

**EPISODE 1332**

[INTRODUCTION]

**[00:00:00] ANNOUNCER:** Whether organizing projects, working from home, or conducting business, you need to use many necessary apps and cloud services to accomplish your job. Despite those apps being necessary, switching between them, and keeping them interconnected, and updated, and synced, is a major challenge. Business and productivity apps can very easily become disorganized, which makes using them less efficient. The company, ClickUp, solves this problem by providing a platform that uses everything a business needs to efficiently operate all in one place. ClickUp uses a unique hierarchy to see the big picture without missing details, and offers everything from docs, to tasks, to imports and integrations. With everything in one place and easily searchable and organized, ClickUp makes work much easier. In this episode, we talk to Zeb Evans, founder and CEO of ClickUp.

[INTERVIEW]

**[00:00:55] JM:** Zeb, welcome to the show.

**[00:00:56] ZE:** Thanks for having me, Jeff.

**[00:00:59] JM:** It's 2021, and ClickUp is everywhere. Why are you on all my billboards, all the buses, all the sidewalks? ClickUp has become ubiquitous. Why is that happening?

**[00:01:11] ZE:** I think, from the outside, it may seem a little bit unsustainable, and as far as marketing unit economics go. But the reality is you can track some things with billboards, and brand awareness is the most important one. And also, it's really the only practical one to track consistently. And so for us, out of home advertising is certainly a brand awareness play. We're younger relative to our competitors in the space. We're a little bit less than four years, and most of our big competitors are eight plus. And so for that reason, we've got to be aggressive on the out of home play to keep coming up in those brand conversations.

**[00:01:45] JM:** Why is it that some products make a lot of sense to do aggressive brand awareness advertising, and other products it makes no sense? So for example, I don't see as much advertising for Notion, right? Why is ClickUp make more sense to advertise aggressively than Notion?

**[00:02:11] ZE:** That's a good question. I don't understand their strategy in particular. So I'm not on the inside there. But what I can say holistically is that when you're in a category that has a huge total addressable market and you're not just targeting a very specific type of user or a very specific persona, then brand awareness generally can make sense. I think something to be mindful of is if it's a competitive space, of course, brand awareness can also make sense there.

**[00:02:40] JM:** The product you guys are building, essentially, it's a project management tool, or a suite of project management tools. We've seen this category before. But you guys, I think that you guys are a case of one of these categories where it gets reinvented every N years, and the team that reinvents it is the team that 10X's the category. And I feel like ClickUp is the 10x productivity system. And I'm saying that as somebody who uses ClickUp within – What we use at least within one of our companies, which is Supercompute. We don't have a lot of project management tooling yet, because we're just doing mostly everything in Slack. But it feels like once we get to a large enough team, we're going to have to do ClickUp, or have to do some project management tool. ClickUp basically feels like the only one that is not super slow. I don't even know what other features we might need. But it's the only one that's not super slow, other than Trello. And Trello is just the same product that it was 15 years ago. So by process of elimination, you're the only one, I guess, other than maybe Clubhouse, other than maybe clubhouse.

**[00:03:50] ZE:** Mm-hmm. Yeah, I mean, we've done a lot of things. And it's been a work in progress, for sure. So it didn't start like that since day one. But when you're releasing a ton of features really quickly, of course that can lead to bloat on both the product side just from a user experience perspective. But it also can lead to bloat on that technical side. And we did have this about a year ago, maybe a little bit less than that. And what I did was go out and I found a bunch of engineers that built Angular, our frontend architecture. And so they were kind of on that court core Angular team. And we were already using the best practices there. We just needed

stuff that was going to work better. And so I'm very happy they're still with us today, and their only initiative is speed.

**[00:04:34] JM:** You guys are Angular?

**[00:04:36] ZE:** Yeah.

**[00:04:37] JM:** I thought your React.

**[00:04:38] ZE:** Mm-mm. We're Angular.

**[00:04:40] JM:** Well, I totally misremember our last conversation. Was there a decision there? You were pre-React. You started when Angular was the hotness. And I guess you just have gone from there.

**[00:04:53] ZE:** Exactly. We started when there wasn't really a kind of a clear winner there. And Angular 2 just came out. So it was that renewed sense of Angular, and we jumped on that train.

**[00:05:05] JM:** Has there been any penalty for that? Because React has been the preeminent frontend framework for probably the last five years. Do you feel like you miss out on some of the network effects?

