

# Episode 16

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## SUMMARY KEYWORDS

entrepreneurship, finding mentors, being coachable, Bellefontaine revitalization, Sweet Aroma Coffee, real estate investing, technology startups, venture capital, private money lending, raising capital, Columbus tech ecosystem, Drive Capital, Nikola Labs, wireless power transfer, remote work and the Midwest

## SPEAKERS

Jason Duff, Will Zell, Ethan DeLeon

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W

**Will Zell** 00:00

you're likely not able to go into a bank and get financing for the startup costs. Yep. There are a set of lenders that are private individuals typically, could potentially be private firms that are generally there. So I'd mentioned that venture capitalists often invest for equity, private money lenders invest debt.

E

**Ethan DeLeon** 00:28

Hey everyone, my name is Ethan DeLeon and I'm here with our founder and CEO of Small Nation, Jason Duff. Joining us today on the show, we have the founder of Zelle Capital and Nikola Labs, Will Zell. 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.

J

**Jason Duff** 00:53

So, uh, Jason, from my understanding, you and Will have known each other for a while now. You know, Will and I have only been out of school for like just a few years, like maybe 20.

W

**Will Zell** 01:04

What year did you guys graduate?

**J****Jason Duff** 01:06

So I was a— I think I'm a year older than Will. I was, uh, 2000 in high school and you know, 2001. Yep. You know, and, and growing up in small towns, we went to the competitive schools. So I went to Indian Lake and Will went to Bellefontaine, um, which sometimes in sports rivalries and everything else, there's like you know, a lot of jealousy and, and, you know, challenges. But we hit it off because we were a part of an organization called Key Club. Key Club. Key Club was the service club that was part of the Kiwanis family, and in all high schools you had a chance to get involved in service projects. And Will happened to be the president of Bellefontaine, and I was the president of Indian Lake. So we, we had to do kind of co-club activities, which was great because our friends group got to mix and got to meet and understand that maybe had some shared goals. One of those was seeing positive changes in communities. And at the time, Will had some dreams and ambitions related to running for office, right?

**W****Will Zell** 01:58

Yeah, it was a super interesting time. Probably the first entrepreneurial decision I made, even though it wasn't directly related to business, but decided to run for city council in Bellefontaine my senior year of high school, which was quite interesting. Leaned on you for a lot of advice and input and inspiration. So thank you. Well, I'm just being young. I lost, I lost. I also blame you for that.

**J****Jason Duff** 02:20

So first lesson of today is maybe don't listen to all of Jason's advice. Can I tell you, like, what's great about being young is that there's this chance for you to, um, to make mistakes, uh, but also the, the kind of the courage and passion and energy behind wanting to see change. And I think that's where Will and I connected because we were frustrated. There were some things that just were not going the way it should in town. And we, you know, wanted to start businesses and live here, but we felt that there wasn't places for people like us to live, and there wasn't the kind of things that you'd often see in a big city that, that just weren't— that didn't exist in a small town.

**W****Will Zell** 02:56

Yeah, it's one of the interesting— so a lot of people and a lot of the Small Nation story is told, let's say, over the last, you know, 12, 14 years or so. Yeah, I'm one of the few that actually has the fortune to really understanding Jason 20 years ago, and like, that's really where where the seeds were planted and developed for what is happening today in downtown Bellefontaine and the impact across other cities across the country. And it really started then. So you hear overnight success, but it's decades in the making. And the Downtown Revitalization Committee, remember that? And the Edward Jones—

J**Jason Duff** 03:30

Will and I were volunteers. I mean, there were, at the time in our town, there was a group of people that came together and said, hey, we want to make Downtown Bellefontaine Better. And so we attended meetings where we served on the promotions committee, we served on being mentored by other leaders that gave us ideas, and we got to see about the importance of governance. So actually calling a meeting to order, having an agenda, having conversations where we may have different opinions around the table, but at the end we'd make a decision. And I think We— what Will and I kind of learned is that you needed that to get the ideas and the goals, but sometimes one thing that can happen in towns and communities or even any company or organization is you get stuck in committee speak and nothing gets out to be actionable and get done. And I think for both of us, even though the organization struggled and after, you know, when the economic crisis hit in 2007, we lost our funding, like our public funding from the city and county went away. Many of us that were volunteers that were working as part of that Revisitation Committee started to go out and do. And, and you and your wife were really—

W**Will Zell** 04:43

many being you.

J**Jason Duff** 04:44

Well, actually, that's not true. You and your wife. Um, and, and that's what I think. I, I think where we went out together is that we knew that we had to activate real estate and we had to buy real estate in the town to plant a flag to say we wanna do something. But tell us about you and, you and your wife Beth and that first step for you.

**W****Will Zell** 05:07

Yeah, but first, by and large, you, you were the one that took up the mantle, rolled up the sleeves and just started getting to work. Right. And none of it— I hope everyone gets a chance to come to downtown Bellefontaine and see everything that's happened and hear the story. But it would not be anything near what it is without the work that you've done and started then. Sweetheart. So I, I started investing in real estate actually back in like 2007, more kind of residential real estate, and did have a one property downtown and then started getting more active investing in real estate on the tail end of the financial crisis. There were a lot of buying opportunities and acquired a couple more buildings in downtown Bellefontaine. But still, I mean, you were just early in the phase of starting to build momentum. There's still a lot of issues. But, you know, it's one of those things. So my wife, Beth, incredible human being, incredible wife, and a great entrepreneur. So successful entrepreneur. And we had always talked about, you know, her dream to have a coffee shop and bakery. And we had 3 kids at that time, 2, and I think she was pregnant with the 3rd. So it was always this kind of talk about let's do it, you know, at some point in the future. But the opportunity, the real estate opportunity for the real estate opened up. That was just a great opportunity to buy a building that needed a lot of repair, needed a lot of work, but it just had the bones to be a great coffee shop. And I think that's what entrepreneurs do is like, if, you know, a door opens and it's there and it's there for a moment of time, you just have to take the risk and go. And that was back in 2011. It's when we bought the building, opened Sweet Aroma Coffee, Valentine's Day 2012, and just celebrated 10 years earlier. Congratulations. It's been a great journey.

