

Karen Zelnick:

To be a successful entrepreneur, you have to be adaptable. Sometimes, so adaptable that you're completely rewriting the story of your company. To give insight on how you can remain motivated through it all, we're talking with Rachel Hofstetter, CMO at Chatbooks. And investor, Gavin Christensen, to bring you both sides of a Perfect Pitch. What is Perfect Pitch? It's podcast from Kickstart that reveals the minds of both investors and entrepreneurs throughout a startup's journey. So whether that's uncovering what everyone's really thinking during a startup pitch or learning how entrepreneurs like you have managed their first major roadblock. Perfect Pitch offers an honest, quick and tactical guide to help you on your startup journey. I'm your host, Karen Zelnick. And I'm excited to introduce you to Rachel and Gavin.

Karen Zelnick:

So Rachel, I want to tell our listeners a little bit about you. You're currently the CMO at Chatbooks. Before that, you were the CEO and co-founder of Guesterly, an event service company. You were the editor at O, the Oprah Magazine and the author of a bestselling business book, Cooking up a Business. I have an entire list of awards here that's so long, I'm not even going to attempt to read it because it would take us all day, but congratulations. And now I'd love to know what else we should know about you.

Rachel Hofstetter:

Well, thank you for all that fun intro. And the thing that I love to do when I'm not accepting awards, obviously, is hike. We have amazing hikes here in Utah and also in the surrounding area, but I have a book called the 60 Best Hikes in Utah, and I'm working my way through it. I'm about halfway through the whole list, but that is what I love to do on the weekends, is get out here in Utah and hike. So any recommendations, I love to hear them.

Karen Zelnick:

Well, Gavin's an adventurer. I know he was just recently taking an adventure. And do you have any recommendations for Rachel, Gavin?

Gavin Christensen:

Well, she's done a ton of hikes, so I would just say, hey, definitely would recommend Capitol Reef, was there this last weekend with my family. We didn't do as much hikings I'm sure Rachel would do, but I did do some one wheeling, which was great on some trails there. We did a little bit of the, the final highlight I would say was the trees. So they had these amazing 200, 300-year-old Cottonwood trees that are about 10 times bigger than any Cottonwood tree you've ever seen in your life. One of them, it reminded me of childhood memories of the Berenstain Bears book, The Spooky Old Tree, which was a kind of a cool memory for me. I don't know if you guys know that book.

Karen Zelnick:

Well, I was a huge Berenstain Bears fan when I was younger. I had every single Berenstain Bears. It's tough a tongue twister by the way, a Berenstain Bears book, that was ever printed. So yeah, I remember The Spooky Old Tree. We'll put a picture of it in the show notes. But I could talk about children's books all day, but I do think it's time that we dive into discussion of why we're here about talking about founder stories and entrepreneurship. So Rachel you're living the high life in New York. You're the food

editor of, O, the Oprah Magazine. You got a book deal from Penguin to write a book about startups for indie food startups. Living the dream, it seems like. So I would love to know what caused you to shift from this world to starting your own company.

Rachel Hofstetter:

I took a crazy leap, said, let me just try to do this. I have no idea how to build technology company, but that first year was exhilarating, all encompassing. I actually started a Word doc where every night I would just write down two or three things that happened that day, because so much happened so quickly. You look back a week earlier and your whole view of the world would've changed in one week. And then a week forward, it would all change again. And it would be a whole different way of viewing the world. But that was how I jumped in. And honestly, I kind of said, let me try this for three months, see if anything happens. And we launched in six weeks and launched it. We're featured in Glamour. And the next day, Real Simple. And this old school thing called DailyCandy, that doesn't exist anymore.

Karen Zelnick:

I loved DailyCandy.

Rachel Hofstetter:

I know OG. When DailyCandy featured us, I was like, "Oh my gosh, we're done." And there were a lot of really exciting things that happened at the very beginning. They didn't always lead to lots of sales, but they were very exciting and very validating and kind of made me say, "Okay, well, let's try this for another season." I did the first three months. Let's try it for three more months. Let's try it for three more months and just see what we can build. And so that's how it started.

