Albert Chou:

This is IT Visionaries, your number one source for actionable insights and exclusive interviews with CIO's, CTO's, and CISO's, and many more. I'm your host, Albert Chou, a former CIO, former Sales VP, and now podcast host.

Mahesh Guruswamy:

Kajabi is special because, I describe it not as a courses product, I describe it as a platform that allows you to monetize your knowledge. So it could be courses, it could be coaching, it could be podcasts. You can do a bunch of things with it. So Kajabi is- I would say, is the only all-in-one platform on the market right now, with everything that you need to succeed as an entrepreneur.

Albert Chou:

Starting a new creative venture can often seem like just too big of a gamble to take on. But what if there existed a tool designed to help entrepreneurs minimize their risk and monetize their creativity. Mahesh Guruswamy is the CTO of Kajabi, a multifaceted, online business platform that empowers entrepreneurs, experts, and influencers with the tools they need for success. Tune in to hear more about the innovative practices that Mahesh has carried over with him from his time working at Amazon and Smartsheet. You can also learn how his engineering team has helped scale the platform during a tremendous time of growth. Full transparency, Mission will be using Kajabi soon to do our own podcast course, and I personally will be using it for a housing course.

Welcome everyone, to another episode of IT Visionaries. And today we have a special guest, his name is Mahesh Guruswamy. He is the CTO of a company called Kajabi. If you're not familiar with Kajabi, it is an industry leading, all-in-one platform designed for creators to teach courses. It's currently- it's been around since 2010 if you haven't heard of it. It's- these are the facts I got. It's empowering over 50,000 knowledge entrepreneurs, I'm about to be one of them and we'll get to that in just a moment, across 120 countries, 60 million students, and it helps these educators generate 3.9 billion dollars in sales. It's a massive company. If you've never heard of it, Mahesh, let's start right here. What is making Kajabi so special, that allows these creators to do what they're doing?

Mahesh Guruswamy:

So, two- two corrections. We actually crossed four billion-

Albert Chou:

Oh, okay. (laughs)

Mahesh Guruswamy:

... in [inaudible 00:02:19], like money generated by creators. Uh, and also we're above 60,000 users on the platform.

Albert Chou:

Hey, now.

Mahesh Guruswamy:

So, I think Kajabi is special because, I describe it not as a- um, a courses product, I describe it as a- a platform that allows you to monetize your knowledge.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So, it could be courses, could be coaching, could be podcasts, could be, you know, you just have a landing page, you wanna, you know, gather leads. You can do a bunch of things with it. So Kajabi is- I would say, is the only all-in-one platform on the market right now with everything that you need to succeed as an entrepreneur. And we've been in the business the longest, we have the most customers, we g- have generated the most dollars for our customers. So, if you're uh, audience and you're thinking about like, becoming a creator, becoming a coach, becoming a course creator, you should tr- you should pick Kajabi.

Albert Chou:

Okay. So now, like I gave in my intro, I, myself, am gonna start a real estate Kajabi for myself. But now I'm thinking- uh, just so you know, Mission is going to launch a course about how to build branded podcasts. I know Kajabi already has one-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

... but it sounds like we should run it on Kajabi too. Uh, but-

Mahesh Guruswamy:

Oh, absolutely.

Albert Chou:

(laughs) So you know, there's a track record of success. There is financial success. There's customer success proving social proof that the product is potentially the- you know, let's just say it is, it is the best product in the industry.

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

In your opinion, what makes it this way? 'Cause you're- you're the CTO so your engineering for creators, what is it that you guys are building so special, that allows them to, I guess, do this easily? I'm assuming it's easy, 'cause that's... I- I always think like, if I'm a real estate guy, like I don't wanna mess with software. That's just me. (laughs)

Mahesh Guruswamy:

Yeah, yeah. For sure. For sure. Uh, and I'll try to answer this without putting our competitors down.

Albert Chou:

Yeah.

Mahesh Guruswamy:

So A, I mean, as I mentioned before, we have everything you need to succeed as an entrepreneur, as a knowledge creator, as a content creator. But the things that I am super proud of it, because I'm in engineering, I run the engineering department, is the amount of effort we put in to making the platform secure, reliable-

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

... scalable. You know, we- we're processed like, four billion dollars through the platform. Uh, and I might have my numbers wrong, but I think it's more than Patreon, I think.

Albert Chou:

(laughs)

Mahesh Guruswamy:

Um-

Albert Chou:

That's insane.

Mahesh Guruswamy:

So, the- and we have... You know, we spend a ton of time in making sure that we enable our customers success. For our customers, like, dollars they generate through their courses, through their creations, is paramount to their livelihood in certain cases. So we take it very seriously when we have money flowing through a platform, to make sure that um, that is like, seamless. If something does go wrong, we have on-call support, 24/7. My engineers get paged, I get paged. Uh, we have invested a ton of effort in uh, the security side of the things too, we have a full security team. Uh, Patreon laid off its security team.

Albert Chou:

(laughs)

Mahesh Guruswamy:

I don't think we'll ever do that. Uh, so I think outside of the fact that we- you know, we have the most institutional knowledge in enabling our customers success, we've also coupled that with a scalable, reliable platform. And I can get into that, you know, if- if you want to.

Albert Chou:

Yeah. Give us a idea why scalability matters because, you know, I think you- we- we kind of said it, like 60 million students, like it is bananas. Like, that is a- that is a- (laughs) that is a lot of people learning a lot of different things, like you said.

Mahesh Guruswamy:

Oh, for sure. For sure. For sure. Because we want- we wanna be able to... We don't want any customer to outgrow us, per se.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So if a customer has... Let's say you start out, right? You have uh, 1,000 customers right now. Next month, next year, you have 100,000 customers and then like, a million customers. Uh, we don't want you to churn out because, you know, Kajabi is like a smaller platform for you to like, build on. Um, so we have designed our systems to take in like, 10X the volume we get right now.

