

# Episode 13

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## SUMMARY KEYWORDS

JobsOhio, economic development, small business investing, access to capital, profitability and balance sheets, deferred gratification, Intel Ohio investment, workforce retention, college graduate retention, servant leadership, board governance, public policy and communication, small town roots, Bellefontaine, Sherwin-Williams

## SPEAKERS

Jason Duff, Robert Smith, Ethan DeLeon

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**Robert Smith** 00:00

You've got to be persuasive. You've got to make the case, communicate using words and phrases that people understand. One of my friends is a former publisher of the Cleveland Plain Dealer, and he taught communications at St. Louis University. And he said, the main theme of my instruction to the students is communication isn't what is said, it isn't what is heard, it's what is understood. And that really resonated with me. And I think about that a lot when I'm communicating, to think, am I really saying words and phrases that people will understand.

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**Ethan DeLeon** 00:41

Hey everyone, my name is Ethan DeLeon and I'm here with our founder and CEO of Small Nation, Jason Duff. Today we are honored to have the current chairman of the board for JobsOhio, Robert Smith, joining us. We want to welcome you to the Small Nation podcast where we share some of the valuable lessons with what we have learned about entrepreneurship, real estate, economic development, and more. The point of this podcast is to create value for you, the listener, and to create a space to learn, talk about what's trending, and inspire others.

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**Ethan DeLeon** 01:06

So Jason, why don't you introduce our guest for us?

**J****Jason Duff** 01:09

Well, it's my pleasure to have Bob Smith on today. Bob has been someone that I have admired for about 20 years. I had the chance, a first-generation college student, and if you wanna, maybe I've shared this story, if I haven't, for guests that are listening, if you wanna flip out your very traditional conservative small business parents, you tell them you're going to go to a liberal arts college and you're going to be a music major. So I luckily had in high school a really awesome music teacher that said, Jason, you've, you've got some abilities and talents as a performer and you should go audition for a scholarship. And I found that ONU, Ohio Northern University in Ada, Ohio, had a summer music camp. And that was my first experience to actually walk on campus. The thing that really surprised me was the kind of people that I met that took a genuine interest in me. And going through that program, being on stage at the Freed Center of Performing Arts, and then getting introduced to faculty, alumni, other folks that were serving at the university, I will say that's one of the things in my life that has drastically made my life better. And one of those individuals that has completely inspired me and served our university in a number of capacities, but, but particularly on serving on the board, was Bob Smith. So Bob, it is a pleasure to have you on the show today.

**R****Robert Smith** 02:36

Thank you, Jason. And I must say that from the time I met you as Student Senate President, and at our Northern's board, we always had the Student Senate President be part of us. Early years, they were honorary members, not voting. In later years, we changed the bylaws that they were voting. And one of the people that helped inform us about the important voice that student leaders had was Jason. So he was someone dedicated, demonstrated vision at an early age.

**J****Jason Duff** 03:01

Appreciate that, Bob. Thank you. No, it's— the thing about education is that it, it comes in many different facets and parts of life. And not that higher education is the, the end-all be-all for everyone, but the chance to meet people that change your trajectory and change your life. Tell us a little bit with your career and how you got started. Um, you know, how did it all begin?

**R****Robert Smith** 03:26

Well, I'm also from a small town, Cadiz, Ohio, in Harrison County. One of 6 kids. Um, you know, with a name like Bob Smith, it's kind of generic, but in a small town, I didn't know it was generic. I was proud to be named after my mother's brother and my father's brother. And, uh, so those Those names were important to me, significant. And it was only later in life where I realized that Bob Smith was pretty generic. But growing up in a small town really gives you a sense of community, gives you a sense of roots. You know, when you walk through our uptown area in Caddo, you recognize everybody. Everybody recognized you. It was kind of a helpful— you had parents everywhere. So if you were thinking about doing something inappropriate for your age, there were spies everywhere. And that really helps.

**J****Jason Duff** 04:12

They got back home quick.

**R****Robert Smith** 04:12

Got back home quick. Back to the straight and narrow. But I have great fondness. My 4 of my 5 siblings still live in my hometown, and it's a great community.

**J****Jason Duff** 04:21

That's awesome. What is it about Caddus and towns that are like it that you think make it a great place to live, to work, to grow a family? And maybe kind of speak to why, why have some of those towns been challenged?

**R****Robert Smith** 04:36

Well, they're great places to live and work because you have family You have very close friends and you have extended friends. So I believe that people like to live and work where they know that people care about them and they know that people nearby they care about. And small towns give you that opportunity. When I moved to Cleveland, I've lived in other parts of the country out west. I lived in Denver and I lived in a small town in eastern Utah. But small towns in Ohio, It's just, you have a sense of belonging and it's something that really resonates. When I moved to Cleveland, I quickly got a sense of this is maybe a lot, it's a city, but it still had community and there are different sub-communities, but it's quality of people around you that really matter.

**J****Jason Duff** 05:22

And professionally, how, you know, after you left your small town, kind of fill us in on that journey.

