

Episode No.

Human Moments Are Not Always Pretty feat. Dan Purvis '05

[00:00] **Intro:** Welcome to Owl Have You Know, a podcast from Rice Business. This episode is part of our Flight Path Series, where guests share their career journeys and stories of the Rice connections that got them where they are.

[00:14] **Scott:** On today's episode of Owl Have You Know, I'm joined by Dan Purvis, CEO and founder of Velentium, a professional engineering firm specializing in the design and manufacture of neurostimulation medical devices, which was recently recognized as Houston's most innovative company. Since graduating from the EMBA program at Rice Business in 2005, he has gone on to create multiple businesses, including Velentium, which he co-founded in 2012. He is the recipient of EY's 2021 Entrepreneur of the Year Award for the Gulf Coast area and author of the book, "28 Days to Save the World: Crafting Your Culture to Be Ready for Anything." This serial entrepreneur, father of four, middle school basketball coach, CEO, founder, shares his life lessons on culture, seizing opportunity, and bringing humanity to everything you do.

All right, for another episode of Owl Have You Know, I am your host, Scott Gale. I am here with Dan Purvis, EMBA grad of 2005. Dan is the CEO and Founder of Velentium. He has picked up a number of entrepreneurship awards along the way, including Houston's Most Innovative Company award, as well as an EY Entrepreneur of the Year Gulf Coast Area Award in 2021. Dan, welcome to the show. It's a privilege to have you here.

[01:38] **Dan:** Great to be here, Scott. Thanks a lot.

[01:40] **Scott:** You're a serial entrepreneur. You've had the opportunity to found and spin off a number of different companies, and we're going to talk a lot about the scar tissue around that and, like, what you've learned, etc. But I, kind of, want to just go back to, sort of, like, that initial spark of entrepreneurship. I don't know, like, how far back that'll go, but, like, what got you into starting, kind of, that first one?

[02:05] **Dan:** Sure. When you say the first one, it really started on a bicycle on the way to junior high. And I would stop by that gas station and pick up a pack of gum for 25 cents. And then, I figured out the people at school would buy pieces of gum for 25 cents. And that's a, that's a buck 25 on 25 cents of COGS. And the cool thing about that is my mom is a 25-year math teacher in that school, and she caught me selling gum. And rather than come down on me at that point, I learned about Sam's Club and the opportunity to lower my cost of goods, compliments of my mom. And so, I ended up with cases of gum, and I was the gum guy.

And so, that translated into high school where you've got friends that are working in the movie theater and that are working multiple nights all weekend. And I had 12 lawns on Saturday mornings, making more money than all of them. And then, I had the rest of my weekend to myself. And so, early on, there was definitely just this spark of, why would you work for someone else when you can work for yourself and create true value?

[03:03] **Scott:** Love that. Thank you for sharing. You did your undergrad at Texas A&M, electrical engineering. Why electrical engineering?

[03:11] **Dan:** Yeah, that's a great question. Like I said, my mom was a math teacher, so it was not optional to be good at math in my home. And so, I was okay at math. And as a result, engineering was a logical next step. And yet, I will say often around this company, I run a technology firm, and I am not jazzed by technology. I'm jazzed by people. And so, my love is really for people. But I got to Texas A&M and had the opportunity to become an engineer. They said in freshmen orientation that the average Aggie changes their major like 2.7 times. And I remember right then saying, that's not going to be me. And so, start to finish, that's a theme you'll find lots in this talk, probably, is that I think the spoils don't always go to the smartest or the most talented. They almost always go to the most stubborn and the person that just is not going to let go. And so, that was yet another example of that in my life where we began, my family decided, and I agreed that I was going to go be an electrical engineer. And I finished as an electrical engineer. I am proud to say that I run an electrical engineering firm, in parts. That's one of the many things we do. But I am most decidedly not an electrical engineer anymore.

[04:22] **Scott:** Recovered from that experience, it sounds like.

[04:24] **Dan:** Exactly. Yeah, you got it.

[04:26] **Scott:** And so, after graduating with that degree, you went and worked for National Instruments, is that right?

[04:32] **Dan:** Yeah, so I had the opportunity to go to Austin. And this is the first of many volunteer moments that you'll hear me talk about today, is that, as a theme, if you're thinking about going to Rice or you're just on your way towards graduation, you're going to have many moments in your career where you have an opportunity to step in, raise your hand, volunteer, and say, "That's me."

And so, it wasn't but about four or five months into my career at National Instruments where a regional sales manager called me into her office. And she said, "Hey, we have an opening in Michigan." And I was like, "I think that's north of the Red River." You know, it's like, do I need a passport to leave Texas, you know, this kind of thing? And she said, "And we'd like you to take it." And it was a Friday. She said, "Let me know Monday." I had 72 hours to decide if I was going to move to a state I had never been to. And I went in and said yes. And that was the first of many times where you just... you raise your hand and say, "Sure, I'm in. Let's do it."

