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Annie Hockey is the co-CEO of Column, a nationally chartered bank that publicly launched in 2022 for developers who are building modern financial products and services. Hockey leads, among other functions, the regulatory, legal, accounting, and human resources aspects of Column. In this conversation with Stanford lecturer Emily Ma, Hockey discusses how she and her co-founder/co-CEO have navigated the complex regulations of the banking industry while building an innovative fintech company.

Transcript

Announcer Who you are defines how you build. 00:00:06,180 (upbeat music) - Welcome back, everyone, to the winter quarter 00:00:11,550 "Entrepreneurial Thought Leaders" series presented by the Stanford Technology Ventures program, the Stanford Engineering Entrepreneurship Center, and BASES, the Business Association for Stanford Entrepreneurial Students. I am so excited that Annie Hockey is with us today for "ETL". She is the co-CEO of Column, a nationally-chartered bank that publicly launched in 2022 for developers who are building modern financial products and services. After witnessing the bottleneck created by the legacy banking stack, Annie and her husband William set out to build the first API-centric bank that gives developers the tools they need to seamlessly provide banking services in any application. Previously, Annie worked at Bain & Company and Goldman Sachs and was an early employee at various Silicon Valley startups. She graduated with honors from both Stanford University and Stanford's Graduate School of Business, where she was an Arjay Miller Scholar, and she lives with her husband in the Bay Area and their adorable lab, Ollie. Annie, welcome. What a pleasure to have you here. So, I'm gonna start with a big question, and I thought it was so cool when I read about your work in the news.

You bought a bag. You and William bought a bank. You could do a lot of things with that amount of money, but when William stepped down from Plaid and surveyed what was possible, you bought a community bank. So, let's start there. Tell me about that, how did that come about? - We sure did. 00:01:40,740 People joke that other people buy these really fun things called yachts and mansions, and we decided to buy the bank in a very adorable strip mall in Chico, California. But before I answer, I just, I actually wanted to get just a quick pulse of who's in the audience so I can tailor my responses. So, if you are an undergrad, would you raise your hands? All right, amazing. And then grads? Okay. If you've started a company, wanna raise your hand? Wow! - If you aspire to starting a company.

00:02:16,860 Okay. It's always interesting, the percentage of potential entrepreneurs is really dependent on the macroeconomic environment. So, it's interesting to see that breakdown. But, yes, we bought a bank. What feels like forever ago, William, my co-founder, had stepped step back from Plaid and I had left my job at Bain. And the real answer is that we intended to take a sabbatical for a period of time and maybe do this thing called relax, but then COVID hit. So, we started a company a little sooner than anticipated. But we knew that we wanted to start a business together, and candidly, weren't necessarily dying to jump back into FinTech. If anything, I think William maybe could have used a little bit of a break from

FinTech after having spent a decade there. What we knew we wanted, though, was a thorny problem that was candidly worth our time.

I think when you've started a company before, you know how all-consuming that could be. And as fun as it might be to build an app or this or that, I think we wanted something that was really worth sinking our teeth into. And so, when we started looking around and considering problems, financial technology just kept surfacing as, A, something that we were decently familiar with and had a network in that's helpful. But B, when you have the potential to change what we believe is a somewhat flawed financial system in the United States, that's real impact, and that felt really exciting to us. I'm gonna provide a little bit of context on what we do, so bear with me for a quick academic moment. In the United States and in most countries like ours, in order to do certain things with money, you have to have, in our case, what's called a banking charter. And so, in order to hold money, store deposits, move money, or even loan money, you have to have this charter, and that is regulated. They're given out and they're regulated by an agency of the US government, in our case, the OCC, which stands for the Office of the Comptroller of the Currency. Don't ask me what that really means. And so, we grew up with many FinTechs who were doing things that look like what banks do.

