

Episode 58

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SPEAKERS

Jason Duff, Ben Clarke, Ethan DeLeon

B

Ben Clarke 00:00

I mean, one of my favorite books is called Deep Work. You know, I think you've read it as well. It's just basically about kind of like the short version is lock yourself in a room and do the thinking. I mean, that's — and it's especially for action-oriented people like me, like Jason, it's hard to do, you know, because you feel like I really would rather schedule my time, you know, hour by hour and feel like I'm getting that feedback and like I'm working and I'm doing the right things. But Um, sometimes the people who are, you know, in a commercial sense at least, the most successful, they're not, they're not necessarily working the hardest. They've just stopped and done the thinking that millions of other people passed on.

E

Ethan DeLeon 00:44

Welcome to the Small Nation Podcast, brought to you by Coverlink Insurance, where people are more important than policies. On this show, we unpack lessons from entrepreneurs, break down development strategies, and do deep dives on small town success. Our goal is to provide value to our listeners by hosting conversations that teach, inform, and inspire. Hey everyone, my name is Ethan DeLeon, and I'm here with our founder and CEO of Small Nation, Jason Duff. Today we're excited to host the Chief Data Officer at Bold Penguin, Ben Clark, on the show. How's it going, Ben?

B

Ben Clarke 01:14

Going great.

J

Jason Duff 01:15

Thanks, Ben. It is great to have you on the show. Thank you, Ethan. And just in terms of Ben's bio, He is probably the most humble entrepreneurs that I know, and also someone that I'm just really excited to interview today because we were talking over lunch, just things that are trending right now in the world of marketing and technology and the economy. Like, this is a really interesting time to be a leader, right? Just a few problems out there.

B

Ben Clarke 01:41

Yeah, this is an interesting time to be alive.

J**Jason Duff** 01:44

It honestly the positive of that, like, this is— there's probably more opportunity coming than there has been in a very long time. But anytime that there are these cycles in the economy, there's painful changes. And, you know, a lot of, uh, the lessons that we've learned historically unfortunately have to repeat themselves, right?

B**Ben Clarke** 02:07

I, I would agree with that. I mean, I, I would say that in, in general, it's a, it's a dislocation. And in dislocations, there's winners and losers. And I don't think it's necessarily clear that the previous winners are going to continue. And that's the logical fallacy that most people make, right? They look at a company or country and they say, well, they did well in the last cycle, of course they'll do well in the next cycle. And, you know, more often than not, that's, that's not true. And that's the downside to creative destruction. It's creative, but it's also destructive. And it's gonna be really important, I think, for everyone to think critically, which we're not necessarily trained to do very well. I think we're trained to ingest information we're given pretty well and repeat it back to you in the way that it was given. But to think about how maybe a linear trend becomes nonlinear, or a pattern that's been consistent for, say, decades or more gets substantially broken, or it's just not how our brains work. And the people who figure that out the soonest, I think, will be the, the big winners.

J**Jason Duff** 03:23

One thing about investing, and I've always found this fascinating, is that you, you mentioned like the way people think, like you open up the, the news or the Wall Street Journal, or you watch the news and there's a lot of opinion, and particularly with investing, how many people, you know, spend a lot of time trying to pick the right stocks or the right funds? The statistics of that is not so great.

B**Ben Clarke** 03:50

The statistics are horrendous, and they're worse than advertised. I think that I find it strange, uh, that so many people are dedicated to, uh, craft of making predictions in a market where it's been definitively proven you can't make predictions. I don't know why you would choose to do that, um, or why would people would choose to listen to them. Um, but it's one of the biggest markets in the world. And I mean, the, the sort of financial advising, financial prognostication space is— it's an entertainment business, it's a gambling business. Um, it's big. And I can't figure out why. I've never been— I've never understood.

J**Jason Duff** 04:35

Yeah. Well, if we go back in time, did you tell us a bit about how you got started, like how you became an entrepreneur and then some of the industries that you fell into?

B**Ben Clarke** 04:44

Sure. Yeah. So my background, I got my— I'm from Findlay, Ohio, which is not— Yeah.

J**Jason Duff** 04:50

Hey, not that far. Hancock County.

B**Ben Clarke** 04:52

Hancock County. And in the house, it's not that far from here. It's, you know, it's an energy community primarily. I came to Ohio State, I got my degree in genetics. While I was in school, a few friends and I were early adopters of what's now called the cloud, which was essentially creating sort of publicly accessible resources for servers and infrastructure, digital infrastructure, that used to kind of have to be built on a one by one basis. So everybody had their own servers, everyone had their own infrastructure. And it seemed obvious to me that that was going to stop because why would you have millions of people kind of hitting the same keys in the exact same order just to get the exact same result? No differentiation. Like, who wants 99% reliability if you could have 99.9%? Like, no one's going to be like, yeah, give me the worst one. That'd be awesome.

J**Jason Duff** 05:48

Yeah.

B**Ben Clarke** 05:49

So if, if the best version of the service was available more easily than the custom version of the service, then of course everyone's going to move that way. So we got— we were early in that space. We got acquired. That really got me going, you know, in engineering and just the mechanism of starting a business and scaling a business. And we sold that when I was, I think, 23. I don't remember exactly. It was somewhere in that range. And then I started a company called The Shipyard, which became and still is one of the largest independent media creative agencies in the US.