Albert Chou:

(laughs)

Mahesh Guruswamy:

Um, and we did- uh, we have invested in this platform, I've been here for about two-plus years, we have migrated the entire platform into Amazon's web services, we have spent- we've spent a bunch of money with Amazon-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... because we want to be on the- the most scalable platform on the planet. We have- I would argue that, you know, we have invested the most in- in the critical pieces um, that power customer success. For example, emails. You don't have to choose ActiveCampaign, you don't have to choose, whatever the tool is out there to send emails, manage your account-

Albert Chou:

Yeah.

Mahesh Guruswamy:

You can do it right through Kajabi. And I think it's my guilty pleasure to look at the sender deliverability scores of emails. 'Cause I wanna make sure our transactional score is- uh, sender score is 98, which is one of the like, best in the industry. And our marketing transaction score is like, 88-something, which also like, really, really, really good. So, we've invested a ton of effort into making sure that the platform works for customers, and also grows with them as they scale up. So- which is why I feel, you know, once

you like join, once you see success... Uh, and this is- it's a fact right now, like people don't churn out. Like when they join and they start making money, you know, it's like, people stick around.

Albert Chou:

Yeah.

Mahesh Guruswamy:

So that's our goal, like, to make sure that we can cater to every spectrum of creators and where they are in the journey.

Albert Chou:

There you go. So when- you mentioned something that I- I gotta highlight, is you- the way you talked about email, and I'm gonna- 'cause I'm gonna ask you about other features of the- of the platform-

Mahesh Guruswamy:

Sure. Yeah.

Albert Chou:

You know, you hit on it, similar to the CTO of Mailchimp, prior to him- Eric Muntz, prior to Intu- excuse me, Mailchimp being acquired by Intuit, he was on our show and talking about in ESPs, a lot of people tout sends, he's like, "Deliverability is actually the number one metric." 'Cause it doesn't matter how many emails you send, it matters how many emails the customers receive.

Mahesh Guruswamy:

That's- that's exactly right.

Albert Chou:

And you hit on it just like that. And so, when you think of the different parts of Kajabi, 'cause Kajabi is... And you might need to help our audience go through this a little bit, 'cause it's actually many products together. So, I- I- and I wanna disclose this part about this. So, I personally do real estate on the side, I was thinking about starting a real estate course-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

... with my business partner who I do real estate with. And, we're also starting a Mission podcasting course so it sounds like we gotta move to Kajabi. But during our homework, I interviewed other um, creators, other creators who are monetizing their knowledge, and they all kind of pointed back to Kajabi. And I was like, "Oh, but does it have this? Because it's kind of a feature of usually another plat- does it have email co..?" Like, "Yes, it does." "Does it have community?" "Yes, it does." "Does it have a video library where I can store my video tutorials?" "Yes, it does." "Does it have a documents library where I can store my uh, documents, like my guides and my link outs that I want my customers to have?" Like, "Yes, it does."

And so, it's- they say it's all these things that you would otherwise have to buy and put together, but each of these things usually has like, an industry leader. Right? There's industry leaders in emails, there's industry leaders in forums, there's industry leaders in video deliver- deliverability. What is your strategy when you approach these components? 'Cause these components come together, of course, to make what you guys make.

Mahesh Guruswamy:

Yeah, yeah. I think, um, so one- one- one thing might be of uh, interest to your viewers is you have to pay for these things-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... if you go out in the market and buy f- ActiveCampaign, Mailchimp. Um, you wanna go uh, you know, video-

Albert Chou:

Storage, yeah. (laughs)

Mahesh Guruswamy:

For like video, you don't have to pay us anything. We- it's included in the plan. Uh, it all comes down to the user experience. So, make sure that users can easily navigate between like, feature to feature. So broadly, we have courses, we have coaching, we have podcasts. Um, you can store videos, you can send emails, you can manage your contacts, uh, you can run marketing campaigns, you can build landing pages, we have a full-size website builder. And we have put in a lot of effort in scaling up our um, design groups and UX research to make sure that the user experiences are pretty seamless. Again, like I wouldn't say like, we're- you know, we're there yet. I think we have to still more work to... Because Ka- Kajabi is a complicated product. There's no way- there's no two ways to say about it, right?

Albert Chou:

Yeah.

Mahesh Guruswamy:

I think it's a co- it's a complicated product.

Albert Chou:

Yeah, it's many different tools that you can buy individually-

Mahesh Guruswamy:

That's right.

Albert Chou:

... and you've- and you've- you've pr- you've pulled all this expertise together.

Mahesh Guruswamy:

That's right. And we have- you know, we have- uh, I think if you looked at the tool right now, there's a product creation wizard which was not there before, uh, so then it's- it sort of helps customers go from p- step one, step two, step three. And to your point, not requiring like, knowledge to- prior knowledge to like sort of navigate the tool. Uh, so that'll be a continued investment this year, next year, um, and so on and so forth. But it's a combination of uh, we- I don't think we'll ever like, give up the all-in-one value proposition of Kajabi 'cause that's- th- the strongest value proposition. We'll continue to build tools in-house that customers need and offer it as part of plans, and that's gonna be our strategy. Um, and combine that with a really solid user experience, as people navigate from page to page and, you know, get their business set up.

Albert Chou:

How- how do you build and set up your team to handle this? Is it like- is there like different prod- product domains? Like, you- is that what you call them? Like, product domains? How do you attack this problem?

Mahesh Guruswamy:

Oh, yeah. Yeah, great question. Yeah. So organizationally, the way we have, is we have long-lived- small but long-lived product development teams, each with a sort of specified charter. So for example, take emails.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So, there's a team called marketing tools and all they do is the features that uh, customers need to manage contacts and emails, campaigns, only- that's their only focus.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So, each one- uh, there are like, multiple vertical teams that handle specific parts of the application, and the horizontal teams that make sure these teams are sort of gluing- coming together the right way. So for example, the UX teams are the glue, and the- uh, the support teams are the glue, and the marketing teams are the glue. So, they make sure that when teams build stuff, you know, it- it kind of like, works seamlessly.

