

## Talk CNY S1X5

Andrew Fish 0:06

Welcome to a special Expert Mini Series for CenterState CEO's podcast Talk CNY, presented by NBT Bank. In this series, we'll feature experts from across Central New York and beyond to dig into our members' most requested topics. You'll also hear stories of successful collaborations between a few of our long-standing members and CenterState CEO that could inspire your next big move.

Kate Hammer 0:25

Take a moment right now to subscribe in your listening app for reminders every other Wednesday for our main podcast series. And be sure to catch the rest of the expert mini series as well.

Kate Hammer 0:37

Today we are joined by CenterState CEO member, Matt Gardner, Chief Executive Officer and co-founder of hiline. Matt is a father of the two coolest kids around, lucky husband, entrepreneur, investor, business builder, golf head, music lover. Breaking the conventional and reimagining a more meaningful and fruitful career path for aspiring accountants. Obsessed with the customer experience and helping SMB founders, owners make better investment decisions around the finance function and therapy businesses.

Andrew Fish 1:06

I'm Andrew Fish, Senior Vice President of Member and Business experience at CenterState CEO.

Kate Hammer 1:10

And I'm Kate Hammer, business coach and member CenterState CEO. We are your hosts for Talk CNY.

Andrew Fish 1:16

Matt, thank you so much for joining us. Really excited to have you here today to talk about hiline, your company and learn more about kind of innovation in your space.

Matt Gardner 1:24

Yeah, thank you for having me on the show. Happy to be here.

Andrew Fish 1:26

Great. So tell us a little bit about hiline, about the company, the evolution, what you guys do-

Matt Gardner 1:32

Sure, yeah. So hiline is, it's been like one big giant, like evolution of change. We started the company about six and a half years ago. And, you know, we came from a partnership, and I came from traditional public accounting, worked for a regional firm locally. And, you know, the two of us were kind of just chasing this opportunity to work with more Gen Z, Millennial based businesses. And it was pretty clunky. And we didn't really kind of know what we wanted to do for a long time. But, you know, over the last six and a half years, what we've really become, is what we refer to as finance as a service. Which means we're really chasing this opportunity to fractionalize the entire financial operations, back office infrastructure for SMBs, early stage companies, streamers, companies just in like, really tech forward industries.

Andrew Fish 2:23

Awesome.

Kate Hammer 2:24

Yeah, it is awesome.

Matt Gardner 2:25

Heck yeah, it's accounting, but we're making accounting awesome.

Andrew Fish 2:29

Yeah. You mean, a lot of times people think accounting, and it's, and it's like, you know, boring. And it's, you know, sorry, no offense.

Matt Gardner 2:36

That's fine.

Andrew Fish 2:37

But it's like one of those things where people are like, Oh, this is a thing that I, you know, it's the thing that I have to get done. And you know, it's spreadsheets, and it's all this other stuff. But it sounds like what you're doing is really trying to create this service to enable them to do more in their work.

Matt Gardner 2:52

Right. So like, we are trying to become an accelerants for the businesses we work with. To do that it means like, you can't just do the work, because it's becoming commoditized. Like when I do bookkeeping, fractional CFO, work, audits, tax returns, like, that stuff's commoditized, a lot of people do it, a lot of companies nationally, internationally, like the

stuff gets offshored. If you just want to focus on doing the work with humans, like that's hard to compete in. So what we're focused on doing is using technology to do a lot of the work a lot of automation, we have a tech stack that we bring to all of our customers, we build a lot of our own automation to some of its RPA. Some is API work, we let technology do that stuff. And we focus on the advisory work, which we're confident is a difference maker and a competitive and interest because we're actually contributing value and freeing up capital for companies to go invest more in things in their business that they should be, which is like, how to grow and how to innovate how to do things that are more interesting than just getting the back office work done, which is like foundationally important, but there shouldn't be an over investment either.

Andrew Fish 3:58

Cool.

Kate Hammer 4:00

Yeah. So what is the experience like working with you that advising part, that consulting piece?

Matt Gardner 4:07

What the experience for me, it's fun.

Kate Hammer 4:09

Yeah.

Matt Gardner 4:09

Right. Because you it's, it's interesting, like this interesting change happened. The work that I did growing up doing accounting work, it was, people bought a service from you, because somebody told them they had to, meaning like, Hey, you gotta get a tax return done or you have not done that, like, you gotta go figure out who to do it for you and like, your options are limited. And, you know, you don't get to be super picky because a lot of it is predictable.

Andrew Fish 4:41

Right.

Matt Gardner 4:41

And a lot of ways like the industry hasn't been really forced to evolve or differentiate. So they compete on price and a lot of ways and I certainly dropped the buzzword of like, we do it better or they're higher value, but I think largely a lot of them do it the same and they just have different industry expertise. So for us, it's different because we are convincing people to buy something that they need. But nobody's telling me I have to do it our way.

Like you can traditionally like, history will tell you like, go hire a bookkeeper, controller, CFO. That's how you do it. Like, that's how you derisk it, like finance is scary to a lot of company owners, and founders. And I think like the default is bringing somebody in house that you perceive to be smarter in this area than you.

Andrew Fish 5:28  
Right.

Matt Gardner 5:29  
And you're good. And like, that's not true. That's-

Kate Hammer 5:32  
Ooh, that's interesting.

Matt Gardner 5:33  
That's a lot of money.

Andrew Fish 5:34  
Yeah.

Matt Gardner 5:34  
And one person can't replicate the fully loaded team that I can, in the way that we run it, like I can give you six people, for half the price that would cost you to get like a reasonably good controller.

Andrew Fish 5:46  
Yeah.

Matt Gardner 5:46  
But you also gotta go get all the technology, all the infrastructure, that one person can't do it all by themselves.

Kate Hammer 5:52  
No.

Matt Gardner 5:52  
So we figured out how to do this in a way that is highly fractionalized, highly scalable, and you just get a lot more bang for your buck.

Andrew Fish 5:59

Okay.

Matt Gardner 5:59  
I just think that we-

Andrew Fish 6:03  
I think that I think a lot of people can relate to that.

Matt Gardner 6:26  
Yeah, we just we just knew that, like I refused and Jim refuse to go through life and just do it a certain way. Because it's how it's that's your career path. That's how it's always been done. Like, this is what it is like that is that is just not, I don't find that to be super inspiring. I just I can't like I'm stubborn and impatient. Like, I just can't live with that as being the answer.

Andrew Fish 6:47  
That's fantastic. So as you were sitting there, right, starting this company, in you know, prior to kind of this evolution, how did you identify this opportunity? How did you sit there and think I want it to be different and start pursuing this? Like, what opened your eyes to this as a possibility even?

Kate Hammer 6:47  
Yeah, I wanna know!

Matt Gardner 6:47  
I did not think about it like that. Right. So when we started, when we started the company, we lacked some direction.

Andrew Fish 6:47  
Sure.

Matt Gardner 6:47  
Yeah.

Matt Gardner 6:47  
So initially, like we were doing some of the stuff, we knew how to do what we were doing it in like flip flops, like if you, if anybody was like in Armory Square like you would like, see us walking, like we didn't have a lot of work to do, because you know, a lot of customers but like, we were walking around, we were hanging out at Kitty Hoynes, literally in flip flops, flip flops. So, you know, that was kind of our persona at first. But because that was our

persona. We attracted companies, like a Mad Glory, that was based in Saratoga, came to the Tech Garden, a video game development company. And that's an example of one that's like a national industry like that's not like a hyper local industry. And they appreciated that about us, we were approachable to them. We had to learn how to work with them, what they want in support. I was very different than when we knew how to do, they wanted us to do the stuff that we're doing today. Okay, they pushed us to figure out how to do that for them. And through that, we kind of just fell into this new world, which is kind of a new market, like it's been around for a while. But you know, there's not any 800 pound gorilla in the room doing it. There's a lot of green space, there's not a lot of companies that are like highly venture backed doing exactly what we're doing. So we're definitely pushing the boundaries and innovation. We're doing something cool and we're still building it. But it was not planned this way. Yeah. At all. Yeah.

Kate Hammer 7:59

You know, when you're a service based business, it's really about the these two fundamental things, which is, can you do what you say you can do? And do people enjoy working with you?

Matt Gardner 8:08

Yes.

Kate Hammer 8:08

And you can do what you say you can do, but also that piece of the way you're describing just your personality or nature. It feels super entrepreneurial. And yes, you're a business owner, but we expected in these more traditional businesses, like a CPA firm, that it would feel different, but working with you seems like it would feel like, really exciting experience.

Matt Gardner 8:30

Most, most companies, even when they come to us, they still have like, an expectation for like, what it's going to be like, and there's like this, like you guys are this is different. This is good.

Kate Hammer 8:43

You're our people.

Matt Gardner 8:44

And that's validation. That one like our approach is working in to that there's not a lot of competition still like. So while there's some very big, fast growing companies, a lot of them happen to be on the West Coast. Sure, right now, doing the same thing. Like, of all the sale

of a hundreds of sales calls I've had over the last few years, like I think we've maybe actually competed with a company that does the same thing maybe one time.

Andrew Fish 9:08

Wow.

Matt Gardner 9:08

Usually it's we're convincing and teaching somebody like hey, you can get this thing done for your business a different way. Like they heard about it to somebody else, or they found us through some of the marketing work we do. And they're interested but they've never experienced it before. So it's always like a conversion.

Andrew Fish 9:22

Okay.

Matt Gardner 9:23

So here how I've always had this thing done for my business, or I always thought it had to be done. And now I'm hearing like you guys can do it a different way with all this technology that frees me up to be able to basically engage with you through my phone, which is very different.

Andrew Fish 9:35

Sure. And that's how we're all doing it these days, right?

Matt Gardner 9:38

And COVID, I mean, COVID was like a really tough time, but like COVID was an accelerant for us because it validated like it's okay, like you don't, you don't have to be local. You don't have to, like see somebody in person to have a trusting relationship. That really helps because everybody had to figure out how to run their business virtually here. And we have basically like a tech stack, and a system and a team that we could like drop off almost any board in our customer profile, and it would work turnkey.

Andrew Fish 10:04

That's great. So I mean, I heard, I think I heard you say, and I just want to confirm this, is you got to this level of innovation because you listen to your customers, and you weren't willing to just do what you've always done. You wanted to meet them where they were at.

Matt Gardner 10:23

Yeah, the yes, that's exactly right.

Andrew Fish 10:26

Okay.

Matt Gardner 10:26

And part of it is also like this burning curiosity, like, how can we do something that actually makes a difference and makes an impact on this profession. And there's like, a whole backstory, like how I personally got to be an accountant, like, it's probably not, it wasn't like, totally by design, it was kind of by accident, a lot of ways. But now that I'm here, to good time to be here, but it's also like, if we're going to do it, like, we're not going to waste the time, we're going to do something that makes a difference and makes an impact. And that's, that's what's fun about it. And we, as we've like, worked through this, like what I what I did learn from people like Brian Corrigan, and Mat Glory and a lot of other people, is the way they ran their companies like was just fun. Their cultures were great. They were very technology focused, really great people to work with. And that informed, like, our vision for the type of company we wanted to build.

Andrew Fish 11:16

Sure.

Matt Gardner 11:16

But we were gonna build it in an industry where that's not really prevalent, like-

Andrew Fish 11:20

Right?

Matt Gardner 11:20

There's not many companies that run that way. So we're like one, like, big accounting startup, like, we basically we're, we're structured that way. We don't treat it like a partnership, like that's not your career path with us. You know, so it's just, it's just very different. Like it's an adjustment for people that come in, that maybe have some of that background and that experience. But yeah, that's I mean, our customers inspired the way that we run our company.

Andrew Fish 11:46

And you guys have been getting some recognition for that to nationally, right?

Matt Gardner 11:49

Yeah. So it's, it's interesting. So there's like two cohorts of folks in this. There's like the CPA world, which we cross over into really well, because we are CPAs. So you know, I've done a fair amount of speaking engagements with cpa.com, which is like the AICPA which is like



the international governing body for accountants, and they definitely are putting this out there as like, the future like these guys have thrown this out. They can help kind of inform how we can we can transform and rebrand the industry.

Andrew Fish 12:19

That's awesome.

Matt Gardner 12:20

And then we also can, we can crossover and compete and play with like the venture backed startups that do this, too. So there's a company called Pilot, which raised like \$100 million to do this. Like, they totally are building some of their own technology, but it costs a lot of money to do that.

Andrew Fish 12:35

Sure.

Matt Gardner 12:35

Like you can still compete, do the same things using an off the shelf technology RPA cheaper technology enhancements, but because of our brand identity and who we work with, like we also can compete with them. So the technology partners in our ecosystem, like the build.coms, the DVS, the Gustos, like the unicorns of the space, they also are putting this out there and having to speak, evangelizers, what we're doing so we've kind of got both sides covered.

Andrew Fish 13:01

That's great. I love that you guys are doing this right here in Syracuse, too. It's fantastic.

Matt Gardner 13:05

And we're doing in Syracuse, which is amazing.

Andrew Fish 13:07

Yeah.

Kate Hammer 13:08

Yeah. What do you like about being based here, and then serving so far out to all the corners of the US?

Matt Gardner 13:17

You I mean, he's learned a lot from working with people from different corners of the country. And a lot of them are not even I mean, we have customers that are from different countries, too.

Andrew Fish 13:25

Sure.

Matt Gardner 13:26

Like that just happen to set up US companies or they came to school here. You just get a lot of interesting perspective, like, if you've only just been in Syracuse, and you've only work with Syracuse companies, like that's not necessarily a bad thing, but I think that you're being robbed of some perspective and viewpoints that I think are just beneficial as you round out like your decision making sure your culture, your business and your strategy.

Kate Hammer 13:49

You love being here. I've heard you talk about this before-

Matt Gardner 13:52

Yeah being here me my family, my family is here, right?

Kate Hammer 13:54

Yeah.

Matt Gardner 13:55

I never had to we figured out how to not to have to make like a really hard choice.

Kate Hammer 13:59

Yeah.

Kate Hammer 13:59

To leave family behind and go build a company that you know can be potentially viewed or talked about in the same light that like a company that was started in San Francisco, right?

Kate Hammer 14:10

That's so important to hear thought right?

Andrew Fish 14:12

For sure.

Matt Gardner 14:13

Yeah, see like it's you get hidden level that it is doing it Cheddy did it Yeah. Jeff Knauss did it. There's a lot of there's a lot of stories like that. Impel just did it. They just raised a ton of money.

Andrew Fish 14:23

Cheddy's TCG player which was acquired by eBay recently.

Matt Gardner 14:23

Yeah eBay.

Andrew Fish 14:26

In House, Digital Hyve.

Matt Gardner 14:28

Yep.

Andrew Fish 14:28

These companies-

Matt Gardner 14:29

Yeah.

Andrew Fish 14:30

Unicorns that we've actually had develop here in Syracuse. Phenomenal.

Matt Gardner 14:33

Yeah. So I think what's also cool about it is like Syracuse is so centrally located, like you can get to the big markets in a very short period of time. And I think that because others have done it before, you know, I don't think anybody wants to be first but like now that we've had some people go first, I think now let's become more widely accepted that like Syracuse has put some really talented high profile companies out there. And again, I'll say for COVID, one of the positive things, COVID was like also now made it not necessarily matter as much.

Andrew Fish 15:03

Sure.

Matt Gardner 15:03

You don't have to be in a big market. And the big markets have actually seen this big shift in where people want to be and build companies. So we're like in the middle of all of this

change, which is really cool. And a lot of us just good, fortunate, good timing that we're like, kind of here in the middle of it. But it's been fun. And I think a lot of stuff has definitely helped us.

Andrew Fish 15:23

For sure. I've always heard that hard working people are lucky more often, though, so.

Matt Gardner 15:28

Yeah.

Andrew Fish 15:28

You're saying good fortune. So I think I think some of that is, you know, intentionality and hard work.

Matt Gardner 15:33

Yeah, you just, I mean, you can't, you can't bury your head in the sand ever.

Andrew Fish 15:37

Yeah.

Matt Gardner 15:37

Like, I think if you don't view all these things that happened, like there's been, like these events for like, the last four years, there's been like, big massive, like, very challenging things that have happened, like everybody. And it's, it's very easy to just be like, "I'm tired. I'm going to sell my company. I'm gonna just slow down, I'm gonna, like, take some time." But if you do that, like, there's people that aren't. And I think that there's a lot more opportunity in down periods, because not everybody is willing to grind it out.

Andrew Fish 16:07

Sure.

Matt Gardner 16:07

And not everybody has that natural grit, that they're going to keep going and push to push harder beyond what maybe they thought they would do previously. And I think that's what we've done well. We've always kind of been viewed ourselves as kind of like underdogs, unknowns, which means we've always had to kind of work harder, be humble, you know, maintain our humanity and just grind it out.

Kate Hammer 16:26

Yeah.

Matt Gardner 16:26

And it's worked.

Kate Hammer 16:28

Yeah, it sounds like a simple thing, just paying attention really, like just observing and taking it in and doing something with what you're seeing. But it sounds like you're choosing to do that over and over and will continue to in the future.

Matt Gardner 16:39

Yeah, I, I, you know, sometimes I wonder, like, did we make a choice? Or did we just follow our instincts and our gut? And it's like, I think it's hard to, like, reflect on all of those moments where they picked a path, like, did you know how impactful or meaningful that was going to be the thing that you did? I probably can't even recall all of them. But I think we've we've made some good decisions as a team and they've benefited us. And we definitely made a lot of bad choices, too, for the record. Like it has not all been- it has not been perfect. But, you know, we've done I think the most mostly the right things.

Andrew Fish 17:12

Awesome. If you had one piece of advice for other business owners out there in the region, what would it be?

Matt Gardner 17:17

Embrace change in technology. Like it's, it's been the unlock for us. We built an entire business, there's an entire new market and finance being built around technology. And it's changing it like a rapid pace, it's going to impact everybody, and you can't hide from it, you shouldn't be afraid of it, you should just understand and be curious about, like how it's just going to change the way that you work and the skills. And here's the things that we do, as employees of companies, as leaders of companies, like it's just what's asked from us and the things that we can do to create value, which is going to evolve very fast.

Andrew Fish 17:55

Awesome.

Kate Hammer 17:56

Yeah, I love that. Don't be afraid, but be curious.

Matt Gardner 17:59

Be curious.

Kate Hammer 18:00

Yeah.

Kate Hammer 18:00

Chat GPT. Look it up.

Kate Hammer 18:02

Ooh!

Andrew Fish 18:04

Are we are we just gonna drop that on people and walk away?

Matt Gardner 18:06

I'll give you an example. Chat GPT released GPT Chat 4 and for us, like why does that matter? Because they used it performing a tax return as an example of how the new technology can disrupt the system, right? Like, that was a big moment. That's like a defining moment for the entire industry. So, now granted, it's not perfect. It's not going to help a tax preparer, like do every bit of it. But it's-

Andrew Fish 18:33

I'm sure that was a standard deduction, right?

Matt Gardner 18:35

It was a simple one, but the point is like, it's not going to take them long to figure out how to use it. So, you know, my guess like gut feel like within the next two years, like how that gets done is going to change drastically. And what people expect to pay for something like that is going to change drastically. So that means like-

Kate Hammer 18:42

Yeah.

Matt Gardner 18:42

You can't, you can't hang your value proposition on that type of work. It has to be something that you build around that, like, that's still always going to be critical, but like what else can you do from an advisory capacity to supplement and use it to be really efficient, and competitive moving forward? So we're already thinking about, like, how can we use that? Because you can access through API, you can do pretty much anything that you want to if you put the effort in, but just pretending like it's not going to work, or it's not going to impact me it's going to make sure other people, that's not that's, that's definitely

not true. It's not the right answer. And I would just lean into that because it's going to come very fast.

Andrew Fish 19:30

Awesome.

Kate Hammer 19:30

Yeah.

Andrew Fish 19:31

Matt, thank you so much. Really appreciate the time today. A lot of fantastic information to share and some inspiring stuff.

Matt Gardner 19:37

Yeah. Thank you. Thank you for having me. I enjoyed it.

Kate Hammer 19:39

Yeah, thanks. This is great one.

Andrew Fish 19:42

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Kate Hammer 20:03

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