J**Jason Duff** 06:29

And I just have to share, you know, as I was starting my company, being able to go down and meet with Ben, Ben opened up his office for us to take a tour. And I walked away so impressed with just how it was set up. It was, first off, it was in the Smith Hardware building, which was in— Oh yeah. A part of Columbus that was going through a massive renovation and revitalization at the time. And then because they were hiring creatives and amongst their company there's a lot of different types of personalities and people. You have creatives, you have engineers, you have project managers. Like for me, just beginning my company, being able to kind of look in and see what Ben was building and doing was very inspiring. And in the same light, a lot of us met 10 or 15 years ago when our companies were very small. And also our risk tolerance was really high. And the Shipyard, can you explain who was your customers and your clients at the time?

B**Ben Clarke** 07:34

Sure. I mean, that's honestly eventually how I kind of ended up in insurance and fintech, for sort of geographic reasons, Shipyard ended up with a bunch of banking and insurance clients. I mean, if you kind of look around Columbus, I mean, there are things that we do really well, you know, fashion obviously, but we weren't as big in that space. And then insurance and financial services, like, we're oddly one of the really destination kind of mecca cities for that. And especially at our size, we'd punch well above our weight. So I ended up in that space just kind of by picking up the customers that we could in the region, and I learned that business kind of inside and out and fell in love with it, and that was sort of the genesis of Bold Penguin, or my interest in the insurance and sort of fintech space.

J**Jason Duff** 08:29

Can you explain the traditional insurance model and where you saw some of the challenges or the opportunities with that and how you started then the next company, which is Bold Penguin?

B**Ben Clarke** 08:41

Yeah, yeah, sure. So, you know, commercial insurance specifically, which was the space that we're in and that, you know, we were tremendously successful— there are, there are a lot of commercial insurance companies, say there's about 1,000. And this becomes true, by the way, in like a bunch of industries. But in this one specifically, they all were of two types. Either they were portfolio companies, meaning they did a lot of a little. So they had, you know, a broad portfolio of insurance applications that kind of spanned a variety of industries and a variety of business sizes. And then any time there's an entity like that in an industry, there's going to be a bunch of small specialist players, like just the nature of commerce and how it generally kind of manifests. Uh, and what we wanted to do was improve the sort of efficiency, reduce the search friction, the price search friction between customers, end users, brokers, and carriers to sort of find and place, um, those insurance applications. And so, so we did, we built, uh, the largest commercial insurance exchange in, in the US. Um, and basically helped brokers and carriers kind of find the right home for their, uh, for their insurance customers.

J**Jason Duff** 09:55

It comes up a lot that friction points are what is— holds a lot of people back from investing more, from making a buying decision. Like, a lot of the guests that we've had on the show will talk about, like, trying to find whether it's a particular area to do investments or projects in, or certain companies that make those friction points less. Why is that so important?

B**Ben Clarke** 10:18

Well, I think this is still true that, you know, broadly search is the largest industry in the world, meaning that the process of sort of finding, evaluating and choosing who you're going to do business with is actually oftentimes bigger than the business itself. Hmm.

J**Jason Duff** 10:37

Yeah, that's interesting.

B**Ben Clarke** 10:38

What I think happens a lot of times is when you can reduce that friction, even marginally, those industries, those end industries can get a lot bigger because customers will just kind of do business with them more frequently. So like a common example that most people know is Amazon, right? Like the idea of introducing one-click purchasing and just the idea of getting stuff delivered to your house, like the, the for better or worse, the fact is people are buying more things. They're buying more things. Yeah. Than they were before. It's not just that they're happier. It's not just that CSAT, you know, customer satisfaction is hired, is that they are just buying more stuff because it's easier to do. And that's true, you know, across all industries. So when you look at, you know, where can I kind of apply like my entrepreneurial mindset, I think a lot of times if you, if you understand a domain well and you can just kind of map out like, hey, where's all the friction? Where is it that there it's hard for customers or distributors or distributors and manufacturers to interact with each other? And I could, I can make that smoother, I can make that faster. You, you know, not always, but a lot of times I think you'll find yourself an opportunity even more so than, you know, always trying to be one of those players. Say like, I'm going to be the next manufacturer, I'm going to be the next distributor, I'm going to be the next broker. Like, it turns out that there are some things that are often endemic to those businesses that just make them hard, makes them hard to be in. And the people who run them aren't fools. You're not going to just go in there and outsmart them. It just turns out that there are some challenges in certain types of business models. And oftentimes, the sort of reduction in search friction, which was the Nobel Prize in Economics a number of years ago, was just kind of studying, hey, what was the total commercial value of search friction? And of course, it's astronomical, as you might guess. Some of your, you know, some of the largest tech companies in the world, really, like Google in particular, it's all they do. Yeah. I mean, it's literally the whole business is like just organizing the internet into more consumable format and giving you links to click.

J**Jason Duff** 12:45

Like the lower barrier of entry.

B**Ben Clarke** 12:47

That's the whole business.

J**Jason Duff** 12:48

And so you guys kind of took that commercial insurance and that was kind of like your specialty then at that point?

B**Ben Clarke** 12:54

Yeah, our specialty was we built software, um, let's call it an exchange. Where we would analyze an application that came in on behalf of a broker carrier and help them figure out if they were going to write it internally, write it externally, you know, refer it to a partner. And we did that through software and AI instead of always kind of human analysis.