**[00:05:19] ZE:** Yes and no. I mean, certainly when you think about things like libraries, the availability and the maintenance of them is not the same as React is today. The community is just different. But at the same time, we've been able to really find the best, the world's best Angular engineers, whereas React, it's much harder to do that. But there's not that many of examples of really large scale Angular apps that are used by millions of users outside of Google themselves. And so it's been kind of a blessing in disguise being able to hire people and find the people that really want to solve those problems and make a great example of what Angular can be.

**[00:05:55] JM:** The design of ClickUp feels sort of like an operating system in the browser. You have the vocabulary of an operating system, of installing apps, and it almost feels like you could become an operating system eventually. Are you thinking like that? Or maybe silent league or non-candidly thinking like that? Or are you just completely focused on being a productivity system?

**[00:06:25] ZE:** Great question. I think there is definitely a long term play at ClickUp, where we do want to do everything associated with your work. At the end of our vision, that we want to be what Salesforce is to sales. Like ClickUp is synonymous with work. When you think of work, you think of ClickUp, vice versa. And so in some ways, yes. And I think that we have a lot of opportunities still to expand into other product categories and to also just capture a larger audience that hasn't really been brought into the productivity system today.

**[00:06:55] JM:** Do you have any idea why Slack sold?

**[00:07:01] ZE:** I think that there is – We've tried hiring people from Slack. And I will say this as nice as I can, is we haven't found the best people there that were there. I think largely you have this hierarchy of hiring, this hierarchy of decision making. And when you don't put the best people in the top of the places, they don't hire the best people below them. And so I think when you start thinking about from a product perspective and decision making perspective, there was a lot of stuff that Stewart kept making the decisions on. But our understanding is product would have ideas, and they would come get kind of side railed every six months or so and then not really being able to ship things.

We've also heard the story on the product side of signing large customers that become a huge percentage of your revenue. I think the IBM story is one of those, where you have several 100,000 users overnight coming into your platform. You now have to listen to them, and you've got to build features for them. And so, honestly, I think Slack just dropped the ball. I think they had a huge opportunity to be \$100 billion plus company and really redefined the word category, and they didn't.

**[00:08:07] JM:** It's crazy. I'm using Slack all day, every day at this point. It's essentially replaced Facebook as my social network of choice. I assume y'all are not using Slack. Y'all are all in on ClickUp?

**[00:08:23] ZE:** So we actually do use Slack. So our perspective right now, as far as ClickUp's chat goes, is that it's great for zero to 50 teams, zero to 50 sized person teams. Outside of that, we think that our chat features just transparently are not there yet in a place that can replace something like Slack or Microsoft Teams for larger teams. But what I'm getting to is that we've been working on this for the past six months or so. And so I think we've actually built something that in my opinion is better than Slack. It's more prioritized than Slack.

I think there's a lot of low hanging fruit opportunity. If you're being mentioned in the channel in Slack, like that's higher priority than all of the other noise that's going on in Slack. And so we've kind of built a new chat experience that I would say it's more like an inbox mixed with Slack, but that it prioritizes your conversations more efficiently. And so we actually did just start using this internally kind of testing it in the beta a couple of weeks ago. And so I hope we'll release this in the next two or three months.

**[00:09:20] JM:** I think the hardest thing – If you're trying to rebuild everything from Slack, I don't actually think it's that hard. The hardest thing is probably going to be reliability and speed, right? Their infrastructure feels totally reliable. I feel like I could trust Slack almost as much as I can trust Apple. And that's really hard to get to. And I've done some shows about Slack infrastructure. They have some serious, serious engineering work that's gone into that product. That I feel is going to be the hardest thing to replicate.

**[00:09:51] ZE:** It will be. There are services out there that have done a good job of it. And we've looked at those services and we have decided to do it ourselves. I think that when you think about the problems, and you've seen the problems that have happened, and you talk to the engineers that had those problems at Slack and experienced that stuff, you largely can try to avoid those missteps early on. At least you can you navigate around what they did versus what you're doing. And so I'm optimistic about it, for sure. But I'm sure we'll have problems, and it's just about how fast can you fix those problems.

**[00:10:22] JM:** Do you guys use voice chats much? Slack voice chats?

**[00:10:29] ZE:** We don't. We just started. I think they called that the Huddle feature. We just started kind of testing it out. I want to, but I just haven't really found practical uses for it yet.

