Annaka:
Hey and welcome everyone to Startup Savants. A podcast dedicated to helping aspiring entrepreneurs and startup enthusiasts, by bringing you news, insights, and stories about the startups and founders that are making waves right now. I'm your host, Annaka.

Ethan:
And I'm your other host, Ethan.

Annaka:
Our guest today is Greg Rozdeba of Dundas Life. Greg Rozdeba is a sales director, specializing in InsurTech and wealth tech firms. He has consulted multiple seven figure FinTech businesses and founded Dundas Life, which is transforming how Canadians buy insurance. Hey, Greg, welcome to the show. Tell us a little bit about the history behind Dundas Life, its mission, and how you got started.

Gregory:
Sure. It was very vertical specific in many respects, and I stumbled into it to a certain degree. But when we kicked this off, we realized that in the life insurance space in Canada, there wasn't an easy way to find the right product, as ridiculous as that might sound.

There's some organizations that your cousin is incentivized to sell you something. There are other organizations that sell you a specific product because they're basically told to.

We wanted to create a place where people can just come get reasonable advice and get the product that fits their situation. In terms of the more mundane aspects of things in the life insurance industry, there's still a lot of paperwork. A lot, a lot, a lot of paperwork, especially in Canada. And we wanted to simplify it, because ultimately you turn it into a software or you use some tools that make the whole process either automated, digital, or at least templated. It makes the process easier for the clientele, and that's effectively how we came about starting Dundas Life here.

Ethan:
Awesome. So, you are a brokerage, but you've got some other things going on. Can you tell us a little bit about what makes Dundas Life different from a traditional insurance brokerage?

Gregory:
Sure. We needed to get into the software side of things. There's just so many problems from a process standpoint that needed to be addressed, that just flat out weren't. And simultaneously, if you're on the software side, there are many aspects of the life insurance industry you don't really get access to because you don't manage the relationship, you don't own the transaction.

We kind of had to play in both. While brokering the actual business and helping people with their life insurance needs. Simultaneously in the backend, we've basically been building out the software that our business requires. So, it's like that meme where you have the train going and

the guy is just trying to build a track right in front of it. It's similar in that sense, except there's a bit of a track. It's predominantly paper, but it works today the conventional way because there's a real need for the product.

Gregory:
Our reasoning behind, I guess, the firm was if we build out the digital back office to a certain degree, then not only can we facilitate the transaction person to person. But we can also take the conventional paperwork and just send it through much faster. Just remove a lot of the processing time, remove a lot of the unnecessary administration. And we've been fueling that with our life insurance sales. We've been kind of forced to do both.

Ethan:
Gotcha. In the questionnaire that you filled out before coming on the show, you mentioned that you focus heavily on customer experience. And the other thing was that you're trying to make insurance easier and more accessible. Can you tell us a little bit about both of those things, and how that's really driving how you run your business?

Gregory:
Sure. I think if you chat with anyone in the FinTech space, or at least a few years ago this was super popular. People talking about disintermediating brokers or going directly to the insurer, going directly to the mortgage provider, going directly to the bank. Whatever. And I think it made a lot of these product offerings very impersonal. Ultimately, if you're talking about someone's mortality, you'd want to talk to someone about it and you get a lot of people with chronic conditions, illnesses, whatever.

They don't want to just be dealing with some sort of very slick intake flow. These things are deeply personal. It's like, "Oh my gosh. You've had cancer. What kind of drugs are you having? When did you go into remission?" It's like, you're filling out a form, you're kind of sitting there. At least this is the feedback that we've received. You're sitting there as a prospective client, you're filling this stuff out.

I get it, you have to fill out some forms. But when you're asking for information, that's just so personal. Life and death to a certain degree. Health related and financial. Because we really do see it all here from a life insurance standpoint. The experience really mattered, and it wasn't just the matter of putting someone on the phone. But I think empathy was very important in this process as well. Because again, it's life and death. When the person passes away, their loved ones will be reaching out to us to help them resolve this issue. And the last thing you want to be doing is sitting on a 1-800 number for an insurer when you're grieving a close loved one.

Give it to someone else that could do it for you. And that's our job. That's our responsibility to our clientele, to really make that side of things easier. The back office stuff, I can go on ad nauseam and make everyone in your audience fall asleep, because there really is a lot to do. But it's just creating efficiency in a paper driven process. But I think in terms of service, it came down to “can we provide these individuals with someone that wants to listen and understand

their problem?" And then use technology to enable it. We're not recreating the wheel in many respects, we're just making the existing process faster. But we're also taking the time to ensure that we understand what the client problem is as well. It's not just quick and transactional, it really is consultative in nature. At least that's our opinion.

Ethan:
Right. Okay so, you're not necessarily removing the human from the business side of the transaction. You're just replacing the physical paperwork with digital paperwork. Tell us a little bit more about how your facilitation process is different. We're getting obviously that they're not filling out forms with pens anymore, but it sounds like empathy is an important part of your flow. Tell us how you make that happen more than other insurance brokerages do.

Gregory:
Sure. I think it's because we deal with a lot of these situations more often, we can help people in a way that most brokers can't. And I'll give you an example. If someone is a type one diabetic, they should be reaching out to us. We've dealt with more type one diabetes cases than I would argue most brokerages in the country. Any diabetic, for that matter, even type two. There's quite a few that we deal with here.

When it comes to these sorts of cases where someone has some sort of illness that's not common, chances are we've dealt with it before. Now, if you go to any conventional brokerage or a one-off broker, there's a very good chance that they haven't dealt with these sorts of cases before, and that it's just completely new.

For us, that's not usually the case. Between the brokers that we have in house, that understanding does go a long way for a couple of reasons. Not just being able to get to the crux of the problem quickly and providing a solution, but also not having to scramble and create a lot of chaos and confusion in the process.

It's like, "Okay. What does this underwriter say? What does that underwriter say? They're going to ask you a handful more invasive questions." It's part and parcel of the process to a degree. But if you have to repeat it because you don't kind of know where you're going in this process, that just adds a lot of angst. Then on top of that, I would imagine there's probably quite a few people in the audience that are probably from the insurance space because if someone is listening to this and they're not from the insurance space. I feel for them a little bit. But ultimately-

Ethan:
Now, we run a great show here and everybody is going to want to listen to this.

