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Harry: [00:00:00] Guys, I am so excited for this. You are two of my favorite people. So first off, thank you so much for joining me today.

Eric & Keith: Thanks for having us, Harry. It's awesome to be back

Harry: it's so nice you being in the same room as well. It's so much better for the chemistry. I want to start off with a little bit of the context. How did you guys first come to me? And how did the first deal come to be with Founders Fund and then the Koestler deal?

Eric & Keith: Well, actually, uh, Eric's co founder Kareem was playing video games with one of my colleagues at founders fund, we had been looking for something interesting in this space. We thought there's a great opportunity to reinvent finance and the finance of companies. And Deleon walked into my office one day and said, I think I found your founders.

I was like, okay.

Harry: how was that first meeting? Take me to it.

Eric & Keith: It was actually pretty amazing. So they actually flew out, to SF like almost like the next day and presented off notes. So it was really like the fly, three minutes in I was like staring at Deleon cause I was like, Oh my God, he's actually right. He found the perfect founders because as Eric was walking through the [00:01:00] vision and how they were going to approach the market, it was dead on target of everything we believed.

those notes actually still exist. I've actually, um, I think you had an intern taking notes. I've actually seen the notes from the meeting and if you read the notes today, it is literally just like the board meeting we just finished with the exception of AI. We didn't really talk about AI, but everything else in the board meeting today is like right on target from those first notes in maybe May of 2019.

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Harry: Keith, you don't know this. I had drinks with Eric in New York just after Paribus, before he started RAMP, and all I can think is, fuck, I should have asked if he was doing something great next. Uh, but that's on me. How did the latest deal come to be with Koestler? I,

Eric & Keith: Well, for a variety of reasons, we were interested, coastal Ventures in ramp. I mean, obviously it's a high profile company, but my involvement, definitely per people's interest. But because of the possible intersection of A. I and finance, my colleagues are very interested in a eyes. You know, Vinod, you know, you know, It's like a pioneer in AI thinking,

[00:02:00] they understood immediately why RAMP had a lot of the secret sauce to be successful in using AI in finance and that nobody else on the planet does. And so they were really excited to meet with actually Eric and Kareem, almost independent of investing.

It was more this is the company that's going to be successful in AI as the future of finance.

Harry: Why does RAMP have the secrets of ingredients to be successful as the future of finance?

Eric & Keith: I think the first thing that's misunderstood about RAMP is that it's a money movement and a fintech company. I think one of the deceiving kind of Trojan horse ways in about RAMP is that, you know, we're a corporate card and we are the fastest growing corporate card in America, but we're actually a productivity company, and a workflow company.

People use RAMP, not to buy things, but to automate expenses. you know, not to have the tools to close your books, but to have it be automated. And so really what's going on, uh, inside of, of the strategy is trying to understand all the ways that companies are spending money and time and surface up data to show companies where they can spend less.

Maybe they're buying 200 seats on Asana, but only [00:03:00] a hundred people are logging in, and we can detect that based on kind of Okta data and show people ways to cut. maybe, companies are, you have 20, 000 transactions with ramp were able to suggest accounting categories certainly more quickly, but also more accurately than the vast majority of customers on when you think about really where A.

I. Is excellent and has unique capabilities. It's really around, a few things, um, you know, doing work that previously was knowledge work. It required context, required vast amount of data, and in order to form an output, and because we connect to so many data sources, because we automate so many functions, it's much easier to kind of see how it can get applied already today, for RAMP customers and ladder up to kind of the simple ways people think about RAMP, which is, you know, the You save 5 percent on your card expenses.

Your books are closed, much more quickly. And as ramp is touching, not just cards, but bill payments by procurement, you know, and more aspects of how companies move money and spend time, really the benefits of, of AI, you know, it's not just to write better poems or make great art, um, but it can actually automate all of these workflow [00:04:00] processes.

And so that's what's, um, was interesting. And, you know, I think beyond it, part of my rationales, you know, Keith and, and, and Ramper. can't really remember the time when we weren't working together. I think for 97, 98 percent of the days we've existed, we've worked together. And so to reformalize, get the note in the team's great advice, and to invest not just in delivering more value, but accelerating the business is, is what made us very excited.

So it's been a very fun month.

Harry: I wanted to do, like, an all star partnership quiz with you both. You didn't get the schedule beforehand, so I had fun with this one. Keith, I wanted to start with you. What are the one to two elements that you think make Eric truly world class that maybe not enough people see?

