Erik Averill ([00:03](https://www.rev.com/transcript-editor/Edit?token=CQlSCUhmF2ZRLVA6MyRVdz6K1NRD-Tpu-e4MK9CduZEuK63GO7xdri2IQ7_6OLb_dY9s33k_CHv-hUqkfcYON7AvACA&loadFrom=DocumentDeeplink&ts=3.94)):

Hey everyone, welcome back to another episode of the Athlete CEO podcast. I am really excited for today's conversation, it's going to be a really fun one for me and unique in the fact that I get to pick the brain of a dear friend of mine, someone who I respect on many different levels, of course we're going to get into all the business accolades and those fun conversations. But more importantly, Kyle Brown is someone that I respect so much as a father, as a husband, as a true friend, and a leader in our local community.

 Kyle Brown is the president and chief investment officer at Trinity Capital. We'll jump a lot more into what they do and the venture debt side, so without further ado, Kyle, welcome to the podcast.

Kyle Brown ([00:59](https://www.rev.com/transcript-editor/Edit?token=gYRhYZzMX5J3qHo_DoSWvJd_w5dSWpuzbo7dADfSmVxx-YFAp47YOWHbawDQS71z5ovyx2ctacgeklx_RPM_Xto1QAc&loadFrom=DocumentDeeplink&ts=59.3)):

Hey, thanks man. I need to get you to get me a recommendation on LinkedIn cause that was money.

Erik Averill ([01:05](https://www.rev.com/transcript-editor/Edit?token=DkI14U9wpiWVI-UVv8dun7mudstRAVBGwtBZuw1i-DpJe4x3rd0KkVgs0pDfrYPYCMoxNozbUFWNczRWXQRng_WwKbs&loadFrom=DocumentDeeplink&ts=65.75)):

You can hire me, you can put me in front of all of your presentations, in front of the investors, I'll start off your guys' quarterly meetings with those intros.

Kyle Brown ([01:15](https://www.rev.com/transcript-editor/Edit?token=7C2lxIwIHQpFvULLBNF2wVu3jfIqaM0F5dNsxDrkvaqhIxcZ_12Ib39t_S-MQhPpY8-yopDiZ0nNw8YoQ_GOjrC4GFg&loadFrom=DocumentDeeplink&ts=75.03)):

Okay, you're hired.

Erik Averill ([01:17](https://www.rev.com/transcript-editor/Edit?token=AjaiN9ORJrFHW7wPQOdKuuHhRppx806A0m1Y-YudtrZ7mUs0uE3jh0ziZy4TNP14vYStEDgo5OCAPNjmkO_1LhuWtJs&loadFrom=DocumentDeeplink&ts=77.47)):

Nice, nice.

 Well Kyle, it'd be helpful for our listeners, one of the things that I had an opportunity to do is obviously sit down with your business partner who happens to be your dad a while back, and learn a lot more about what exactly venture debt is. There's so much coverage out there from the public eye of venture equity, and that gets a lot of the sex and the sizzle, with Shark Tank on TV or these big stories. But there's this whole industry of venture debt, and I'd love for you to provide a little background for the audience of, what is venture debt, what does Trinity do, and what's your role there?

Kyle Brown ([02:01](https://www.rev.com/transcript-editor/Edit?token=RcbMmik5HYrf0uwpX3i2MNj-kWk7Z1MDTj2woCA2x2dK2bxaVFwkweSym8l6zesZDuJZPTENDta85K1YUCS7l9lnR3I&loadFrom=DocumentDeeplink&ts=121.77)):

Sure. I'll start off with the role. I'm chief investment officer and president of Trinity, really manage the deployment of our capital, the direction of where we're investing and placing dollars at any given time. Venture debt, it's an industry that's been around for decades. It's a complement to venture equity, the idea being that growth stage companies, early to growth stage companies that are venture backed, at some point in the early days they're raising capital to go and develop a product, and then they're testing out that product, they're really trying to see if this is something the market wants. They're revising the product, depending on what the market and how the market responds, and then at some point it either works or doesn't work. But if it works, they start to scale. At that point, typically, companies start to run low on cash and it's time to go and raise some capital.

 The idea has always been that venture debt would be a way to complement the equity the equity you've raised, to come in and really fuel growth. Higher sales, it's for marketing, it's to help you get up to scale and increase your revenue so you can build that valuation, heading towards your next fund raised. At every stage, whether it's from a series A to a B or a B to a C, et cetera, venture debt exists to complement and come alongside to provide incremental, non-dilutive capital, to help founders and companies, and investors extend that runway, 6-12 additional months. Because things happen. In the growth stage world, at the end of the day, nothing ever really goes to plan. You can have a plan, but nothing ever really goes to plan.

 To have either an insurance policy or additional capital to fuel that growth and get further down the road, that's why we exist. Where Trinity specializes is, it's primarily venture-backed companies, and we define that as institutionally run equity, which is, hundred to a billion dollar fund sizes, this is what they do for a living. The Andreessen Horowitz of the world, the Coastals, the Kleiners, we focus on these types of venture capital firms, and their portfolios, to come in alongside, and provide that extension of runway.