**J****Jason Duff** 06:54

And I was just in there this past weekend and I can personally attest that place is bumping.

**W****Will Zell** 06:59

Yeah, but I think it's reflective actually in some ways of the energy and the culture that's developed more broadly because, you know, a lot of kind of the benefits of coffee shops is like a lot of it's built around community, right? And bringing people together. And, you know, I think back the journey over the last several years, you can see more and more people coming in, more economic activity in downtown Bellefontaine, and just more of this kind of focused, you know, passion and joy around community and being together. And I think that's just reflective of the broader cultural shift in our community, which is great.

**J****Jason Duff** 07:34

Yeah, and I love that you're here today and able to speak to this, but I think You know, both of you, as we kind of already touched on, are just, you know, activators and making things happen. And I think that there'll be a lot of people listening to this that, you know, have big ambitions, big ideas, but a lot of people, I feel like, struggle with the how to get it done. So, I mean, you both kind of started in real estate a little bit, but what was next for you in that journey as an entrepreneur that eventually led you into the investing role? Yep.

**W****Will Zell** 08:05

So I would say one of the most important things and kind of quote unquote easiest things that you can do if you have ambition and ideas that you want to pursue, especially in business, is to find mentors. And I so happen to be on a podcast with one of mine today. And quite frankly, and not only a mentor, but truth tellers.

**J****Jason Duff** 08:23

I'm flattered, Will.

**W****Will Zell** 08:25

Ethan, man.

**J****Jason Duff** 08:26

Thank you, Ethan.

**W****Will Zell** 08:27

Our first conversation the other day inspired my life so much. But, but in all seriousness, like, um, you know, Jason is a year older than me, but like just so incredibly advanced in terms of mindset and like ideas and execution on them that especially in my early 20s of like when I was thinking about different ideas, different businesses, I mean, we had lots of conversations in your office and he was just always—he's always been a truth teller, right? Um, and, and I think that's what great mentors do is they they will see potential, right? And they will take kind of their experience and the good, the bad, the ugly, and impart that into someone where they see potential. So if you're on the other side of like, I've got ambition, go out and find somebody who is building the life or has built the life that you dream of in your mind, right? What is still a dream in your mind? Go and connect with people in a very authentic way to learn, right? And to have conversations. And Jason, you've mentored probably hundreds of people, and it's—there's always a give and take there. It's not just, you know, when someone's coming to you asking for advice, it's not just you giving to them. You're actually receiving a lot as well. And I think it's a really important part of any, especially any young person that's got a lot of ambition.

**J****Jason Duff** 09:43

And I think— thank you, Will, for sharing that. And I know feelings are mutual. The other thing that Will was saying is that the mentor-mentee relationship, the joy that the mentor gets is actually having someone listen and absorb the knowledge and then actually go do it. And I think that's probably the most powerful way to honor someone that is investing time in you, is active listening and taking notes, like actually writing down things and then following up to say, hey, I'm— your advice helped me so much, I'm taking action on it. Um, and, and we work a lot today of one of the qualities I call is, are you someone that is willing to be coached? And you think back to sports, or whether you're involved in music or the arts, like, are you rehearsing and practicing to want to be better? And in one skill that I work, I do a lot of public speaking, and almost every time I finish and walk off that stage, I will ask someone around me, what feedback do you have? What— how did I do today? Because I want to get better. And I think no matter where— how successful you are in life, being willing to ask for feedback and being willing to be coached is so important.

**W****Will Zell** 10:52

I, I couldn't agree more. And I think the— and that often differentiates people who are able to hit, uh, the elite phase, if you will, in whatever they're trying to pursue.

**J****Jason Duff** 11:01

Yeah.

**W****Will Zell** 11:01

Is that like one of their default mental models is like, I'm never going to get to the peak of my performance, right? Like there's always, there's always room to get to the next level, to get to the next level. And being coachable and being willing to do exactly what Jason just said is spot on. So especially if you're young, because if you are young and just getting started, you're incredibly naive. Yeah, you have the market hasn't punched you in the face yet, right? Mike Tyson said everyone's got a plan to get punched in the face. Like you're going to learn a lot. And so your ability to really have mentors around you that can speak truth into you and help you on the journey is important.

**J****Jason Duff** 11:41

You know, something else just around that is part of me meeting Will, and if in your town, in your industry, in your community, finding one or two other people that think like you, whether they're big dreamers or whether they maybe don't fit the mold, like they're just— I'll be honest, I'm a little weird, and I think— no, no surprise. But like finding— like, I just didn't fit the mold. Like, there I had different ideas, ambitions, and, and some people call it you know, I'm just unemployable. Like, I don't work well for someone else. I want to do things my own way. And so I found a few other people, and I would say Will was one of those individuals. And, and that was, again, probably what got the momentum in Bellefontaine, is I didn't feel that I was alone. And so Will and Beth, while Brittany was starting 600— and Brittany Saxton was a previous guest on the, the podcast— when she started her pizzeria, it was about the same time that Will and Beth started their coffee shop. So that was how people started thinking differently about downtown Bellefontaine. And again, when I felt lonely or when I needed an answer, I knew there were other people like that that I could call. That's awesome. That's a great tip. And, um, just to kind of round out that, that conversation real quick, what, what are maybe one thing from each of you, something that you look for or that you would advise someone if they're going to find a mentor? Like when you make that initial contact, maybe some dos and don'ts. Because I feel like a lot of people come out, hey, can I pick your brain? And like, you know, that's a huge turnoff for a lot of people. So like, I don't know, if someone were to approach you, what would that kind of, you know, look like? I think it's reaching out and giving someone a compliment. If you notice that someone's doing something really great in your community, take the time to send them a handwritten note or an email or reach out and just say, I admire you because you did this or accomplished this. And, um, I, I would love the chance to shake your hand, or I'd love a chance to buy you coffee, um, just to, to chat. And, and I think that's where when I get reach-outs like that, um, if it's genuine— and that's so important, to be authentic and genuine about those relationships— and then, um, when I get thank-yous and gratitude, it's like I want to pay that back to someone else too. Well, you will.

