



# **Selling Disruption™ Show**

**With Mark S. A. Smith**

*Disruptive Organizations: Build a Business  
that Runs Without You*

*Wolf Ruzicka*

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Mark S A Smith: My guest today is Wolf Ruzicka. He's the chairman of the board at EastBanc Technologies, which does programming in all languages and all frameworks, everything for the top Fortune 100 companies that you know and love. He has 200 software engineers and software architects, but get this, only five managers to run this entire organization and Wolf takes off four to six weeks a year and doesn't check his email for that entire time. What we're going to talk with Wolf about is how the heck can you build this amazing self-rearranging, self-orchestrating, disruptive organization and leave it alone. Wolf, welcome to the show.

Wolf Ruzicka: Thank you, Mark, for having me. It's fun to talk about the biggest hobby besides my children and my wife.

Mark S A Smith: Your biggest hobby. A 200-person show and you call it a hobby. I love it, Wolf. But first, give my listener a quick overview of the kind of things that your organization does and let's dig into how you generate it, how you decide, how you architect this extraordinary way of running a company.

Wolf Ruzicka: Well, thank you for putting it that way. I would wager a bet that every one of your listeners and you included have already used our software without even knowing it and that's part of the trick, that there is no ego in this company. We always want to make sure that the ones that we've developed the software for are the ones that you recognize and you will never know that EastBanc Technologies and the back of it is the skunkworks that got it done. Some examples there would be Nasdaq. If you go to Nasdaq's website to trade some stocks, to get some real-time information, you're actually looking at our software and you're hopefully enjoying the benefits of what we've built and architected for them.

Mark S A Smith: Impressive.

Wolf Ruzicka: Thank you. If you're a Facebook user, then every now and then a widget pops up that we've created for them that may ask you certain questions and provide you with very insightful data in order to have a better life. If you've donated to the America Red Cross or if you are part of a chapter of the American Red Cross, you've actually been identified and given access to the right information inside of their systems using EastBanc Technologies algorithms and software. Maybe, as the last example, if you are a Comcast customer, then whenever you look for video on demands, the likelihood that you've just accessed some Java code produced by my Java department, the open source department, is very, very high.

Mark S A Smith: Interesting. Wow! You work with the major players that changed the way that we interact with data. Fantastic.

Wolf Ruzicka: Mm-hmm.

Mark S A Smith: So, how did you architect this system?

Wolf Ruzicka: Just like almost everything in life, it's process. Nothing ever get born perfect. The way the company grows is probably the most important part in all of it. So, when we hire new team members, they typically come to us through the recommendation of our existing team members and that sometimes takes years where I may hire someone and then a few years later, that person comes to my office and says, "I know someone that is better than me and now that I understand what this company is about, I really need this person to join me because I want to learn from that person." So, that is the cultural mindset that we try to incubate in this company.

Mark S A Smith: I think that's brilliant because you are using your culture to extend your culture and people are going to only invite people in that are going to fit the culture.

Wolf Ruzicka: That's exactly right. If we have a learning environment and many people speak to it, but if you really mean it when you say we are a learning environment because of the nature of the work that we do, nothing really is pre-fabricated. Nothing really has been done before, so we're learning on an ongoing basis. As a matter of fact, I just stepped out of a meeting where we're talking about an extremely large database that has been lying dormant and not being used for a very long time. Now, how do you make sense of that data? You have to learn about that data and you have to learn about the used cases where that data may create revenue for a customer, may save money for a customer, may save life and that is learning process. So, if that permeates every single gene in the company, then the urges to bring people into the company not by my decree but by the very mere self-motivation of the team members to bring in team members that you can learn, not ones that you boss around.

Therefore, you don't have really a necessity for a very large bureaucracy that forces people into certain lanes in order to manage them. You empower them and they empower themselves to be managing themselves. There is a reason why I hired you. I didn't hire you in order to manage you and create a headache for me. I hired you in order to do what you do best and for you to be able to assemble the tools, and the team members, and the laptops, and other software systems that enable you to do what you do best and that you're probably passionate about because otherwise, you wouldn't be here. Therefore, my employee turnover is less than 1% per year because through happenstance and through that process, we all have set it up this way. I couldn't even say I in this case. It is the entire company that has set itself up this way because of this fundamental understanding that all we do is learn and, therefore, we need to improve our ability to learn and forge new path.

Mark S A Smith: I love that. You are a learning organization first and it's all about improving your ability to learn. Not just learning more, but improving the learning. That's an extraordinary approach to a meta way of running an organization.

Wolf Ruzicka: Mm-hmm.

Mark S A Smith: Most organizations think it that should be more along the lines of perhaps military where we know best what you should be doing. You're taking a radically different approach. Much more disruptive.

Wolf Ruzicka: Yes. I think it is very disruptive at least on the East Coast and for sure in Washington, DC.

Mark S A Smith: You have a really interesting office. I had the opportunity of visiting you when I was in Washington, DC and when we first had our face to face meeting. You have a lovely building and your environment for your people is really fantastic. It's just kind of tucked away in Georgetown. Nobody would ever know that you were there unless you had told me where to look. You're sort of on stealth mode all the time.

Wolf Ruzicka: We are. It's by design. Absolutely.