Gregory:
No, it'll be great. No, there's no doubt about it. When it comes to the actual process, I will break it down very quickly today. In most situations, if you're buying life insurance, you'll sit down with a broker. They'll pull up a little quoting software on their phone or their laptop and then there's a

very high chance they'll pull out a stack of 60 papers that they'll take you through. Most of them aren't relevant to you.

Gregory:
Oh, yeah. And then they send it off, fax it quite possibly. There's some intermediaries, like administrators that have entire rooms of fax machines today. And it's not one, it's most.

And then once that's sent off, the underwriter will have to get back to you in one form or another. It's like, "Hey, you're using this skin cream. What's that about?" Maybe. Or something along those lines. Or, "You didn't say that this happened to you 15 years ago. Tell us about it." It's like, "Okay." We get back to that and then they make a decision and then they issue the paperwork. And then, "Thanks for coming in. We're almost done. You just need to sign off on it in person."

This has been the way that the industry has operated for so long, and that's a burden. For a lot of people, good for them. You do it once every couple, few decades, and thank God for that. But in a lot of these situations, if your needs change, you have to go through this process. So, part of what we've done is for complicated cases, we've removed a lot of the unnecessary administration. We've gotten to the crux of the problem much faster. On the other hand, if someone needs something quick and transactional, we still use a similar process to what these direct to consumer players use. Except there's someone that guides you through the process, so you kind of get the best of both worlds. I know there's a lot. There's a lot.

Annaka:
That's right. I'm reminded of the getting a mortgage process, of this back and forth between the faceless entity that's making decisions about your life, essentially.

Ethan:
Did you have to get a blood test when you got your mortgage?

Annaka:
No.

Gregory:
Yeah. That's the worst part right there. It's like, "Okay. Now that we've looked at your financials, it's random audit time. We're going to request a blood and urine test." And the most awkward is when one of those perfectly healthy 30-something-year-olds. It's like, "Okay. We want a blood test. Has anyone ever diagnosed you as diabetic?" And then it's just like, "Wait, come again. What?"

Ethan:
Well, hold on now. Yeah.

Gregory:

And then you're just the broker. You're just hanging out there. You're like, "Hold on a minute. I didn't want any of this to happen. I don't know what's going on." But sometimes, things come out that no one really knows about. It's good in a sense because if you have something serious, you can get treatment. But the insurance world really gets in there when it comes to figuring out what the risk is. And the process behind it can sometimes just be mind numbingly painful, so we really put in an effort. That excruciating rant about process was for a reason. Because even listening to it, you think, "My God, that does sound awful." It is, but we'll help to the best of our ability here.

Annaka:
Yeah. So, you took a process that was massive, and I don't want to say inhumane, but cold. Maybe distant. And your aim then was to make that more personal, maybe a little more gentle. How did you go through and make your flow, your software, match that goal?

Gregory:
Yea so we worked backwards here a little bit, because in terms of servicing there's a lot of advisor-facing softwares out there. Whether they're broker management systems, or broker tools, or whatever. Ultimately, it comes down to what the client needs, and different clients require different things. Even today, I'll do it. We have some clients that are older that need coverage for one reason or another.

And they say, "You know what? I'm just more comfortable with paper. Can you just send me the 60 papers? I'll read them this weekend and I'll sign off on them." It's like, "Hey, if that's what you want, we're here to help." So, you know, we fire that up and still process all the mail over here. It comes in occasionally, but it's just the client experience. Ultimately, everyone thinks, well, at least this is the perception of software, it's like, "We're disrupting all this stuff. We're going to implement this thing, and it's going to work and it's going to go end to end and it's going to be smooth."

And then you're talking to Chuck in upstate New York and he's like, "Can you just send me a stack of papers? I prefer it that way." It's like, "Yeah." Ultimately, it's the process that you're catering to, or the individual and their preferred process that you're catering to so we work backwards. There are people that wanted it all digital all the time and we gave it to them that way, and it was easy, and it was very cost effective for us to do. But if someone has these sorts of preferences where they do prefer paper, or they prefer having a longer chat. Whatever the client need is. Within reason, we're willing to facilitate. And then you start seeing certain trends, but on the sales side, on the servicing side, and the process side. And then everything starts to slowly come together.

We wanted to build something out based on the existing process. Again, it works perfectly fine by paper, because there's people that work in the industry and things get transacted, and it's great. But, in building out any sort of software, in building out any sort of process, we wanted to make sure that a lot of these points hit 8 out of 10 times if we had a conventional client or if we had someone that required additional steps, that we saw this often enough that we would

incorporate it into our process. It's been very gradual over here, and we've learned a lot of interesting things in this process as well, like when it came to certain illnesses, ones that I wasn't familiar with. I'll give you an example, fibromyalgia. I didn't know what that was, straight up, until I joined the insurance industry. And then you hear about it and you talk to people about it. And it's like, "Oh, man. That's not great." There's so little information about fibromyalgia as a concept, that it's just pain. It's just pain all the time or in periods of time. And it's like, "Okay." I had no idea this many people have it, and you learn how to cater to those sorts of clients after a period of time.That's effectively how we've built out our process. We've looked at these sorts of cases, we've looked at these sorts of scenarios. What everyone requires, what a lot of people require that are in a sizable minority, and then cater to those individuals.

Annaka:
Yeah, and this is a space that is ripe for having that empathy and that gentle touch.

Ethan:
Yes, please.

Annaka:
Yeah. It's like, "Please treat me like a person that's going through things." Thank you very much. And, you mentioned kind of being gradual. At what point did you feel comfortable, "Alright. This is going to make it, and now I can kind of quit my job and focus in on this full time?" When did that happen?

Gregory:
The pandemic. All things considered, if you're selling life insurance in a pandemic, it makes sense. And that sounds wrong, but it really is all the right reasons because people start thinking about their mortality to a degree. If the big thing in the news for months on end is like, "Hey, wear a mask outside." Well, this is even before the vaccine. It was just like, "Stay home. Don't go out if you don't need to. People are dying as a result of this." I think a lot of people started, and our colleagues in the will space, it was the same idea. A lot of people that have held off on these things, a regular conversation used to be, "Yeah, whatever. I'll hold off by a month." This hold off by a month thing didn't happen as much during the pandemic. People inherently understood, young and old, that this needs to take place. And I think that was part of why we kicked it off at the time we kicked it off.

