

Jerry Colonna: Well, welcome Chad. This, this conversation has been long overdue.

Chad: Glad to be here.

Jerry Colonna: Yeah. Thank you. Um, I'll set us up a little bit. Um, so we're in, uh, mid to late, uh, 2020. And, uh, we're having a conversation today with, uh, I'll introduce you. I never do that, Chad Dickerson, uh, who is a brilliant executive coach and one of the dearest human beings I've ever encountered in my life. And, uh, as I wrote about in my book, a broken openhearted warrior, if ever there was one. And you know, on a past life, he may have been CTO and then CEO of Etsy among other jobs, but that's less consequential than the open heart that's sitting in front of me right now. So welcome to the podcast buddy.

Chad: Thank you, Jerry. That's a, yeah, it's a real honor. And you know, as I was thinking about the podcast, I was thinking about all the time we've spent together and all the transitions of all types. And so I, uh, it's almost surreal to be here on the podcast.

Jerry Colonna: I was thinking about it as I was thinking about our, our conversation today. And, you know, I know we wanna talk about a bunch of different things. We wanna talk about your life now, for example, I think that the folks who listen to the podcast would be particularly interested in the transition around Etsy and you know, what life was like for you and what it is like for you now. And I think the now is maybe more uh, important than even the, the then, but I was also thinking about the fact that, you know, you just mentioned transitions and, uh, when we first met, which was what, 10 years ago, maybe?

Chad: Uh, yeah. Nine-

Jerry Colonna: Nine.

Chad: Close to 10. Yeah.

Jerry Colonna: So your son Kingston, uh, uh, was still in Korea.

Chad: Mm-hmm.

Jerry Colonna: Uh, uh, and you and Nancy, your wife, were sort of navigating that space.

Chad: Yeah.

Jerry Colonna: Um, our democracy did not seem imperiled. (laughs).

Chad: (laughs) Yes, it did not.

Jerry Colonna: You were just beginning the journey as a CEO, when we first met.

Chad: That's absolutely right. And in fact, you might remember that, um, there was turmoil at Etsy when I was CTO, and by the way, there's always turmoil at Etsy. (laughs).

Jerry Colonna: (laughs).

Chad: And I had come to you because it looked like we were going to have a new CEO at Etsy, which would have been the third CEO in my very limited time there, I'd been there maybe two years and nine months as CTO. So it would have been my third boss. And Fred Wilson introduced us and uh, said, "Maybe you should talk to Jerry." Which I have a feeling happens a lot. (laughs) Um, and it's happened a lot. And I was kind of in this, like, "What are we gonna do?" And, um, I don't remember, it was our first meeting, our second meeting, but you told me, "Let me..." You kind of sat back and said, "Let me, let me tell you why you should be CEO." And, uh, yeah, I'll just never, never forget that. Like that was, um, a moment on your couch.

Jerry Colonna: Well, forgive me.

Chad: Uh, I've forgiven you, (laughs).

Jerry Colonna: (laughs).

Chad: But, uh, you know, I came home and talked to Nancy and said, you know, I'm gonna throw my hat in the ring for CEO at Etsy, and, uh, her immediate response was, "I don't wanna be married to a CEO." (laughs). so, I told her I was talking with you about it, and, you know, I promised that I would, uh, you know, stay the same for her.

Jerry Colonna: Mm-hmm (affirmative).

Chad: That I wouldn't let that experience like, change our relationship. And so, uh, that's with your help, I think that's, that's what happened.

Jerry Colonna: Hmm. Oh, you're, you're very kind to give me credit for that. I, I'm not sure that being CEO would have changed your DNA at all. I don't think it would've changed. You're one of those rare characters who, uh, changes the job more than allow the job change you. And I think that that was clear. And, you know, hearing your story about that moment, where we sat in my office...you know, hearing that back, I was like, well, that was really uncoach like of me.

Chad: (laughs).

Jerry Colonna: Uh, to tell you what I thought. But, um, you know, to be fair to myself, you weren't officially my client at that point.

Chad: That's right.

Jerry Colonna: I think that what I saw in you was the ability to... wa- was several things. One was the ability to hold the container of the purpose of Etsy. And, um, and that in the turmoil, 'cause the potential and promise of Etsy had always been there. That was the paradox of Etsy.

Chad: Yeah.

Jerry Colonna: I mean, I remember Fred describing to me, he's like, "You just can't kill this thing." It's literally, I think I'm quoting him and it's like-

Chad: Yes.

Jerry Colonna: ... "Well, you know, careful." And it's like, and, and, you know, he was referencing the, the turmoil that you referenced. And what my body sensed at the time, 'cause it was really an intuitive sensing, was that what the company needed was ground. It needed heart. Um, the model worked and-

Chad: Yeah.

Jerry Colonna: ... you know, there were changes to the model that occurred over the years necessarily changes, but, uh, the, the internal conflicts, uh, at the time, uh, were so manifest. I remember, you probably remember this as well. I remember, uh, you know, fellow coach Ann Mehl and I coming to do an executive offsite with, I don't know, 25, 50 people. And we, um, were, we had just sort of internalized the culture of the organization and, um, uh, and there was so much tension in the room, and this was the senior leadership and, and, uh, people were trying to sort of make their way through it. And to kind of make light of the whole thing midway through, uh, Ann and I took off our top shirts and we were wearing T shirts that said, "Welcome to Brooklyn where the weak get killed and eaten." (laughs).

Chad: (laughs). I, I remember that well.

Jerry Colonna: (laughs). And, and, uh, you know, well, you know, what it felt like is that, well, that's what we were trying to reference, was what was going on. You know, that internally at Etsy, there was this, uh, deep and profound, uh, kind of, um, internal strife that just never seemed to be able to be resolved. And if I, you know... a- am I describing it well? Tell, tell, tell us about your first impressions on it.