Like, if you're a Chime customer, Chime seems to be moving money. If you're a Brex customer, Brex seems to be holding my money. But the dirty secret, not-so-dirty secret of FinTech is that on the back end of all of those FinTechs you've heard of, most FinTechs are partnering with some sort of community bank who is powering their underlying infrastructure and, unsurprisingly, really capturing the majority of the unit economics. Now, what's fascinating is that basically, I don't know if, can I swear in here? - Yeah, totally. 00:05:10,110 - Basically, they're all shitty. 00:05:12,810 All of the existing options are pretty horrible, and given that we grew up along alongside many FinTech founders that you may have heard of, we just kept hearing these horror stories of, like, "Oh, my gosh, you pay a bank to store your funds "and then the bank also gets to monetize the funds." We just kept hearing these wild things, and so we were thinking, this is such a low bar. Why don't we get one of these charters? Why don't we do this a little bit better? Because we really believe that because so many of these options are so bad, it's actually really constraining the industry. In order for a partner bank to start to talk to an up-and-coming FinTech, you have to have millions of dollars in the bank, maybe a year runway. That's a big burden to have as an aspiring entrepreneur. And so, so we really believe that the financial technology ecosystem, as big as it seems recently with a lot of money going into it, it's actually small.

And so, if we lower that barrier to entry by being a better partner, what could exist? What should exist in the world? So, that's the thesis going in. And then we needed to do this thing like get at this charter. And so, this is first phase, I think, of Column company building, which was basically emailing every lawyer who would give us 30 minutes of free time and asking them about banking charters. Maybe less than one is the surprising number of people who would give you 30 minutes of their time if you say you're a Stanford student and you're eager to build something in their field. So, after months and months of just asking the same old question, it became really clear to us that in this regulatory environment, really, the only way to get your hands on a charter is to acquire one. Then we went to second phase of starting Column, which was M&A. And in this phase, I'd say most sane people probably hire a banker to help them. But we thought, we're a little cheap, we're bootstrapped, what can they do that we can't? And so, we went onto the FDIC website, downloaded a list of every single FDIC-insured financial institution in the States. There's about 5,500 credit unions, about 5,500 banks. And we just started chopping the model.

And we chopped, chopped, chopped based on the parameters that we had put in place. At this point it was me, William, and a part-time business school student, because basically all business school internships got canceled during COVID, so he was working for us. And we got down to a list of about 100 and we just called all of them. And I remember one time we had a conversation with the three of us, and we were like, "How many follow-ups is too many follow-ups?" And we decided the answer was infinity and we just kept calling, and got really lucky at the end of the day. We had a few options of banks that we wanted to purchase and feel really, really fortunate to have ended up with the bank that we did, Northern California National Bank. It is in California. It had a really great leadership team and it's been a pleasure to work with. - It's incredible. 00:08:17,640 One of my favorite parts of your story is, you just believed in your own agency to learn and you just picked up an M&A textbook and read the whole thing and figured out how to do it yourself. Not because you were cheap, but because I think you were very, very able to just give yourself the chance to learn.

And I think that's something that's common amongst all of you. Even if you don't have that skillset now, you could literally pick up a textbook or pick up the phone and learn, which is great. So, now that we have column.com set up and you own this incredible bank in Chico, California in a strip mall, you and William very intentionally became co-CEOs. And that's a unique setup. And throughout this quarter, we've met a number of co-CEOs, co-founders, et cetera. I'm really excited that that's thematically what we're gonna talk about this quarter. How do you and William think about that and doing that well? 'Cause it's a unique and new way of leading a company. - Yeah. 00:09:17,340 I think there's two pieces, there. It's like we were co-CEOs and then married co-CEOs, and that's a really interesting thing.

And I think there's many reasons for this. I think one of the lessons that William and Zach Perret, his co-founder at Plaid, learned that when when you think, maybe, in the eyes of everyone else that a CTO, a CEO, a COO, whatever, co-founder, they're all equal. But at the end of the day, a lot of times events or folks want the CEO. And what that means is it's really an undue burden on one person in the founding team. And so, we really strategically divided and said, "We'll both do this." And

what we often tell our team is that if we're both in the same meeting, we've really failed, because our job is to divide and conquer and then we will come back on our own time and share our learnings. But we try to be pretty maniacal about time usage so that any one of us can be the eyes to the, eyes and ears when needed. - So, tell me a little bit more about also 00:10:20,010 how you chose to deliberately divide and conquer. Because sometimes, that can get really blurry and then you wanna make sure that doesn't trickle down to your staff. And then also, in addition to that, how do you resolve conflict when you two don't agree on something? As co-CEOs, you may or may not have equal power. How does that work when you don't agree? - Yeah, no, it's a really great question.