There's only so many video games you can play in your spare time, and I did. And there are things you cook and then you think, "I can't keep making cocktails. This is probably bad for my health." And you go for some walks, you do the route. And you're like, "Okay." Then you just hit a point where, especially early in the pandemic, it's like, "I don't see an end to this anytime soon." Thinking back, it was just no one really knew what was going on, no one knew if a vaccine was ever going to come out, and then you're thinking to yourself, "Man, if I'm trapped in," as you can probably see in the background, a 500 square foot apartment-

Annaka:

Oh my God.

Gregory:
... for the rest of time. I thought kicking something off might make sense and it just so happened to align interestingly. Saved up a little bit of money, I thought maybe I'll take a break and go to Brazil, sit on a beach for a little bit. Just take a little bit of time off. It's been a decade in the working life. I thought a couple months would be nice. But the pandemic kind of threw a wrench in that. And I thought, "If I'm here, I might as well work." And the right people and the right opportunity presented itself. That's how it all kind of came together.

Ethan:
So essentially, you got bored and decided you were going to fix life insurance. Is that what I'm hearing?

Gregory:
Maybe not bored. It was just, it got weird. There was a lot of people that I wasn't expecting to have a conversation with reaching out to me about life insurance, specifically. And I wasn't really brokering business at that point. They're asking me, "I have hearing aids. Is that going to be an issue if I get life insurance?" Probably not, for the listeners at home. But just really weird questions, like, "What if I die of COVID? Will my insurer pay out?" It's like, "Yeah, probably." But again, it's just an industry that's driven by legalese, so in some cases, if you don't see the paperwork yourself, you don't make absolute statements. It's like, "I think so. I don't know what you bought. You might have bought a completely different product." And I've seen that, too, just something completely out there. And it's like, "I don't want to tell you."

But, you hit a point where if you're going to be stuck at home for a protracted period of time, and you have some energy, you want something to do. Something fresh, something different. Starting a business just seemed to make sense. And, having a capital pool is also usually important early days, just so that you're not like, I mean Ramen is still a thing, but you want to have some simple pleasures once in a while. Get a bottle of wine once in a while. Live your life if you can. It just seemed like it was the right people that were available for this kind of project, and it was the right time in light of the pandemic. Because I thought I'm having an hour, two hour call with my friends on Zoom on a Friday night. And then it's like, "Okay. What am I going to do? Watch a movie?" Am I going to, in the middle of a Canadian winter, stick my head out and take a look, see what's going on? It was pretty mundane.

Ethan:
Yeah, it sounds like it. You mentioned capital so let's talk capital. In the past, you've been involved with a couple of companies that have raised some serious funding. Yet, for your own business, you decided to completely bootstrap. Can you tell us what led you to make that decision?

Gregory:

Well, it's an interesting question because largely, because in terms of insurance, it's a very margin-rich business. You get paid up front and you get paid heavily. You get your commission front loaded. Whereas if you're looking at property and casualty, for example, it's gradual. It takes time for you to build up your book. A lot of people do it on a salary, and then they kind of have their book of business if they go to an established agency but with us here, it was margin rich. Ultimately, it came down to, "Can we service enough clients? Can we do it in a way where the unit economics work?" And early days, especially before iOS 14 with Facebook ads, we were seeing some fantastic traction. It was just a matter of, "How much business can we reasonably do," was more the question. And we knew early days, much like any other business. Getting to a point where we're generating enough revenue and enough profit that we can not only invest in the business, but pay ourselves.

That early days is always a fun journey, and not an easy one. But we eventually got to that point and it's like, "Okay. It's enough to live off of." And then at that point, it's like, "But do you just want enough to live off of?" Nobody wants just enough to live off of. You gotta push it a little bit further, and that's the hard part, because you don't want to get... It's like, "Okay. We set something up. It's kind of working. What, we're just going to leave it at that?" No, we gotta push it a little bit harder and keep this thing going. Though, one thing I will say is as the effort kept growing, the administration also kept growing on the life insurance side. It was always little things. Delivering policies by mail, paperwork, all these little things. There's a lot of projects we can take on at this point, and we're actually in the process of considering venture capital. It's starting to make a lot of sense to us here. Whereas early days, we thought, "We'll build out a nice brokerage. We'll make it work and we'll take it from there." But we're starting to realize that the opportunity in the market is actually much greater than what we initially thought.

Ethan:
Gotcha. In the beginning, and I think you mentioned this as well, that you were running a lot of Facebook ads. In the beginning, you mentioned that your marketing was, "Fueled by ads." And that quote comes again from your questionnaire. You fill out a great questionnaire, I tell you what.

Gregory:
Thanks.

Ethan:
As we all know, ads are not freaking cheap. Can you tell us a little bit about how you thought about allocating ad spend in the beginning, when you knew that you were completely bootstrapping?

Gregory:
It was testing. I mean, we came into it and the conversation we had out of the gate was how much money would we need to test this thing? You're right, it's not cheap. And I think one of the most egregious lies I've seen in the life insurance industry is certain companies saying, "Hey, pay us this money. We'll figure out your ads and your SEO." The problem is you're paying for

someone in the process that's going to get paid margin, and you have to figure out everything else on the tail end. We decided to bring it in house. Initially, it was budgeting. We told ourselves, "Okay. For the next three to six months, this is how much money, how much capital we'd need in order to adequately test the ad budget." At which point, once these submissions started taking place and we started placing these policies, getting paid on the submission could take one and a half, two months. Then all of a sudden, there's working capital issues you need to work through. It was kind of like getting set up today. You fix one problem, two more emerge. It was an interesting situation to be in.

But in terms of ads in particular, in some respects, it's harder than it's ever been. And the reason for it is because there's so much more competition and there's so many more, I'll give you an example. And we love these guys, we think they're doing great work, Ethos Life in the States. When you raise some obscene amount in the hundreds of millions, you better believe they'll be buying a few ads with that money. For what purposes? Insurance, brokers, whatever. If that's what you're competing with as a small business owner, oh boy. From an ad standpoint, you could potentially become collateral damage. But at that point, you start getting a little bit more clever. You start niching yourself off a little bit, finding different verticals. And that's kind of what we were forced to do. But early days, I'll admit part of it was definitely a timing thing. We got into it early when it wasn't nearly as competitive, and we started to see things work and we started to experiment in different verticals.