**W****Will Zell** 13:58

Yeah, I agree. I would just say, you know, it's when I would say not necessarily on the initial outreach, but let's say you get the chance to sit down with somebody, I think authenticity is number one. So, you know, you can be good at potentially getting the meeting, but within a meeting, within the first 10, 15, 20 minutes, like the person who is the potential mentor is going to have a read on you, right? As an individual. Yeah. And whether or not, like, what are your motives? Because, you know, someone who is at a level of success or even just busy, right? Like time is your most precious asset. And so, you know, being authentic, doing research ahead of time, I think to your point, Jason, like understanding who the person is, what they've done, and really kind of just coming to it with an open heart and say, you know, how can I add value to you? And this is kind of what I would love to learn. And probably the most important thing, and actually Jason said it earlier, is that first meeting, you're probably going to get some advice. Your ability to like come back 2 weeks later, 30 days later and say, hey, you know, thanks so much for, you know, giving me these, these points or things I— this advice I needed to do. Here's how I've taken action on it and like what I've learned, right?

**J Jason Duff** 15:12

Yeah. Wow.

**W Will Zell** 15:13

It's powerful.

**J Jason Duff** 15:14

And then it gives you a chance to open the door to ask a follow-up question.

**W Will Zell** 15:17

Yep.

**J Jason Duff** 15:17

Yeah. That's awesome. Thank you. I just—

**W Will Zell** 15:20

I think that's something that a lot of people, especially young professionals, can, can glean from that and show up with like wine or liquor and you're good to go. I mean, it's not a terrible thing either. Or coffee.

**J Jason Duff** 15:31

There you go. From Sweet Aromas.

**W Will Zell** 15:32

From Sweet Aromas. All right, Will, so what was after real estate for you?

**J Jason Duff** 15:36

Because I know you had your hands in a lot of stuff there.

**W Will Zell** 15:38

Yeah, so I was on a journey, I think, in, in really my early to mid-20s in and around like finding who I was, right? And, and, and again, when Jason talks about like not fitting a mold, I think one element that both you and I kind of align on is like you take, like taking life very seriously when you're in your late teens and early 20s, like thinking about 10 years from now, 20 years from now, 40 years from now. When I was in my early 20s, I kind of wrote out this plan looking at like, hey, when I'm 85, 90, about to leave this earth and I look back, like, what do I want to be proud of?

**J Jason Duff** 16:15

Right?

**W****Will Zell** 16:15

Yeah. And so So in that like kind of discovery of trying to find out who I was, I went from, you know, a lot of involvement in politics to the nonprofit world, served in ministry at a church here in town, worked as an insurance agent for a few years. And that was like my first exposure to the day-to-day operations of a small business and ultimately just landed on that for me in my wiring, the marketplace, being an entrepreneur, being someone who goes out and starts businesses and grows businesses is, is the ideal platform to not only, let's say, build success in life, but it becomes a platform through which you can, can do good and drive positive change for communities that you care about. And like, there's no other, no better representation than Small Nation, quite frankly, right? It's, it's a business, it's a platform, and it's, its literal work is to transform communities, which is pretty awesome. Um, and so that journey, um, started in real estate because it was my, my family's got a background in construction. It was like HGTV. You could like— all the popular shows were flipping homes. All right. Yeah, this— I can do this. But in— we did okay. Like, you know, a lot of good decisions, a lot of bad decisions. I think I made my— I would say it's the business where I cut my teeth and really learned who I was as an entrepreneur, but had an evolution more towards tech companies and thinking about, you know, problems that exist in our world and how they can be solved at scale through leveraging technology? And what value can you create? What problem can you solve and do it at a high level? So really started diving in and, you know, following, you know, great entrepreneurs and venture capitalists out of Silicon Valley on Twitter, which is just getting going at that time, and just consuming as much content around, you know, what it takes to start a tech company and scale a tech company and raise venture capital. And so that kind of started my journey into tech, which has been interesting in and of itself.

**J****Jason Duff** 18:12

And I think at the time that you have done that, there really wasn't a tech scene in Ohio, let alone, you know, small, small cities like Columbus, you know, in the whole country. Columbus is small. It's 14th largest in the country. But related to tech, there was no ecosystem when you first started looking at this, right? Yeah.

**W****Will Zell** 18:31

It's so when I decided to launch the first tech company, which is called Huddlewool. And, you know, there's no tech company in Belfount— or no tech ecosystem in Belfount, Ohio, unfortunately.

**J****Jason Duff** 18:44

Come on. No, we didn't have that.

**W****Will Zell** 18:47

It's like, all right, I need to go somewhere where there's a community. And it's like, we're close to Columbus. We're in the Columbus region. There's a lot of connectivity there. So I started spending time really literally just driving to Columbus and meeting as many people as I could. And, you know, probably a little bit naive, but I did think at the time, like, all right, I'm driving into Columbus. It's the 14th largest city in the US. There has to be like abundant venture capital dollars flowing through the streets in Columbus, Ohio. And the harsh reality is what you just said, Jason. There is very little— like there was a little bit of activity in terms of, you know, you had a couple of organizations that were being incubators, had a few angel investors, but from a culture and from— if you looked at like the pie chart of invested dollars from a region into various assets and opportunities, a tiny, tiny, tiny sliver was, was venture capital.