Karen Zelnick:

The passion with which you're talking about that makes me excited. I'm like, I should also do that.

Rachel Hofstetter:

Well, the beginning is fun, I will say, then it got harder.

Karen Zelnick:

Yeah. Let's talk about the harder. So you actually even pitched Kickstart.

Rachel Hofstetter:

Yeah. So we kind of had about a year in New York and then my husband and I finally realized let's move somewhere else. Let's try this in a different environment, maybe the environment that was not quite as expensive as New York City, for example. And we had had a moment where it seemed like, okay, maybe this is working. Maybe this is really something that is going to drive money. We went and pitched Kickstart, which I have a couple of memories about that. The main memories I have were I really, really prepped for it. I love standing in front of a crowd and giving speeches. And so, as I was practicing, I remember standing in front of the conference room, giving this whole speech and people were like, "No, don't do that. Do not stand up in front of the room, sit down, have a conversation." Which is very good advice. That is what you should do. Like Gavin, that was the prologue to coming into your office. Well, there's some plot twists coming on all of this, but maybe I'll let Gavin jump in.

Gavin Christensen:

There is.

Karen Zelnick:

Yeah. Gavin, jump in with your thoughts when Rachel first came in to pitch.

Gavin Christensen:

Yeah. I remember kind of where it was. That was a much scrappier office that we were in at that time. I'm sure we had just finished a round of pizza. I think that our office permanently kind of smelled like pizza, which I'm sure you knew.

Karen Zelnick:

That's amazing.

Rachel Hofstetter:

Gavin, do you remember the stand of stance socks in the corner? Oh yeah. People told me about that ahead of time. They were like, they will probably give you some stance socks on the way out the door.

Gavin Christensen:

Nice. I love it. That's so great. Yeah. So I definitely remember because at the time, our impression was like, wow, this is an amazing founder. We need to figure out a way to work with her. This is pretty close to Chatbooks. We have an important investment in Chatbooks and I was on the board and still am of Chatbooks. And we try to avoid investing companies that are similar or will converge. So we did something that never works, which is-

Karen Zelnick:

Is this the plot twist?

Gavin Christensen:

Yeah, yeah. Without burying the lead too much. So we did something that never works, which was that, is there a way to work together, really secretly hoping that Chatbooks would acquire the company. And we could have the benefit of Rachel's vision and product combined with Chatbooks. And like I say, that never works because it's like two different groups of founders and our culture, their culture, your priorities, my priorities. But so much of the venture funding process is relationships with people and working through various challenges. That if, when you find people that you're like, man, I really want to figure out a way to work with this person as a venture capitalist, let's say. And I just think about seeing Rachel here, just like how much we've been through together already, right? Rachel was an entrepreneur. She wasn't a mom yet. And there's so many things have happened, but that's-

Rachel Hofstetter:

It's crazy being here. Yeah, almost six years later. I think Gavin and I first talked September, 2015. And to Gavin's point, a lot has happened in six years. And we've built something really amazing collectively at Chatbooks and of course lives have been built too. But at the time what's amazing is it probably was pretty crazy, but it didn't feel crazy. It actually felt very, very right. It's funny, probably a question I get

asked the most was, what was that transition like for you? And going from technically being a founder to technically being an employee? And the short answer is it didn't feel like anything. And that's because I came in feeling like I owned the company, like any startup employee does. If you have equity in a company that work for you, do own it. I felt that very intrinsically, but also Nate and Vanessa who are the co-founders of Chatbooks, really empowered me with a sense of ownership too, that we were going to build this together, along with the other executive team members, Dan and Steve, who were there at the time and Lauren who has since joined.

Rachel Hofstetter:

And so I think it felt like I went from owning one thing that I really cared about to owning another thing that I really cared about. And so I think no matter where you are in your journey as a founder or as an employee, wherever you are, that sense of ownership is so important and it makes it a lot more fun too.

