Transitions - Ryan Caldbeck - Medium

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On October 13th 2020 I stepped down as CEO of CircleUp, the company I started in 2011 with my co-founder, Rory Eakin. Leaving the best job I ever had — at the company I helped to create — was difficult and confusing. I wish I had found other stories about how the transition actually went and what it felt like. But I found surprisingly few first-hand accounts from founders or CEOs transitioning from their initial role, and even fewer that shared their full, authentic story of what really happened when they left and how they truly felt about the process. With limited precedent to guide me, I found the process extremely hard to manage, both logistically and emotionally.

That's why I'm writing this blog. I'm sure I didn't do everything right in executing my transition, but that isn't the point. I'm not here to share a playbook — I don't think one exists. I want to share my experiences and vulnerabilities with full candor in the hope that other founders can have a resource that I lacked; that they can learn from my experience and feel less lonely than I have through this process. I also hope this piece can help build greater empathy and understanding among the investors, teams and families that have backed, supported and lived with founders whose struggles might at first seem opaque or impenetrable but are, in essence, deeply human.

Why I chose to step down as CEO of CircleUp

Over the past year, when I began telling team members, investors, LPs and other stakeholders about my transition, their first question was, inevitably, "Why?" I typically explained that the average founder/CEO of a startup is in the seat for less than five years; I had been with CircleUp for nine, and I was exhausted. But there was so much more to it than that.

I don't remember the first time I told our board that I was exhausted and needed to step down as CEO. I imagine it was around 2016 or 2017, a period defined by stressful business decisions and physical and mental health issues. I later realized that the board interpreted my complaints as "typical founder/CEO exhaustion". I blame myself for that lack of clarity. For years I did a poor job of communicating the depth of my stress and exhaustion, a problem only compounded by the fact that, at times, I wasn't even sure of my own feelings. There were stretches of time where I felt horrible — lonely; terrified; depressed. Depression exacerbates exhaustion. But I tried to put on a brave face to make sure the board felt comfortable. There were also occasional periods where I felt joy, which complicated matters even more. The highs kept me going even though I knew the downs were unhealthy and untenable. It was hard for me to measure how much of my pain was because I had young kids at home, the result of specific business challenges or a classic case of founder/CEO exhaustion. What is normal? There was no way to answer that other than to go by my own feelings. From 2011–17, my exhaustion felt "normal". Starting in 2017, it no longer did. I no longer felt like a missionary, I felt like a mercenary.

The root of these negative feelings can be boiled down to roughly an 18-month period from mid-2016 through 2017. During that time, we pivoted CircleUp away from the original marketplace. We also had to go through a round of layoffs, the first I'd ever had to navigate as a CEO. They were necessary, but they were brutal. The people we let go had

joined because they believed in our product and mission. They had done nothing wrong, yet suddenly there was no longer a place for them. I remember letting go of someone I had known since college. She turned to me and said, “I took this job over something that paid more, and now what should I do?” These agonising decisions kept me up at night for weeks, and I know it was much harder on those affected.

Then we raised our first institutional VC fund (just one of the ways in which we monetize our tech). If you have friends in venture and it looks like a cushy job, see if they’ve raised a first-time fund. It’s not as hard as being a CEO, but it is… not cushy. I was doing both — running a technology company while meeting with hundreds of institutional LPs around the world to raise a first-time VC fund. After the pivot, after the layoffs and after raising that $125m fund, we raised a meaningful round for the parent company from Temasek and TPG. I don’t know how we raised a big round from world-class investors right after a pivot, but we got it done.

Simultaneously, we were forced to deal with a board member who was beyond counterproductive. After we bought him out fully in 2019, I sent this feedback email detailing the ways in which he had disrupted our board and company. Dealing with this issue was one of the loneliest times I faced as a CEO. To be clear, this email is unlike anything I’ve sent in my life, and I’ve thought long and hard about the decision to share it. I’m not doing so to disparage the individual in question; the only objective is to help others who might find themselves in a similar situation. (Nothing has been removed, including typos, from the email except for names.)

That group of professional challenges was more difficult than anything else I’ve faced in my career. At the time, I told a teammate that it felt like I was playing seven-dimensional chess because of the complexity of the negotiations combined with so many conflicting challenges at work. What she didn’t know — and what most people didn’t know — is that during that same 18-month window, I was also juggling personal challenges that were far more stressful than the hurdles at work.

