Ep. 211 | What Makes a Great Entrepreneur? Mike Nichols of EY on Disruption, Risk & the Philly Spirit

Editorial note: This transcript has been edited for clarity and readability. Filler words, repetitions, and informal speech patterns have been cleaned up while preserving the host and guests original voice and meaning.

Patti: Hi everybody, welcome to the Patti Brennan Show. Whether you have $20, $20 million, or $200 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives. I am so excited about today's episode. Joining me is Mike Nichols, Co-Director of the EY Entrepreneur of the Year Greater Philadelphia Program. Welcome to the show, Mike.

Mike: Thank you, Patti. It's great to be here.

How Mike Got Here

Patti: Tell us how you got involved with the Entrepreneur of the Year program. I know you were involved in a business early on and understand the highs and lows of running a company firsthand.

Mike: My path to EY is a little unlike most partners. I started at another firm and was recruited away by an extraordinary entrepreneur named Wayne Heisinger. Wayne's story is remarkable. He eventually became the overall global Entrepreneur of the Year winner. Working with Wayne and his team gave my wife and me the entrepreneurial bug. We were living in Fort Lauderdale at the time, decided to move back to our beloved Philadelphia area, and bought a catering and event planning business we owned for 10 years before selling it to a competitor in 2008.

In the meantime, I was recruited back into public accounting and eventually to EY. Based on my background in the entrepreneurial space, I was immediately drawn to the EOY program. It has been running strong for 40 years. It started in Minneapolis, Minnesota, by a couple of partners who wanted to recognize the entrepreneurial spirit of their community. Today it spans the entire United States and 60 countries around the world.

The Philadelphia Region: Smallest by Geography, Anything But Small in Spirit

Patti: Philadelphia is the smallest region in the United States. What does that mean for the program and for entrepreneurs in our area?

Mike: There are 20 programs covering every square inch of the U.S., including Alaska and Hawaii. Greater Philadelphia covers the eastern half of Pennsylvania, about a third of New Jersey, and Delaware. Compare that to one program that covers the entire state of Florida, or others that span five or six states. We have this one small area.

Every year I worry about how we are going to identify 40 to 60 great entrepreneurs in this region. And every year, I worry for no reason. Without fail, we identify a minimum of 50 brand-new, off-the-charts stories.

Patti: Having been on both sides, as a 2023 winner and now as a judge, I have seen firsthand what a system you have built. I texted Mike at one point during judging and said, “How in the world am I going to choose among all of these companies?” They were that good.

Mike: That text made me feel great inside. It meant the quality and the stories were exactly what we hoped for. The Philadelphia spirit is hard to put a finger on, but if you are from here, you feel it. People in this city work hard, take chances, and do not take no for an answer. So many of the entrepreneurs who come through the program just get after it. But part of the secret is finding them and then helping draw their story out. Sometimes we have to say, “Your story is better than you’re telling it. Let us help you give yourself the credit you deserve.”

The One Word: Disruption

Patti: What separates the truly exceptional entrepreneurs from the good ones? Is there an ingredient you keep coming back to?

Mike: That is a tough question. Sometimes the underlying idea itself is truly differentiated. Other times it is a founder who takes a business people overlook and makes it something no one expected. But if I think back to the great stories across 18 years, the common thread is disruption. It can be a massive disruption, something entirely new to the world, or it can be coming into an established industry and doing something meaningfully different. Disruption is the best word I’ve ever found to describe what the best stories have in common.

Patti: It’s interesting because this year when I was preparing for our team meeting, I compared the entrepreneurial journey to climbing Mount Everest. If you just say you’re going to go up without a plan, you are going to die. You start at base camp one, you get experts, you learn, and you work your way up. We are at base camp three now. The air is colder and thinner, and the strategies that got us here will not be the ones that get us to the top. Recognizing where you are and adjusting accordingly, that is what it takes.

Mike: That is exactly right. Some entrepreneurs get to base camp three and max out. Others come in at base camp one with a completely different view and the capacity to take it all the way. Sometimes it takes a different person to get from one to the other. Bentley Systems, right here in our backyard, had the brothers do it on their own from the start. There are so many different stories.

Stories That Define the Program

Patti: Let’s talk about some of the companies that have come through the program. AccuWeather is one that really stood out to me as a judge this year. Steve started as an intern, rose up through the ranks, and has taken the company to 160 countries. What strikes me is he is not done.

Mike: AccuWeather’s mission goes far beyond “is it going to be sunny today?” They are in the business of saving lives. Right here in our backyard, they have given warnings to municipalities and businesses that got people into shelter before disasters hit. They have one photo of a warehouse that was completely destroyed. Not one employee inside was hurt because AccuWeather’s forecast got everyone to safety in time. They are most proud of that, not the technology itself.

Patti: And then there’s Sea Keeper, a completely different kind of disruption. They solved a centuries-old problem for boaters by creating a device that stabilizes a boat so it does not rock. Every boater knows about Sea Keeper now.

Mike: Right here in New Jersey. And it is not just recreational boaters. Commercial fishing vessels, large commercial ships, stability matters across all of it. They solved it and are now expanding around the world.

Patti: And we have to talk about Chobani.