Albert Chou:

When you think about the support side, 'cause th- th- that's like the spine, the spine that holds this together. 'Cause I- this is something I was thinking about as a creator, is like, I don't really wanna answer technical questions. Like, that is-

Mahesh Guruswamy:

Yeah, yeah, yeah.

Albert Chou:

... straight up, like- like, you know what I mean? Like, we w- and wh- when we were talking about- I was talking about with my- uh, with my business partner who we're going into- like, whilst we do the courses, Mission would have the same thing, if we were to build this course, is like the problems of the tool, w- well, this is something we thought about and like, we don't want the problems of the tool to become our problem. Meaning, I don't want someone to ask me like, "Why is my file not uploading?" I'm like, "Ugh."

Mahesh Guruswamy:

Yeah, yeah.

Albert Chou:

I couldn't answer that, you know what I mean?

Mahesh Guruswamy:

Yeah.

Albert Chou:

How do you guys uh, view support? Do you only..? 'Cause you support not just the creator but the students, right? Like, the students can- if there- if there's a tech problem, do they- can they reach out to you?

Mahesh Guruswamy:

Well, uh, so typically, we only go through the customers. So if like, so you have-

Albert Chou:

Okay.

Mahesh Guruswamy:

... you would reach out... Uh, but again, like you know, we have tons of like, online help articles that explain clearly, if your email is not getting delivered, if you had to like reset a login, whatever-

Albert Chou:

Gotcha, gotcha.

Mahesh Guruswamy:

... um, all that's like, online. It's available. And our customer support team, I would argue, is probably the best in the industry. Uh, and that's actually, I would say, along with the all-in-one value proposition and the- sort of the system that we've built to support scale, customer support, I- I don't think anybody else has a better customer support team than we do. So it's like, not out of the realm of possibility where they would help out your customers too.

Albert Chou:

Gotcha.

Mahesh Guruswamy:

So I you say, "Hey, I can't like, do this. Can you just like, jump on a call with me and answer this for my customers?" And, absolutely. And we've also like, started to explore other, sort of, paid options that will enable use cases like that. But n- nothing sort of defined yet, but we're thinking like, you know, if this becomes a constant ask um, then I wouldn't be surprised if we offer that as a, "Hey, you know, you pay us a little bit more and we'll like, be your customer support team." 'Cause I- I do think we have one of the best in the house.

Albert Chou:

Well I'll tell you what, absence of problem usually indicates great engineering too. So if you're saying this is not a problem right now, (laughs) it's also indicative of great engineering. Because of course, if the product works, I mean, that's really what everyone wants is they want it to work. For yourself, how did you get- you know, you mentioned you came to Kajabi more recently. It's been around since 10 years- for 10 years or more. What made you get interested in this business?

Because this is a- you know, it's a- it's unique. It's the same- software is software, right, but it is unique. It serves an interesting uh, dynamic and it's a market that was, um, is it fair to say, underserved? I mean, it didn't- uh, s- it didn't feel... Like 10 years ago, it didn't feel like a lot of creators were trying to monetize their skills, right? With the advent of Skillshare, your Fiverr, like it started building this like, creator economy of- of sorts, and Kajabi was there like, to rise with it. What brought you over?

Mahesh Guruswamy:

For sure. Uh, uh, I think the... Uh, I was sold um, after I talked to the- the- the founders and the executive team. And the big reason being, I was looking at... If you- if you look at the- um, Kajabi's hypothesis is, most creators who build quality content, who build and like deliver qual- quality content, are monetizing it in a uh, really suboptimal way.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So, they go for ad revenue or influencer deals or brand deals. None of them- that's not gonna scale, right, you know? So if you look at social media platforms, the average dollar made is like very, very low.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So when Kenny, who was the founder and now is the chairman of the board, um, when he explained to me, "Hey, you know, if you look at these- like, all these folks creating content and creating- trying to monetize their knowledge, they're all doing it in a suboptimal way. And we- our customers, you know, they make more money than your average creator who's like, leaning on social media networks, right?

Plus the other thing is, they're leaning on the algorithm that drive their results and search results and so on and so forth. We don't have any of that. Um, and so now, w- w- with us, you get on Kajabi, like you are really controlling your own destiny. You have your own brand, you know, you're not like, bound by some invisible algorithm that determines if people see you or not. And uh, you don't have to compete side-by-side with other creators. For example, look at Udemy or Coursera, or like-

Albert Chou:

Sure.

Mahesh Guruswamy:

They manage the discoverability of courses, which we don't have, our creators. Uh, so that's one thing that was like, "Oh, that's like a- that's this." And I w- I joined at the peak of the pande- pandemic-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... and our business just went crazy during the pandemic because everybody dropped out of the workforce and was like, "Hey, I wanna like explore becoming an entrepreneur." So com- like, big opportunity combined with uh, a company that actually knows how to succeed in this- in this market. And the company itself was run very, very efficiently.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

You know, we don't spend a ton of dollars just to grow. We're very, very conservative when it comes to how to grow. Um, so- so all that combined and like, you know, they wanted somebody to scale the engineering team, and I'm like, "Okay. Well, sounds great." (laughs)

Albert Chou:

(laughs) When you first arrived on the scene and you said, "Hey..." 'Cause the company was already- like you mentioned, it was already on- in operation since 2010, they've come a long way-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

... prior to you stepping in. But of course, with anything in software, it's never- software's never done. You know, uh, w- it just-

Mahesh Guruswamy:

For sure.

Albert Chou:

... it's just where you are today. Like, "Here we are today. This is what's been completed and this is where we have to go." What were some of the things you observed right away where you thought, "Hey, if we do a couple of these things, we're- we'll be able to leap forward." I'd love to hear some of the things that you uh, and your team decided to implement and be like, "Oh, this is gonna be killer."

Mahesh Guruswamy:

For sure. I- and I will- I'll talk about it from an engineering standpoint. So one of the biggest issues that we had when I first joined was the app was not set up to scale. We were- our system would tip over every week or every other week-

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

... causing a lot of like, angst and confusion and anger from customers. Rightfully so, because you're like-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... you're losing dollars every time the system is down.

