would hope? But if I only

gave you a dollar, it would be a lot harder to create a $10,000 company a year. Like, it's just obvious, right? And so like, that goes into like, how much money do you raise and how much can that money. But what you give up is ownership, right? And so like, you have to think about like, what is my goal? Is my goal is as fast as possible? Is it more wealth distribution for the people that actually contribute to the, to the day to day, like your employees and the founders? I think that's some of the trade offs you think about. But for us, it was like, hey, we want to grow the business. We've got something that's working. If we grow organically, it's going to be at this pace. If we get some funding, we can grow way faster. And what you look at like total return for the company is if you own 100% of a company that's worth a million dollars or you own 50% of something that's worth $500 million. Obviously some easy metrics to make decisions off of. And I think that goes into when's the right time to fundraise and why.

[00:28:51] Ryan Newman: And so in hindsight, you feel like you picked the right time and you feel good about the choices that you made for the business.

[00:28:56] Mario Ciabarra: The moments at which we raised funding were the exact right moments. We took the money and we pushed into the business. So I'll pick on the last fundraising that we did because these numbers are reasonably public. We've quadrupled our revenue since our last Fundraise, which was January 2021, when we announced that we're a unicorn and we raised
$200 million. We've quadrupled the revenue since then. And I guess the real question is, could you have quadrupled your revenue without the injection of capital? No, we expanded the team. Investing in sales expansion, geographical expansion, product expansion beyond our current means. Like, we wouldn't have had the money to hire those people. And, you know, the results are 4x in revenue. So I think a pretty exciting return.

[00:29:39] Ryan Newman: Incredible. Can you talk about the role that AI is playing in your business today? And it's probably not a new thing for you, but language learning models have certainly changed the game for AI. Can you just talk about how you're using that in the context of Quantum?

[00:29:51] Mario Ciabarra: There's always been the topic of the year. It could be blockchain, it could have been AI, it could have been big data. Like, if you look at the last 10, 15 years, there's a history of the latest fad, not really driving economic value for the adopters. I truly believe that this is not just the latest fad. It's actually driving real revenue. I was not convinced early on, but one of our board members just really kind of shook me and said, are you crazy? And he has like a long history at seeing market changes happen before they really happen. Like really an early seer of what's about to change. And he's like, you really need to invest in Gen AI. Your team needs to invest in it. And we did. And the outcome that we're seeing now, our growth has 7x'd from our Q1 to our Q4. So the rate of growth has 7x. And the only thing that's really changed in our business is the adoption and use of Gen AI. So we had all this data about what Ryan was doing, let's say trying to transfer money from one account to another. If Ryan's trying to make a transfer and it doesn't work because Ryan will always try to self service, right? Like Ryan doesn't want to call people to do the tasks that he could self service. It's faster for him, it's more convenient. So he goes and tries to do any of the things with an airline, a bank, a telco, a healthcare. Like he does all these things self service. He only calls in when he's desperate because the digital self service application doesn't work. When Ryan calls in, they make Ryan press 1 through 9 on the call and then Ryan gets an agent. Hi, Ryan, how are you? Well, I'm trying to transfer. Oh, Ryan, you're trying to do a transfer. Hold on. And you get transferred and hi Ryan, how are you? They know what Ryan was doing. They have data that they've collected about what Ryan was doing on their digital system. It just wasn't in a consumable way that we could transfer that to an agent and have them get any use. It's just easier for them to ask Ryan what he needed than it is for an agent to analyze all of that data and try to figure out what Ryan's needs are. But now with Generative AI, we can summarize all of that data we've collected about