**[00:10:40] JM:** That's the thing. It's really good for impractical uses. So we become power users basically. We're using it all the time. Yeah, people are just hopping into Huddles and just forming little voice communities on the fly. Honestly, it feels like the future. As somebody who has been doing podcasting for six years, I'm now – To be honest, I hate to say this, I'm really not even listening to podcasts anymore. I found something that I enjoyed listening to even more than the all in podcast, to be honest.

**[00:11:09] ZE:** Wow, that's a that's a very big statement.

**[00:11:12] JM:** It is. Because, ultimately, Zoom is too big and bloated, right? You don't really want to hop on a Zoom call every single time you want to just have an informal voice chat.

**[00:11:22] ZE:** Yeah. I mean, I think there's a lot to asynchronous versus synchronous communication. And so they're kind of adding that synchronous communication by adding that voice feature and that Huddle feature. And so I think it also is something to be said about replacing kind of that work chat that would normally happen where you're around other people and you hear things that you want to talk about, but you weren't necessarily part of that conversation, and you're now able to join. So I think as we continue to that remote work era, the new era of remote work, these types of things will become a lot more prevalent.

**[00:11:54] JM:** Hey, I got an idea for something we could collaborate on. We should do a Zoom competitor. We should do open source Zoom.

**[00:12:01] ZE:** Yes, I think Zoom is a perfect example of a company and in a competitive space that doesn't have the best user experience, right? I would say bad user experience.

**[00:12:12] JM:** Understatement.

**[00:12:14] ZE:** Horrible user experience. But they won on performance, right? They won on reliability.

**[00:12:20] JM:** I actually disagree. I actually disagree. Sorry. Sorry. Continue. Continue. Let me hear your thesis first. Go ahead. Go ahead.

**[00:12:26] ZE:** Well, no. I think that it's really the only one that worked every single time. And so when you started using, I mean, we have story after story of people that were using Google Hangouts, right? It's easy. It's in the browser. It's great user experience, but it wasn't reliable. You're always going to have problems. Whereas with Zoom, it works worldwide, wherever you are, no matter how many people you have in the Zoom chat. And so I largely believe that is the reason that they're able to own the category, is that performance.

**[00:12:52] JM:** If you're Google, all you have to do is build a client. Just build a desktop client, and you get so much more traction with Hangouts. I don't know why they haven't done that yet.

**[00:13:01] ZE:** I have no idea. I have no idea. I think that Google is a mystery as far as their product decisions goes and what they try to spend time on and then pull the plug on. So your guess is as good as mine.

**[00:13:12] JM:** Here's what we can do. Here's what you can do. We can spin up a small team. I'll get a couple engineers on this. You get a couple engineers on this. We do open source Zoom, and we use – Have you seen daily.co?

**[00:13:24] ZE:** No.

**[00:13:25] JM:** Daily.co is an API for streaming video. So we can just use that. It's a very, very highly reliable – It's as reliable as Zoom. So when you do your doctor's appointment or your veterinarian appointment through telemedicine, you can just use Daily. It's just API, and it's as reliable as Zoom. I don't think anybody really wants to be using Zoom, because it's kind of owned by a foreign entity, right? Nobody really wants all of our communications going through a foreign entity, I don't think.

**[00:13:52] ZE:** How do you know daily is as reliable Zoom?

**[00:13:56] JM:** I guess I don't, other than the fact that Tiger just invested in them. And I've talked to enough people who say it's pretty much bulletproof. They started out actually as a company called Pluot, I think. Pluot was a video streaming thing, much like Zoom. I think they may or may not have had a client. For whatever reason, that client did not catch on like Zoom did. Maybe it didn't have quite the go to market savvy or the aggression that Zoom did. Zoom was just a very aggressive company in so many different ways. But Zoom has already broken trust with all their users, right? They spin up servers on your computer in very strange and unpredictable ways. They have all kinds of security vulnerabilities. And this thing is like used for core communications infrastructure. They've already broken user trust. I mean, it's kind of as trusted as Facebook, to be honest, which is to say not very,

**[00:14:52] ZE:** It's very fair, very fair point. But I think the reality is that you'd think about crossing the chasm. And there really is a certain isolated examples of companies that get to that point where they really cross the chasm and they own the industry, because the brand owns everything. And so when, let's say, you're communicating with a customer or a client and you're getting on a Zoom call with them, and if you don't send them a Zoom call, your perception is what are you doing? You're not professional. You're not you're not using Zoom. Why aren't you using Zoom? You're making me use another application. And so I think that's going to be the biggest hurdle.