And a proclivity for action is really, really a huge deal. This was in the mid-90s when gas was 89 cents a gallon. And when gas is 89 cents a gallon, people buy massive cars, big old SUVs. And so, Detroit was thriving at the time. I was going to split a territory with the most successful salesperson in National Instruments' entire network. And on day two, we went out to dinner. And he goes, "Guess what? I'm going back to corporate in Austin." And suddenly, I was the youngest salesperson with the largest territory. But the advice he gave me as I took over this massive territory in Michigan was, you're going to have executives coming up from Austin all the time because the automotive industry is such a big deal. Don't ever let them rent a car. And so, that's what I did for several years, where I would pick them up at the airport, I would drive them to their hotel. I would pick them up at 6:30 in the morning and drive them to their meeting. And that gave me shoulder-to-shoulder time with the top executives in what is now a multi-billion-dollar company. And that really forged leadership into me, just by getting to be exposed to these leaders.

[06:38] **Scott:** What a cool experience and opportunity early in your career. What did you go and do after National Instruments? I mean, did you jump right into, kind of, your Rice experience? Had you thought about starting your own company at that point?

[06:50] **Dan:** Yeah. So, two things about that. So, first of all, one more story about those executives coming up. The VP of sales came up. We were heading up to Chrysler. And going through North Detroit at the time in one of those places where the freeway is down below, and there's chain link fence up above and society's up above you, and you're just running through

the interstate when I ran my car out of gas with the VP of National Instruments in my car. And he goes, "Well, I guess I'm going to sit under this tree while you figure out what we're going to do next." And I hopped the fence, and I thumbed a ride from somebody crazy enough in North Detroit to pick me up. And within five minutes, I was right back behind my car with a full can of gas, and we got on our way. But you just look back on your career, and you're like, "Ah, that was one of those moments where the career could have just ended, but it worked out okay."

I had a college friend that turned into a post-college sweetheart, which turned into a post-college fiancée. And she was at the Baylor College of Medicine and not leaving Houston anytime soon. And so, when she said yes, I had a very big and amazing motivation to head back to Houston. And so, I told National Instruments I wasn't going to be their guy anymore. And I was going around telling my clients in Detroit I wasn't going to be their guy anymore. And one of those was a company that takes the National Instruments tools and builds them into solutions, a service provider around the National Instruments products. And they had wanted a Houston company for years because it's a hedge against Detroit. When gas is expensive, you buy small cars. And when gas is cheap, you buy big cars. And yet, they couldn't find anybody they knew and trusted that was willing to go to Texas. And comes their sales guy from the last two years, saying, "I'm not going to be your guy anymore. I'm moving to Houston." They said, "We should go to dinner."

And man, at that stage of my life, I'm never going to turn down free food. And so, we went out to dinner, and they made me an offer. And I actually said, "Hey, I want less salary than what you're offering, but I want a piece of the action." And so that was the first time that I took my gum experience into the real world. And I went down for a small salary but a portion of that office. And over the next several years, for that company, I built out Denver, Dallas, Houston, and Minneapolis for them. They got taken over by a company based out of Rochester, New York. We were running a very profitable arm of the company for them. And I had a share of the whole thing because I had taken that risk early on.

[09:15] **Scott:** Super cool. And so, you know, you're from the Houston area originally, right? So, you, sort of, were coming back home.

[09:20] **Dan:** I am from Texas. I grew up in Denton, just north of Dallas. And then I met Julie at Texas A&M. And so she is a third-generation Houstonian and wasn't leaving anytime soon. And I'd like to say I married Houston 25 years ago. And, man, it's great. It seeps into you, just like the humidity. The Astros were very good in the late '90s. They're good again now. And we love Houston, for sure, yeah.

[09:41] **Scott:** Did that play into, sort of, your decision to attend Rice? Or, what drew you to a Rice experience?

[09:48] **Dan:** Yeah. So, I sat there with my Rochester-based head company, and I said, "Look, I want to take my leadership to the next level, and I want that to be through an MBA program." And because of my family's story and being here in Houston, it was really important to me that it was here. And yes, you could do these remote programs where you go spend a couple of weeks somewhere else, but I really wanted it to be here.