00:10:43,950 In terms of dividing responsibilities, roles and responsibilities, I think one of the things that's really nice for us is we have quite complimentary skill sets, which is a really nice way of saying we're quite different. And so, I think it became pretty natural bifurcation of William would build product and then actually lead selling the product. So, all of product, engineering, design, and then all go-to-market functions. And I would do basically everything else, which ended up being really, he is a more big-picture, macro thinker and I'm the one that makes sure that people get paid at the end of the day. And so, that sort of complimentary thing, I think, is key and something I would encourage all of you to think about up front when you're picking your co-founding team. It's really fun, it's really easy, it's really nice to work with people exactly like you. We'd always joke at the business school that doing group projects was like doing a project with five of you, and it happened really fast and everything got submitted early. But I think that we all know from research now that candidly diverse teams are really important and that's what drives innovation and moves the needle forward. And so, strategically making sure that, if not your co-founder, your initial team is there to fill your gaps. I think that's a huge thing that can often be a little bit overlooked.

In terms of, how do we resolve conflicts, yes! - Getting in the squishy stuff! 00:12:14,313 - Let's get in there. 00:12:17,307 We rely really heavily, and this is one of the things that I think we learned. Every co-founding team learns how to do this. I think we learned particularly quick 'cause we also have a personal life. We are just maniacal about decision-making ownership. So, there's a lot of frameworks. One is called RAPIDs. I know BCG, McKinsey, Bain, they all have basically the same framework that they call different things. And basically, the gist of them is that whenever you have a problem or initiative, aligning up front on who is the ultimate decision maker, singular, and who is allowed to and when have input or say. And so, especially early on in Column when our rules were not as beautifully bifurcated because now we basically never see each other, but at the beginning, it was like, "We're on every call together," we would just decide up front who had the decision.

And there are many instances where, say, William was decision maker and I just fundamentally disagreed with him. And at the end of the day, sometimes I was proven wrong. That's an amazing learning for me. Sometimes he was proven wrong, amazing learning for him. Because if you wanna make every decision by yourself, I think you might as well be a single founder. Why else do you have that person with you? - I love that you brought up RAPID. 00:13:39,210 We've used it as well in our day-to-day, and it's super useful to just identify who is responsible for what very clearly up front. It's almost like putting the earthquake kit in place before the earthquake hits. - Totally, totally. 00:13:53,700 - When things, emotions are high, 00:13:54,720 there's something to go back to, a framework to work with.

I wanna double-click on you and William being really, really great complements to each other. One of the things I read about you, sharing with the press, is that William will leave the house without socks on 'cause he's thinking about the future of banking in Afghanistan. Tell us a little bit more about how you deal with some of that space cadet absentmindedness, and how you harness it. How do you help him harness it? And then, how does he help you and vice-versa in whatever way? - Yeah, for sure. 00:14:32,760 I think you know this, it used to drive me crazy. And when I have wife cap on sometimes, it still drives me crazy. But I think now more and more, it's like, thank goodness someone is thinking about it. And to the point about complements, I mean, this is where I think having both things at once, like if both William and I were thinking about banking policy in Afghanistan, nothing would ever get done on the team. But if both of us are trying to make sure payroll gets done, to use that example again, no one would be thinking about the future of the company. And I think that, as someone who tends to be a little bit more of a detail-focused, now-problem person, something I've really learned from working so closely with someone who's a tomorrow-problem person is the importance of being really intentional about the use of your time and mental space.

When you're a co-founder, basically, if you let it happen, every single minute of every single day and night could be taken from you without your consent. If it's folks from my team grabbing 30 minutes on the calendar, if it's a fire, if it's just the mundane day-to-day of running what's now for us a 100-person company, I think you can wake up and look at your calendar for the next six months, and it's all spoken for. I think that's super, super dangerous. As a leader, my job is to hire people to make sure that shit gets done. My job is to make sure that we are positioned for threats that may come in the future. And so, thinking about, where does Column need to be in five years? What does that mean for three years, two years? How should I be using my time this week? And that should drive the use of my time. And so, it's something I tell people and I tell even my team. It's like, you are the keeper of your time, because at the end of the day, that's the most valuable resource. This is probably the most extreme example of it, but I think, something I often think about is Clayton Christensen's "Innovator's Dilemma". I'm sure you all are familiar with this.