 In a nutshell, that's what we do, the industries we focus on. About a third of what we do is enterprise software, and then it's just a mixed bag. We've got everything, we're in deals from Impossible Foods, food technology, to vertical farming. Speaking of sports, we did a deal for, it used to be called Replay Technologies, now you know of it as Intel 360. They go up and you freeze frame and do a 360 shot, we provided equipment for that deal. Really cool, cutting edge stuff. But at the end of the day, it's got to fit in the box of, we're taking execution risk, that management team has created a product and that's all about executing on a plan or coming in to provide incremental capital, an extension of runway. That's what we do, and a little bit about how we do it.

Erik Averill ([05:26](https://www.rev.com/transcript-editor/Edit?token=J2njNrqfFrhagplwmz6hA3X2TzHvirXxtkFljr_xqNIQvzSZEk7u6OgKgK5A9iCXCXtEZAbo4FIr_FPKWjreXA9O9eI&loadFrom=DocumentDeeplink&ts=326.43)):

Thank you for the background. A few follow up questions, just as we have, for sure we have some founders listening in. How often do a lot of founders, are they often familiar with venture debt as an option and where do you guys start to come into play in the life cycle, I know you had mentioned from round to round, but dilution's a really serious thing. I was just on an investor call yesterday, and that was a big part of the conversation, was just understanding dilution. Can you hit on, for a lot of these young founders that, maybe this is their first experience into working with venture companies, how they should be thinking about debt?

Kyle Brown ([06:14](https://www.rev.com/transcript-editor/Edit?token=b86T2uaZgoYsttuij0kfeC8jy1Dp58esRCogpIBSPC5cFOWI1qjAMJPXoDZm7YZeXcj1kRMybzzFAsVFIzqMLUK6FBg&loadFrom=DocumentDeeplink&ts=374.15)):

Yeah, the venture debt is not for every company, and it's certainly not for very early stage companies. You really need to have the ability, within your plan, to identify your ability to repay the debt, the ability to turn the corner in the profitability and have a plan to actually pay the debt. This isn't for everybody, it's not meant to be, venture debt doesn't take equity-like risk. You've got to know about it going into it. It's not just an easy, extra layer that you can add on top of your equity that's going to act like equity. We can't do that. Our business is about hitting singles, not home runs. At the end of the day, we're going to make a 1.3x multiple on our money, and that doesn't allow for significant losses.

 For founders, at the end of the day, you are going to raise equity, there's going to be dilution and you're going to get up the scale. We look for companies that have that line of sight for ten million run rate. Again, this is not start ups, it's not really early stage, it is truly more growth stage type companies. Once you get to that point, you have a product and you have a plan that you can scale and grow and you have the line of sight to turn that corner, that's a good place, and you have line of sight for that increasing revenue, that's a good place to think about venture debt, to help you get there either quicker or without diluting yourself further.

Erik Averill ([07:45](https://www.rev.com/transcript-editor/Edit?token=dANCYTqL5QHHsBmBQpLso2WM7mpXADYcsEKE5tv9aX2afxWzWRX47yXQBU8NW2HR_pH_IYWgwewRtWHL5ude_j-QyE4&loadFrom=DocumentDeeplink&ts=465.72)):

I'm curious, one of the things that I loved, being walked through your guys' process, is how serious you guys take your underwriting. It is not lightly. There's obviously tons and tons of companies that can appeal from a future huge upside of wanting to back them because it's a really cool concept. But can you talk about, for you guys, the type of companies and what that due diligence process looks like of how you guys go from an introduction to who you actually choose to partner with?

Kyle Brown ([08:24](https://www.rev.com/transcript-editor/Edit?token=ZYlYSpxvbolYm8AS_Eq6n-pYpk6qidBepgNcD9uDVXb0worgwTjnHKyd06nn2vTx9ka4F1P4l2EoyLbBNd8u1pTmkXo&loadFrom=DocumentDeeplink&ts=504.91)):

Sure. We take a little bit different approach to underwriting than maybe even some of our competitors. Our core group is actually, in our core executive team in due diligence, they're operators. We have built companies, we have raised venture capital, we've built technology, have patents to our names, and we're uniquely positioned to understand our borrowers, that's a differentiator for us. We did this a little bit backwards, we're definitely not bankers. We're operators who went to the dark side to do finance. That's a good thing for founders, because we're not just focused on certain metrics. We could boil it down to this, is this product differentiated, is there a mode around, from a competitive standpoint? Has this executive team been there and done it, have they gone through difficult things? Is there institutional investor support around the table that can help this company if things don't necessarily go right? And do we believe that this team can execute on the plan that we have in front of us?

 We boil it down to that, and then, does our capital give this company 6-12 months of additional runway, and a total of, typically it's almost two years of runway is what we're looking for in underwriting, to help this company achieve certain milestones to build that valuation, heading towards another fund raise, or liquidity of it? That's how we boil our underwriting down, to those points, and we dig in real deep there to make sure that we can understand whether or not those are true or not. It's less built on certain metrics and more built on understanding the team and their ability to execute on this plan.