And so, there are a few games in town, and I went and did the info sessions with all of them. And it was really interesting. I asked somebody at the Rice info session. We're having some kind of reception. I said, so why Rice over all the other options? And the first reaction was she just said, "Well, it's Rice." And she just let that linger for a while. And I was like, I'm kind of looking at her, and she's looking at me. And yet, two and a half years later, after coming through that EMBA program, I get it. I get it. There's just an esprit de corps. There's a level of excellence. There's a level of connection within this town to the extent that you want to be a Houston business person. If you have a Rice MBA, you are connected to a very elite group of people that you can call colleagues and classmates, certainly, fellow alum. And so, there's just a comradery at Rice that I really enjoyed. But then, deeper than that, there was a connection with the people of Rice that was really, really valuable for me.

[11:12] **Scott:** How have you seen that play out now, approaching almost 20 years post-graduation? Do you have an example of where that's had an impact?

[11:19] **Dan:** It's really scary to think about post-20 years after graduation.

[11:22] **Scott:** Sorry about that.

[11:23] **Dan:** But yeah, you know, it kind of is what it is. You know, the class of 2005 just had a happy hour, once again, where it's an annual reunion and gathering of people. And I was all set to go to that. But I also coach my daughter's basketball team. And then, that game happened to be in Huntsville, which was too far away from the happy hour. But I stayed close to several of my classmates. And when I say stay close, these are people that, inevitably, in your career, you're going to have moments where you go, "Not sure what to do here." And if you're an entrepreneur, it's relatively lonely at the top. You can't go around asking your colleagues because they all work for you. And so, you don't really want to ask family because then they

might know how dire the situation is, or whatever, you know. And so, and so, to call up a classmate and say, "Hey, you own a business as well. What do you think about this?" And sometimes, it's like, holy smokes, you got to get out of that, or, take a deep breath, you're going to be fine. And I've gotten both, quite honestly, from classmates over the years.

[12:22] **Scott:** Can you share a little bit about just a quick pivot here of the, kind of, chronology and just, kind of, share a bit about that family experience?

[12:30] **Dan:** Yeah. Really, really neat story, a redemptive story. And when I say redemptive, I mean redemptive for me and Julie, where we went overseas and we picked up two infants. And so, it could be redemptive of them. But we're the big winners, for sure. And so, I've always said I'll have as many kids as my wife will let me. And she's always said she'll have as many kids as her body could handle. And after eight years of marriage, it was, it was none. And nobody could tell us why. And I could tell you why now. It's because of Bennett and Nathan that, as a result of whatever our story was, we, through a course of events, ended up overseas. And so, really, really a sweet time. In Kazakhstan back then, you had to spend six weeks, spending two hours a day in the orphanage with your infant, just acclimating and getting to know each other, which means, for six weeks, you leave every day. And there goes your son back into the orphanage. And they did, they did their best. They really cared for them as well as they could. And then, we got to take them home. And so, we adopted one boy. Then, we went back and got a second boy.

I think, at that point, we thought that that was our family. And it turned out it was not our family because then we promptly got pregnant twice. And I had a four-year-old, a three-year-old, a two-year-old, and a newborn. The newborn was born in 2010, and we founded Velentium in 2012. So, I started the company that I now have the pleasure to run when I had a six, five, four, and two-year-old.

And that just shows you the caliber and the character of my bride. She's an amazing person. She's my favorite person. In fact, the kids will laugh at that. They'll be like, "Wait a minute, she's your favorite person?" I was like, "Well, right." "Well, does that mean you like her better than us?" I was like, "Of course, yeah. If we do our job, then you're going to go find your own family. You're going to go. You're going to grow up and leave. So, if we do their job right with each other as a couple, we'll be together for decades to come." And so, just a neat time. We are never bored with four kids that tightly packed. We move into the next phase of life very rapidly and then out of that phase and into the next one. And in the midst of all that, it has been wonderful to own and run and found my own company because I talk about it, this company,

that we exist to change lives for a better world. That's our passion. But that starts with our staff and their family.

And I tell each and every Velentionian that. That, when you started our company, this is not a company where it is okay to go to donuts with dad or muffins with mom at the preschool. It is mandatory for you to go to donuts with dad or muffins with mom. And that doesn't mean you can't not do your job, but it means you need to... I can't stand work-life balance. I like work-life fit, which is just different. Because there isn't balance. There are going to be times where your family life takes over your life. And it should. And that story is a crisis moment or a high moment that you need more family time. And there are going to be plenty of times where this company will take as much of you as you can give and then some. And the family has to adjust. And so, that goes back and forth. And you end up in this work-life fit, which is just better.

So, I coach my daughter's private school basketball team. She's an eighth grader. And that means, at 2:30 each and every day during the basketball season, I'm out of here. And I tell my staff. I say, "Look, you might receive an email from me at 11:00 p.m. You might receive an email from me on a Sunday. That doesn't mean I require you or even expect you to respond. It's just when I'm working because in my story right now, weekdays from 2:30 to 6:30 are taken." And so, it's great.