But yeah, the ads were really the starting point. It's where it all kind of kicked off. And then once we had a reasonable flow, a predictable flow, we started testing other channels, which included Google, video, you name it. Anything digital, practically.

Ethan:
Gotcha. I want to jump to something that you mentioned earlier, and that's scale. You've scaled from nothing to what you are now, and you said that in that scale up process has been a scale up of effort. What's your long term goal of what you want to scale to? Do you want Dundas Life to be a $10 billion company that has its own insurance products, or is it somewhere a little bit less? Not necessarily less, but different than that.

Gregory:
It's such a loaded question in a sense, because the answer is maybe. We're at the point where we're crossing the river by feeling out the stones in some respects. From a distribution standpoint, it makes sense for us to expand. In terms of looking at the Canadian market, the opportunity is there for us to take. We just need to do it.

We figured out the unit economics, it's go time. If we don't go, someone else will go, so we got to go. After that, we're looking at the US. We've done some testing, early results are good. What does that look like? Do we want to go more niche? Do we want to go a little bit more mainstream? And then we're looking at the Canadian market again. We can start integrating vertically a little bit more. There's opportunity for that as well and then some of these insurers and reinsurers, they're asking us, "Well, hold on a minute. If you're dealing with these volumes,

what kind of data are you collecting in this process? Because for us, it's super important. That's how we assess risk, that's how we price out product." And then all of a sudden, that in and of itself could be a business. In terms of even accounting in the space, it's very difficult for us. And this is going to sound ridiculous just saying it out loud. It's difficult for us to predict revenue in some respect.

We can kind of predict revenue. But when an insurer decides to pay us out after someone gets approved, how long it takes for that person to get approved. When they decide to pay us how varies. It might be every week on Tuesday, it might be on the 15th, on the 30th, depending on the insurer. And you're just scratching your head half the time thinking, "Oh, boy. I hope this hits this week, because that would be really nice." And sometimes it doesn't, and then you're scratching your head. But going back to roadmap, coming from the sales world, I love distribution. Distribution makes sense to me. And in the life insurance space today, that's where the opportunity is in the next two years for us. Probably three. Two, three years really hammering it down and getting our footholds in the States. That seems to be the logical trajectory. Where it kind of goes from there, it's still a little bit difficult to say. But in terms of size, again there's so much opportunity. It's just a matter of deciding which route to go.

I think in short, like any other entrepreneur, whether it's irrationally so or not, we're in it to win it here. None of us would've taken this jump unless we saw a relatively clear path to a broader goal. The first big step, and it's a big step, is distribution. It's a hard one. But after that, it's just a matter of picking and choosing what the right path would be at that point. But the fuelers are still taking place. We've only been around for just over a year, but we're starting to get... It's like a puzzle. We're starting to get the pieces together. We're kind of making out what's kind of in the puzzle, but there's still a few gaps we need to figure out to see where the company is going to be three to five years from now.

Annaka:
Yeah. Well, we'll keep an eye out for you in the States, because in the States we tend to love Canadians and everything you guys make. I think your future is good here. And coming from sales, how do you... How do I phrase this how I want to phrase it?

Gregory:
Just say it.

Annaka:
How do you sell something that's not flashy or fancy? It's a very necessary service or product, but how do you sell that when it's a little sad?

Gregory:
When I finished university, I was finishing up a finance degree and I wanted to go into finance. I realized I don't like sitting in front of spreadsheets, I need to figure something else out. Wasn't bad at it, I just wasn't cut out for it. And I was chatting with this one professor who used to work at this huge, huge network and switching company in the '90s. It was boom times. They were

just printing money at the time and I thought it's probably a reasonable person to ask and see what I should do with my life. And she's like, "You could figure out what you don't want to do, and what you don't want to do is box pushing and you don't want to sell insurance. It's awful. Don't do it." And in some respect, there's some truth to that. It's hard. If you're box pushing, for example. If you're selling a printer, or you're selling a server, or just computers or something, there are many, many, many equivalent products that are available out there. It's the individual that has to differentiate. Whereas if you're looking at insurance, it is a competitive marketplace. And in many respects, your competitors have access to the same product. It comes down to the individual.

Now, there's some aspects that I definitely miss about enterprise sales, in that you're chatting with typically rational players with a budget that have problems to solve. That equation works very well for me. I like dealing with that kind of environment. Sometimes in the direct to consumer space, it's a matter of setting expectations, getting people to like you. These are the things that ultimately drive sales. Is this person reasonable? Is this person looking after my interest? Can I work with this person? But I think this even spills into HR. It’s like, if you're looking to hire someone, you go through 100 people and you're like, "Okay." Let's say seven of them are reasonable. And then the question becomes, "Do I want to sit beside this person for 40 hours a week?"

In the same way that in the insurance space, I had a guy tell me that. I was thrown off, he's just like, "I want a younger broker." Average age of life insurance brokers is 61, by the way. He's like, "I want a younger broker." And I was like, "How can I help you?" He's like, "Don't flatter yourself." But he's just like, "I'm probably going to die in the next 25 years. I want to make sure that my broker is here to help my family." Because ultimately, life insurance isn't about selling a policy. It's delivering the benefit when it's needed the most. And people look for a reliable, trustworthy party there.

So, in terms of I guess dealing with something so morbid and so grim, it really stops being more morbid and grim when you deliver that check to a family that needs it. Then it becomes completely fulfilling. Because I think too many people look at the side of the life insurance industry where it's like, "Here's cousin Jimmy again, trying to peddle a policy just to make his number for the month."

But on the flip side, there's also if a family would have otherwise had a very hard time because of the passing of a relative, or the breadwinner in the family, and then you present them with something that could potentially pay off their mortgage, give them a few years of capital, pay for the kids' schooling. It's incredibly rewarding. That side of things I think is the motivation. If you talk to a lot of senior brokers that have been in the space for a while, they'll talk about that being the thing that gets them up in the morning. Because then it stops being so much a sales effort, but more an effort to... That's all the motivation you really need. You really are helping people in that regard then, and I look at it the same way here.