Gavin Christensen:

It is, it is. One of my mantras Rachel is, the thing that separates founders from other people, other than an appetite for risk and all kinds of things like that. But the main thing is, the thing that they're founding, they just care more about that than anyone else does. And really all the behavior that's so great about founders and all the outcomes kind of come from that source of just caring more. I think it's probably important to note that what you pulled off with the acquisition of Gustomerly, and your role at Chatbooks is kind of rare, because that takes a very flexible person. I think it shows how rare the culture is at Chatbooks too, that they can partner with another founder and kind of merge the vision and keep everybody excited and motivated. So it's been special to be part of that and see you guys do that, but I think you brought that amazing passion and caring more than anyone else to that common vision.

Rachel Hofstetter:

Nate and I were talking about this recently, we've worked with some consultants and people who have been at really great startups that we really are impressed by. Sometimes it's so interesting though, because it's the people on our own team who just care so much that really bring the magic. And you're like, wow they have a really fancy background. And to be honest, we expected something really great. But the caring is honestly what matters more at the end of the day.

Gavin Christensen:

Yeah. It's what leads to the extra effort, the extra insight, the attention to detail, all those things.

Rachel Hofstetter:

I was going to say something else that I'll just share because I think it was really important in the transition, is I went in on day zero with this mindset that Chatbooks success was my success and that it wasn't about building Gustomerly up within Chatbooks. It was about doing whatever was best for the ultimate Chatbooks success. That could come in many forms. I think it's shifted over the years for all of us of what that product is and what that brand is. And so to your point Gavin being really flexible, but it was just a very, very conscious decision for me that it was not about Gustomerly succeeding with inside Chatbooks. It was about Chatbooks succeeding.

Karen Zelnick:

And Gavin mentioned Rachel you're flexibility, which obviously, you're speaking to a little bit there. Has that come naturally to you or was that a skill you had to develop and do you have any tips for people listening on how they can become more flexible and adaptable?

Rachel Hofstetter:

You know what, I think it's always looking to two things. What is exciting without shiny object syndrome, but where are things moving towards? And so when I worked in magazines, magazines were fantastic. At the beginning they were still growing. It was an exciting industry. There was a lot of stuff happening. Then it was okay, startups look really, really interesting. It's emerging. None of us even really, except for Gavin, we're talking about startups 20 years ago. And then it became this more exciting thing. And so I think as much about flexibility, it's just also being opportunistic and looking to where things are growing, and moving, and following that. If we all just stay with what we knew five years ago, we'd all be dead in the water as a company and marketers. We have to keep evolving and essentially run where the ball is going. So I think that's how I kind of think about the flexibility too, is don't stand where you are, because the ball is somewhere totally else on the field. So just keep running where that ball is going.

Gavin Christensen:

Maybe just another tip out there for younger listeners is, so much better to have a few relationships where you've really created value for people than just knowing a lot of people. And then they become not just like, yeah, I know them, they're great, to like, that person is incredible. Rachel, she does this sort of naturally it's really got her embedded in this community incredibly quickly.

Karen Zelnick:

Yeah. And too, I think it helps with the times where your passion, your energy around something lags, it helps maintain that momentum. When you are really invested in the people around you and the community around you, not only are you taking ownership in your company, but you're owning the culture that you're creating in the entire community. So I love that point. Thank you so much, Gavin.

Gavin Christensen:

Gotcha.

Karen Zelnick:

You bet. I want to transition a little bit Rachel, because as a former editor and an author, you're clearly expert at storytelling and we talk all the time about how important storytelling is for founders. How has that translated in your business at Gusterly and then also at Chatbooks?