Chad: Yeah, I mean the, the day, so I was, I was obviously hired as CTO at Etsy and the day I walked in, which was early September, 2008, um, you know, honestly like I, the team I was coming in to run, the engineering team, the leaders of that team did not want me there. So I was one of the people who was kinda hired it in kind of against the team's will. And so the two founders, two technical founders decided to leave the company, and the going away party was the Friday before I started on Monday.

So my first day when I walked into Etsy and, uh, you know, I was pointed to my desk. My desk was covered with beer bottles and the sort of the detritus of a party (laughs) of my predecessors. And so the first thing I had to do was, you know, go find a bag and like figure out where the recycling was, get clear all that stuff up, like wipe my desk down. (laughs).

Jerry Colonna: (laughs).

Chad: And I remember looking, looking out into the room and like no, like no one on my team said hello to me.

Jerry Colonna: Right,

Chad: Uh, and, uh, so, you know, there was, um, you know, we mentioned transitions earlier. I think that I was welcomed by the board and the CEO at the time and that kind of thing, but it was, you know, it was a rough transition.

Jerry Colonna: Mm-hmm (affirmative).

Chad: And, you know, I, one of the reasons like jumping ahead, I think that I ended up as CEO that in the ensuing almost three years, um, you know, from walking in from that moment, you know, clearing off my, (laughs) the beer bottles from my desk, um, we just really focused, I just really focused and brought in other people to help me on really building a great engineering team. And so, you know, eventually we ended up kind of with Code as Craft, and I think there was kind of a strong culture built, um, about around engineering at Etsy, and the pride in engineering and that kind of thing, which is really connected to the larger mission of the company.

So, um, but it did start out very rough. (laughs) And, uh, I was having a conversation with a coaching client recently who was maybe in a similar situation, and he asked me if I'd been in that situation, it's like, yeah, I, I ate lunch by myself in a park in Brooklyn, like every day (laughs) for six months, you know, and sometimes being a leader, you have to go in, um, and fix things in a way that maybe doesn't make people happy, but you have to kind of focus on. Yes. So yeah, I didn't really think about the beer bottles and everything being a metaphor for the work (laughs) I was about to do for the next three years, but it, it really was.

Jerry Colonna: Well, you know, I wanna bring you back to, to building a great engineering team because, uh, I remember when I started working with the company, um, um, there was, uh, there was both the reality of the quality of the engineering team, which was, which was s- s- serious and recognized-

Chad: Yeah.

Jerry Colonna: ... especially in the New York community. People sort of knew that.

Chad: Mm-hmm (affirmative).

Jerry Colonna: But there was also the sort of myth and the way I would describe the myth was, well, at least we've got engineering working.

Chad: Yeah.

Jerry Colonna: Um, meaning that there were other parts of their organizational culture that were challenged. And, and I wanna come back to even this, this notion of great engineering.

Chad: Mm-hmm (affirmative).

Jerry Colonna: Uh, what Etsy seemed to have was, they had talented engineering capability, they had skilled engineering talent, but what I saw you doing, and then ultimately doing for the rest of the organization, was focusing on culture. And, you know, you made reference to Code as Craft, um, which you and I both know, not only shorthand, but in fact, it's sort of mission, vision statement. Take us back to that. What, what, what is Code is Craft? What was it, what did it stand for? What was, what were you guys reaching for with that?

Chad: Yeah. So, you know, one of the challenges, you used the word culture, and one of the challenges that I had when I came in was it didn't really feel like the engineering team was connected to the larger mission and culture of the company, which is all about making and craft. And, um, you know, some of that is the engineering team was overwhelmingly male and the customer base was overwhelmingly female.

Um, but you know, I be- I became a programmer, as an English major who like learned how to code and, um, had learned a lot about, you know, kind of the concept of software craftsmanship and how there's a long apprenticeship tradition in software that's very different from most professions. Like you don't become an apprentice attorney and then suddenly you're out, you know, in court arguing cases, but in software that happens that way. So, um, uh, I thought about, you know, in kind of a chaotic environment, like how do you unify the work of the engineering team with the larger mission of the company?

And I realized that those, the concept of craft in software, it was, was a, a really strong addition, or tradition and, and obviously a very strong part of the Etsy culture. So, um, we decided to start writing about it on a blog and having, uh, an event series and that sort of thing. And it's one of those things that once it was in place, it felt like it was in place forever.

Like you almost can't imagine, or at least I can't imagine, you know, Etsy without Code as Craft and it's still running today. 'Cause it's locked in so tightly with what it's about. And so as a leader, I talked with the, the team about like your pride and making things, software is the same pride that our customers have. So

you're doing the same work. (laughs) It's just a different manifestation of kind of the, this kind of human creative spirit. Um, and so that really resonated. And, uh, (laughs) I remember during that time there were engineers, I don't know if this is because of Code, Code as Craft, but they were even engineers on the team who took up knitting and would sit in a meeting and knit, which was absolutely not only socially acceptable at Etsy, but celebrated. (laughs).

Chad: You know, but the, the challenge of that team in the early years and the years I was there was always about taking this relatively chaotic kind of disparate place and trying to unify it into one, into one coherent unit. And so, you know, I was obviously working on the engineering team and trying to make it, um, the best engineering it could be. And then when I became CEO, my job was to do that with the company.

And, uh, it was really challenging coming from like a functional space that you were strongly identified with and, and running the company because, I'll never forget in my first week as CEO, um, I immediately had unsubscribed from all the tech lists I had got, we used IRC pre Slack. I was not in the tech RSE channels, but I told the engineering team, "I'm going to step completely out of engineering." Um, but the first week as CEO, the engineering leaders came to me and said, "You don't spend time with us anymore. We feel like you've kind of left us." (laughs) And, and then some of the business leaders came to me separately and said, "All you care about is engineering." (laughs).

Jerry Colonna: Yeah, I, I, I wanna, I wanna go into the, the engineering versus the rest of the company conversation.

Chad: Yeah.

Jerry Colonna: 'Cause that was a big part of the work that we did.

Chad: Yeah.