Eric & Keith: so the focus from the very beginning was on talent. we spent literally the first board meeting, probably reviewing linkedin profiles for 40%. So the team, the note expression that I borrow all the time, the team you build is the company built to very seriously from day one and it shows. And now that there's 754 employees or something like that, it's just compounded.

So the talent advantage has come out. Secondly, [00:05:00] cutting through an initial aperture in a market that was perceived as crowded. Eric's marketing instincts are first rate. And I think if the CEO doesn't have first rate marketing instincts, you kind of never get there. And so now the company's doing things that other people don't do.

We're going to do things that the rest of the world can't do, but in the beginning, how to cut through the clutter and the CEO has to be able to do that. And Eric's That's actually why we preempted the series. A was these two dimensions. Actually, it's very tangible. The second board meeting I think we had that was in their original New York office.

emphasis on talent and the emphasis on being able to frame the value proposition in a compelling powerful way in one that was strategic was shockingly great. And actually Deleon prompted me and said, do you think we should preempt the series a and the company hadn't really even launched? Basically, I think we had 30, 000 of spend maybe at the time.

Yeah. So 30, 000 of spend. Uh, but we preempted the a, because it was so obvious that Eric and Kareem really collectively together had those traits. that this was a company we really wanted to double down on right away.

Harry: Eric, you feel pretty great [00:06:00] hearing that. Just

Eric & Keith: I'm, I'm blushing. You can't do that to me.

Harry: for a second here. Keith, on the flip side, you've known Eric for a long time. What do you think is one of Eric's biggest weaknesses that he could maybe work on?

Eric & Keith: no, no founders. Perfect. I think the company's results kind of speak for themselves. I think we just finished a board meeting where it's pretty clear that this is the best run private company in the planet. so I wouldn't really critique him too much.

Harry: Keith, well done. Very, very politically answered. I

Eric & Keith: It's actually accurate, though.

Harry: if I were to apply the same to you, Eric, and you know Keith so well now for so many years, what do you think makes Keith the world class partner that he is?

Eric & Keith: it's a few things. I mean, first. One of the things that people talk about rampant being great at is the efficiency and focus of our operations. Uh, it's very fast moving. People know it's fast growing. I think it started a lot with some of the lessons we internalized from, from Keith.

He talks about this concept of, can you really articulate cleanly your business equations? what are the outputs you're trying to drive? What are the [00:07:00] inputs in your business? Can you list that very clearly and map that? And that exercise of mapping, how does our business really worked, created focus for a company.

Next, something I recommend to every founder. It certainly changed my ability to operate and, helped, ramp, reach the scale that we're doing quickly is, is this talk you gave a decade ago called how to operate. It's, it's on YouTube. It's free. Um, it is worth a lot more than that. Um, and, and I recommend everyone watch it.

And I, I think that his focus on, clarity of thought, excellence in operations, central casting, finding extraordinary talent. At the end of the day, it's all the company is, is it's a collection of people. if you hire great people, you give clear focus and you execute vigorously.

you know, it's not much more complicated than that.

Harry: Eric, how do you think about your inputs and outputs today? What are they, if you were to output them?

Eric & Keith: We can certainly send from the very first board deck. We tried to write this business equation out, um, and it clarified there were two cuts that led to the early ramp strategy. The first, if you were to still okay, we had no [00:08:00] revenue. We really want to make revenue. Um, we asked how, where does it come from?

And there was at the time, three basic variables. Purchase volume. How much are people spending on the cart? interchange rate of what people spend, how much we're able to keep, and then last, funding costs, uh, for those pre rewards. and if you looked at every one of those variables, well, the purchase volume went up, revenue went up, that was straightforward, grow purchase volume.

Interchange rate, um, you could see it very clearly. The more, purchase volume you had, the more interchange we would keep. Funding costs, similar thing. If you go to a bank and say, I'd like to borrow a hundred million dollars please, they will certainly give you a lower interest rate than if you, um, say I'd like to borrow one.

you will be better predicting fraud, all that. So every single one of these variables, we mapped out pretty clearly what were the drivers of them. And it turned out that there was only one variable that moved everything. and it was just purchase volume. And so the whole question was, how do you make a product that people want to use and use deeply in the organization?

and I actually think it surprised a lot of people, which was it was this very crowded field. How did ramp grow out of it? And [00:09:00] so we compared it against. And this came later into the deck where product needs based off of size of company. And so the bias that everyone in the industry has was you need to acquire customers as soon as they're Incorporated and if you don't get them, you'll never get them again.