Rachel Hofstetter:

I think where in what I would call an attention economy right now, even, especially in 2021 where the attention we give someone is the most valuable currency. Whether that is us talking right here, or a listener listening to this podcast, or when you're scrolling your phone on TikTok or Instagram or what have you. It's all about fighting for people's attention. But what I've seen really interesting over the last 20 years is how storytelling has evolved. And I think it will continue to evolve. And we think of the traditional heroes journey story, which is great for a novel or even the beautiful long form magazine articles I used to design out and edit where I would have 2000 words to tell a beautiful story. There is not a ton of attention for 2000 word articles. There is still, but I'm super impressed these days by people

who are telling stories in really quick bite size formats. As an example, one that's very top of mind right now in the marketing space is a company called Hill House named a product, the Nap Dress.

Rachel Hofstetter:

That's literally two words, it's a name of a product Nap Dress. And yet there's a whole story tied up in that. You hear the name, you're like, wow, a dress that you take a nap in. That's a whole light. That's a whole vibe. There's a hero in that story. And you better believe they are taking a glamorous nap at 3:00 PM. And so stories can be that small as where I'm going with the Nap Dress example. But even we did an ad for Chatbooks a couple years ago and it starts out with a mom in the bathtub. And she looks like she's having a relaxing bubble bath, and isn't that great? And you're like, wow, that mom is not me. And then she stands up, and she's fully clothed, and it turns out her kids are running around and things are crazy. And she slipped and she fell into the bathtub. That is 15 seconds when that happens. And you have a whole story and then there is more to the video, but hopefully that first 15 seconds kind of hooks you.

Rachel Hofstetter:

And so I think that's where I get most excited about storytelling is kind of what story can you wrap up in 15 seconds or less? One more example of this by the way, is memes. Memes are great because you get a whole story in one teeny little piece, right? It's like, oh, I have all this other context that now makes this funny or interesting or means something. So as a marketer and even what we're doing at Chatbooks right now, it's constantly trying to wrap up our value props, who we are, what our products are, who we are as a brand, and as bite size as you can get. This isn't even bite size candy bars anymore. It's the teeny teeny one fourth of a bite size candy bar. But you can get so creative within those constraints.

Karen Zelnick:

And then think about how much more that teeny bite leaves you wanting. So the effect of that storytelling. Yep.

Rachel Hofstetter:

That is my, oh my gosh. I just went on a soapbox about storytelling, but I think it's the bite size stories right now that are really exciting.

Gavin Christensen:

I love this insight around the micro storytelling. In some ways it's almost like a collective consciousness that we have because of all the layers of digital and social media, where we can tell a story at the tip of the pyramid, because of all this deep context that we've gotten, because we've over consumed in so many ways.

Rachel Hofstetter:

If you just see a meme, it shouldn't be funny, but because you know all the layers underneath, it is.

Gavin Christensen:

Yeah. That's right. Yeah. You're like, well, because Gandalf, and then Flintstones, and Michael Jackson. Yeah. Yeah. Okay. Yeah. You know, what's funny is, I have a 17-year-old, he'll do these meme sessions with his cousins. They'll just sit there and look at memes for an hour and laugh. As a parent, it's just kind of like, I can't handle it.

Rachel Hofstetter:

It means they are creating all these storytelling connections gather.

Gavin Christensen:

There you go. That's right.

Rachel Hofstetter:

It's really, really good.

Gavin Christensen:

It's education. Yeah. There you go.

Karen Zelnick:

We've reframed it. That's great. Gavin, how have you seen storytelling evolve for founders, especially as they come to pitch you or what should they know as they're pitching about how to tell their stories?

Gavin Christensen:

Some of these same principles apply, which is there's a broader context of startups and technology companies. A tapestry that it's important to be able to define yourself clearly and show how you're different, but also in the context of that broader tapestry. So I think that actually is an important part of storytelling. It can get kind of trite, where like Uber, but for you know, doing kind of that thing is maybe too much. Founders really forget to add interest to the story. There should be a main character. There should be conflict. There should be a plot twist. There should be a villain. How that person, that customer, that employee kind of insert themselves into that hero's journey description is part of how you get someone to do something that's not strictly rational. Give up pay, give up prestige, give up et cetera, et cetera. So I think maybe thinking about the elements of the story and making sure that you don't just jump to the end. How about this? Not always short form. Have the elements there.