J**Jason Duff** 13:16

Yeah, you said the words AI. We'll get there too. And, you know, towards the end of this episode or later on, I should say. But I'm curious with your entrepreneurial journey. So your first business, you said, got acquired and then you started this, uh, shipyard. Um, did you start that with the intention of wanting to exit that at some point? Um, I'm just kind of curious what that—

B**Ben Clarke** 13:38

I, I don't, I don't necessarily, uh, I'm pretty intellectually driven. So for me, like, the, the itch I'm always trying to scratch is like, is this, it is intellectually interesting to me? Um, I'm not actually one of the better people in the world that like setting up for the exit. Yeah, I'm really pretty focused on is this something that I'm curious about and, and can I find people to work at this place who are also interesting? That's one of the problems, right? Like if you get into a space where it's, it's not the kind of thing that smart people who you can get along with and that's, that's important to you want to— a space they want to be in or a place they want to work, it can get pretty miserable pretty quick. You know, for me, that was always the big driver. And so I love creative people, so it's fun to be around them. I love engineers, probably the people I get along with the best, data scientists. So any entity that I could build where I now had a reason to talk to those people and I had sort of an economic driver to, you know, have a relationship with them and to get to work with them, that's kind of the place I want.

J**Jason Duff** 14:45

You built the life you want.

B**Ben Clarke** 14:46

Yeah, yeah, right. Yeah. And it's huge. I mean, being around the kinds of people that make you smarter, uh, is just super underrated. Yeah, just super underrated.

J**Jason Duff** 14:57

We, uh, on last season hosted Wilson Reiser from Wyman's Chocolates and Coffee. And, you know, this is a 70-year-old chocolate company that started in Pickle Ohio. And on the, the podcast, you know, the, the value of that brand, the quality of the product, like the stores are really special experiences. But to innovate and prepare the business to the next level, one of the things that he talked about and he's now been implementing is understanding every customer touchpoint. What are those interactions? And particularly with what Ben brought up about friction points where technology can help a smaller independent business scale or grow is implementing things where you are able to communicate with your customers easier and better. And then also allow them to order your products. So one thing, when Wynand's launched a brand new website, they implemented a new app. The power of having an app is that customers can preorder their coffee before they even arrive in the shop. So there's no— there's no standing in line. And then once the credit card's linked up, that reduces the friction point from, you know, standing and actually having to swipe. And what's even cooler is now that you've got an app, you have data. And you brought up the point of data engineers, like now you can start to understand where are my customers coming from? Yeah. And how can I reward them better? Like, is there any other kind of like lessons or nuggets like what Winans is doing that you think could be applicable to other small businesses that you maybe interact with?

B**Ben Clarke** 16:29

Well, I think they're, they're kind of running on a pretty well-established pattern, which is if I can map out the customer journey, like go through her life and how she interacts with me and how she interacts with other brands and find any place where I can, by invitation, compete for her attention. That's where I want to be, right? So the— when you listen to like earnings calls with say Netflix and they'll ask like, who are your biggest competitors? They'll say the usual suspects, but they'll then also say video games. Like, well, why? Yeah, why? That's nothing to do with what you do. And it's But it's— they're— it's actually their biggest competitor by far for their time. Yeah, that's it, man. You got— you can only use your second for one thing at a time. And so in that case you gave, you know, the idea being I can preorder, right? That sort of Starbucks was— it was early in that space. That was an invitation to say, hey, I can reduce the friction for you. I can make your life easier. In exchange, you know, I need your credit card. I need— but it wasn't a push. It wasn't like, I just want your information, I just want to be able to communicate with you. There's no value exchange. In this case, there's significant value exchanged. In theory, you give her 5 minutes back, she gets to do what she wants with those 5 minutes. Yeah. And so I think any time you can really do the intellectual work of kind of mapping out the customer decision journey and mapping out everything that's sort of tangential to the direct business that you're in, how else she might be spending her time, or the substitute products that she might use, you're going to find opportunities. And the best ones are, from, from my perspective, the, the kind of invitation, um, products versus the push. Everyone wants to push. That's why email, you know, has dwindled in efficacy for, for decades, right, in terms of push, because the inbox is there and like, I, I want to talk to you as a business, but why does a consumer want to hear from me for a promotion? Like, eh, but when it's a real value exchange, like the example you just gave, people opt in. You get 20, 30% opt-in rates, whereas— and I don't know what the latest email metrics are because I'm out of the business, but it was like 1/10 of 1% click-through rates. Yeah, 10 years ago. That's way worse now. Like, it just— it— you have to do the work of finding ways to provide value. It is not your customers. I mean, you think about your own life. What tiny, tiny fraction of your intellectual energy do you dedicate to thinking about any consumer product, any brand, anything? It's, it's seconds. Yeah, you've got to be as the other side of the transaction, you have to spend the hours trying to figure out how to productively insert yourself into that, into that life.

J**Jason Duff** 19:27

Yeah, very interesting to hear, you know, broad, broad strokes of, of this, you know, just any, any industry. That's, that's the cool thing is it applies to any industry. And then, um, you know, you've been able to build a business off that. But to kind of follow your journey a little bit, talk us through how long, uh, were you at Shipyard and kind of what what happened with that business and take us into Bold Penguin.

B**Ben Clarke** 19:50

Yeah, I was at Shipyard for, I think, 6 or 7 years. They're still doing great. They were— they sold a part of the business to KKR, which is a big private equity fund. And then I— they just recently actually took a big investment to kind of continue to acquire trading agencies and creative agencies. So I think in the not too distant future, they'll be the biggest independent ad agency in the country if they're probably top 10 already. They did a couple of Super Bowl ads. They're doing really well. And then Bullpango and I was— we, we owned that business for about 5 years and then we exited in 2021. And I'm still there. I mean, it's a great business, wonderful people. The acquirers, American Family Insurance, they've been tremendous. So that's just been a pretty unqualified great experience.