We're here to help people more than anything else. And unfortunately, despite the industry's best efforts, there's still a lot of people that the industry doesn't reach. And for a lot of people, the products are very affordable for just general coverage. Occasionally, we even get people saying, "Why don't I just invest this money?" You could, but ultimately, what's going to prevent your family from financial ruin? If you pass away in a year, what's the financial situation your family is going to be in? It's pretty awful.

I would imagine if you have a two year old child and a mortgage, it'd be pretty awful. But you can also buy a policy for a reasonably healthy person in their early 30s. 20 to 40 bucks a month maybe, depending on what they're looking for. It's sometimes less than that. It's just a matter of determining what it should be. But, I think in this part of the sales world, box pushing is one thing. But in terms of insurance, when you fulfill the end of the contract, it's incredibly fulfilling.

Annaka:
Yeah. Can we talk about your target market here? Any demographics that are particularly... Because when we were chatting about this interview, who is actually buying life insurance and what stage of their life?

It's not fun to think about, "Okay. I'll get life insurance when things start getting bad." But, is it an early 30s thing? I got life insurance when I bought a house. What life stages and people are you reaching?

Gregory:
Yeah. And I think this is an interesting question in the space, because I'm sure there are brokers out there that would disagree with me on this. I would hope not. But ultimately, it's to cover some sort of underlying risk. If you're getting a life insurance policy on a mortgage, the thought is if you die, your mortgage is paid off and your family is not homeless, or something resembling that. That's the goal in that kind of a policy.

If you have a child or two and you're thinking the average cost of raising a child is between $200- $250,000. Again, it depends on geography. And schooling is going to be expensive. And if you die in the next 20 to 25 years, you might want to have that covered. That's a very clear use case in a very clear timeline, and it's super cheap to cover. Usually, if someone is getting a house and has a significant other, there's a case there. If someone has a child or has multiple children, that's a very clear case there. If someone has some sort of illness that's usually chronic in nature, but they still have dependents and things to sort out. There's a general coverage there. Even for healthy people, it makes sense. And business owners come up as well. If there are buy/sell agreements or key person insurance, these are regular conversations we have here.

But generally speaking, what I tell people is just look at where the financial risk is. If you die tomorrow, what would be a comfortable sum, understanding that you're paying for every additional dollar of coverage. It's a good way of looking at it. I think usually, the rule of thumb for life insurance is 7 to 10 times your annual household income. Something along those lines.

Again, that varies. But usually, talking to a parent for example and asking them what the biggest risk areas are. They'll just rifle it off. They don't even have to think about it. They know. It keeps them up at night sometimes.

Houses, kids, significant other, maybe general coverage, and business arrangements. I read things about, "You're a student, you might need life insurance." Maybe. Probably not. It's just bizarre. I think to the industry's credit, they're trying to appeal to a broader market. But there are just some situations where you just kind of look at it and you're like, "It's probably not best suited." But those would be the big cases I would think here.

Ethan:
I don't like to admit it, but I've sold insurance in the past.

Gregory:
Nice.

Ethan:
Yeah. It's a dark time in my history, but either way. We didn't have a whole lot of inbound when we were doing our sales, which is probably why it didn't last very long. That, and I'm not super great at outbound. It sounds like especially with the software and that sort of thing, how are you creating that inbound flow to your sales?

Gregory:
Yeah. Inbound flow is the issue for anyone joining the industry, and it's almost as though... I don't want to sound that dire, but given the turnover in the industry, I think it kind of is. You're kind of left to your own devices in many respects. It's not just make the next sale. The responsibility is build the business now, build it yesterday, because you're not going to make it if you don't. And I don't think people in the industry give enough of a heads up on that front. Because out the gate, the activities that I hear from some organizations is, "Okay. Here's a spreadsheet with 100 spots on it. Where are your friends and family? Put them down here. Contact information. Congratulations, you have your first pipeline."

And in some respects, that's the easy part. If you have to chat with an uncle about life insurance, say, "Hey, listen. I'm just kicking this thing off. Can you help me out here? You clearly need this." Those are easy. But then you hit a point where it's like, "Okay. Where's the next one coming from?" That's the hard part. And I think kind of what I was alluding to earlier, where we're just some ma and pa... Not really ma and pa, but we're a small business and we're going up against these large venture backed titans.

We need to really be sharp and we need to really be focused. Whereas now, if you have an individual broker coming into the industry without that sort of infrastructure, and it really is infrastructure that is necessary in order to compete in the space now. Whether it's marketing, video, Facebook, Google, you name it. Partnerships and having the time to cultivate them. Being able to set up a sales effort that's consistent and predictable. Having a servicing model

after the fact that works. Being able to deal with the administration. And this is all just for one line of products. For most people in the space, it really is a Herculean task. It's a lot to do. It's not cheap either. And usually, when people join the industry, it's more of a reactive thing rather than, "This is what I'm going to do and this is how I'm going to build it."

I could build a business from insurance. Heard some people have done well, saw some best practices. I'm going to give it a try. That's usually the go to market. The challenge is within the first four years, 96% of brokers drop out. It's not an easy business. And I think a lot of it is because you're not really given the tools to succeed by the parties that want you to. For a lot of the firms that bring in talent into the industry, it's like, "Sell one or two policies. We break even over here. Thanks for coming out. After that is just cake."

But then I think that's why a lot of it is recruitment driven. Because historically, it's just been like, "How can I sell? How can I sell to Ethan's family? I cut him in. Ethan, I'm going to recruit you and then go tell me about your 100 closest people, and let's sell some policies. You can't sell it yourself, just put me on the phone, I'll take care of it." And then eventually, things just kind of fizzle out. It's very tough in that regard. I sound like a fogey. Now, with the promise of the internet, you have some broker showing up telling you about this or that, or this product, or this application. You're like, "Is this person legit?" And you look it up on Google and then you start seeing alternatives, and then you think, "Well, maybe I'll talk to this other broker and see what's up."

It's been an incredible activity and democratization in terms of data, because now you can very quickly just get a broker online to give you a second opinion. And usually, the discrepancy is pretty sharp. If there's anything that your listeners come out of this call with, is get a second and a third opinion in insurance. You'll probably get three different answers, and then get them to explain themselves. If you go to one, they might have an incentive to push a specific product. But geez, you'd be surprised. I had a call where a guy was positioned a product for, it was 170 bucks per month. And it wasn't a competitive product by any stretch of imagination. The product itself was fine. It would fulfill, it would do what it's supposed to do. But we got him a direct comparable for 105 bucks, and that's 65 bucks over 20-25 years. That adds up. And for someone, most people, really 65 bucks on a monthly basis. If you don't have to pay, you don't pay it. Could be groceries for a person potentially.