**J****Jason Duff** 19:39

Talk to me. Why were you looking for venture capital? Like, first of all, let's just break it down a little bit. What is venture capital investing and why were you looking for it for what you wanted to do?

**W****Will Zell** 19:48

Yep. So the way I like to look at financing, right? So raising capital for your business, it's a spectrum that kind of follows a spectrum of business types. Okay, so venture capital is an investment where the investors are focused on making generally equity investments. So they're investing dollars to buy a percentage of equity in a company that is at its beginning years, at the beginning of its journey, right? Could just be getting a product to market or, you know, just that at the beginning stages of growth. And what venture capitalists are looking for is they're looking for companies that, you know, maybe 5 people generating \$100,000 in revenue today, but the problem that they're solving, and if we could give them more capital, in 5 to 7 to 10 years, that could become a company that's thousands of people generating hundreds of millions of dollars in revenue. So it, it's an investment model that is solely kind of focused on that small percentage of companies that are started, of small businesses that are started, that have potential to scale to, to really, really big outcomes. And so generally a lot of venture capital flows in technology or biotech, where, you know, those early investments, getting equity ownership when a company is just getting going, let's say it's worth a couple million dollars, can return hundreds of times of your investment over a course of 7 to 10 years, but also a large percentage of those just simply don't make it.

**J****Jason Duff** 21:22

So it's kind of standard for the kind of business that you wanted to start.

**W****Will Zell** 21:25

Yeah. So, um, so starting a tech company— so kind of break it down a little bit more. The generally one of the attributes of tech companies is you're not making money day one. It doesn't cash flow. So you have to— you have an investment into building a product or building a software platform. So dollars have to flow in to the development of the product that you're going to deliver to the market. And even once you get the product to the market, you may not have a revenue-generating product from day one. So you've got to supplement that time. You've got to build what you would call runway, cash runway, the ability to pay for the operations of the business. And in venture capital, you do that through raising capital from, from investors. And so both of the first two tech companies I started, all three were modeled around — they needed venture capital dollars in order to, in order to grow. And interesting from a hindsight perspective, though, I wouldn't really change anything. But when I think about it, I probably like I made a big assumption that there was a lot of venture capital in Columbus, and that was a very harsh reality that like at the time.

**J****Jason Duff** 22:35

Yeah, there now. Now it's interesting. Things have changed there. Thank God. And what's been your hand in that?

**W****Will Zell** 22:43

So, I mean, hopefully a little hand, I guess. But I think a big part of it is— so there's a macro trend where, you know, if you look 10 years ago, the vast majority of venture capital was concentrated in Silicon Valley, New York, and the Boston area. And Silicon Valley is basically San Francisco, just south of San Francisco, the Bay Area. Yeah, the South Bay. Um, and today that's still the majority is there, but what you're starting to see is this macro trend where more and more venture capital is flowing into, um, secondary and tertiary cities like, like Columbus, Ohio. Um, and so much so, and in it, I would say I've played a little part. I would say the firm that's played the biggest part is, is a firm called Drive Capital, uh, which was started two partners that left a, um, left Sequoia Capital, which is a big venture firm in, in Silicon Valley, and they came to Columbus and said, investing in the Midwest is the opportunity of our lifetime. Like, there are great entrepreneurs, there's a lot of technical talent, great engineers. What is missing from the ecosystem is risk capital, venture capital. And they came in and I think they got going in 2014, and to up to now they've raised over \$2 billion in assets that they're managing. And have invested in, you know, great companies that are scaling.

**J****Jason Duff** 24:06

And I think the lesson I've learned is watching people like Warren Buffett, who is the contrarian oftentimes. And, you know, when everyone is doing one thing, it's kind of good to see what everyone is not doing and focusing on that. And I think that that is the thing that surprises most investors when they learn about the small nation model. They're thinking, well, you must be in some, you know, very bustling large market. And I say, no, we were in a town that was struggling and underrated. There just wasn't the capital to activate the entrepreneurship that was there. And I think that is something as a lesson. You may drive by an abandoned property, you may be in a town that has a great internet connection, uh, which could be a huge advantageous thing if you want to have your, your tech company. And I think that's how the, the playing field is being leveled today, you know, getting access to the, the utilities, the high-speed internet, the, the the infrastructure is a lot easier and a lot more affordable in a place like the Midwest or Ohio or Bellefontaine.

**W****Will Zell** 25:07

Yeah, absolutely. And COVID had a lot to do actually with as an accelerant to that macro shift. And it's interesting. So Nikola Labs was a third tech company that I launched and CEO of it for a few years. And it's kind of high growth now and doing really well. But— oops, sorry.

**J****Jason Duff** 25:25

We warned you.

**W****Will Zell** 25:25

Yeah. But with COVID once it hit, we went remote out of necessity. Necessity, but then we settled in very quickly that, oh, like, we're going to remain remote because everyone enjoys it and they're highly productive. And we went from, you know, 20, 15, 20 people in Central Ohio. Now we have about 70 employees across, I think, like 15 or 16 states. And so much of what you mentioned, Jason, which is interesting, one of our employees literally just moved from Cleveland to a very remote town in West Virginia, like southern West Virginia, because that town basically said, we've got great internet connectivity, we've got great quality of life, you've got nature around you, and they give economic incentives for people to come there and work remotely. So you have a tech worker coming and basically able to work remotely and is, is more or less compensated, if you will, by— I think it's, I think it's the state that's actually doing it. I thought it was quite interesting.

**J****Jason Duff** 26:20

Very cool. And it's feeding that ecosystem too, which is really cool. Yep. So you said you started a couple tech companies. What were the— what were those companies? And tell us about Nikola Labs. Like, that is the one that I just think is super fascinating.