And so it behaved a lot like consumer cards it was who could offer the most points who could offer the biggest sign on bonuses and who can get you in the lounge Uh, and when you had 10 people at a company that was what people wanted founders wanted that But when you got to like 15 20 25 more than that You The needs changed.

People said my business is working. I just feel like I can't close my books on time. Suddenly people are telling me to contact sales, and I'm getting charged different rates, and people are looking for more predictability. And more critically, the problem was to buy one thing. You needed two to three sets of products.

You needed an Amex. You needed a Concur Expensify. You needed Bill. com. And so what we said was, We actually care a lot less about being someone's first card. we're much more interested in how do you be there [00:10:00] last? How do you help them spend less? not only did it differentiate our positioning, but our, our business model was we made a percentage of purchase volume.

And when you went from like 10 employees to 20 employees, businesses didn't spend twice as much, they would spend like five, 10. 50 times as much in some cases. And so it allowed us to be much more surgical, just breaking or distilling what the market is telling us and mapping our strategy back to that.

And just focusing the whole team on that.

Harry: I mean, the thing that always strikes me with your business is bluntly the speed of execution. And you have the day count, which is so different, I find. When you think about advising founders today on having the same speed of execution that you have, What are one to two of the biggest piece of advice that you have to them on driving that execution speed?

Eric & Keith: I love that you started with the day count. It was actually, so today is day 1866. we do know it by the day. But it's not what you think. It's not like, uh, it's day 1866, YOLO, Carpe Diem, like go, let's get it. It's much more focused on thinking about the passage of time. I don't know if I [00:11:00] ever told you this, when we met, for the first board meeting, it was day 133 and part of the context we wanted to drive is it's just four months old, here's what we've done.

But in that October meeting, the second meeting Keith was talking about, we kind of mindlessly went to go update it from 133 to 199 and it forced, we're like, wait a minute, 66 days have passed. Do we get the same amount done with the same set of people? Do we get more done? Or did we get less? and as far as I know, no one has more than 24 hours in a day.

but there are certain hours that certainly counted for a lot more. And it, it, it set off this, this thought exercise, for us. Or, or more formally maybe called a calendar audit, which we learned from, from Keith. Which is, If you measure time in this way, it creates the space for you to say no to the things that are less impactful and to say yes to the areas of your business that create a lot more leverage.

and for a small start, young startups just getting going, your most limited asset is time. and there are certain parts of your week that simply count for more. So it was an obsession with measuring this and [00:12:00] focusing your time on that. So the number one piece of advice I genuinely would give to early stage companies, once you're past, you have your business equation, you're spending time with customers, but like count the days, and think about, what gives your business leverage and what gives you a chance to out compete.

others would probably be my, my top, I don't know how to handle that. And it was very stark too. So there's a lot of complexity in setting up, issuing cards, just the very basic fundamentals. Usually take an infinite amount of time. Usually six to 12 months is pretty good as someone who's been involved in companies like this for like 20 years.

I think Eric did it like 50 days, 40 days. There's different, you need so many different layers of things you have to negotiate, different partners you need. And it was like 30 days, 40 days, 50 days, 60 days. Exactly. It was like unprecedented. Yeah.

Harry: what did you say no to that you wish you'd said yes to?

Eric & Keith: In general, we try to say move pretty quickly, say yes, launch and test things because I know I'm going to be wrong about a lot of things. I just want to find out very quickly. would be the general framework. there's different moments where certainly we could have capitalized.

So something we don't do, you know, historically, we don't store funds, you know, in the [00:13:00] wave of bank failures a year ago. Um, could have been very well positioned to capture a lot of things. So there's things that, we certainly would have benefited from.

You know, we've tried to stay fairly consistent in having all of our products be focused on how do you help people save time save money? You know batch around that and just be very focused on this workflow And I think actually there's advantages to not changing directions too often and so though we may have missed some opportunities I think the regular repeated motion and focus on the same mission same goals creates a lot of advantages And so I could list things we missed but I don't have too many regrets

Harry: when you look forward today at like the next, I don't know, six to twelve months, and you think about the hurdles that one has to overcome, and the challenges that you face in this next stage of growth, how do you think about what those one or two biggest challenges are that you have to see, identify, and then overcome?