**R****Robert Smith** 05:29

So I went to undergraduate at Ohio Northern University, as did you, and, It was— I went there because it was in a small town and it was a small university. I grew up— my high school class had 85 students in it. So I knew I wanted to go to a private school and Northern demonstrated that every way. And there I met people who were great people, just wonderful people, lifelong friends, and influenced my life. The experience there probably gave me more context and appreciation for the experience later in life. I lived out west for 5 years and when we came back to Ohio, I wanted to reconnect with my— the folks at Ohio Northern. And it was then that I realized the lifelong friends I had that I met there and the faculty members that were there. Roger Young, who I just saw recently, was my accounting professor, and reconnected, got involved in the advisory board, the College of Business. And then a couple years into that, I was asked to join the board of directors there, board of trustees.

**J****Jason Duff** 06:27

So in serving, what does that mean to you when it comes to governance and, you know, for those that are listening, a lot of folks in towns may join a Chamber of Commerce. They may be interested in serving in some capacity for their church or a local nonprofit. What have you learned about service and the roles that you've had in serving organizations?

R**Robert Smith** 06:53

What I've learned is that, you know, quality of life is affected by the laws we live by. The elected officials we have, and public policy matters. I quickly followed the footsteps of my father who got involved as an elected official to get involved in issues that needed attention. I was a small business owner. Small business owners, we clearly outnumber all businesses in terms of numbers, and we drive a lot of employment, but we didn't go to school to be small business owners, so there's a big learning curve around how to be effective and profitable. But I quickly learned that many times there are laws that really prohibit or inhibit growth, and having conversations with elected officials to help them understand what rules and regulations they were having that had the opposite effect of what they hoped for. That got me involved in helping people get elected that had a really bright people capable and had greater good in mind. It's just been a wonderful journey. I've got to meet some wonderful elected officials. I've been I think appointed to public positions by I think 4 or 5 different governors in Ohio, and both parties. I just think, especially in Northeast Ohio, you know, it's not as Republican as the rest of Ohio. And I've had to tell some of my Republican friends that, you know, in Northeast Ohio, we have to work with elected officials we have. And so when we care about a public policy, we need to be effective in our communication and have relationships that give us hope for, you know, better public policy.

J**Jason Duff** 08:28

You know, today you turn on the news and things are very divisive. And I think that that has filtered down to every levels of our state and our community. What is your philosophy and how do you heal that pain at times?

**R****Robert Smith** 08:43

You know, whenever I see consternation, whenever I'm frustrated with a situation, I've learned to quickly take the question of, all right, What are you going to do about it? It's one thing to be frustrated, which is an emotional state. It's sometimes helpful to vent your frustrations or articulate your frustrations. So once you've said that, you can move to a problem-solving state. But I continue to think and challenge others who come to me with their cares and concerns and say, all right, legitimate concern. I'm not telling you I agree with everything you said, but What are you gonna do about it? A friend of mine, I was part of Leadership Cleveland and our class went to the Harvard Business School and there were some case studies about Cleveland that they were debating and we were there to listen, observe, and then opine later. One of my friends was there with us and he had actually been in that section at Harvard Business School himself. And he said the last day of class at Harvard Business School in marketing, professor wrote up on the board, being right is irrelevant. And he said, I had a kind of a gut reaction like, no, no, no, no, everything you've taught us at Harvard was get the data, analyze it, make your recommendation, and be confident because of the analysis you've done, the quality of your data, that you've made a strong recommendation and people will support it. And now we're being told that's not enough. And my experience in the public sector especially is being right isn't— it is irrelevant. You've got to be persuasive. You've got to make the case, communicate using words and phrases that people understand. One of my friends is a former publisher of the Cleveland Plain Dealer, and he taught communications at St. Louis University, and he said the main theme of my instruction to the students is communication isn't what is said, it isn't what is heard, is what is understood. And that really resonated with me, and I think about that a lot when I'm communicating, to think, am I really saying words and phrases that people will understand?

**J****Jason Duff** 10:51

I admire that, and I think that's a message that more people need to hear today. So thank you for sharing that. You know, thinking about towns, and, you know, I know part of your professional background is a lot of businesses you run into have a tough time raising capital. And, you know, being able to get access to money or people, maybe just even the education of learning about how to make money work for you. Um, your career has been about investing.

**R****Robert Smith** 11:19

Yeah.

**J****Jason Duff** 11:19

Can you tell us a little about like how you got involved in investing? And just for those that may be listening about understanding money, what advice would you have?

**R****Robert Smith** 11:29

Well, my undergraduate degree was in accounting at Ohio Northern, which gave me an appreciation for accounting and the vernacular it gives in business. I went on to get an MBA from Duquesne in finance, and I remember when I studied finance especially that the issue of the quality of your balance sheet, the strength of your balance sheet, and I categorized that as a financial concept. However, once I became a small business owner, I realized that the quality of their balance sheet or the strength of your balance sheet was not a financial concept. It was an emotional concept. If you're not well capitalized, it's hard to make the right decision. You have desperate needs for cash flow, and sometimes desperate needs in the short term don't lead to good long-term investments and long-term outcomes. So that's an important takeaway. And over the years, I've been involved in consulting with small business owners, and many share the concern of it's hard to get access to capital. And I quickly validate that and then say to them, "Well, let's look at your profitability." Oftentimes when I look at the profitability of small businesses, I say, "It looks like you don't respect the capital you have. Why would you expect a bank to think you're going to treat their money differently than you've treated your own money?" And it gives them pause. And then I have to caution them that banks operate on very thin margins. So the only upside they have is that interest income. The downside is 100% write-off. I said, you need to demonstrate to lenders, whether it's a bank, traditional financial institution, or private lender, that you respect the capital you have, and you demonstrate that by being profitable. Profitability is important because profitability drives opportunities to reinvest and grow, Growth means opportunities to hire people and train people and expand the economy, and the whole capitalistic system works on that.

