

PITCHIT FINTECH STARTUPS PODCAST NO. 40-JOHN PAASONEN

Welcome to PitchIt, the fintech startups podcast, one founder, one startup, one investor at a time. I'm your host, Todd Anderson, Chief Product Officer, LendIt Fintech.

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Todd Anderson: On Episode 40, I talk with John Paasonen of Maxwell. Maxwell helps lenders serve their communities by channeling mortgage and technology expertise to help small and mid-size lending teams thrive. Mortgages are still one of the slowest and most archaic processes in financial services from gathering, you know, stacks of paper documents to lenders and processors, sending via email these large CSV files, Maxwell is aiming to change this by digitizing the various pieces of the mortgage process for smaller lenders.

John and I talk about why Maxwell chose to work with those smaller lenders versus say a Wells or a JP Morgan, where we are at when we talk about the innovation path for mortgages, whether or not we can, and really if we want to, reach a full digital mortgage process, what he learned from his time at, of course, PayPal and American Express, raising capital and a whole lot more. So, without further ado, I present John Paasonen of Maxwell.

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Welcome to the podcast, John, how are you?

John Paasonen: Good, Todd, how are you?

Todd: I'm doing well. So, I'd like to start the episode if you can just give the audience a quick breakdown of your professional career and a little bit about yourself.

John: I've been in financial services for over 20 years, started in investment banking and private wealth and then after business school had the opportunity to join a payments company named American Express which is a phenomenal brand and I spent almost a decade there in a number of different parts of the business, mostly in consumer credit and business development and operations. I had the opportunity to lead, you know, my wife said I'll never have a job as good as that, but to lead the team for the crown jewels of American Express which was the Black Card, the Platinum Card, the Gold Card and the Green Card, great opportunity to drive that business forward.

We were living in London at that time and wanted to come back to the US, start a family and people had been knocking and so had the opportunity to join the Strategy Team just after a time when they had bought Bill Me Later for the tidy sum of a billion dollars, I think, and were looking at how do we integrate Bill Me Later and launch PayPal Credit and create a consumer credit business and small

business, credit business inside of PayPal. And so, that was one of the domains that I focused on when I joined the team there, I'm sure we'll get into the Maxwell story after that.

Did that in the Bay Area, launched Maxwell in the Bay Area then in 2016, we moved to Colorado and we were part of TechStars here in Boulder and decided this was a great place to build a tech company and haven't looked back since.

Todd: So, I'm always curious how founders came to start a company, there's kind of the various paths. Now, have you always been on the path eventually that you'll get there like you like you've had an entrepreneurial bug, you've spent time at Amex, PayPal and then alright, the opportunity presented itself or, you know, you find this problem along the way and say, no one's still solving this so we need to solve it, I'm going to start a company and I'm going to try to solve this problem>

John: Yeah. I've always kind of had this entrepreneurial roots. My parents tell me when I was little, people would come to our house, I used to go shine their shoes for a nickel or a quarter or whatever it was back then in high school. This was in the 90s and so we were building computers and selling them to teachers and friends and we were decently successful at that. I think the main purpose there was to continuously upgrade our own computers, better graphics cards, bigger hard drives, but it was fun nonetheless. So, I was kind of new, I wanted to be an entrepreneur and was looking for a great opportunity and great co-founders to do something with.

You know, it was 2014 and I was getting my fourth mortgage at that time, 68 days to close, we had to re-negotiate with the seller because we missed the closing deadline and what was most frustrating was nobody could me why and nobody seemed in control. It was with a large lending institution which shall remain nameless and then I get a call from the processor who was in Florida, they couldn't explain to me what was happening, my loan officer seemed helpless. I kind of knew a few people in financial services, I tracked down the guy that my loan officer reported up into, he couldn't explain to me why and it just got me really angry.