**[00:15:26] JM:** Alright. So I know you got that 100 million dollars. You give us 500k. We'll get you open source Zoom within three months. You can integrate it tightly with ClickUp. I know you need a video communication system, of course, right?

**[00:15:41] ZE:** We do. We were looking at using some of those as a service providers actually for it. And so I'm interested to look into Daily as well, because there's a few out there. Amazon, obviously, they've got their own as well.

**[00:15:52] JM:** Oh, come on. Chime?

**[00:15:54] ZE:** Yeah. Well, that's what Slack uses.



**[00:16:00] JM:** Oh, Slack uses Chime?

**[00:16:01] ZE:** Yeah.

**[00:16:03] JM:** Right. Right. Right. Right. Right. I remember this. Yeah. But Slack – I mean, talk about broken trust. They introduced video calls and voice calls, whatever, three or four years ago, and it was terrible. And everybody stopped using it, because it was so bad. And now nobody will ever trust it again.

**[00:16:21] ZE:** Yeah. So it has to be reliable at this point. And I think, largely, Huddle is known as being reliable.

**[00:16:28] JM:** Huddle is super reliable.

**[00:16:29] ZE:** Yeah. But yeah, let's do it. I'll try it. I'm down.

**[00:16:33] JM:** All right. We can think about that. But yeah, I mean, really like, so you guys have a desktop client for ClickUp? It's a big, big electron app. Can you just bundle in – I guess you can just bundle in voice and video just like Slack does, right?

**[00:16:49] ZE:** Yeah, definitely. We definitely could. I think that, again, the hardest part there is that infrastructure side, just like you're mentioning. And so if you're using it as a service provider for infrastructure, it can be done relatively easily.

**[00:17:02] JM:** Have you guys thought about moving aggressively into open source?

**[00:17:06] ZE:** No, not really. We certainly have open source some of the things that we've created. We use Flutter. We love Flutter. And lots of things that we needed weren't out there. So we started open sourcing some of that stuff. But as an ecosystem, not so much.

**[00:17:21] JM:** My little brother really likes Flutter. And he's building his – He's got a quantified self app that he's building in Flutter. And every time I look at his computer, he's got 5000 build errors in a console.

**[00:17:35] ZE:** We love it. We really do love it. We made that decision to rewrite our mobile apps in Flutter. And it's been awesome. It really has been. The other benefit to Flutter, I mean, it is truly cross-platform. So you eventually will have native desktop apps that are built in Flutter as well. So largely what you build on mobile can be used elsewhere.

**[00:17:56] JM:** Flutter, for those who don't know, a cross-platform framework written in Dart, I believe, that compiles or transpiles to the – It transpiles to ARM code, I think. So it executes against like your native graphics card or something. It executes at a super low-level, which is arguably kind of the same thing React Native is doing. It's feels like a little bit weird. And I don't know, potentially insecure, but maybe not. That's a pretty bleeding edge choice. That's a pretty bleeding edge decision to make. And it's very interesting that it's so performant. I have used it. I have used your mobile app. I've never had a performance issue. I think I emailed you. You may not have understood this email that I sent you, but there's a minor layout error that I encountered, where I could not access a certain part of the UI that I needed to access. That just felt kind of a – You've got a very expansive app that's going to happen sometimes. But I mean, are there any like workflow problems that have developed as a result of going with Flutter?

**[00:19:05] ZE:** I think the only limitation with Flutter is that there're not as many libraries as you would find. The community is actually very large. And it's the fastest growing to my understanding. But the ecosystem of libraries and people that have solved those problems before doesn't exist, and the way that another kind of technology wide, or even just native like Swift. And so I think that's the only hurdle there. Otherwise, everybody really loves working on it. And you get so much efficiency from being single codebase for both Android and iOS, that those bottlenecks, those hurdles that we have to jump over are fun problems to solve, and they're net positive for the amount of time that we save.

**[00:19:44] JM:** Not to make a sudden shift in topics, but during our last show, when we recorded in person, at the end of our conversation – Tell me if you're not comfortable talking about this on air. That's totally fine. But you mentioned that you kind of have like a

transformational set of experiences that lead to you being able to do ClickUp and do what you're doing in such a differentiated manner. And the conversation, we had a very brief conversation right before you left, not on air. And it really stuck with me. I really mean that. Do you think you can kind of like condense what you were saying and just – Yeah, I know, I'd love to hear kind of your philosophy and, yeah, what you explained to me.

