

**Tooev @ Procore:** [00:00:00] I was miserable for probably two years And I'm like, look, I don't know who I am and who I'm supposed to be. I even went out and bought the Patagonia vest and, you know, my wife said to me one day, you're miserable. She goes, you know exactly who you are and you know exactly who you should be. Stop trying to be somebody else. we had to go without a paycheck we had sold everything that we had acquired in life. Like, I had two mortgages on the house, I'd sold a car, I'd sold to make payroll, I had nothing left to sell.

Between 2002 and 2015, we'd grown revenue from \$0 to \$9.6 million

**Scarlett 2i2 USB-1:** this is 20 VC with me, Harry Stebbings and state. We feature an epic tale of entrepreneurial-ism. We often hear of growth rates that companies need to hit and everything being up into the right. Well, the company featured today took 13 years to reach \$9.6 million in revenue. So not rocket ship growth, eight years after that, they are now at over \$890 million in revenue and a public company.

And so with that, I'm thrilled to welcome to I-Corps tomorrow. founder and CEO Procor under his [00:01:00] leadership. Procor has grown to become a leading global provider of construction management software connecting over 2 million users across 150 countries But before we dive into the show today,

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**Morgan Freeman Intro:** You have now arrived at your destination.

**Harry Stebbings:** Tui, I am so excited for this. You very kindly said you listened to the show before. I've been a fan of the Procore business from afar for a while, so I'm very excited and thank you for joining me.

**Tooy @ Procore:** I think I'm equally as excited, Harry. This is, I'm a huge fan of what you do and so this is a quite an honor to get to join you

**Harry Stebbings:** today.

Listen, not at all, but Procore has been an epic 21 year journey. And I heard from a little birdie that actually this is down to your wife, Hillary, who came up with the idea, wanting to move to Santa Barbara, but that was all I got. So how did Hillary, Santa Barbara move lead to Procore?

**Tooy @ Procore:** I was running a small tech company up in the Bay Area, in the heart of Silicon Valley, and my wife told me one day, hey, guess what?

And by the way, I was flying all over the United States servicing clients in a completely different industry. And my wife said to me one day, Hey, guess what? We're moving to Santa Barbara. and I said, no, we're not. We live in the Bay area and I run a business up here. She goes, no, your son and I are moving to Santa Barbara.

We haven't seen you in months cause you, all you do is travel. And if you're not, we're [00:05:00] not going to see you. We'd rather not see you in Santa Barbara than San Francisco. And so very much against my best judgment, I'm, I came down here kind of kicking and screaming. And lo and behold, you know, we started building a house and, you know, she got sick of me complaining about the challenges of building the house.

And so she said to me, like, hey, why don't you just go out and solve this problem and stop complaining about it? And that was the, uh, origin story of Procore. So, it's all her idea.

**Harry Stebbings:** I spoke to many of, you know, your investors, board members. One thing I want to start on is, the GFC apparently, I think Will and Brian both said this, you almost went bust, I think it was a time when you stopped paying yourself.

What happened there,

**Tooy @ Procore:** Tui? Well, it was a really rough time. So we were selling our software to mostly custom home builders prior to the great financial crisis. And of course, the very first part of the construction industry that fell apart. was the custom home business market. So our customers all went out of business.

And so we had this shift really, really quickly to commercial construction. But in that two year timeframe that it took for us to kind of make [00:06:00] that shift. Yeah. Myself and Steve Zahn, my co founder, we had to go without a paycheck and I'll never forget Harry having to go home and tell my wife. Who, by the way, at this point, we had sold everything that we had acquired in life.

Like, I had two mortgages on the house, I'd sold a car, I'd sold to make payroll, I had nothing left to sell. Uh, and I told my wife one day, when I went home, I'm like, look, we're not gonna get paid for a while. And I was scared to death at how she was gonna respond. And you know, the coolest thing of all is that she was like, look I believe in this vision as much as you do.

Let's make it happen. we were able to go for a couple of years and just scrape by and, borrow money from friends and family just to get by. But we got by.

**Harry Stebbings:** that is an intensely stressful everything's on the line to me.

What are you telling yourself at that moment?

**Tooey @ Procore:** You know people ask me this question all the time And when I think about it kind of in arrears when I kind of rewind time I think the one thing about being a founder who's so Devoted to the mission is that you don't question it. I knew it was a foregone conclusion that Somehow this industry, this construction industry was going to get digitized.

And [00:07:00] I believed in our approach. I just felt like if people would give me enough time, I was going to figure this out. So I didn't really stop to question it. And I'm grateful for that.

**Harry Stebbings:** how do you think about the question when you're advising founders of when is the right time to say, you know, it's not working because at some points.

Something just doesn't work. How do you advise them?

**Tooey @ Procore:** Yeah. I think you know, instinctually, if something's not working. And the other thing is, is that clearly Procore didn't work for years, right? Like, you know the story, right? We didn't really raise institutional money until like our 15th year. It was a long time.

But like I think you just know as a founder if it's gonna work or it's not. I also believe that founders are usually cut from a different cloth, which is you know I

always say like I'm a dog on the bone like no one was ever gonna take this vision away from me because I just knew it was gonna happen and so I could have made a small business out of it or I could have made a you know medium sized or a large business out of it, but ultimately if it wasn't gonna work, I think you just know it.

You

**Harry Stebbings:** said founders are cut from a different cloth there. I'm actually a secret [00:08:00] armchair psychologist, but I find it a really interesting question. What do you think you're running to, and what do you think

**Tooey @ Procore:** you're running from? It's a really good question.

You have to understand, let's start with the running from, and then I'll tell you where I was running to. I was a horrible student in school. I, you know, was flunking out of school, left, right and center. My guidance counselor told me that, you know, there were probably some good jobs out there for me, but they weren't going to be very, uh, lucrative jobs.

And I had failed out of college, and I just, I was, and I was a carpenter by trade, so I, I really had very low expectations of myself as well as what my family thought of me. Thank goodness I had a trade of being a carpenter, which I have the most respect for. But I decided one day that I wanted to prove everyone wrong, that I wasn't this person that was kind of a mediocre person at best.

And so I was running from that stigma and I wanted to be. Prove to myself I was more than what people thought of me as what

**Harry Stebbings:** changed you have years and years of respectfully being Mediocre or not flunking as you said at school to suddenly [00:09:00] deciding you wanted to be so much more You know,

**Tooey @ Procore:** it's interesting is I think in hindsight like look I'm 56 years old when I was in high school and elementary school I don't think that they had diagnosis for dyslexia or whatever and I'm sure I'm dyslexic I'm also an autodidact.

So I if you give me something that I'm I'll blow your socks off at how much of an expert I become at it and whatever else. But I have to be interested in it. And so, what changed for me was I found my passion in life. devoted my life to that

passion. And that's why I just never stop. Cause like, that's just my personality type.

And I think that's why founders are cut from a different cloth. You have to have more than just an interest in something in order to succeed. I'm

**Harry Stebbings:** fortunate

**Tooey @ Procore:** that I get to love what I do. You know, some founders, Steve Zahn, my co founder, he had a company he took public before Procore. I think from founding to IPO, it was like 13 months, right?

Some founders are really lucky because you don't have to go through the years of the dark times to get to success. For [00:10:00] me, I wouldn't have made it if I didn't love what we did because we just had so many years of just, strife and turmoil. I wouldn't have been able to sustain it if I didn't love it.

What are you running towards on the flip side? I have this like vision that we are going to be able to connect everybody in construction on a global platform I think I'm running towards this vision of it being done, which I think a lot of founders lie to themselves too, that there will be a Nirvana state in the future where everything is going to be where you expect it to be. And I think that's just the survival instinct that we all have. But I think I'm running towards that.

Can

**Harry Stebbings:** I ask you a bit of a blunt question, which is for the first 10 years, as you said, it was slow. I think it was 2012 4. 8 million in revenue 10 years afterwards. Not hyper growth. Bluntly, sorry, respectfully. But my question to you is like, why was that? When you analyze that, why did it not grow fast and why did it take so long?