Here I was at PayPal and, you know, you could literally pay for your meal and walk out the restaurant on your phone, I felt like I was stuck in paper hell in my mortgage, I couldn't get out of it. So, I ended up spending I think like 90 days talking to over a hundred people in the mortgage industry, everyone I meet I say, can you introduce me to someone else and why is this so bad, what are the pain points. One of my Co-Founders took a case of Red Bull downtown Birmingham, Alabama into the mortgage broker's office and he said hey, can I just feed you Red Bull, watch you work, take pictures and staple papers for you and that gave us a lot insight into how the "industry operates" from a paper and CSV file perspective.

I went back to my desk here at PayPal, an \$80 Billion company at that time, I said there must be huge tech companies in mortgage, right, I mean, it's a \$2/3 Trillion industry. I went online and I started researching and found this company I'd never heard of at that time called Block Mate and they were only \$7 Billion, I mean, \$7 Billion, it's the biggest company in this huge market. Then I just went down,

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there was this company called Ellie Mae, I'd never heard of them either, \$3 Billion, wow, these are tiny companies, relatively speaking, to what we've been able to create in payments.

If you think about it, in the US there are roughly at that time \$4/5 Trillion of credit card payments, right, and so, you know, Square, PayPal, Stripe was coming up. So that, I think, enlightened my mind in terms of what we could create that wasn't just a SaaS company, I think that's important, right. PayPal is not a SaaS business, in a sense it's an infrastructure business, right, it's actually engaging in the transactions with its clients and so that's what we set out to do.

Todd: So, before giving an overview of exactly what you guys offer, how'd you come to the name Maxwell?

John: We always like to joke, he was one of the Co-Founders, he had two daughters and he and his wife said if they had a son, they'd name him Maxwell. (Todd and John laugh).

Todd: So, this is the son.

John: We liked to joke this is his son and his wife certainly refused to him loving his son more than his real children at times. We wanted a name that when we looked at our business card we would remember why we were doing this. Our vision in Maxwell is to turn the title of home ownership into financial empowerment and we're doing this for borrowers, right. That's the pain that we all came from when we started, this is getting access to a home and all that unlocks for our families, for generations to follow, for country, for communities so we wanted our name to remind us of that.

Todd: So, give the audience an overview of exactly the products that you guys have and who your target customers are.

John: We started the business with what we call in the industry a point of sale which is not unlike one you might find on a countertop at a coffee shop, that interaction that the borrower first has with their lender. It's white label, it's all in their name, but it's everything from the one application to the files, to chat, communications, every interaction that a consumer has with their lenders is happening through our platform. That's how we started and that gave us great insights into some of the key friction points in the mortgage process and how we could alleviate those.

Last year, we launched our second software product which is called Processor Edge and that's focused on the back office so how do we help processors, we're kind of the quarterback sort of file, manage and automate their workflow. And then, we have more hands-on approach than most tech companies in that we actually participate in the loan of our clients and so we do that with our processing/underwriting staff and with our key diligence team and then with our capital markets team. We're actually buying loans and trading them on behalf of our clients and so we want to be involved in the transaction, right, because I think that's where we can drive the most change in the industry.

Todd: Is there a typical version that a client would purchase from you guys, do you think of it in that sense, you know, in your working with, through my research, the smaller institutions. Is it local community banks, small lenders, can you give us a sense of who you're working with and if it's kind of an ala carte solution or is it, you bring in Maxwell and we give you the end-to-end solution?

John: We focus on, you know, what we would call small or mid-size lenders or as America calls it, the lenders that serve America's communities, right, so those are community banks, credit unions. Our largest segment of customers are what we call independent mortgage banks so those are non-depository banks, they're the actual ones taking the risk giving the loan, but they're not doing it out of deposits and so that's one of our largest segments, that's the segment that we serve.

We don't sell a monolith so you don't have to buy everything, you know, you can kind of come into the Maxwell ecosystem through multiple paths, whether you want to use us for underwriting, whether you want to use us through the point of sale, whether you want to use us just for software in the back office so however we can come into your business, we will and we look to partner with you to change how you work and give you a financial advantage at the end of the day.