The basic gist is, the disruptor inevitably becomes the incumbent, and then they're disrupted. I think a part of why that happens is when you lead increasingly large organizations, it is so easy to have inertia take you. I know so many founders

who, I just spent the last weekend with a lot of FinTech founders, and they were basically all depressed, 'cause they were like, "Well, all of my days are, "I wake up at six, and then at eight, "I have 30-minute chunks until post-work dinner." That doesn't let you think. No wonder we get bogged down and someone else has a good idea and takes us over. So, just be really protective of that, 'cause that's a secret sauce that brings you all here. - I love that answer. 00:17:22,807 I think Indra Nooyi, CEO of PepsiCo, once said, "Having a busy calendar is nothing to be proud of." - Totally, protect that. 00:17:28,020 - Yeah, protect it, protect it. 00:17:30,420 Well, let me ask a follow-on question, because one thing that you and William have been very intentional about is also transitioning. When it was just the two of you, as you said, you were on every call together, you did everything together.

And then now, you're a 100-person team. So, when do you know what to hand off? How do you know who to hand off to and what to hand off to and when? - Yeah, yeah, yeah, yeah. 00:17:51,826 I think it really changes over time, and I think this is one of those where, so, both of us try to block off Wednesdays as no-meeting days. And unless there's a really big fire, which shouldn't happen, we usually do protect that. And not every Wednesday needs to be an existential reflection Wednesday. But I think, at least once a quarter, we try to map out what went well last quarter, what did I need to do last quarter, and then in this coming quarter, what are my top initiatives? And if something doesn't make it to your top initiative, if it's not the highest and best use of your time, I think that's a really clear signal that there's probably someone on your team who could take something over for you, or if not, a hire that you need to put in place. And so, I think the answer isn't, you'll just know on a day-to-day basis. I think the answer is to take a step back and click up and think strategically about where your time is best used, and everything else, you can program or design around that. - Very cool. 00:18:56,040 So, let's talk a little bit about the lessons learned over the course of both your careers.

William founded Plaid, co-founded Plaid, and then had that incredible run. And then you yourself had worked at many different companies, at Bain and Goldman Sachs, at a number of startups. What were some of the lessons that you learned in either building the company that you have now for your staff, or how to work with customers? What were some of those really key lessons that stuck with you that you've brought with you, or stuck with you to not do? - Yeah, yeah, yeah. 00:19:26,490 I mean, I think that, I think for both of us, the number one thing is hiring in your team. If you have an incredible team, customers will follow. In a business like ours, a lot of sales come through the developers. And so, a company will wanna work with us versus a different partner bank because their developers like to work with our developers and they speak the same language. And so, I'll say it a million times, that the most important thing that you will do is hire. I think a lot of founders are shocked by how much time they spend in interviews and think that's a bad thing. William and I actually think that's a really good thing.

The vast majority of our time is spent interviewing, and that's okay. We have a little tiny team, but that's our everything. At the business school, we had a crude slogan that is, "Hire slow, fire fast." And as cheeky as that might sound, I really stand by it, which is, if you get a bad apple in the pot, it's really easy for that to rot the rest of the apples. And so, be really diligent about bringing people on board. The second you know it's not a fit, it's a disservice to both of you to keep that going and it's a lot cleaner and easier to just cut it early and let it go. But I think hiring is really only one part of the equation, because alluding to your point you made earlier, you then have to use that team. So, empower that team to challenge you and disagree with you. I think that's really important for me, is I don't want a lot of, I don't wanna be Putin with his, whatever's around him saying he's doing a good job and winning the war. I really wanna know if I'm not winning the war. And also, delegate, which is really, really hard.