**[00:20:26] ZE:** Yeah, so I imagine we're talking about my near death experiences.

**[00:20:29] JM:** Yeah, and like going to Tony Robbins.

**[00:20:34] ZE:** Yeah. I think that, largely, I have this huge urgency to everything that we're doing. Life is short. We're not guaranteed tomorrow. So I've had four near death experiences. And each of those have led me in some way to ClickUp. Obviously, Steve Jobs always said you can't connect the dots looking for it. And certainly, that is very true. But I think when you have adversity and life events happen, you can always choose to make positive out of them, or you can choose to make negative out of them. And so for me, I always see it as a sign.

And the last one that I had was a few years ago. It was actually right before I started ClickUp. Before this, I had a social media company where we were doing like basically hacky things for giving you reporting on social media. We're doing social media management for celebrities, things like that. And I realized that we were really only contributing to people's egos on social media. We weren't actually adding net positive value for the world. And so that next week, we shut down. I always say exited, and everybody thinks that means we sold it. So we literally just shut it down. We paid everybody for six months. But we shut it down. I took a couple people, and we drove across the country. We're living in North Carolina and we moved to Palo Alto, because I always wanted to be in Silicon Valley. That was like my dream as a kid.

And I get there, and I'm expecting Vegas with startup lights. I'm literally like expecting just startups everywhere. And I get to Palo Alto and I'm like, "What the hell like? Where are all the startups?" And I literally found out that there's an ordinance about it where you can't even put signs up. But it is what it is. And we got there. And we were going to build a Craigslist competitor where you could pay in-app and remove sketchiness from Craigslist, and essentially have a review system, verification system. And still nobody's done this. I still don't know why. If

nobody's done this in like two or three years, even after people have heard this, then I'm going to go back and resolve that. OfferUp is kind of an example there. But they still don't do in-app payments. They haven't solved like the last mile delivery problem.

**[00:22:29] JM:** Facebook Marketplace? Facebook marketplace.

**[00:22:32] ZE:** They do in-app payments.

**[00:22:34] JM:** I think so. I think Facebook Marketplace is the closest thing to what you're describing, but ultimately it's Facebook. So, nevermind.

**[00:22:44] ZE:** Yeah, you start to see – I think OfferUp made a better Craigslist as far as user experience goes, right? Better user experience, but still hasn't solved like that delivery problem and the payments problem. But yeah, maybe Facebook Market. I don't use Facebook. So maybe they do.

**[00:22:57] JM:** You know what's interesting is how good – Have you used the Uber Courier service? The Uber Courier system? I think they have an API. So I think that's kind of a key missing piece for the Craigslist style thing where you can just have fulfillment now, fulfillment as a service. I think you can build that. But anyway, sorry, continue.

**[00:23:17] ZE:** And I know DoorDash used to have something like that. So I don't know if they deprecated. But when we were actually looking at doing this a few years ago, they did have an API for that too. So there was a way to do it. There's a way to do it. But yeah, I mean, the point I'm getting to was that each of those times, those experiences led to what we created ClickUp for and where we are today. But largely I do have this this urgency to everything that we're doing. I think that transpires itself to the entire company. And I also think that's why we take these big bets and we're very aggressive. And we don't build software in the normal way where choose one thing, do it well. Choose a vertical, do that well. Go to market is very unique at ClickUp. We go to market with everybody for everything, rather than choosing specific verticals, and were largely very reactive. And so I think that that is a result of all of those four near death experiences I had.

As far as Tony Robbins goes though, that was a transformable piece in my life also, because I had always had narcolepsy. And so I was a kid that was sleeping like 12 hours a day. It not the narcolepsy where you just fall asleep randomly. That's actually not a common form of narcolepsy. But the simplest way to describe it is just you're always chronically – Chronic fatigue. That type of narcolepsy. And so I went to Tony Robbins and there are these few events that led me to try and do some of his kind of sleep hacking stuff. And I did. And I ended up sleeping only four hours a night. And I did that for a few years. And that, believe it or not, was like one of the things that solved my narcolepsy. Sleeping less actually helped me sleep more.

Today I sleep five and a half hours. Four wasn't enough for me anymore. So I do five and a half. And that's kind of like my perfect amount. But I always tell everybody like there is a ton of data to suggest that seven hours is a good time to sleep, a good amount to sleep, but it doesn't take into account the exceptions and the anomalies to people. And so everybody's different, and you just kind of have to find out what works for you. I wouldn't recommend that for everybody.

**[00:25:03] JM:** Well, I'll double down on your minor controversial statement. I feel like if you're enthusiastic about what you're doing, you can sleep less. You can get by with less sleep. You're getting into a risky zone. You're getting into like a red zone, because if you really start to burn the candle at both ends, you can get into some super dangerous territory. But I have found that, myself included, a lot of people I know, if they're happy in life, if they're reasonably healthy, if they're very enthusiastic about what they're working on, they're just sleeping less.

**[00:25:36] ZE:** Exactly. Look, I mean, everybody wants to talk about work-life balance nowadays.

**[00:25:40] JM:** Sorry. Sorry. And on the inverse, what I'll say is, during the pandemic, I went through a phase where I was extraordinarily depressed. And I went through a near death experience myself during the pandemic, which has led to actually some success, probably somewhat the same kind of vibe that you're describing. But when I've been depressed, I've slept way, way, way more.

**[00:26:06] ZE:** Yeah, we've heard that a lot from employees and people that we're really struggling with the pandemic. And, largely, we've always wanted ClickUp to be this place where

you can disconnect from all the negativity in the outside world, talking about the company that, as far as internally, employees go. So we tried to create an atmosphere where you come to work at ClickUp, and it's all about work here. And we aren't focusing on all the negativity around Coronavirus and things like that. And it's kind of been our safe haven largely.

But at the same time, we have to deal with a lot of the problems that are existing from other things outside of just the virus itself, right? Things like lockdowns that really have kept everybody inside and I think created a lot of emotional problems for children, but also even for adults. And, yeah, it's a struggle. It really is.

**[00:26:57] JM:** Your lead investor, Craft. David Sachs, there was a podcast, an All-In podcast fairly recently, where he had a short, maybe diatribe is not the right word, but maybe call to action about why startups really are the answer to a lot of societal problems, because it allows you to get out the creative energy that people have, the ability to work together that people have, the competitive notions that people have. Humans are competitive animals. We need to compete on some axis. And pretty much the most productive competitive axis are sports and startups, arguably. It really is.

Honestly, I see a lot of friends who are in various worlds, be it medicine, or academia, or law, or finance, these zones that are non-startup zones. And, frankly, they just seem less happy. They seem less fulfilled. And it resonates with my personal experience too that, really, from a mental health standpoint, more people should be doing startups.

**[00:28:15] ZE:** I 1,000% agree. But life is about growth, for me. And I think, largely for a lot of people you can broadcast this on, is that life is about growth. And happiness comes from growth also. Not just growth in your business or growth in your in your work-life, but growth in relationships, growth in your health, growth in your personal life. And so if you subscribe to that philosophy, startups are certainly the best way to grow. Doesn't always mean that they're going to be successful, and everybody knows that they're not. But you still grow a lot during them more than you would grow in any other job. You're making decisions that you're having a huge impact in startups. And when you look holistically around the world, a large majority of creativity came from this country. And we have to keep that lens insight too, is when you look around, things that were invented, things that were created, a huge majority of things were created here.

And it's not because we're smarter than everybody else, right? It has nothing to do with it. It's just that we enabled a society where we rewarded people who created things, and who built things, and we supported and enabled them to build more things. And we have to get back to that and really focus on building.

**[00:29:28] JM:** I'd love to know a little bit about that round, the 100 million dollar. That was a Series A, right.

**[00:29:33] ZE:** Series B, actually,

**[00:29:34] JM:** Series B, okay. Y'all had a Series A? What was the Series A? Who?

**[00:29:40] ZE:** Yeah. A was 35 million. It was the same investors. It was Craft –

**[00:29:44] JM:** It was also Craft. Oh, wow. Okay. So if I recall, there were a lot of investors that were beating down your door trying to get into ClickUp, because y'all were growing like a weed. And you had the name Mango Technologies, which is a great name, easy investment there. Why did you go with Craft when you turn down a bunch of other people before that?

**[00:30:07] ZE:** I had never found an investor that I loved until I met David Sachs, right. And everyone says if you're going to get on board with an investor, you need to find somebody that you would be in a lifelong relationship with, right? Like kind of like a marriage. And I really just hadn't found investors that I really loved. They hadn't been on the other side of the aisle. They hadn't created their own businesses before. I think more so than that, it was philosophically aligned. We're very philosophically aligned. And I think you have to have that with an investor. And so he kind of flipped my mindset and raising funds. I also was very naive when it came to unit economics.

I think, when you think about really unsustainable valuations, or aggressive spending on marketing, if you understand unit economics, it's actually not that way. You can still spend a lot, but be sustainable. And we have really high net retention, like things like that. That stuff matters. And so it was kind of a perfect storm of understanding that raising capital could help us grow

faster and still do it sustainably along with finding a partner that we're very aligned with, and that we love working with. That was the reason that we chose to raise.

**[00:31:16] JM:** Yeah, I don't get the style of a lot of these VCs where they're at a fundamental level adversarial towards entrepreneurs. It almost seems like even the dinosaurs that are lauded as the most esteemed venture capital firms, they are actively antagonistic towards entrepreneurs. It's the weirdest thing in the world. And the thing that they're doing with me, as we're pitching these businesses, we've raised money for two different businesses. But in each of these cases, we have these investors that we encounter. And they always say, "Yeah, look, it's too early for us. But please come back in a few weeks, or a few months, or whatever, when you have more traction." And it's just so clear that that was going to be their answer from day one. They just want the optionality. And it's frustrating, because they build themselves as these entrepreneur friendly venues, and they're not there. They waste your time. They are ultimately trying to screw you. And it's like if that's the position you're going to take, then we're just going to go with – Well, first of all, Craft is doing it right. I honestly feel that Craft is doing it right, because they're not adversarial. They seem to be fairly straight shooters. But like if you're not going to go with Craft, you're just going to go with like the person is going to give you the highest valuation, give you the most money, you're going to go with the Tiger, you're going to go with the SoftBank, because why wouldn't you? It's undifferentiated capital. It's either you take the undifferentiated capital, or you take the teams that are actively trying to screw you. So you're probably going to take the undifferentiated capital.

**[00:32:46] ZE:** I 100% agree with you. And I can't tell you how many times you talk to investors, and they'll never give you a no. Nobody ever, ever, ever says no. It's because like they don't want to lose. So if you go out and you're successful and you raise from somewhere else, they're not like, "Oh, we've rejected them, and that's on our mark of shame on our side." They don't want to tell you no. And so if it's not a yes, it's a no. That's what you have to understand about venture capital is, again, if they're not telling you yes immediately, it is a no. And they're not going to tell you that stuff. I mean, Craft is a complete straight shooter. And I admire them in so many ways. And they're incredible people to work with, their whole company. And so I'm 100% advocate for Craft. And it's hard to find companies like Craft in today's age.

**[00:33:35] JM:** What is the hardest problem you're dealing with these days?



**[00:33:38] ZE:** I think it changes from week to week. It's always something where you have to be really reactive with problems. Something that I will say is there are things that you just don't anticipate as an entrepreneur when you're focusing on certain pieces of the business, things like legal. We get cease and desist from competitors, from just random companies all the time. You just always – As you start becoming successful, you're always going to have legal problems. And so now our focus is on building out more of a legal department. We've got a couple lawyers, but now we have sales agreements all day. And those things have to be handled by a lawyer. And that time adds up. And, actually, legal becomes one of the biggest bottlenecks in sales. And I had no idea this would happen. So a lot of this stuff you just can't predict. And you get there and you see, “Our sales people now, they're taking three or four days to review an agreement. It's delaying our sales. And it's it prolonging our cycles.” And so now we have to go out. We're hiring more legal right now.

I think engineering also has been a focus of mine the past few months, where we didn't have an engineering leader. My CTO isn't incredible, and it is kind of that engineering leader and a brilliant architect mastermind, but we haven't had that person that's done it before, right? The person that's built those 500 person plus engineering orgs before. And so I can't say who that is today, but we do have somebody starting next week. And we're super excited to have somebody that we can built around and really scale it to a legendary engineering organization.

**[00:35:05] JM:** Alright, I'm not trying to flatter you at all with this statement, but when I interviewed you and your cofounder, I got such a mind meld vibe from you guys. It very much felt like a Wozniak and Jobs of productivity kind of thing. But is that the right analogy? What's the closest analogy to you guys? Or is it like John Lennon and Paul McCartney or something?

**[00:35:28] ZE:** Look, I'm a Jobs person. So I love the Jobs Wozniak one for sure. I'll never reject that.

**[00:35:34] JM:** I like that you do the opposite thing with the clothing though. You're like way more colorful and adventurous with the clothing.