Todd: It seems, obviously, it was a strategic decision to focus on the smaller lenders or local lenders, was that the case in terms of alright, we're going to focus on this segment because obviously the large banks and large lenders are pretty arcane in terms of their mortgage process so kind of what was the thinking behind here, we're going after this segment versus say the Wells, the JP Morgans, the really large scale lenders.

John: You know, the idea there, and this was one of the (inaudible) I had to make sure that the business was, you know, when I started it doesn't Wells Fargo just do all the loans in America and I looked at market share, lo and behold, Wells Fargo had, I think at that time, 2.5% market share and ten years ago that was 25%. Ten years ago, Chase used to have 15% of the market, today they have 1.5%.

I think it was in Jamie Dimon's 2016 shareholder letter he wrote, I don't want to be in the mortgage business anymore (laughs), but I have to be. And so, what's happened in the mortgage market over the last couple of decades is that most of the loans in this country are done by small and mid-size institutions. If you look at the licensing database there's over 17,000 lending institutions registered in the United States and that number has grown about 25% over the last five years.

Todd: Wow!

John: I was reading this interesting article the other day, the Justice Department has this formula where they look at market concentration, they have this formula called the Hirschman Index. What that does is it looks at and measures market concentration and that scale ranges anywhere from zero to 10,000 so highly concentrated markets where there's one dominant player, one player will be 10,000, highly fragmented markets will be zero.

The Justice Department, I think, considers anything in the low thousands, you know, 1,000, 2,500 to be a fairly competitive market. The mortgage market last year was 150, right, so that gives you a sense of just how competitive and fragmented the market is, most of the loans are done outside of the top 50 lenders in the United States. So, we wanted to focus on that end of the market, it's harder to acquire those customers, but need the most help in a very cyclical industry to manage their margins, to manage their costs, to deliver great experience to consumers.

Todd: So, give us an understanding. So, you've talked to hundreds of lenders, you guys have tons of clients as well, where are we on the innovation path when it comes to the home buying experience?

John: Inasmuch as the financing component of that, I would say we are in the first five years of a multi-decade transformation. The example I always cite is Redfin, right, Redfin was started what, 15 years ago.

Todd: Something like that, yeah.

John: Something like that, right, and they wanted to disrupt the real estate agent. Today, Redfin's one of the largest employers of real estate agents in the United States, right, but they've changed the model of how a real estate agent works and that's 15 years in the making. Real estate agents just don't drive the majority of home purchase in this country. So, I think we're in the early stages of transformation and the reason for that is the financing value chain, just like in payments, is very fragmented. Everybody, all the different stakeholders, all the way along the chain all need to work together and be aligned to drive change and that just takes time.

I think everybody wants to see chain in progress, but different people are going to move at different paces, right. Fannie Mae is going to move at a different pace than the Independent Mortgage Bank in Michigan versus the community bank in Kansas City, they all have to participate together to move. You know, I'd like to think about it as drips in the bucket, right, how do we innovate slowly and move things slowly along and eventually that bucket gets full and we wake up and realize things are very different than they were a decade earlier.

Todd: Is there one part of the process that was the biggest bottleneck that you found out like alright, if we can solve this 100%, solve it perfectly it will save this amount of time, this amount of money.

John: Someone once told me, if we can get rid of the customers, our jobs would be easy, (both laugh) and, obviously, the customers are the reason we do this, but we found the biggest point of friction was collaborative, right. If I'm the lender and I need something from you, Todd, the borrower, I'm going to ask you for it and then you're going to have to go get it or you're not going to understand what I'm asking for, you're going to have to ask me what that is and if I don't understand what you don't understand, I have to ask someone else.