Albert Chou:

Yeah.

Mahesh Guruswamy:

So that was one big problem that I decided, "Okay, we gotta like tackle that first. We have- we have to make sure that, you know, we don't- we don't go down." Um, so that kicked off uh, a bunch of like short term projects and the longer term project that ended up uh, us moving to AWS. Like, that was one big thing that- um, that we put into play. The other big thing, and this was like in partnership with product marketing and everybody else, is Kajabi was- the engineering team was about 40 when I joined. Now, it's 110 across multiple geos.

Albert Chou:

(laughs)

Mahesh Guruswamy:

One- (laughs) one of the issues that I noticed when I joined was the engineering team was- um, was more like, loosely defined. Like, you know, we talked about like, specific focus areas for specific product areas, like we didn't have those when I joined. So, that's another change that we- we put into place, along with sort of partnering with the rest of the organization is, "Hey, you are responsible for marketing tools and you have no other job. You are responsible for coaching, you have no other job besides just innovating and delivering on coaching." And that has definitely helped us like, deliver all these features

that were delivered in the last two years. So I would say like, those two are the big shifts that we did in terms of sort of getting set up for success.

Albert Chou:

For yourself, was there any, I guess, pushback or resistance? Did people enjoy working..? Uh, you said it was loosely defined so it sounds like I would work on maybe multiple products. Like, I- um, I've got the Kajabi website open right now and I'm like, maybe I'm working on payments one day and then I jump over to websites and I jump over to emails. You know what I mean, like-?

Mahesh Guruswamy:

Oh, for- for sure.

Albert Chou:

Was there a lot of resistance? Like, "Hey, I like variety, Mahesh."

Mahesh Guruswamy:

Yeah.

Albert Chou:

"Man, you p- you p- you're pigeon holing me, dude."

Mahesh Guruswamy:

(laughs) Well, there's a- there- there was a little bit of that, for sure.

Albert Chou:

(laughs)

Mahesh Guruswamy:

Um, but it- but we admit that it also happen, right? Like if you say, "Hey, I'm bored in this team," we'll make like, internal moves happen. Actually, one big change that uh, I didn't mention when I was describing this, is 24/7 on-call support. So, that was definitely a change for the engineering team. Uh, the engineering team like- didn't like, push back on it. They're saying, "Hey. Yes, we wanna do this because it helps supports customers and helps us react to uh, production incidents better." Uh, but there was like, uncertainty and, "Okay, how does this all like play out, you know, in practice?" So that took a bit of, you know, uh, sort of training and like, you know. So me jumping into some of these incidents in the early- uh, early days, just make- making sure that teams feel that they're supported and, you know, there's a- there's a path forward.

So there was like, definitely like, some pushback but I wouldn't say like, broad pushback. Because every-every decision we make in the company, including engineering, is through the lens of what works for the customer.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

And all the changes we did were all in service of making our customers more successful uh, and getting more customers on the platform. So there was not- I wouldn't say there was like, broad pushback to it.

Albert Chou:

That makes sense. Uh, were you taught...? So like, e- e- there's two things you said that I know many different CTO's implement, despite what a lot of, I would say uh, people outside the world- outside the world of tech think. And I- I'm gonna- I'm- I'm gonna ask you were you taught this, but what I'm a- what I wanna know is like, first of all, scale, speed, and reliability-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

It is not sexy but I've never met- uh, we've yet to interview a CTO on the show that said that didn't help the company a great deal. Right? (laughing)

Mahesh Guruswamy:

(laughing)

Albert Chou:

All of them say it, right? But yeah, when you- if you were on the outside world talking to like an app developer, like, "Oh, I gotta add a feature. I gotta add this." And it's like, "Uh, scale, speed, reliability." Right? The other thing was focusing your product teams into like, a narrow window- narrow lens of hyper focus.

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

Many people think like, variety or maybe people think like, "Hey, features are just, listen to customers." But it's like, this- it's usually- we see it time and time again, it's like- it's just scale, speed, reliability, and laser focus on, what you said, like it has to fit in the spine.

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

Because all of these products, there's already possibly a category leader, like in email-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

There's a category leader in landing pages. There's always category leaders but you've always said, "Hey, this is tied together. How we tie it together is the primary focus, plus scale, speed, and reliability." And so I wanna know, did someone teach that- who taught that to you? Or was that just acquired through experience? Just saying like, "Hey man, every time I do this, it works."

Mahesh Guruswamy:

Well, I mean, I would- I would probably give credit to Amazon because that's where I learned most of this playbook.

Albert Chou:

Yeah.

Mahesh Guruswamy:

Amazon has seen success at scale with, you know, what they call uh, two pizza teams.

Albert Chou:

(laughs) Yeah.

Mahesh Guruswamy:

So, you know the concept, right?

Albert Chou:

Yeah. You can never have a team bigger- or, excuse me, a team shouldn't be so big that you can't feed them with just two pizzas.

Mahesh Guruswamy:

Two pizzas. Yeah. Yeah, exactly.

Albert Chou:

Yeah.

Mahesh Guruswamy:

So, two pizza teams with like, laser focus on a specific part of the problem space, combined with like, operational excellence. This is all like, Amazon's playbook. And- and I use it- this is like, probably the third company that I've implemented this playbook and it's worked every time-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... so I'm like, you know, we don't have to change it-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... until somebody tells me that- that the operational excellence has become a commodity now, that you know, you get it for free if you do X, Y, and Z. Right? Like for example, if you think back to the data center days um, you need to hire people who will like, keep those data centers up and running.

Albert Chou:

Sure.

Mahesh Guruswamy:

And I've seen those before, but you don't need them anymore.

Albert Chou:

(laughs)

Mahesh Guruswamy:

So if it- if somehow, like engineering leadership becomes a commodity to a certain extent, maybe it'll- my point of view will change.

Albert Chou:

(laughs)

Mahesh Guruswamy:

You know, until then like, I'm always gonna focus on what you just said.