I think in terms of going into the brokerage space, it's a tough business. There aren't a lot of areas of support. There will be someone that could help you with a case. But in terms of business development, it's just like, "Sink or swim. Thanks for coming out." It's ruthless. But now, I think because of the internet, it can become a little bit more organized, a little bit more institutional. You can give people a salary and get them transacting in much higher volumes.

The model fundamentally is changing. And I think it's still very early days for that as well, because this really didn't pick up until four or five years ago. And now, I think we're not even at maturity yet. I think the thing is still figuring itself out with regards to distribution. Where it'll go, I don't know, but we'll probably be a part of it here.

Annaka:
Yeah. That's perfect. Perfect. And, you'd mentioned your partnerships that y'all have built. How did you go about cultivating those? I think that's the word you used. How did you kind of form those relationships over time?

Gregory:
Sure. It's harder than I thought in insurance specifically, because we have to be compliant. We have to fall within the regulatory framework. In terms of any sort of referral fee, commission split, there are I would say strict governing guidelines, but that's not entirely true. They are ambiguous in certain areas. So, for us, the most important thing for our clients is compliance. We want to make sure that we're doing well by them and we're doing it by the book. And then when you're reaching out to three different people and they're telling you three different things, you're like, "Okay. We got to do our homework on this and really figure this out." It wasn't totally straightforward, but we ended up eventually getting an answer. And then in terms of the partnerships, alignment turned out to be a very interesting issue. Because if you're dealing with a firm, like we've had firms come out to us and say, "Train our people, handle the transaction. Be that backstop for our broker that you train, but we want to own the book and we want most of the commission." It's like, we're not going to make any money off of this. We need to make it somewhere. And then you're looking at it and you're like, "Yeah. The volumes are always nice, but not at a loss." And it's not a monetary loss, it's more of a time loss than anything else.

A lot of it comes down to my favorite ones are, and this is just good hearted business, generally. When mortgage brokers for example, reach out to us and say, "I don't want to sell mortgage insurance to my clients." Because it is generally nine and a half times out of 10 times an inferior product to the life insurance alternative. "And if I sell them a mortgage insurance policy, and a life insurance broker snaps that up and converts them, the trust is kind of gone there."

And, I was chatting with a mortgage firm about exactly this. You'll lose the trust of your people if I show up and position a policy that's better and 30% to 40% cheaper. What do you want to do by your clients? The products are very appealing from a monetary standpoint for the mortgage advisors. But ultimately, it comes down to what are we trying to do here? Are you trying to survive? Are you past that survival period where you're just trying to get by, month by month? Are you trying to really do well by your clients?

That's just one example with mortgage brokers. But I think now, where it's getting very popular is this full service financial services shop. If you go to, what's a good example? If you go to a big hardware store of sorts. You go to a Home Depot. They have their own gravitational pull and they will for years. Same thing with a Lowe's. And this is no endorsement, I have nothing to do with them. I'm just using it as an example. If they wanted to set up their own financial services firm, how would they do it? Maybe a credit card, maybe some very simple insurance. Maybe they needed insurance on their truck fleet, and then they figured out an arrangement.

And now, you're looking at Amazon. They're getting into the game, they're getting their beak wet a little bit on the property casualty side. Tesla is coming up with its own thing. Now, you're starting to see these firms that have nothing to do with insurance, starting basically insurance firms. Because they control the transaction and they want to have a bigger piece of it. It's like, "Why are we sending this off to some broker that may or may not be good for our client, if we can reasonably control that experience throughout the purchasing process, and just tack it on?"

I tried for example, getting... Usually, if you go for a car rental... I live in the city. I don't have a car. Never needed it really, but my little brother was going to school so he asked me to pick up a rental truck. He's like, "Just go grab it and pick me up. We'll drop off the stuff and whatever." And they're like, "Where's your insurance slip?" I don't drive, typically. I'm fine. There's nothing. It's clean, it's fine, but I don't have an insurance slip today because I don't have a car." And they're like, "We can't help you." If I go to a Hertz or whatever, that's already bundled in and taken care of. But in that regard, I was a little bit miffed because I thought, "If you sold this to me, I would buy it. If you gave me more guidance in this process, I would've bought it in advance." I just found out at the point of sale. They said, "Listen, thanks for coming out, but we're not giving you this." And we all lost as a result.

Embedded insurance is the word. That's becoming the next big thing in the next few years. How do you embed yourself in some of these organizations that need it? And again, this is another area where it's kind of touch and go. You want to remain compliant. There's certain hurdles in being compliant, but you work with the regulator, you work with partner companies in order to basically cater to that kind of a need.

Ethan:
Cool. You're seeing that kind of trend in bundling insurance. I'm just going to use this example. When General Motors with GMAC, they're making more money on their finance arm than they are by selling vehicles. And it sounds like insurance is just another mode to own, just like what you said, own more of that transaction. People that are buying a car, they're going to need a loan. And what you're saying is people are renting a truck at Home Depot or Lowe's, they're going to need insurance and lots of those other types of transactions like that.

Gregory:
Yeah. It's becoming simpler. A lot of it is just becoming software. If you talk to any underwriter, a lot of them are concerned that a software might take their job. To a certain extent, it makes sense because it just needs to process a lot of data and assess risk. Now, if that gets turned into software, being able to position this and with these different firms, it becomes a lot more straightforward. It's not nearly as complicated as it once was.

Though again, if it just comes down to a software and running a P&L, it's obviously not that simple. But if that's what it came down to, you'll see a lot more firms getting involved in financial services that haven't historically played any role in it at all. And I'll give you an example. I was frying up an egg this morning. This is no joke. For breakfast. And YouTube went off on a

tangent. And occasionally, if you're in the financial space you get someone yelling at you, and the yeller of the day was Dave Ramsay, where he was talking about car loans.

Ethan:
He is a yeller.