Ryan's experience. And we know Ryan's calling because he tried to make a transfer and it didn't work. And think about that as a consumer, I love it. Like I would love for you to know why I'm calling. You had the data. Why do I have to explain myself? Get Transferred and press 1 through 9 in my call. The best takeaway of this podcast, Ryan, is that the next time that you're pressing 1 through 9 on a call and trying to explain yourself to a call agent, you're thinking, where's Mario? That's the one number one thing I would hope you take away. But the second one is like, you think about the business, it's really expensive. The average conversation time for a chat is really expensive for a business. And think about it. How much money does a bank make off of a transfer? I don't know the exact answer, but it's not a lot of money. And if they have to spend 10, $15 to help make that transfer, this is not a great business to be in. So really, like all the value that we're talking about with Quantum, all kind of comes together in these new gen AI use cases that really just unlocks, like, how do I understand the consumer in a few seconds? Not because he's filling out a survey or having to tell me directly, but how can I use data to tell me about what's making Ryan happy and what's making Ryan not be a little customer of our brand?

[00:32:47] Ryan Newman: Most important question, you said at the beginning that you learned very quickly after you had your first exit that it really wasn't about the money. It was about something bigger or something better. You alluded to it in that period of discovery when you were doing photography and really traveling and asking everyone you could find what they thought the purpose of life was. As you sit here today atop an amazing business that has grown astronomically, as you've detailed for us today, eventually one day you're going to exit that business. What does the future look like for you? And how do you think about the legacy and what you want to leave behind?

[00:33:22] Mario Ciabarra: People used to ask me, what do you love most about Quantum? And I think the first year or two, I would talk about the product because I'm a product engineering kind of person. And I think we built something that our customers just scream about how they love. Through the journey over the Last total of 10 years, I've come to find what I love most is the people. There is one moment that I won't be CEO of Quantum. I don't know if it's five, 10, 20 years from now, but what will you reflect on as the former CEO of Quantum? Like, what would I reflect on as this journey that I went on? It's going to be the memories of the people and the lives I had the honor to shape and lift up and advise and give advice to. And the moments that I think I'll remember the most are the moments I was able to do the right thing. But one example, we have a team Member that's been going through stage four cancer, early 30s, few children. It was sprung. It wasn't like stage one through four. And it was a journey. It was all of a sudden stage four and this person had to go through chemo. I remember it clearly because it was around 2022. We were having this conversation of like, what do we do? What's the right thing? And it was, you know, pay this person's full salary. We just got to let them heal. When it came to 2023, we had over hired like most of the tech industry. And we had to do a rift that really affected the company, me emotionally. It was. It was a challenging moment, an easy answer as someone presented, well, what do you want to do with this person? Why are we paying a salary? They haven't worked for a year. Why are we paying them? And I said, give me a day to think about it. And I came back, I said, we need to pay that salary until we have no more money.

I got a note the next day from this person's spouse. They were saying they were. And I get in tears, just reciting it like they were in tears, sending the message because it afforded them the ability to focus on the things that mattered the most. This person's health, their children, and their time together, which may be extremely limited. They didn't have to worry about healthcare, they didn't have to worry about the income. They could just focus on what mattered. And so when I reflect on this journey at Quantum, it's moments like those of making the right decision. It's not about how much wealth you created. It's not about how big the business became.

It's about making the right decisions on behalf of people. So we have. I'll leave you with this kind

of mission and vision statement of the company. It's strange when you might call us a digital analytics company, but we help companies build cultures maniacally focused on winning the hearts of their customer. Now, of course we do that with data, but how do we get everyone to understand what a customer looks like of theirs and to win their hearts? And it's. The answers are in the data, but the vision statement of the company is that every organization puts people at the heart of everything they do. When we came up with these in, I think it was like 2019, I felt like, why am I here? What makes me show up to Quantum every day? And those two are the answers that I get excited about. And obviously it's fundamentally the people I get to work with sharing that same mission and vision. I Think what's looking ahead for Post Quantum is how do we continue that same vision? How do we help people understand what's really important in life? How do we treat people with respect, kindness and love?