**[00:35:42] ZE:** Yeah, I've developed this like personal brand for my shirts. And I won't tell anybody where I get them from. It's kind of like, it's a trade secret.

**[00:35:52] JM:** You guys do have to do apparel eventually, right?

**[00:35:55] ZE:** I would love to do apparel. Yeah, I would absolutely love it. If there's any clothing designers out there that like bright colors, hit me up.

**[00:36:02] JM:** But seriously, so the legal thing is kind of interesting. That sounds like kind of a workflow problem. And I can imagine that for each sales contract, like let's say ClickUp sells to Tesla, which is a reality. Let's say ClickUp didn't exist, or let's say you didn't have a deal with Tesla quite yet, and you were doing a deal with Tesla today. Tesla's gigantic. ClickUp's gigantic. That's going to be a really, really complicated workflow. If you're trying to manage that in ClickUp, what's the best tool set for that workflow?

**[00:36:43] ZE:** Yeah, I mean, you still need a contract vendor platform of some kind where you're handling some tracks.

**[00:36:48] JM:** So, DocuSign.

**[00:36:49] ZE:** Yeah, some type of DocuSign. Ironclad is another one that's, I think, more streamlined for sales agreements, and for workflows around that. But DocuSign certainly is a big player there. And by the way, I think that this part of the industry is ripe for somebody to come in and really disrupt. There isn't a great way for lawyers to collaborate. The lawyers, generally, they're going to go through one piece of a sentence, and they're going to want to change one thing about it. And that thing, maybe they do that several times within a document. Those things are not unique. It's not like you'll ever see anything that is different from what you saw four weeks ago. It's all very, very similar stuff.

And so I almost think that if you had a template that had all of the possible permutations there, and you as a company are able to say, "We'll accept this one, but wouldn't accept this one. We'd accept this one, but probably not accept this one. Or maybe this one needs to get flagged for manual approval." You could have this kind of self-service style thing where lawyers would

be able to go in there and say, “No, this is a hard line for us. This one isn't.” And you could kind of automatically accept agreements or not, because it is a huge, huge, huge time sink. I mean, you're talking several hours for each lawyer over the course of a full contract, assuming that they're making changes.

**[00:38:05] JM:** We only got nine minutes left. So I'm going to shift topics rapidly again. For people who have not gone through a near death experience, how can they develop that immediacy of life?

**[00:38:18] ZE:** That's a really, really good question. No, I think, for me, meditation and mindfulness has really helped me reset myself every single day. And so it's a very cliché thing to say, but it really is true. If you can even just sit for 15 minutes without any distractions, and it's okay to think. Just sit for 15 minutes and kind of reset yourself in the mornings every day. That has really, really, really helped me disconnect from all of the things going on in your head. And even think about things that I wasn't thinking about in the right way before. Maybe I was thinking in a selfish way. I wasn't thinking about somebody else's perspective. And I realized that other person's perspective. So for me, meditation has helped a ton and just being more connected to everyday life and realizing that life is short.

I think another thing a really, really big thing is stoicism. I'm a huge stoic. I'm definitely into stoicism. There's one thing called negative visualization. And basically it's just saying – It's just trying to meditate on trying to think about you losing X, Y and Z in your life. Losing everything in your life, right? So you could even meditate on – Think about you just dying. Think about you losing your loved ones. Think about you losing your house that you value so much, or losing your job, or losing those things. It sounds counterintuitive to why would you want to think about that stuff, but it allows you to experience them, and then be more grateful and more appreciative of what you do have today. And that has been very, very key in helping me stay connected and realizing that life is short. And so I think that would be a great place to start.

**[00:39:53] JM:** Yeah, and what do you do about the fact that during the pandemic, negative visualization didn't really work because it was already more negative than you could have even imagined?

**[00:40:03] ZE:** Turn off the news. Don't watch the news, right? I think whenever I talk to people that have had really bad problems during the pandemic, were they watching CNN, right? Were they watching the news? And I'm sorry. But if you turn on CNN anytime of the day, they've got a panel on the right side that is literally just telling you death statistics, and up 100% this, and up – I can't imagine, if you're watching that even for an hour a day, how much negativity it's going to affect you. I mean, the reality is, today, that Coronavirus, unfortunately, is here for the rest of our lives. It is not going away. It doesn't matter if 100% of people were to get vaccinated, which would never happen. The virus is always going to mutate and it is going to be here. So we really only have two choices. We can stop living because of COVID, or we can continue living around it. And so we have to make those choices.

[END]