Eric & Keith: Typically in organizations this size with this growth potential, it usually becomes organizational design. It's just like, how do you simplify decision making? How do you, where are the seams in the organization? how do you adjust [00:14:00] that? That is very, very complicated because what worked historically sometimes often doesn't work when you multiply the number of people by three, four or five.

And it definitely doesn't work when you multiply the number of people by 10. Even though the organization has led you to your success, the way you divide responsibilities, the way you make decisions is why you're here. At some point that will break. And so you have to really think about that. the people side gets increasingly more difficult.

Actually.

Harry: Eric, how do you think about that?

Eric & Keith: I think Keith is exactly right.

there's other things like we're thrilled. We're call it 1 percent of how, businesses spend money on cards in America, but there's 99 percent to go.

How do you build a nationally known beloved brand? There's a lot of questions around that. Um, scaling the full platform. It's, you know, the majority of how we're, we're moving funds it's gone beyond card. and so just thinking through just the constantly reinventing or other questions.

Harry: on the org design side, I am fascinated. I think as Aaron Levy says, you need five turnovers before you go to a public company in the trajectory of company scaling.

Eric & Keith: I think you need some, um, you know, [00:15:00] Facebook re reimagined the whole executive team. Aaron definitely turned over a fair amount. there's some different, just like baseball. Jeff Wiener likes to use the metaphor of like baseball. You have a starting pitcher gets you a lead.

Right. That doesn't mean you want your starting pitcher to finish the game and sometimes having a relief pitcher has different skills, different energy, is fresh, you know, et cetera, might be a good way to continue to have success. So you have to be, like, very judicious, but I wouldn't recommend, like, five turnovers at all.

that sounds actually scary. I do think there is a tendency and I found this is particularly true go hire, this executive from here and replace.

And the supposition is that there are people outside the company who are inherently better. Sometimes you need outside expertise, but I find there's nothing more motivating than taking someone who's doing well and stretching and giving more. And so, we actually try to, hire, um, somewhere in the Oregon stretch and stretch and stretch.

And so most of the team you'll see today running ramp is the same team as it was two years ago, three, a lot of the same people. And, and the depth of that and people's knowing each other's [00:16:00] patterns, the strength, the weaknesses, are good. So, um, um,

Harry: I always remember, I think it was Keith that told me about like the smoothie test, where you like, give someone a small task, and then you expand and expand and

Eric & Keith: Yeah, keep expanding. And this is definitely the PayPal model. We basically had no external hires that thrived. And so everybody was internally groomed from within. That's challenging. Usually you're dealing with a ratio of, you know, 70 percent internal promotions and 30 percent you're selectively adding new capabilities.

So you're always playing around with some ratio. I don't think 100 percent works, but if you're below 50 50, then you're irresponsible in a different way.

Harry: How quickly do you know when an internal hire doesn't stretch? When does the stretch not stretch?

Eric & Keith: So I'll give you a couple of tricks I've learned from actually just watching other CEOs. So Brian Chesky, for example, taught me the six months ahead test, which is, can you think like an executive you have in place, leader in place will deliver results or you wouldn't have them there. Like right by definition, sort of, they're not delivering the outputs that you expect that business needs.

You're going to need to make a change, but there's people who are delivering just in time and there's people thinking [00:17:00] three steps ahead. And Brian sort of taught me six months is about. Where you want someone thinking ahead because not every lever can be tuned in a week. Most can't. Not every lever can be even tuned in a month.

So if you think six months ahead though, if you're really consistently six months ahead, most levers can be manipulated within six months. You land where you're supposed to land or better beat expectations. Second framework that Jack Dorsey taught me is editing, writing, metaphor, and you know when you're editing or when you're actually writing and you want to be editing people's work as the CEO.

You don't want to be writing and if you feel like you're using a lot of red lines consistently in the same area of a company, that's a really bad signal. The reason why I like this metaphor is people have a feel with what what a red line means, like, you know, when you're taking someone else's work product in your red lining.

And if you're simplifying, that could be a good thing, like, you know, like editors cross things out and they try to simplify, simplify, simplify. But if you're constantly asking clarifying questions and not really getting, you know, to the root, That's a problem if you're systematically doing it [00:18:00] in the same places in the organization.

So those are the two, like, signals that I've learned to look for.