**J****Jason Duff** 13:26

Some folks, and I think this is a narrative that sometimes gets misused, but think that money is bad. What's your opinion about that?

**R****Robert Smith** 13:35

Money is a vehicle to accomplish greater, greater goals, greater good. I think about the cycle of investing in a business for a better outcome. When we make investments at JobsOhio, we're making investments in companies that will add to payroll in Ohio. It's all on our return on investment concept. Money is the metric we used. Money isn't good or bad, it's just a vehicle that is used to make sure we're making progress or provide evidence that we're not.

**J****Jason Duff** 14:06

Talk to, talk to us a little bit about JobsOhio and what makes it special and what, what, how is it different from what other states are doing?

**R****Robert Smith** 14:13

Well, it's a private nonprofit corporation. So it has a separate funding stream. Many people assume that the money JobsOhio uses for grants is taxpayer money, and the truth is it's not. JobsOhio was able to issue bonds. Those bonds created a pool of money that we turned around and gave— paid the state with for the liquor franchise for a 25-year lease. And it's the profits on the liquor franchise that provide the monies for the grants, the money for our— to pay the debt service on the bonds. It's the money for our payroll for our staff. It's unique in that because it's private, we have a little more flexibility than the public entities have in terms of confidentiality. So when businesses are expanding or thinking about relocating, there's a significant amount of confidentiality that's involved, and before they're ready to go public. JobsOhio gives those businesses an opportunity to explore opportunities for assistance knowing that their information is private, confidential until the point of a decision to make a grant is made. And those companies know that once we make a grant decision, it becomes public knowledge. But they can then more importantly share with us ahead of time what their strategies are and let us use the talent we have. We've got industry experts on our staff. That know industries, know best practices, and help them figure out how to navigate the dollars we provide, the dollars that state might provide or local entities provide, that really positions us uniquely. The strength of JobsOhio became most apparent in the last couple years. First, in the pandemic, when state budgets got hit because of the shutdown of the economies across the country, state budgets out of necessity had to cut economic development dollars. JobsOhio was not part of that. So JobsOhio had a continued funding model. Actually, our profits, we were averaging about 2 or 3% revenue increases on the liquor franchise up until the pandemic. The pandemic caused about a 16, 17% increase. So it made a big difference. So we had resources to continue helping businesses expand when other states did not. And that stood out.

**J****Jason Duff** 16:27

What I love about your perspective and being here in Bellefontaine today is that you have investing background and experience, community engagement with university, you know, background, and then also from, you know, state level and appointed public positions. What is— you saw the streets of Bellefontaine today. What did you think that was cool? You know, the investment model versus taking public money Talk to us a little bit about just kind of how you saw, you know, the streets of Bellefontaine today and maybe, you know, how other people may be looking at it in their small towns.

R**Robert Smith** 17:06

So what I saw in Bellefontaine, either personally or in some of the pictures, was before and after. Yeah. And I also got to meet people that were very committed to the change. That put their money to work, that attracted other people to their vision, that also then would put money to work. It was contagious. Ohio has a lot of communities like Bellefontaine in terms of size. They're in different states. My hometown was — had a major hit due to legislation from the Clean Air Act. My hometown was a major coal producer. About 17 million tons of coal were mined in Harrison County. In the '60s and '70s. We were a very big coal producer. And I know there are a lot of thoughts around coal and clean air and clean water, but the Clean Air Act really put a big hurt in the coal that was being mined in the future. So the jobs left my hometown, and many of my friends and family had to leave to go find jobs elsewhere. Those who stayed because they really wanted to stay in their hometown had to drive further and further away for jobs that paid less. So I saw what happens when communities get too dependent on one industry. I saw what happens when communities lose a major employer and you are left with people who aren't reinvesting in their community. And in Bellefontaine, I saw some evidence of what had — buildings that had decayed. I saw a lot more evidence of buildings that had decayed and got turned around and reinvested in. There were several properties, Jason, you pointed out that had fires, and I said, In my hometown, when buildings had fires, they got knocked down right afterward, and what would replace them may not have been the best thing. But you have the recipe of local support, and one of the things the governor has been very outspoken about is when many people come to the state for resources, whether it's JobsOhio, Department of Development, and they know they need money, but the governor is very quick to say, What are you doing? What is your plan? What is your vision? And let us evaluate that plan and figure out what our role is in plugging into that. And what I saw here in Bellefontaine was you not only have a vision, you have a plan, you've worked a plan, and you're very far up the curve in terms of this continuing and causing other people to want to come here. And United States is in a unique time right now where the pandemic caused people to really appreciate living closer to friends and family. Yeah, appreciation for they could literally live anywhere they wanted to. And for people to, with that reality that they could live in Bell Fountain and pay housing or rent that is much more affordable than what they would see in major cities, let alone the coast, it should provide opportunities for people say, wow, I can have my West Coast job that pays West Coast salaries and live in a community like Bell Fountain that has community, it has all the amenities In terms of a small town and proximity to a major city like Columbus that's growing and prospering, it's the best of all worlds.

