

EPISODE 760

[INTRODUCTION]

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FT: Ever tried to enroll your child in like an art class, or soccer camp, only to find out that it's completely full, or maybe you just found out about a great swim program right by your house, but wish you'd known about it years before? Today's guest is an entrepreneur who noticed this particular parent pain point, and she's on a mission to fix it and help make parents lives a little bit easier and help make kids' lives more fun.

Welcome to So Money, everyone. I'm Farnoosh Torabi. Today, we're welcoming Marissa Evans Alden to the show. She is a former Rent the Runway Executive, and now the co-founder of a website and mobile app called Sawyer. Sawyer is a marketplace for children's activities and adventures and it's currently available in the New York, Chicago and LA metro areas, but soon to a neighborhood near you.

Full disclosure, my husband Tim joined the Sawyer team earlier this year as a developer, but even before he began working there, he and I were fans of the site as two busy parents who are constantly trying to take advantage of what the city has in store for kids, and also so that we can keep them occupied, if you know what I mean parents.

Marissa takes us through her journey of entrepreneurship, how she impressively raised investment dollars while pregnant and advice for those of us contemplating leaving our jobs to dive into a business of our own, and lest you think Sawyer is child's play, the company has raised millions of dollars to date. Here to tell us all about it is Marissa Evans Alden.

[INTERVIEW]

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FT: Marissa Evans Alden, welcome to So Money. I'm so excited to finally connect with one of the brains, the geniuses, the minds behind Sawyer, which is something that we use all the time in our house. Thank you so much for developing this service. First, just welcome to the show. How are you?

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MEA: Good. I'm so happy to be here. Excited to get this opportunity.

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FT: For those people listening, I think we're all familiar with OpenTable, right? It's this website that you go on and you can book your dinner reservations, or your lunch reservations and you can pick by your geography, your time of week, your day, it's really convenient and obviously, I have to tell you how successful OpenTable is.

Sawyer if I may, is like that, but for children's educational activities and camps and events. From us, we have two kids, we've been using Sawyer before it was even called Sawyer. You guys have rebranded a little bit since we first started using you, but we were desperate. We needed stuff to do with our kids on days where they didn't have school, or perhaps it was a Saturday and we didn't know what to do because it was raining.

We would go on Sawyer and there was this menu of stuff that we could sign up to do, depending on what part of the neighborhood we wanted to go to, the time of day, the age of our child, the interest that he or she had. I just want to say thank you for making this company come to life. It's no secret that I'm sure this is probably something that you needed in your life too, right?

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MEA: Yes, definitely. It's one of those things that I think once you experience the pain of this issue as a parent, it becomes very obvious that there's something missing in the space.

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FT: More than just creating a menu for parents to pick from of activities for their kids, really what I believe the business is building towards is a white label payment, billing and scheduling software, like mind-body, but for kid stuff.

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MEA: Yeah, that's very much spot-on. I mean, for us the whole genesis of this idea, the business came about because when we were thinking about honestly the future and our children. There's an amazing stat that says one in five of today's elementary school students are going to have a job that doesn't exist today when they graduate. When you think about that, that means that we can't even imagine the kinds of jobs our kids are going to have, which is crazy and a little scary, honestly.

You think about the job of school and you think "God, is school doing a good job?" And it's not that it's not doing the job, but we felt there were all these other extracurricular opportunities that can get exposed to that ultimately are starting to help prepare them for the future. Accessing that step has been a challenge for parents for many years, it is a highly fragmented market, it's very offline and it's very much dominated by checks and pen and paper and forms, and in a world in which all of us are so comfortable on our phones, we look to the phone for ordering a car, or ordering dinner as you mentioned. Why is –

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FT: Finding a husband.

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MEA: Yeah, exactly. Why is education, that's like super important for us, so challenging? Ultimately, we said we want to bring technology to this industry, because we think this industry matters a ton and us as modern parents know that it can be easier. Yes, the software is the core

foundation to this business. Then the marketplace making it easy for parents, so you mentioned the menu to find and book classes is really the future vision of where we want to go.

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FT: I also love that your business is supporting family businesses. A lot of these are businesses and these camps and these schools and these children focused services, they're run by small business owners, a lot of times individuals. They're not these massive corporations, and so that's why maybe they don't have a robust website, or they don't have systems in place and they seem a little scattered, but I feel like you're also, what your business is doing in essence is giving these businesses a break in some ways.

