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LEADERSHIP & BUSINESS PODCAST

EPISODE 60: MIKE MCSHERRY – ENTREPRENEURSHIP & SUCCESS

Ken White

From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast that brings you the latest and best thinking from today's business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I'm your host Ken White. Thanks for listening. Well, most entrepreneurs and professionals who live in the startup world know that success is hard to come by, especially in the technology arena. For many in that space, the number of failures far outweighs the number of successes. But for Mike McSherry, that has not been the case. McSherry has successfully sold four of the five startups he has co-founded. He's currently the CEO of Zealth, a digital prescribing and analytics platform integrated into healthcare electronic medical records. Before that, he was CEO of Swipe, the touchscreen technology installed on over a billion smartphones and tablets, and prior to that, he was co-founder of Boost Mobile, which is now Sprint's prepaid service that generates several billion dollars in annual revenue in the US. McSherry has had a string of successes, and he joins us on the podcast today to discuss his career, entrepreneurship, and the tech startup space. Here's our conversation with Mike McSherry.

Ken White

Mike, thank you for joining us. I know you've been the last couple of days talking to students and interacting with them about entrepreneurship. What are some of the things they're asking you?

Mike McSherry

How I got into it? Why I made career choices? Did I worry about the risks? Are there any things I would have done differently? They're all curious. They all say they want to be entrepreneurs, but their commitment to actually making something happen might waver in their indecision against money, career, job choices, career path, intentions, etc.

Ken White

We'll ask the same questions I think when I hear about you, when I read about you, the label that comes up to me is serial entrepreneur. Is that a fair label?

Mike McSherry

Yeah, although I just generically call myself more a startup guy. For 20-plus years, I've been doing tech startups.

Ken White

And what is it about that interests you?

Mike McSherry

I was working for Microsoft at the time in Australia, and I had a conviction of strategy that I didn't think they were pursuing things correctly, and that's probably borne itself out if you see how they did on the Internet versus Google and others and against that conviction of strategy. I quit, and I was in Australia. I moved to Australia with Microsoft, and I could have worked for the Microsoft office down there doing Windows or Office. I could have moved back to the US, and I wanted to stay in Australia, so I quit and started up a company with two Australian guys I had met, and that went on to become the biggest web development company in Australia and New Zealand, and we sold that, and that set off my entrepreneur path. But as on the conviction of a corporate strategy, I didn't agree with that. I said I want to do something differently, and I'm going to quit.

Ken White

Fantastic, but that takes a certain personality. There's a certain DNA. What is it about your upbringing, family, friends, characteristics, what makes you tick, what got you there because not everybody would do what you just described?

Mike McSherry

First off, I was young and single, so decisions were all on my own. My dad spent 20 years in Navy, so I've moved all over the world, lots of different experiences, roll with the punches, flexible, and I just thought that the Internet was going to be a big thing and wanted to stay in it. But again, a conviction to just do something differently and what are the downside risks. I'd bounced around, traveled quite a bit, even extensively, before making that decision down in Australia, and that just led to flexible flexibility. I'll land on my feet. I'll do it, and we'll see how it works out.

Ken White

And now, your role now, can you tell us about that?

Mike McSherry

Sure. So well, in between Microsoft and where I am now are 20 years of other startups, but now I randomly decided to get in healthcare, and Providence which is the third biggest hospital system in the country, the biggest in six states, is headquartered in Seattle, and

they hired a team and my exact team that I've done many startups with to be entrepreneurs in residence so internal innovation and they we jokingly call ourselves free range entrepreneurs in residence in that we were given no guardrails just basically invent something.

Ken White

Wow.

Mike McSherry

And so we've created a technology that more easily allows physicians to prescribe digital services to patients. For patients to consume these digital services, and then we track the engagement against all those services and show it back to the physician and care teams for interventions and monitoring for better effectiveness of outcomes.

Ken White

What is it that attracts you to that to the healthcare area?

Mike McSherry

I was early days Internet and rode that wave. Early days mobile rode that wave and had a built-up a nest egg and a little more flexibility of choice of what I wanted to pursue. I was in mobile advertising for a while, and I didn't find that was going to have a meaningful impact for what I wanted to do in the world. And when healthcare presented itself, said big problems, big issues. I think there's something we could probably invent that would help solve some problems there.

Ken White

In addition to being you and your team entrepreneurs in residence, as you mentioned, go figure out something, create something. What about the rest of the company? Did you interact with people who wanted your advice? Did you try to teach entrepreneurial thinking throughout the organization?