It was just this merely a mix of you want something from me and I know exactly what it is, I have to go find it super early on. Typically, a borrower has to provide the stack of documents, the basis, you say

hey, here's my assets, my income, who I am, so to speak, and we did a study, what are the documents that take the longest for the borrower to provide, W2s, pay stubs, bank statements, etc. What do you think the hardest document, I don't know if it's the hardest, but it took the longest to get one.

Todd: I'd say a bank statement.

John: You are correct, sir. Most people say W2, but the bank statement took an average of 12 days to get. So, if I asked Todd for his bank statement, it would take him on average 12 days to get me his bank statement.

Todd: Is that because most people, like they call the bank and say, can you send me the bank statement, like I guess I'm no far more savvy or aware, but I would go into my portal.....

John: It's easy, right.

Todd:...click, you know, download PDF for whatever timeframe they need it, print it out, upload it to whatever portal the lender was using and boom, they had it.

John: Yeah. On one hand there, it's a very personal ask, right, so show me your bank statement and so there probably was some psychological lag there, I mean, do I trust you, am I really going to go with you because if I am, I'm going to show you all my money, right, so I think there was a psychological lag there and then also, it was the easiest task to complete and so, therefore, people thought of it, I can do that quickly at some point and they just never ended up happening.

Todd: Is there also the psychology of wow, they're really going to know how much money I do or don't have.

John: You know, we often relate a mortgage to financial colonoscopy, they go deep, right?

Todd: Yeah.

John: It's a very personal, financial invasive view of each human being. I think there always is that little bit of trepidation so that's why we believe loan officers play an important role, right, to kind of counsel you through that psychology of the process.

Todd: Yeah, for sure.

John: What we focused on early on in our product was how do we get those documents faster from Todd, how do we make it easier, how do we lower the psychological barriers, how do we keep him on task to get it done. One of my Co-Founders came out of the Stanford Institute of Design and so we use a lot of those kind of design principles to test and think through when do you have high motivation to do something and high ability to do something and then let's hitch you at that time to collect the data that we need, as an example.

Todd: You know, when I see in the...whether reading various fintech-related stories or innovation stories which is kind of the complete home buying process being digital, I mean, is that the way that we should be looking at it, like, alright, at least the financial part it, like are we on a path to 100% end-to-end digital or are there just pieces of it that won't necessarily be 100% digital and we shouldn't necessarily be thinking of because, as you said, all these various points of the home buying process, it's not like it's digital or not, you know, this piece could be, maybe this piece is.

John: I think it's possible, but I don't know if it's practical. It's sort of like well, you want to do a national colonoscopy with a robot, I don't, right, even though it might be possible to invent a robot that could do that and let's not trivialize those things. (Todd laughs) I think, at the end of the day, for something so important and significant as a mortgage, human beings take comfort in other human beings being involved and being able to answer questions and know who they are and give them that psychological safety to be involved.

I think there's certainly...if you're a W2 employee and you're re-financing a house for the fourth time and you know what you want, you know the process, absolutely, you're a pro, go for it, but I think today, something like 39% of home buyers are first-time home buyers, right, and there's a lot of questions you should have to ask and you should understand about what you're getting yourself into when you get a 30-year debt with your name.

Todd: The first time I went through it and I have been covering financial services and fintech for well over a decade, there are some stuff I still didn't know and I didn't know what they were asking for and so, as you said, the counsel is key with something so, so enormous. It will probably be the biggest thing that they'll ever purchase.

John: Yeah. One of my favorite loan officers was telling us how he runs his business and he says, when Todd walks into my office to get a home, I sit him down and I say Todd, my job is to maximize your wealth through real estate and to help you manage your debt. So, he's setting up this life long relationship with you now to say it's not just about this little transaction that we're doing, right, debt is a tool, it's a lever for creating wealth.

You know, the average homeowner, their net worth is 40 times that if a renter, right, home ownership is one of the greatest wealth creators in this country. And so, that loan officer is able to really channel and change the perspective of a consumer to say, I'm in this to actually generate wealth generationally from my family and this guy is going to help me do that and I don't think a robot can do that as well.