Albert Chou:

(laughs) That makes complete sense. For yourself uh, you know, we did a little homework on you, and when we say a little homework, we of course mean LinkedIn. Uh, it looks like you studied in India, you came to the States. Uh, give us an idea, w- did you- did you always know that this is what you were gonna be doing? Did you know- I guess, really, did you know you were going to be a CTO? Like, overseeing-

Mahesh Guruswamy:

Oh, heck no.

Albert Chou:

... one of the fastest growing companies. You're just like, "Today, we're just gonna be engineering a couple things." Like, give us an idea of what you were thinking when you first got into this game.

Mahesh Guruswamy:

No. H- no, not at all. I had no idea I'll be here, what I'm doing.

Albert Chou:

(laughs)

Mahesh Guruswamy:

So in the like, early days, my career trajectory was pretty traditional. So, you know, developer, senior developer, kind of like moved up the ranks. And w- my time at Fidelity, one of my managers there said, "Hey you, you know, you have a- you have a knack for convincing people to do what they don't wanna do."

Albert Chou:

(laughs)

Mahesh Guruswamy:

"So you should-"

Albert Chou:

That's a great skill. That's a great skill.

Mahesh Guruswamy:

"You should- uh, you should try your hand in management." So he gave me a small team to manage. And- and since then, I've like stayed on that track. And at Amazon, was- I would call it like, you know, that's where I l- really learned most of my management skills. And after that, I just wanted to see, can I- you know, can I keep scaling it up? Uh, it's like, I don't know if you've seen uh, Breaking Bad? I'm a big fan of the show.

Albert Chou:

Yeah, I'm a big fan.

Mahesh Guruswamy:

But in Breaking Bad, the final episode like, Skyler asks him, "Why'd you do- why'd you do all this?" Right? "And- and don't say you did it for the family or whatever." So in the final episode, he accepts why he did it, he did it because he's good at it.

Albert Chou:

Yeah.

Mahesh Guruswamy:

And essentially, that's my philosophy too. Like, I am good at what- you know, what I do so I'm just gonna keep doing it until I figure out that, either I'm bored or I need to do something else, essentially. (laughs)

Albert Chou:

(laughs) Yeah, it's funny how you mention that. Uh, for those who haven't seen Breaking Bad, which I'm- I believe is a small subset, but Walter White, he becomes a drug dealer uh, first to support his family 'cause he's dying. But then he doesn't stop doing it and he keeps getting-

Mahesh Guruswamy:

(laughs) That's right.

Albert Chou:

... he keeps getting more and more aggressive in the game. And at no point- th- this is what's interesting about Walt- the Walter White character which people enjoyed watching, is it wasn't clear if he wanted the fruits of his... Like, he had all this money but he never stopped. He never stopped. And he- like, it's- he's f- there's famous scenes of him burying money, like- like, he doesn't- he cannot spend it.

Mahesh Guruswamy:

(laughs)

Albert Chou:

And he doesn't spend it. He doesn't- he drives like this uh, old Aztec... Sorry if you have an Aztec. I mean, it's- it was chosen for the show-

Mahesh Guruswamy:

(laughs)

Albert Chou:

... because it's like, one of the ugliest cars on Earth. So if you've got one, I'm sorry. But, uh... (laughs)

Mahesh Guruswamy:

(laughs)

Albert Chou:

But that's what he's known for, right? And so like, for you it sound- like, this sounds like a- you know, you just- you like seeing your knowledge and teams just keep growing. The other thing I know we observed about you over your career, is you- you have previously worked in bigger companies more established companies-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

... uh, you know, like uh, Evanguard, you mentioned Fidelity, AWS. By the time you got there, it was already quite large.

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

Is this the first- you know, you mentioned 40 to 110, I mean, that's almost triple. Is this the first rapid scaling organization you were part of? I saw another experience with Smartsheet so I didn't know like, how did..? 'Cause I'm gonna ask you, how did you develop your knack for hiring? 'Cause that's the next question. (laughs)

Mahesh Guruswamy:

Yeah. So- um, so Smartsheet was- I joined maybe like five months before the IPO. So, still- uh, we- you know, we scaled that company and the systems a lot, like a- even after that. Um, I was hired to run the Boston team, or build the Boston team. So, build that up from like zero to, I think by the time I left, across two sites, the- my work was about, like 100 or so.

Albert Chou:

Okay.

Mahesh Guruswamy:

But I would say like, you know, I think the job is faster growing than- than Smartsheet was when I joined. There's like, something to be said about getting companies to hit milestones. So, you know, we're in the pre-IPO zone, right? So, we raise all the money we- we need, we don't need to raise anymore money. So we're trying to- so, what is the next milestone, is like super exciting. So being part of that journey will- is something that- that I wanna like, experience and see how that looks like.

Albert Chou:

Yeah. Because at 40... So when you took over, you said you- or when you joined the company, you mentioned 40 engineers approximately.

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

So I mean, obviously, your- you know, your impact is greater when there's fewer people, right? (laughs) Your impact is greater. How did you develop your knack for hiring? Because when you're small- this is a tr- this is a truth too that many small businesses know, is like number one, your limits to hire are smaller, right?

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

And then, the impact they have is bigger so making a mis-hire is really bad and making a great hire is a force multiplier. So, you have to be really good at hiring. What are some of the things you look for in engineers? How did you develop that skill?

Mahesh Guruswamy:

Yeah, yeah. And again, like a lot of it is um, sort of variations of what I did- or, I learned at Amazon. There's a few things. Like one is, I think, having a rock solid recruiting team as your partner is- is, you know, nothing can beat that.

Albert Chou:

Okay.

Mahesh Guruswamy:

And I- I think I've had it- it's fortunate I've had it here too. Um, so they'll- having a solid partner is- is like, the best thing. The second piece, what I would do is, I typically like, hire my directs first, like the VP director folks that I have known from the past.

Albert Chou:

Gotcha.