**J****Jason Duff** 20:17

Well, we appreciate you sharing that. And, you know, today we had a chance to grab coffee at our local coffee shop, and, and we then walked around and explored some of the specialty retail stores, and then we walked in to Build Coworking Space. And, you know, I think Bob kind of lit up with that, saying that, you know, there is a need for these shared office spaces in tiny little towns peppered all around the state and all around the country. And I think it's giving people the confidence in knowing— it takes a lot of courage to be the first in your town to open up a new business, whether it's a new restaurant or a new retail store. When you are the first, it feels very lonely. And I think, you know, what I appreciate about partners like JobsOhio, and he mentioned that the the technical assistance, the training, the access to professionals that can support you. That is something that's very special about what we do in Ohio that doesn't happen in other states. But I, I, maybe you can speak to that. What, what does it mean to have the courage to sometimes, you know, leading today, and leading means a lot of things, but let's just maybe say you want to do something to take back your town. How do you have the courage to take that first step to do that.

**R****Robert Smith** 21:31

You know, as you were talking about that, reminded me of a couple of former professors at Ohio Northern who were married, uh, Chips and Mina. Chips was an accounting professor, Mina was an economics professor.

**J****Jason Duff** 21:44

Let me tell you, my freshman year I had her as my accounting professor. She not only was very direct and real because she's a very direct and bold person, but she had this thing that she would call the squish that I think— the only thing I can describe it was like some kind of like stuffed animal, like koosh ball thing. And what she would do is she would throw it to you as a student, which kept everyone on their toes to know when you're gonna get it, you better be paying attention to the content in the book and, and actually have an answer.

**R****Robert Smith** 22:16

But yeah, so I mentioned Chips and Mina because they grew up in India, and this gets into A fundamental tenet of investing is deferred gratification. You deploy money now, you take risk of passing on opportunities for a greater outcome. Yeah. And so we were talking about, you know, growing up in a sec society like India, and she said, we were fortunate to grow in, in the elite class in India, but we were taught at a young age the importance of deferred gratification. It meant that education was everything. It was going to distinguish us to continue performing at the level necessary in our elite class. And we had to — and it's a hard thing for young children to understand. You think about 2- and 3-year-olds and everything is me, me, me. And it's only when they get siblings where they learn the benefit of letting go and sharing and getting satisfaction out of seeing other people around them happy. Investing has that core tenet to it. And I think, Jason, you've demonstrated that It's the confidence of your vision that lets you deploy time and talent to drive that. And I will share another analogy that I heard from Larry Dolan, the owner of the Cleveland Guardians now, formerly Cleveland Indians. We were talking about making a change in a structure of an entity in Northeast Ohio, and he was on the board and I was chair. And we were explaining what we— where we were, where we were going to. And he said, "Bob, it sounds like a good idea, but it also sounds like kind of my memory of the first time trying to go across monkey bars." That in order for me to have the experience that I saw other children have, I realized I was going to have to let go of where I was and be suspended momentarily in midair before I could grab the next monkey bar. And he said, "The first few times through it, my parents held me." So that as I let go, they grabbed me so I didn't fall and I grabbed the next bar. And as I accelerated that, I had the confidence to really let go, be suspended and grab the next bar. He said, I share that so that when you're talking about change, introducing change to an organization, the clearer you can make that picture that will cause people to let go of where they are, the sooner they will grab, have confidence to grab on to the next monkey bar Take the risk to be suspended, deferred gratification.

**J****Jason Duff** 24:39

Wow, I love that.

**R****Robert Smith** 24:40

Isn't that great?

**J****Jason Duff** 24:41

It's true. It's— yeah, it's very true. So, you know, as you think about that and, and help us fill in the gap, so tell us about your investment practice and what are some of the things that you're most proud of as you were building that business and the results that you're able to create?