Jerry Colonna: But before we go there, I wanna, actually take you back a little bit-

Chad: Yeah.

Jerry Colonna: ... because your, your, your, your insight about Code as Craft reminded me of the hackathon attitude that you promulgated at Yahoo. Tell us about that.

Chad: I was at Yahoo from 2005 to 2008, and it was, uh, a moment in Yahoo time of extraordinary innovation. So, you know, Flickr was bought by Yahoo. Um, one of the kind of first web 2.0 properties and definitive in so many ways. Uh, you know, s- Stewart Butterfield and Caterina Fake, um, you know, Stewart went on to start Slack. And I worked with, um, Andy Baio who started Upcoming and Josh Schachter who did uh, Delicious. So it was like all these people were percolating around.

Um, and there's this idea that, which was true, that Yahoo had stagnated and it was really hard to ship products. And, uh, we needed to reclaim the engineering mindset of Yahoo and, uh, be more engineering forward. And so I, along with my team, um, Bradley Horowitz was my boss, we came up with the idea of a really large scale hackathon. And this sounds, in 2020, it sounds totally normal.

Jerry Colonna: (laughs). Yeah.

Chad: Like there are all kinds of hackathons, (laughs). But, at the time only small startups are doing hackathons and no one had done one at a large scale, like in a Yahoo scale or Microsoft, whatever. So, um, the whole premise there was, we really believed that if you gave engineers who are really smart some freedom to choose what to build, that they would build really amazing things.

So, uh, Jeff Wiener, who obviously went on to be the CEO of LinkedIn, was a big advocate for it. Um, and so we, we ran these events, I guess the first one was like in fall of 2005, 15 years ago now. And there was this extraordinary outpouring of just engineering creativity and product creativity. And, uh, you know, we brought in Jerry Yang, the founder of Yahoo and David Filo, the founder of Yahoo. And engineers work for a day and presented their ideas.

And they were probably, you know, a hundred products or like beginnings of products that have been built. And so it was, um, in a lot of ways, I think a kind of a belief in the sort of human creativity and, you know, Jerry, you know, and probably people who follow me on Twitter know like, I'm really into music. And, um, one of the things I think about now and then is when I trace my own career and my own interest all the way back to running the Duke coffee house, the music space on campus at Duke. The thing that always excited me, whether it was Code as Craft or hackathon or putting on shows at the Duke coffee house was basically giving people the stage and letting them share creativity with others. Um, and that's, that's kind of what animated, everything I did.

But the, the other cool thing that happened with the hackathons is people inside Yahoo, which is at the time it was 11 or 12,000 person company. They created, because there were no formal teams, they created informal networks, um, for that day. And even if, even if people didn't maybe create finished products that shipped, you know, immediately the next week, they created networks and traded ideas that very much did we, make their way into product. And so, um, I think underlying all of that as like a real belief in people and their ability to do cool stuff, (laughs) for lack of a better way to describe it.

Jerry Colonna: No, uh, you referenced before, me looking at you and saying, "Let me tell you why you should be a CEO." I think that's, that's the piece here, is that fundamental foundational belief in people's ability to be creative, to jam together and do something that's miraculous. Um, let's go back to the transition though, from, from CTO to CEO and even the, you know, because as we said before, "Welcome to Brooklyn where weak are killed and eaten." (laughs).

Chad: Yeah.

Jerry Colonna: One of the conundrums of Etsy has always been this, um, set of high beliefs and values. And then the sort of on the ground rubber meets the road tension that it, that can exist. And so I'm remembering you, um, stepping out of engineering, you were telling the story about how the engineers were feeling left behind.

Chad: Mm-hmm (affirmative).

Jerry Colonna: And the business, the rest of the business. 'Cause we used to always inaccurately, but appropriately refer to it as the left and right sides of the brain.

Chad: Yeah.

Jerry Colonna: Um, and, and that part of the work was to try to bring the Code as Craft, you know, hackathon mentality, unleash the creativity to the rest of the business.

Chad: Yeah.

Jerry Colonna: Tell me about that.

Chad: Um, well, first of all, once you transitioned from CTO to CEO, you realize what a different job it is.

Jerry Colonna: Mm- hmm (affirmative).

Chad: And to some degree, I think because, you know, in one day I'm a CTO and the next day with CEO, to people around the company who saw me every day, it looked like I was the same person, and I was the same person, but what I needed to do is, was very, very different. So, um, uh, you know, when I looked around, when I first started as CTO, there was a lot of engineering ne- work that needed to be done. My first day as CEO, it was as if the clock set to zero, like all the work I'd done in engineering was still important, but it wasn't the thing that mattered anymore.

Jerry Colonna: Mm-hmm (affirmative).

Chad: It was engineering plus marketing, plus finance, plus people, HR, (laughs) all of those things. And, uh, I've said this to some of my clients who are new CEOs that it's just indescribable. Like I, I consider myself a pretty responsible CTO, but the feeling of responsibility at that level is really high. But when you step into the top job, it's not one notch up the ladder. It's like six.

Jerry Colonna: Mm-hmm (affirmative).



Chad: (laughs) Maybe 10. And, you know, as a CEO, especially after you've done it for a year or two, there's a problem in the company and you're, you're just like, "Why is this happening?" (laughs).

Jerry Colonna: (laughs).

Chad: And you kind of look around and you say, " Oh, like, it, it kind of doesn't matter why it's happening. Like it's my job to fix it and hire someone to fix it," or, you know, all of those things. And so it's just like such a different job. Um, and just that a hundred percent accountability for the company like with no, and I know CEOs, some CEOs probably still blame people and everything, but for me, it's just, yeah, it's like, it's all on you. If something's wrong, like somewhere within your purview, you have to fix it.

Um, so, you know, immediately I had to, I'd been working there. So I think it had some advantages, but I had to assess all the different teams and just like many of the CEOs I coach and CEOs, you coach, I had to see like, who was doing well, like where I needed to bring in new talent. What was the order of the new talent? Like, do you need a new head of finance first? Do you need a new head of people first? Can you recruit both of them at the same time?