Todd: You know, coming back a little bit, we had the financial crisis, there was a lot of obviously real estate related pieces to that. You know, there has been somewhat recently talk in the news about red lining and those types of things, do you think today mortgages are fairer for all borrowers than they've ever been before?

John: That's a really hard question to answer. I think the short answer is, no and the long answer requires a lot more unpacking. If you have a 760+ credit score, regardless largely of the color of your skin, you can get a mortgage, right. If you look, historically, over the last 20 years, 760+ FICO scores have done great. The people that had been affected are in that 650 to 750 range as regulation and risk appetite ebbs and flows and what we find, unfortunately, is that folks that come from disadvantaged neighborhoods or areas where they want to bury through the ceiling often don't have very thick credit files or any at all.

In order to be more equitable or maybe a different way to say it is to provide access to home ownership as a means to wealth building, we have to start looking at other credit models and other ways of assessing someone's ability to repay. This is debt and so you do want that person to be able to repay it and so what else could we look at to get you there.

When I was in American Express, we worked on this great product in India which has a credit bureau, but it only has credit data for a very small portion of the population and so we said, how do we get a mass rollout of this new credit card product that we want to do. And so, we went to one of the top airlines there and then we went to one of the top mobile phone companies and we merged their data to say, if a consumer comes and we can see certain behaviors and traits in their payment history for the mobile phone and their travel history with the Fruit & Fire (?) Program, you know, we can start to build a picture around credit worthiness for the consumer and that was 15 years ago.

So, I think there's a lot of opportunities like that in mortgage and that's going to require folks like Fannie and Freddie, people that ultimately set the rules, people who will set the guidelines for these loans to start to move and I think that's happening, you know, there's a lot of effort right now in Congress around access to home ownership. We saw Fannie recently start to look at rental history payments as a means to validate someone's credit worthiness so I think we'll increasingly see things like that. Where we want to participate is we have all the data, right, we see the data when someone comes through the loan, we can sort to identify people that are more credit worthy, whose loans perform better downstream, how do we increase those pulls to be able to give access.

Todd: Especially with the way work is changing because, you know, there's the space shift away from the typical "9 to 5" to either self-entrepreneurship we kind of are your own consultant that you do different pieces of jobs for different companies or the gig-type work and viewing those as borrowers is significantly different than what like a typical FICO score would spit out.

John: That's right. The industry that determines those guidelines will probably get there slowly. What I'm encouraged by is there's a lot of new models of home ownership that are emerging. So, you know, I have a friend, for example, who's launching a business called Acre Homes that looks at how do we give people access to home ownership in a short equity model, right, where you don't need to come with this with this huge down payment. The way that we look at them and underwrite them might be different than for a conventional loan so I'm excited about that because those are coming to market only faster than some of the innovations to the traditional mortgage path.

Todd: You've talked about, you know, your time at Amex and PayPal, what are some of the things you've learned over the years working there that you are now applying to what you're doing at Maxwell?

John: There's the cultural company building leadership aspects of it which I think are more generalist in nature and happy to go down that path if you like. I think there's also just the fintech psychology of it all, you know, for example, at PayPal we thought a lot about conversion. When someone's got something in their cart how do we get them to convert and move through that conversion funnel and that's important psychology in any online application and certainly in mortgage, like how do we get people to the next step, how do we give them that sense of security, whether it's putting locks everywhere on the screen or giving them confidence of what's coming next. I deeply appreciate the user experience designers that had been part of shaping what Maxwell is today and certainly what we had at PayPal. There's something to be said for the brand as well and the security that it gives them.