**R****Robert Smith** 24:57

What I'm most proud is the impact we've had on families. We have Our client base was built on what I call the millionaire next door, people who had accumulated wealth, had got to a point where they didn't want to depend on their own expertise or those of a particular broker or friend or whatever to make their financial decisions because this money was necessary to fund their retirement, fund their education for their children. And so there was a need for trusting somebody to help them get the outcome that they wanted. And it's been gratifying because the number of families, and it's especially obvious when I attend funerals of clients and their children go out of their way to thank us for the impact we had on their parents' lives, the estate that their family had built up and were able to pass on to them, and the quality of life their family lived. It's amazing when you, I look back at clients we've had 25, 30 years and realize They came to us with maybe a couple million dollars. 20 years later, they have withdrawn \$2 million, and they still have \$2 million. And so that is very gratifying, and it shows me that investing works. You can have the best of all worlds if you're willing to take that suspense in time when you're not sure what the next thing is. But clients have learned to trust us as they get to a point in life where they have to live on their savings. I always say, "Great savers are not good spenders." And so people will be aggressive in accumulating savings for retirement. When they get to the point of not working and not having any money coming in, so it's like you put cookies in a cookie jar for the rainy day and the rainy day comes and you say, "I don't want to take them out because once I take them out, they can go away." And our role is to make sure people know there's enough there that they can afford the lifestyle that they have. And they continue increasing because of the work we've done together.

**J****Jason Duff** 26:55

I love that. You know, you turn on the— pick up the Wall Street Journal today and there's a lot of uncertainty out there. And I imagine this isn't the first time that you've heard the gloom and doom stories of the future. How do you speak to clients today and, you know, through some of these changes, where do you see opportunity?

**R****Robert Smith** 27:19

Well, from the capital markets of the public securities stock market, I always think about— there's a concept around, it's called Mr. Market, and the whole concept is the market is there to serve you, not to guide you. And as common sense as that sounds, too often we find ourselves kind of taking a shortcut to say the market is telling us this. No, keep in mind, the market has to buy when you must or think you must sell. And the market has to sell when you think you want to buy. So if you rely on that to guide you, you're reacting, you're, you're leaving in a reaction to something. Successful investors look at dips in the market as buying opportunities for good reason. It means securities are now underpriced. There's a traditional pattern that happens when there's a shock to the economy. So this past year, 12 months, we've had shocks. We've had inflation pop up, and initially the Fed officials and many leading experts thought it was transitional, not transitional, wouldn't be sustainable. And then the Ukraine, Russian invasion in Ukraine happened together, created a shock. And the supply chains coming out of the pandemic was another element to that, that said, you know what, this inflation thing is going to be around longer than we think. But my point is around when you see capital markets get shocked because of news that wasn't predictable per se, then the market will go down somewhat predictable amounts, 20%, 30%, 40%. We went down 50% in the financial crisis in '08-'09. But go back through the history of shocks, whether it's Pearl Harbor, Watergate, things of major consequence. There's a pattern of recovery that happens in 3 months, 6 months, 12 months, 18 months later, that's pretty predictable. So I always say, each time there's a shock, that instinct of it's different this time is real. It is, the circumstances are different. The market's reaction is pretty predictable. And I just say, you earn premium returns in equities because being willing to trust that future results will be better. And that is all based on our capitalistic system where people can take money and invest it in a way that creates more money and along the way creates jobs for people and drives an economy around it. So it's a beautiful thing, but it means we go through periods like we have now where the market goes down 20% from what it was 6 months ago.

**J****Jason Duff** 29:55

You know, interest rates going up, For a big part of my life, I have never been used to or recognized interest rates above 6%. But looking back at the charts through history, the experience that I've had is, is not, you know, reflective of history. How do you speak to a business owner that said, you know, I'm really been wanting to start this business, I'm seeing interest rates going up, you know, should I just continue to put it on hold or or should I do it?

**R****Robert Smith** 30:26

The better your business plan, the more conviction you should have to do it. You know, my experience with interest rates goes back to the '60s and '70s. At that time, we had to experience the shock of the Arab oil embargo and gas lines and, you know, double-digit inflation. That was— it was shocking. I mean, it really affected the bond market for like 30, 40 years. There was a major inflation of premiums. So interest rates were a lot higher than lower than they normally would be. Normally, you would expect interest rates on a 10-year bond to be like 1%, 1.5% more than inflation. And for many, many years, it was 2%, 2.5%, 3% more. That was a real, what we called inflation premium, which means expectations continue to be higher than the actual inflation rate. And that went on until about a year and a half ago, and then interest rates started back up again. But we want— what happened, what the Fed action did coming out of the financial crisis was critical to get the economy back on its feet, to restore confidence. And our economy to grow. But it drove interest rates to an unrealistic, unsustainable level, almost zero. And now we're getting back to some normalcy. And my point is, that's a good thing. If you can look beyond the horizon, and you can make better decisions when you have that longer-term perspective. And that's getting back to the strength of the balance sheet. If you, if you are well capitalized, if you have money, rainy day money, I mean, people will say have 3 months, 6 months of money in your checking account to pay your bills for the next 6 months, you can afford then to look longer term and take that risk that's appropriate to get the results you're hoping for. But the quality of your planning— and many people try to make plans perfect, and I always say a good plan is better than a perfect plan. It's the commitment to planning and updating your plans regularly that make a difference. Time and again, the evidence shows that businesses that plan have better outcomes.

**J****Jason Duff** 32:23

I think that basis of financial stability, you know, a lot of businesses that we connect with, they may be looking for someone just to help write the plan. And, you know, one of the organizations in Ohio and even around the country that does a lot of work are the Small Business Development Centers. And you'll find that in many regions of the state there is an SBDC office and a lot of those advisors, coaches, if you're not familiar with creating a business plan, can be a great resource to do that. Because when you have a plan, and I think it was what Bob was sharing earlier, being able to present your plan in front of a bank, it makes it a lot easier to get that banker to say yes to your loan, um, for— or private money investor, really anyone that you're pitching, um, when you've kind of got an idea for, if I'm going to ask and use this capital, how I'm going to be able to repay it back.