Um, what other people think who are already there? Like, do they want the jobs? Like how do you manage those communications? And so immediately, um, it was what I imagined the first day of like a presidential transition would be like. Um, and I'm not trying going in that direction (laughs) of the conversation, but, um, you know, you've got a line out the door and everyone's got the sort of equivalent of the bill they wanna pass or the initiative that they want to get started.

And, um, so there's, there's a lot of that, a lot of that happening. And so what I remember from that period, and I think this is good guidance for any CEO in a new job is, um, while you're kind of looking at the team and, and making sure the strategy is clear, um, it's good to pick a few things that look like, uh, nothing's a sure bet, but that look like things that you really need to do and give the resources to those that, that need them. So you can make a stand or take a stand about what's important and kind of get that work done.

And so, um, an initiative that comes to mind is, uh, you know, Etsy was kind of, sort of beginning to start building a payment system at that time. And so, uh, in the early days of CEO, um, you know, Isaac Oates, who's obviously the CEO of Justworks now, we both know Isaac. um, I made sure that a leader like Isaac, who was an incredible leader still is an incredible leader, I made sure that he got-

Jerry Colonna: One, one of the best I've ever encountered.

Chad: Yeah, amazing, um, an amazing leader. I made sure that Isaac got what he needed. Um, and so the transition is a really, that transition is a really challenging part because, especially if you're coming from the inside, everybody knows you, but everyone doesn't know the extent of what you need to do. And, uh, you know, even then, I, (laughs) I don't think I wanna go into the details on this, but we actually had, uh, in the early days a hostile shareholder play where someone was trying to sell some of a big chunk of Etsy stock to one of our, our fierce competitors. (laughs). Sort of.

Jerry Colonna: I remember that.

Chad: And so I think on my third day as CEO, you know, it sounds like it's all wine and roses and you're like sitting on the throne or whatever, but I was on the phone with the person trying to sell stock to our competitor, you know, making appropriate threats, (laughs) uh, to protect the company. And so, um, you know, there's just no, I think when you're a CEO, there's just no time to waste. There's a lot of work to be done and you have to like immediately start prioritizing around team and initiatives and, uh, very challenging. (laughs).

Jerry Colonna: You, you know well that, uh, you were gracious enough to allow me to share a bit of your story in my book. And, um, of course, you know, I tell a little bit about the transition, but I don't wanna get ahead of ourselves. What I'm remembering is, um, your nausea.

Chad: Oh yeah.

Jerry Colonna: Uh, why don't you tell that story? (laughs).

Chad: Yeah. And I'll, I'll tell a, a sub story as I'm getting to that.

Jerry Colonna: Mm-hmm (affirmative).

Chad: Um, so one of the, in my early days of CEO, one of the things [00:40:00] aside from trying to do all the things I just described, kind of unify the company, one of the things that bothered me was I didn't feel like we were really measuring ourselves against some of the value statements that we were, that we were, um, kind of putting forth. And so in, I became CEO in July, 2011, and in the, I guess, sort of winter spring of 2012, we decided to raise a round. At the same time we were looking at uh, B Corp certification. And, uh, for those listening who don't know B Corp's, I think they're pretty well known now, but it's the idea that you can, um, do social good, um, while running a great business.

So, um, I decided that I wanted to become a certified B Corp at the same time as raising the funds so we would announce those on the same day. So one of the challenges for me, um, if you run a company and you're raising money, uh, and you're going to make a big value statement, you obviously want values aligned investors. Um, you know, you don't want an investor who doesn't believe in

what you're about to do, because it will only cause trouble. And so to get to your point about nausea, Jerry, um, yeah, I had an investor to lead the round. It was an outside investor.

And, uh, I really liked our investors. They were all supportive of being a B Corp. Fred Wilson, Union Square Ventures, Jim Breyer at Accel, um, Danny Rimer from Index, all had signed off on it. But I got an outside investor, um, had a term sheet or a verbal offer with very specific terms. And I'll never forget, I went and kind of closed the deal over breakfast at Balthazar. So we talked terms, it was very cinematic. I shook hands with this person. Then I went back to the office, the term sheet was sent and all the numbers were different. Um, and, uh, I called the investor and said, "Like, what's up? Like we had this conversation and I looked you eye to eye. We shook hands and then the numbers I was getting were different." And the investor started kind of hemming and hawing and, and then like said, "Oh yeah, like, well, you know, we could maybe change them back to what we had said." And, and I said, "No, this is over." (laughs) Like, we're not, and this is at the end of a fundraising process. We'd already run a process. And there was a lot of people.

But I was so taken aback by the, you know, the dishonesty. And I was told, well, you know, this is how the game is played and all this kind of stuff. And so I killed the deal, um, killed the term sheet and anyone who's raised money knows that when you have it all wrapped up and you're at the end of the process, (laughs) the idea of killing it and starting over is, is sickening.

Jerry Colonna: Mm-hmm (affirmative).

Chad: And so, but to get to your point, I felt kind of a call to principal more than anything and so I, I killed the deal. And I had no plan B because I had kind of shut off the other avenues because I thought this is, was going so well. So that's, um, the story you're referring to 'cause I went to the office... I was in the office when I figured this out and I went to the bathroom and I think I felt like it, you know, I was like dry heaving and that is, is very atypical for me. (laughs).

Jerry Colonna: (laughs).

Chad: Uh, but, um, you know, we ended up closing around, everything kind of worked out and I didn't, I'm still really happy about this. I didn't, uh, sacrifice the kind of core principles of like honesty and being straightforward that I wanted in the company, especially at a moment when we were becoming a B Corp. And uh, I mean, Jerry, you know, you know my investors, uh, from then, and, you know, like Fred Wilson I think is kind of our archetype of a good investor. Like-

Jerry Colonna: Amen.

Chad: ... he's a good investor because he knows how to make money with his investments that's really important. (laughs).