You know, we're a B2B brand, but as we think about our consumer, the consumers that use Maxwell, that come through the partners...the reason we love to work with these small lending institutions is they have local brands, whether it's Credit Union of Colorado or the Iowa Credit Union, they're present in their local markets and the CEO of the banks coaching kids soccer for his son's class, right, they're part of the communities. I think that brand's really important and certainly something I've taken away from PayPal and American Express, how do we make them the brand heroes in the conversation.

Todd: What's the biggest lesson you've learned about your company since launching a few years ago?

John: You know, what I've learned is the art of the possible. I would have loved to say in 2015 when we founded the company that what we're doing today is everything that I envisioned it to be and that is far from the truth, right. As a company, just like a child, you go through these development paths and the people you meet along the way, your advisors, your team members, your employees, your partners all have different ideas that come at different times and it's been really fun to see that evolution, right. I certainly can't take credit for most of it, it's the people that we've met and had been part of our journey along the way that's been really exciting.

So, what I've learned as an entrepreneur, as much as everybody "celebrates the entrepreneur" it's about the people that we get to do it with that ultimately make us successful and make the difference. I'm just eager to continue to learn that from the people in our business and the people I've hired, I mean, I'm at a stage now where we're hiring people far smarter than me to run parts of the business and that's a learning for me everyday that I get to learn from them.

Todd: The best piece of advice you've received since starting the company.

John: Gosh, I've received a lot of advice, a lot of bad advice too (both laugh). I think the best advice that I received is to learn from the critics and at the same time to not let that slow you down and stop. One of my buddies describes entrepreneurship, he said he was at his daughter's swim meet, he was

watching this kid and the kid climbed up this really high diving board all the way up and everyone's like, go, Nathan, go, you know, the kid jumps off the diving board, splashes into the pool and you looked at the kid and you could see like this sheer terror in his eyes, right.

He's in there, he doesn't know which way is up, which way is down. which is his left and everyone's like go, Nathan, go and my friend said, you know, that reminds me of entrepreneurship, right, everybody's out there, like we love founders, yeah, you're us, go for it and you're in the middle of the pool, you don't know which way is up, which way is left, you're dealing with tons of spinning plates all at the same time. What you know is the critics are important I think also kind of separate the noise of the people cheering for what you're going through, but without really understanding what it is. When you're in that moment of drowning in the pool to find your direction and to stay focused on it because you're not going to drown, right, you've got to keep swimming. That certainly powered us through a lot of the highs and lows.

Todd: I want to shift a little bit in our conversation. So, obviously, you guys are growing, you're growing pretty fast, you know, how do you kind of prioritize, ensure that you're not getting left behind, I mean, it feels like fintech, sometimes as I describe it as kind of like dog years. So much happens in one year, it feels like seven, especially in the crypto side of things, but you've been running the company for many years now, how do you ensure that alright, we're still on this right path, we're growing, we're going fast then all of a sudden you look up and it's alright, well now we're behind.

John: I would say a couple of things. One and probably the most important is customers. Spending as much time as we can with our customers is really important and that sounds so obvious, it gets harder to do the bigger the organization gets, but that's so important just to listen and hear what the challenges are they're dealing with so I would say that's the first.

The second is partnerships becomes so important because we just can't do it all, blockchain is a good example. At Maxwell, we've talked a lot about blockchain and the impact that it could have in the industry, we would contribute to that in a meaningful way, but if you look at our roadmap we're building pieces of what could be something in the future and we need to do that through partnerships, right. There are a lot of smart people that are specifically focused on that and if we can partner with our scale to deliver components into a shared solution that's going to great outcomes.

So, customers, partnerships help us stay fresh and moving forward and going on and then one of the things I look forward in leaders, as we grow the organization, is people that just bring different ideas to the table and don't come from the same backgrounds as me have been really valuable, right. So, one of the gentlemen that we hired last year came from the mortgage industry and he was COO at Phh back in the 2000s and then he run for someone at Chase and 4,000 people reporting to him in the mortgage operations, like the guy knows the business. It's been really exciting to spend time with him because what he sees is an opportunity to rebuild things that's he's done before with technology, he can bring a very different than I having never done that or we can really push each other and learn from one another.