**R****Robert Smith** 33:17

If you're a first-time business owner or about to be a first-time business owner, the sooner you recognize the opportunity to ask for help and to appreciate that other small business owners are there to help, they will look at you and remember when they were in that situation and think, "If I'd only asked for help sooner, I would have had access to expertise sooner." It's amazing. It's been amazing to me that when I make myself vulnerable and find people whose judgment I have come to trust and admire and take the risk of asking them for advice, it's all worth the vulnerability because what they tell me is something that I can write down and it just stays with me forever. So being willing to know what you don't know, to find people who've been through that, and the ultimate test is find people that if they tell you you're on the wrong path, change paths. They may not tell you which path is better, but if they say what you're doing is not acceptable, to pay it— listen to that and change direction.

**J****Jason Duff** 34:18

How do you find those people?

**R****Robert Smith** 34:21

For me, it was getting involved in civic organizations and being part of boards. And when you join a board of an organization, it should be an organization you have passion for. And then as you— as a board member, you solve problems. Any issue that that organization is having, you know, that could be longer term or near term. And you, early on, you especially take time to listen and watch others. And what I've seen happen time and again is it's the people who listen 80% of the time and talk 20% of the time that become experts in my mind. And Jason and I were talking earlier about people we know from our time serving on Ohio Northern's board. They met that criteria. And you just think— you also learn, you kind of — emulation is important. You see successful people that impress you and you realize, I want to be like that. So you, whether you know it or not, you are emulating them. And there's a lot— as Yogi Berra says, sometimes you can see a lot just by looking.

**J****Jason Duff** 35:19

Yeah, you know, there's a definition of a servant-based leader, and, you know, I've always looked at Bob of being fitting that definition because he is always someone that speaks from experience. We were talking at lunch today that, you know, the time on the board, there's a lot of folks that will mention and just kind of say, this is what I think you should do. There's another method, and it's kind of speaking from gestalt, which is from my experience, this, this is what I have happened to me and this is how I handled it, and how others hear that I think people process it better, number one, because it gives them a chance to think and learn from your experience. You're not telling them what to do, but it's giving them a chance to hear different perspectives. And I'll share, on a board, you have to be prepared that there will be other people that will be, uh, have contrarian views to what you think. And I think that's where sometimes governance— I don't think until you're— you learn from others the importance of hearing varied feedback and really where through that conversation, through hearing those opinions, there still has to be a decision. And you may resonate with decision, you may disagree with it, but the hope is, is through those views and that feedback that you've gotten to a better decision.

**R****Robert Smith** 36:41

I think most of us, at least in a business setting, can reflect back on some really major goals or obstacles or challenges we faced. And we can identify some of the best decisions came out of a collective process where everybody had voice to giving, offering a solution. Everybody kind of took the, the initial problem identification, the problem and the potential solutions and starting creating something better. And the idea is that when a group dynamic is working really well, the outcome of the group is much better than what any one person would decide among themselves.

**J****Jason Duff** 37:18

Another thing that Bob mentioned is that, and I think Ethan, it's like what you were asking, is how do you, how do you learn that? How do you get involved? And there are probably many points, and, and as we go through Bob's resume and look at all the various groups and, and awards and recognitions, and we literally could take the next half an hour discussing them, and he's a very humble guy, but I would encourage for those of you that, that want to look him up, um, it's just amazing, the accomplishments that had. But there still is that sense, and I don't care what board or what group you join, there's a little bit of that self-doubt. It's like, should I be sitting around this table? And I think especially just starting out, gaining the confidence— and there's a big difference between confidence and arrogance. Like, you know, there— we've all seen people that come in and think that they have it all figured out and that they, you know, they know the answer to everything. But I, I think part of it is there are a lot of folks that don't speak up or don't step up because they feel they're not worthy. And so, yeah, what's your advice on that?

**R****Robert Smith** 38:17

Well, I'm thinking back to early in my civic engagement in Cleveland. I was a part of a very small group of the city's most prominent leaders. And they were wanting to talk about some vision over the next 10 or 15 years. And I kind of had that Admiral Stockdale experience, like, who am I? What am I doing here? The next day, the gentleman who organized it called me to just check in and just sharing openly with what I had observed the night before, I gave him some really sound advice and he said, "You know, Bob, that's really interesting you say all that. However, it doesn't do any good to say it today. You were there yesterday. You were there because you were the small business expert." The rest of the people there were foundation leaders, CEOs of major corporations, university leaders. You were the small business person. Your perspective was unique. You didn't share it. He said, let me be blunt. If you come back and don't share it, you won't be asked back. Oh, wow. It was a startling conversation. This is a person whose judgment I admired. Yeah. So I knew he was giving me advice that I needed to pay attention to. I share that with people oftentimes in their early in their careers when they get invited to the bigger table. Yeah. They've kind of been clamoring many times to get there. And I just say, you need to go and listen and engage in real time. If you just rely on calling the next day, you don't have the impact and the organization isn't getting benefit of your perspective, whatever that is. There's a reason why they invited you to that table. Represent the table, give your perspective to make that outcome better.