It started with absolutely brutal fertility issues that my wife and I went through, beginning in 2016. As far back as college, I’ve made hard decisions with the goal of building a great family. That emphasis has impacted everything from which jobs I’ve pursued to what foods I’ve eaten — even before I was married. So you can imagine how those fertility issues impacted me and my wife, Kim. We met with five or six of the best fertility clinics in the country. There were so many tests. Eventually, we were blessed with our second child, but it was an extremely painful and isolating process.

One of those tests revealed unexpected, terrifying information. I was diagnosed with cancer. I only remember a pair of words from the first conversation with my doctor: “two tumors”. I struggled to process it at first. I barely drink, have never smoked or done drugs and work out five times a week. How could I have cancer? The doctor must not have been speaking clearly.

But he was. Still in shock, and with my hands shaking out of fear, I took the elevator to another floor for immediate tests — before I could even break the news to my wife. Slowly, reality began to sink in and the enormity of the word “malignant” hit me in full force. I remember crying to the nurse as she drew blood. Then I walked outside the UCSF hospital, hid behind a concrete pillar, and finally called my wife. I was losing control, and while she tried to be strong, I could hear the fear in her voice. I’d never really heard her scared before, and I felt helpless being unable to do anything to change the situation.

Two days later, I flew to a work conference in Anaheim, CA while also trying to schedule further tests and treatment. In a 30-minute Uber ride, I told my story multiple times over the phone to multiple administrators at multiple hospitals (for reasons that aren’t relevant to this blog post, my medical case was uniquely and extremely complex). I remember no one said, “I’m sorry” — they just processed the logistics with an icy, clinical precision that

is probably required for someone to work in a cancer center. Finally I lost it, shouting, “why aren’t you just saying ‘I’m sorry’ right now?” It wasn’t fair to them, and I’m not proud of it, but I cracked. For the next several months, my emotions would sometimes pour out in a tidal wave of tears and yelling. Anger, frustration, fear, confusion — there were so many feelings to contend with. Throughout the entire Uber ride, my driver hadn’t said a word. But as we pulled up to the hotel and I climbed out, he opened his door, stood up and gave me a hug. He then said: “Hey, I just want you to know I had the same type of cancer. I’m so sorry.”

The cancer diagnosis became even tougher to deal with because I mistakenly believed I shouldn’t discuss it with others. CircleUp had just gone through our pivot and we were in the middle of raising that first fund and the parent company round. At the time, I worried that the team would use my diagnosis as an excuse to throw in the towel, that my health would become a distraction, cause the company to fail and make things that much worse. I told the board and my co-founder about my diagnosis, but no one else at the company knew. I even hid the information from all but a few friends, fearing that word might get out. In retrospect, I think I would have brought our company closer together by being vulnerable and authentic, and I certainly wouldn’t have felt as lonely.

I had a successful operation. Since then, I have undergone regular testing several times a year. To this day, I cry every time I go to the cancer center at Stanford. In hindsight I should have seen a psychologist to process what I was going through — the emotional toll was far worse for me than the physical.

Dealing with the fertility problem, cancer and issues at work all at once was the hardest challenge of my life. I couldn’t sleep, couldn’t relax, and was constantly on edge. For weeks at a time I had blurred vision. The combination of personal and professional stress was far beyond what I could handle. I hadn’t had a headache in 20-plus years and now I couldn’t go through a full day without experiencing crippling pain in my head. The doctors did two MRIs on my brain to see if the cancer had spread there. After the first MRI, they initially thought it had. After the second they said: “Eleven doctors have looked at this and we have determined it is not cancer.” I assure you that wasn’t as comforting as it may now sound as it begs the question, “why did you need eleven?”

> The second MRI — it was clean

A few weeks later, I started peeing blood, repeatedly. After more tests, the doctors assured me that this latest symptom was also unrelated to my cancer. These symptoms were one-in-a-million flukes. I told my cancer doctor, “I like data. That’s a lot of one-in-a-million flukes”. I now had a six-month-old boy at home, a relentless fear of whether the doctors might have missed something and an ongoing slew of professional challenges to face.

By the end of 2017, I was completely worn out. Then, suddenly, the major professional challenges were done. We got the round done for CircleUp. We raised the fund. The pivot was behind us. My personal obstacles were under better control and we now had an infant boy along with our daughter, who was three at the time. A great board member, Dan, called me to say, “Ryan, I’ve never in my career seen a CEO as worn out as you. Please, you need to take a sabbatical — at least six weeks”. He, and other board members, tried so hard to do the right thing and convince me to take care of myself. But after a lifetime of gritting things out, I told myself I didn’t need to take a break. I think an element of my reaction is what Jerry Colonna calls “false grit” in *Reboot*.

But it was hard to turn away from persistence when it has been so crucial to any success I’ve achieved. Grit (along with undeniable privilege) helped get me to where I am even though I have never been the smartest, tallest or most skilled person in the room. When Dan asked me to step back — even just temporarily — I thought about how I had gritted out making the basketball team as a walk-on at Duke just months after double knee

surgery and my doctor saying I needed to give up basketball. I thought about how I gritted out getting into business school and securing a job in private equity after being denied by the first 70-plus PE firms I reached out to (even offering my services for free). I thought about what I had said to Rory in 2011 when we were discussing the possibility of launching CircleUp: “I need you to know that I never give up.” Persistence was my superpower. But now I’ve now come to understand that persistence is a double-edged sword, and my decision not to take a break, to not take more off my plate, hurt me, my family and the company. That was the biggest mistake of my career.

From there, my exhaustion only grew. The job itself was nowhere near as difficult as it had been in the past, but depression and burnout can make even small challenges feel like a big deal. Problems seemed to stack one on top of the other. Moments of happiness were fleeting. A few teammates tried to help me focus only on work that brought me joy, but I failed at that task. I absorbed very little pleasure from our wins, and quite a bit of pain from our losses. I remember a top VC, who was not one of our investors, posted something very positive about me and CircleUp online. I read it on my phone and immediately said, “Damnit!” to my wife. I explained that he couldn’t possibly know enough to mean these positive things, and his comments only made me wish that he genuinely did. I had gotten to a place where I only focused on the losses and couldn’t accept positive things.

I’ve eventually realized that for far too long, I wasn’t clear — with myself or others — about what I wanted or needed. At times I thought I was sending up big red flares that I couldn’t sustain my pace, but others were just seeing the normal ups and downs of a founder. I believe hundreds of founders have their own version of this story, but it is rarely told. I hope that my candor helps others to feel more comfortable than I did asking for help and more willing than I was to confront feelings of loneliness and weakening stamina before they reach a breaking point.

For me, that happened in the fall of 2019. There was no final straw at work; frankly the company was doing better than it ever had and my job was actually easier than it ever had been. It didn’t matter: I could only feel pain. Finally, my daughter looked at me and said, “Daddy, you always look so sad”. She was five. It was the push I needed to change.

Making the Transition

In October 2019 I told the board that I planned to transition out as CEO. I prepped for the conversation with my management coach and some CEO friends, but I was still terrified of the potential reaction. I then followed up with this email (included here with their permission). I have changed nothing in the note (not even a typo) other than redacting email addresses. Once again, I’m not sharing this information because I think it was the perfect way to handle the situation, but so others might be able to learn from my experience. I certainly wish I’d had examples to lean on.

The board wasn’t happy when I sent that email. I don’t blame them. I knew it would be a difficult transition for CircleUp, but I also believed it was the right move for the company as much as it was the right move for me. They tried to convince me to stay, but I made it clear that wasn’t an option, that this wasn’t about any issue other than my mental wellbeing.

After several discussions, the board became aligned with my decision but felt I wouldn’t be able to transition within 12 months. Believing that to attract a great CEO we would need more than two years of runway, the board wanted us to raise a round. In their minds, we wouldn’t be able to hire a new CEO until that was done, and doing both simultaneously would be impossible to get done in less than a year. I disagreed: even though I knew how difficult it would be to accomplish both tasks at once, I was confident it could be done.

Raising a round and hiring a replacement in parallel was emotionally draining, in part because I had to show passion and excitement even though I was personally exhausted. I wasn’t misleading them about my belief in the business or my intentions going forward,

but I was trying to mask the depression I felt. Who wants to invest in an unhappy CEO? For investors, vulnerability or burnout is often conflated with risk. So I felt I had no choice but to be a source of energy for potential stakeholders even though I barely had enough energy for myself. Have you ever had to put on a good face when guests come over, even though you're in a horrible mood? It felt like that, with no end of dinner in sight and with much higher stakes than awkward small talk. And, for good measure, we had to get all of this done during a global pandemic.

Still, in less than a year we raised a big round (not announced) on terms both we and the board were happy with. We hired a fantastic president, Nick Talwar, who became CEO on October 13th, the day I became Executive Chairman. While I know this is the right decision, there are huge parts of the job I deeply love and will miss. When it was time for me to sign Nick's offer letter, I stared at my computer screen for 35 minutes. My wife came in and I cried with her. She took this picture.

Me signing the offer letter

The Next Step

More than a few people have asked me what comes next. First, I am transferring to a full-time Executive Chairman role at CircleUp. I'm still here, just with far less stress. I've worked on this transition for a while with my management coach, Ed Batista. I've also talked with countless CEOs (including my LIT group), friends and advisors. One of the better books I've read is *Transitions* by William Bridges. In it, he talks about becoming comfortable with living in the "nothingness" and saying, "I don't know" when asked, "what's next?" A successful and healthy transition requires one to live in the nothingness between the end of one period and the beginning of another. I need to come to terms with the end of my time as CEO, though I will still be here at CircleUp. Eventually I won't be. I don't know when that day will come. And if you ask me what's after that, my answer is… I don't know.

Now that I have a chance to reflect, my feelings are complicated. I am relieved that I'm getting help in the form of a new CEO. I feel sad that my journey as CEO of CircleUp has come to an end. I feel fear in that I don't know what's next, even though I believe it's healthy for me not to know. I feel nervous about how people will interpret this transition and what narrative they will tell themselves (and others). When I've talked about my journey in the past, I've had similar concerns, but these ones are greater. I feel frustrated that there are things I could have and should have done differently. I feel insecure about my answer of "I don't know" when asked what I'll do next — that it will be viewed as inadequate. I worry about whether I will ever do anything again that I feel as passionate about: being the Founder and CEO of CircleUp is the greatest job I've ever had.

I feel unsure about how others will react. In venture, doubt isn't respected. I am confident some, especially in VC, will inevitably view my story as a lack of grit. Would their perception of me be better if, instead of helping CircleUp pivot and leaving three years later, the company had failed in 2017? Maybe my experience means some VCs will not fund me again. Maybe it means I now have more empathy for entrepreneurs. Could I have stuck it out if not for the personal issues? I think so, but I can't know the answer to that any more than I can know how people will react to this account. My only hope is that it might help other founders feel less alone.

Again, everyone has their things. I'm trying to share my experience — the full and honest version — so that you hopefully don't feel as lonely on your journey. I want you to know that there are other founders/CEOs who feel that they have no choice but to "tough it out" in front of the teams, customers or investors, despite what's going on at home. For me a perfect storm of personal problems unhappily coincided with some of the most critical business decisions and processes possible. Is that just bad luck? I don't think so. Lots of people have to deal with many things happening at once. If you are in this seat for long

enough, it will happen to you. But if there's any way to make these things worse it's to ignore the warning signs. I could have made it through for longer had I searched for help sooner — that isn't bad luck, it was me choosing not to lean on a broader team to get through the hardest periods.

Primarily, I feel so much pride in what the team has accomplished and have absolute confidence in the company's bright future. CircleUp has built transformational tech and the team has helped hundreds of entrepreneurs thrive by giving them the capital and resources they need. CircleUp now boasts a new CEO with an incredibly relevant background and skill set and fresh legs to take the company to greater heights. I feel excited about our roadmap. I think the investment to build our technology platform, Helio, has set us up to create extraordinary impact and I feel appreciative of the team members that have been here since our first engineer, Bryce, took a bet on us in 2011. I feel thankful for the partnership that Matt, Andy, Dan and other advisors and investors have given to CircleUp, and to me personally, for years. I truly feel lucky for their help in steering the ship, particularly through difficult times, with skill, vision, patience and resolve. I know I am privileged to be in a demographic, time and geography that makes starting something this audacious feel possible. I feel fortunate to have had the chance to start CircleUp with such a fantastic co-founder, someone who placed our shared values and the Company's mission above personal glory. I cannot fully express how much I trust Rory and how valuable that trust has been both to me and to the business as a whole.

I feel appreciative of my family and parents for helping me dream and also pushing me to see that I needed to make changes to be happy. And finally, I am thankful for a wife who encouraged me to follow my dream in 2011 and supported me throughout. In the best of times and the worst of times, she has only ever used CircleUp as a positive example for our (now) three kids — to chase their dreams. And most of all I feel proud of my daughter for speaking her mind.

A lot of love

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