

Episode 2: Leveraging Connections

Kathryn Dankesreiter: Welcome back. This is Kathryn Dankesreiter with the Texas Tech Innovation Hub. I'm joined today by two of our iTTU mentors. Go ahead and introduce ourselves.

Doug Deaton: This is Doug Deaton.

Rachel Deaton: And his wife Rachel Deaton.

Doug Deaton: We are so happy to be with you today. Thanks for talking with us.

Kathryn Dankesreiter: Thank you both so much. For the people that don't know you, how did y'all meet? Where are y'all from?

Rachel Deaton: Doug and I met as sophomores at Texas Tech. I met him the first weekend I was out there and, you know, thought he was a little mysterious. Then I learned that he did standup comedy, and I thought that was one of the bravest things anybody could do. I had to chase him a little bit, but I obviously won.

Doug Deaton: Married right outta college and here we are, still together, which is crazy. We haven't killed each other.

Kathryn Dankesreiter: That's awesome. It's a true college love story right there.

Rachel Deaton: Oh, you know what's so great too is we had a class together and that's when we really got to know each other. We didn't start dating till our last semester. We were just out with the same group of people. People in our age group will remember that every business student had to take this class called ad policy and so we were in ad policy together and we were on the same team. We had to do these presentations and we did skits is what we did. We thought we were so clever and so funny.

Doug Deaton: Let's just say we barely passed the class .

Rachel Deaton: But it was a lot of fun though.

Kathryn Dankesreiter: That's awesome. You're both iTTU mentors and that's how we got together to do this podcast in the first place. So walk me through how did you get into the entrepreneurial space and then what led you to come back to Lubbock and give back.

Doug Deaton: Yeah, happy to. After meeting at school, we started and sold companies and ran companies into the ground. We covered the whole gambit. Fast forward to the last 20 years, we have built a financial advisory business, and the core of our business is entrepreneurs. Part of what makes us a good advisor to those folks is the fact that we were entrepreneurs, too. So we've been able to help them avoid pitfalls.

Rachel Deaton: Yeah, absolutely. To Doug's point, having built our practice around entrepreneurs and having been that ourselves, we really have a solid grasp on what they go through. Just the whole range of it and how emotional it is and, you know, what the journey of an entrepreneur is like.

Doug Deaton: As far as Texas Tech, I'm on my fourth year of being on the Rawls Advisory Council. It's just been so fun to get involved. Now both of us being mentors at the iHub, there's just so many exciting things happening at West Texas. We were so excited to be able to use our experiences and be able to give back to Texas Tech and back to the iHub.

Rachel Deaton: Yeah, to get involved this past year at the Innovation Hub has just been really an unexpected blessing and just so great.

Doug Deaton: We live in Austin, Texas and looking as an outsider looking in and not being in Lubbock every day, I really commend what you guys are doing. One thing that we want to push through this podcast is that students and people in West Texas leverage the innovation hub.

Rachel Deaton: Had we had that when we first started out, you know, trying to figure out how to build a business and put it together. If we had something like an innovation hub, Who knows where we would've been, right?

Kathryn Dankesreiter: Right. Honestly, building a startup community is what the Innovation Hub's foundation is, and so having mentors like both of you is a great building block for that foundation. Talk to me about how you leverage your own experiences to help entrepreneurs in West Texas. How do you mentor them? What is your process?

Doug Deaton: Sure. These aren't necessarily an order of priority, but the first thing that we try and do is really help them define what it is they want to. The big obstacles that we see in talking with early entrepreneurs is the fact that while they have a general idea of where they want to go, oftentimes they don't have real clarity. They don't know what they want to do. Getting to market can be so overwhelming.

Doug Deaton: It's easy for us kind of sitting on top of the hill to be able to look back from our own experiences and be able to say, here are the two, three things that you need to be focusing on to get to market. So direction is a key thing.

Doug Deaton: The second thing is really thinking from a financial standpoint. How do you capitalize a business? Do you try and sell equity or do you finance it through debt?

Doug Deaton: The third thing is helping them think about, you can't do it alone. You need advisors. You need partners. You need people in your corner. You wanna surround yourself with really, really talented people that you can pull from their experiences to get where you want to go. We tried to do so much on our own when we really could have leveraged other people and saved ourselves a lot of time and hardship so that's really the big thing.

Doug Deaton: Is there anything you wanna add?

Rachel Deaton: I think it is a lonely road being an entrepreneur. And having this idea, it's like your baby, right? But you don't have to do it alone. There are plenty of people out there and be open to that.

Rachel Deaton: And then sometimes you start a company thinking it's gonna do this, but then you develop this software that can do something amazing in another industry and your company goes in a totally different direction. So to be open to that.

Doug Deaton: Yeah. Just as another plug for the innovation hub is just looking at, you know, the mentors that you have. The Mark Murdochs, Sarah Simpson, Nick Bergfeld, I mean, so many amazing people. That's huge especially from a professional standpoint, you really are the sum of the people that you hang around with.

Doug Deaton: If you can build a world-class group of mentors and advisors like that, it just increases your likelihood of success so much.

Kathryn Dankesreiter: Yeah. We're at 56 mentors inside of our program right now. And they're all so different. But I think one thing they all have in common is they're dedication to whatever entrepreneur they can help. And so that has been really phenomenal.

Kathryn Dankesreiter: We have so many entrepreneurs out there that have these great ideas and they don't have a partner to start a business with. How do you find a partner?