J**Jason Duff** 20:48

It's rare to find folks that can jump from industry to industry. Yeah. And as you kind of think about those two companies and maybe even what, what is in your future of future companies that you, that you hope to be a part of or create, what's the common thread?

B**Ben Clarke** 21:05

I personally like very engineering-driven organizations where building the product or building the technology is sort of the— that is the business versus necessarily like enabling it to do something else. So, you know, if you manufacture tables, like, sure, technology is a part of every business, but it's not the business. The business is manufacturing tables. I like where that, that is at the core. You know, we're here to build this, this tech platform, and that tech platform is sort of self-evidently valuable, and that's, that's what we sell.

J**Jason Duff** 21:41

I remember about 10 years ago, Ben and I were walking around Bellefontaine, and this was a period of time where Bellefontaine was still very much struggling, but we were looking at these cool buildings. And one thing that I think Ben does love is history and architecture. And we walked by a historic post office in town, and this is just to explain how his brain works, is at the time, I think your, your first child was on the way.

B**Ben Clarke** 22:05

Yeah.

J**Jason Duff** 22:05

And he— do you want to explain? I'm going to let you tell the story. You were going on a Google search to look for a particular product. Do you remember that conversation?

B**Ben Clarke** 22:13

Was this the rocking horse? Yes. Yeah.

J**Jason Duff** 22:17

Yeah.

B**Ben Clarke** 22:18

I had a— I sort of sometimes think of businesses that fit physical spaces. I don't know why. It's not a particularly valuable skill set, but it is, you know, Jason's point. It's kind of the way that my brain works. And when I saw the post office, I thought, That'd make a good retail store for rocking horses. Interesting.

J**Jason Duff** 22:39

But here's why. Here's why. So deeper, he was sharing that when he was growing up, that, that was a particular gift that was given to his family that he remembers spending time on. And there were family pictures that were recorded there. Like it was like in the '80s and '90s, like that was a very popular gift that was handmade and created. So he just went out to the marketplace and said, I would like to have something like this for my child. Yeah. And I think the big surprise, there was no one that was making something high quality. And this just goes to show, I think for a lot of people are listening that want to capitalize on a business idea is that's where my brain kind of went into activation mode to say people today want to buy something that has a story. So part of that's the brand. The next step is, is actually the manufacturing. So building something of quality. And then where brain— where Ben's brain type comes in is how can we then leverage and scale that with the technology and the internet to grow that business.

B**Ben Clarke** 23:41

Yeah, I would say something even more maybe generally. Um, a lot of people, I think most people outside of entrepreneurs, go through life and when something is the disappointment or a surprise or a nuisance they just kind of say, oh, that's unfortunate, and they move on and just live with it. Let's live with it. Entrepreneurs or people with that bent always stop and kind of ask like following questions: why is this a nuisance? Why doesn't anyone make rocking horses in the US? I found a British company that does, and like, I actually know a decent amount about the domain from that, like, 3 hours, right? Because I was like, awesome. I want to find out where did this industry go? You know, why isn't it here? I think people stood in line for 20 years when there were plenty of apps and smartphones and things and waited for their coffee and never thought about it. Why could I do something else? Like, of course I could have ordered on the way, like, or I could have an order every day that I don't even put in. They just know I'm going to show up at this time. And you know, it's on a subscription kind of a scheduled basis, like, there's a lot of opportunity, I think, still out there. Not in esoteric spaces, not in, you know, you have to know the ins and outs of commodities trading to do it. Just in like, this is a nuisance, it could be easier, or it's an industry that's sort of, for reasons that are no longer relevant, isn't here anymore and you can bring it back. I still think those are out there.

J**Jason Duff** 25:19

Well, recently our team was hired to go down to Dresden, Ohio. And if you've not been to Dresden, Dresden's quite famous because the largest basket in the world still exists there. And if we went in a time machine and went back 30 years ago, Dave Longenberger— actually, 35 years ago— visioned up a company called Longenberger that started hand-making baskets in the US with a direct selling model. Of, um, resellers that were individual men and women that would host parties curating the newest model type style design of baskets and literally built a billion-dollar company. Wow. And, um, people would travel from tour buses all across the country to visit the factory in Dresden, Ohio. Yeah. And later with Dave and his family's big vision of creating a village with other makers and restaurants and shops. And the sad reality is that, unfortunately, Longhorn Burger sold. And the company and the town and community— of course, the founder ended up passing away. And they haven't had the sales or the energy of life. What's been really exciting to see is that the DNA and the buildings and the people, they're still there and they're still making baskets. They've launched now Dresden and Company, which is still living on and manufacturing baskets in Dresden. And Longenberger is actually purchasing baskets from Dresden and Company. So the company is actually rebuilding. But I think there's lots of examples like that using technology, people still want that authentic experience. They still want and crave locally made quality products. But just kind of hearing that, would you have advice, like, as, as you're, you know, thinking about technology or industries that would help, uh, the community of Dresden or a company like Dresden and Company or Longenberger?

B**Ben Clarke** 27:31

I mean, from a marketing perspective, it's super hard to manufacture legitimate history. So when you have that, it's powerful. You have to leverage it. It's got to be true. It's a mild, mild detail, but it has to be true. Um, and people, people love it because look, we're, we're still human beings looking for authentic experiences. I think that's why you see, you know, travel, even when it was risky to an extent, people were still doing it. Like, there's this sort of biological desire to, to see things and to have sort of positive interactions with real people and real experiences. Um, and a lot of the consumer brands that have stood the test of time, I mean, they do have these origin stories that are really compelling, and people, people like that, you know, for, I think, pretty like innate biological reasons people like it. Yeah.