**W****Will Zell** 26:34

So Nikola, uh, it's been quite the journey. So started in October 2014 as a spin-out from Ohio State. So first two tech companies I ended up having to shut down because if you're relying on venture capital and there isn't anything, that you generally run into problems.

**J****Jason Duff** 26:49

And just to make a quick comment, like Huddlewoo, which Will spoke about earlier, for those listeners that are familiar with Cameo, and how it's blown up. Huddlewoo was almost identical to that, but Will innovated and thought up that business model 10 years before it happened. And so if you wanted access to connect to a celebrity, a thought leader, you could pay a fee or make a donation through that platform to get access to connect with them. So, you know, that was kind of Huddlewoo, but you were ahead of your time. Yeah. And it probably ran out of funding, right?

**W****Will Zell** 27:24

Yeah, exactly. That was the biggest issue is like it was set up, it had to have venture capital in order to work. And we went to the market to try to raise, you know, \$500,000 and just couldn't get it done. And it was a lot, you know, there's always things that you can improve as you like learned a lot of things I could have done better. But a big part of it was the ecosystem just really wasn't there. So, you know, but I'm a big fan of failing forward in life. Um, and, you know, and basically on the other side of shutting those down, I was looking for the next opportunity and had the great fortune to meet Dr. Chi-Chi Chen, who is a research professor at Ohio State that was working on really interesting technology related to wireless power transfer. So today we get electricity from point A to point B via wires, right? Cables and plugs and wires throughout walls and, and electrical lines. Uh, but just how internet connectivity went in the past from being, you know, accessible through a wire to Wi-Fi, where now internet connectivity's distributed in a, in a space. Power has the same potential that there's a future where power will be transmitted wirelessly. And so whether it's a mobile device or just a large number of devices that rely on, on power in order to function over time, there will be a future where that power will be delivered without wires.

**J****Jason Duff** 28:47

It's a sci-fi podcast now.

**W****Will Zell** 28:49

Yeah. Yeah.

**J****Jason Duff** 28:49

Well, and the thing about it is, like, Will and I were kind of talking about that. And I think what is amazing about what you have to do as an entrepreneur, you've got to be willing to listen to your customers and you've got to be willing to pivot. And I think initially you were thinking a consumer-based business.

**W****Will Zell** 29:02

Yeah.

**J****Jason Duff** 29:03

But share the genius of where you're at today. Yeah.

**W****Will Zell** 29:05

So what's interesting is that, like, the business today is like 180 degrees different from where we started and isn't even really relying on wireless power today because we found that some of the other technology that we developed around low-power sensors is a better solution. So we went to the market trying to figure out great applications for wireless power. You know, you would call it a frontier technology, so no market yet, trying to get it, you know, be one of the first. And, and you have to, Jason's point, like, you have to follow the the market, you have to like really dive in and just build a lot of relationships when you're in, in business development mode. And one of those relationships led us to an application in and around sensor-based condition monitoring for manufacturing facilities, uh, which is really about proactive maintenance. It's about being able to understand that on a motor that is driving a piece of equipment in a manufacturing facility, that motor, if it fails during production, it is a very expensive problem for manufacturers. So if you can take sensor technology, specifically vibration technol— excuse me, technology, and see that that motor is starting to have an issue weeks ahead of it actually failing, then you can empower a maintenance team to go in and fix it before it ever leads to failure. So you can eliminate unplanned downtime.

**J****Jason Duff** 30:26

We—

**W****Will Zell** 30:27

this is— was kind of defined as one of the killer apps for what is called the, uh, Industrial Internet of things. And we got into the space right at the right time, ended up falling in love with it. This is like 2017, 2018, pivoted the entire company to literally just focus on this and then go from, you know, a component supplier to literally an all-in-one solution. Um, got to market in early 2019. Um, you know, came into 2020 as a growth year. COVID paused things by a few months, but it still ended up being a great year. 2021 was nuts. And so far 2022 has been just fantastic.

**J****Jason Duff** 31:04

And you got some great news in terms of additional fundraising round recently?

**W****Will Zell** 31:08

Yep, yep. So to date, Nikola Labs, we've raised over \$50 million. \$29 million of that has come in the last couple months. So, you know, venture— going back to one of your questions about venture capital, there are different types of venture capitalists that invest at different stages. We were growing from the early stage where you're just trying to get something to market to growth stage, which is where you've got something in market, customers love it, and investors can do math that if I come in and I give you \$20 million or \$40 million where I can give you cash, which gives you the ability to invest in growth significantly faster than what you can on your own free cash flow. Yeah. Then you can really scale up faster and get more market share quickly. That's really the, the game at that stage. I mean, we're very fortunate to bring in a lead investor called G2 Venture Partners out of Silicon Valley. Four founders of the firm were at Kleiner Perkins previously, which is a tier one firm, and they are fantastic. They led the round. The total round was \$29.1 million. And now we've got the runway, we've got great momentum in the market, uh, great customer base that we serve every day. And now it's, you know, applying that capital to grow the company as quick as we can over the next 2 years.

**J****Jason Duff** 32:30

Wow, what a journey. You know, can you speak for someone— if you think back to those beginning, uh, periods of your life where you're raising money, a lot of times I run into entrepreneurs and like, how do I get a loan? Like, just think back to those basic early periods, whether it's, you know, getting a little that startup capital to start your home-based business or buy your first piece of real estate. What would your advice for people that need to get access to money? Yep.

**W****Will Zell** 32:54

So I think a lot of it starts with the story and it starts with the vision, um, and making it very simple and very plain, right? And being able to communicate it with passion, um, and, and communicate it succinctly. I'm a big fan of Gary Vaynerchuk, Gary Vee. He talks about something called clouds and dirt. And it's a, it's a model that I think is great. And if you think about clouds as the vision, as the big story, talking about the future and what you want to create, but you can't just take clouds into an investor conversation. You've got to have clouds and dirt. So the cloud is the story. The dirt is here are the practical steps that I'm going to take. Here's what we've already done. Yep. Here's the practical steps that we're going to take, and here is how I'm going to apply your capital that I'm asking you to give me in the most efficient way to produce a return on the investment based on, on the, the business forecast.