I would say what we didn't take with us, I think there is a playbook in Silicon Valley of how to start and run a company. I think it's a really popular playbook 'cause it worked for a lot of companies that we've all heard of, probably Plaid included. But I think that we have over time tried to force-fit that model to companies that don't really belong there. That model, sort of like to gloss over, is have a good idea, raise a bunch of, raise all the money you could possibly raise from the most splashy name-brand venture firm, grow, grow, grow, scale, scale, scale, test, test, spaghetti on the wall, and see what happens. We're a nationally-chartered, regulated financial institution. There is no spaghetti that's gonna get thrown on my walls. Everything we have to do has to be really methodically done and cared for. And so, I think we thought long and hard about what what our business strategy needs to be for our product or service, and then everything needs to flow around that. Your hiring strategy needs to map to that. Your go-to-market strategy needs to map to that.

Your fundraising strategy, your PR strategy needs to map to that. And for us, it looks really, really different from the playbook. So, I would just encourage all of you, when you're going into an endeavor, I think it's really easy to get pulled into the glamorous world that that is. It's really fun to be in the top of TechCrunch. Let's all call a spade a spade. But is that really getting you customers? And if not, spend your time elsewhere. And so, just be diligent about that time. - I love the fact 00:22:56,310 that you have not raised venture money at all, right? And the fact that buying the bank meant that you have a revenue stream coming from running a community bank, and you've decided to keep all of the equity within your own team and your own staff. And it's a model that we don't talk a lot about here because of that understood Silicon Valley default playbook, but venture money is not the only way, and that's a really important lesson that I think we can learn from William and Annie. One follow-on question with hiring.

What makes for a great hire into your company, for those who might be interested? - Yeah, yeah! 00:23:32,532 I think, (coughs) excuse me. I think we hire really in line with our company corporate values. And so, I think we look for people who

love our product and not our perks, to be totally honest. And so, they're in it for the right reasons. And there's ways that you can start to suss that out in the interviews, but actually, I think references in that case are really valuable, and looking at people who don't necessarily startup-hop, but have been at startups for a prolonged period of time. We also look for people who are really driven by impact versus ego. And so, for us, questions like, "How big will my team be," or, "What will my title be," for us can sometimes, as much as you should always negotiate for yourself, ask for what you deserve, blah, blah, blah, disclaimer. I think those for us can be red flags because we don't want people who are in it for the land grab. We want someone who can go home at the end of the day and maybe have worked by themselves all day but shipped something really cool, and that is the accomplishment. And so, just hiring people for the right reasons.

And it's given us this really small, lean but mean, really powerful team that's really, it's honestly really fun to work with because churn isn't built into our model. So, it's the same people every day. - I love it, I also love the fact 00:24:59,100 that you've hired people who have a real family life. It's not about working seven days a week, 12 hours a day. It's about, really, this balance that you create into your culture. Okay, final question before we hand it over to students for live questions. At one point many moons ago, you were at Stanford Business School and you were entering your first year at winter quarter, and we're entering first year at winter quarter. You were actually our first in-person speaker. If you were sitting, if the past version of yourself were sitting in the front row today, what would you tell her? - I would not have been sitting in the front row. 00:25:35,250 I should've been.

Maybe second or third. I think my answer would differ 'cause I've had the fortunate ability to come back not once, but twice to Stanford, and I still say I'm maybe not done. But I think my answer would be different. So, if I were an undergrad, I think what I would encourage everyone to do is take a look at the coursebook and look at the intro classes for things that are really outside what makes you comfortable. That might be, I'm gonna date myself, CS106A. That might be bio, Math 51, that might be physics, and do something that's a little bit out there. I made the mistake of, I finished my majors, and then at senior year I had time. So, I was like, "Oh, I'm gonna take an econ class "and a CS class and some of these." And I honestly loved them. And I thought, "What a shame "that I didn't discover this about myself early." So, to the extent that you can find out new things about yourself early on or even round out your edges, I'd really encourage you to do that even though it can feel a little bit scary. Pass/fail exists for a reason.