Erik Averill ([10:23](https://www.rev.com/transcript-editor/Edit?token=U2kjBxlZ5u-9huGbBDpecGm6SMPxRqq8uu5D7mCSTRBYhHE1Rzo5h4y7idd72LXbenAz8fCf8qbCYXxDGUZYyixF4no&loadFrom=DocumentDeeplink&ts=623.45)):

I'm curious, 2020 has been, to say unique is an understatement. It's been very publicized how difficult it's been, just in the venture market, given the uncertainty around 2020. I'm curious to hear, have there started to be any key lessons or some take aways that has either affirmed your guys' model, or things that you guys are thinking about differently going through a global pandemic?

Kyle Brown ([10:58](https://www.rev.com/transcript-editor/Edit?token=5Nvm80OKX7uxrqLn0uD8QzwEzjlCxQsMSiNkxTkcuWCQD7LhuxR3VcuPihqYHTCK44y3rFBEsQHv77ApOe2C-AUycsY&loadFrom=DocumentDeeplink&ts=658.51)):

Yeah. I think we'll see some things that we've seen in the past. Any kind of recession has similar characteristics and similar outcomes. At the end of the day, you have companies that are struggling right now, companies that are struggling all over the world, and a lot of companies that need capital. Venture capital firms are going to look at this as an opportunity, maybe an opportunity to reset valuations, which had been growing and growing over the past decade. The truth is, the unique part about any recession, any market's uncertainty, is that there's opportunity. For us, what that means is, as valuations begin to change for companies, founders and owners are looking at that, and other investors around the table are going "How do we limit dilution?" We have a product that limits dilution, and it helps companies get further down the road to accomplish their goals.

 I think that, in the past, market cycles typically mean opportunities for companies like ours and other lenders. I suspect it will be the same in the future and throughout 2020, 2021, we'll see. At the end of the day, companies are going to be looking for alternative sources of capital outside of venture capital, that might be a little bit less dilutive and help them get through an uncertain time. I don't know exactly what will come, I do know that any time there's a recession, I lived through the '08 one, really started my career after the 2000 bubble, it just means opportunity. If you're willing to dig in there and get creative and be opportunistic, there could be excellent opportunities, certainly taking that same approach here at Trinity.

Erik Averill ([13:06](https://www.rev.com/transcript-editor/Edit?token=bKxIQHD0N_rQdXDaJMuLhMZV0mAuQ3GI_AunPOVdXe1FgoI7PlpiawIFa3AQ3rjJ802HffeJ7wfpR6hylRqoD6ndjCg&loadFrom=DocumentDeeplink&ts=786.94)):

Something that you mentioned that I'd love to dig into is, you had talked about one of the strengths of the firm is that you're a former operator, that you said, "Hey, I started my career after the 2000s," you lived through the 2008 global recession as an operator, can you talk about what that experience was like and now, a decade later, how that's bearing fruit in a very positive way, just from experience and expertise, just to be able to share with other founders. What was it like going through '08 as an operator?

Kyle Brown ([13:47](https://www.rev.com/transcript-editor/Edit?token=mD2PlT1QkMMev_T5EHnNjPOaljLUO2HpkLjaX80vOqBb27uzNm8at9mzpKmru6bvopGus7TcZjl_GGiHl5q9NTohdp0&loadFrom=DocumentDeeplink&ts=827.99)):

Sure. I was in my mid twenties, running a mortgage business, the perfect business to be running during the mortgage crisis, right? It was horrible, it was the worst thing ever. I lost everything. Literally. Just short of bankruptcy. If I learned anything during that time, thankfully I was ignorant and aggressive and passionate, and those three things just happened to work, in combination with being lucky, happened to work out really well. That's not my go forward strategy by the way, that's just what happened back then. But losing everything and having a lot of significance built up in business and making money and to see it disappear that quickly, at an early age, shoot, what an amazing lesson. Looking back it's easier to say that. At the time it was horrible.

 What it requires you to do is just adapt. If you're willing to adapt, look at the crisis as an opportunity, you have so many opportunities. Because the truth is, and what happened in 2008 was, everything was reset. Relationships were reset, certain service providers and loyalties that had been in place for some time reset. Suddenly, you had the opportunity to build, back then it was just ashes. There was a leveled playing field. I think what happens leading up to, and what we've seen more recently, it's so much competition, there was so much liquidity, so many people doing the same thing. What happens unfortunately through this, or fortunately, is that there's a reset button that's hit, and a crisis like this can level the playing field and present opportunities for those that are willing to get in and get aggressive and opportunistic the ability to really build something.

 For me, that's what happened. Got in there in the middle of the horrible mortgage crisis, my mortgage business fell apart. But, through the mortgage crisis, understood that there were homes coming for sale. Suddenly there was a foreclosure boom, and there was no marketplace for it. In the ashes, kind of sat around going "How do I buy foreclosures?" That was the question. Fortunately, we created a really interesting answer which was, create what was basically a multiple listing service for foreclosures, and give ourselves and others the opportunity to search and acquire homes in volume across the country.