J**Jason Duff** 28:32

You're saying double down on that. It's cool.

B**Ben Clarke** 28:34

Yeah, I think it's hard to look. You can't— I can't remember, is it Häagen-Dazs? I think Häagen-Dazs is made up. It's not a real— it's not a real— I think they're the ones. But for the most part, like, these, these companies are legit and they have cool histories and origin stories. And the ones that don't, like, it's tough. You know, you really— it's really powerful. To have that kind of history. I mean, if you think about it just for a second, like with cities, if you start, you know, racking off a list of cities in your head, you have an immediate perception, immediate, like, what would they be good at manufacturing? What would, like, if you heard of a product coming from that city, like, does that make sense to you? And that association, it's hard to recreate. You can't buy it, but you can use it. And a place like Dresden, I mean, the, you know, the baskets, um, I, I— that's a powerful story. Um, and I do think that they could, you know, to leverage that. I don't know if, you know, the popularity of that particular product was like a moment in time kind of thing, but the story certainly—

J**Jason Duff** 29:40

the story's still there. Yeah. And the people are still there.

B**Ben Clarke** 29:43

Yeah.

J**Jason Duff** 29:43

And, and that, that's hard to replace where, you know, just being back there today I was not exposed or don't remember how powerful that was growing up, but just being there and seeing people make these baskets by hand, I wanted to pay \$150 to buy a basket. Like I wouldn't even blink about the price of it because it was the magic of the experience.

B**Ben Clarke** 30:04

Yeah, I mean, look, economists have this concept of utility, right? Which is how much are you willing to pay and how much utility you get? That's ridiculous. If people walk in and they see somebody making a basket or, they, they go into a candy shop and someone's like dipping the apple in caramel. Like, it doesn't change the utility of the apple, but yeah, sure, I'll pay some— it changes how much I'll pay for it.

J**Jason Duff** 30:25

Yeah, it's an emotional response.

B**Ben Clarke** 30:27

Yeah, man, it's all of it is emotional. I mean, there's so many purchases are truly just like, I'm making connection to this thing, or it has a connection to something that makes me happy in the past, or, you know, it, it makes me think something about myself, you know, something positive about what I want to be. So gym membership is essentially for most people, right? It's like, I want to be a person who goes to the gym, so you have a gym membership. Yeah. And that's, you know, like Jason was saying about the, the, the baskets. I mean, when you see someone doing the work and you see the history and you kind of, you get that like, oh, this is cool kind of feeling.

J**Jason Duff** 31:05

Price, you know.

B**Ben Clarke** 31:06

Yeah. Utility. Come on. That doesn't apply. People, people pay \$150 for a basket.

J**Jason Duff** 31:12

Yeah, very cool. All right, at this time we're going to take a quick break to hear a word from our sponsors. Big city dining in a small town, now that's The Syndicate. Join them for fresh steaks, pasta, or seafood for dinner, or stop in for Sunday brunch to experience one of their signature dishes such as chicken and waffles, and maybe even pair it with a mimosa flight. Located at 213 South Main Street in downtown Bellefontaine. Come check out 600 Downtown Pizzeria in downtown Bellefontaine, where they cherish the art of making the most authentic, unique, and delicious world-famous and award-winning pizzas. Their team hand spins each pizza the old-fashioned way and only uses the freshest of ingredients. Come see why they were featured on the Food Network. Well, you mentioned AI earlier in the conversation, and obviously it's a very trendy, uh, subject right now. And one of our promises on this podcast is talk about the trends So tell me, with a tech company, you know, how are you utilizing AI? I'd just like to hear your thoughts on it and then maybe we can break it down and give some advice to our listeners on how they can kind of tap into that.

B**Ben Clarke** 32:13

Yeah, look, so I mean, AI, there's a bunch of different sort of domains, spaces that you could talk about, right? So ChatGPT and the sort of next generation of natural language processing. Like, that's, that's, that's one part of it. There's also, you know, computer vision, which is full self-driving cars. And, you know, in manufacturing facilities where they're using computer vision to, you know, replace certain types of work. So when you talk about AI, there are, there are so many different applications, right? I mean, so much of the stock market right now the ticker symbols moving up and down is— it's AI. It's got nothing— there's no retail traders aren't in there like buying Microsoft. It's, it's a market maker sitting in the middle who's using AI, and it's a buyer and a seller who are interacting with the market maker. It's, you know, not you buying directly from me or me selling directly to you.

J**Jason Duff** 33:07

When did that change?

B**Ben Clarke** 33:09

Well, it's been changing over the decades, really. But I mean, now it's going to be— market making is a very difficult business. But it provides, you know, instant liquidity to people, which is kind of what they expect. It also helps to reduce panic. You know, if you feel like you can sell and you see that you can actually sell. But I mean, it started really with the advent of electronic trading. And as high-frequency traders got really powerful technology tools and got their servers closer and closer physically, like literally physically closer and closer to where the trades were happening, they just kind of built up an advantage. And now I don't know what percentage of it is electronically traded, but almost all of it at this point. So, so anyway, that's a— when you're talking about AI, I mean, there's just a bunch of different—

J**Jason Duff** 34:02

right, in almost any industry, right?

B**Ben Clarke** 34:05

Yeah. I mean, I don't, I don't know any at this point. Maybe baskets that won't be affected. Invest in baskets. Yeah, today, invest in baskets. That won't be affected. And look, I don't— it is not an unqualified good thing. I mean, it's potentially very dangerous. Yeah. And I don't know that we're doing a good job of explaining the trade-offs to people. Um, we're kind of just running into it as it's a, um, like almost a natural progression and like we have to do it. Uh, but that's not necessarily— yeah, it's not necessarily the case.