[16:05] **Scott:** It's such an important backdrop, I think, for us to, sort of, like, lay that foundation for this next part of the discussion of where your career journey evolved to and the formation of Velentium. Can you talk a little bit about just the origin story of Velentium? Like, where, kind of, the idea came from and why you decided to, sort of, create a foundation and a culture the way that you have, and how that has shaped your philosophy on leadership over the last decade?

[16:32] **Dan:** You bet. So, I've had the opportunity to work for some really amazing individuals. The company I was at, I had what many people would call a dream job. I was running four divisions, like I said, in those four cities. And I had all kinds of autonomy. And then, all of the back office, the accounting, the invoicing, the legal, the benefits, it was all handled out of Rochester, New York. And they did a fairly good job, a pretty good job of it.

But there's nothing like the Rice EMBA to get you hungry. And what I like to say, in fact, we wrote a book on culture, "28 Days to Save the World," and we could talk about that a little bit later.

[17:09] **Scott:** Yes.

[17:10] **Dan:** But in that book, it says you don't enjoy the nest and just stay in the nest when there's something greater than the nest. And little eaglets, they think it's pretty great in the nest, right? And getting kicked out of the nest and having to flap really, really stinks. And yet, then you learn how to soar. And you're like, "Holy smokes, this is amazing." And so, for me, the origin story of Velentium, really, was not about running from something, but it was pursuing something. I had a dream of something greater, just something great. And so, the idea that I could be at the helm of a culture-forward, family-first, unbelievably fast, highly technical organization, that was my dream.

And then, my co-founder, Tim Carroll, is a med device guy through and through. He wants to change lives one patient at a time. And so, we started meeting for breakfast at a Cracker Barrel Friday mornings. And I don't know if you've been to Cracker Barrel recently, but the waitresses and the waiters they have, they have stars on their apron as they get more and more experienced. And so, when you start celebrating stars with your wait-person, you know you've been to that Cracker Barrel for a long time. And so, we would just we would sit down at the same table every Friday morning, and the food would just come out, and she would get more stars over the months.

And we got to a point where I said, I think I can build a really amazing culture-rich company. And Tim said, "I think I can build an amazing medical device company." And I said, "I think we could build an amazing culture-rich medical device company together. That would be even greater."

And that's a piece of advice I would give to you. If you're thinking about MBA school or you're going through the program right now, is, if at all possible, don't go it alone. That, when you have the opportunity to start something, start it with somebody that you know and love and use those trials and the stress and the strain, and there has been plenty of that. We could talk about the cash flow nature of just how challenging it could be to start something from the ground up. But when you're not doing it by yourself, then you know you always have a comrade in arms, if you will.

So, yeah, we met many, many breakfasts and finally got to the point where it's time to do this thing. And so, I had a one-year non-compete. So, I resigned and served that non-compete with honor. That's our top value. We have three values at the company. Honorable, we do the right thing. We do right for right's sake. Results ++, we do the job and then some. And then humble

charisma. We strive to be the kind of people you want to be around — humble charisma. And, honestly, I had signed that one-year non-compete, I intended to honor it. And I got a call two weeks before the end of the one year with a pretty lucrative contract. It's like \$150,000 opportunity, which was a really big deal back then. And I didn't say, "Call me in two weeks." I didn't even say, "I can't do that right now." I said, "I'm not in that business anymore." And I gave the number of my... the person that replaced me at the old company. And they went off and did the work, which is great. It's fine. Because I was still in the non-compete, and I wanted to treat it with honor.

And so we started it in 2012. When I was there, at first, Tim didn't come until a little bit later. We had group health insurance because I was employee plus children, and my wife, Julie, was employee only. And that was our group health. And so, now, we have, I think, 140 on staff. It continues to grow. We're on the Inc. 5000 for growth, and we're on the Houston Fast Group as well, and just continue to add momentum as the marketplace sees just what we can do to serve them.

[20:42] **Scott:** There's a number of things I want to dig into. Like, one of the first ones is you guys had kind of gotten your feet underneath, you'd been in business for seven, eight years, and then the pandemic rolls in. I think you referenced it as Project V. Like, you guys had taken pivot to help address some of the issues that were happening in the pandemic.

[20:58] **Dan:** Sure, yeah. It's a remarkable story and it's a fun one to tell. We, like most of your listeners who are business owners, were exploring the PPP¹ program. I had a draft email in my inbox that talked to the staff about, either rolling layoffs or reduce pay or reduce hours, or we're just really not sure what this pandemic is going to do for any of us and can we survive?

We're not a big business. We were in our SLT quarterly, senior leadership team quarterly, offsite. If you're not doing quarterly offsite, it's highly recommended. The first few are a little bit awkward. By the time you get two or three in, you start to get into that rhythm. And I meet with my senior leaders once a quarter, and I have since 2012. And so, I really look forward to those four days a year.