And then if I were in a business school or a grad school program, and maybe this applies as an undergrad as well, I think, just make yourself say yes. Maybe there's a small group dinner of people you honestly don't really know, and that feels a little scary. Go. Maybe someone's hosting a trip to their home country. Go. Maybe there's a speaker all the way across campus and it's raining. Just show up. I think it's really important to put yourself in positions that make you feel a little bit uncomfortable and shoot for that discomfort maybe over 50% of the time. - Wow, wild. 00:27:23,250 So great, so great.

That was a really nice note to end on before we head off to audience questions. So, our CAs, if you have a question, raise your hand and we will bring you a microphone. Student Hi, thank you for being here. 00:27:41,193 So, you talked a lot about time. I am always struggling with managing my time, like trying to find that right balance. So, do you have any strategies for time management? - Mm, the fleeting resource. 00:27:59,490 I would say my answer is shifted over time, so I'll tell you what works for me now and I should have been doing when I was in your position. I think the way I think about my weeks now is, okay, block out your time, and then what are your fundamental self-care/health things? That should be a certain degree of sleep. For me, it's like I have to go to Pilates twice a week. What are all the things that you just need to do to be a thriving, happy, healthy human? Get that out of there.

Okay, what are the blocks that you're left with? And in a way, your work and your studies have to fit into there. And I actually often find that when we're dealing with constraints, we're more productive. If you have 12 hours of free time that you could just use for whatever, it's like, "Oh, maybe I'll pull up my phone and maybe I'll da-da-da." If you have, in a way, sometimes I'll do sprints where I'll say, "This is my inbox sprint and I have two hours," and I'm just gonna put on really aggressive music and just sprint it out. Sometimes giving yourself false constraints can actually help with your productivity. But I would say the worst thing for productivity is to let go of the things that make you whole. Student Thank you so much. 00:29:14,070 Student Hi, Alexa, thanks for being here. 00:29:16,560 You had mentioned something about how important it is for your developers to speak the same language as your client's developers. So, I'm curious, along that same note, speaking the same language for your business, which is so highly regulated, how have you learned to speak the same language as many of the regulators who you are currently in conversations with, to the extent that you're able to answer this question? - Yeah, yeah, yeah. 00:29:37,830 Oh, my gosh, that's a very good, that's a very insightful question, 'cause we always joke that when we started Column and it'd be me and my EIC, which is my examiner in charge, and I would speak in English and then they would speak back OCC, and it was just like, does not compute in.

Honestly, we learned that the answer isn't for us to meet in the middle when there are certain, the answer was for me to learn OCC. And I'll answer specifically in this case, which is, I think it was through a hire, a combination of talking to anyone who would give me advice and reading the handbook. So, I think this is that example of, sometimes you just gotta hit the books. And the OCC has this really nice thing that's called the "OCC Handbook" and the "OCC Test Manual", and at a certain point you just have to learn how to read it to speak their language. But I think it's something now, like one of my challenges now is we are really proud of the fact that we have a developer-led culture, but we are also aware of the fact that we have, for a company of our size, a vastly inflated legal compliance regulatory team. And so, as much as we want our whole team to

understand product speak and jargon and what we're rolling out, there's a similar burden or responsibility for me for everyone on the team to also speak, it's like everyone needs to get a baseline language understanding of what everyone is doing. And the way that we do those is weekly spotlights. And they're really fun, but at part of our team meeting every week we have someone give a presentation about what they're working on and how it works. For example, from an engineering perspective, one week we had a really fun and oddly hilarious presentation about checks and e-checks. And it's actually really interesting, the story.

The reason you can wirelessly remote deposit to capture a check is a direct result of 9/11. Who knew, right? Because the financial checks weren't able to fly around the states, and so no one could deposit their check in person. so, we have to have remote deposit capture because the system shut down after 9/11. And similar thing for the legal compliance side, they'll tell our team about, like, "We have examinations on a quarterly basis." What does that mean? Do they come in person? What are they looking at? So, there's just a team sharing there that I think is really important so we don't become this bifurcated, polarized company internally. - I love that so much. 00:32:16,380 I think work can also mean learning and teaching each other things, and keeping that culture as part of the culture is super important as we all grow together. Let's have one more question in the audience, but Mandy was gonna look at the top-voted Zoom question as well. So, let's take one in the far back and then we'll come back to Mandy. Student So, first of all, 00:32:40,533 thank you very much for the inspiring talk. I have a question regarding your company culture.