Jerry Colonna: Right.

Chad: He's a supportive, um, investor, but he also knows, you know, when to push you in the right ways. So I wanted to make sure that the other investors I had on the board were as close to, you know, someone like Fred as possible.

Jerry Colonna: Mm-hmm (affirmative).

Chad: Uh, so I think as difficult as that was, it put us in a better position to, you know, go public the way we wanted to like all those sorts of things. But it was hard and I felt, it wasn't a momentary sickness. I felt kind of sick for days until I got the deal worked out.

Jerry Colonna: You know, when you said, uh, that was unusual for me about the dry heaves, the only thought I had was, that wasn't my experience. Meaning that it wasn't unusual, I got a lot of phone calls-

Chad: Yeah. (laughs).

Jerry Colonna: .... from you. (laughing).

Chad: Yeah.

Jerry Colonna: You, your dry and not so dry heaves. (laughs).

Chad: Yeah. Well maybe I'm just looking back with rose colored glasses.

Jerry Colonna: Nah.

Chad: (laughs) But, uh, yeah not-

Jerry Colonna: But-

Chad: But I think an important point here, and we've talked this a lot, that was, I'd been CEO for nine months at that point and you get, I don't even wanna use the word tougher. Well, you get more resilient. 'Cause tougher is a little bit too... I don't think you wanna get tougher. That just means you can repel-

Jerry Colonna: Right.

Chad: ... more incoming, whatever that is. And I think resilience is the right word because you learn to kind of absorb and process things in a way that's, that's healthy. So I think, you know, I, I definitely felt sick then, but I think had I been in the same situation, like a year later, 18 months later, it would have been a lot easier. So I think, and I see this in my clients and I know you do too.

Jerry Colonna: Right.

Chad: It, it's almost like lifting weights. Like the more weight you lift, the stronger you get. And I think that was one of the early weights that I had to lift to be, to be stronger for the future.

Jerry Colonna: So you, you're, you're telling us stories about the transition into CEO and you know, I think we should shift and talk about the transition-

Chad: Yeah.

Jerry Colonna: ... at the end.

Chad: Yeah. Yeah.

Jerry Colonna: And uh, you know, I know that, uh, it's been a few years now and um, I hope you don't mind me saying that, uh, I know from all of our conversations over those last few years, that the transition was hard for you.

Chad: You know me, Jerry, like I think when I took the job, it wasn't, I mean maybe some people would disagree with me, but (laughs) it wasn't like this naked power grab. Like I had always wanted to be a CEO and, you know, I was in a Shakespearian way plotting my moment, you know? (laughs).

Um, it wasn't that at all. Like I, I grew to love the company. I loved the company when I joined it, but I grew to love it, you know, even more as I, as I did the work. It's like I really felt like at that moment, when I put my hat in the ring for CEO on a really basic level, I thought if you bring in someone from outside, it's, it's not a good time for that. And what the company needs right now is kind of a, somebody who understands how it works, who can take, I think we even use this back then, take Humpty Dumpty and put it back together again.

Jerry Colonna: Yeah, yeah.

Chad: Because it was much more fractured than people realized. And so, you know, the, I, I was CEO for six years, I guess, almost six years. Um, and you know, we went public and we could do a whole series of podcasts about that. But, uh, you know, at the end, um, you know, we'd been a public company for two years. It was a pretty rough ride. I definitely made all kinds of mistakes, but I think, you know, to talk about the pain of it, I think that I still had that mindset of service. And so like on a really basic level, if I could really pinpoint the pain, the thing that you cared about so much, like suddenly you were being told that like you were the problem. Um, and so, wow, like that, (laughs) I mean, that's, that's still painful.

Jerry Colonna: I know.

Chad: And so there was just that kind of emotional pain of, of that. And then I think the, you know, the company was very, you know, very much a community, um,

in the way that the, the community kind of existed outside the walls. So like it was, wasn't just getting fired, and we could talk more about that. Like, I was very honest and insisted that publicly, we say that I was fired, but it was more like an excommunication.

Jerry Colonna: Mm-hmm (affirmative).

Chad: And, and so that was really difficult. And I had, I had really firmly committed, not just to Etsy, but also to Brooklyn. And so, you know, I was on the Dumbo business improvement district board, which was unusual for a company. It's kind of like a, a board of business owners.

Jerry Colonna: Let me just explain that, yeah, that Dumbo refers to Down under Manhattan bridge overpass. It's a, it's a name-

Chad: Right.

Jerry Colonna: ... for, for the area in which Etsy's headquarters were, go ahead.

Chad: Yes, thanks Jerry. Um, so I was on that board and it was like the guy who owned the pizza shop, the woman who owned the candy store. And so, you know, I felt very much connected to Brooklyn. It was difficult because I was so embedded in Brooklyn that like just walking around, I saw people and, you know, in that sense it was hard like not to be part of the team and sort of being on the outside of the walls. And so, you know, it was the first time that I've been fired.

Um, and you know, even... And I, you know, I don't, I, I wouldn't say that I was like treated poorly, so I'm not, but I, I just think the experience was so rough. I mean, you have to go in and like pack up your stuff. And I had, I know many people who've been through that, but, you know, because it was so traumatic for the company, like I agreed to go pack up my stuff like on a Thursday night when like no one was there. And so that, yeah, that was just excruciating.

Jerry Colonna: Tell me about the excommunication feel. A powerful word.

Chad: Yeah. I think excommunication is like, not like you're not welcome, you're sort of cast out. And so the, it, it's almost hard to explain, but I think a place that you would just kind of walk in the door and say hello to everybody that, you know, I spent so much time on that, like just physically and mentally and everything. And then to, to have that like shut off and even on a personal level and you know, this, I, this even happens now. And I think it, um, in some cases it creates like an awkwardness, (laughs) and that awkwardness is kind of the opposite of, you know, what I used to feel, which is like ease.