And we are in one of those, talking about the PPP program, talking about layoffs. And at that point, we took a call, which is against the rules of the offsite. But we took a call in the midst of the pandemic with one of our clients, Ventec Life Systems. We had seen an article in Forbes

¹ Paycheck Protection Program

that weekend where the CEO of Ventec — they make ventilators — had said, "If we had some help, we could do so much more." And obviously, we had been working with them for five years. So, we called him up and said, "Hey, we can help you." And he was very distracted on the phone. And I said, "Listen, it sounds to me like it would be beneficial to you if somebody was just there in the morning." And he goes, "Yup, we have an 8:00 a.m. war room meeting every morning at 8:00. It'd be great if you were here." I said, "Done," and we hung up. And so, then we continued our SLT meeting and said, who's going to go? We decided it should be a founder because that way we can make decisions on the fly. So, that was me or Tim. And we decided it was me.

And so, I came out of my bedroom office and talked to Julie and said, "I'm about to get on a plane. And I'm about to get on a plane to Seattle, Washington, and I'm going to go to Bothell, Washington, seven miles north of the first COVID deaths in this country right in the very beginning of this March stuff where we don't really know what we're up against." And we went for a walk. And she began to weep because there were all these unknowns. And the famous line is I said, "Babe, you know I have to do this. And why do I have to do this? Because we exist to change lives for a better world. And to the extent that you know your passion and your values at your company, that when you come across opportunities, you'll know very quickly if that opportunity is for you or not. And so, this was clearly for us."

I flew up there. We had some initial meetings. We're thinking about taking their 100 ventilators a month. Maybe, we could get it to 500 ventilators a month. Maybe, we could open up a factory. It's some semblance in Houston to help them get it from 100 to 500. And then, the head of operations said, "General Motors is coming tomorrow." I said, "General Motors, like the car company?" "Yeah, yeah, General Motors." I said, "Well, why?" "Well, I don't know, but we'll see what they have to say." And they showed up the next morning. I said, "Do you mind if I'm a fly on the wall?" And they said, fine. And within 45 minutes, they had that place turned upside down. The guy said, "I want to see a ventilator completely disassembled on this table on the next 45 minutes because two hours from now, I've got a global supply chain call with 70 buyers. We're going to build 10,000 of these a month." And over the next 28 days, we repurposed an automotive factory in Kokomo, Indiana, that belonged to GM into a fully scaled-up 10,000-ventilator-a-month ventilator factory, partnered with the federal government.

I mean, it was, it was surreal. Scott, we would, we would go to bed after 20 hours of work seven days a week. And I'd be like, am I manic? Like, am I? Because, you know, when you're manic, you think that everything's more important than it really is. And then, you, like, turn on

the news and there's Mike Pence in the Rose Garden talking about the project. And I'm like, nope, that's where I am right now, you know. It's so... it was remarkable.

What I, what I would take away from that, though, is that the way that we were able to step into that fray and make it happen was because we had built a culture for eight years. And so, I went around to the eight leaders that ran different parts of this development effort over these 28 days ended up being about 60 by the time we finished. We got the first lineup in 28 days. And I said, "Look, I need 16 to 20 hours a day, seven days a week until your body gives out." I've always said we exist to change lives for a better world. That starts with you and your family. But the whole darn country just a step between you and your family. And there could be a time in the not-so-distant future where, Scott, your mom, and my mom are in the ICU, and there's one ventilator left. And we cannot let that happen if we can step in the middle and make a difference. So, I asked the eight leaders. I said, "Look, I need this crazy time commitment, but you can't just agree to that and take this role. You have to be willing to demand that of everybody on your team."

And I got seven for eight immediately. And the eighth person said, "I just got married. Let me go talk to my new bride." And the next day he was in as well. And we went eight for eight. Because the people of this company didn't join for money. It doesn't mean we don't pay well, but the people of this company joined to change lives for a better world. And so, there's just this deep vibe within the company aligned around our passion, such that when an opportunity to change the world came about, we stepped in and did it. And it was remarkable. And it's fun. We got a publishing deal through the story, wrote a book about it, and wrote a book about the culture of the company that made it happen. And hopefully, your listeners will pick it up and read it.

[26:28] **Scott:** Yeah. No, that's amazing. As you said, it's "28 Days to Save the World." And then, I know there's, kind of, a sub-tagline. You can find it on, like, Amazon. Like, is that the...

[26:34] **Dan:** Yep, it's on Amazon. And it was really big deal for me that it would be on Audible because I listen way more than I read because I like to run and walk and drive and play stuff at 2x. And my kids make fun of me for it, but, you know, you can get through the book at 2x in about four and a half hours. And yeah, it's on Audible and Amazon, for sure.