Harry: constantly ask myself the question of, do we agree with like, hire great people and get out the way, or promote and get out the way, or do the best micromanage to an extent and are incredibly

Eric & Keith: I'll give you a real answer. It's actually in my YC lecture that, uh, Eric alluded to. It depends. You want to be actually that the leadership training, sort of DACA kind of built for square, which is you actually want to be inconsistent on this, whether you're quote unquote micromanaging or you're giving a lot of rope because it depends on the task relevant maturity of the person.

And the project in the consequences to the business. So Andy Grove had this concept of task relevant maturity from high output management, which is basically has someone dealt with similar problems, you know, in their life.

And depending upon that task relevant maturity, you may sample like using Eric's, you know, sort of metaphor. Sample at different rates, like so if it's low relevant maturity, you might sample like every day or every week. It also depends on the consequences, how catastrophic or asymmetric is [00:19:00] the result or the results to the company.

And so this metaphor allows you to figure out what to do, but ultimately, CEO is ultimately responsible for everything. There's no excuses, so you can't ever abdicate. There's no such thing as like, I let this person do X, but I'm not responsible for the results when you're CEO. So then you have to decide, use frameworks for how much rope do you give someone, which is a really a function of your conviction level and the consequence level.

So you have like almost like a two by two grid in a matrix. It's in my YC lecture of your level of conviction and the consequences and whether to intervene or delegate or what to do, you know, in the other cases.

Harry: Eric, can you talk to me about when you've had the highest level of conviction and you've been wrong?

Eric & Keith: people don't always internalize the importance as a, as a, Founder as a CEO at the end of the day, like, everything that's going well for a good thing, like credit to your team, everything that's going bad, like is your fault and you need a fix. And like, that is the right mentality.

For me the question is not will people be wrong It's a question of how does your company deal with it culturally and I think Two things, when good companies talk about wins, great [00:20:00] companies talk about misses, the way that we start, every board deck is what is going well, what is going less well than we hoped, and why, and so we, you know, it's not letting there be a culture of sweeping things under the rug, and not Crucifying people when things do do go wrong, you know, and next, Kareem is, you know, overseas.

You know half of the org a lot of the most important investments He has every right to to tell me like on marketing, This is off or you're missing this and here's what we're seeing because a lot of what we're doing It's a it's a pursuit of the truth. It's not about you acing your own scorecard as an executive is what moves the company forward and and so I I we've certainly made mistakes, we're going to make more, um, it's just a question of can we create the right system to bring that up?

Harry: People say that it's a matter of one to two big decisions a year is what defines a great CEO, and then others say it's about number of at bats, it's about just getting a lot of decisions constantly right. Again, two different schools of thought and I'm like, what do we think?

Eric & Keith: [00:21:00] definitely lean the latter, for most people, really do think that activity, in hours, of yourself and of others being spent in the right place, uh, is the leverage.

And so certainly at some extreme, I think it's about one to two, but for the vast majority of people, I think it's the number of outbats and having the system to understand your own view of reality and spend your time in the right places. I just think that what I wouldn't underestimate for most people is most of the world is fairly linear, like an hour in in any way is an hour out.

But unfortunately, in company building, there are some things that just matter a hell of a lot more than others. creating the space to, you know, where you take in a batch so you can find those veins and just double down on it is a lot of the way we think about things. Yeah, a lot of company building is you want to tap into a vein like inertia is not your friend when you start a company.

Everything. Time's not your friend. The world doesn't care about you. You have to invert, literally invert inertia, so you have to create momentum, like literally the physical definition of momentum, and then you want to figure out how do I amplify that momentum or [00:22:00] minimum sustain it and then as long as possible and then ideally amplify.

That's usually tapping into like a new idea. And so you want to have a system that allows you to surface new concepts and ideas and look for that. Does this have that explosive potential and then double triple quadruple down?

Harry: What are the lowest hanging fruit ways of creating momentum and is it possible to manufacture it artificially?

Eric & Keith: I think you can manufacture it. I mean, Y. C. teaches that, you know, proverbial do things that don't scale. I think there's some truth to that, that you get the body and rest stays arrest kind of thing from physics again. And so you've got to push somehow. And then when you get the body moving, you want to reduce the friction and accelerate the speed.

It's really is physics actually, and startups. So I think you can sort of pseudo hack Your way into momentum. You can't scale it forever. If you're really hacking it, you're going to have to make the train tracks real and you're going to have to make the engine that propels things pretty real at some point.

And the sooner the better. But like starting [00:23:00] somewhere. Like I've seen examples where people start with PR doesn't usually work. But once in a while you can get a spark and maybe see the spark. Then you can figure out how to do it more scalably or once in a while you start for friends and family. And sometimes that works.