It's a little bit related to the question up front. You mentioned you're very diligent about the people you are hiring and about the values you are incorporating into your company. So, what are these values and how do you incorporate them on a daily basis? - Yeah. 00:33:03,243 I think we're in the process of codifying them. And we actually have slightly specific, so we have a 30-person team that sits in Chico at our bank and then we have the startup team that sits mostly in San Francisco in our Presidio office. And we actually have slightly different values for both of those based on the people and place. But I would say, I think first and foremost, just a drive to excellence. I think the main differentiator for us is, there are community banks out there who, if you wanna offer a debit card or you wanna have bank, there are community banks that technically do what we do. I think that our whole differentiator is that we are just better at it and it's better to work with us than anyone else, and maybe even worth paying a little bit more to work with us than anyone else. And so, I think having folks that just have that internally, having that drive, I think, is really huge and related to that drive to be excellent and a drive to change this ecosystem that we live in.

I'd say the other thing, and this is especially true for the engineering team when we first began hiring, was folks who were pragmatic, if that makes sense. I think from an, I'm no engineer, but in the engineering world I think you can have purists and then you can have scrappy, and ours is somewhere in the middle but a little bit more, maybe, scrappy. And so, engineers who are, everyone needs to look a little bit more business-minded and I think we get away with that because we're self-funded. There's no investor, there's no Sequoia who's around the corner gonna come in with 50 million if we need a little bit more cash. And so, I think this ethos of a family, we really drive in the fact that we are like a family company. Our dog comes to the office every day. William and I are married. We love it when people bring their kids and their spouses to work. We're a family company and we're a self-funded company. And so, I think that people treat the money like it's their own, in a way, and I think that's healthy.

- Mandy, from Zoom? 00:35:11,647 Mandy "Were you and William initially hesitant 00:35:13,147 "to build a company that would have "potential regulatory and legal challenges? "And how would you recommend founders begin "to approach an idea with a complex regulatory situation?" - Wow. 00:35:25,260 - It's such a good question. 00:35:28,440 I think, I mean when we started Column, the regulatory framework was a little bit different. Brian Brooks was the head of the OCC, and he wears skinny jeans and thinks he's a startup guy. Now, the OCC doesn't like startups anymore. And so, we were less concerned about it at the time. I think there was a little bit of a moment where the regulatory bodies were slightly more open to FinTech becoming a part of the regulated world, sort of like entering what's called the regulatory perimeter, and that's no longer the case. And so, I think it's just a cost of doing business. What I will also say, though, is what on one hand is a burden is also a really beautiful moat around what we do. It's not easy to get a banking charter, and once you get it, you have to work hard to keep it.

They could take it away. And for us, that's just, we'll just hire, again, more lawyers than we thought we necessarily needed to and focus a little bit more on compliance. But at the end of the day, what that's really gonna do is fend off competitors. And so, there actually is a little bit of a silver lining to it. If I were entering the space now, I think what I would just say is it doesn't, I think we just saw this with FTX and SBF. He thought that he could exist, he thought he was smarter and he could exist outside of our regulatory schema and be a cowboy. I just would be, I would hesitate to have that same thought. So, whatever space you're entering, I'd just make sure you're familiar with the reg, even if it doesn't directly apply to you. Talk to people who will talk to you about, maybe, the future of the reg, 'cause it will shift, and there's people who can see where it's going. And again, maybe build some lawyers into your headcount models a little earlier than you thought.

- I loved what you just said about 00:37:30,750 really being good partners and being a good citizen and respecting the OCC, rather than going around it and disregarding it. Because ultimately, if you can demonstrate that you can do good work here and safely and securely, you have a chance of then changing it and moving it forward towards a more FinTech-friendly future. - Yeah, that's the goal. 00:37:53,910 - So, the partnership really helps, there. 00:37:55,650 We'll take maybe one or

two more questions from the audience. Let's do the green sweater. Student Thank you. 00:38:08,520 Hey, Annie, thanks for talking to us today. Compared to other FinTechs that are building modern, API-focused infrastructure, it seems like Column has an incredibly small team but also a really broad range of products. How do you build so quickly? What do you credit that engineering success to? - Yeah.