[26:52] **Scott:** So, can you just share a little bit about, kind of, what it took to, kind of, pivot from that just incredible, sort of, backdrop and that experience? I mean, there's something about a global pandemic. Everybody kind of knows where they were at the time. Like, you just,

sort of, like, feel like the goosebumps, as you're describing, that war room and that environment, many people, experienced something, you know, to that effect in whatever business they were. There wasn't a pocket of the economy that wasn't disrupted. But to distill that story into a book, what were some of the things that you, sort of, took away, then looking back in the rear-view mirror, that maybe, because the adrenaline, the lack of sleep, maybe you didn't notice some of the kind of, key takeaways that found their way into the book?

[27:36] **Dan:** Sure. Let me, let me give you three. So, the first one is the company before needed to not be anything like the company after. And so, the company before was a company where we had a row of credit cards in an Excel spreadsheet that had the limits of the credit card the day that it looped. And hence, the day after that being the best day to buy because that would create about 45 days of interest-free floats. And, like, we're managing credit cards like crazy to just get the job done.

And then, moving past the pandemic where we did this remarkable and very large project, and I said, "Look, let's push all those chips into sales and marketing and processes so that we can grow and never be the company that was before that ever again." And that's really been great for us. We have turned the corner and won the Inc. 5000, gotten on the Inc. 5000 list a couple of years, I guess three years in a row now. And it's just been remarkable as a result of that moment.

But a couple other things. One is, like I said and touched on just a little bit before, volunteer. Volunteer when there's an opportunity. If we had sent one of our engineers, we might have been successful, but we would never have been successful on the scale that we were because it took somebody with enough craziness to say, "Yeah, we'll do the whole thing." And there was no way I could do the whole thing. I had 65 people on my staff at that time. We needed... We had 140 people on our staff about 10 days later because we went around and hired oil and gas workers who had been furloughed and brought them in and got them to work.

So, volunteer. Step in. There's a chapter in the book at the very beginning that says, "Why not me?" And when you think about it, there are people that we watch on the big screen, there are people that we watch in sporting events, there are people that we watch on news channels. There are people that we admire in our neighborhoods, in our civic organizations, etc. And these leaders all started somewhere. And why not you? I'm telling you right now if you're listening to this podcast, that means you're affiliated with Rice. It should be you. Like, you know, it's like you've got the giftedness. And so, now, step in. Step towards great and make it happen. Be one that volunteers.

And then, the third is be human. And when I say be human, we had a, what I called, a human moment at the beginning of every meeting I hosted, it was a midday meeting at 6:00 because 6:00 p.m. was midday when we were in the midst of that. And before we got into it... And man, there was a lot of fast-paced things going on. But before we got into it, I was like, "Timeout, give me a story that proves you're human." And it could be, you know, "I took 20 minutes out, and my daughter just learned to ride a bike." Or, it could be, "I was on the phone with American Express, and they couldn't expand my credit limit, and I was begging them to do it because the pandemic depended on it. And I lost it, and I started screaming at the lady on the other end of the line." The human moments are never... they're not always pretty, right?

[30:35] **Scott:** Yeah.

[30:36] **Dan:** It's like human moments can be glorious. Human moments can be traumatizing. But they prove that we're human. And so, out of that came this chapter in the book called "Be Human," where it essentially says, remember that you don't check your humanity at the entrance to your office or at the conference room door. That the person you're meeting with, even if they're the opposition, they changed a diaper this morning, or they lost a loved one, or they got their first gig to play live music in a bar on the side, or you know, whatever. All these things are happening in the lives of the people around you. Remember that they're people, and they're people first.

And the beauty of that is, in negotiations... I mean, one of the books we went through back in the Rice days was "Getting to Yes" and trying to find that time where everybody can win. But sometimes, there's winners and losers. Essentially, in competitive environments, somebody wins the bid, and somebody loses the bid. But then, when we get back to our humanity, we are all equal. We're just... we share this ball we live on, right?

And so, remembering to be empathetic, remembering to celebrate life events, remembering to look people in the eye and remember things about them, remembering to be human, and not letting even the busyness of a pandemic response ventilator project get in the way of that, I think, is really important.

[31:52] **Scott:** What are some of the things... I mean, that is fantastic advice and perspective and something that's hard for the average, you know, corporate employee or, even, just anybody that's, kind of, out there to, sort of, day in and day out achieve those outcomes. What are some of the things or tools that you use, however simple, to, sort of, keep yourself rooted

and grounded in thinking about these things? Is it a list on the office wall to, sort of, check in? Is it meditation? Is it... I'd just be like real curious, listening to you, Dan, like, you've got this passion and fire, and, like, you've got this articulate view of how that all comes together. What are some of the things that you're executing on that you feel like are contributing to keeping you, sort of, focused on that?