And so I think it felt like excommunication at the moment, but then, you know, as time has passed, you know, it's been three years now, and this has been a great learning experience for me in a lot of ways, which we could talk about,

but, you know, there are people involved in Etsy who, um, you know, I just never heard from again. And I, I thought like, huh, I thought we had some kind of relationship. And then, you know, to be honest, there were people in the company who I didn't spend a lot of time with who sent me really moving emails. So it's, it wasn't that, but it, uh, it kind of really helped me understand, like, um, for, for lack of a better way to describe it. Like, who's, who's kind of like really got your back and like who doesn't. Um...

Jerry Colonna: And, and you know, what I witnessed in watching you and being not only your coach, but your friend in that process was a kind of slow discovery and realization of the impact that you did have. I'm thinking, for example, the stories you've told about that Thursday night when you were packing up-

Chad: Yeah.

Jerry Colonna: ... and when you said goodbye to the security guard.

Chad: Yeah.

Jerry Colonna: Can you share that story?

Chad: Yeah, yeah, I mean, I'll definitely never forget this. I mean, I had to... I went in front of the company, because we were a public company, that, that I was told on a Saturday that Tuesday was my last day. And there was an earnings call Tuesday at 5:30. Um, the market closes at 4:00. So it's customary to kind of release news right after the market closes for lots of different reasons. And, you know, I went into an all hands and told people that, um, that it was my last day, that it was John Allspaw's last day, our CTO that, and there was a layoff and I was part of that.

Thank God for the, some of the resilience I had developed at that point. Then I had to go to an earnings call, so that I couldn't really stick around and talk to the employees. I had to basically go straight to an earnings call. And, uh, because earnings calls are pretty serious business and this is pretty serious, we would always have, um, one of our security guards not really guarding the room, but just kind of like standing in the hallway saying, "Hey, like they're doing an earnings call, can you like go around?" So that was, uh, Kevin. I was managing my own emotions at the time 'cause I had to go on an earnings call and like introduce my successor, which is a real, you know, difficult moment.

Kevin was in his usual post and saw me coming and he said, "Hey, how's it going?" 'Cause he hadn't heard the news, he wasn't in the all hands. And I said, "You know, today's my last day." And I'll, I'll just never forget, like a tear, he, he started crying. I was just so moved by that. And I, and I, you know, I was, I was actually about to compose myself. Well, Kelvin is like, Kevin, like, why? Like, why are you so upset? Like I, I'm not dying or anything. And he said, he said

something like, uh, said something like, "You a- you always treated us like everyone else."

And so I think, yeah, for me it wasn't that, that feeling of excommunication, like it wasn't, wasn't, it wasn't really about all the fancy like CEO stuff. It was, all right, that, wasn't what I was missing. It was more like, you know, Kevin and, uh, the people in the company. I could, I could honestly care less about investment bankers and, and all that kind of stuff.

Jerry Colonna: Sun Valley and Goldman-

Chad: Yeah.

Jerry Colonna: ... Sachs conferences.

Chad: Totally. I kind of found those tiresome in a lot of ways, but, uh, it was like the, the collection of people that we had assembled, you know, really from top to bottom. And so uh, a number of the people I, I still keep up with are, you know, people like Kevin, people like, um, uh, I don't want to name names, (laughs) but-

Jerry Colonna: Right.

Chad: ... the, uh, the woman who ran our cleaning service.

Jerry Colonna: I was just thinking of her.

Chad: ... employed, um, you know, formerly incarcerated people. And so I was, in a lot of ways, thought more about like building the company for them and sort of a model of generosity around them. And, uh, you know, honestly, like looking back as a public company CEO, the shareholders are important, but I don't think, I, I didn't think about them as much. (laughs) Um, and I tended to make decisions that were, often did not have them first and maybe in some cases like way, way farther down the line. So, um, yeah, as I was, as I was leaving, I wasn't thinking about, um, all of the sort of hot shot CEO lifestyle, things that happen when you're running a company like Etsy, I was thinking about the, the people inside the company.

Jerry Colonna: You know, in my book, I described that, uh, the end that, that, that period. I remember that Saturday, I actually flew from Colorado to New York that Sunday. And we got together that Sunday night, um, ahead of the Tuesday earnings call.

Chad: Yeah.

Jerry Colonna: Um, and you're gonna make me cry. 'Cause there was no way that I was not gonna be by your side. And, um, I described it as that moment in which your bearing as a CEO came forth even more. Now in, in reliving the story with you,



I'm thinking back to the promise you made Nancy, and, uh, you fulfilled that promise. You stayed in your core with your core beliefs. Your humanity stayed there. And it may have been easy in some ways, easier to give up of that, but I think you would have lost yourself.

Chad: Yeah. I mean, I, I think about that a lot. And uh, the, I mean, one of the things that I definitely saw as a CEO and definitely a public companies CEO, you get to see up close how the machine works.

Jerry Colonna: Yeah.

Chad: Like investors, markets, um, you know, investment bankers, the kinds of things that people come and suggest that you should do that maybe you shouldn't do. And I think that it's very easy. Um, I can't think of a better word. It's very easy to become kind of corrupted-

Jerry Colonna: Mm-hmm (affirmative).

Chad: ... uh, because you know, we have to do this for the shareholders or, you know, the kind of catch all, like this is just a business decision, which is often true, but often used to excuse sort of inhumane behavior. And so I think about this a lot and I think, um, I think that, [01:03:00] I look back on that and, I, I feel like, and I could, I made a ton of mistakes. We can go over. But like at every moment I was trying to act with integrity and there were moments where I made conscious decisions that were less beneficial to me, um, because I thought they were the right thing.

And so now that I've been out for a few years, I feel like I definitely could have, you know, tried to make more money or done things, certain things in different ways. But, um, you know, I have a son who was five years old then, and now is eight years old and is at an age where he's starting to understand things. And I, I feel like absolutely at peace that at any level, if I explained to him what I did, that I would be proud of what I did and he would be proud of what I did.