 That was, I would say, lucky, and timing was great and it worked out very well, and it led to other businesses being created around it. But I guess if anything, as I look through some of the lessons from '08 to today is, that same thing's happened again, that reset button has been pushed. There is suddenly an opportunity to build out of the ashes and go and build relationships maybe you couldn't have otherwise, for new loyalties that could last another decade.

 I look at this as, I'm very opportunistic, I'm very hopeful, frankly, about what's going on right now, and as it relates to Trinity, our ability to grow the business and have success through what feels like a really awful period of time. Just a couple quick thoughts.

Erik Averill ([17:50](https://www.rev.com/transcript-editor/Edit?token=-rZwRo_zKU1UxI46vW15OYS2C9pj7IXKZvjy2JQDLUBLQ50uPvkxZyAdR0XHVZ904TlUTt8PMDh5EaOtjZhWUpMyJX0&loadFrom=DocumentDeeplink&ts=1070.72)):

Thank you for sharing that. One of the things I've always admired and appreciated about you and the conversations we've had, or maybe that I've overheard, is you've always been very authentic and not shied away from talking about some of the difficulties that you've gone through. I think, as you said, it's very sobering when you go through some traumatic things as a younger age, and we've got some shared wounds that we've gone through some things to understand that.

 But what I would love to hear you talk about is, what was it like to be in a situation, in a company where things didn't go right, you had a business partner, and that was really difficult, and maybe things didn't end up the way that you thought it would be. I think it's really interesting, helping founders think through who they partner with, who's part of their team, and ultimately, you made a decision to wind down your own business and go work with your dad, in, we all know, what could potentially be a messiness of a business, but it's also, I think, one of the secret sauces of Trinity when I was exposed to it is the culture you've built, is culture's a buzzword that a lot of people talk about that I think there's not a lot of implementation. But I know that that's not just a marketing shtick for you guys, that's a real thing at Trinity.

 I'd just love if you could spend some time talking about depth of relationship with partners that you start businesses with, what it's like to work now with a team during a very difficult time, how are you guys leading. Curious how you'd respond to those?

Kyle Brown ([19:38](https://www.rev.com/transcript-editor/Edit?token=C2ukctb5575h-m0Lv-AjztHM37HEoTF1wtGBTUd5zzUIroyL6K5sUYCwEbeDqWxcskc3fkhMJJglA2rU7iiBzOsedgA&loadFrom=DocumentDeeplink&ts=1178.43)):

I'll start with partnering. I've certainly learned some difficult lessons with partnering. The business that I built with a partner, coming through the real estate crisis of 2008, we really built a wonderful business, and did very well from '08 to 2011. I would say, this is a trap that a lot of partnerships fall into, which is, the idea that you are more valuable than your counterpart, or your counterparts. I certainly, as a young man, and in that partnership, I fell into that same trick, which was, I thought I was worth more than my partner and the other people I was working with. Incredibly regrettable, and again, a good lesson to learn. But at the end of the day, one of the lessons I've learned that I've been able to carry into trinity is that you're only as good as your weakest link, and if you're not willing to invest and care about people more than you care about yourself, your business is limited to what you're capable of doing. And you're going to have a small business.

 My aspirations were always to build something. What I didn't realize was that I was too selfish and cared more about myself than I did anybody else. It took losing a best friend and a partnership to realize that. Wish I didn't have to have done that and wish I didn't have to go through that. Very fortunate to have learned that lesson at a young age. At the end of the day, and this'll speak to some of the culture at Trinity, the deal that we make with people is that, when you come to Trinity, we want to meet them on their terms, where they're at, and identify what their personal goals are and where they want to go and what they want to do, and then give them every opportunity to accomplish that.

 If every person in your organization feels like they can accomplish their goals and that their boss is helping them do it, they're going to thrive. They're going to thrive. Inevitably, if everybody in your organization is thriving, your organization is thriving. It's not rocket science, but as a young man, it is rocket science. It just doesn't make sense because you want to be the man and you want to make the money and you want the recognition. At the end of the day, if that's truly your focus, you're screwed. Because all of your worth is built on the things that can evaporate in a heartbeat.

 And I experienced that, and hurt some people in the process. I look at it now and think, every person I hire is crucial to the organization, and the development of that person is a number one priority. Because again, if you can develop people and give people opportunities to grow and succeed and focus on them, they're going to do incredible things. The deal that we have with them is, we'll do that for you, so long as you can sign up for this company's objectives and goals and help us get there. You got everybody on the ship, pointing the same direction, and it creates a wonderful culture of people really feeling loved, cared for, and that they're special, and that they have the ability to accomplish their own personal goals.

 That's how we think about it and how we approach culture. We like to say it's not how you act on your best day, but how you react on your worst day that defines the relationship. That is certainly from many years of having gone through difficult things, and come out of them. We're only as good as how we act on our worst day. Integrity and character, everybody says that, it's really important. We try to show that. We try to show that to our employees. We also try to show that to our portfolio companies because things like 2020 happen. Things don't go to plan. How are you going to react on your worst day, it truly does define the relationship.

 Anyway, as it relates to our company during this time, I hope that we can build a decade or more of good will with our different venture capital firms that we work with and our portfolio companies because of the things we do during this time. That's the goal, we'll see what happens, but that's what we're shooting for.