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MEA: Totally. Totally. I mean, our providers are honestly, we call them like they're the entrepreneurs of this country. They're the ones that started a company, they're running a business because this is a dream, it was a passion. I mean, this education for kids, right? You don't get into that, because you're trying to make millions and millions of dollars necessarily. It's because you are totally passionate about spreading education.

By doing this, they are supporting their families oftentimes, actually I think it's 75% of our providers are women-owned businesses. So they're creating company based on something they're excited about, and then they're providing for their families. Trying to reach them and give them technology and something that they're not afraid to use, they're excited to use, it's so important to us.

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FT: I'd love to learn a little bit more about how you arrived at this business. You're an entrepreneur at heart. This is not your first business. Previously, this were at Rent the Runway. I understand all three of the co-founders came from Rent the Runway. What was that – would you meet in conference rooms and talk about your exit strategy? How did you keep it discreet, but also there was probably a level of disclosure because now even, Jen Hyman who is the

CEO and co-founder Rent the Runway is a mentor and advisor to the startup. Clearly, you had a nice friendly exit.

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MEA: Totally. Yeah. At Rent the Runway, I mean, the culture there is very much about fostering entrepreneurship. Part of the reason, I think you see there's been multiple people that have left, that have started companies, and that's the spirit of what I think the leadership there tries to create. I was actually paired with my co-founder Stephanie to run one of the teams at Rent the Runway. In doing that, we formed a really great friendship and a really great professional working relationship. That was really the genesis.

Actually, Steph at the time had/has a daughter. The daughter was little at the time and was struggling with finding great things for her to do during the day. This is how the whole concept started, because ultimately we were solving a personal problem. I think yeah, for us, it was of course over lunch. It was conversations we would have during the day about this issue. I think we realized we were very excited and very passionate about education.

My undergrad was actually in childhood development with a focus in early childhood learning. I've always had a passion for this stuff. When Steph came to me with this challenge, this idea, I was like, "Oh, I felt like this is what I was waiting for over the years." To have the opportunity to bring consumer technology best practices to an industry that has been somewhat left behind in many ways from tech, I thought this was an amazing, amazing chance.

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FT: I always like to ask female founders about the process of raising money for their companies. Something interesting that developed through the fundraising process, I just think it's because so few investment dollars goes to female founded businesses, right? It's when I have an opportunity to ask a female founder who's raising money about how to do it, I take the chance.

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MEA: Yeah. I mean, I've raised money for multiple companies now. I guess, I was always thinking we would raise capital for this business, because it was something you had to do and had done before and also got the opportunity to be part of the fundraising at Rent the Runway. Throughout my career, it's been just part of my job. I think for us after having experienced raising money more than once, one of the big learnings I had was how important and seriously, I took the pitch. We got some great advice from many, many mentors that you should be practicing the pitch over and over and over between 50 to 100 times before your first meeting.

I think that's really, really great advice. It's one of those things that practice really makes perfect. You want to be comfortable in what you're saying. You want to feel confident in what you're saying. That's something you can 100% be in control of. Having the dedication and tenacity to go into 30-plus venture capital meetings and do your thing, I mean, it's going to be a lot easier if you know and you feel rehearsed. I would say, that would be a big recommendation for me.

I think a funny story, or as you mentioned development throughout our fundraising process was both Steph and I were pregnant during our fundraising process, different times, different years, but we raised our seed and Stephanie was pregnant with her second son, and then in our series A, I was pregnant with my daughter. We definitely had other things brewing at the time we were raising money, which presented its own I think unique perspective on the process.

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FT: Did people make comments?

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MEA: No. It was early in both of our pregnancies. Honestly, we were both very sick, and so it was one of those experiences where we both felt when we had to buck up and pack a snack bag and just get it done. It was one of those things, like on Sand Hill Road. I liked carrying my peanut butter and jelly sandwich in my bag and going into a pitch meeting and then not feeling well, but then just getting back on the horse and doing it. It was one of those things I look back on it, I'm like, "Wow, I feel really proud about the experience." It was challenging to say the least, but it was a focused thing. I think if anything, it probably just helped me focus even more.