**Tooey @ Procore:** So, rewind time to 2002, uh, if you walked onto any construction site in the world, there was no internet [00:11:00] at the job site, yet I had built a SaaS, a vertical SaaS solution to serve an industry that couldn't actually use my technology, right? So, those were the tough days. I

**Harry Stebbings:** hear you used to do some pretty crazy things to get customers Wi Fi.

**Tooey @ Procore:** What did you do? We literally, Steve Zahm and I literally would buy airline tickets, go to a customer, we went to Sea Island, Georgia,

which is on the other side of the United States. We went to CompUSA and we bought a router and bought a wireless access point. Then we went to Home Depot and bought a toolbox and we actually went to the job site.

This is like what we used to do and we would install the internet at the job site. So a customer could then, you know, pay us 95 a month for our service. So the answer to the question was the internet was not at the job site. There was no such thing as mobile technology at all. The iPhone didn't come out until 2007 for goodness sakes.

I pad in 2011. We just were super, super early, but I knew it was going to happen. It was the last industry I could, I was aware of that had not digitized. And [00:12:00] I'd seen all these other industries digitize and I'm like, it's just a matter of time before it happens. We just have to be patient. I

**Harry Stebbings:** need your help.

I'm an investor today and I don't like to take market timing risks just because it's an externality that's so out of both of our control. What would you say to me? Who's fearful of market timing, given the depth of what you've

**Tooy @ Procore:** been through. The more things that have to happen in order for a company to be successful, the higher the risk ratio is.

Right. So I would look at it definitely that way. You know, if you were to invest in Procore in 2002. I didn't even take our first friends and family until 2004, but if you were to invest then you would have had to believe First of all that the construction industry was going to digitize Second of all that the people that work in construction were actually going to be proficient enough in technology to use it Third that the internet was going to need to make it to the job site fourth that mobile applications were going to be able to untether people from a job site trailer to actually do their job in the field and fifth is that people would actually look at these tools as productivity gain tools as opposed to [00:13:00] Documentation tool.

So you all of those things would have a had to happen in order for you to believe that Procore was going to be successful. You're not

**Harry Stebbings:** selling it.

**Tooy @ Procore:** Well, the risk ratio is an investor, right? Is much higher for those things. By the way, I don't know if you know the story of Qualcomm, but

Erwin Jacobs, who started Qualcomm, In order for Erwin Jacobs to be successful at Qualcomm, he needed to invent the technology behind CDMA, which was brand new technology and was barely able to be done.

He needed to get all the wireless carriers to take all of their infrastructure out and replace it with new CDMA. He needed to create handsets that could use CDMA. So he had to invent a cell phone that would work. And then he would, uh, had to invent the chips in order to make this processing actually possible.

You look at that investment, the same thing as Procore, like that's a high risk investment. All those things had to become true in order for them to be successful. But with those high risk investments come tremendous rewards. And I think that's the way I would look at

**Harry Stebbings:** it. And then there's the hard thing also bluntly.

That's [00:14:00] just on the timing side. If all those things happen, that doesn't necessarily mean that They're going to adopt it straight away. Then you have like higher propensity, customer education, oh my

**Tooley @ Procore:** God. Well, in the competitive landscape before the great financial crisis, there were a lot of companies out there that were bigger than Procore, that were trying to kind of digitize the construction industry.

I mean, the landscape was just littered with companies, and we were just like a minuscule little player. And honestly, if we didn't have the wherewithal to survive the great financial crisis, Thanks primarily to one of our investors who kept pumping money into Procore. We wouldn't have survived. And what's really interesting is 2010 rolls around and we look at the competitive landscape.

They're all gone. It's a wasteland of just dead companies, and we're the only ones surviving.

**Harry Stebbings:** Why did they all die first?

**Tooley @ Procore:** Well, first and foremost, the internet really had not made it to the job site. They were all kind of betting on the come, and it just hadn't really been adopted yet. Like, you asked earlier about, like, when was that inflection point, right?

We, we didn't really hit an inflection [00:15:00] point till 2015. Between 2002 and 2015, we'd grown revenue from \$0 to \$9.6 million, right over that long

period of time. But from 2015 on, it started to accelerate. You know, you would've had to survive from 2009 10, all the way to 2015 to see this industry starting to adopt this type of technology.

So there just was, you had to have enough resources to stick, stick it through.

**Harry Stebbings:** I just love you two. I mean, no offense, like 13 years. I mean, that is like real persistence. No wonder marriage is a piece of cake. Um, but my, my question is like 2015, what happened then? Cause I spoke to Brian and he said, like, ask him why you chose institutional financing then as the first point.

What changed in the business then? And why did you raise

**Tooey @ Procore:** money then? Steve Zahn stopped going to the mailbox every day. Let me tell you what that means. For 13 years, we would, every day, Steve's um, co founder, we'd go to the mailbox and wait for a check from a customer to make sure that we [00:16:00] can make payroll.

So every day I would see Steve in the hallway and I'm like, what's going on? He's like, Oh, I'm going to get the, going to get the mail so I see if we can make payroll. One day, I caught him in the hallway in 2014, 15 and I'm like, what are you doing? He's like, nothing. He goes, but what I'm not doing is I'm not going to the mailbox.

And I said, why? And he goes, we have enough money in our account. You know, we have enough. Revenue now that I don't have to run to the mailbox every day to check for for checks So we realized at that point we had turned some sort of a corner and that it was time to step on the accelerator We had some product market fit and all we needed to do is go out and raise some capital to bring this Idea to market

**Harry Stebbings:** was that a change that you had made or was it the market changing

**Tooey @ Procore:** to you?

The market definitely changed to us. We had not changed anything. We had been building the same product for 13 years, but the market finally adopted it. What do you

**Harry Stebbings:** say then to founders who do have market timing and market adoption risks like you had, and are told You need to do something like they have investors.

We can't just wait. Yeah.

**Tooey @ Procore:** Well, trust me, we didn't just wait either. We did a lot of [00:17:00] things as a company that supplemented our income in order to make payroll through those lean years. I don't know if those were the best ideas, but they kept us alive. You know, customers would ask us to do custom development on a new application.

If, if they're going to pay us 30, 000 for a month's worth of work, we would literally put two engineers on it and just ship a piece of software that had nothing to do with Procore for them just to keep the lights on. as they say, the only thing that matters in business is that you survived to fight another day.

And so whenever I talked to founders who were like, looks like it's all over. I'm like, just the oxygen to the business is revenue. Just go generate some fricking revenue, and you'll survive.

**Harry Stebbings:** So take me to that conversation.

You're like, Steve. No mailbox walk for you. And he's like, yeah. And then you go, why didn't we go raise money? How does that conversation then come to be?

**Tooey @ Procore:** So you have to understand the dichotomy between Steve and myself. So I'm the carpenter who failed out of college, right? Steve's the Stanford grad who, you know, got his MBA at Haas.

A lot of these companies, if you think about it, a lot of big, successful [00:18:00] companies actually have this kind of dichotomy in co founders, Steve was very much business focused, and he was the one who was like making all of the kind of, So he said to me, he's like, too, he like, I think we have enough product market fit that we could actually go out and figure this out and raise some capital.

I'd always known we were going to and that we were going to have this opportunity. So I was pretty bought in right off the bat. I was a little intimidated, you know, walking up and down Sand Hill Road and, you know. Meeting the likes of Brian Feinstein and Byron Deeter and Will Griffith and you know,

**Harry Stebbings:** how did it go?

Like no, this is your first time. This is 13 years in. Can you take me to those meetings?

**Tooey @ Procore:** Let me take you to an earlier meeting. So we walked up and down Sand Hill Road in 2008 We were a little ambitious in 2008, you know, everything was going up and to the right Our customers were doing really really well.

The economy hadn't hit the skidjet So we walked up and down Sand Hill Road And we went into, I'm not going to name their name, but we went into one of the largest institutional investors that everybody knows. [00:19:00] And they put us in the back dark conference room with the junior junior analyst. And we were pitching them on Procore and literally the guy said to me, he goes, look, this is really an interesting idea.

And there's probably some opportunity here, but if you did it more like Facebook, we would be interested in investing. And I was like, so essentially then they kicked us out of the building. Everyone laughed at us, and it was really funny because literally they were calling us idiots. They're like, you're selling software to an industry that can't use your software.