[32:33] **Dan:** Sure, I'll give you several. So, the first is we like to talk around here about principles over rules, principles over rules. For us, there are four principles in this company. We exist to change lives for a better world. Honorable, right for right's sake. Results++, do the job, and then some. And humble charisma, we want to be the people you want to be around. Those four principles govern everything we do. And so, if we're going to have a rule in the company, it better inspire and motivate top performance in this company, not babysit and police bottom performers. Because I don't want a bunch of rules, I want four principles. And so, we are always asking the question, if there's a rule that is budding in the company, because as you grow, bureaucracy increases, right?

[33:18] **Scott:** Exactly.

[33:19] **Dan:** And you end up with rule after rule after rule. And most of those rules have an experience or a name with them. And I'm like, no, no, just because that experience happened doesn't mean you need a rule. And we had a guy that ended up being removed from the company. And he wasn't a very good performer. He had some ethical issues. But one of his managers found him playing solitaire on his laptop. And then, somebody else in the company said, "Hey, we need to take all the games off all the computers." And I was like, no, stop, stop. If you tell me that my top performer in the company needs solitaire for 20 minutes to clear their brain so they can continue to do whatever they do so well, great. I'm not going to tell you, you can't play games. I am going to tell you to get your job done, right? And so, principles over rules demands that you are very stingy with the rules you put into place but extremely lavish with continuing to publicize, celebrate, and laud the principles in your company.

So, that would be the first one. The next one is Ben Horowitz has a book that says what got you here won't get you there. And as a leader in a company — and most of our listeners are — you didn't get to be the leader by not doing things. You got to be the leader by doing things better than anyone else. That's why you got the raises you got, the opportunities you got, the chance to go to Rice like you did. And you're not going to win in this world without outperforming everybody else. And so, your listeners, our listeners here today, pre-select for

top performance. However, if you're at the top of a company, if you're the leader, if you are the entrepreneur at the top of the company, the most valuable thing you can do is think.

And that's really, really different from what got us here, right? The larger my organization becomes, the more I have to proactively step back and clear my schedule and think. And so, you asked about meditation. It's like, if you can't be alone in a room for five minutes, you got a problem. If you can't be alone in a room for 15 minutes, then you got a challenge. If you can't be alone in a room for 30 minutes, man, let's work on it. But, like five minutes, that should be easy. And yet, man, five minutes of silence, that's really, really hard for most of us.

I was at Disney with the family right before the holidays. And one day, just not thinking, I left my phone in the car in the parking lot. And it meant for the entire day, in the parks, I had to, A, keep an eye on the rest of my family because if I got separated, there's no way to reunite. And B, in the lines, I didn't have games and email and chatting and texting and everything else. And you know what? I survived. And not only did I survive, but I think I was happier that day, right? So, just how do we detox just a little bit, especially as leaders. It was really monumental for me to get comfortable with just putting out of office in big chunks on my calendar. It doesn't mean I'm not working; it just means I'm not accessible.

Let me give you a thought exercise. If you get that upgrade on that flight to San Francisco, and next thing you know, for four hours you're sitting in the front, they're bringing you drinks, you know, you can get to the restroom without having to clean up your laptop like you went in a coffee shop, and you go, "Wow, I got so much done." And I find myself thinking all the time, why don't I proactively create four-hour chunks just like that? It's uninterrupted, right? That would be the second thing.

And then, the third thing, and this goes right along with principles over rules, my favorite two words at this company, by far. You decide. You decide. And it happens all the time. People will come into my office, and they'll ask me a question, and I'll be like, "Well, you know the principles, and you're closer to the situation than I am. You decide." And they say, "But, Dan, what do you think?" And this is my favorite. I'm like... I say this all the time, "I think that you will make a great decision."

And here's why, Scott, is, if we make the decisions as leaders to decisions that should be made by others within the organization, they will be trained to come to you again and again. And it's not that I don't want to be involved, but I want to be involved in the things that are the next thing that push this organization into the next place. And I can only do that if I have that

bandwidth or I'm a workaholic. And I'm not willing to do the second one. I want to go coach basketball. And so, if every decision has to go through my desk, I either have to be here all the time, or we will be growth and scaling-limited. I don't want either one of those.

And so, pushing you to decide throughout your organization and forcing people to make those decisions and then having the forgiveness and the grace to say when you make a decision that's different than what I would've made, and you can defend it against the four principles, I've got your back. And so, we try to do that again and again.

[38:10] **Scott:** Dan, this has been a blast of a conversation. The time has flown by. As we wrap up, I want to ask a what's-next question. Like, what's next for Velentium? What's next on your horizon? What are some of the big goals as you look ahead for Dan as the human and Velentium as the organization?