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FT: I would love to see a profile, a series of profiles of women while pregnant doing incredible things, like that's pretty incredible.

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MEA: Yeah, that would be a great profile.

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FT: Like Ali Wong who does stand-up comedy eight months pregnant.

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MEA: Yeah, eight months pregnant. Love that. Right.

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FT: Or these women, these immigrant women who are crossing oceans in boats pregnant. I think like –

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MEA: Totally. Totally. Yeah, makes fundraising look silly if we compare it to that.

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FT: There's a spectrum. There'd be a range.

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MEA: Yes, exactly, exactly.

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FT: Marissa, tell me what about your upbringing. I think you went to Harvard, right? MBA.

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MEA: I did. I did. I went to business school at Harvard.

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FT: Yeah, so even before that, like take me back to childhood a little bit. Like where did you grow up and what was your introduction to the world of money back then?

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MEA: Yeah. I grew up in a town outside of Boston. It was a lovely suburban community and had two parents that worked, and so that I would say was the first – I mean, I guess it was an introduction to money. Actually, both of my parents worked for themselves, and I think that is a really important part of my story. My dad owns his own company. It's actually in the car leasing industry, and my mom is a gastroenterologist.

I definitely grew up seeing that you could control your own destiny. The idea that my parents both set their own schedule, they were both extremely hard-working, but there was a sense of flexibility I saw with career that I felt was something – it was almost a given, just because I didn't know any different. When I finally got my first job, and had to keep going into an office every day, I was like, "What? This isn't right."

Yeah, and I think in terms of money specifically, I mean, we kids had an allowance. We were encouraged to think about what we wanted and then how to actually get that and how to earn that.

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FT: Yeah. I mean, it's important to have those conversations, even if they're indirect, or not so like a teachable moment, but you're just through modelling, instilling certain financial values to your kids. Our sponsor for this podcast is Chase Slate and they did a study that found that over half of parents have had a conversation about money with their kids recently. I'm not sure if your daughter is old enough yet, but what kinds of conversations do you anticipate having with her, given too that raising kids in New York City may be very different than maybe a suburb in Massachusetts. I'm also from the suburbs of Massachusetts. I'm afraid of the kinds of questions my son and daughter are going to come home with after going to private school in Brooklyn with kids who have massive wealth.

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MEA: Yeah, yeah. I mean, yeah, my daughter is nine months, so we haven't had to have that conversation yet.

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FT: In a few months, she'll be ready, right?

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MEA: In a few months, right. We're hoping by Christmas. Yeah, so I mean it's something my husband is actually on the General Counsel of Betterment, which is a financial technology startup here in the city. It's all about helping people prepare and manage their financial freedom. We talk about money all the time at my house and the power of what money can do. I certainly feel very strongly as a business owner, as a woman, now as a mother that money can 100% give you access to freedom, and that is ultimately why we value it so much in our house, and it gives you the power of choice.

I really hope we can teach my daughter that. I think, thinking about prioritizing and picking what you're excited about and trying to go after that is a lesson I hope to instill in her. Whether if she

wants to do, I don't know swim lessons, or a soccer camp, whatever they are, just is top of mind for me. Picking something and then committing to it and understanding how you don't necessarily get everything, but if there's something you're excited about and passionate about the power of what money can do for you.

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FT: You are a serial entrepreneur. I can say that, right? Because this is not your first business. I read that in the run-up to starting Sawyer, that you had a moment at Rent the Runway, you were like, "I really want to create something again." You were in management mode, you wanted to be in building mode. Have you thought about the future as far as what's next after Sawyer for you and where you think you may be drawn to next?

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MEA: Oh, gosh. I mean, honestly not really. I still feel we are in building mode still so much. We've got a lot to do and there's so much to still create, which is why it's still really exciting and fun. I haven't really thought too far down the road, but I do love the early stage stuff. I think it's a really fun and exciting time and just the idea of just starting, just trying something and taking one step forward and seeing how that feels and then sidestepping, stepping backwards, or stepping forward again, that's the mode of how I operate best.

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FT: What's been the biggest learning lesson since launching Sawyer? I mean, I think with every business, there are things you have to learn through error, or mistakes. What has been something that you had to work through that was complex, or maybe was a very difficult learning lesson, but you're happy it happened in some ways?