Todd: How was the last couple of years? Obviously, you know, COVID and the dynamic it's had on not only society, but a wide variety of industries, you know, real estate obviously being one of those, how has that played out for you, the team and are you guys all in one location, remote, hybrid? How's the structure of the company and how has the last 18 months, two years, how's that played out for you and the team?

John: I'll speak first of the industry. If you circle back to March, April 2020, that was a really scary time for mortgage, liquidity seized up, we sat around and drew up a plan where 40% of our customers will go out of business and what did that mean for us and what do we do. We furloughed a good portion of our team, we cut salaries and didn't know if we would survive. Instead, as everybody knows, once we got through that liquidity crisis things really turned around and started growing again. You know, I think we've been very fortunate to find the partners and customers we have through that period to grow as much as we had. Now, we have the refi boom and now into the purchase boom over the next five years.

Those at the team, we've always prioritized building our team in Denver as much as we can, but today we have more people outside Denver than we do in Denver so we're a team of over 300 people across the US today and we've spun up a hub in Dallas, a hub in Rawley, you know, learning continually everyday how to work in a hybrid team where some people are more in-person, others are working from home and how to make everybody feel included and part of something.

My biggest concern as a CEO and an employer is that work becomes more transactional, it's something I log on to and see my boss in a little box like a TV, you know, I do my job, I get a paycheck and I log off and do the things that I care about. I think work was meant to be more than that, right, work was meant to be something that challenge us and stretches us and grows us and it's really part of who we are as a nation and all the hard work that's happened to build America. It will be interesting to see what happens to the "workforce" as we go through this huge change of how work feels and looks. How do I, as an employer, engage my team members in, you know, the vision and mission and values of what we're building, it's a whole new challenge.

Todd: A lot of founders that I talk to talk about, you know, they have to be a lot more intentional now. There's a naturalness of a team in an office so maybe X group of people going to lunch or, you know, you can pull someone aside and say hey, this new work, keep it up or....now, you know, it's like I have to set time in a calendar, I've to write everything down, make sure there's handbooks available. The intentional nature of running businesses has gotten a lot more complicated than it used to be.

John: Yeah. One of the things I learned that we did when we all went home in March 2020 to flatten the curve, remember that?

Todd: I do.

John: We started to do weekly goals so get the whole company together on Monday, we call it Monday Commits and we set every team makes one commitment for the week to get done and it just

kept people really engaged. We would basically see each other on Zoom twice a week and we added a mid-week sync on Wednesdays where we just get together and talk for 15/20 minutes and talk about what's happening around the business, but that recurring nature of seeing each other three times a week, to your point about intention, was really important.

The other thing I try to do is call people on the phone, kind of a novel concept, but sometimes I feel like phone calls feel more intimate now than they used to be for whatever reason, that personal touch and reach out can feel a bit more spontaneous than sometimes a scheduled Zoom meeting.

Todd: Yeah, that's true. So, fintech has become one of the hottest segments, especially for investment, you know, more so in private and public markets, but I know that you guys have raised some outside capital. How was that fundraising process and what did you learn about your company through that process that maybe you didn't know beforehand or maybe reinforce something when you're talking to investors and kind of pitching the product and your company.

John: I'm really grateful for the investors that we found over the years, you know, folks like (inaudible) and Fin VC and folks who really specialize in fintech. I think if I had to go back and do it all over again, I would try to win back those hours and hours that I spent with more generalist VCs and really focus my time on folks that understand fintech, they understand that it's hard, it's complex, how fragmented it is, the dominance of the incumbents and how to launch business models that can work around the existing structure of an industry.