Often it doesn't. Like all these are custom. There's no formula for building a startup

Harry: Keith, when have you had the most conviction and it's turned out to be wrong and what did you learn from that?

Eric & Keith: on almost all the really good investments I've touched. I kind of knew in the first three minutes. It's very bizarre. and you'd say that, that sounds crazy.

Harry: But have you missed Keith?

Eric & Keith: Um, not someone I met in person. I've screened out People I definitely should have met and absolutely would have been, but like in person, I've always made an offer to someone who's done super well. you know, we talked about the biggest mistake ever was not raising the valuation on rippling.

you know, Parker was nice enough to tweet our episode afterwards. It's really helpful in my sleep, but, uh, but like, you're going to miss an investor. Like, look, look, let's put it this way. I'm playing baseball. You hit 400, you're 10 Williams to go to the Hall of Fame, [00:24:00] early stage investing, you're going to miss more than you hit, like period, like, and you just admit that as an executive, you cannot be right 40 percent of the time and miss 60%.

Harry: Imagine hiring, for example, imagine 40 percent of your hires were good and 60 percent were terrible. you'd fire that person as a leader, like, you'd have to, like, you can't have an organization with that ratio. would you though? Because actually, I have so many people on the show who say at best you're 50 percent right when it comes to talent and

Eric & Keith: no, you can't have, you can't have 50 percent fires. You can have 50%, like, A level and 50%, like, competent. But good luck running an organization where maybe a sales team you could have something like 20, 30 percent wrong.

Harry: Should you have competent people in your company? I know that sounds strange, but like, competent is like, B I,

Eric & Keith: There's a lot of dimensions to this. It'd be like a topic in and of itself. But actually, so whereas most wrongs as an executive would be on hires, one bad hire, just one, can really set back an organization and undermine the momentum pretty severely. And like everybody who's ever hired, like, hundreds to thousands of people, you're going to make some mistakes.

[00:25:00] You don't even want zero defect hiring. That's actually a flaw that has, you know, Even worse consequences, probably, but there's no way you build organizations over the years and don't make mistakes. And some of those mistakes definitely cause a company to lose a year of momentum, and you may never get it back.

Hopefully you can reignite it.

Harry: Eric, you've mentioned before about the unique moment in history that we're in now for people to build in. I'm just intrigued here, when you think about that then, given the unique moment in time, For young people today, for founders listening,what do you think they should build?

What should they not build?

Eric & Keith: I'll start with your question of what should people build or not build, and then I'll, we'll talk about the unique, point in history that we're at. And in many ways they're at odds. What I would say is that, great businesses 99 out of 100 times, start with being really curious about people's problems, and how can you solve them, uh, in a better and deeper and more true way, not with what are the new breakthrough capabilities of technology and how do I apply that.

when I think [00:26:00] about, what is timeless about ramps business. we started with the question most business people, finance teams, people building companies that I know, weren't interested in more points or more lounge access or anything. They were interested in how do you be more profitable?

How do you spend less? How do you go home earlier, achieve more with a, smaller team. And what we found that was so timeless about, really the starting mission of ramp. Was this enduring thing? I couldn't imagine in the future people saying, you know, Paraphrase Jeff Bezos.

I couldn't imagine people saying, you know, I just wish I was less efficient with my spending. I wish it took longer to close my books. you know, it's ludicrous. That would never happen. What they would always tell you, you know, is that, you know, if I could get the same things for less, I could reinvest more.

And, and we started with this timeless belief. People want to spend less and then people of this technology. we realized it was possible suddenly in 45 days. if you were focused to get live on Visa within 60 days of a card in someone's hand and then build lots of tooling and infrastructure so [00:27:00] that you're not just making transactions, but you're collecting receipts, you're closing your books and we're constantly showing you ways to spend less.

And so I would start with, Actually, not trying to come up with ideas, but being curious, asking where is, where is pain? What are problems that you have savoring it and going a lot deeper. and of course it's in how you carry your business to doing right by people, investing in relationships, making your service better every month, being diligent when people complain and trying, to actually solve their problem and listen, being there are all timeless truisms that I would focus on.

Harry: Keith, what are the biggest challenges one faces when making the transition from product to platform?