Karen Zelnick:

Show that you've thought through who all the players are going to be. And what's down the road a little bit. Speaking of bite size stories, we like to keep these easily digestible on someone's commute or on a workout or something. But I do have one final question for you, Rachel, and that is, what's an effective practice you've implemented in your work, or personal life that's had a great impact on your success.

Rachel Hofstetter:

This may not be bite size, but I think-

Karen Zelnick:

Even better. Yeah. Gavin just said they're not all bite size, so it's great.

Rachel Hofstetter:

Yeah. Hero's journey. So talk me about that year, that Gusterly was acquired by Chatbooks and I joined Chatbooks, that happened in November. But I went into that year in a bit of a slump. I just went wasn't sure what the next level, what the next stage of this company looked like. I just moved to Utah. I didn't

know what the next stage of my life looked like. And so I really kind of wanted a way to cut through that and figure out what I was doing next. So I invented this challenge for myself. I called it the year of hustle. For me, that meant literally 365 days, where I was just going to go at my absolute highest level. I was going to reach out to everyone. Gavin was one of the people on my list that year. I literally made lists of hundreds of people and I worked my way through it and we built software and launched things. And I called customers one on one. I just did all the things, 7 days a week, 18 hours a day. And I went as hard as I thought I ever could.

Rachel Hofstetter:

But it was amazing because the more you do, the more it starts to unfold. And the more that opens up for you, and the more possibilities kind of come out of nowhere. Kind of another way of saying that you make your own luck by putting things out there. And so year of hustle was really pivotal for me. And so since then, I've continued to try to create these seasons and they're not always a year. And I think whenever you're unsure about what the next step is, or you just kind of don't know how to break through or how to structure a season of your life, giving yourself this kind of time delineated challenge. It's only for a set amount of time to kind of put it on the calendar. You have a very clear concept. Then you just use it to break through a little bit and open new doors that you might not know were there or spark new ideas. So I would say I've used that time and time again, this idea of a quick challenge to restart things and I highly recommend it.

Karen Zelnick:

Gavin, have you seen that practice plan out for Rachel in Gusterly and Chatbooks?

Gavin Christensen:

I definitely saw the results of it, and the network she's creating, and the value she's creating, but didn't realize there was seasons of hustle behind it.

Rachel Hofstetter:

Yeah. Hashtag year of hustle, sounded good on Instagram too.

Karen Zelnick:

Speaking of the fact that Rachel is so good at motivating, and mentoring, inspiring people. I remember talking to her about this concept and one in particular, Rachel, that you mentioned was, think it, do it, that one that you had remember that theme?

Rachel Hofstetter:

Yeah, that was two years ago.

Karen Zelnick:

And there are some times where you're having a day where you're just, I'm a little sluggish today and I was like, nope, today's my Think It, Do It Day. I'm just going to get it done. And so it's been motivating for me. So I also encourage listeners to do that too. Stuff like that has been very helpful. So it's been so great to have you on. I've loved this discussion. I've loved all we've talked about as far as the ways you can think about being an entrepreneur, not just starting your own company, but also just within a

This transcript was exported on Sep 21, 2021 - view latest version [here](#).

company, and taking ownership, and having that hustle there. It's been really, really lively and enriching discussion. So thank you, Rachel and Gavin for being here, really appreciate it.

Rachel Hofstetter:

Yeah. Thanks guys. This was so fun.

Karen Zelnick:

And of course thank you for listening. As we dive deep into what it takes to create the Perfect Pitch. If you want to learn more about our investor, Gavin Christensen from Kickstart, or Rachel Hofstetter and her amazing marketing team at Chatbooks, we'll have a link to the company and longer bios in our show notes at [kickstartfund.com](http://kickstartfund.com). You can listen to more episodes of Perfect Pitch wherever you listen to your podcast. And if you like what you're learning, leave us a reviewer or rating. We'll be back next time with more insights from entrepreneurs and the investors who fund them. So be sure to subscribe, so you don't miss a thing.