Jerry Colonna: That phrase at peace really, really just landed with me. Because it's clear that, you know, the pain is still there, the tenderness is still there. Um, and I was thinking about this conversation and thinking about what is it that I hope that people who listen come away with...and, um, and you know, I mean, I, you know, I'm really struck for example about, uh, the understanding and empathy and kindness you feel for our mutual friend, Fred Wilson.

Chad: Mm-hmm (affirmative).

Jerry Colonna: Um, and you know, as I recall it, he stood up in front of the company and he told the company that it was his decision.

Chad: Yeah, (laughs).

Jerry Colonna: While standing next to you.

Chad: Yeah. And I'm laughing because that's such a, in wonderful way, that's such a Fred thing to do.

Jerry Colonna: Mm-hmm (affirmative).

Chad: Like he did the hard job, (laughs) he fired me, and then he came and stood beside me and told everyone to blame him for firing me. And, uh, you know, I didn't like it. I, you know, my head was kind of all over the place at that time, but, you know, I had total respect for that. So it wasn't, I would say one of the interesting feelings that came out of the whole experience was it's so natural to like, sort of almost in a reflexive way to, you know, dislike or be upset with the person who kind of gave you the news.

And I never really felt that way about Fred because he was so straight with me about it. And I'll tell another story 'cause I think this would, this is what's remarkable about Fred. And, and I tell the story because I think it's, it's useful for other people in, in terms of how they think about doing business. But I got fired on Tuesday, and Fred emailed me, I think it was Tuesday night said, "How are you doing?" And he said, "Uh, I'd like to take you out for a beer on sometime this week and we can talk about anything but Etsy." (laughs).

Jerry Colonna: (laughs).

Chad: And so, and Fred, you know, the all powerful Fred Wilson who we all know and love, but if you know him as a person, he's very much person. Fred, God knows what he had to do that day, came to my neighborhood-

Jerry Colonna: Right.

Chad: ... to my bar. (laughs).

Jerry Colonna: Right.

Chad: And we had, we had a couple of beers, you know, on a Thursday afternoon at like three o'clock. We were like the only people in the bar. I wish I had been able to, to be that magnanimous in some of the departures I had to manage. Um, s-some of the reason I tell that story is more like a future aspiration even for myself. (laughs).

Jerry Colonna: Yeah.

Chad: But, um, but that's, I think that's a story that deserves to be told because that's something that Fred didn't have to do. He didn't talk about it with, or blog about it to try to make himself look good. Um, he did it because it was, it was just a generous thing to do.

Jerry Colonna: Was, uh, the right thing to do.

Chad: You know, one of the interesting thing that happened when you go through a transition like that, and this has been the most fulfilling part. And I feel like you were my guide on this, is it forces, it forces you to disconnect from all these ego activities. Like, so one day I was the CEO, one day I wasn't. One day, you know, everybody's offering me tickets to all the great stuff in (laughs) New York, and the next day they're not. And so it... And you gave me this really helpful advice, which was, uh, I don't remember the exact words, but it was kind of like, don't jump into anything else. Like don't attach to anything else, if you can like take it slowly and like take a break.

And so, you know, like anyone else, I was getting calls for stuff like boards and other CEO jobs. And it was very tempting at the time. And I remember these conversations, I would say to you, Jerry, I would say, you know, I felt anxious. I was like, I feel like I'm like out of the game and I wanna be back in the game. Um, and you helped me kind of resist the immediate temptations to kind of lick my wounds by taking on some other prestigious position or whatever. Um, and so like pausing and not trying to get back into the quote game, um, made me think about what the game is that I wanna play. (laughs).

Jerry Colonna: (laughs).

Chad: And it wasn't jumping back into the game when it was a game I didn't wanna play, would have been, I think, a very costly exercise and utility. I think I would have been more frustrated, more tired, less healthy. I would have probably damaged another company because I was trying to repair something like a wound. So instead I, you know, and this was actually a, an intentional thing in the pre COVID days. I isolated. Um, but I isolated in a very contemplative way and thought about like what I really want to do. And looking back, even though some of that pain is still there, some of the tenderness is still there. I know with absolute clarity that I don't want to try to repeat that. I had that experience and I don't wanna do it again.

I don't think I can do it again. Trying to recreate something as, as special as the experience [01:11:30] I had at Etsy, that was a moment in time. It was really great. There's this intense social pressure that happens when you leave. And you, especially in, in tech, like you, you run into someone and they're like, "What are you going to do next?" (laughs).

Jerry Colonna: Right.

Chad: Are you gonna be a VC or are you gonna start a company? All this stuff. And that's every time. And it's hard to say, I have no idea (laughs) at this moment. It's kind of awkward. But during that period, I thought about going to school for music.

Jerry Colonna: Mm-hmm (affirmative).

Chad: This is like three years ago. And some people I really respected and, and I still respect who I consider friends, I would say, oh, I'm thinking about going to school for music. And uh, multiple people said they were aghast. And they're like, "Oh my God. You would go back and start over?"

Jerry Colonna: Hmm.

Chad: You have all this like social capital and professional capital built up in tech. And like, you would just throw that all away? (laughs) And it got in my head, and so I decided, and you know, again, three years ago, not to do that. And so I did some other things that I think were respectable, quote, respectable for someone, you know, retiring CEO or whatever. And, uh, guess what happened? During the quarantine I decided to sign up for some music classes and it's amazing. (laughs).

Jerry Colonna: (laughs).

Chad: So I, I bring this up on, on this podcast because I knew what I wanted to do-

Jerry Colonna: Right.

Chad: ... in a certain sense, but I didn't let myself pursue it because of the social pressure to be a tech person or be a CEO or be in the game. That's the phrase that I was using that I was so anxious about. Um, so I just want people who are listening to think about that. I mean, I'm really fortunate that I had the means to take a break. It's not always possible.

Jerry Colonna: Right.

Chad: I mean, I, I know what that's like, I didn't grow up (laughs) wealthy, I think it's tragic, especially as you get sort of in the second half of your life to ignore those fundamental impulses of what you really wanna to do and what you really wanna be, you know, out of deference to somebody else's idea-

Jerry Colonna: Yeah.