Doug Deaton: That's a really great question. I don't know that there's necessarily a sequence but the first thing, and this goes back to something Rachel said earlier, and that is you just have to be open to it.

Doug Deaton: You have to really have an open mind and as you're thinking through an idea of a new product or a new service if you can really understand and what your market is and who your customers are, that's gonna lead you to finding the ideal partners.

Doug Deaton: Again, back to what Rachel said about having a really open mind because you don't know how those people are gonna come to you. Whether it's at a happy hour at the iHub or talking to somebody in class or whatever. You just really don't know where you're gonna run into those folks.

Rachel Deaton: You just have to put yourself out there. There isn't a magic way to find a partner. With Doug and I, you know, Doug's been in this industry from almost 20 years and I just joined him recently, but together we're so much better. We're so much better for our clients. I mean, we're a little different cuz we're husband and wife.

Doug Deaton: Because we have that broad network we're able to say, you know what, you need to talk to these three or four people. Yeah. So helping people connect to potential partners and advisors is a big part of how we can give back to entrepreneurs.

Rachel Deaton: Absolutely.

Kathryn Dankesreiter: Talk to me about The characteristics that you look for in entrepreneurs yourselves for your clients.

Doug Deaton: So perfect example of when you talk about young entrepreneurs. These two young gentlemen were in the biosciences space. Their combined net

worth was probably negative 300,000 school loans. They had never been around money, both just hardworking young guys.

Doug Deaton: We spent about six months with them helping them establish their CPA to think about taxes on how they're gonna deal with getting compensation of public company stock. We did some estate planning, prenuptial agreements, things that when you get extraordinary wealth that you have to think about, but the big thing was helping them think about their wealth, like a business, like the business that they started.

Doug Deaton: You have to think about from a cash flow standpoint, you have to think about it from a liability standpoint. Just like a business, you can't spend more than you have. Helping people do that, it takes a lot of the anxiety out of wealth.

Doug Deaton: At the end of the day, that's all we're doing. We take care of people. Organizing their wealth in a manner that they can understand, can take the stress out of it and make sure that it does what it is they want to do with it.

Rachel Deaton: The thing that Doug and I love the most about our work is that we play such an intimate role in people's lives. We don't take lightly that we're truly trusted advisors. To Doug's example, we work with new entrepreneurs, but we also work with clients who've never had an advisor before. And they're at the point in their life where they're like, okay, we need to do some planning and we need to think about our legacy. So we're really close to our clients.

Doug Deaton: The majority of the time we'll sit down with someone in an initial meeting, and one of the things that they always share with us is that they have done more than they ever imagined that they could have.

Doug Deaton: We have a handful of clients that didn't finish high school and they're worth an enormous amount of money. Really intelligent, smart people, but they're not classically trained. It's about trying to bring peace of mind to them and it's really fun.

Doug Deaton: I mean, frankly, we're at the point in our career now where we only wanna deal with good people anyway. If they're people that we wanna hang out with we're willing to spend the time and if they're not, we don't. Yeah, yeah. Absolutely.

Rachel Deaton: If there's a conversation we can have with someone and just educate them whether they're ready to be clients or not, we're happy to do it.

Kathryn Dankesreiter: That's awesome. One of my good friends, Ayo, started a company here called Hangio a couple years ago, and has since expanded her company and done so well. She raves about the both of you and just how much advice and connections that you've given her as well.

Rachel Deaton: What a class act she is. I reached out actually to the BlueVerse guys. They shared their annual report. It's awesome. I'm so impressed with who the innovation hub's putting out. Our mentee, Sarah, who has Texas Earth, is just doing stuff for the greater good.

Rachel Deaton: It's so fun to reach out to these people and be a part of their lives. They don't need us as financial advisors now, but when you do need us as like there's, you know, all these things they need to be thinking about setting up before they even get to the point of selling a business.

Kathryn Dankesreiter: Y'all are always fantastic to speak to. Do you have any advice for a person that's just starting out that just wants to be an entrepreneur has this idea, what advice do you have for them?

Doug Deaton: I'll give three things and then I'm sure Rachel will have some too. Number one is have fun. Don't forget that fun. Two is surround yourself with great people and if they're none around, and don't be afraid to reach out to people. Then the last thing is at the end of the day, you can't forget what you're doing. You have to drive for revenue. If you have idealistic goals and things that you wanna do for your community and whatever, you can't do it if you don't have any money. So you gotta, you gotta do that first.

Rachel Deaton: You have to have those big dreams, but you have to drive revenue. You have to build a business, right? Then those other things come, so don't lose sight.

Rachel Deaton: I listened to Raphael's podcast and I think he gave a great piece of advice just get to market. He said if you don't look back and think, Ooh, what was I thinking then you didn't get to market soon enough. Don't be afraid of that. Just get out there.

Rachel Deaton: And again, to Doug's point, reach out to people, people wanna help. We're here to connect with each other and take care of each other and help where we can. So, don't hesitate reaching out to people.

Kathryn Dankesreiter: That's awesome. Thank you again for joining us for this podcast. It was awesome talking to you

Rachel Deaton: Our pleasure. This was so much fun. This is our first podcast.

Doug Deaton: No, thank you, Kathryn. We're such huge fans of you and Taysha and the whole team at the innovation hub. So it's our pleasure

Rachel Deaton: to, yeah, this was really, this was really fun.

Kathryn Dankesreiter: Awesome. Well, for our listeners, we'll see you again soon. Bye. Bye. Bye. Take care.