J**Jason Duff** 34:45

Well, I know even for our podcast, uh, Ethan and I had conversations. We've got 3 cameras in here, and you were about to expose me. Yeah, I'm just gonna tell you, you were spending a lot of time editing the camera, cutting between a couple. At that time we had 2 cameras, and then, uh, I, I got turned on to this, um, AI software, so I will cut between the 3 cameras using AI. And that's just one way. I mean, I, I know other people who use it for, for podcasting specifically because this is a podcast, like even vocal enhancing and stuff like that.

B**Ben Clarke** 35:16

Look at the, the, the Hollywood labor strikes, right? The writers' labor strikes. One of the stickiest issues and they're, they're right. They're right to be worried about this is around the use of AI. Yeah. Because, you know, the question of if you could just take the top writers' scripts from the past decade and give it to AI and for no money have it spit out something that's like pretty decent? Yeah. Wouldn't you get to 80%?

J**Jason Duff** 35:48

Yeah.

B**Ben Clarke** 35:48

Like you'll mess around the edges. It won't have the art, you know, won't be artistic necessarily. It won't — it may not be as innovative to today, although that could change. But if the cost of production is nothing, especially in the streaming world. Yep. Um, you're gonna do it. You're just gonna do it. And I think they were, you know, prescient to say that that's something to, uh, for them to be concerned about. And it's, it's going to be true in, in every industry. I, I don't think we're anywhere close to grappling with how big of a change it's going to be. I think it's on the order of like the external combustion engine and then the internal combustion engine. In terms of like how seismically different our lives could be 20 years from now. And maybe differently from that revolution, which really affected artisan craftsmen and farmers and, you know, what they — I don't like the term, but it was historically called blue-collar work. This thing's coming straight for white-collar work. I mean, at this point, if computer vision can't do as good of a job as a radiologist of reading an X-ray and MRI, it will be able to do it before that person's career is over for sure. And so then the question is like, what is her job then, right? What does she do? Does she sit there and like, does she become someone who trains the AI? I mean, that seems — for a person who spent 10 years in school and like, you know, is called doctor, like, yeah, saying, hey, here's a computer and a mouse and Train this thing, teach it, like, I don't know, continue to replace you. Yeah, yeah, she's not going to want to do that, right? And like, I think the Hollywood writers are, um, they're on the same track of saying like, well, I don't want to just be building training data scripts for, you know, AI to then do all the, you know, do all the work. Um, this, this thing's coming for, I think, a group of people who have been fairly insulated from creative destruction.

J**Jason Duff** 37:48

Can you mention some of those industries or those people?

B**Ben Clarke** 37:51

Just, I mean, healthcare for sure. Okay. Healthcare, regulatory and compliance, which is a lot of people do. It's coming for that. Account management, project management, software development, oddly.

J**Jason Duff** 38:04

Graphic design.

B**Ben Clarke** 38:04

Graphic design for sure. You know, there's a lot of software development that can be done now through, through, you know, AI that was done by, was done by people. I think it is coming for a lot of the procedural clerical, even like highly professional clerical, but still kind of clerical work that historically was done by trained individuals. It's coming. I don't think we're —

J**Jason Duff** 38:31

I don't think we're there yet. So I guess my question is now, you know, you've kind of laid the groundwork for that. How are you guys, you know, using it currently and what advice would you give to listeners and industries? I mean, I know it's kind of hard to do because it's in broad strokes for every industry, but Um, like, what would you advise people to do with this new thing that exists? Because obviously we can't ignore it. Um, but should we fear it?

B**Ben Clarke** 38:56

Should we— well, I don't know if you— you guys probably saw, you know, Elon Musk and a few others called for more or less like a moratorium on development. Um, I'm generally not supportive of moratoriums, except in this case I was like, eh, you might be onto something because it's going too fast. It's going too fast. And unlike, let's take the external combustion engine, right? The steam boiler, the three of us can't make one and they never could. It wasn't like we were gonna make an external steam engine or even a diesel engine, which I think is probably the next most important invention in terms of changing the world. If you weren't a sort of highly technical engineer with access to raw materials, with access to the best, metallurgist in the world, like, can just make one. This can be different. This is something that when it gets to a point where, you know, chips are cheap enough and the open source code is available, which in a lot of cases already is, um, 3 dudes are going to be able to make whatever they want, and it's not necessarily a good thing. So I don't, I don't know that it's, you know, again, like an unqualified good thing. I do think, uh, it has the potential to solve some really big problems, the demographic problems that we're running into, right, where we do have an aging workforce and we need some like miraculous increase in productivity that we haven't had since the internal combustion engine. And maybe we can get that from AI.

J**Jason Duff** 40:25

We spent some time at Lunch Date just talking about how our country's population is declining and we need people. Really bad.

B**Ben Clarke** 40:35

Yeah. So I mean, if you, if you look at the sort of the moratorium on AI and you say, okay, who would have to participate in that? One would be the United States, the other would be China, and they're never going to participate because they need it more than we do. And not they need it more than we do in terms of economic prosperity. We, we have that, we're on the same wavelength there. Their demographic problems are so bad they are going to need sort of the tenfold increase in productivity that has never happened. Or, you know, even, even with the internal combustion engine, which was, you know, orders of magnitude change, they are going to need one person to be able to do the work of, of 10. And AI is the, the only potential tool in the tool belt to, you know, maybe make that happen. So they're, they're never going to participate., you know, in an AI moratorium. And, and in general, us, Japan, South Korea, China, like we, we have a currently insurmountable demographic problem where hopefully, you know, we'll have enough of an influx of people, um, that it's not as bad for us. But countries that have net emigration or no immigration, they're, they're in trouble. In big trouble.