00:38:27,870 We hired people who knew what they were doing, I think is the real answer, there. I think when you hire engineers, it's easy to hire generalists. Financial infrastructure is a really broad term. It's a growing term. This is, I'll credit William with. Our entire team basically up until the last 20, 15 hires were people that he and I just stalked on Instagram and kept stalking until they would come work for us. So, we really picked. Our engineering team is still about six people, which is phenomenal. That doesn't include designers, but that includes our core engineers. And that's because it's the engineer who wrote the internal ledger at Facebook, who wrote the ledger at Blend, who wrote the ledger at Square.

These were the OGs who knew what they were doing, and that, over time what we'll probably do is go down, go down and hire a more junior fleet of engineers who can support and clean up code, et cetera, et cetera. But we decided early on, and this is where you just have to think about what's your business strategy and hire against that. We decided that hiring experts was the way to go because William just didn't have the bandwidth to manage anything else in the timeline we wanted. - I'm so glad you mentioned that, 00:39:45,427 because oftentimes, people are like, "Oh, let's just have more engineers at it! "Let's put more squeeze on it!" And at the end of the day, it's really the person who architects the first round of code and who leads that vision that really drives the software. And we can bring on many, many more folks afterwards to scale things, but that core is beautiful. The fact that six people, I'm even more shocked and amazed. So, thank you for that. - They're pretty great. 00:40:08,679 - Wow. 00:40:11,850 I think we have time for maybe one last question.

Maybe you guys can Rochambeau it out or something like that. Okay, all right, person in the red, person in the red wins. Student Hi, Annie, thanks for the great talk. 00:40:24,150 I was just gonna ask about your journey toward the entrepreneurial space at Stanford. I'm really interested in all of this, but I don't have any startup ideas and I'm not affiliated with the GSB or anything. So, I was just gonna ask if you had any suggestions or advice for someone who might be in my shoes? - Yeah, I mean, I think I was probably in your shoes. 00:40:45,600 I was telling a few folks before, my undergraduate majors were neuropsychology and English. That's not what I do today, but I write a mean email. I think there's some people who know that they want to be an entrepreneur and there are other people who know that there's a product or a service that they think needs to exist and they might as be well be the one to do it. I'm in the latter camp, but I would say I actually think there's an undue pressure to be like the young Evan Spiegel archetype of a really young kid who starts a company.

I think in many ways part of why we are able to have a six-person engineering team, et cetera, et cetera, is 'cause this isn't our first rodeo and we've seen how it's done before. And so, I would take the pressure off. There are many ways that you can fit into that and I think I wouldn't force-fit something until you meet a person or have an idea that's compelling enough for you to get some white hairs over it. And so, maybe that's joining a bigger team. Maybe that's joining a few small startups to put together your hypothesis. For me, it was joining, by accident, a really small startup after undergrad, learning a lot about like what I liked, what I didn't like, then learning how real companies work at Goldman and Bain, knowing I wanted to come back into startups and do it from a really thoughtful perspective. And if I'll leave the room with one thing, it's careers are long and I basically guarantee that your job after this, wherever you are, will not be your forever job. And so, it's okay to have moments where you're gathering data, even if you're waiting to find what that forever job is. - It's amazing. 00:42:31,980 I think we're coming up on time.

This was so fun to have you here today. - Yeah, what a treat! 00:42:36,930 - Super, super interesting conversation, 00:42:38,010 so many topics. Wait, wait! So, before you all run off, next week we have yet another lecture. I will be hosting Dave Vasen, who is the CEO and founder of Brightwheel, an educational company for pre-K. He was also my classmate at Stanford, which is super exciting to have him back. He'll have a story about going on "Shark Tank" and going through that route. If you are interested in any more videos, podcast articles, go to ecorner.stanford.edu. All of our lecture series and more is posted there. So, thank you again. Huge round of applause for Annie Hockey.

- Thank you, thank you all. 00:43:14,157 (upbeat music)..