**J****Jason Duff** 33:53

Where do you go to even have the opportunity to do that?

**W****Will Zell** 33:56

So that, that gets into the spectrum of, of businesses and investment solutions, right?

J

**Jason Duff** 34:02

Can you answer the question, if you heard the word private money lender, What is a private money lender?

W

**Will Zell** 34:07

So a private money lender, it's, it's fascinating. Um, so a private money lender, if you think about like you're going to invest in a piece of real estate or you're going to start a small business, and let's say you don't have, you know, you're just getting started, let's say you don't have any track record, um, or you don't have any established wealth already, right, to where you can fund the, the startup costs. You're likely not able to go into a bank and get financing for the startup costs. Yeah, there are a set of, of lenders that are private individuals typically could potentially be private firms that are generally there. So I mentioned that venture capitalists often invest for equity, private money lenders invest debt, and though generally there could be some mixture of equity or warrants, which is an ultimate form of equity. Um, but basically it is a population of investors that in my perspective like really are meaningful for entrepreneurs that are just getting going.

J

**Jason Duff** 35:10

I'm glad you said that because I think sometimes private money lenders get a bad rap because they are not a traditional bank. And I think the reason why is that they oftentimes charge more interest than what a traditional bank would be, but when I first started out, I depended on friends and family to be private money lenders because I didn't have the track record to go to the traditional commercial bank.

W

**Will Zell** 35:35

Yep. And, and I, and I think it's actually a great, um, great statement. You cannot— the, the two are not the same in terms of private money lenders versus a traditional bank. The reason why a private money lender is going to charge higher interest is that the risk of full capital loss is significantly greater.

J

**Jason Duff** 35:54

Yeah, there's a reason the bank didn't back you. And oftentimes you have no collateral. So that the term collateral is you're pledging something that in the event that you cannot repay the loan, that you have to give something up. And a lot of times I know when I started out, you know, I didn't even own my car, did not own a house, did not have any assets, maybe my bicycle, but like, you know, who would want that, right?

W

**Will Zell** 36:17

Awesome bike.

J

**Jason Duff** 36:17

Thank you. I had the streamers and everything, you know?

W

**Will Zell** 36:21

But it's a great point. But it is the— it's the lifeline. It's the opportunity to get the capital that you need to start your business. Um, so I'm a big fan of— and it's also the thing that's interesting about it, I would say, is that it's also like a human-to-human relationship generally, right? Um, it's not necessarily a human-to-institution, and obviously you want to have great relationships with bankers, but you know, it's an individual that is generally investing their own wealth. Yeah. As opposed to the deposits of, um, you know, of people in, in a banking institution or investors into a fund that is being managed. Um, I— at Nikola, we actually had— we, uh, first couple rounds were more angel investors, and these are individuals that they're investing \$25,000, \$50,000, \$100,000 of their own money, right? And like, that becomes a— for me, it's a sacred thing, right? If someone is investing their own capital that they've worked towards and they have a lot of other opportunities for that, like to be in a position where you're a steward now of that capital is, is pretty powerful. And you know, it's going to be expensive whether it's equity or debt, but it's, it's the covenant more than anything else I think makes it interesting.

J

**Jason Duff** 37:35

What are other, when you first start out, uh, opportunities to get leverage or to get debt? Truthfully, I hear a lot of entrepreneurs, they share their stories that they use credit cards. Highest interest, but that sometimes there are some expenses and things you had to put on the credit card and you would use one credit card to pay off the other credit card. Oh, geez. No, I know you're hearing that, but that, I mean, no matter what scale or size that you are in your business, cash flow and cash is something I still have my eyes on daily in our business. Can you speak to that?

W

**Will Zell** 38:10

Yeah, I mean, it's one of the things, and you're inevitably going to be in the situation if you start a business that you're going to get to a cash crunch, right? Yeah.

J

**Jason Duff** 38:21

I don't care what size.

W

**Will Zell** 38:22

Yeah, exactly. Yeah. Like we— and so like Nikola Labs, we're intentionally unprofitable and not cash flowing because we're trying to invest in growth. Like there's a very big downside to that. Right?

J

**Jason Duff** 38:35

Like, sleepless nights.

W

**Will Zell** 38:36

Yeah, there's been probably half a dozen times where we've been at the edge of the cliff, like, oh my goodness. Wow. We don't make payroll the next payroll cycle.

**J****Jason Duff** 38:46

Right? And I think that's something that when you talk to other founders, we have all had that at some point. And no matter what size the business is. And so, like, I think, what are some of the insurance policies and ways that you can overcome that?

**W****Will Zell** 39:01

Yep. So what I like to— build is I like to build optionality. For me, in business, optionality is, is super critical, right? And so, and it's kind of doing the work in advance, and it depends a little bit on the business, whether it's a cash flow business or if it's, you know, something that's, that's not necessarily cash flow. Um, but let's take a cash flow business, right? I would try to have as many lines of credit, if you will, and not even access them, but have like as many lines of credit as you possibly can. So if something goes against you, um, and you, you now are within, you know, 30 days, 15 days of, of, you know, hitting a cash crunch, um, you at least have those levers that you can pull. And you want— you like, you want to establish that when the sun is shining, right? Make hay when the sun is shining, because the last thing you want to do is your back's against the wall in that situation, and that's when you're going out trying to to solve the problem. Um, you know, I— there's a gamut, like, you know, personal loans and loans against real estate. And like, there are— like, I, I think you just have to be creative, um, in order to, you know, have the solutions there if you need it. And look at it from an insurance perspective, right? Um, because you're inevitably going to get to— to— everyone's going to find a crunch at some point.