Mahesh Guruswamy:

'Cause I know that these people can scale, I know that these people can hire. So I almost always like, focus on that first so that I can get them into the door, so that they can like, start scaling and hiring and so on and so forth. And the- one thing that I don't think that we did at- did here at Kajabi, we did it at Smartsheet, was I did a ton of recruiting events. Which is like, invite people to the office, we'll give them free food and beer and wine-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... talk about the stuff we're building. And essentially like, you know, treating recruiting like a marketing exercise. And that has worked out well too, like we were able to like scale very, very quickly. So those- and then, you know, I think that the thing that I like to emphasize on, which I think resonates really, really well with engineering folks, is autonomy. You have the autonomy to pick and choose what tools and technologies you wanna use. So for example, Kajabi traditionally has been a Ruby on Rails [inaudible 00:29:57], but uh, running on Heroku which is also like, designed for Ruby on Rails-

Albert Chou:

Oh-

Mahesh Guruswamy:

... pr- predominantly.

Albert Chou:

We gotta give a shout out to our sponsor, Salesforce, running on Heroku-

Mahesh Guruswamy:

Salesforce.

Albert Chou:

They'll love that.

Mahesh Guruswamy:

Yeah.

Albert Chou:

They'll love that. (laughs)

Mahesh Guruswamy:

I know. Uh, Salesforce, you were great.

Albert Chou:

(laughs)

Mahesh Guruswamy:

But, you know, we just outgrew Heroku so we're on AWS now, sorry.

Albert Chou:

(laughs)

Mahesh Guruswamy:

Um, uh, Salesforce have been- they have been a great partner though. I think, uh-

Albert Chou:

Yeah.

Mahesh Guruswamy:

You know, when we were- as I mentioned, in the early days when we were having all these production issues, they were like side-by-side with us trying to help out- help us figure things out. So I think like, giving teams... S- sorry, I'm going back to what Kajabi, here, is doing. Now, teams are not just on Ruby on Rails, there's like teams that are exploring Go, there are teams that are exploring uh, other languages, and so on and so forth. So giving engineers like, the flexibility to pick and choose what they want, has resonated well with everybody that has- I have recruited in the last like, you know, few years.

'Cause I think... Yeah. So to like- to summarize, like having a strong recruiting team, having an opinionated recruiting process which clearly define what makes a senior engineer, what makes a staff engineer, what makes a principal engineer, written down rules for interviews. And like, just hiring solid leaders who- um, (laughs) who can scale. Uh, I think those are the things that I have done.

Albert Chou:

So this is one of things that a lot of companies and leaders and businesses struggle with, which is, certainly there's new technologies being- they're emerging all the time. New technologies are being developed, new languages are being developed and created, it's always- and that sounds awesome. That

I can explore and, if I was working under Mahesh, I could be like, "Hey man, I'm- I figured something out. I'm gonna name [inaudible 00:31:33], I found Gecko. Gecko is the newest language, I wrote everything in Gecko. It kill- it crushes." And you confirm that it's great. But someone else might bring another language that's also great, how do you choose to bring it together? What do- what are some of your criteria for saying like, "Hey, this is how we bring it together."

Mahesh Guruswamy:

Yeah. So, th- this is where- you know, this is where some of the company values come into play. All right. So, you know, we want people to be... Um, so our company values, we want people to be ambitious, we also want people to deliver results, so we also want people to foster belonging. So, you know, the rule of thumb in- at least in my world is, if you can convince your team that this is a good idea, then you can go ahead and- and execute on it. But if you can't convince even a single person that (laughs) this is a good idea-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... then- uh, then it doesn't matter what I say. Um, typically like, the way I- (laughs) the way I think about decision making at my level is, I tend to make fewer decisions but more high quality decisions. I kind of defer the day-to-day decision making to the teams. Which is why like, if- you know, nobody can use me as a, "Hey, the CTO told me it's okay." Right? So, I- usually I send them back to the team-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... and then go, "Do you your colleagues think it's a good idea?" And if they say yeah, then sure. You don't have to ask me, just like, you know? Uh, I do like, have some broad guidelines. For example, you have to be on AWS. Like, that's my thing. You have to be there because adopting a new platform is gonna be expensive, or potentially expensive. Um, and uptime of three nines, at the minimum.

Albert Chou:

Gotcha.

Mahesh Guruswamy:

So you have to make sure 99.9% of the time, the app is up. Um, and if you can guarantee some of these things and good user experience, your page doesn't take like, seconds to load-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... loads in like, 100 milliseconds. You know, stuff like that, that is fine. You can use- use whatever you want.

Albert Chou:

Yeah. Yeah. Uh, and yeah, brings into the next question which is like, how do you decide on your features to expand upon? Because this is- this is something a lot of CTO's, you know, they-

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

You know, it's easy to say, "I wanna listen to my customers," but the reality is, when you get to a certain scale, which you're at now, customers say different things. So, they all want something else, right? (laughs) So, you have to-

Mahesh Guruswamy:

Oh, for sure. For sure.

Albert Chou:

You have to make bets in arenas.

Mahesh Guruswamy:

Yeah.

Albert Chou:

How do you choose how to build this product? Because, you hit the nail on the head which is, your whole goal is to be, "We're an all-in-one."

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

Meaning, we have- it's gotta unify and be together. And in the future, you can't predict the future but there's probably gonna be new methods that people prefer learning. And it's gonna be something that you're gonna have to build in Kajabi, right?

Mahesh Guruswamy:

Mm-hmm.

Albert Chou:

So, how do you choose to make these features and investments? Because if you listen to the crowd, the problem is you have a big enough crowd now where everyone's probably asking for something different. I don't know- I don't know if there's clearly-

Mahesh Guruswamy:

Right. Right.

Albert Chou:

... in data, a winner.

Mahesh Guruswamy:

Right.

Albert Chou:

There's not always a winner. Like, that's what- that's what people always... When people say like, "Oh, I'm data-driven." It's like, well, you're always telling me that data will give a definitive choice, but what if it doesn't? (laughs) How do you make decisions then?

Mahesh Guruswamy:

Right. Right. Uh, and again, like you know, I'll give credit to the product teams 'cause they are a close partner in this. The way we think about things is, there are- you know, the company... Where Kajabi- the state of the company, where Kajabi is right now, right? Like uh, we can't not grow step function changes every year, right? So, we can't be- uh, it's like 5% growth every year, you know, the market's gonna punish us if that's our thinking. Right? So for the last 10 years or so, the company has been like, growing steadily but not double digit growth. So- since the pandemic, it has become like double digit growth. So our view is always, how do you grow this business in a step function manner?

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

So that means you make a combination of big bets that can move the needle dramatically, and then you make a bunch of medium sized bets, or like sure wins, right? And that is almost always customer feedback. So c- we take all the customer feedback uh, and we also do like, jobs to be done interviews, the market- the UX research team does a lot of like, interviews like that. So customers might say, "I want X." Jobs to be done indicates they want X, but they actually are trying to solve for Y.

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

And we digest all that and we come up- come up with a set of- uh, set of features. So- and then the big bets are always gonna be things that change the trajectory of the business dramatically. And so, yeah, we typically tend to do both.

Albert Chou:

Gotcha. And- and then, how do you- I'm curious to know how you make these decisions, like what goes behind your decision process? You kind of mentioned the smaller bets, that's understood. How do you

choose what to invest in on the big ones? 'Cause that's- that's pretty cool, like the- that's- and that- that's- (laughs) to make the leaps.

Mahesh Guruswamy:

Yeah. So the- a- a- and again, this is my personal opinion. Uh, so if you look at things that can change the trajectory of a company dramatically in a short window of time, which is like say, two years, one to two years. Right? It's only a few things you can- that can do it. Pricing and packaging. You change the way you package and sell or price it, that's number one. Uh, number two, you do a brand new product line.

Albert Chou:

Yeah, new product lines.

Mahesh Guruswamy:

So, you know, like you have A- Amazon sales ecommerce stuff, boom, I'm gonna do AWS. It's a new product line, new business. You scale like that. Or three, you go international. You go to a new GO, sort of connected to the pricing and packaging, you price it differently. Let's say you go to India, for example-

Albert Chou:

Mm-hmm.

Mahesh Guruswamy:

A lot of customers there, we can price it differently and then we can grow there. And- or MNA's. You acquire companies that change your footprint in the market. Like, you have a- you have a strategic advantage because you have this company now. So all the delighters after that will not make step function changes, right? They'll like, incrementally add value over time.

Albert Chou:

Sure.

Mahesh Guruswamy:

So, we categorize the big bets into these buckets. We, as in the senior executives. So we look at it like, every year and say, "Okay. In these categories of things, where do we all think that's like, the most interest." Right? So- and then we decide, "Okay, pricing and packaging. Maybe we have to introduce- maybe we wanna introduce a new plan. Maybe a new higher end plan, maybe a new lower end plan, or maybe we change the way we charge for add-ons." Right? Like stuff like that, we decide at the exec level. Again, we'll validate it with customers, we'll like, validate it through the internal leadership team. But the big bets are almost always like, generated or decided upon by the- by the exec team, and uh, validated through like, research and so on and so forth.

Albert Chou:

That is awesome. That is awesome. You- by the way, you are basically a walking, talking example of uh, good to great. Uh, we are- at Mission, we've mentioned in our previous episodes, we're doing good to great and what makes good to great leaders. And like, the things you are saying like, just literally slot into that book, uh-

Mahesh Guruswamy:

(laughs)

Albert Chou:

... as a living example of its role model. So, you should give yourself- you know, you've mentioned you- you do it 'cause you love seeing things grow. I'm like, well there's actually like- you're actually walking a path that (laughs) is like a proven growth model too. So-

Mahesh Guruswamy:

(laughs)

Albert Chou:

... you're like- you're living and breathing it, man.

Mahesh Guruswamy:

Oh, thanks for the vote of confidence. I appreciate it. (laughs)

Albert Chou:

(laughs) Yeah. Yeah. Well you know, Mahesh, it was awesome having you on IT Visionaries, sharing what Kajabi's up to, sharing how you make bets, how you think about marketplaces, how you've built and focused teams. You know, it's- I was personally... You know, I reached out to you via LinkedIn because I wanted you on the sh- 'cause in truth, I didn't really- I knew about it but I didn't know much about it. But when I started do- meeting people to like, help me choose what platform to launch on, Kajabi came up over and over again. I was like, "I gotta meet this guy. How does this guy have everyone saying great things?" 'Cause it's very rare, it's very rare in software.

Mahesh Guruswamy:

(laughs)

Albert Chou:

Most people disagree on what- what to use. You got to admit that. You got... (laughs)

Mahesh Guruswamy:

(laughs)

Albert Chou:

I didn't meet any creator that I thought was good at their job that recommended something else. So I'm like, "Okay, this sounds easy." (laughs) It's like...

Mahesh Guruswamy:

Yeah. Yeah. I- uh, for sure. I- I think uh, huge shout out to our customers, right? 'Cause they're the ones that have made all of this possible, uh, like their faith in the platform. And my hope is we continue to serve them well and continue to serve everybody who's exploring, like you for example-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... yourself- yourself. Well, if you have any issues, you can like email me, I'll make sure-

Albert Chou:

Yeah. Listen, we're- we're gonna start- we're gonna start a Mission course on Kajabi. If you want, I mean, we'll-

Mahesh Guruswamy:

Good.

Albert Chou:

Hey, listen, we'll give- I'll give updates every week about how awesome it is.

Mahesh Guruswamy:

(laughs)

Albert Chou:

I also might complain about it if it's broken, so tell your team. (laughs)

Mahesh Guruswamy:

Absolutely. Like- like- and uh, over the years, I've trained myself to take bullets from customers. I'm like- I'm like, totally trained on that.

Albert Chou:

(laughs)

Mahesh Guruswamy:

So, you know, I'm good. (laughs)

Albert Chou:

Well, you know, it was awesome having you today on IT Visionaries. But before I let you go though, we wanna know a little bit more about you. It's time for the lightning round. The lightning round is brought to us by Salesforce platform, the number one cloud platform for digital transformation of every experience. Mahesh, this is where we ask you questions outside of the world of work-

Mahesh Guruswamy:

Okay.

Albert Chou:

... so our audience can get to know you a little bit better. You ready?

Mahesh Guruswamy:

Okay, go for it.

Albert Chou:

All right. Do you drink your own champagne? Have you built your own course on Kajabi?

Mahesh Guruswamy:

Partially.

Albert Chou:

(laughs)

Mahesh Guruswamy:

I didn't get to finish it.

Albert Chou:

Ship it. Ship it, man. (laughs)

Mahesh Guruswamy:

I know. (laughing)

Albert Chou:

(laughing) What do you like to do outside of work?

Mahesh Guruswamy:

Two big hobbies are running and reading, and maybe writing too.

Albert Chou:

What do you like to read?

Mahesh Guruswamy:

Everything. Most fiction, nonfiction. Everything.

Albert Chou:

What's something you read recently that you thought was pretty good?

Mahesh Guruswamy:

Uh, I started reading- um, uh, I'm a big fan of Stephen King. I think I've read all of his works. Um, and he got a new book out called Fairytales. So I started reading that and so far, it's been- it's been great. I- I would recommend it.

Albert Chou:

Is it one of his horror stories, or? 'Cause he writes- most people know him from horror, but he does write non-horror stories.

Mahesh Guruswamy:

Yeah, so I would categorize this as more fantasy type story. So, I would recommend it.

Albert Chou:

Awesome. So when you said you like running, what kind of distance do you like to run?

Mahesh Guruswamy:

Oh, I- uh, I aim for between four and five miles like every other day, if I can. That's usually my-

Albert Chou:

(laughs)

Mahesh Guruswamy:

... usually my length.

Albert Chou:

What's your pace?

Mahesh Guruswamy:

Uh, I do- on a good day, I can do like 8:30, is the- is the thing that I'm like, comfortable with. If I-

Albert Chou:

That's [inaudible 00:41:24].

Mahesh Guruswamy:

If I can run- like if I sprint, I'll get it- I can get it to 8:00 but I'll be like, super tired.

Albert Chou:

(laughs)

Mahesh Guruswamy:

But I aim for like, 8:30 is what I would aim for.

Albert Chou:

I mean, that's a pretty good pace. When you run, are you a, "I listen to music," guy? Or are you a, "Clear my head, I just wanna hear my feet hitting the ground," guy?

Mahesh Guruswamy:

No, I just wanna h- hear the feet hitting the ground. And in- I'm in Orange County so I can also hear the coyotes too.

Albert Chou:

(laughs)

Mahesh Guruswamy:

So um, there, definitely like clear my mind, like that's the big reason. I don't want any distractions. No music, nothing. I just wanna hear my breathing and my feet. That's all I do. (laughs)

Albert Chou:

Awesome. We looked you up a little bit, so did you grow up in India?

Mahesh Guruswamy:

I did, until I came here to Wayne State to do my Master's.

Albert Chou:

How did you choose Wayne State? That's what I wanted to ask.

Mahesh Guruswamy:

Oh, again, I- the honest answer is, I just followed my friends.

Albert Chou:

(laughs)

Mahesh Guruswamy:

I didn't have any idea if this is a good school or not. I just like, wasn't that phased. Like, "Hey, I wanna do- I wanna get out of the house. Like, what do I do? Okay, I will follow my friends to Detroit." Which, was an interesting choice, is what I would say.

Albert Chou:

(laughs) Well listen, I- the reason why I had to ask you is 'cause my father is- he grew up- who was born in China, they emigrated to Taiwan. And when he chose his university, he went to University of Wyoming. I'm like, "Dad, in your timeframe, I don't think they were very friendly to Asians, how did you choose this?"

Mahesh Guruswamy:

(laughs)

Albert Chou:

And he said- (laughs) and he said he saw a brochure and there was mountains and it looked pretty. (laughs)

Mahesh Guruswamy:

(laughs)

Albert Chou:

So like, his decision criteria sounds like yours, at the time, you know what I mean?

Mahesh Guruswamy:

Pretty much.

Albert Chou:

Like, "Well, everyone else is doing it. Like, it sounds good." (laughs)

Mahesh Guruswamy:

Pretty much. Pretty much.

Albert Chou:

Mahesh, it was awesome having you on the show. Thanks for opening up, thanks for kind of sharing your process for how you make decisions. I agree, reliability, speed, scale. Super unsexy. Like a lot of people think, for whatever reason, that, "Hey, the next feature's gonna carry me over the top, it sounds like." And at the end of the day, people just want software that really works well.

Mahesh Guruswamy:

That's right.

Albert Chou:

And- (laughs) and they just- if it works great, usually you're on your way.

Mahesh Guruswamy:

That's right. That's right. Especially when there's money involved, money flowing through your platform.

Albert Chou:

(laughs)

Mahesh Guruswamy:

I agree.

Albert Chou:

Oh, yeah. There's customers that, if I- if my money depends on this thing working and it's not working, I'm gonna be mad. I'll be very mad. (laughs)

Mahesh Guruswamy:

That's right. (laughs) That's right.

Albert Chou:

Mahesh, it was awesome having you today on IT Visionaries. Hey listen, we're psyched to do a course. We're doing one right now. We are going to- I'm going to declare it now, we will build it on Kajabi. And I plan on giving updates about this on IT Visionaries, so tell your- tell your crew to be prepared.

Mahesh Guruswamy:

And you can reach out to me anytime if you need help.

Albert Chou:

Hey listen, and put me on your podcast too. 'Cause you got the Kajabi creator's podcast over there. Hey, I'm not a creator yet but soon, I- I wanna be on it. (laughs)

Mahesh Guruswamy:

(laughs) Absolutely.

Albert Chou:

Awesome. Thanks for joining us today on IT Visionaries.

Mahesh Guruswamy:

Thanks for having me.