Mike McSherry

Yes. So Provident has a hundred and twenty thousand employees. Big organization, we're their first EIRs. Their first in-house incubation effort, and we get a lot of executive attention from the CEO on down of what we're doing. Everybody wants a silver bullet to solve healthcare, and that's not going to necessarily be what occurs, but we think we've created a solution that is going to vastly simplify physicians' efficiency to digitally engage with patients, and we're getting a lot of attention. And I was just in DC, and Providence has lobbyists in DC, and they were showing me around to all the government officials on hey look what we're doing here is a great technology we're innovating and incubating, and so

we get a lot of executive attention and support for what we're trying to do, how we're trying to differently to alleviate some of the cost burdens and complexity of health care.

Ken White

Now before that, Swipe right. Was that the stuff?

Mike McSherry

Yeah. Maybe I'll even go all the way back. After that web development company in Australia, and we sold that. I then met an Australian guy and co-founded a company called Boost Mobile in Australia, which was a mobile prepaid service down there at the time, and I ran all the products and devices there. So early days of licensing Nokia phones. This is back in 99 so early days of mobile.

Ken White

Yeah.

Mike McSherry

I then moved back to the US and co-founded Boost Mobile in the US, which did a joint venture with Nextel, and now it's Sprint's prepaid service doing four or five billion a year in revenue as a global, national brand. And then, I tried the same effort against another large wireless startup that raised four hundred million dollars. Now went bankrupt. So there is a big swing and a miss. But that then led me to Swipe which was a success story.

Ken White

Yeah, no question, and you say swing and a miss. But that's a heck of a batting average for you because a lot of entrepreneurs not even close to that kind of a batting average, and that's part of it, isn't it?

Mike McSherry

Yeah, I've been successful on exiting 4 out of 5 companies I've started, which is a phenomenal success rate in startups. I've never been the one explicitly with the idea, but I've always been one of the first three or five guys in the company, so I think I choose ideas extremely well and trust in people and bring an execution capability to that team and leadership team to help create it into a company and business opportunity and a value.

Ken White

I think oftentimes, at least when I'm talking to people about startups about entrepreneurship, they tend to think individual, but you just said the T word team is so critical. How do you choose that right team? Is it a gut feeling is it.

Mike McSherry

I've heard that. If you distill a startup CEO's role, it's to communicate a vision, create some idea, and sell that vision to investors to, new hires to customers. Hire well, so create that fabulous team, and then don't run out of cash. And if you do those things as well as a startup, everything else will take care of itself. So back to the team. My COO at my company right now was my COO at Swipe, and he and I go all the way back to sharing an office at Microsoft back in 1993. So we've worked at four companies together over 20 plus years. The rest my team, one guy I worked with for 12 years at multiple companies, and of the new company itself that I'm working at, the first eight employees are all ex-Swipe employees. So you always jog back into the well and pull people you know and trust in, and it's that degree of loyalty in a team that I think propels fantastic opportunities.

Ken White

Is it the kind of team that tends to think similarly, or is it one of those teams where there is a very different viewpoint, and you get into some?

Mike McSherry

No no. We have extreme heated discussions you need you need differing viewpoints you need different skill sets. I myself was an econ major, my COO was a English major, my head of product is a computer science major, and so it's that diversity of thought and experience and clashing of technology, business opportunity, customer request, focused prioritization that all lends itself towards choosing a path and we've proven that we effectively work as a team and make these decisions collectively and ultimately in mutual fashion. And I think that you know, that lends trust to customers to investors to other hires that you know hey here's a team that's done it not once, not twice but multiple times, so I'm going to bet on them again.

Ken White

We'll continue our discussion with Mike McSherry, CEO of Zealth, in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education helps companies and organizations from all over the world by creating and delivering business and leadership development programs. If your organization is looking to get to the next level, contact the Center for Corporate Education to discuss how we can create and deliver a program that specifically fits your needs and gets results. For more information, visit our website at wmleadership.com. Now back to our conversation with the CEO of Zealth, Mike McSherry.

Ken White

Going back a little bit about Swipe. Can you tell us the story? I mean, it's amazing that it's something you created, something we're using every day, which is pretty cool when you think about that.

Mike McSherry

Yeah. Yeah. And the story is it all rests on this gentleman, Cliff Kushler invented it, and he had actually invented a prior text input technology in the old flip phones, the 90s phones that did predictive text on that, and that technology t9 has been put on 10 billion phones. He invented that technology on disability research. So you got a PHC in augmentative communication helping people with disabilities to communicate easier. Hearing aids, speech synthesizers, and he had the insight that entering text on small phone keyboards was a difficult proposition for people with disabilities, and solving for that population brought itself to a mainstream use case. And after selling that company for 400 million, someone challenged him to come up the solution for people in wheelchairs that only had eye control or head control. And how do you do eyes-free text input? And he just thought that a continuous trace path of your eyes over the letters of the keyboard are going to be significantly faster. And he started inventing and working on that. And this is pre-iPhone, pre-touchscreen, pre-anything. He just was helping to solve a problem for people with disabilities. And then, when the iPhone came out, the opportunity exploded, and Swipes now been put on well over a billion devices, mostly Android devices. But a huge success.