**J****Jason Duff** 40:21

Unfortunately. Yeah. So talk to us then about Zelle Capital. Like, you, you know, you were at Nikola Labs and, and then talk about that transition to—

**W****Will Zell** 40:30

So I served as CEO from Nikola Labs from founding up until the second half of 2020. And in 2018, I brought in a person who was really the scale-up leader for Nikola. Like, I knew my kind of— I thrive in the earliest days, but once the business is starting to scale, I think there's a a certain— it's a different type of skill set that's needed. So as an entrepreneur, you either have to decide, I'm going to like evolve to be that person, or I'm going to find a replacement. Yeah. And I wanted to be very proud.

**J****Jason Duff** 40:59

That's valuable for you that you know what your unique ability is. I think for some folks, they try to be everything to everyone. And as I've had more professional maturity, I know where my shortcomings are and I know what my gifts are. So that the areas that I'm not as strong, I really respect that, that you you know, you know yourself and you know what your gifts are. Yeah.

**W****Will Zell** 41:19

The challenge for a lot of founders, especially that don't necessarily have that self-awareness, is like, that's when you get kicked out by your board, right? Because unless you're able to put in the time, energy, and effort to change as a leader— leading an organization of 20 is very different than an organization of 100 or 200 or 500, right? And so I always— kind of one of my one of my just fundamental principles that I follow is I always want to be proactive in that manner, right? And so 2 and a half years ago, or 2 and a half years before even making the transition, I had brought in the person and we more or less— his name is Brian Graham, he's phenomenal. He came in as chief operating officer, but we basically co-led the organization and had an alignment that there's going to come a point in time where I'm going to say it's yours and I'm going to transition to a different role.. And that role is executive chair, which is a great role. It allows you to still be active in the business. So it's not a passive, just, you know, show up to a board meeting once, once a quarter. I'm in the business every day, still connected to the culture and influencing it in the team. But it's obvious that it's not my full-time role, right? So I did that to — a big part of that was to launch Zelle Capital and now go from, you know, being a founder that's out raising capital to now be an investor that is raising— or excuse me, that is investing in other entrepreneurs that are just getting going. Um, and it's, it's been great. We've got 5 companies that we've invested. There are 2 of them that we're very hands-on, and it's, it's kind of cool. It's one of those moments where like you see yourself, because these are, um, first-time entrepreneurs just getting started, going through a lot of that journey. And, you know, you, you don't have to be an operator, uh, or entrepreneur turned VC to be a great VC. There's plenty of data out there that shows just people who are trained in finance can be great VCs. But I personally believe and love the fact of that I have a significant amount of empathy that I can bring to the table with the founders that we invest in just around like, I've been there. Yeah, done it. I've lived it. I've lived the worst of it. Right. And, and stepped up again and like, so being able, especially when like it's, there's always so much chaos and like pain in those early days. Having people who can give you that encouragement, speak life, and give you that perspective is, is really important.

**J****Jason Duff** 43:41

That's awesome. So you are actively dealing with, you know, people coming to you for investment, um, kind of like we did with my earlier question. What are some of those things that, again, is attractive to you as an investor? Someone's approach, like, you know, ideas, like, as an investor, what are some of those good things that, like, if this person were to to be in front of you, you have a much higher— and honestly, both of you can answer this— much higher likelihood of, you know, investing or hearing them out, you know?

**W****Will Zell** 44:11

Uh, it's a good question. So I'll, I'll hit the kind of the soft skills or hard skills of the individual here in a second. Yeah, but I do invest. I'm a generalist investor, so I'll invest across a number of industries, but it is through a very specific thesis, um, which is around understanding how value exists and value transactions exist in a market, which is called the status quo. So what's happening, what are the main relationships, what are the main agreements that buyers and sellers have in a particular market that a startup, this entrepreneur, is now coming in with a set of speculative claims of how they're going to disrupt the market, if you will, right? And so if you understand kind of how value is created and exists from a first principle perspective, then you can begin to assess the speculative claims that if this entrepreneur, if this team's able to deliver, that what they're really bringing to the table is a new set of value transactions, a new agreement, if you will, or set of agreements that they want to have with the buyers in the market. And so is that set of agreements— is that— that— are those value transactions sign— do they create a significantly greater experience in the status quo at hopefully a lower cost, or at least at the same cost. And if you can't— if, if I can't get conviction around that, that there's some, whether it's technology leverage or some other lever that allows a new entrant to come in and say, we're going to just blow the minds of the current buyers in this market and displace the status quo, then we, we just can't get there.

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

And, you know, I'll add to that, a lot of the companies that, that I work with and business owners that I meet we deploy a lot of what Will's saying, but in a more simplistic term. So if you think of the Lean Startup method, I like people to kind of have that one-page plan, like what is the problem they're looking to solve, you know, what is the, the solution, the idea, the product, the business that they want to address with that, um, what is unique about it, and have they ever tested a prototype? And when I say a prototype, it would be if you want to open up a shop that makes hand lotions and soap, have you been able to do that at a smaller scale with friends and family, maybe at a pop-up event or market that you know that people will actually buy what you offer? And I think for most entrepreneurs where that evolution of pivoting and learning happens is what they initially thought was what their customers wanted. Is not where they end up. And I think you heard today with Will, and part of what I admire about his journey and his success is he has listened and pivoted. And even with his first few endeavors— and I don't even like using the word fail, but I would say it just wasn't meant to be— it gave him the foundation, the knowledge to accomplish the funding. You're hearing a funding round of millions of dollars. Okay. And so I, I think that that's just got to be part of the journey, is that you've got to start somewhere, you know, find a way to get your one-page business plan down, find a way to get your prototype out, and then listen and ask questions. I mean, I think that is, that is really how you build a business in a box, and then always continuing to welcome feedback for how to make it better.