[00:36:28] Ryan Newman: Well, thank you Mario, 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, Nathan Leo. Nathan is a PhD student studying engineering science and mechanics. Nathan is also the co founder of Project Green Thumb, an AI powered application to help homeowners and landscapers restore biodiversity in their landscapes by increasing the use of native plant species and decreasing the use of harmful pesticides and fertilizers. Project Green Thumb placed in the Penn State Nittany AI Challenge and recently received funding from the Geoed Foundation. He's also the founder of Idle Killers Co. Which focuses on reducing airplane idle times both from the gate to takeoff and from landing to the gate using reinforced learning and specialized algorithms. Nathan, I'll now hand the interview over to you.

[00:37:17] Nathan Leo: Hey, thank you. Thank you for your time, Mario. I really appreciate you coming out and I feel really inspired by what you said. By the way, I just want to say I love the early on with the jailbreak and I was a big jailbreak person myself. With Cydia, you got barrel, you have your activator and et cetera. And honestly, I kind of want to ask a question like related to that development of your journey and that is how did you quickly develop these early applications fast and effectively and staying on focus to create a functional product while managing your team to basically streamline the process to your end user as quick as possible?

[00:37:54] Mario Ciabarra: Nathan, by the way, it's great to be here and it's great to connect. As we did before we started the interview, I learned a little bit more about you. The company in Pelarborn which created the apps was one person. So it wasn't about building a team. It was about me in my basement having fun. And it was just a passion project. It created more wealth than my first company that set me free, you know, so there was a tremendous amount of financial gain out of it, which was, it was a hobby, it was fun.

It was beyond my skill capability. At the time. I did not know how to reverse engineer arm, I did not know how to do kernel hacking. I didn't know any of it. And I was frankly a little bit scared. I'm like, this isn't something I know how to do, but I really wanted to. And I think that word passion is what allowed me or enabled me to just get through all the obstacles I encountered, like, I love this. This is what I enjoy. You can never get enough of your passion. So like I would be up till four in the morning coding and sometimes you'd get nowhere. There was no instruction set. There's no SDK, there's no like documentation. It was literally kind of like shooting in the dark. And then we just made our way and it worked. So I think the only way you overcome these big challenges is just you keep at it.

[00:39:05] Nathan Leo: That's. That's awesome. Yeah, I love learning myself. And that's the only reason I'm still going to school is just to learn more and more about the world that we live in. And it's really inspiring for what you did. What bad habits did you have in college? Because like, I have some bad habits too. And how do you combat these habits to basically continue your personal growth? Because the biggest story is like, how do you get over these bad habits? And

time management, right?

[00:39:31] Mario Ciabarra: Nathan, I hate to be the burden to tell you. One of my advisors, extremely successful CEO, he's like, Mario, you cannot be waiting to the last minute to get your work done. Like your board prep. I can like you never have it done three days in advance. It's always the night before.

And I'm like, John, I work best under pressure and I don't know how to change it. And he's like, you know what, it's okay. I did the same thing.

So I hate to tell you, I haven't quite figured out how to work around my bad habits. Nathan. I've figured out a way to live with them and still get the outcomes I want. I think for me it's like setting, like where are my lines in the sand, I need something by this date, et cetera. And then working backwards of when I like what is the. Like when is my drop dead date? I have to start it. Unfortunately, I did that same thing in college. And I will tell you, I was always better. On the only one occasion out of 100 that I would write my term paper, my 10 page paper. If I read it a week early and then iterate it, it was always better. But I think it all worked out, Nathan. So I'd love to tell you and give you coaching on how to make it better, but I'm a product of the same problems.

[00:40:37] Nathan Leo: I love it. Well, that's all the questions I have. Thank you for your time

and. [00:40:41] Mario Ciabarra: My pleasure, Nathan.

[00:40:42] Nathan Leo: Thank you.

[00:40:44] Ryan Newman: That was Mario Ciabarra, founder and CEO of Quantum Metric. This episode was produced and edited by our executive producer Katie D. Fiore 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.