[38:27] **Dan:** Sure. Love it. First of all, Velentium, as the organization, I needed a word where the dot-com was available. And I wanted something that was not "Dan and Tim, Incorporated" or something like that, because I want it to be timeless and go beyond us. And so, I came up with this concept of the idea of talent and speed. Talent and speed. If we could have just the smartest people we can possibly find who really enjoy working fast, we can send them home to coach basketball, and they can work, right?

And so, I wanted this idea of talent and speed where the dot-com was available. And we came up with "VEL" is velocity, "ENT" is momentum, and "IUM" is from the Latin "Ingenium" for talent. And so, Velentium is the speed of talent.com. That's who we are.

And so, when you talk about what's next, our dream is to become the world's leading elite neurostimulator design, development, and manufacturing firm. And so, on the design and development, we're getting closer and closer, where we now win huge projects in the neuro-stim industry around design and development. But we're new to manufacturing and really excited about that because the idea, when you think about it, is in design and development, if we do a good job, then the client moves on. Because you designed it for them, you developed it for them. And then, now they have their product, and they can go on and do their thing.

If you design development and manufacturing, now, our work for that client lasts for the life of their product instead of just the life of the project to design the product. And so, the future for Velentium, I know everybody talks about hockey sticks, but we really will have a revenue

hockey stick in the, in the months and years to come, because now every project we add, as long as we can keep them into the... kick them into manufacturing afterwards, we now have perpetual ongoing annuity-like revenue from them for the life of their product. So, really, really excited about that.

We talk about a vision at Velentium of 1,000 families, the vision being the place you think you're going to go. And so, we've said it for years. I said 1,000 staff for many years. But a mentor of mine, Dan Moore, who is the CEO of Cyberonics, another Houston-based neuro-stim company, I was drinking beer and eating pizza with him one night, and I pursued him as a mentor. And after six months of pursuing him, he finally allowed me to spend some time with him. And then now, we're pretty good friends. And we're drinking beer and eating pizza. And I said, I said, "Man, I just am so excited about this company." He goes, "But you're passionate about the family, and you say 1,000 staff." And I was like, "Right." He goes, "Why wouldn't you combine them and say 1,000 families?" And I was like, "Oh, that's great. That's so awesome."

And so, that's where we're headed as a company, is 1,000 families. I'm really excited about manufacturing because we can add a lot more staff more quickly on the manufacturing floor because you just need a lot of workers. And the idea of offering a place that says, "Come here and learn how to change lives. Come here and learn how to live with honor. Come here and learn how to deliver results. Come here and learn how to be humbly charismatic and live according to these principles," and if you do that in 1,000 people's lives, they'll go home and change their families and change their dog parks and change their swim teams and change their civic clubs and change their neighborhoods. And we'll put a little dent in society.

And people go, "Man, Dan, you're crazy." I'm like, "Yeah, but it's working. It's really fun." We've been saying 1,000 staff since there were eight of us. I was like, "Yep, we're only 125 times away." Now, there's 125 or a little bit more than that. And now, we're only eight times away.

And so, that's where we're headed. We will continue to tell anybody that wants to listen that culture matters, that to the extent that you build into your company a culture-rich environment, people are going to want to come and stay. One last thing I'll give you is that when we interview candidates, we'll ask them a lot of times, what are you passionate about? And what we're looking for is just something outside of work, right? Something that just shows me that they're even a more human person than just a worker. And yet, in the history of Velentium, I've never had anybody answer air. I've never had anybody answer that. And yet, six minutes from now, Scott, you're dead, and so am I, without air. And yet, when we say why company, you'll get a whole group of American capitalism, which will say, returning funds to shareholders, to

stakeholders, getting money. And I'm like, no. I mean, it's not that money is not important. It is the air of the company, but it is the air of the company. It's not the why of the company.

So, if you're at a place as a leader where it's all about the money, I would say, yes, the money is absolutely important because, without it, you can't do anything. But see it as a tool. See it as a necessary tool, as a tool to be maximized, for sure. So you can increase your influence. But then, go deeper than that and get to your true passion and get to your true values and create a principle-rich company that you might be able to attract more and more people to than just if it was about cash.

[43:26] **Scott:** Dan, thank you for such an inspirational conversation. It's been a privilege to have you on the show.

[43:30] **Dan:** Thanks, Scott. Enjoyed it.

[43:35] **Scott:** Thanks for listening. This has been Owl Have You Know, a production of Rice Business. You can find more information about our guests, hosts, and announcements on our website, business.rice.edu. Please subscribe and leave a rating wherever you find your favorite podcasts. We'd love to hear what you think. The hosts of Owl Have You Know are myself, Scott Gale, and Maya Pomroy.