Like, what are you doing? You guys are idiots. And then it's funny, you fast forward to You know, 2015, 2016, 17, and we're up raising money. And everyone's like, you guys are geniuses. Like you figured something out that nobody else has figured out. And it's funny that I'm like, we're still the same person.

We're probably more idiots than geniuses, but anyhow, it was just funny to have the same people refer to you now as a genius when they were calling you an idiot.

**Harry Stebbings:** I love that in terms of why don't you be more like Facebook. That's so helpful. Thank you. Why don't you be more like Mike Moritz? But you know, [00:20:00] you know, we can both play that game.

What happened then? So 2008, you kind of come back with the tail between your legs and go, okay, that was a bit preemptive. is that how it went? And then you come back seven

**Tooley @ Procore:** years later? Yeah, then we, you know, so I guess I was saying it was we were a little intimidated going back, right? Because we had had such a demoralizing experience on our first run at institutional investors.

But the good news was we learned it's almost less about the brand of the venture firm, and it's more about the partner, right? And so I got to know both Will Griffith and Brian Feinstein personally, deeply personally. And I spent a lot of time with these, with them as well as some other investors that we ended up not going with.

I decided that I was going to make sure I was going to be working with people who shared our values and actually were really vested in our success. And it wasn't just another deployment of capital. This was somebody that was going to lean in and be very heavily, heavily engaged in this journey. And fortunately for me, we found two.

Amazing institutional investors that till this day are on our board until this day Believe in our mission and [00:21:00] are a hundred percent behind what we're doing. And yeah, so we got very

**Harry Stebbings:** lucky first off like what was that deal? How much cash did you raise?

**Tooley @ Procore:** We raised 30 million I think in the first one.

Do you remember the price? I don't, I should remember, by the way, I should remember all of this. I don't remember. It was, well, I remember this. I don't know if Brian told you this, but Bessemer had an investment thesis on Procore that they, of course, they don't tell the company about the best outside scenario they could come up with was that Procore was going to be worth 300 million in the future.

And we always joke about that because like I think we're a little bit beyond that, right? But yeah, and by the way, I don't know if you know this but we had a co lead on our Bessemer investment Guy named paul landris who was with brian in the investment. I hired paul to join Procore after we had done the fundraising and Paul ended up becoming our CFO.

But Paul told me all of the backstories of what the partners were saying about Procore during the investment thesis. And it was kind of shocking that they helped. You know,

**Harry Stebbings:** I had Jeff Lawson on the show from Twilio. [00:22:00] And he said a similar story, but actually he got a 200 million premium on you. They said 500 million for Twilio.

It seems that they grossly underestimate the upside, which is probably a good thing. Can I ask, when you review those fundraising days, is there anything that you'd tell yourself? If you could advise yourself on fundraising again, what would you say?

**Tooey @ Procore:** One of my biggest challenges, Harry, is that I like people, as we've talked about in the past, and I really get invested in the relationships.

And some folks, not, not the two folks I'm talking about that are institutional investors, but some investors tried to leverage their ability to kind of manipulate my feelings and making me feel guilty for not going with them and stuff like that. You know, I listened to your discussion with Scott from Atlassian and how they did the closed envelope fundraising.

I was thinking to myself, I wish we had done that because it would have taken a lot of this. I mean, I literally would get calls from institutional investors saying like, you know. You're taking food out of my kid's mouths because you're not giving me access to this deal and stuff like, you know, it was, it was kind of those kind of like guilty [00:23:00] things that I just didn't really enjoy.

So one of the reasons why I went with Brian and Will was because they were very, very straightforward with me and they, they just ran a good process. Are they

**Harry Stebbings:** aware of the fee model in asset management? I mean, the only food leaving kids mouths is kind of, you know, some, some very expensive truffle.

**Tooey @ Procore:** Well, it's funny too, the person that said that to me had flown down here on a private jet, so I was kind of not concerned that their deal was going to make it so their kids didn't eat.

That is absolutely

**Harry Stebbings:** amazing, I love that. Can I ask, when did it really ramp then? So then you raise money from, Bessemer and, you know, your then, what, future CFO. Yep. And you were at 9.6 million, I think you said. Yeah. When was it like, vroof?

**Tooy @ Procore:** You know, it really started within about a year, where we would double, and then double again, and double again, and double again.

I mean, around 2017, we were rolling. What's really interesting to me, Harry, is in hindsight, we never stopped to kind of think about what the heck was happening. You know, I used to, when I was a kid, I was a skateboarder, right? And so [00:24:00] if you're, when I was skateboarding down the hill and you get too fast and you get speed wobbles, you have to leap off your skateboard.

You're hoping that your feet can run as fast as the speed of the skateboard. So you don't fall on your face. Those years were us running as fast as we possibly could. Try not to crash. So we had no time to kind of think about like, what the heck's going on here? I'll never forget when we got a billion dollar Evaluation on Procore and we're raising some private capital.

We were all standing in a hotel room somewhere we were at a conference the leadership team and I was talking to our investors about the pricing the round and it came up to be a billion dollars and I'll never forget that was a moment where I'm like, I had missed like a hundred million in valuation to a billion and that we were all like, wow, we've significantly grown this business and it kind of happened without us thinking about it.

**Harry Stebbings:** do you think naivety is a good thing? You mentioned there about kind of falling on your face. People say it is sometimes they say it's not how do you think

**Tooy @ Procore:** about that one? I actually do believe that ignorance sometimes is bliss not all the time I also think [00:25:00] that you can be too smart for your own good So us having this singular focus on what we were doing and really not trying to just build a business But actually solve a real problem and satisfy the needs of the customers Just kept us really really focused and so you can call it naive or whatever but like That's all we were really thinking about, you know.

So it's really

**Harry Stebbings:** interesting, you said there about focus. I chatted, and sorry this wasn't in the schedule because I actually just heard it from Will and Brian, so. Sure. Recent additions. But I, I heard about kind of the dozen products that we now have at Procore. And I wanted to ask, and they asked actually to be fair, I'm such a VC, take credit for other's work.

You can tell it's a natural proclivity of mine. What have been your biggest lessons in terms of scaling product line without losing focus?

**Tooey @ Procore:** There's a lot of lessons in there, right? So up until 2017, we only had one product. It was our project management tool and it's still our flagship product. But what we had heard was our customers were, they were sick of having point solutions, and so they really wanted to have our platform be the [00:26:00] platform of choice for all of their kind of core business needs. And so we very deliberately force rank those. We prioritize which are the biggest needs and we kind of worked our way down from there. So one big lesson we learned was, you know, in the early days, you're kind of faking it till you make it. You don't really realize that scales might happen. And so some of our our financial product line was a great example was, you know, we had built that very quickly, got it to market.

Arguably wasn't 100 percent enterprise grade. So we had actually had to stop developing that product at a certain point and go back and rearchitect it. So it was enterprise grade and we literally stopped new feature development for a year, but we realized that if we weren't going to get this thing to the point where it was enterprise grade, we weren't going to be able to scale it.

What year was that realization? 2019. Wow. Yeah. Shit. We had to tell our customers, like, look, though all we've been, we've been talking to about a lot of features that we're going to be building, we're going to actually pause on this for now. And, you know, you're, trust us, you're going to, you're going to love it.

You know, what's so [00:27:00] cool is that till this day, customers still come up to me and they're like, Though that was really hard for us to hear, it was the smartest thing you guys ever did on that product line because now it has completely changed the way we do business and it's completely scalable and it's enterprise grade.

So, yeah, but that was, that was a hard decision to make. So you scaled

**Harry Stebbings:** to, what were your revenues in 2019 there? They must have been 50 to 100? Yeah, probably. Without having an enterprise grade product?

**Tooey @ Procore:** Well, so our project management tool, which is our flagship, was definitely enterprise grade. This was a newer product we had just brought into market, and it was kind of becoming wildly successful, and to the point where we really had to go back and shore it up to make sure that, that we could actually deliver on our promises.

**Harry Stebbings:** Any other big lessons in terms of product expansion? When to do it? Mistakes that were made?

**Tooley @ Procore:** Yeah, one thing that we did learn was, so when we were selling in the Australia and New Zealand market they had these new laws in place in Australia around if a job site accident led to a death at a construction site and a [00:28:00] safety violation had been seen prior to that that wasn't documented, the CEO of the construction company would go to prison for manslaughter.

all of a sudden when we were talking to our customers in Australia and New Zealand, they're like, look, love your project management tool. We need quality and safety because I don't want to go to prison, right? So we're like, okay, so we started building this product for them and we got really good product market fit.