Eric & Keith: That's a great question. I think generally you start with product is a much better formula and then it evolves into the platform. One of the challenges is when, you know, when do you know, like, how do you know, like, it's the time to do that second would be, how do you not lose sight of what customers care about?

it's related to the sequencing point, but it's not so obvious. Like we have a very clear value proposition, right? Save time, save money. It's super clear. We can measure it. We can [00:28:00] amplify a complaint back to people, show them how much time, how much money we're saving them, et cetera. When you go platform more broadly, you're somewhat sometimes losing sight of that intentionally.

But so you may make sure that the thing you're building that's broader and horizontal will create even a bigger value proposition. And sometimes you don't know that right away. sometimes you can measure it, test it, you know, get a feel for what that would be. But now we know, sort of, like, for example, RAMP, when you have all of your data, when you run your entire finance organization, when everything, all the data seamlessly interacts from everything you do, there's value propositions that you could never, ever imagine doing, and certainly not imagine doing except by hand, unless you had one integrated system.

So now it's very clear, like, if you have all your data flowing through in real time, for example, like, one system, what are the things you unlock? You can name them and now it's Eric's job really to prioritize them because there's like 10 or 12 really great value props.

Harry: When you think about that kind of platform expansion play and the data benefits that one gets from being in that platform play, is this a [00:29:00] monopoly market? Keith, you're at Founders Fund before, where Peter talks a lot about monopoly markets and the benefits that come from them. Is this a monopoly market or is this a more even distribution of outcomes?

Eric & Keith: Well, I think all CFOs of the future will want to run on RAM and they'll be reckless if they don't. They'll be more efficient, more successful and more strategic. So for example, typically a finance organization spends about 17 percent of its time today doing strategic analysis and 83 percent doing mundane tactical tasks.

So obviously if CFOs want to be more successful, more impactful, more influential, they're going to want to run on ramp because that's going to enable them to show showcase their skills.

Harry: I'm sorry, Eric, as your CMO that I've just appointed myself, your new billboard is the Keteraboi picture with the quote, Is your CFO reckless? You're in round. Come on, come

on, that's good. I'm,

Eric & Keith: love that.

Harry: I'm here all day baby. This

Eric & Keith: Fear does work. Like, you don't want to be irresponsible. Actually, like, when I led an investment in Stripe in 2013, I think, I actually said something [00:30:00] like that to some journalists, that it would be irresponsible to build a business except on Stripe. And she was like confused as hell and turns out she's responsible to build a business except on strike.

what Keith is saying, there's something really there though. So, so anyone who's ever hired a finance function and looked at who comprises what are the job titles if you're working in finance. I think statistically 5 percent on the order of that, of finance jobs are categorized as strategic finance.

What's amazing to me about that statement is people aren't internalizing. Are 95 percent of finance roles non strategic? Is that just something that people are used to? And I think the answer is unfortunately yes, because it is so hard historically to automate a lot of processes. There's so much pain in getting people to turn receipts in on time, to tag every transaction correctly in your general ledger, to pull data from multiple systems down into a pivot table, cleanse it, put it into a new system to project forward.

Harry: Is there a data network effect that you can apply across different

Eric & Keith: [00:31:00] There absolutely should be like, for example, ramp will be your fiduciary agent. So it's going to save you time, save you money, make sure that you're allocating your resources in the best, most prudent way. Secondly, it's going to be your compliance agent, which is We have processes and procedures. We just want to make sure that they're adhered to without throwing lots of humans at it and making it painful on the employees.

They don't get the work done. So, like, you could only do things like being your fiduciary agent and your compliance agent and then be insightful. Let's say at the strategy level, unless everything, all the data from all sources from all employees rolls together.

Harry: listen, we're going to do a quickfire and that's going to be part of it. if you were to do like a post mortem of like what could go wrong, what's the one thing that could harm the trajectory of the company?

Eric & Keith: Well, we talked about hiring the wrong people, which fortunately, I think the super IC model is working extremely well here and the company is extremely proficient at it. So I don't think we'll hire the wrong people. I think typically in the core business where we built, like the ramp initial traction, getting risk wrong, on either side, either being too conservative or not [00:32:00] really understanding risk.

Anytime you're moving a lot of money around, It has to be in your DNA. And that fortunately we've been extremely, uh, proficient and the performance is extraordinary. But like, that is typically something that goes wrong in a company that looks a little bit like this. And then third is prioritization, I think.