Chad: ... of what you should be.

Jerry Colonna: I think that's the ultimate tragedy. And, uh, you know, I would argue that, uh, that phrase, that peace keeps coming to mind here is that the movement towards allowing your heart to tell you who you are, what you want to be and how you want to be is an expression of that at peace. And, you know, I go back to the construct that I've, that I've often spoken about, about the movement is from heartbreak through resilience, into equanimity.

Chad: Yeah.

Jerry Colonna: Right? And what we've just, in this brief little time here, been talking about, the way in which you're living into the equanimity of you being, having the inner person be in sync with the outer person.

Chad: Yeah.

Jerry Colonna: And so who you really are gets to manifest in the world. And, you know, I'll make this observation. There's a part of you that's a mentor teacher. And that I think is being lived out through your coaching.

Chad: Mm-hmm (affirmative).

Jerry Colonna: There's a part of you that is, uh, an engaged activist in believing in the world and the world should be, how the world should be. And that's being lived out and through, through your, ph- uh, philanthropic efforts. I know those efforts we-

Chad: Mm-hmm (affirmative).

Jerry Colonna: ... haven't talked about them.

Chad: Yeah.

Jerry Colonna: But I know the work you're doing for the library system in Brooklyn.

Chad: Yeah.

Jerry Colonna: And while I don't live in Brooklyn anymore, I feel really proud that my friend is a caretaker of my homeland.

Chad: Yes. (laughs).

Jerry Colonna: And that means a lot to me to know that, that, that you're there. 'Cause you see what is so special about Brooklyn.

Chad: Yeah.

Jerry Colonna: And it's the community, it's the people.

Chad: Yeah.

Jerry Colonna: And, uh, I think embedded in this entire story is an arc of, of advice and counsel. It's like two elders sitting on the park bench. And as I've often said, um, you know, this is not the path to optimization of financial wealth.

Chad: No.

Jerry Colonna: This is, this is the path to optimization of happiness.

Chad: Yeah.

Jerry Colonna: Right? And living into the promise you made your wife, living into being available.

Chad: As I think about this whole story, I mean, one thing, you know, sort of a tragic moment for me getting fired, and you and I have talked about this a lot, I made a choice then to be public about it. And, um, you know, right down to like the press release, made it sound like I didn't get fired. And I edited the press release, basically said I was fired.

Um, and so many people who I really respect gave me advice not to do that, not to say that I got fired, that it was gonna hurt me, um, that this was a time not to tell the truth. (laughs) Uh, and you know, I did it 'cause I felt like it was right. But that, that got into my head a little bit. I always thought about it. And what I found in the work that I do and even outside the specific work I do, is that one of, it's almost like in life, the most unknowable thing is death. You can't talk to someone who's died, um, at least conventionally. (laughs).

Jerry Colonna: (laughs).

Chad: But, so, what I found in my coaching is, you know, I coach all sorts of people in all sorts of situations. And the fact that in effect, like in a professional sense, I can tell you about death. It doesn't have to be a secret. Like when people work with me, they already know that. (laughs) And you know, I had a client recently who's running a, just a blockbuster company, like one of the fastest growing companies I've ever seen, um, you know, IPO track and everything.

He told me all the reasons he wanted to work with me. This was just last week. He told me all the reasons he wanted to work with me, you know, he felt like I would understand him and like scaling and executives and building an executive team. And I would almost, that old insecurity kicked in. And I said to him, I said like, (laughs) "You know I got fired, right?" (laughs).

Jerry Colonna: (laughs).

Chad: And he said, "Oh yeah, yeah, yeah, yeah. Of course. I knew that. Yeah. I knew that, that's not the point." And then he just kept moving. And, um, but what I found is that it's, it's a, it didn't feel like a gift, and it's hard to even describe it as a gift now, but I think that it was a gift in very unusual packaging.

Jerry Colonna: Yeah. Yeah. Yeah. And in the end, maybe it wasn't the point to quote your client. The point is the-

Chad: Right.

Jerry Colonna: ... experience. The point is not, how did it end up?

Chad: Yeah.

Jerry Colonna: Because the story is still unfolding. You're not done.

Chad: It is. No. No, not at all. Yeah. and that's, I think another really important thing, I think for anyone listening to understand about your career, like your career, we're so career focused in the world we're in, it's all about career. And frankly companies are the least loyal constituency in your life. (laughs).

Jerry Colonna: Hmm.

Chad: Whatever the other constituencies are, they're the least loyal. It's, I think it's pretty objective. And so I think, it's healthy, honestly, to have some distance from the work you do-

Jerry Colonna: Mm-hmm (affirmative).

Chad: ... because it, it's not all of you. That said, I don't, I'm not suggesting distance. That is alienation (laughs)-

Jerry Colonna: Mm-hmm (affirmative).

Chad: ... from the work that you do. It's more of a recognition that your job is part of a mosaic of who you are. And, uh, you have to make sure that it doesn't consume your entire self because other things that are, that are more important get, can get sacrificed.

Jerry Colonna: Wow. I don't know that I could add anything further to that. I think that was beautiful. And, as always, um, it is just such a deep, deep honor and privilege to be with you.

Chad: I just wanted to thank you Jerry, because, and I've said this to you privately, but I think, um, the chapter you wrote in your book about me and my departure, um, I've said this to you and other people close to me, like that is the most true thing that was written about my departure. And so I, I just treasure it as a, as a difficult moment, but it really, uh, just a really human moment. And I, I, uh, I'll never be able to express my gratitude to you for, for sharing that moment with me, but also recording it.

Jerry Colonna: Your story is an incredibly important story, and it's, and it needed to be shared with the world, and not only for your healing, but for the world. Um, there is a different way to lead and you are in the embodiment of that.

Chad: Thank you, Jerry.

Jerry Colonna: Thank you my dear, dear friend.