**J****Jason Duff** 40:02

I love that. This has been a big year for JobsOhio. There's certainly, you know, as you kind of think back on your service and just the accomplishments, why has this year been so significant for JobsOhio?

**R****Robert Smith** 40:20

You know, 3 years ago, the governor appointed JP Nassif as president, and I was appointed a month later as board chair. JP came in with a great marketing perspective and he saw the opportunity to really gain buy-in across the state. The governor and lieutenant governor were both anxious for the state to have a better appreciation for who JobsOhio was and how it was done. So JP and the management team went on a listening tour across the state to give small communities, large cities opportunities to share their hopes and fears and what role JobsOhio can play. Fast forward to May of last year, we got a call from a city councilwoman in Lorain, Ohio, who had a contact in Intel that Intel announced they were going to be making a major expansion. They had identified 3 or 4 states they wanted to— had considered they were going to be focused on to ask for proposals. And because of this councilwoman's call in, we were given the opportunity in Ohio to become part of that group of states. And from the time that we started interacting with Intel, we kept finding a way to get to yes. Fast forward to the decision, the day after the announcement was made, the day of the announcement, excuse me, the governor hosted the CEO at the governor's residence. And the Senate governor asked us, Larry, So why Ohio? And he said, because Ohio stayed united, team Ohio, economic development people from the Department of Development to JobsOhio to county commissioners, township trustees, any other organization that we engaged with to get to where we are, you all made Intel feel like we were the center of the universe and you were going to solve our problems. And it gave us confidence that this is where we wanted to grow and expand. So it has been a very special time. It's provided the opportunities for other companies to realize what we did with Intel was significant. Intel has demonstrated that Ohio knows what it's doing. And so that business model we talked about early in this conversation has proven it's a very effective model and it's working. And so our pipeline of opportunities is bigger than it's ever been by multiples. So we have a lot of confidence in what our future is. The demands for what we are doing are growing. And so it's a very exciting time, but we need to do it so it works for all of Ohio. So we, we, we have an initiative that we referenced earlier around smaller communities in Ohio to think about what programs could we put in place that would be catalytical for them. Because if we can be catalytical, then other development comes around it. Whereas when we do big projects like Intel, You know, the evidence of what's going to happen, Intel's willingness to tell us what their plans are, commitment. It's everything we do in those big projects is return on investment. The company says we will provide this many dollars, and when they show evidence of that, they get the grant dollars. It's— yeah, they get reimbursed. So that is unique and something that we want to make sure we make sure it's available to all of Ohio.

**J****Jason Duff** 43:28

Can you unpack that really quick? I mean, we, we have several economic development directors, you know, here on the podcast as well. And obviously Intel is a big, you know, topic about that. But, um, oh, what, what role do you think that these smaller towns, um, should like identify and like so that they're walking in that role?

**R****Robert Smith** 43:51

Well, there's a couple of things. One, this one answer I have is around Intel specific, and the rest is the next call. Sure. For, you know, land for sites. So let's— Intel, you know, to meet the job requirement they have, to get the workers they have, we need all of Ohio to be doing what they can. That means economic development organizations. It means colleges, universities, community colleges, vocational schools. Those jobs are diverse. They are well-paying jobs. But we need to— there's too much of a divide between business our universities and colleges. When we were working with Sherwin-Williams to expand, to help them convince them to stay in Cleveland and build their new headquarters, one of the main concerns they had was to increase the availability of their workforce, especially chemical engineers. And so we, the governor, heard that directly and convened, actually called 6 university presidents quickly and asked them to get back to him within a week of what all they were doing currently with Sherwin-Williams. And there was a lot more going on that we knew, a lot more that Sherwin-Williams appreciated, but it just hadn't been celebrated. But as a result of that, there'll be an employee at Sherwin-Williams that works for JobsOhio to be the bridge between Sherwin-Williams HR and our universities because they just have different— they speak a different language, they have a different idea what success looks like. And the state of Ohio needs that bridge to be completed for us to really get the workforce that we need.

**J****Jason Duff** 45:28

Yeah, that's really good because that's another— I mean, as you could probably imagine, topic that we're having with a lot of these individuals. Um, and that was going to be one of my questions is, you know, how do you face economic development and inviting these big businesses to come in and get all excited for it, but then we can't supply it with, you know, the people And so—

**R****Robert Smith** 45:46

Well, we have confidence that because of our educational system. Yeah. You know, I think Ohio is uniquely positioned because of our, the number of schools we have, the quality. And our belief is that if we increase our retention rate of our college graduates who stay in Ohio from what currently we're experiencing, about 3 or 4%, we'll have all the workforce we need. Really? But we need to be intentional to change that outcome. Ohio currently is a net importer of college students because of the quality of institutions we have. Yeah. So we have a lot more coming into Ohio than other states, but we're not keeping enough of those. So we're losing some of those— many of those students who come to Ohio, they go back to where they came from or go to a different area, different state. And we're losing some of our own residents. And we're trying to convince our communities to be intentional around retaining your people. So it all is community-based. That's why small towns play an active role. As many of us have learned that we may want to explore, you know, living somewhere beyond where we grew up, and likely around the time of our first children, we feel like a need to get back to our families and connect and have a support system. We want to do more to keep our citizens here in Ohio and let them live and work around their families and friends. And I think in the pandemic has shown, as we all became vulnerable during the pandemic, it really reinforced that need to be close to friends and family and community. Yeah.