There's a lot of very unique things, not to mention the regulatory and compliance overlays, but I think that a lot of the generalists just...they had a hard time, from a VC perspective, with their pattern recognition, right, because fintechs sometimes will take longer to get traction and get to a point where they're scaling at the same rate of just a normal SaaS business. So, that's one of the takeaways, you know, as a founder is finding VCs that understand, even if it's tentatively, what it is you're trying to build rather than wasting the time with more generalist VCs who don't specialize in that area.

Been lucky to find investors who are just as fascinated as we are with complex markets like mortgages and eager to build with them. That's the big reason why folks, you know, like Wells Fargo joined our cap table as an investor, they understand the mortgage market, where it's going and what's going to be needed in the future to evolve and change the market.

Todd: Before we end with a little fun, what piece of advice would you offer to a fellow founder?

John: I think the biggest thing for me, you know, I have a young family of three boys all under seven years old, two of them not born yet when I started Maxwell, is to draw boundaries between work and life and to be maniacally focused on that, right. I think about parenting and marriage like those drops in the bucket that I mentioned in the same way, right, so being home for dinner every night, that time between 5:00 and 7:00/7:30, the kids are sacrosanct, no technology, being really focused on them. If I need to log-in afterwards, I'll do that, but I think preserving that is really important, you know, I can

always get another job is the startup fails, I can't get another family and so making sure that I'm investing in them is really critical for me.

Todd: Do founders, do they make that mistake thinking they always have to be available and "on-the-clock" too much. You know, there's nothing I can put boundaries with, like it's my baby, it's my thing, I have to be available.

John: It's availability, but there's also just so much to do (laughs), I have 650 unread emails right now, there's just so much to do and I think it doesn't stop when you're building a business at this pace. You have to be, to your point earlier, super intentional about what's important when, I'm not sure I'm great at it. To be honest, I think the other challenge other founders have is this never shuts off so I can be playing with my 4-year old, but I'm thinking about a term sheet or I'm thinking about the product design or something else and that takes even more intentionality sometimes.

Todd: So, I have just a couple of minutes left here, I like to end with a little bit of fun. So, do you have a favorite book and what was the last book that you read.

John: Sometimes my last book is my favorite.

Todd: It can be.

John: (laughs) I just read "The 4 Disciplines of Execution" and, you know, we've been using the okay air framework here at Maxwell since we've been founded which has been great and we've just shifted over to 4DX, it's been really cool to see how that framework has been working for us. So the whole idea of 4DX is you pick one specific wildly important goal and everybody in the company spends 10/20% of their week moving measures towards that goal and makes a commitment towards it. The goal there is to see a breakthrough in one specific area over a period of time. So, that was a really great challenge to me to read and engage in.

Todd: Do you have a favorite sport or sports teams that you root for?

John: I used to before I started the company. (both laugh) So into Duke, you know, Duke basketball is always a pleasure, excited to cheer for them when I get a chance, but kind of lately I don't even keep up these days, it's work and family, it's pretty much it and when I can, I get out and play tennis with my kids.

Todd: Final question, biggest inspiration in life.

John: You know, I'm a Christian and so when I think about my inspiration, you know, looking at the life of Jesus Christ, as an example, is a huge inspiration for me, right, of somebody who came to earth to serve, to serve others, to treat people equitably and prioritize love over anything else, over any sort of political agenda or any sort of social agenda, it's just about loving and caring for people. So, any opportunity I have as a Founder and CEO to lead a group of 300 people that I get to do everything I

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can to care for them and make sure they're gainfully employed and care for their families that's a great honor for me so through that Jesus Christ should be a great inspiration.

Todd: John, I greatly appreciate you giving me a few minutes here today, How can people find Maxwell and you and the team.

John: Yeah. So, go to himaxwell.com, yeah, that's our website, himaxwell, and find us there.

Todd: Well, continued success, you know, hopefully, we'll get you back sometime in the future, I wish you and the team well and thanks again for coming on the show.

John: Thank you, Todd, good to be here.

Todd: Thank you.

(music)

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