J**Jason Duff** 41:52

Interesting. Thanks for, for, uh, sharing your thoughts on that. I mean, I feel like all kinds of mixed feelings on the subject, but, uh, I don't know, it's always nice to, to hear a new perspective intellectually. Like, Ben, that's the thing that I appreciate about our friendship too. Um, Ben is, you know, I'm pretty practical about things, and of course you can see just in hearing Jason's all feelings. I'm actually a lot of feelings, but like Ben thinks very deeply about things. And, um, how would you help people that maybe aren't as intellectual? Like, what are the questions or what are the processes that you can use to like think more deeply about certain topics?

B**Ben Clarke** 42:32

Yeah, I mean, I think honestly the one of the biggest things that surprises me, but it's so true, is very few people just stop and do the thinking, it almost doesn't feel like work. I noticed that even with myself, like if we said, hey, we're going to spend the next 2 days and we're just going to think about what does AI mean for all of us, I almost feel like we're wasting our time or it's like academic or we shouldn't do it. But, you know, in studying the way that media was bought or the way that, you know, agencies worked or the way commercial insurance worked, like So we figured it out. We figured out that we could build an exchange. And we figured out that there were no sort of new models to deploy in the media trading space. If we hadn't stopped at the nuisance or stopped at the disruption and paused and thought about it, we just— you're not going to come to these conclusions quickly. I mean, one of my favorite books is called Deep Work. You know, I think you've read it as well. It's just basically about kind of like the short version is lock yourself in a room and do the thinking. I mean, that's, um, and it, it's especially for action-oriented people like me, like Jason, um, it's hard to do, you know, because you feel like I really would rather schedule my time, you know, hour by hour and feel like I can get in that feedback and like I'm working and I'm doing the right things. But, um, sometimes the people who are you know, in a commercial sense, at least the most successful, they're not, they're not necessarily working the hardest. They've just stopped and done the thinking that millions of other people passed on.

J**Jason Duff** 44:13

Well, I think it's getting continually harder to do so because there's so many things fighting for our attention, so much content, things like that.

B**Ben Clarke** 44:19

So not on social media.

J**Jason Duff** 44:23

That's what I was going to ask you, because I love all the distractions. That's funny. So I mean, I guess there's one helpful tip there is don't have social media. But like, on a serious note, like, how do you limit those distractions to, to be intentional about doing the deep work, as you're calling it?

B**Ben Clarke** 44:44

Yeah, I mean, but in all seriousness, I mean, for me, um, social media is one of those things that I think does a lot of good, connects people. I think makes people feel like they're parts of communities. Can't stress how important that is. People who feel isolated unwanted. It's not good. It's not good for them. It's not good for society. So I think it's positive in that way. It's usually negative in that it just does distract people. I mean, it's just like the, the distraction machine of the century. And I'm not on it because I can't help but, you know, I sometimes Google tweets. Like, even I— it kills me, but I do it. But I, you know, I just don't think that there's as much to be gained there as there is loss in terms of, you know, your own ability to think. I also feel like maybe that's one of the great opportunities. You know, one of my, to my wife's degree, one of the people I admire is David Goggins. I don't know if you guys know David Goggins, but, you know, he basically just sort of lives this, I think what most people would view as an extreme version of life. Um, but he says that it's easy to be great today because not very many people are interested in it. And I think that there are going to potentially be more opportunities to identify, um, these sorts of points of friction and disruption because I, I think we're doing a worse job of thinking about things than we— than our, than our forebears did. I mean, they didn't have these sorts of devices. They just sat around and thought about stuff and read books. And most of the population's not doing that anymore.

J**Jason Duff** 46:24

And even in the creative field, a lot of times creativity is born out of boredom. And same, I'm sure, in the intellectual—

B**Ben Clarke** 46:32

Totally.

J**Jason Duff** 46:32

Yeah, totally.

B**Ben Clarke** 46:33

I mean, there's some interesting research about the benefits of boredom, especially in children. And, and you know what that does for you to be able to sort of calm your mind and take and take into account like what's signal, what's noise. And, um, those skills are evaporating, you know, in the population. Just not going to be able to, uh, think deeply about a single topic for an extended period of time without pulling out— yeah, TikTok or the Gram and, you know, seeing what's going on. And, uh, in a sense, that's terrible. Um, but for those people who can kind of break it, uh, it's an opportunity.

J**Jason Duff** 47:12

Yeah, awesome. Well, I'm going to transition us here a little bit. I appreciate your thoughts on all that. We went— I feel like we went a little bit deeper even in that conversation than I was expecting. So appreciate you, uh, pushing us in that direction. Uh, but today, uh, I want to do one of our show segments, which is, uh, our tour takeaway.

B**Ben Clarke** 47:32

Ooh, yes.

J**Jason Duff** 47:35

So drawn out. So what is one takeaway from your time here in Bellefontaine? I know you've been before, but this is your first time here in a while. So what just stood out to you? What do you think that— what observations do you— did you make? I'm not going to lead you anymore.