Gregory:
He's a yeller. But sometimes, he'll yell some good stuff. And he was basically saying, I think the number was 14%. If you lease a car, you're paying on average 14% more than if you just paid with cash up front. Why do they do it? Because there's money bundled into it, like any like anywhere else. But I'm not so cynical. I think part of it is the customer experience. If you're Tesla, you're not just selling a car, you really are selling the experience. You're selling the brand, you're selling everything. If the insurance part, the buying process sucks, you don't want it to suck. And if Tesla can put its mark on it and make it a truly tight, pleasant customer experience, where if you need someone to pick up the phone, they do and explain anything. If something is not working, you can get in touch and it's firmly integrated. For a lot of people, that's going to be a very pleasant experience, I would imagine. Though even then, still pretty early days.

Ethan: Can you tell us your thoughts on starting a startup before you have an MVP?

Gregory:
I love it. I don't know if this is unconventional, I don't know if this is conventional. I really don't know what the line of thinking on this is in the industry today, but you need a proof of concept. You need to prove that someone will buy it. One of the biggest shortcomings that I've seen with a lot of businesses that I've spoken to, is even with a great product, it's like, "Does this fit?" Sometimes you need someone to tell you directly. "This is not going to happen and here's why." And sometimes it just takes a small adjustment. Sometimes you just need to cut your losses. Generally speaking, even in software, if someone is passionate enough about a problem, they'll just give you, to my own surprise, they'll just give you a credit card and say, "Just charge me and get this done."

But ultimately, like in any business, it's the early validation that you need that this makes sense. And there's no better validation than someone's credit card or being paid, because clearly that solves a need and someone has real skin in the game with what you're doing. I think even with, I hear about, and in some cases it's warranted, but projects that are deemed stealth or if someone is like, "We just need to build this thing out for two years." But it's just not tapped into what the industry is using or some of the changes that are taking place. I think oftentimes, especially early days, convincing investors. They're big picture people, typically. That's a completely different ballgame than going to an individual consumer and saying, "Hey, does this fix your problem?" Or going to a company and saying, "Hey, does this make sense? And if it doesn't, why?"

Because today it's beautiful. You have all these wireframing softwares you can whip up and say, "Hey, what do you think?" And then oftentimes, they'll give you candid feedback. It's like, "I hate

this functionality." In the back of your head you're thinking, "You hate this functionality that I drew in the software? Wonderful. Well, just erase it and do the thing that you want to do." And it really is remarkable because you can't get that kind of feedback that quickly any other way. A good set of wire frames. If you're going in there and it's stressful but it's fun. If you have a good list, the people to reach out to. You're demoing a software that doesn't exist, you're asking for their feedback, asking for a credit card. And by the end of it, you just surprise them. Not too late, but you give them enough notice to basically say, "We're actually going to have this in market in eight to 12 months. Are you cool with that?" Oftentimes by that point, if you've already sold them on the idea, they just say, "You know what? That's great. Just get it done."

Product development is hard because you never know what people will actually respond to and there might be areas where I did not expect consumers to behave in this way. In our situation, one of the interesting takeaways was we wanted to let the consumer pick a product for themselves and then we realized there were so many shortcomings to that kind of approach. People would buy a lot less than they would actually need. And a 30 second conversation would flip that around and they'd say, "I guess you're right. Maybe I should add more just in case." Or, pick the wrong product altogether. No fault of their own. People buy insurance once every decade or couple of decades. It's not something that they're living in. I don't blame them.

But, we had a point where we thought this direct to consumer product should be more of a facilitator rather than a driver. And that was one of the big takeaways. We need to keep brokering alive in some respects because it works. Where this direct to consumer play actually makes sense is the process. If we've identified a simple need that needs to be transacted, we'll push them through this particular channel. We didn't know that out the gate, but we learned that very quickly. Because again, we put it out there, we did some testing, got the feedback and realized, "Yeah. We're not doubling down on this area because it's not what people are responding to." And that information alone can save a company millions. And I'm not exaggerating by saying that because it's all about consumer behavior. And business behavior, for that matter.

If you release it and it's not useful, and then you're backpedaling to tweak it. Historically, it's been a workable model, but now I think because of how good some of these wireframing softwares are, you could basically simulate what some of this activity would be within the software. You can get much more real feedback, much more applicable feedback very quickly, too.

Ethan:
Do you have any examples of that software?

Gregory:
Envision. Envision is the software. And I'm not a product guy but I love it. I love everything about it. I'm awful with it. If you ask me to draw a horse, it'd probably end up looking like a cat. The caveat I should add, a good designer is very helpful for those sorts of things as well.

Ethan:
Awesome. Thank you for that. I want to jump back out. I know we've been real deep, but I want to jump back kind of out to another high level thing here. You've now played entrepreneur. I know that you've played employee in your past. And I just want to know, what surprised you about entrepreneurship when you jumped in?

Gregory:
How much your senses get sharpened by not having a paycheck at the end of the week. It is insane. You wake up in the morning and sometimes fear alone drives you to wake up. It's like, "What if this policy doesn't hit? What if we have an awful week? What's going on?" And it's just there's almost no need for motivation. Because the minute you wake up, you're looking around and you're like, "Wow. I have so much to do to keep this going."

And at first, you want to get everything done and then you realize that's not feasible. And then you get highly selective with what you do, and then you figure out what to pass off to someone else. And then all of a sudden, you start seeing some sort of continuity emerging where you have a bad week. But, you also had a bad week last quarter and everything turned out great. And then you calm down a little bit and then you double down on what needs to be done and then the process starts doing what it's supposed to be doing.

But I think throughout it all, things will emerge. It'll get complicated. You just need to keep a calm head about you and just have a schedule and process in place, because I think that's another area. You can daydream for three hours and then it's like, "Where did the day go?" Just process, process, process. Don't freak out, but just keep things that keep you level headed, too. Those are important. Eat good meals, don't skimp out on that. Exercise. Even take time off if you need to.

It's just bizarre. I've been in situations where I'm just staring at a screen and I don't know what I'm reading. And I thought, "Yeah. That's enough for the day. Despite what needs to get done, I have nothing left to give and I just need to call it. And I'm going to go home and have a beer and stare at a wall, and that's that." Those things happen. I think they're normal. I think now, I know there's a huge conversation around hustle culture and all this stuff. Stuff needs to get done, but we're not robots at the end of the day. We have simple needs. Nutritional needs, sleep needs, all these things like this.