I would double down on that. It is much more in to build a compound startup, you know, in the age of, of AI where there's, ability to process a much vaster set of data more accurately, and automate workflows. Uh, there are advantages, to streaming multiple workflows, to powering multiple parts of the platform.

But to your question earlier, Harry, of, as it goes from, you know, Singular value propositions to you can run all of your finances through RAMP. Uh, since thousands of businesses do, the risk is to lose focus and to not make your singular products that are best in class and to lose that edge.

so I, I think just being very aware of that and focused on excellence, is critical.

Harry: You mentioned time saving as a core value prop. What is one thing that both of you do today That you wish was [00:33:00] not on your calendar.

Eric & Keith: You know, I have, I have a lot of reports right now. I think it's the flip side of, of, uh, one on ones. I don't, I'm, I'm not quite with the Jensen with, uh, 60 direct reports, but I do spend a lot of time in, in one on ones, and, and there's probably ones that merit the full 30, others that, you know, you can skip, and so that's probably, uh, to your point, Eric, something I'm going to change next week.

I like try to redo my calendar every week, so there shouldn't be anything on there that I don't want to be doing.

Harry: Keith, how many direct reports is too much?

Eric & Keith: So the canonical view from Andy Grove was like five to seven, but obviously Jensen's done extremely well with 60. So it's clearly not like a higher cloud rule. I, I think the, the reason for the five to seven was you wanted to do your weekly one on one sort of thing at a certain pace. I think that's a little archaic.

I used to get yelled at. I went pretty flat at square when I was running hot at like 11 Vinod and Roloff gave me feedback that that was too much. I it totally depends also your level of depth, actually, as an executive. When you know certain content areas, subject matters, and like you have some ability in that craft, [00:34:00] it's a hell of a lot easier to have a direct report there because you're diving in really quickly to what's key.

When you have to manage functions you don't really know that well yourself, there's a lot more preparation drag coefficient. So I don't think there's a one size fits all formula, actually.

Harry: final one for you both. What was the last price on the round? It was public, I think, so it was like 6. 7 or whatever it was.

Eric & Keith: Is that it was a seven point, seven, yeah, 7. 6 billion post.

Harry: 7. 6, okay. So let's outcome scenario plan this one. first Keith, and then we'll finish with you, Eric. But Keith, when you underwrite this, what do you want to write it to now?

And

Eric & Keith: don't kind of do that kind of analysis. I kind of think about like again, the inputs and like how big could this be in terms of like, would every company in the planet use this and feel like they need to use this. If every kind of on the planet feels like they need to run their business on ramp, it's going to be worth a lot more than 7.

6 billion. So I don't try to get like too nuanced about it. I need to believe that there's a vision there of like, well, this is actually very realistic and a certain amount of probability that this can [00:35:00] happen. But I don't, like build spreadsheets and I try to underwrite to 3x, 4x, 5x. Not what I do at least.

Harry: Eric, ten years, like, where's ramp then? It's 2034, which is almost the time that we first met. We met nine years ago. Christ. Take that time again. Where's ramp then if everything goes well?

Eric & Keith: We want to rewire every company that we serve to be more profitable, um, to be more efficient. And it's one of the things that we say is we save the average company 5 percent today. It's profound, right? It's not just a number. It means people can make additional hires, have more time to be creative.

And I think that the compounding effect of what happens when you make every business in America not 5 percent more efficient, but 7 to 10, and you're not serving, less than 1 percent of them, but you're serving 5, 10, 20, 50. I think one of the broader issues, Historically over the past 30 years is America's been in a productivity slump.

There's been great advantages in technologies, but you haven't seen companies be able to create dramatically more you know for the country or [00:36:00] world and I think you know what we're doing some people think it's boring But I think if we can quite literally Make companies more profitable. I think the effects of that are profound and so we have a long way to go.

I think when we launched, we saved the average company about 2 percent on their card expenses and time. we think that if it's 10 years, we can do a lot better, than, uh, than five where we are currently. and I think to Keith's point, serving not just card expenses, but all of the ways that companies move money thinking about not just who's paying, but who's getting paid.

How can you make the experience on both sides just dramatically more efficient, and be that boost, to the world. That's what we're out to do.

Harry: Eric, I've never known anyone scale a company so fast and also not lose a day in terms of aging. rather worries me. so first, thank you so much for doing this. It's so lovely to see you again. And then Keith, I, I love seeing you, man. It's so lovely to see you.

Eric & Keith: Pleasure to be with you again.

Thanks a ton, Harry.

Harry: