

Jon Bernstein:

Welcome to PNC C-Speak: The Language of Executives. I'm Jon Bernstein, Regional President of PNC Bank alongside my co-host Carolyn Jones, Market President and publisher of the Boston Business Journal.

Carolyn Jones:

Thanks, John. It's great to be with you on PNC C-Speak. Each podcast features local executives talking about relevant and timely business topics. This knowledge sharing platform showcases leaders with forward-thinking approaches that disrupt the status quo and cause us to think differently. Our guest today is Mike Massaro, Chief Executive Officer of Flywire. Welcome Mike.

Mike Massaro:

Thanks for having me. Excited to be here.

Jon Bernstein:

Hi Mike. Thanks for joining us today. Flywire is in the global payment space and has been very innovative. Could you please tell us a bit about the company and its history?

Mike Massaro:

Yeah, sure thing. So Flywire is at the intersection of software and payments. So most consumers understand it's easier to tap and pay in a store than ever before. It's easier to purchase maybe too much online in e-commerce nowadays. Those experiences been curated over the last two decades, but where Flywire focuses is on other parts of the global economy, areas like tuition payments, like medical expenses, certain types of business related payments, where that same level of innovation really hasn't happened over the last two decades. And we're helping those industries innovate with modern payment functionality. So we have a bit of software. We have our own payment infrastructure, and we've been at it for just about 12 years, 10 years as a private company. Last two years as a public company. We went public in May of '21, and at a corporate level we get about 1,000 employees, fly mates, as we call them, with over 40 nationalities, 30 languages inside the company. So it's a very global team.

Carolyn Jones:

That's awesome. Really exciting business. Mike, let's focus on you a bit. Tell us about some of the career pivotal moments that helped to shape your leadership style and that influenced your success.

Mike Massaro:

Yeah, for me, I often say I would've been a miserable management consultant if I went down the path. I happened to go visit a friend at a startup and just kind of saw what he was doing in kind of an innovative tech company in the late 1990s, early 2000s. It was a company called eDocs, was one of the successful exits in tech in Boston, and ended up joining that company and it was an amazing experience in my early 20s, getting to work with amazing people. Many of us are still very close to this day, and the company went on to a lot of great successes, got bought by Siebel Systems and Oracle eventually. And what I learned at that experience over that five or six years, I mean, in a tech company you're often given, and especially in high growth tech, you're given opportunities to do things that your resume, your experience aren't the factors for why you're given them it. It's almost like you raise your hand and you have a pulse and you're given things that you oftentimes wouldn't be given in other environments.

And so that environment was amazing. So got opportunities to implement the product, to be involved in C-suite level conversations in my early 20s, got a chance to move abroad and open up a new market in the UK and Europe and be part of delivering solutions all throughout Europe. Just an amazing set of experiences that it really, I don't think would've been possible if it wasn't for being part of a successful high-growth tech company. So to me, that was probably the most pivotal. And then that group went on to do another ... Bunch of us went on to do another company together and had another six, seven year run and even coming into Flywire and there were a number of folks from eDocs that were part of this business. And so that connection over time and having such a great start in tech was really pivotal for me.

I would say given the opportunity to be first time CEO here at Flywire too, that was a clearly pivotal moment in my career. It was yet another job I didn't think I knew how to do or was ready for. I thought I'd be the shortest tenured CEO in the history of tech CEOs. But 10 years later, just having a great supportive board and people that were willing to take a bet on me, it's been an amazing career for me.

Jon Bernstein:

10 years as CEO. That's an impressive run of a tech company. Congratulations on that. And you've been recognized for that success, Mike. In 2019, you were recipient of the Ernst & Young Entrepreneur of the Year Award in financial services, which as the award states, "Recognizes unstoppable entrepreneurs who redefine the way we work, live and play." Can you talk about the experience of getting that recognition?

Mike Massaro:

Yeah, I mean, for me it still is a little overwhelming. It's a very high profile award. It's a very kind of sought after award. It's also not something that I love being called out for is like individual accomplishments. So much of what we've done, building Flywire is not about me. It's been about what the company's done, what the fly mates have done, building that company. Come to later realize the great recognition it provided us as a company and all the great work we were doing. But for me, I was completely shocked. I mean, I was up with a whole bunch of really amazing people in that award category. I didn't have a speech written, and I think I stumbled through something as I got up there and it's forever on the internet out there. But in general, I mean, looking back on it, it was just such fond memories to be able to have that level of recognition, but not my favorite to get individual awards, just not my style.

Jon Bernstein:

But you didn't start your career as an entrepreneur.

Mike Massaro:

I often say I was a reluctant entrepreneur. So I joined Flywire, I was part of that kind of founding team, but not the CEO at the time. And I actually got the opportunity to take the company over. I actually declined the CEO job a couple of times, told the board, go find somebody that knows what they're doing or has done it before. And the board was quite persistent. They knew I was at the company for about a year and they knew I kind of understood the company quite well and obviously saw something that I didn't quite see in myself. So I was always saying I was the kind of reluctant entrepreneur that took over at about 30, 40 employees, less than half a million dollars of revenue. And it was losing about 5 or \$6 million a year. So it was not the business that looked like it is today as a multi-billion dollar publicly traded company.

Jon Bernstein:

So it was losing 5 or \$6 million a year when you took over as CEO?

Mike Massaro:

Yeah.

Jon Bernstein:

Walk us through that critical time.

Mike Massaro:

Yeah, I mean, it was early. I mean we were still going product market fit. Now we're multi vertical across multiple industries and geographies, but back then we were all focused on cross-border tuition payments for universities in the United States. And the product was starting to work. But I often will say that the business didn't perform like the spreadsheet told it to. We had modeled how this business was supposed to perform in scale and the product was working, but how you monetize the payments, how you monetize the software, how you deployed the software, how quickly revenue would ramp, all of that was really hard to predict.

And so as you built up the company, you're obviously burning a lot of money and kind of waiting for the revenue to kick in. And as an early stage tech company, you're often very distracted as well. You get a lot of competing priorities. Sometimes it looks like you should pivot the company or develop a second or third or fourth product before your first one's even taken off. And so we were a bit distracted early on too. So what really was a big change was just looking at trying to be the best at one thing and getting that first product and then over time, learned we could add additional industries, add additional products, scale the business globally. That's really where the success came from.

Carolyn Jones:

I wonder if we could talk a little bit about, actually from that perspective, Mike, share with us a little bit about what is some of the best advice that you've been given, whether it's as you were becoming in that CEO role or other things along the way. Share with us some advice that you got that really stuck with you.

Mike Massaro:

Yeah, I mean, one of the things I struggled with becoming CEO, and I've actually applied this advice to even just personal life as well, was I thought initially my job as the CEO or as any leader is to prevent things from breaking or to make things work perfectly. And I remember something my chairman told me, I was fortunate when I became CEO, another Flywire board member was nice enough to become chairman. I joked I didn't want two jobs I didn't know how to do. And so my chairman has been a longtime board member at Flywire, and he said to me, only him and my mother call me Michael, but he said, "Michael, your job isn't to prevent the company from breaking. Your job is to identify something's wrong and fix it as quickly as you can." And to me, that was an eye-opening moment because you have so much angst of trying to make everything perfect and in a high growth environment, it really is impossible. Things are going to inevitably break, and all you can do is better understand what isn't scaling and try and identify it and fix it quicker.

And frankly, even in personal life, I always tell fly mates like when you're out of sync, when you're losing focus on what you love doing in your personal life, it's not really something to focus on and be upset

about. Just fix it as quick as you can. If you need more time with the family, carve out that time. If you need more time to exercise or pursue a hobby, it's okay. It's okay to trip up. You just get back on track as quick as you can. And for me, that was a huge kind of life moment, both personally and professionally.

Jon Bernstein:

What's the best advice you give to others who are thinking about stepping into the CEO role or who are leading fast-growing companies?

Mike Massaro:

I would always say try and really think through, I would say values and how you want to operate inside the business. One of the difficult parts about culture, people would always say this early on inside the company, "You guys have an amazing culture." And I'd always joke, I had no idea what they mean because we were just trying to build a company and we didn't actually have a lot of time to define it early on. And so we often say we unearthed our culture and didn't define it. Some people create these kind of big, lofty statements, some of which they don't even remember themselves. And for us, we just looked for ways in which we could describe how fly mates acted or behaved and how we wanted to operate as a team. And that became kind of our core set of values, and that's what led to our culture.

So I'd say anybody stepping into any position of leadership or team leadership or CEO role, I think you've got to look at is the culture clear? Is it defined? Is that how people actually act or is it aspirational? Because if it's not how people actually act or how you want people to behave inside the company, it's actually very inauthentic. And so it's really important to have that aligned, especially before you go into kind of a high scale mode.

Carolyn Jones:

Yeah, that's really great advice.

Jon Bernstein:

Question to follow up on the overall culture piece. Diversity, equity and inclusion are important issues for businesses to focus on. What has been the position of Flywire on this and how do you communicate that to your team and the community?

Mike Massaro:

Yeah, I mean, wire has a bit of a unique footprint. I mean, we're a global team, as I mentioned, we're 40 different nationalities inside the company, 30 languages spoken. So it's a very uniquely diverse company, especially for our size. And so for us, we have that as a benefit. It's also a challenge. It means you have different time zones, you have all types of different geopolitical, political, cultural differences that you're also dealing with as a company. It's not an easy environment when you have people scattered all over the world. And one of the things I realized is you actually have to look at targets and benchmarks. And for us it's even a bit more complicated because you actually have to look at different regions. What does diversity mean in Singapore versus Israel versus China? And so you have to think through at a global level what you mean by DE&I initiatives and what those targets can be.

The other thing I'd highlight, which was massively eye-opening to me, was something our Chief People Officer, Gary Cunningham, really brought me along with, which I thought was fascinating, which his view's always been equity inclusion first. And it will lead to diversity. If you can solve for equity and inclusion, you will inherently become more diverse over time because you created that environment

that brings in the diversity. And he's always a big believer that the words are reversed and that you have to focus on equity and inclusion first. And if you get that right in your culture, it will lead to a more diverse workforce. And so I think it's a combination of that mindset. And then also just setting targets and being okay if you can't hit those targets, at least you've set them, you've put out clear direction and you set new ones in the subsequent years.

Carolyn Jones:

That's great advice. I really like the thinking of it in a different way from the out of order or different order. That's really insightful. So you've built such a great culture and obviously a great company. So let's talk about Boston overall. What are some of your observations on Boston and the business outlook in our city and in the region? And based on that, what are you optimistic about and what worries you?

Mike Massaro:

Yeah, I mean, I think the things that I've always loved about Boston, we kind of have a get down to business kind of mode. In some ways we're not great self-promoters as much as the West Coast has historically been in tech. But you continue to see great companies but get built in Boston. And so I think that's probably what makes me so optimistic. These companies that are built here, they always lead to more companies being built here. And I think that gives me a lot of encouragement.

I think one of the things that is concerning is the world's changed. And so the future of work has changed. So although Boston has kind of so many great things between great tech backgrounds, academics, biosciences, all these great industries, I think the future work is a bit uncertain. You've got a lot of companies trying to figure out are they pulling people back to the office? Are they mandating it? Even those that are trying to mandate it or only really having success Tuesday through Thursday. You've got commuting, which is a challenge. Probably one of the bigger challenges inside and around Boston. We're behind in public transport and some other things that make it really challenging to tell people, "Hey, get into the office during normal business hours." It can mean a 60 or 90 minute commute each way for some people that aren't even coming from that far.

So I think there's some kind of systemic challenges we have around that kind of dynamic around getting into the city that hopefully can get fixed, but never been more optimistic around kind of the talent that we have here, the talent to hire. And obviously we've got, I think, the right people in charge to help drive some of that great change. But I think we have some work to do around future work and transport and living in and out of the city.

Carolyn Jones:

Let's hope that new transportation chief can make it happen.

Mike Massaro:

Hope so.

Jon Bernstein:

And Mike, following up on that, what is your call to action for your peers and others in the business community who are listening in?

Mike Massaro:

Well, I would say the future of work, I think is something that there can be a lot of good collaboration on. I don't think there's a one size fits all approach. You've just seen people try so many different things as part of their strategy. And I think what you're seeing from employees, I think broadly is that they don't want their time wasted. I think the pandemic has taught us that you can keep companies going. You can have companies excel even when everybody's not together. And so I think it's very inauthentic for people to say, okay, now that that's over, everybody back in the office. Even though businesses kept moving, they kept growing, people did amazing things in a difficult time. And so I think that's kind of the challenge that we're facing where in-person time is exceptionally valuable. Employees agree with that. They just don't want their time wasted.

And so the challenge is really on each individual company to figure out how do you make an efficient environment in a hybrid mode? How do you bring people together for purposeful reasons, for great reasons that are hugely valuable? And I think that that's an interesting challenge for all companies. I think there can be a lot of collaboration amongst companies that are figuring that out because I think we're living in a time where we're going to define the future of work, and I think it is going to be hybrid no matter how easy it is for people to say, let's just go back to how it was. I don't think the world's going that way.

Jon Bernstein:

Yeah, I agree with you. And that's a great way to describe it in terms of engaging the employees in a way that makes the most use of their time. Because we all love being together and in person, but we all can't stand that drive.

Mike Massaro:

And going into an office and sitting on Zooms, that is the most ridiculous thing you can ever do to somebody. And that's not what people want to do with their time. So how do you change the schedule? How do you turn things upside down and find ways to better align in person time and hybrid time.

Jon Bernstein:

Mike, we like to close with some rapid fire questions. So off the top of your head, are you ready?

Mike Massaro:

Yep.

Jon Bernstein:

What did you want to be when you grew up?

Mike Massaro:

Doctor or dentist. I would've been awful at either.

Jon Bernstein:

Thankful you're not. That's good.

Mike Massaro:

My son did joke, he said, "Dad does put on good band-aids." So that was about as far as I'd go if I was a doctor, I think, so glad I'm not that.

Jon Bernstein:

What are you currently reading and or watching?

Mike Massaro:

I am addicted to the, oh, it's the book on Sumner Redstone, Unscripted, that just came out and I'm just cranking through it, which it's kind of like the written version of the Succession show. It's unbelievable and I can't put it down.

Jon Bernstein:

Who's a Boston leader or an organization that we should watch?

Mike Massaro:

Man, one of my favorites has always been Corey over at Rapid7. He's awesome. I've been amazed what he's done building that company. I think he's got a lot more to do for Boston and the tech ecosystem. He's probably one of my favorites.

Jon Bernstein:

Yeah, we had Corey Thomas on earlier on this PNC C-Speak. He was fantastic. That's great. What's a favorite spot you have in the city?

Mike Massaro:

Probably a little addicted to the Quinn right now. I just joined probably three or six months ago, and whenever I can get in there, I'll just back up meeting after meeting or dinner after dinner, coffee after coffee. I love the spot. I love the vibe. I love running into people randomly that I know in there. So absolutely love the Quinn.

Jon Bernstein:

What makes you laugh?

Mike Massaro:

I have a bunch of teenage boys right now, and we're into all types of ridiculous kind of comedy shows. So like Ted Lasso, The Good Life, Mythic Quest, all these just kind of funny comedies that if I turn one on for 20, 30 minutes, there's always a lot of laughing happening in our house.

Jon Bernstein:

That's great. It's fun to do that with your kids.

Mike Massaro:

Yeah, for sure.

Jon Bernstein:

Yeah. And finally, what's a wish you have for Boston?

Mike Massaro:

I hope it keeps this focus on innovation. I mean, we just have such amazing talent, so much history in investing in tech and leading in tech. I hope we can maintain it even in the shift of everything happening around movement and flexibility in work. I think there's a lot of things that draw people to Boston and New England, frankly. And hopefully we can continue to keep that focus and just keep realizing the value of having companies built in Boston and around Boston. It's so important, it's so valuable. I mean, having built Flywire here and having seen what it's done for so many families and so many people, and it will create other companies, it will help drive the ecosystem and it's just so important. So I hope we keep that focus even with everything goes on with macro and political and everything. I just hope we just keep the focus and understand how important tech and business is to Boston, New England.

Jon Bernstein:

And that wraps up another episode. Thank you so much for joining us, Mike, and for sharing your insights. I'm John Bernstein.

Carolyn Jones:

And I'm Carolyn Jones. And this is PNC C-Speak: The Language of Executives. Our guest today was Mike Massaro, CEO of Flywire. Mike, thanks so much for joining us. It was a lot of fun.

Mike Massaro:

Thanks for having me.

Jon Bernstein:

You can find C-Speak at bizjournals.com/boston or in any of your favorite podcast platforms. Until next time.