A Conversation with successful entrepreneur and startup leader Aaron Shapiro
By Kavi Bharara

For the second installment of the Business & Entrepreneurship Club's *Interview Series*, I sat down with a Dalton parent, Aaron Shapiro. Shapiro is a serial entrepreneur and business leader with a wealth of experience building and scaling successful companies. Shapiro is the founder and CEO of Dayforward, a venture-backed digital life insurance company, and Chairman of Product, an AI-driven marketing agency. Previously, he founded and led Huge, a 1,500-person global digital agency that was acquired by IPG, as well as Silverpop, a marketing automation SaaS (Software as a service)company acquired by IBM. In a room filled with curious students, Aaron shared how his lifelong passion for creating led him to entrepreneurship, from childhood ventures to founding multiple successful companies. He also emphasized that the key to building a business is solving real problems, embracing failure, and continuously adapting.

See part of the interview transcript below:

Kavi:

The first question I want to ask is prior to getting into entrepreneurship, maybe at a young age, what sort of drew you to this idea of starting something from nothing?

Shapiro: Yeah, so I've always wanted to start a company. From when I was your age, I was always interested in doing business, including silly things. Like when I was in elementary school, I tried to start a board game company that went nowhere, but I thought it was really great.

And then I taught myself how to program, and I was always interested in programming stuff. So I always wanted to do it, and I was just waiting to be old enough. And so, I then started my first real company when I was in college. So, it's something I always loved, and the reason I’ve always loved it is probably, you know, why you guys are all in this room, which is I personally love to create things, and to me, entrepreneurship was the best way to just build something from nothing. And, I read all the stories of my generation's version of like Zuckerberg and stuff like that, which for me was Bill Gates or Steve Jobs. And that was our aspiration, [which] was to follow those footsteps and create really great products that millions will use and eventually change the world, which sounds cheesy, but that's what drew me into wanting to start a company.

Kavi: When you launched your first company, you mentioned this was in college. What was the first setback you faced that let you know that this[the challenge of starting companies] was a reality?

Shapiro: Yeah, so the first company I started was in college. I went to Harvard undergrad, and I joined the Harvard National Review, which is a magazine that was run by students, but it was totally dysfunctional. Everyone was fighting, yelling, and screaming and I was like, screw this, I just want to start my own magazine. And so, with my roommate across the hall from me, both of us said we'd start a magazine together. We thought, if we're going to start a magazine and put in all this work, why not make it a company and make money off of it, instead of it being a student publication that disappeared that we have to hand off after four years. So that was how we initially started it, and it was kind of silly. It was just like a lifestyle magazine for guys, pretty much glorifying frat life and partying and stuff like that. And then to try to make it a real thing, I said I wanted to learn something about the magazine business, so I got an internship at Time Inc, which at the time was the preeminent publication. The very first day, I got the company directory, and I spent the whole summer basically calling all the most senior people in the company I could think of- just cold calling their office and saying, "Hey, I'm an undergrad and an intern at Time Inc and I would love to meet with you to get career advice.” And so I'd run around and I met everyone famous. My direct boss was jealous because I met literally every single executive leader in the company.

Then, through that, I met their distribution group. We distributed magazines, and I pitched them to the magazine newsstands, and they amazingly agreed to do it, and that's what got the company off the ground. So that was how I started my first business.

Kavi: That's a lot of your initiative there.

Shapiro: Yeah, I mean, look- the thing with starting companies is, I've learned two things. So first, starting a company is really easy and really hard, but the core thing is, it's just solving a problem. If you guys all want to start a company, the easiest way to start a company is to think of a problem that you personally have, and that other people have too, and that they'll pay for, and then just **solve** that problem. That's what it's about. People have this idea that it's about building this perfect work of art, or this really cool software whatever- all those things fail. It's about finding a problem and solving it. I'll give you a really small entrepreneurship example. My youngest son Alex, who's a sixth grader here, was walking around with his friend along Central Park and he saw all of the tourists going and getting water, getting ripped off, getting charged five bucks for a water bottle. So what did he do? He and his friends went to Target, bought tons of water bottles, and this weekend were selling the water bottles for three dollars and sold out. It's a really stupid example, but that's the essence of every business. You just solve a problem that people have. And if you're laser-focused [on] solving a problem that people have, then you're going to build a successful company.

The other secret I'll say is that you cannot be afraid to fail. Most businesses fail. That's the reality. You can write a really impressive Wikipedia [page], and everyone's impressed by the background, but what you don't hear in these stories is all the failures that come with it. The reality is you can fail 15 times, but if you succeed on the 15th, then you're, to be crass, rich, right? So you just have to realize that you're smart, you go to Dalton, you'll go to good schools, and you can always get a well-paying job. But if you just take the risk and go for it- you might fail the first five times- eventually, you'll succeed.

Kavi: So, back to that point of failure, is there an example that you can share, maybe, of a certain time when you faced failure and a lesson you drew from it that you took into your career?

Shapiro: Yeah, definitely. I mean, I can even talk about my current company, which has had failure and success, right? So, Dayforward was launched thinking that we would sell life insurance to consumers. And [for] lots of reasons I won't bore you with, that business does not work, and it failed. But, in the course of doing that, we saw that our software was very valuable. And we started selling that software to other large insurance companies, and that's what made the business really successful.

My first company, Silverpop, is a very similar story. I started Silverpop when I was right out of college, pretty clueless, and it was the early days of the internet, so I thought I would make entertainment for the internet. And the way I would do that was by creating fun animations and videos that you would share around by email- basically email greeting cards.

And so we launched it, it got tons of traffic, and because tons of people sent it around the internet and wanted to share these stupid animations, it was briefly one of the top 500 websites on the internet. But we couldn't make a single dollar because we couldn't make any money in advertising, and no one would pay for it. And we kept on getting phone calls from advertisers who wanted to use animated animations for advertising and I was a snob, and I was like, no, we're not going to do advertising, we're not going to sell out, we're not going to have people take our technology and send spam to other people. And after six months of churning down companies, we realized we're being idiots, and we're going to go out of business.

And so we said, yes, we will listen to the market. People want to use this to solve their problem, which is that they want emails that people will pay attention to when they send them out, right? And so we pivoted to that focus.

And that's what made the company take off and eventually become really big and sell to IBM as a really big exit. And it was all just because we listened. We saw that our initial idea was terrible, but the market told us that this is what people wanted, and we just solved that problem. We became the best software to help large companies send email communications like newsletters and receipts and invoices and stuff like that.

Kavi: So I guess now, to sort of transition, I want to talk about Huge. The company obviously grew massive to1500 people, so when you're CEO there, what was that like, leading so many people with so many different needs and concerns? Can you just talk about what your experience was there?

Shapiro: So Huge is a digital marketing agency. We did everything from things like the current Apple. com website, which is designed by our firm, or the Android operating system, which is designed by us. We do things like Super Bowl ads, and just like all types of marketing. And to your point, we built it up to 1,500 employees. It's more difficult running a company with 1,500 people than it is for a handful of people. The way I would think about it is that your job as CEO is like a machine. You're building the machine of the company and trying to make sure that if you disappear tomorrow, the company would still continue to run.

So you think a lot about not just the tactical problems of what's happening today but how you set up the processes and the structure and the people and the reporting so it could do it without you. So it's a very different type of attitude. At that scale, a lot of your job is selling- it's selling the vision of a company, it's welcoming new employees, you know, things that are much more inspirational to get people excited than the day-to-day management business.

Kavi: As we're graduating high school and going into our lives, I think this question sort of applies to us. When you're a CEO, what do you look for when you're hiring people? Is there a specific X factor, you know, that you want?

Shapiro: We want smart people who are down to earth, who want to do well, who want to work and try. And the biggest problem that you guys all have is you're all really smart. No one wants to hire an egomaniac. You're all really smart, but you all know less than you think you know, and the most important thing is to know that employers want someone who's humble and won't roll up their sleeves and do harmful stuff. And a lot of junior kids we try to hire think they're just god's gift to Earth, and they don't want to work, they don't want to do stuff, and then they're not going to be successful. Also, you have to work really hard. When I was building these companies, my biggest regret is my kids never saw how hard I worked when I was getting started. I mean, I was working 24 hours a day, 7 days a week, building these companies. I would eat, sleep, and do work. That was it. That's what it takes to build these things. But it was also fun. It didn't feel like work because you're building something really special.

Kavi: So for young students like us who are deciding between, you know, starting something of their own versus working for someone else, what do you think should be the biggest factor in making that decision between two very different worlds?

Shapiro: Well first, they're not that different. You can always start a company and leave and then get a job and then quit. If you look at the statistics, most successful companies are started by people whose average age is 40 and have started a company in the same industry they've worked in the last 20 years. This is just statistics. And the reason for that is that they understand the industry really well, [and] they have a lot of connections and contacts. But a lot of the benefit of youth and experience is that typically the most creative period of people's lives is the early to mid-twenties. If you're excited about solving a problem and you're really passionate about it, then go for it. If you do not have a good problem that you want to solve, then get a job, learn from that job, and then start something. The thing you don't want to do is be in a vacuum saying I want to start a company, I'm going to do nothing, picking my nose while I debate ideas, which I've seen a lot of people do. If you don't know what to do, then just get a job and learn, and then start something.