And then what we realized is that we took it, you know, globally to our global customers, everybody valued that new product. And so we were able to kind of hyper scale that product because one market demanded it, but the rest of the market needed it. So we learned that we had the opportunity to kind of capitalize on those finite needs and then take them globally and it worked.

I'm

**Harry Stebbings:** so pleased you said about taking them globally, because Will said, you know, obviously about the recent and the very successful kind of global expansion. He said, I'd love to hear Tui's take on what's been the biggest lessons from international expansion. What worked, what didn't, what you wish you'd known.

Yeah. Hear his thoughts

**Tooley @ Procore:** there. I love to tell people this, which [00:29:00] is, it's just a reminder. Procore's history I had never been the CEO of a company of that scale before, right? So like, cause it was growing, right? And so everything was, I had to learn a lot as we went. And so there were a lot of lessons learned, you know, going internationally, it's really tempting to say what worked in the U S market is going to work in another market.

I would say some of the biggest lessons learned was you have to build. A brand, and you have to build loyal customers and referenceable customers in those markets before you really can expect any sort of scale and growth in those

**Harry Stebbings:** markets. Does that mean you should then limit budget, do it from where you are, build that base and then move people there?

Is that how you'd recommend?

**Tooey @ Procore:** So what I suggest you do is that you actually deploy your customer success and your field and product marketing folks there first, build that brand, get the groundswell going with the reference of customers, then put your go to market team in afterwards to capitalize on that.

And all [00:30:00] kind of candor. We went all in into our early markets thinking like they're going to love us. it's all going to go well. We have learned that there is a playbook here and that you have to really build that brand first. But what we find is the longer that we've been into any particular market.

The more success we have. So the way you enter markets matter and you have to be patient. Nothing's going to happen overnight. It took us years to build the brand in the U S and so we have to be patient building brands and new markets.

**Harry Stebbings:** one thing that you did quite differently compared to SAS is most of SAS is predicated on a per seat model.

And when I spoke to obviously Will and Brian, they told me about the decision to be volume based. I'd love to hear your lessons on pricing from Maybe contrarian decision to be volume based and that question of could you have been as successful if you were seat based?

**Tooey @ Procore:** No, so our mission is to connect everyone in construction on a global platform I knew from day one that if we went with a seat based licensing model Which by the way, remember i'd run a technology company before this So like that was the only really prevalent model at the time was seat based I knew that what [00:31:00] would happen was our customers were going to make value decisions based upon who was going to get a seat But the way that construction done is, is a team sport.

And so you need everyone to have access to the system, because everyone needs to contribute. So I realized that I couldn't go with a per seat model, because that was going to make it so we were never going to be successful. And so I had to come up with another yardstick. And honestly, the only thing I could come up with was construction volume.

One of our customers one day said to me, Harry, I said, how do you buy other things? And he said, well, I buy our insurance based off of our construction volume. So if I'm going to do 10 million with the construction volume next year, I will buy 10 million worth of insurance. And so I thought to myself, well, here's a way that they're used to buying.

And it's actually a yardstick that actually scales nicely with customer size. So let's adopt this. It was so wildly unpopular with our customers, even till this day, some of our customers don't love it, but it is the ultimate yardstick and we really believe in it. Why

**Harry Stebbings:** did you keep it when it was so unpopular like how did you get over that like do you just [00:32:00] educate them on why?

You chose it

**Tooey @ Procore:** yeah, so we did and you know as one customer would adopt it They would actually realize that it gives them the flexibility to buy more or less a Procore at any given time yet They're able to get all of their team members and their collaborators. You know in construction if we sell the You know, hairy construction, right?

You're going to invite all your subcontractors onto the platform. Those folks are working on the platform for free. They get all the benefits of Procore, but you're paying the bill unless they want to become their own customer. So these folks would go and tell other general contractors, Hey, I'm using this amazing product.

So ultimately. Our success kind of was the driver of adoption of this new pricing model. But like I said, even to this day, I was on a call last week with a customer who's still wishes that we had a different pricing model.

**Harry Stebbings:** you think that CEOs will always need to get on calls? Procore today is a close to 9 billion public company.

Do you think CEOs will always need to close the biggest customers?

**Tooey @ Procore:** So I actually have a very strict line at Procore. I do not do deal negotiations anymore, and I haven't for the last [00:33:00] five or six years. I build relationships with the customers that I want, that I do not want to be transactional. I make it very clear with all of our prospects and all the people

that I'm talking to, customers at Renewal, that I'm not going to be doing the commercial terms.

But what I am going to do is I'm going to be a long term partner of theirs. to put together a joint strategy of success. And so I, I create a very big delineation. I talk to a customer, I think every single day. I think there's nothing more important that a CEO can do than to talk to a customer. Uh, and I actually get kind of blamed for it sometimes.

Like people are like, are you spending too much time? And I just don't believe you can spend too much time with the people that you're serving.

**Harry Stebbings:** Are there any other hard lessons that you think are really important to discuss? As I said, it's such a journey, I don't want to leave out an epic.

**Tooey @ Procore:** So I, I had the privilege of mentoring some CEOs of tech companies that are growing their businesses.

And one of the things that I impart on them, which I wish somebody had imparted on me, was in the early days of a tech company, you do everything. Your job is to do. Like literally, I [00:34:00] was writing code, I was taking out the trash, I was, I was doing everything. At a certain point in your leadership scale, you have to learn how to stop doing and start leading, and it's a really unnatural motion for people that are just used to getting the job done themselves.

And I see it till this day, Harry, with leaders at Procore, not senior leaders, but people that are moved into management roles, the difficulty that people have of letting go of doing the actual work and empowering their people. And I think that that's probably one of the biggest challenges with anybody.

**Harry Stebbings:** I have this problem and then you actually finally delegate it to someone and then they don't do it as well as you. And you go, see, They need me. And so you go back in and do it and then they never learn and they never do it. So help me. Literally, how does one do this efficiently?

**Tooey @ Procore:** You have to let them fail.

Now you want to, you want to minimize the blast radius, right? You can't let them fail with an existential threat, but you, you have to let them fail. I look at this very much like I look at parenting, right? A lot of parents big mistakes are

they watch [00:35:00] their kid start to stumble and fall and they try to catch them and save them from it.

Right. My parenting style was always like if Henry was going to stumble and fall, look, I didn't want him to hurt himself, but if he skinned his knee, for instance, and kids get like. And he would look up at me, I would be like, you know, Hey, that was quite a tumble you just did. As opposed to being like most parents, which are like, Oh my goodness, like, that is the scariest thing I've ever seen, let me help fix you.

Because you want people to learn from their mistakes, and you want to teach them, without doing their job for them, how to overcome those obstacles. So it takes a lot of like, trust in order to do that, but you have to do that.

**Harry Stebbings:** Do you still struggle to

**Tooy @ Procore:** delegate today? No, it's actually, I did for a long time.

I realized that my kind of superpowers are not in the operational activities of the low level detail. One of my mottos has always been know your strengths and know your weaknesses and higher to your weaknesses. So I know what I'm not good at, so I hired these [00:36:00] amazing people to supplement my challenging areas of my, where I'm just not empowered and I'm not passionate.

I'm gladly giving it away.

**Harry Stebbings:** I'm so pleased you said that, because you said to me before, knowing my weaknesses has been the key to my success. Yep. What are your weaknesses, and do you always agree with hiring them away, or should we actually get good at our weaknesses? Some people say so, some others

**Tooy @ Procore:** not. So I'm in the camp of you really cannot overcome your weaknesses to a level that is going to be satisfactory for the business.

At the scale that Procore is at today, I can't be a mediocre finance guy, and I can't be a mediocre HR guy, and I can't be a mediocre salesperson because That's not going to help the business, right? So, I know where my strengths are. I know my strengths are, I set the vision for the company. We help build the annual plan.

I provide resources to our teams. I spend all this time with our customers knowing what their needs are. And that's the stuff that gives me energy and

fuels me. But when it comes to like the low level operations of the business, I'm just [00:37:00] not great at it. So I surround myself with great finance people, and great HR people, great legal people.

Doing all the work that I just am not Great at and I don't intend to be great at.

**Harry Stebbings:** said there about kind of doing the work that you're not great at and you'll never actually Become better than satisfactory at it unless you really really try. I totally agree with you I think there's a lot of perception and reality or kind of Instagram and reality How do you think about the Instagram versus reality of being a CEO?

**Tooy @ Procore:** You know, this is one of the areas Harry where I'm absolutely most fascinated

I always find it's interesting that The way people approach me is, seems to be, they're curious about like, kind of like, what my day to day job is like, so that, the Instagram side of things, like, you must have it so easy, like, you're a nine million, billion dollar company and, things are seem to be going up and to the right.

They don't really understand the complexity of the job and they actually think it's, they think it's easier than it is. In reality, the job, it's a 24 hour a day job. I've been doing it, I've only got 8, 900 days of Procore, right? Never having a [00:38:00] day or a moment off. And, and it's a hard job. Does it get

**Harry Stebbings:** easier over time?

No. I disagree. Okay, this is a good one.

**Tooy @ Procore:** It's different. It gets different, right?

**Harry Stebbings:** I, I agree, but like, Tooie, like, that's just, like, your success is phenomenally unparalleled different to mine. But like, I now am in a beautiful house, and I have Fiji water, yeah, it's really high pressure.

It's quite nice having, like, not shit I'm gonna be on

**Tooy @ Procore:** the street. Trust me, having security and stability is priceless. All I'm saying is the baseline level of, of stress involved has not diminished at all. As a matter of fact, you know, we have 4, 000 employees globally and we have 16, 000 plus customers.

Like there's the blast radius of screw ups is so big that like you can't take that lightly.

**Harry Stebbings:** You said 4, 000 there. Brian said about the amazing culture you have. He said, ask him, what have you specifically done to have such a good culture across now 4, 000?

**Tooey @ Procore:** You have to be intentional [00:39:00] about culture. Were you

**Harry Stebbings:** always intentional about culture?

**Tooey @ Procore:** Actually, I know a few CEOs who really think people are a commodity. I wouldn't say most that all do, but I do think it's important. And so what we have done is very intentionally. We hire to our values. So if you go through the interview process at Procore, you may think you're being interviewed for your skill set, but to get into the interview process, you've already had to demonstrate that you have the skill set to do the job.

The real hurdle they get over is do you live our values and do you value our

**Harry Stebbings:** values? I love a good discussion. Whenever people like we hire to our values, I'm always like, Whose values are really contrarian, respectfully, to you? Does everyone want someone who's, like, hardworking, and ambitious, and kind? I'm not a team player.

I'm largely in it for the money. And I am egotistical. I'm not saying I'm at any of that. But, like, I could be really fucking

**Tooey @ Procore:** great for a business. So the value hiring is one piece of it. The way we solve for that is hungry, humble, smart. we will not [00:40:00] hire somebody who doesn't demonstrate that they're hungry.

And that they're humble and they're smart. And trust me, I've hired a lot of hungry and smart people in this world. They tend to be assholes. And they tend to not be good team players. And they tend to tank culture. And you know what's interesting about culture is once you get a solid culture that's based off of your values and you hire correctly, no longer as a CEO are you responsible to be the keeper of culture.

The business itself keeps culture. I always say it's like angular momentum, which is once the culture's set if somebody sneaks into through it through the

filters and gets in that isn't a cultural fit, the teams eject them. You just can't survive at Procore if you are not hungry, humble and smart. And if you don't live our values, it's just that simple.

**Harry Stebbings:** Was there ever a time where it slightly got away from you? Where I was like, this isn't how I wanted it to be. And can you take me to that

**Tooy @ Procore:** time? Yeah, I've hired people again, because they were luminaries in our industry, and I said to myself, look, they may not be humble, but they're gonna move the needle.

I've [00:41:00] regretted every single one of those decisions that I've made, and fortunately I'm not making those decisions any longer. But yeah, those were hard lessons learned, because Some point, you know, you, you really have to get real and say no to people that might have a big impact on the business, but you just know we're not going to be a cultural fit.

And at our scale, Harry, there's no longer a superhero at Procore who's going to move the needle, right? The only way you move the needle at Procore is you work collaboratively across teams in ways that are inclusive and, Basically brings the highest level of capabilities out of people in order to deliver big results.

And you can't do that if you are kind of selfish and you're an individual contributor who all you want to do is root for your own success. It just doesn't

**Harry Stebbings:** work. The thing that I've done many times and I see a lot of founders do is they hire the brand. they must be great.

And then you got them there and it's. It's just terrible.

**Tooy @ Procore:** We have definitely learned which large tech companies to not hire from because, because, you know, honestly, you can just go right back to the culture that is existent in those tech companies. And you're like, you're basically hiring in that culture.

And [00:42:00] if it's toxic, Do you think

**Harry Stebbings:** there are tells beforehand? I know that sounds weird, but so I have some tells, like if you're a bouncer, you got one year here, one year here, two years here, one year there, negotiation on title. I need to be. Chief of chief of staff, not

**Tooley @ Procore:** just chief of staff. you know, the inverse, which is really interesting is that Procore people will come to us and say, I want to be a senior director. I'm a director. I want to be a senior director. You know, what do I need to do? Our message to them has always been.

do the job as a senior director in the director role and you will naturally get promoted into being a senior director. It's not something that's like granted to you. You don't get this because you ask for it. You get it because you actually do the work and earn it. Will

**Harry Stebbings:** you not then ignore the responsibilities of being a director?

Do you see what I mean? You don't want to encourage people to do your boss's job.

**Tooley @ Procore:** It's not that, but you know what? If you empower your boss by actually helping them do their job effectively, and it's not just about checking the box and doing your 9 to 5 job, you are much more apt to be promoted [00:43:00] than if you just check the box.

I'm

**Harry Stebbings:** always like, are you a plate adder or a plate remover? Just be a fucking plate remover. Find your boss and say, what can I do to remove

**Tooley @ Procore:** plates? Yeah. By the way, we have a saying at Procore is don't be a problem spotter. Be a problem solver. You know, you've come to me with a problem and not a solution, and I'm going to march you right out of my office.

Like, I don't want to hear about the problems until you have, you know, the solution at hand.

**Harry Stebbings:** What do you do in a difficult situation when someone internally wants the promotion, but actually you feel it's an external hire that should get it instead? How do you manage that difficult process?

**Tooley @ Procore:** it's such a broad subject because, you know, for 21 years, I've had to make very difficult personnel decisions. One of my very old mentor of mine, Toby Lutke, as I'm sure you know from Shopify. Yeah, I had him on the

**Harry Stebbings:** show. He's, he's awesome. Someone once described him, if humans could be IP addresses.

Toby,

**Tooy @ Procore:** that might be the best thing I've heard in a long time.

But he said to me, this was probably 10 years ago. He said to me too, what's important about [00:44:00] leadership is if your business is scaling at a hundred percent a year.

That means you and your team needs to be scaling their skill set a greater than 100 percent a year. I took that to heart, which is I look very critically across my leadership team to make sure that my team has what it takes to take us to the next level, not rewarding them for getting us to where we came from.

So I spend a lot of time having those Conversations with folks saying that like, look, there's probably somebody outside of this organization that might be able to do this job where you can learn from them and scale your own career. It's never easy.

**Harry Stebbings:** My question to you is like when people are loyal and they put in the hard work all the inputs are there, but the output isn't there, what do you do then?

You

**Tooy @ Procore:** just make the tough choice. You make the tough call. Now, fortunately, the way business works is that you don't wake up one day and realize that somebody is not scaling, right? You get all of the tails going up to it. you know, if there's a leader underneath me, who's starting to kind of.

Not scale to where we need them to go. You [00:45:00] work with them on scaling, but at a certain point you start having conversations around, like, let's find a place in the organization where you can actually be successful. And then if that doesn't work, then you, with all empathy in the world, you walk them out the door and you help them find another job somewhere else.

And That's the path that it can

**Harry Stebbings:** go. it's so funny. You said there about Toby's advice to you on kind of scaling at a faster rate in the company.

That's really hard to do. Do you ever feel that imposter syndrome and self doubt of, Oh shit. I don't know if I can. Do that or

**Tooey @ Procore:** keep doing that. So remember I'm the college dropout who's a carpenter, right? I was never supposed to be a publicly traded CEO of a successful tech company, right? That was not in the card.

So as we grown Procore and we started hitting scale like around 2017 things started really flying along, I started being asked to go to these investor conferences in the Bay area. And you know, and it was like the time like Jeff Lawson was, there was like. This, there was a certain graduating class that was starting to go show up because they had a line of sight to an IPO.

And I would sit there on these [00:46:00] panels and every single one of the people on the panel would have their Patagonia zip up vest and they'd all gone to Stanford and they all were out of central casting. And here I am like. Carpenter sitting on this panel going like, what the hell do I know? That was kind of an existential crisis personally for me I wasn't Frank Sloatman and I wasn't these other leaders that I looked up to just in terms of pedigree.

**Harry Stebbings:** What did you tell yourself then?

**Tooey @ Procore:** Well, so it's interesting. I'm going to bring this back to my wife, but I was miserable for probably two years I tried, I even went out and bought the Patagonia vest and, you know, whatever. I just like, I'm like, I, I'm desperately want to figure this out.

My wife said to me one day, she said to, you know, on a personal basis, you're miserable. And I'm like, look, I don't know who I am and who I'm supposed to be. And she's like, that's not true. She goes, you know exactly who you are and you know exactly who you should be. Stop trying to be somebody else. And so, it was such a liberating feeling.

Cause I'm like, you know what, I'm my best when I'm authentic and I'm vulnerable, right? So, you know, I grew out my hair a little bit [00:47:00] longer. I, you know, whatever I, and I just started being me and with all of my warts and all of the challenges of who I am, I just. I just decided if I couldn't be my authentic self, I wasn't going to be happy.

And honestly, if they didn't like me for being my authentic self and being vulnerable, they could fire me. Right? But I was willing to kind of throw my badge down on that because I really wanted to be myself. The interesting thing,

Harry, is people responded wildly, supportive, like people loved seeing me be authentic and not be the trying to be something I'm not.

So it actually. It wasn't as scary as I thought it was going to be.

**Harry Stebbings:** I think the biggest challenge is kind of knowing who you are. And I think actually a lot of people don't know who they are. Do you think you always knew

**Tooy @ Procore:** who you were? No, I'm kind of going through a phase in my life right now where I'm really doing a lot of introspection on, what's it all mean?

And you know, who am I and all of that. So I don't think you ever truly know, but I think what you do know again, is you know, your strengths and your weaknesses. And you know, kind of, at the core, who you are as a [00:48:00] person. And if you just stay true to those, the things, I think you can deliver your authentic self every day, and it's fine.

**Harry Stebbings:** I, uh, again, very different scales, but I had a tax bill that for me was humongous and I was very upset. And my dear friend, who's about 70, one of the best investors in the world, said, What makes you happiest in the world? And I said, walking around the park with my mum and getting an espresso.

And he's like, that's who you are, just remember that. And I now just think of like, when one wonders who they are, what single case makes you happiest, Tui? Well,

**Tooy @ Procore:** it's funny, I do this all the time, Harry, which is, on my most challenging days, when things are kind of stacking up, and no good news is landing on my desk.

It happens like that, it's just more shit. More shit, you're like, oh, here comes Horsa. I call a customer, I honestly do. And there's nothing that gets me more excited and grounded in the love of what I do than when I talk to a customer. So I literally do, I'll be like, I'm going to stop everything today and I'm going to [00:49:00] call a customer and it absolutely changes, my attitude.

**Harry Stebbings:** Tui, I teed you up. Okay. I teed you up. I gave you the example of my mother. I gave you the chance to say, I call Hillary. No. New school of customer. Brilliant. I don't want any trouble with my wife, Harry. Thank you very much. No, listen, you got the first like credit in at the beginning. So we're kind of working our way back to neutral now.

I, I do want to just final one on like CEO ship, the common statement is that the best CEO is the best capital allocators, Is that true? Do you think?

**Tooev @ Procore:** Yes, I am a huge believer. I don't know if you've read the book, The Outsiders, but to me, that was an absolutely cathartic experience for me to actually understand that that is truly what, you know, one of the top four things a CEO has to do is be an efficient capital allocator. But really being judicious about how you allocate capital, it's not easy, but it's I'm the responsible party here, so I have to get it right.

**Harry Stebbings:** What's been the biggest capital misallocation decision you've made?[00:50:00]

That's a great question. It is, you're right. I haven't asked it before, but I like

**Tooev @ Procore:** that one. It kind of gets to the regret thing, and I tend not to spend a lot of time thinking about regrets, but I would say

**Harry Stebbings:** Do you not think you learn from the things that didn't go well?

**Tooev @ Procore:** Yeah, but that's why I don't really consider them regrets, right?

Like they're, to me, they're an opportunity to learn, so We haven't made mistakes at the kind of esoteric, kind of the, the big level where all of a sudden it's, we really, really screwed up. I've always been a firm believer, again, this is actually my wife, which, my wife always says the indecision is the decision, but I believe in the The speed and the quality of decisions matters.

So I'm much more willing to make a decision as long as the blast radius is small enough that I can live with it not working. And so you can make lots of little decisions along the way and learn as you go without having to make these big decisions that actually, you know, can tank the business.

**Harry Stebbings:** The indecision is the decision.

I think we should have had your wife on the show. Was that an option?

**Tooey @ Procore:** I'm sure she's available. I can see if she's around. [00:51:00]

**Harry Stebbings:** Chase is like, before we move into marriage, which I do want to discuss, we touched on kind of who we are. I think people lose themselves often, when they make a little bit of money. And it's something that I think more people should think about is their relationship to money.

How do you reflect on your own relationship to money and wealth today?

**Tooey @ Procore:** I don't really think about it that much. Frankly, there's a, a lot of young people will come to me and say, I want to be an entrepreneur. And I'm like, that's not a thing. You don't become an entrepreneur. Like you follow a passion and you deliver, you build a business and you, whatever, you know, so there's this kind of a, of a mismatch between some people are like, I want to be like you cause I want to be successful.

And I'm like, that's not what I am. What I am is I'm somebody who's following a passion. I'm delivering. On the thing that makes me happiest in life. It's not about making money. So I actually don't spend a ton of time thinking about money, frankly, and that's probably a privilege I have.

**Harry Stebbings:** Do you find it seeps into other relationships?

And [00:52:00] I don't mean this too personally, but I find now that like people are quiet when you talk and people won't argue back as much with you and that's actually quite sad.

**Tooey @ Procore:** I had a very recent experience with a group of leaders at Procore who all got together and it was a cocktail reception and I was walking around and having conversations with people and I felt like the entire time, like people were like felt like they were on a job interview with me, right?

It was like, you know, talking about what they've been working on and like, you know, while their work is more important than other work or whatever. And I walked out and I actually called my wife on the way out and I'm like, I honestly value so much just direct. Real feedback. Remember, I'm a carpenter by trade.

Like I'm, I'm not some highfalutin CEO. Like I value the truth and I value kind of the input and you get less and less of that as you get more and more successful. And so I keep a handful of people around. There's three people that I

call my cabinet, right? One is my wife, Hillary. One is [00:53:00] Suzanne, who I think you might've talked to.

And the other one is Paul, my ex CFO. And those three people will call me an idiot all the time. And they'll remind me that my, you know, craziest ideas are crazy ideas. And they basically keep me completely grounded because otherwise, if you live in a world where everyone tells you that every idea that you have is genius, right?

Eventually your craziest ideas get acted upon and they're not genius, right? So like I love having this governor on me, which is, you know, this council of people who remind me how human I am. And that really helps me a lot. And

**Harry Stebbings:** love the way you said the governor there. I love David Goggins. I don't know if you know him.

Oh yeah, of course. Yeah, yeah. And he says like everyone is mediocre and everyone has a governor on their minds and they stop at 40 percent. And so I just immediately thought of that when I heard governor. So you can tell clearly I listened to him far too much. Can I ask, that's one thing, but that's you.

When you have kids You then have to imbue those values on them [00:54:00] And it's very difficult when subliminally they're brought up in a nice house and a nice car how do you imbue and I've spoken to 50 billion dollar founders and 48 said this was the hardest thing but how do you imbue values?

hunger ambition in children When money's not a problem, don't they?

**Tooey @ Procore:** It was something I really worried about when Henry, I have one son, he's 25 now, when Henry was young, but Hillary and I looked at this a little bit different. So we have friends that though they will fly around on a private jet, they want to drive a minivan because they want to show their kids that they're not that or something.

I don't, we don't, we never played those games. We always believed that we would try to make Henry be the most empowered and responsible person we possibly could from day one. We talked to him like he was an adult from day one. And so we, we basically just said, look, you know. Here are the guardrails. Do whatever you can within those guardrails.

If you go outside of those guardrails, all hell is going to break loose. And it did, uh, on several occasions. But within that, you have the latitude to do what you

[00:55:00] want as long as you're doing the right thing and you're not being an irresponsible person. Right? And we are so fortunate that today. Henry is one of the most well adjusted, he's probably the most frugal member of our family, and he, you know, runs a very successful business at age 25, and I couldn't be more proud of him.

Here's a great story. Henry, at one point, he came home from his friend's house, he was like probably six, and he was being, he was kind of acting like his friend. And like kind of being spoiled or whatever. So Hillary said to him, like, look, either you stop acting like your friend and you become Henry or you can leave my house.

So he's like, no, I'm not going to do it. So she got them all dressed up. She packed a suitcase. She pushed him outside the front gate of the house and shut the door behind him. And he learned his lesson very, very quickly, and then, you know, obviously let him back in at a certain point. But just being categorical in how you instill doing right and wrong, and not having any leeway in how you apply it.

Just, it worked.

**Harry Stebbings:** [00:56:00] Henry is 25, Procore is 21. I'm always very nervous, honestly, too, about having children. Because I'm worried that I will be Less performant, mediocre at what I do, because if you want to do parenting well, you've got to be committed. How do you do CEO at Procore well, and be there for Henry for soccer games, for pickup, for whatever that is?

**Tooy @ Procore:** I would say my biggest regret, Harry, in life is that I didn't do more. I wasn't there more. There are big swaths of his life where I was completely consumed by Procore. Fortunately for me, we have an amazing relationship and he and I are like best friends.

**Harry Stebbings:** Do you think that's just what you have to do though?

If you wanna be CEO of a public company, I'm not saying you can do well, but if you wanna be the fucking best, you gotta give it everything.

**Tooy @ Procore:** We dropped him off on the way, coming up north in L. A. And he goes, Hey, Dad, you want to stop with me and go see the Charger game tonight? Football game. [00:57:00] And I said, I would desperately love to do it, but I've got earnings this week and I can't do it. And just because I've got so

much going on. And those are the tough, like, even at this age, where he and I are like best friends, I still have to make those really difficult decisions.

And it breaks my heart, but like, it's just what you have to do, I think. There's not enough time in the day to be able to do both amazingly well.

**Harry Stebbings:** Did you have to do it? Could your CFO not have done stuff like that? I'm just like, you have many earnings calls, like what, for a year? things like that Chargers game with Henry, probably is something you might remember.

Whatever might happen. You're never going to remember this earnings

**Tooy @ Procore:** call. That's a good point. By the way, these are the things I struggle with. Yeah, I'm sure I could have. I do try to prioritize my kind of self stability and wellness first, because if I'm not, I can't show up well. So that was part of my thing was I needed to get home, get a good night's rest.

We had a huge week this week and I didn't want to start behind the eight ball. But yes. What

**Harry Stebbings:** do you do when you feel [00:58:00] super overwhelmed?

**Tooy @ Procore:** if I'm really overwhelmed. Fortunately for me, Hillary understands I'm an introvert. So for me, the very first thing I need to do is I need to get some alone time, right?

So, she will create lots of space for me to do my thing. One of the things that I do, which I'm very, uh, I love is I will build extremely complicated Lego sets. So, and people ask me like, like, that's weird. Like, why do you do that? Well, first, I'm a builder. I like to build. And secondly, the thing with these complicated Lego sets is If you get one piece wrong, and then you go 400 steps past it, you have to reverse all the way back to that step, get it right, and then go forward again.

And I always think of it, it's like business, which is like, every step matters. And so you have to be very intentional, and you have to be very focused. And that focus on that particular act of building these complex Lego sets, allows me to stop thinking about Procore for a finite period of time, and allows me to kind of clear my brain.

And it's something that just works for me. People will ask me, they'll judge my stress level if I'm building a Lego [00:59:00] set or not. Right now I'm not building a Lego set, just to answer the next probable question, but that's how

**Harry Stebbings:** I deal with it. It's the only thing public market analysts should be asking.

How's the Lego? If it's like, it's good. Very busy. It's like, oh, sure. I haven't seen it in years. It's like a strong buy. Related to Henry, obviously, marriage. I'm not married. How do you make?

**Tooey @ Procore:** you know, Hillary and I have been together, we dated before we got married, obviously, but we've been together for like, 35, 36 years, something like that.

We've been married for 25 years. We know each other really, really well. And we compliment each other really well. She's a yoga instructor, right? And I'm a CEO of a public traded company and we have very vastly different worlds outside of each other. And so we basically allow each other to have that space.

**Harry Stebbings:** Do you like that she's not in your

**Tooey @ Procore:** world? I love it. You would be surprised to know that I think Hillary has probably attended. [01:00:00] Less than 10 Procore events in 21 years. She desperately tries to keep a firewall between our family and Procore, and that's her contribution to it is when I get home, we don't talk about Procore, we talk about the family, we talk about our relationship, we talk about our

**Harry Stebbings:** mutual interest.

Is that not hard that I, I have this, but Procore is you 20 VC and Venture is, I can't separate it.

**Tooey @ Procore:** She forces me to I've got a very very strong willed wife I don't have a lot of choice, but it works, you know I would not be able to survive if I didn't have her I wouldn't be a good CEO Procore if I wasn't able to have you know Her supporting me through this process which essentially means giving me time and giving my space that I need to regroup and get kind of performant again, so Let me tell you this because it's like business when I set

out on starting Procore I kind of had this vision of like someday We're gonna be done and everything's gonna be a state of Nirvana, right?

Founders like to tell themselves that when [01:01:00] you get married and you're you know, your early days you're you're like, hey, you know Someday this is gonna be Perfect, right? Neither one of those stories is ever true, right? It's always a struggle and it's always a slog but it's hopefully always a net positive that you actually benefit from and Fortunately for me with my business and my wife i've been extremely successful

**Harry Stebbings:** I had a guest on the show the other day and they said hurray hurray You don't understand the thing that people get wrong about marriage is they conflate marriage and happiness.

Yes. It's not about happiness It's about persistence boy

**Tooey @ Procore:** Yeah. And you know, you asked me before, does it get any easier with Procore? Same things with marriage, right? It doesn't get any easier. Things become different, but you know, you still deal with challenges. Everybody does. And that's just, that's life.

You know, that's one of the things I think a lot about these days is that I think there's an like perception that life should be stable and safe and predictable. People want that, right? But life is anything but that. Life is [01:02:00] actually the complete opposite of that. And the more resilient you are, and the more agile you are at dealing with adversity, ultimately the happier you are.

So, I think we have to dispel with the myth we're all deserving of stability and safety and happiness in our lives because that's just not a natural state.

**Harry Stebbings:** Listen, I want to move into a quickfire answer. I say a short statement, you give me your immediate thoughts. Does that sound okay? Sure,

**Tooey @ Procore:** go for it.

**Harry Stebbings:** What do others not know that you know to be true?

**Tooey @ Procore:** First and foremost, that if you do what you believe in, and you're lucky. You can be successful, And I do believe that, wholeheartedly.

And I don't think a lot of people fully understand that. That you, literally, anybody can be successful if they follow their passion and they have the amount of luck that's required in order for you to get there. You can be successful.

**Harry Stebbings:** if you were to allocate percent versus skill to the success of Procore, what would you say it is, out of a hundred?

**Tooy @ Procore:** Well, I would give skill probably the lowest ranking. I would give persistence the highest. [01:03:00] I, I would say that's a skill. Okay. Well, if you can, if you call that a skill, then yes, I would say the skills. Yes. I guess you did the, the luck side is I consider myself to be very lucky. I think about moments in my life that had to have happened, literally like single moments in my life that had to have happened that got me to where we are today.

And it scares the life out of me when I think about like, if I had just done one thing differently at that point, like none of this would be true. What's the most memorable? Starting Procore was one. What I had decided was I was going to wind down my other business and I was going to wind up Procore and that was not a rational decision.

You know, I was making a lot of money and I was very successful and stable in my last business. So that was not one. I had a moment when I was transitioning from construction into technology. We're literally a family friend knocked on my front door. I had just quit my construction job and I didn't know what I was going to do.

And he offered me a job in technology. And I said, yes, I knew nothing about technology, but he [01:04:00] wanted to work with me and he wanted to mentor me. If I had not said yes that day, standing in my front door and my house in Sausalito, California, I wouldn't be here today. What's the

**Harry Stebbings:** biggest thing you and Steve have disagreed on?

**Tooy @ Procore:** Generally, it was resource allocation. And he was right, and I was wrong. Remember, I'm the kind of maverick product, customer centric one. I wanted to build, build, build. Deliver, deliver, deliver. Spend, spend, spend. Here's a great example. In the very early days, we went to a trade show, and we had no money. And we barely could afford to be there.

And I think we were all sleeping in one hotel room in Las Vegas together, like on the floor. And we went to the floor of the trade show that day. And there was

a booth where they were making branded hats. So I went over and I bought 10 Procore hats and I brought him back to the booth and it cost a hundred dollars.

Steve lit me up. Like I had just like tanked the business. He's like, We don't have a hundred dollars. Like what are you spending a hundred dollars on Procore branded hats to give away at our booth for? And we literally had like this like huge kind of knockdown drag [01:05:00] out over the a hundred dollars. So yeah, that was, that was a tough conversation.

And by the way, I still have one of

**Harry Stebbings:** those hats. Well, someone's the grandpa on the lawn, aren't they, huh, Steve?

**Tooey @ Procore:** We wouldn't be here without the grandpa on the lawn. He kept us afloat, so. You need a

**Harry Stebbings:** grandpa on the lawn.

You can be CEO of any other company for a day. What company would you be

**Tooey @ Procore:** CEO of? I would think it would be Microsoft, because I have the fortunate privilege of having Satya be a mentor of mine, and I am absolutely fascinated by the complexity of that business, and how he make sense out of it all. Like I always think Procore is complicated.

We have, you know, 11 products and we're, you know, whatever, 10 different countries and 000 customers. I don't know how you get your head around a 3 trillion business. And it's just, to me, it's fascinating. So I guess if they would give me the reins for the day, I think I would choose Microsoft. What's the right way to view competition?

Keep it into a healthy perspective. I definitely think about our competition. But not very often. I think about our customers always. And, you know, we used to have a NASCAR in Procore, [01:06:00] which was a race car in the U. S. And we sponsored it. And one of our drivers once said, you know, the way I think about competition is you can either stare at them in the rear view mirror and lose the race.

Or you can stare forward at the finish line and win the race. And so I've always kind of taken that to heart, which is like, Listen to your customers, do what's right, and you'll win. And you can just bet on the fact that your competition is

not going to be doing it as well as you. So I don't really spend a lot of time thinking about

**Harry Stebbings:** them.

You can have dinner with anyone, dead or alive, and ask them anything. Who do you have dinner with and what do you

**Tooy @ Procore:** ask them? my dad's father, my grandfather is no longer with us. I would give anything to have a meal with him now that I've, it's funny, I'm getting a little choked up, but now that I've gotten to the point where I am in my career, he had taken this company public back in the seventies and he ran a very large bank and he was the ceo of and I watched him and he was a role model of mine and he always carried himself with such dignity employees, but also authenticity.

Like he treated. The person who opened the door for him the [01:07:00] same way that he treated his board members. So I would love to sit down with him and just kind of compare notes. Like, how would you grade me on my performance, and what can I learn still from you would be the biggest privilege in the world. Did he see

**Harry Stebbings:** your success?

No. I'm sorry, I think boys always want to impress fathers and grandfathers.

**Tooy @ Procore:** Well the good news is, my father is still around, doing very very well, and he is surprised. He is, he is surprised. Like literally I was the kid in the family they had written off. Like I, you know, and in my family, once you graduated from college, which I did not do, you got a free trip to Europe with the family to celebrate your future success.

You got, you get all these privileges. Well, I didn't do that. So like, they literally had written me off. I was working as a construction worker making 15 an hour living in a tiny little apartment. I was not the one that was supposed to be the success in the family. So he's still, I think, relatively surprised by what's happened here.

**Harry Stebbings:** I mean, that is just amazing. I'm a uni dropout too, so sadly never quite got that certificate. What's the best piece of advice you've been given?

**Tooley @ Procore:** This is seems kind [01:08:00] of trite, but I was sitting in the front row of a class in college before I, I dropped out and I was doodling on a piece of paper and the professor walked up to me and she said to me, she said, Hey, you want a piece of advice that will change your life forever?

And I'm like, sure. She's like, when you have five minutes like you do right now, do a five minute job, tackle something. And I swear Procore would not be where we are today if I didn't think about that every moment of my life. If there's ever a moment of idle time, I find a way to fill it with something productive.

And so therefore I am highly productive all the time. And I honestly think it's been one of the best pieces of advice anybody's ever given me.

**Harry Stebbings:** Did you always know you'd be successful?

**Tooley @ Procore:** I never doubted that I would be okay. I never in my wildest dreams believed that I would be where I am today. I would have never even given myself that latitude.

But I always felt like I was going to be okay. And I think that's one of the reasons why we survived the hard times. Is I just always believed that worse came to worse. I could go pick up a hammer and I could go to work. And I could make an honest [01:09:00] day's wages and I would be fine. What's the

**Harry Stebbings:** most lavish spend that you've had?

**Tooley @ Procore:** So, you know, I like construction and I own a ranch and so I bought myself a caterpillar bulldozer And I spend the weekends building roads and bulldozing things and I love it. Come on I had

**Harry Stebbings:** I had Cuban on he's like the Gulf

**Tooley @ Procore:** Stream was pretty nice. I Don't own a plane. By the way, I drive a Five year old Toyota Tundra pickup truck.

That's all beat up and has a bent frame. Like, and then by the way, I don't do that because I'm trying to prove anything to anybody. I just do it because it kind of falls back into that authentic self. Like I'm a construction worker. Like I, I, there's just, I don't need all of that.

**Harry Stebbings:** Good for the brand. I'm totally with you.

No, I honestly, I think that's great. And I'm so with you. I never get watches, never bought watches. I may

**Tooey @ Procore:** have just bought myself a decent watch for the very first time in my life. actually my son, Henry, who's kind of likes watches. He's the one who turned me on to this, but it's not a fancy, fancy watch, but it's more than the Apple watch that I normally had worn.

We won't tell Hillary.

**Harry Stebbings:** It'll be our

**Tooey @ Procore:** secret. [01:10:00] Her way, her, her motto is you buy yourself something. I'm going to buy myself something. So that's the way it works. So we're very open and transparent.

**Harry Stebbings:** final one for you. where do you want to be in 10 years? You said about kind of this interesting.

Intersection of your life. Why do you think two years and ten years time?

**Tooey @ Procore:** So I'm still only 56 years old. Let's assume they haven't put me out to pasture yet here at Procore But I would say at that point, you know, I am probably getting ready to think about retirement Look, I've got this ranch that I love.

I'm always building things. I just built a barn. I just built a deck I just built a some outbuildings and I'm building a Western town up there with like a saloon and a jail and a Bakery and all this other stuff. So I'm going to have my tool bags on I'm going to be at my ranch and i'm going to be building something.

**Harry Stebbings:** Listen. I absolutely love it to you I've so enjoyed this discussion. Thank you so much for putting up with my british humor my Wayward questions you've been fantastic.

**Tooey @ Procore:** No, thank you very much. By the way I feel like i've been having dinner with a great friend, you know for the last hour and sharing a bottle of wine So, uh, I [01:11:00] appreciate it and thank you for putting up with me as well

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