Ken White

You mentioned earlier good batting average, but like all startup professionals entrepreneurs, there's failure. And how do you deal with that? How do you come back from something that certainly hurts?

Mike McSherry

It does hurt. Fortunately, it amped the company that had the big bankruptcy. I was not CEO; I was head of product, and the product side was lauded as having done a number of innovative firsts. So I felt pride in my own accomplishments. You have to accept your failures and your role in that, but then you also want to do a revisit and a post-mortem and what could we have done differently. And even though we were a 400 million dollar bankruptcy, collectively, there were probably two or three billion dollars lost at the same time. ESPN Mobile, Disney Mobile, Helio mobile, lots and lots of other efforts tried to do a comparable business model, and the business model failed not just our company. So you can kind of relate to what you learned from that. And as I went on to my next effort in raising my next money and generically, the investment committee said well, geez, that was a big mistake. I'm glad you learned that lesson on somebody else's dime.

Ken White

Right.

Mike McSherry

And it's no skin off my back, and it's actually seen as a positive that I have gone through failure in the decision process of declaring bankruptcy and picked up again from there with optimism, enthusiasm that there's technology change and that's going to lead to opportunities and create businesses.

Ken White

I remember early in my career, I was applying for a position, and the CEO said have you've been fired before right. And I hadn't, and I said no. He was disappointed, and I didn't understand why, of course, and for that very reason, he wanted to see are you resilient can you bounce back. What were the lessons learned? And it is amazing what that kind of experience can teach us. We talk a lot, and we hear a lot about the gig economy and people, especially millennials thinking about not even having a full-time job but putting things together. I've got expertise. I can go out and get clients. That's a startup that's an entrepreneur. But many people don't know how to approach it. What kind of advice would you have for someone in that position who has expertise? Is really good. They don't know how to go out and do what you do.

Mike McSherry

Yeah, the Uber of X is kind of labeled against everything, and you know, Uber has certainly created a new class of workforce, and there's a lot of laws that are trying to catch up with both the pros and the cons to that sort of gig economy basis if I stay with Uber for a second massive, massive transformational change coming in trillions of dollars, and you know won and lost. You know, the traditional auto manufacturers, the fleets, the Ubers, the technology companies, and insurance companies, parking, and transportation. And so I think staying abreast of that is going to create, you know, countless opportunities. But it's also going to create these gig jobs, and then there's risk of, well, are those jobs even going to disappear because there's going to be autonomous driving and there's not gonna be a driver there. Back to the question of gig economies and how you take advantage of it. You know, I think everybody has a discreet skill, and there's opportunities for marketing that skill now more rapidly and easily than prior. I like crafts, so there's Etsy, and there's now 3-D laser printers and cutters and lots of businesses that spring up around that. There's gig economies around design, and you know, paying people for design, you know, logo design and marketing design and elements, but you're competing at a global level. I mean, I don't care who does a design for someone from Malaysia or someone from Idaho or DC. It doesn't really matter. I'm looking for the best design for the cheapest price. And so there are going to be winners and losers against that. And I think a lot of that is going to go to how you market yourself and manage rankings and ratings. Airbnb is

another one, and I use that for business travel. It's a third the price of a hotel. And generally, when I'm doing business travel, I'm out at a dinner, and I get someplace at eleven o'clock, and I wake up at seven, and I'm gone, and what do I care the bed that I sleep in and that allows people to afford mortgages and take vacations and do other things. So it's creating lots of different, more flexible options in life. And I think the more flexible you are at taking advantage of those options and marketing yourself against those options and participating in that, the more you're going to benefit. If life just happens to you, you may become a bit more of the negative consequences of the gig economy, and that might not have health insurance and might not have 401k retirement planning. And so those are the challenges that the gig economy is going to have to figure out how society helps to foster a support network against that.

Ken White

If you had the opportunity to go back to your 25-year-old self, give yourself some advice today. What kind of advice would you have shared with the younger Mike?

Mike McSherry

Frankly, I don't know that I'd have regrets on how I've chosen my life. I made the best decision at the time that I could have, and I followed the advice and insight I had at that time to do such. I have explored and traveled and made friends and family. I have a beautiful wife and two young children. I love being part of a family. Would I have wished I had started a family sooner? Who knows. That's life. So I don't know that I live life with any regrets. I myself have lived overseas for 25 percent of my life. I've traveled extensively with my family, but we've not lived overseas. And I think I'd ever regret if I didn't try to create that opportunity for my family but that I still have the opportunity. I just need to make that happen.

Ken White

Excellent.

Ken White

That's our conversation with Mike McSherry. And that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs. If you're interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at wmleadership.com. Thanks to our guest this week, Mike McSherry, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.