Erik Averill ([24:39](https://www.rev.com/transcript-editor/Edit?token=QyyhLJJ0E9tDUDMFK0ZnuItR9i3vrtTyvQMYBi7T6Uo_sgSxAomV9jGWBrThmLTXNo1Z6Jj0StXpC5nY44ZLlwrosRM&loadFrom=DocumentDeeplink&ts=1479.27)):

Well thank you for also just opening up and sharing about that stuff. I know it's not easy, and a lot of times on podcasts or on social media, it's always, we put these facades forward that life is perfect and the journey is only upward, with little blips, but we know the human story is one of trial and triumph. I know our audience can connect to that, and to be real with that.

 One of the other things that I know so much of what we share as an audience is this desire to be high performers across all aspects of our lives. It's not just, "Hey, can we make money," and you made it very clear that hey, that may have been the carrot that I was chasing when I was a young person or realized that that's not going to provide the identity and the affirmation and the joy that it needs. It's a good thing and being excellent at business is awesome, and I think you're uniquely created to do that. I have met very few people that just, I feel like you wake up and you see business opportunity everywhere, so there's no doubt that you're uniquely gifted in that way.

 But can you talk about, here you are leading a company, obviously in a very important industry, but you're also a husband to arguably somebody who is much smarter than you are, no offense to you.

Kyle Brown ([26:11](https://www.rev.com/transcript-editor/Edit?token=tqkLpvcUIHtmMD9IzuUxKkbP-sQymTPxgGsE8YrKJczp2NnUvCeRGDrzncawZyIUSA_dHYL5Vs-_JELPfZI3LqBhYew&loadFrom=DocumentDeeplink&ts=1571.86)):

No arguments.

Erik Averill ([26:15](https://www.rev.com/transcript-editor/Edit?token=wueAPF7J9y8BXdrw7JWAe-RreCRVQepPShjs3bHulc2brG5u6LAXQS5WvU-ObpMn2Sjz-D9T-_3LAnsjRZa_S1kDJdk&loadFrom=DocumentDeeplink&ts=1575.57)):

And also a father of four. Can you talk about that tension that so many of us in this world feel of trying to be excellent and accomplish great things in business, yet being present at home and contributing in the same way as a family man. How do you think through that?

Kyle Brown ([26:34](https://www.rev.com/transcript-editor/Edit?token=xGbel01Tx2SUp1l7A8QyABhVfUX0v6sqSBiClZNR3fgds8fT-E3lJQUvKfNuvTw0BrHjapKAfnp9n2mp82pzJp771B8&loadFrom=DocumentDeeplink&ts=1594.98)):

To be clear, I don't wake up and think about business, I wake up and have babies screaming in my face. That's my world. There used to be a time where maybe I woke up and thought about only business but that's certainly not today.

 I think I certainly, it's something that's been ingrained in our family culture, going back to, as a kid, a father that's in business who's also incredibly, and our family's really focused on sports. Ever since I was born it was LSU football, LSU basketball, Pete Maravich, Michael Jordan. I don't remember a time where we weren't playing sports. Competition is ingrained in our family culture, certainly, and then winning. You're always trying to win. I grew up in a very competitive household. They're still competitive. I was joking, we're up here hanging out with our family and my sisters are, I've got two sisters, just as competitive as I am. We went out for a big family kickball game, against some other families, and it ended with my sister hitting some little ten year old in the head with a ball and screaming "You're out!" And I'm just sitting there high fiving her, chest bumping ... I'm just sitting here going "We are way too competitive."

 I would say it's natural but I don't think so, I think it was just drilled into us from a young age. I think it goes back to some of the things we were talking about earlier on just priorities and where you find your worth and your self worth. Going through that real estate crash, experiencing some difficulties personally, I realized, thankfully, that my significance just can't be put into business and making money. Because that stuff can be gone. I saw it happen. It can be gone quickly. I didn't want my significance grounded in that.

 For me, this became part of my story and faith, the idea that there's something bigger than me, there's a purpose bigger than my selfish ambition. The idea that ambition is not a bad thing, so long as it's meant for the right things. For me, what I realized was that there was a way to be aggressive, there was a way to think big and want to grow and build, but do it to glorify God. That was a lesson that I learned the hard way. Having aspiration's not bad. Wanting to build and be successful is not bad. But doing it to glorify God, I feel like he gave us these gifts, he is the ultimate creator. The idea that we would want to go and create things, it seems very natural, thinking about it from that standpoint, and doing our best. But when things don't go right, not having your significance grounded there means it's not the end of the world.

 That's how I think about it nowadays, which is actually incredibly freeing. I wake up and, outside of the babies screaming in my face and figuring out family, now I can go and I can say, God gave me these gifts and this mind, these relationships, this opportunity, how do I go out and glorify with it, how do I do my best? How do I take care of these employees and people to go out and do their best? It's a bit of a mind shift there, and that's just me personally, what has transpired. So much more happiness, it's just a freeing feeling knowing that I don't have to go out and make tens of millions of dollars to be happy. That's not it. How do I glorify God with my business? How do I glorify God with my family, and as a husband, and as a father?