B**Ben Clarke** 47:48

Probably the thing that for me, you know, spent a lot of my career in New York, that the, the fact that everybody has a sense of shared community probably don't appreciate how unusual that is. I mean, everybody kind of knowing each other and having some investment— I don't know how big, I'm not sure it even matters— but some investment in how that other person is doing and whether or not he or she is succeeding. Um, that community is really important, and it's because of devices and a bunch of other reasons, you know, the growth of cities. And there's tons of benefits to that, by the way. I mean, a big part of cities, but We have lost sort of this sense of shared identity, shared interest in each other's well-being that does not— that doesn't seem to be the case here. I mean, when you walk around with Jason, it's not just that he knows everybody. Everybody knows everybody. And they're stopping in each other's stores and they're talking to each other on the street. And I think that's an enormous positive. For your quality of life in sort of the more meaningful sense, um, that seems to be growing here. It grows from every time I come. There are more stores and more entrepreneurs and more people going in and seeing how they're doing and buying stuff from them. And that gives you a sort of shared sense of identity, um, that gets bigger every time I come here. And I do think in a lot of places that's shrinking. It's really becoming like a relationship between me and my phone, and that's bad news. Yeah.

J**Jason Duff** 49:36

Yeah, that's great. Great observation. I don't think we've had anyone call that out yet. What we like to believe is one of the advantages of living in a small town, right? And then just a couple of closing questions here is— and I know you mentioned a book earlier, but what is one professional development resource that you would recommend to our listeners that was impactful to you along your professional journey?

B**Ben Clarke** 49:57

I don't know how applicable this will be to everybody, but I actually did Toastmasters in college. Yeah, yeah, yeah.

J**Jason Duff** 50:07

Public speaking.

B**Ben Clarke** 50:07

Public speaking, man. I still don't like doing it. I still don't do it for the most part.

J

Jason Duff 50:13

But this is your first podcast, right?

B

Ben Clarke 50:15

For sure.

J

Jason Duff 50:16

Yeah.

B

Ben Clarke 50:16

Thank you. I try to— exclusive interview.

J

Jason Duff 50:18

I try to like say I'm the writer, but I try to push them out in the spotlight.

B

Ben Clarke 50:22

Yeah, but I do think just in general being able to think extemporaneously is an important skill, even for your own internal narrative, right? Like, kind of being able to be at home with your own thoughts and those thoughts be, you know, creative and useful and go down, you know, the right tracks. Being organized just in the way you think and the way you speak is important. And being able to do that, you know, in a more of like a high-pressure environment or environment where you don't have much time um, trains the mind to be able to, to be able to do it. So that was, that was, um, important, I think, important for me.

J

Jason Duff 51:00

Cool, great resource. And if you're looking for Toastmasters, in most communities there's a chapter and they welcome guests. It's oftentimes free to go as a guest or to, to be a part of it, but, um, they're, they're a great organization.

B

Ben Clarke 51:15

Yeah, cool.

J

Jason Duff 51:17

And then, uh, I know you're not on social media except for what we said, LinkedIn.

B

Ben Clarke 51:22

But I'm on LinkedIn.

J

Jason Duff 51:23

If you send him a carrier pigeon note, I'll get it.

B**Ben Clarke** 51:28

Or a fax.

J**Jason Duff** 51:29

Do you have a fax machine still?

B**Ben Clarke** 51:31

I never had a fax machine. This is the stupidest technology in the world.

J**Jason Duff** 51:34

I loved my fax machine. It didn't work half of the time, but faxes are still prevalent in healthcare.

B**Ben Clarke** 51:41

I mean, there are industries where like these things just kind of hang around.

J**Jason Duff** 51:43

It's true. Yeah. Interesting. Cool. Well, why don't you go ahead and hit us with your, your recap here, and then we can kind of wrap up. Well, Ben, thank you, uh, for being on the show today. I, I think the thing that Ben really helped me, uh, and this is something in our friendship that I really appreciate, is, is thinking more deeply about things. Um, I see it in playing out in leadership today. I unfortunately don't watch much of the news, but you can just see like the headlines or what people want, or even scrolling through your social media feed, oftentimes people won't read the article, they just read what the— or they interpret what the image is showing. And I think in our companies and our roles and our— the work that we're doing in our communities, like, think more deeply about the problems. This week I was in Union County, and we know on the national level there's a housing crisis, there's a housing crisis in the state, but just the, the people that were in the camp of no new development versus development. Like, they weren't thinking more deeply about understanding each other and the issues at hand. If we say no new development anywhere, that does not solve the crisis. But there, there's also the, the contrarian view of that, is that we need to have appropriate development. But we have to understand the, the sides of that argument and be able to process those options deeply.

B**Ben Clarke** 53:05

Yeah, cool. Yeah, I mean, I, I just to build on that, I mean, I think a lot of times people don't think about what got us here. They just have a reaction to where we are right now. And, and really thinking about like, what are the driving factors that got us into this situation? And is the behavior that I'm advocating for going to change what got us here, or is it going to be more of the same? And people get emotional about things like, you know, developments. And, um, I, I think that if oftentimes, like, if you could agree on the first principle, like, what got us here and what are we really— what are we all mutually concerned about? No one wants to live in a community where there's no planning and the roads go nowhere. And so no one's advocating for that, right? There's a straw man that nobody wants that. But if you could agree— and I think a lot of times people can't— reasonable people can about, you know, the sort of foundational factors that created the situation in the first place, you can go from there. But that takes work and that takes time, and throwing your water bottle is easier.

J**Jason Duff** 54:09

Yeah, you have to get messy, right? Well, thank you, Ben, for being on the show today, and we're sending you home with some One-Eyed Cookies from the One-Eyed Cookie Lab. So, uh, you always are welcome to come back and hang with us for more cookies. Cool, appreciate it, man.

E**Ethan DeLeon** 54:23

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