Mike: Chobani won at the global level. The founder came to America with $400 in his pocket, put himself through law school, was working at a law firm, and said this is not what I want to do. He found an out-of-business yogurt factory in upstate New York, spent his entire life savings plus every dollar of SBA loans he could get. His own attorney told him to stop. He said, “Nope, doing it.” He hired four people from the shuttered company and spent two years developing the recipe and branding.

When he brought his first case of yogurt to small markets in New York City, they told him that is not how it works, you have to pay us to put product on the shelves. He said, “Can you please just try it? I am desperate.” A week later, they were calling him back saying they could not keep it on the shelves. He grew so fast he ran out of dairy cows in the state of New York, started buying dairy farms in the Midwest, and expanded from there. He disrupted an entire industry and risked everything to do it.

Family Business: A Category of Its Own

Patti: One of the things I found fascinating this year was the number of family businesses where the founder was the parent and the children are coming in and taking it to a whole new level. That is defying what typically happens with family businesses.

Mike: That is exactly why family business has become its own category at the national program. The generational stories are incredible. We have had third, fourth, and fifth generation businesses win both locally and nationally. If families can learn to pass a business on to the next generation in an effective way, that is a tremendous wealth of knowledge. It all comes down to succession planning.

How to Get Involved: Any Entrepreneur, Any Industry, Any Size

Patti: There may be people listening who think, "I can't apply to that. I am not a candidate." Who exactly are you looking for?

Mike: Every single entrepreneur is a candidate. We have two simple rules: the business has to have been operating for at least three years, and the CEO or equivalent has to have been in the seat for at least two. That is it. We do that on purpose. We do not want to shut out great stories. We have companies that bootstrapped in a garage. We have CEOs who came in when a company was doing $100 million and took it to $20 billion. Every industry, every size, every shape.

A company can self-nominate, or they may be nominated by one of our sponsors or friends in the community who are aware of the program. We keep the nomination process as simple as possible. The goal is that applying takes one hour or less. It is some demographic information and a couple of short essays to tell us about the company. We then go meet with each entrepreneur, draw out the story, and write the executive summary that goes to the judges.

Patti: And that is how I got nominated. Someone I served on a board with called me and said they thought I would be a great candidate. I was not sure I was, but I filled out the questionnaire, and one thing led to another.

To find out more and nominate yourself or someone you know, go to Google and search Ernst and Young Entrepreneur of the Year. The nomination portal opens around December 1 each year. The information, contact numbers, and the nomination link are all right there.

The Judging Process: Independence Is the Bedrock

Patti: One of the things I am most impressed by is how EY stays completely out of the judging process. It is entirely objective. Tell us more about that.

Mike: The independence of the judging is the bedrock of the program. If EY individuals judged this program, it would have died 30 years ago. It would have been seen as clients winning. Every judge across all 20 programs, nationally and globally, is independent. At the local level, we believe the best people to judge entrepreneurs are entrepreneurs, so roughly 70% of our judges are former participants in the program. We also bring in one or two private equity professionals, who are excellent at evaluating a business from every angle, and someone from academia, who brings an entirely different lens.

Patti: I love being a judge because I learn from the other judges. The day involves a speed-dating format where each judge meets every candidate for 10 minutes. Then after all of those conversations, the judges get together without any EY involvement and debate. It is a real debate. Companies that did not look like winners at the start of the day can emerge as winners three and a half hours later because every candidate gets a genuine chance. I found it humbling, honestly, thinking about the fact that I was once on the other side of that table.

From Philadelphia to Monaco: The Full Program Journey

Mike: The nomination period opens around December 1. We interview all nominees, prepare the judging packages, and the judges meet in May. Then in June, we hold our gala in Philadelphia to celebrate the entrepreneurial spirit of the region. The local winners then move to the national program, which I believe is the best thing we do as a firm.

It is three and a half days of CEO-to-CEO networking, curated content, leadership sessions, and tracks for family businesses, IPO planning, tax strategy, and generational succession. What makes it so well attended is that there is no competition. Every industry is represented, and people can truly share ideas openly without worrying about giving away trade secrets.

The national judging happens in Kansas City across 10 categories, and then in September, 2,500 people gather for the national gala, our Oscars. One of the 10 national winners then represents the United States at the global program in Monaco, where entrepreneurs from 60 countries convene, and one is named the overall Global Entrepreneur of the Year.

Patti: I remember going to the national meeting and thinking I could not believe I was getting to sit one-on-one for 30 minutes with these people and ask them everything I wanted to know. Most of us are grinding through day by day. That opportunity to take a breath, learn, and compare notes with other entrepreneurs at the highest level is extraordinary.

Closing Thoughts

Patti: Mike, this is your last year running the Philadelphia program after 18 years. I know you are torn.

Mike: I am. I love it. I would like to believe that we have helped elevate the entrepreneurial community in our own way, getting people to not only recognize the power of the entrepreneurial spirit here in Greater Philadelphia, but to help companies truly appreciate their own story.

Patti: You give entrepreneurs the opportunity to take a breath, look at what they have built, and hear that what they are doing matters and that people want to know about it. That is a gift. Mike Nichols, thank you so much for joining me today. If anything we talked about resonated with you, go to our website and let us know. If you know someone who should be a candidate, or if you are a candidate yourself, this program is for you. It is for everyone who has an idea and the nerve to run with it. Thank you for joining us today. Take care.