 Just a different approach to all of those things you asked about, which at the end of the day I can just look to God to say, "Hey, how do I do these things? How do I do these things the best?" When I fall asleep at night, my head hits the pillow, I can sit there and go, "I really did my best" and feel good about it. A much better approach to how I did in my twenties, which was, "I'm going to do it, I'm the man, it's going to happen" and then find out that none of those things were true.

Erik Averill ([31:26](https://www.rev.com/transcript-editor/Edit?token=aV6pKhTuYgLEP3Lv8_xS_FmJe7ZK-TUAQtr0IJg-Gm2la8LKRjRIl3WOswO3nrWHqr_z79YJNuM37brfgUpOLuB6gL8&loadFrom=DocumentDeeplink&ts=1886.12)):

Yeah. Resonates a lot. What's curious, what you said, is the freedom to go out and to make decisions and take certain risks when you're not wrapped up in that is so freeing. I think of the fact that you guys, as Trinity, made a big decision to change your business model recently. Can you talk a little bit about what that journey was and what that process is like, is to essentially say hey, we've done something a certain way in the private market for so long, and then to make a huge fundamental shift in your business model, can you shed some light on that?

Kyle Brown ([32:14](https://www.rev.com/transcript-editor/Edit?token=YKjUXUCOuTwcCzn5ZGaTZfwmDPaOH40XvdtYuMUGHk8Kxcih68EDx42_ThxzfvFRKtp_Hg_SQPGQn87avMVISyXDCEo&loadFrom=DocumentDeeplink&ts=1934.93)):

Yeah. My father and I, we had been running trinity as a private company, as a fund manager. We both have aspirations of growing and scaling this business. We believe there's an opportunity to do it, and there's a marketplace that is fragmented, and also, you asked earlier about founders and do people know about venture debt, the truth is it's a growing market as well. We looked at all of those things and said hey, let's go and build something incredibly special, let's build incredible culture in the company and let's scale this business across the US, across the world. To do that, it meant that we would have to move out of just being a fund manager, and move to the capital markets. That's what we did, we formed an internally managed business development corporation, which would allow us to go out and raise institutional capital and to tap into the capital markets to grow the business as the opportunity presented itself.

 What that really meant was giving up the reigns, to an extent, from being a private, controlling everything, to an independent board and giving up the reins in a sense. But at the end of the day, we don't want to hold Trinity back, we don't want to hold our people back. We have the most amazing team, and these people can really build something, we can really build something. We capitalize correctly, informed an entity that could grow in scale, so that's where we're at today and we're off to the races.

Erik Averill ([34:07](https://www.rev.com/transcript-editor/Edit?token=mEz8MacpIOLfAzcX--dJvAJSAIJu_5HS07fDQWdlWo-e_BhVI4y6MNSNrD_QPmHUCJnjjls_icG5cxxK-YqMmxQRyws&loadFrom=DocumentDeeplink&ts=2047.22)):

That's exciting, and it's fun to watch the journey. These subtle comments that you make of "We don't want to get in the way, we want to empower our people, empower our company to grow" is one of the things I've always admired about you is you've always been the person that collects people, that brings them together, whether it's people hanging out in your front yard over a fire pit, you trying to get people to move on your street, let alone, you serve on the board of something called the One Institute, which is bringing people together that are like minded.

 What I'd love to hear is, what drives you? A lot of what we talk about internally at our company, at AWM is the word "impact". It's definitely a buzzword and can mean different things to different people. But what I've heard from you loud and clear throughout this conversation is, this is not about you just accumulating more things, more accolades for Kyle's name, but for bigger things. Can you share with our audience a little bit of how you think about making an impact and what that means for you?

Kyle Brown ([35:24](https://www.rev.com/transcript-editor/Edit?token=4xCEzrU3PnabAOouMF7tPlHHBp_nTAL_BnOswMbc6Ej3TbzXFTHg3JBLVOnC94Sulsp8LFxl78CYdBRnwlbcXhl911I&loadFrom=DocumentDeeplink&ts=2124.09)):

Sure. The gathering of the people and the One Institute, I would say I'm deeply flawed. I think we all are. And I'm screwed up. And at the end of the day, being vulnerable and transparent about life and bringing people around who are like minded, who really do want to become better husbands or wives or fathers, business leaders, all the things we talked about, to do that we need community. We need people that are like minded to come around, and to be able to have those vulnerable conversations. Cause I would love to tell you that I figured everything out and that I no longer struggle with greed and power. I would love to tell you all those things but that would just be bullshit.

 At the end of the day, that's human nature. I hope that I can continue to be vulnerable and transparent with other like minded people, so that we can all encourage each other and work towards this idea of glorifying God with our family, with our business, and in our community.

 I think, at the end of the day, if I can drive others to move out of the realm of being selfish and lacking transparency into being a little more vulnerable and transparent, I think at the end of the day our community is better off and businesses are going to be better off. I think about impact like that.

Erik Averill ([37:06](https://www.rev.com/transcript-editor/Edit?token=G_f50Cwu7EHk9-WXtBYdvoXOKkfQDp8gJAmoub53QFYIKamiQgwPo5moeaQJ2UuhAuJ4Svqm-e7v_FoXpJbPtldgsqI&loadFrom=DocumentDeeplink&ts=2226.99)):

Yeah. It speaks so clearly, it resonates, it gets me excited, but it's also so different than what you can feel a lot of times of what is encouraged as far as what leadership means. You've got to be this big, strong personality, you've got a set vision, and it's kind of like, burn the boats, if you're not on board you got to get off. I know there's definitely, people have to perform and X, Y, Z, but you almost, especially in the financial world, you can have this mentality of Wolf of Wall Street and at times it can feel like what you're talking about can be perceived as soft. Can you share how that leadership mentality has served you and served your dad and what advice you would have for other leaders?

Kyle Brown ([38:05](https://www.rev.com/transcript-editor/Edit?token=d9bQuwPDe7A9fJ49clxlMWKY8nFsQ8E8YpTwXsaBMm-sCnt6BGDicQq-KQ7fgKzIohnp3IdRz4sVcuPfR4UJKb-zbm0&loadFrom=DocumentDeeplink&ts=2285.45)):

I don't think being vulnerable, caring about your customer, your borrower, and then protecting your shareholders, I don't think those are mutually exclusive. I think that if you can-now you need to be prudent. At the end of the day, as we're making difficult decisions, we're always thinking, how do we protect our shareholders here? But there's also a bigger picture, which is, how do you create an opportunity for your borrowers, I'm just thinking about, from Trinity's perspective, how do you help these companies achieve the things they set out to achieve?

 At the end of the day, if we can help companies do that, as a lender, that reputation, that's what people will remember, that's what we want people talking about. I think that if we can really do that, it's not only going to help that company but it's going to help our shareholders as well. We are first and foremost focused on that combination. I feel like that's a more thoughtful approach to it.

 I certainly don't call it being soft. I think we've created a reputation in the marketplace of being good people to work with. When we say something, we're going to do it. People can trust us. I think in finance, that is, you're right, that is unique, and I want it to be unique. We want to be known as a group that's going to come in alongside, be a good partner. Yes, we're going to have to make difficult decisions and we're going to be at odds with companies sometimes. But we are absolutely going to come in and do and perform the way we said we were going to, and companies and the investors that we work with can trust us.

 Getting in the ditch, working through things and coming out the other end and building a reputation that way, that's a long term play. We are in it for the long haul, and that's our approach. I think we're starting to get that reputation. I think in ten years from now, 20 years from now, that we'll be known by everybody with that type of reputation. That's the goal.

Erik Averill ([40:23](https://www.rev.com/transcript-editor/Edit?token=LiZvWfDaPX8582NSCzMqPCqMC3QvnNPFdaTYMzSXqkRxZLnh65vg4Ymat0u4i8farzRGBMGY0M90_fKanvk4LHAm3LY&loadFrom=DocumentDeeplink&ts=2423.66)):

Yeah. What a legacy that would be. That's the type of real legacy I love. We talk so much on so many of these interviews or internally as a company of playing the long game, and that if you invest in reputation, in high integrity, in doing what you're going to say. In the short term, it might feel like it may cost you some deals here or there, but in the long run it is the surest way to have success, is to be of high integrity, trustworthy people. Really, really appreciate you sharing that.

 As we get closer to the end, one of the things I know that this audience and all of us that are high performing people, we're always looking for resources, we're always looking for, we want practical information. You have, obviously, had this culmination of life experiences and leadership of your dad and great community it sounds like, but are there some practical things that you turn to on a regular basis, maybe habits that you try to practice on a daily, weekly basis, or books that you read or things that you follow. If somebody's saying, "Hey Kyle, what's your go-to resources" how would you answer that?

Kyle Brown ([41:45](https://www.rev.com/transcript-editor/Edit?token=RD9Y4-RR39tT-5dBC1XuNk1VQuTJUVcwwzFAthjiLf18eGER-Sq14S0Z4GGSDz8LLJKRP62SMH3L56Qoh8JWokJQOrU&loadFrom=DocumentDeeplink&ts=2505.58)):

First off, it's people. It's mentors, and if you don't have one you need to get one. Somebody you look up to, who you can ask questions and get answers because they've been there and they've done it. A couple of my mentors were just people that I just bugged to death until they finally started answering some of my questions. I call that being politely persistent, that's a phrase we've coined. Being politely persistent to make sure you get in front of the right people, to draw the right information out.

 I think anybody that has learned something loves to tell it to somebody who's asking and wants to learn. There's a lot of people out there willing to do that, so first and foremost, I'd say that.

 Until recently, and babies dominated my life, I was an avid reader. I still am. But the knowledge what has happened is really important to me. I love history, I love studying history. I didn't-that's been self taught over time. But at the end of the day, history repeats itself, so having some base knowledge and understanding of what's happened in the past can really lead and help making decisions going forward. Because we're fickle, we're human, we repeat things. I love history, I love studying history and understanding what others have done.

 I don't know that I could give you, I could draw maybe a specific, the business book bible, but I certainly am constantly trying to make sure I have a knowledge and understanding of the marketplace and what's going on and what has happened in the past. That's something I'm always working on.