**J****Jason Duff** 47:17

Thank you for sharing. What are you most proud of as you reflect back, I mean, on your professional experience, the service that you've had with a number of the organizations that you've mentioned? What, I guess for you, What are you most proud of, Bob?

**R****Robert Smith** 47:32

I guess I'm proudest of the opportunities I've had, the challenges I've been asked to step into. I'm proudest of relationships I've built, the solutions we've— I've been a part of with others. Someone said, you know, what would you do differently? And there are some decisions I would definitely have done differently, but as soon as I say that, I realize that the outcome could be different. And I've enjoyed the journey I've had, the boards I've served on, the leadership responsibilities I've had, the business success I've had, the talent that I've helped people right out of college. And, you know, 15 years later, 20 years later, they're still colleagues of mine and they're the experts that I go to now to help me, advise me. So that I'm very proud of. And just relationships.

**J****Jason Duff** 48:24

And the next thing is, like, as you're thinking what's next, so obviously your work in service to JobsOhio, you're excited to continue that, but what's kind of on deck and next for you as priorities? I asked the tough questions. I'm like Oprah.

**R****Robert Smith** 48:41

Yeah. I don't know. You know, I think about when people ask me about, you know, joining a board or joining getting involved in something. The criteria I've used successfully is, is it a mission I feel strongly about? Is it something that just really matters to me and my core values? Number 2, are there people who are part of that that I have confidence in, that I want to learn from, that I want to be around because I see there's expertise and talent and they're making a difference? And then the ultimate test I use is if I was asked to join this board and fast forward 3 months from now and they call me on a Thursday afternoon and say, "Can you be here 8 o'clock tomorrow morning?" Knowing that I have other commitments, would I really work my calendar to accommodate them? If I don't get 3 yeses, then I just think it's not something I really should pursue at this time because my tendency is to accept more than maybe I should.. But I've often encouraged many people who think they're taking on too much that I said many of the achievements I have come about because being willing to take on more than maybe I should have and just being willing to think big and take on more than what somebody else might think is reasonable.

**J****Jason Duff** 49:59

I love that. Bob, I think that's a great place to close the segment there. Thank you so much for sharing with us today. It's been such a pleasure having you on.

**R****Robert Smith** 50:09

Oh, thanks, Jason. Thanks, Ethan. This has been a great experience.

**J****Jason Duff** 50:11

Yeah, absolutely. If— where can people find you if they want to keep up what's happening with you or JobsOhio?

**R****Robert Smith** 50:16

Well, my business is Cerity Partners, C-E-R-I-T-Y. It's the cerity of sincerity. So you can reach me at bsmith@sinceritypartners.com. JobsOhio people know how to get ahold of me. So either one of those.

**J****Jason Duff** 50:33

Um, but, and, and you're on LinkedIn?

**R****Robert Smith** 50:35

I'm on LinkedIn, absolutely. Robert C. Smith.

**J****Jason Duff** 50:37

Awesome, very cool. Uh, so at the end of these episodes, usually we invite Jason to give just like a quick golden nugget before we close out. So, uh, Jason, do you have something for us today? I think the thing that, that Bob shared that just resonates with me a lot that I think listeners would appreciate is having the confidence to speak up there in the moment that you're at. Um, I, I recall, um that same advice, uh, Oscar Misfid, which I know is a mutual friend of ours and is also, you know, just a well-respected business leader and served and given back in so many ways. But he pulled me aside and actually had that same conversation with me because I would listen and I would process, but I never felt early when I was serving that I had the voice to speak up. And I would always go to him after meeting, well, I said, this is my feeling about this and this. And he stopped me, he paused me, and said they gave the same advice that, that was given to Bob. And I think we have to teach that and give people confidence that the value that their perspective, that their background, their unique experience brings, it matters. So those of you that are passionate or have an idea or a thought, get in front of other people and have the confidence to share it because it matters. There you go, you heard it here first, folks. All right, well,

**E****Ethan DeLeon** 51:49

thank you everyone for tuning in and checking out the Small Nation Podcast., and you can find us anywhere that you listen to your podcasts, including Spotify, Apple Podcasts, and even the Small Nation YouTube channel. I hope you were able to pull some value from that conversation, and we hope to see you for the next one. If you enjoyed it, be sure to leave a like, comment, or a 5-star review to help more people to discover this podcast. Stay tuned to Small Nation on social media to keep up with all the cool projects that are happening here. And until next time, this is Ethan with the Small Nation Podcast signing off. Thanks, guys.