This isn't crazy. You're not going to hear me touting this hoo-rah stuff. I love sleeping an adequate amount. I love eating reasonable meals. Might have a couple too many coffees, but we're not built for a lot of those sorts of stresses, and you just end up burning out after it anyways. It's got to be reasonable in the process, too.

Annaka:
Yeah. I think most of us at this point in our lives have been awakened by the existential dread of not being able to make it. We're all there. That feeling of, "Oh, crap."

Gregory:
Yeah. Somehow, I feel like with those sorts of concerns, a lot of things end up turning out one way or another anyways. But that's not always the case, but a lot of the times I feel like people get into existential dread about things that will probably pass. Been guilty of it myself. You just hit a point where you can't even let it distract you because there's just too much stuff to do and the minute you let it distract you, you look back on that time and you're like, "Man, I should have just done whatever I needed to do and just kept going." And I think that's been the big learning experience, I think from an entrepreneurship standpoint. It's on you. There's no, "Hey, it's 2:00 PM. I'm going to go grab a coffee and kick my legs up and stare at a wall."

Staring at a wall is one of my favorite pastimes, by the way, if you haven't noticed. But it's just the senses are sharpened and you're in go mode basically every day. Except one day on the weekend, in which case I don't want to touch or look at anything.

Annaka:
Yes. There's definitely one of those days. And now, reading through your questionnaire, you had mentioned my favorite thing possibly. Well, it's at least in the top five. Tim Horton's. Big fan over here. And you started there, it was your first job. And do you have any advice? Because I know that entrepreneurship is kind of a goal for a lot of people in the service industry in general.

Do you have any advice, particularly for people that are sitting in a Timmy Ho's drive through dreaming of their startup? Do you have any advice specifically for them?

Gregory:
Well, for one, I didn't realize this at the time. I heard this at the time. Didn't internalize it at the time, but realized that after, it's excellent experience. You deal with everyone. Whether it's Timmy Ho's, whether it's Dunkin Donuts, whether it's McDonald's, you're dealing with it all. Just things you don't anticipate, and these things happen in business. It's just some guy is peeing under the table. I'm 16 years old. What am I supposed to do about this? And it's just the boss just looks at you.

Annaka:
How do I handle this?

Gregory:
No, actually. It's just this is beyond bizarre. And then it's simple. Got to walk this guy out of the restaurant and then you gotta go get the mop. It's not pretty, I know. And then you see where the real leaders emerge. Some of the managers would be like, "You know what? Don't worry about it. I'll take care of this." In hindsight, I was thinking, "Wow."

Even now, that's the kind of stuff you want to see in the corporate world. You want to see someone really putting themselves out there in these unpleasant situations, just to get whatever needs to get done, done. But it's the same thing with, I had this chat with an intern the other week, it's the same thing with English majors. Don't sell yourself short. It's super important. The

amount of people that can write a reasonable business email is shockingly low. And just being able to read regularly and having a reasonable vocabulary does go a long way. And you pair that with some service experience, even if it is fast food, it's wonderful experience. Because ultimately, the jobs, whether you go into customer success, you're dealing with a similar but different clientele.

You're dealing with concerns that are legitimate. You're dealing with great things that are completely legitimate, and you're dealing with just completely unreasonable things. And this is just your everyday life. That can be one hour for you right there. But I think it's a good stepping stone into something much greater. Because if you're looking at any customer service organization, if you're well spoken, you have a work ethic, and you've worked at one of these organizations and you can speak to some of these sorts of experiences. It's highly sought after.

And even in corporate, I had a hiring manager that was just like, "We love the Starbucks and the Tim Horton's people because they kind of get it. Smile and dial and let's make magic happen." And I think that's the big distinction between the people in the service jobs that are good enough and great. It's not about selling the coffee anymore, it's about the service experience.

It's just like the janitor from the mall. Really great dude. This was my highlight. He was the janitor at the mall. He and my dad, they used to work together, and it's just I would not screw up this guy's coffee. There's just no way. And you know this guy, this is one of the highlights of his day. It's kind of weird when an old fashioned Eastern European guy shows up and shakes your hand every time he shows up to the Tim Horton's. It's bizarre, but you slip him an extra tea biscuit or something once in a while.

It was all client experience. At the time, we had pretty good coffee. I'm not going to lie at the time. But it was the people that kept bringing him back I think, ultimately. Though I do hope if the good people at Tim Horton's are listening, and I would expect that they are. If they went back to making fresh donuts like they used to, rather than this frozen stuff, I would like that a lot. A lot.

Annaka:
I'm with you.

Ethan:
We'll make sure to get this. And we'll get this right in their inbox next week. Sounds good.

Gregory:
Wonderful.

Ethan:
Well, Greg, I really appreciate you coming on the show. I know we all do. This has been really awesome, and super appreciate the fact that you are making the life insurance process a little bit nicer for all of us who need it. What is the best way that our listeners can support you and Dundas Life?

Gregory:
Sure. If there are any questions, insurance related or otherwise, we know people here, we know people in the States. Don't hesitate to reach out by going to www.DundasLife.com. Follow us on social. Facebook, LinkedIn, Instagram. We're all there. Don't hesitate to reach out.

And what I encourage people to do is, it's a very delicate topic. If someone has any specific questions, if we can't help, we're happy to help how we can. At the very least, steer them in the right direction and that's not just insurance. If someone is looking for feedback on where to get a will done, or just general questions around general estate planning, we're happy to help.

Ethan:
Awesome. Cool. Well, we will get all of those links in the show notes. But for today, that is going to be it for this episode of Startup Savants. Thank you so very much for tuning in with us today.

Ethan:
Hey, you, listener. Yeah, you. We want to hear from you. We want to hear all your opinions on the show. Are we boring you to tears? Do we deserve a trophy for our mad pod skills? Let us know in the comments over StartupSavant.com/podcast.

Ethan:
Don't have any comments but still want to help us out? The best way to support the show is to tell your best friend about us. Tell them that they can find the Startup Savants podcast on Apple Podcasts, Spotify, or wherever fine podcasts are sold.

Ethan:
It also wouldn't hurt if you both left us a five star review on Apple Podcasts. For tools, guides, videos, startup stories, and so much more, head over to TRUiC.com. That's TRUiC.com. T-R-U-I-C dot com. Thanks, everyone.

Annaka:
Goodbye. All right.