Erik Averill ([43:47](https://www.rev.com/transcript-editor/Edit?token=8zx56Q9LdpPrFYh6uuYScr9YCwuLInk0Np7-gIkzSAKLuwO3peFpDoulXCQFvGo-vi-L27q0YpxFGp1ZsY_cm4pjKVI&loadFrom=DocumentDeeplink&ts=2627.48)):

There was a really wise guy who said there's nothing new under the sun. Of course, everything is new and changes, but the fundamentals are there. I think being a student of history, a student of mathematics, of understanding a lot of the fundamental things are just so important. I forget who I was reading lately but it talked about, almost in this information overload day is, the problem is we're now treating information as entertainment. You take Masterclass, which has become all the rage in the last six months to a year, is it's become monetized from a business model of "education is entertainment", not really sitting on something and soaking it in and wrestling with it, and allowing it to form you and challenge you.

 I think there's something about going back to ancient roots, of going, "What is the foundational material in whatever specific industry that cannot be overstressed?" It's kind of like, if you can pick up those iconic books that were the foundational in the industry and understand those, you're going to be able to have a very good lens going forward. While you don't point to a specific book, I think that the point couldn't be more important. It makes a lot of sense.

 As we wrap up here, the last question I would ask you is something that is important to us at AWM. When we define wealth, we try to expand what that definition is, that it's nothing less than financial but it's social, it's wealth, it's relational, it's spiritual. It's this holistic mentality.

 A question that I would love to hear you rift on, and it's a very difficult one, so I don't expect a perfect answer but, how would you define success?

Kyle Brown ([45:50](https://www.rev.com/transcript-editor/Edit?token=XMpQmUVNXoEDMRJsjaRH0wdvHIVF8wrCVEnWqcqXd82N4hVKAojXO_pqWkidJsGkoWlR8ygm65NU7ZukziNgN6iFXp4&loadFrom=DocumentDeeplink&ts=2750.98)):

Yeah, that is a pretty vague question there, Erik. Let me think about it.

 At the end of the day, when you come home from whatever it is you're doing, for me a success, and truly this COVID disaster has been reaffirming to this, which is, when I come home, I have children that love me and are healthy and happy, and a wife that is so supportive and awesome and loving, and doesn't care if I close the deal or not. I don't know what could possibly be more important than that. Success, if you want to make it more broadly, how do you define success in business, it has to be how well did you help others become successful? Any individual success, at the end of the day, unless you're a, I don't even think, if you're a single sport athlete, you have trainers, you have coaches, you have, there are so many, nobody does anything on their own.

 At the end of the day, how are you investing in other people and how successful are they? Because I think that's going to be a reflection of your success. I have certainly moved into a period of time in my life where, if I can look at my sales team, and I can see that they hit their marks, that they closed the amount of loans that they were supposed to, and that we're able to pay them and they're able to go home and build wealth and provide for their families, what's better than that?

 At the end of the day, going back to success and wealth personally, I am in finance. If I can do a good job of protecting my shareholders, and if I can do a good job of being a great partner for our borrowers, and building trust with them, and then I can help our employees accomplish their personal goals, how am I not going to be successful, personally?

 I think it's the last thing you have to think about. But if you do all of those other things, it's going to happen. That's my mindset. Let's talk in ten years and I'll tell you if it worked or not. But that's what we're shooting for, as executives at Trinity, and how I think about life right now.

Erik Averill ([48:40](https://www.rev.com/transcript-editor/Edit?token=Jc7wlB13GRC2ES_nt7i3GMgRXoGh3Mep9cQ4HjxzLs8QIOqqcBWgvjmCIj8mVDU8wh_SNlM9_VX4T5S_k8SMWkLQ7Co&loadFrom=DocumentDeeplink&ts=2920.22)):

Man, that was absolute gold, and very challenging, convicting, inspiring, all in the same breath.

 Kyle, thank you so much for your time. I know that I've thoroughly enjoyed it, I know our audience will love it. I'll make sure, audience from a show notes standpoint, that I link to Trinity and any way to get in touch with Kyle and his company. Kyle, thank you so much for spending some time with us today.

Kyle Brown ([49:12](https://www.rev.com/transcript-editor/Edit?token=aIPwRZ6Nf4whvrzbffDCPw5Hfy8LIjbXxBJcbmAwNCFgtmRvsto4TilrSonk5G-C_h4PNrSe-_aq_i_XSJy-XIGKxPM&loadFrom=DocumentDeeplink&ts=2952.56)):

You bet, thanks for having me.

Erik Averill ([49:14](https://www.rev.com/transcript-editor/Edit?token=CcEA5aHi7255tl6Qa-ZsJmooeNZqJBhR6-8uNUoUZwnaIYSO5VAG_Ag9NhvWuSAnUN5CPU6PohfpLoT60GqCKW3_6x4&loadFrom=DocumentDeeplink&ts=2954.41)):

Awesome.

 For the audience, thank you guys, as always, for tuning in. And until next time, always stay humble, stay hungry, and be a pro.