**W****Will Zell** 47:35

The, the other thing that I look for is grit and tenacity. Yeah. Because, you know, been there, done that. You know, that person is going— is about to jump into water where there are sharks, right? Yeah. And so understanding that the journey that brought that person to the, let's say, the table where they are in front of me and like what, what are the— what challenges have they overcome in their life? Like what— when have their— has their back been against the wall, how they respond to it. And, you know, just getting a sense for You know, is this— does this person have the wiring, um, to be able to continually push and persevere through obstacle that is going to certainly be in their way?

**J****Jason Duff** 48:16

Yeah, I love that. And I think for our listeners, I think this is a great example, right? We have, uh, in, in contrast to each other, we have, um, venture capital investing, and we talked a lot about that and how it's different from a private money loan. And we kind of have two investors operating in different ways, you know. Serving, you know, two different kinds of businesses, right? Like, so I wouldn't expect to go to, you know, to a venture capital, uh, investor if I want to open, you know, like a soap bar, you know, something like that. And just to tie here, how the soap bar leads to a real estate acquisition leads to building a company like Small Nation. This is where, like, Will and I are having more conceptual, larger conversations. Now about every venture capital firm around the country wants to invest in real estate, and they want to invest in small towns, or, or like, like what was saying earlier, the Midwest. They actually call the Midwest the Silicon Heartland. Yeah, like, so it's interesting how your one little small business actually can turn into something bigger. Yeah, yeah, I love that. Um, if someone were listening to this, uh, podcast and we're looking for investment opportunities, where would you point them?

**W****Will Zell** 49:32

Looking for investment opportunities, meaning they have capital and they want to invest in those opportunities?

**J****Jason Duff** 49:39

Yeah.

**W****Will Zell** 49:39

Um, well, so it's a good question. I, I would say it does depend on the type of investments that you're looking for, right? So if you want to be an angel investor or invest in tech startups You know, there are great platforms that are out there like Angellist. You generally would be able to go to your local community if it's a larger city and see, you know, there may be angel networks that are out there. Certainly startups, you know, I would go spend some time if there are any established funds or venture capital funds, spend some time with them and try to understand deal flow. And then in venture, spend a good amount of time on Twitter actually. There's a lot of deal flow.

J

**Jason Duff** 50:16

And I think on the smaller, the smaller side of things like get involved in your local Chamber of Commerce and Economic Development. If your community has a co-working facility, hang around, get a membership. Like, I think the thing that I'm so inspired by is when I'm over at Build, which is the co-work facility in our town, the kind of people that are in there on a day-to-day basis, just striking up a conversation saying, what do you do, that could lead to a business deal for you. Yeah. Um, and so, uh, you know, I, I think the ecosystem might be in your backyard. You just need to network and get to know who is looking for capital. Or if you're that person looking for capital, get involved in a community where you can share your story and the needs that you have.

W

**Will Zell** 50:57

Yep, absolutely.

J

**Jason Duff** 50:58

Last question. Well, if someone were to follow you or the, the work that you're doing with Zelle Capital or, um, uh, or anything that you're doing, where can they find you?

W

**Will Zell** 51:08

Sweet Aroma's Coffee.

J

**Jason Duff** 51:10

Beth is gonna love that pitch, by the way. And first off, what, what is, uh, it's Sweet Aroma's Coffee. What is go-to drink?

W

**Will Zell** 51:17

Uh, Papua New Guinea. It's just black coffee blend. Yeah, yeah, the blend of just— yep, it's my— been my favorite for 10 years. Um, we work with Hemisphere Coffee Roasters out in Mechanicsburg. It's just great. So I just literally drink coffee with a little bit of half and half. I'm an easy peasy. Um, but you do have to come to Bellefontaine to see me.

J

**Jason Duff** 51:36

All right, I love that answer. It's like the, you know, I think Warren Buffett is the Oracle of Omaha. Yeah. And we've got Will Zell, the Oracle.

W

**Will Zell** 51:45

That's you, man. I don't know about that. The Oracle of Huntsville.

J

**Jason Duff** 51:52

I'll give you that. Huntsville is both of our hometowns. No, it's my hometown.

W

**Will Zell** 51:56

You're from there? Yeah, exactly. Yeah, they're great. I'm on Twitter and LinkedIn, @WillZell on Twitter and LinkedIn. Actually, what's interesting is I have been spending way less time on social media just because—

J

**Jason Duff** 52:10

I think a lot of people have.

W

**Will Zell** 52:11

Yeah.

J

**Jason Duff** 52:11

There's been— It seems like as the, the, the platforms get more monetized, sometimes the, the distractions and the business doesn't make sense either too. Yep. Yeah. Well, here, here's the, the thing I, I took away today, Ethan, is that, um, you know, grit— you, you kind of shared two things, grit and tenacity. And I, I think that being an investor, you know, really having the courage to reach out to mentors, that was kind of a big thing. And then being able to follow through with, um, asking for feedback, getting advice, sending the thank-yous and gratitude, and then being able to pivot and see through the, the good times and the times that are a little bit dark. Because this, this is not easy, right? This is— but is it worth it? That's my question to you.

W

**Will Zell** 52:55

Is it worth it? Oh, absolutely.

J

**Jason Duff** 52:57

Totally.

W

**Will Zell** 52:57

Yeah, without a doubt.

J

**Jason Duff** 52:59

I love that. Thank you so much for being here, Will. Appreciate it, man.

W

**Will Zell** 53:02

My pleasure.

J

**Jason Duff** 53:02

Thanks. Thanks for sharing. Thanks, Paul.

W

**Will Zell** 53:04

Yep.



**Jason Duff** 53:05

All right, well,



**Ethan DeLeon** 53:05

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