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MEA: Yeah. I think something that has come up with Sawyer was that we would go after some of these very big clients and really want to help them with their business. We would end up

building features, or trying to create things for them that ultimately the team just wasn't wanting to take on, and we would end up creating a mini-Frankenstein and it just wouldn't work, and the support needed to continuously service the accounts just didn't make sense. We've lost a few clients because of that.

Now, when we think about taking on new clients and understanding the feature sets and their needs, we try to be really rigorous about that process to not necessarily take on people we're not ready for.

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FT: That can be hard in the beginning, right? Because all you want to do is say yes.

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MEA: Yeah. I mean, we want to grow and they're big clients and that's an amazing opportunity for us, but to try to do what we do best, just like conferences, like no leaky buckets, right? Where we nail the thing we do and we do that really well and we'll get to that next phase, and we can take on those bigger and bigger players. But for now, this is what we do, and we do the best at it, is really what we're trying to I think do and achieve. That's really hard, because everything looks shiny from a distance.

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FT: You mentioned that you talk about money a lot in your household, your husband works at Betterment, which by the way we've had on the founder and CEO of Betterment on this podcast, so we're fans. We're big fans of Betterment. What is a habit that you and your husband practice when it comes to your money? Maybe it's like weekly conversations, or check-ins, or if there's an app that you use, or if there is a rule of thumb that the two of you have to keep things running smoothly?

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MEA: Yeah. I mean, we obviously use Betterment as an app. We both love it, we have like joy to challenge and we share that. I should say, yeah, I mean, we talk about it probably informally maybe weekly. I think we more formally talk about things either at like big life events, like when we had our daughter, and then of course around tax season. I don't know why that is, but it comes late March, early April, we sit down together and look out over the year and say, "What are the things we want to achieve, what are the we're going to plan for and then where's the rest going to go?" That's how we think about, I would say our budget in our year.

Then yeah, we check in as things change, or if when I left Rent the Runway to start Sawyer, a new job, obviously that changes things. How do you react to things that come up, while also having a more longer-term steady plan?

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FT: Speaking of Rent the Runway and leaving, how do when it's time to leave, when you can leave to launch a business from a nine-to-five? A lot of our listeners are contemplating this.

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MEA: Yeah. I mean, I think that that's something where the money has to – you have to really sit down and look at your finances, I think. For us, we had started talking about raising money right away. We knew that we would have a salary to draw from, so that was something that I needed to feel that that was an option for us, because I wanted to make sure that I felt for the people that work for us, were going to be able to get paid.

Having a plan, and with my first company, I left my job before I was able to raise money, but I gave myself six months. I had financially a plan to say, "Okay, here's how long it's going to last and here's what I got to deal with honestly." Sometimes it's great to give yourself an end date, because then you know what you need to get done before that time and you don't end up just twiddling your thumbs for months on end.

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FT: I was just saying to a friend that even as far as giving yourself a deadline to get things done, even if it's just I'm going to give myself 30 minutes to write an article.

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MEA: Yes. A deadline, yes.

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FT: Yeah. There's something about the deadline that just gets you to finish. Maybe it's not perfect –

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MEA: Oh, a 100%. Right, exactly. I think that's another thing. Entrepreneurs, I think part of why I really love doing what we do is that you don't have to be perfect and you just have to give it a try and then be willing to iterate. I think that's know so core to being successful in the early days because perfection is not necessarily a real thing, and so just being willing and open and listening and adopting what customers are saying to you, I think that is ultimately how you find ways to win.

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FT: Well, thank you so much for coming on the show, Marissa. I want to direct everybody to hisawyer.com. I'm telling you if you have children and you're at a loss for what to do with them on a free day, or you want to enroll them in something really fun and exciting, and also support small business, like we said, a lot of these businesses are run by mom and pops. They're true entrepreneurs of this country and I mean, how amazing is it that they're offering these astronaut camp?

I'm on your site right now, Astronaut Camp, really? Cook offs, sword fights, puppet shows, swim lessons, science experiments, dance recitals, the list goes on and you can search by your zip code and you're in. You just have to log on and sign up and it's all digital and it's great.

Marissa, thank you so much. Really, really awesome chat.

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MEA: Thank you so much. A pleasure.

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