Mark S A Smith: How do you have this organization set up so you only run with five managers and you take off for four weeks?

Wolf Ruzicka: It all comes with empowerment of every single person in this company and it goes back to there's a reason why I extend a job offer to someone or why we hire someone and if that premise is correct, that we hire that person with the purpose in mind, not a job description but with the purpose of improving our capability to learn, then by the mere definition, I've just hired someone that is probably better than me. Who am I to tell that person what to do, how to do it, when to do it, for how much to do it, and what tools to use? Therefore, it is absolutely true that I've become replaceable.

So, if I walk out of my office and I cross M Street, which is right outside my door, and I get hit a truck, this company will continue to run and it came very, very apparent to me at the time of a presidential election. We had a very demanding project that typically fails. So, 60% of the projects that we work on or the software products that we develop typically fail. They typically deal with very vast user amounts with very sophisticated algorithms where your math has to be right and extremely large, very fluid datasets.

Now, this combination of those three is already very, very hard to get right and one of those projects was during the presidential election, not the most current one but one of the previous ones and it's required for us to be ready to tell potential voters where to go to vote, who would be on the ballot, what they stood for, what kind of identification they would have to bring, and all of that would available through many, many different user interfaces from Facebook to your TV screen, through the Bing voting election center or whatever they named it at that time, and many, many others.

Now, that is a project where you typically would be absolutely paranoid at the time of the election, but I got the during the day and the team self-arranged over the process of about a year that we prepared, and developed, and architected,

and set up the infrastructure, which happened to be in the cloud. We defined the axis points for the various interfaces to access this highly complex types of algorithms, data for millions, and millions, and millions of potential users. That evening, I turned on the TV, I was very curious who won the presidential election. The first thing that hit me was a commercial by Microsoft for the Bing election center.

Mark S A Smith: Oh, wow.

Wolf Ruzicka: I thought to myself, "We build the data streams that fed into that process that Microsoft Bing Center there." I saw the user interface of Facebook on TV, which we had complemented with some of our data without even knowing it and several other examples like that, like some of those touch screens that the people on TV would use in order to zoom in to different regions and so on, on CNN or ABC. They were partially powered by what we had built and that's when it dawned on me that even though my cellphone was on all day long, I had not received any call about where is the data. This database just went down. This potential user cannot access their data. This algorithm is wrong and is sending mark to a voting district in California instead of Las Vegas, and so on, and so on.

I realized, without really designing it that way, we had created a human machine. Not in the impersonal way but a system that is self-regulating, self-managing. We had brought together responsibility and accountability in the most common denominator, which is a person of one. Every single engineer and every single person in the company had, by happenstance and maybe by lucky design, become responsible but at the same time, also accountable for the things that they're working on. When you disengage accountability and responsibility, when you say, "I hold you accountable for delivering coffee every single day, but I don't make you responsible for all the different factors that lead to you successfully delivering coffee every single day," I'm screaming for problems.

Mark S A Smith: Yes, indeed.

Wolf Ruzicka: If I hold you accountable and I give you all the necessary responsibility, then you as a human being will automatically have all the different tools to be held accountable because you are also responsible for everything and if you push the combination of those two factors down as far as you can, then you can, in essence, be a replaceable manager and I am.

Mark S A Smith: Perfect. That replaceability means you get to go on vacation and have a great time and not be bugged by your team. I think this is brilliant. Here's the reason why: because you're hiring people that have something to teach and are willing to learn. What a powerful culture because everybody is in the process of learning. We have a problem? Ah, we get to learn. Oh, let's go learn that from somebody who knows how to do this. So, I'm going to teach and learn simultaneously. That's a beautiful culture. Well done.

Wolf Ruzicka: Thank you, Mark.

Mark S A Smith: So, with this being in play, what do you do when you decide to go ... you mentioned as we were starting the show earlier that you're about to take a four-week vacation and you're not going to touch your cellphone except to read restaurant reviews. I think that's wonderful. How do set up the team to make that happen? What do you tell them when you go on vacation?

Wolf Ruzicka: First of all, of course I tell them that I'm going on vacation. In essence, it boils down to setting the right expectation.

Mark S A Smith: Yes.

Wolf Ruzicka: So, if I set the expectation that come the beginning of August I will be out of the office, and I'm coming back at the end of that month, and I will not be checking my emails, and I will not be frantic, and I will not be participating in phone calls, then I've set the expectation. But then, I also have to ask in all seriousness, it is not just lip service but I seriously mean it when I ask every single one, "Do you have any dependencies on me? Is there anything that you can foresee during those four-week period that you may need from me because I'm the only holder of that truth, of that opinion, of that decision-making power and if the answer is yes, then I have to resolve it before I turn off my iPhone or turn off my laptop." I actually, in fact, leave it in my office. I don't schlep it with me on every single trip.

Then it is my task, as a responsible manager, to make sure that these dependencies get resolved or that my expectation is set correctly that there is really truly only me who can take care of something during that four-week period and that it is my said obligation to set that expectation with my family so that they are not disappointed if I have to join a conference call. But luckily enough, there's really not anything unique to what I do that it cannot be resolved or delegated to someone else in this company because everyone here is mature. I've only hired senior software engineers, which typically means they've been around the block. They are exponentially better than your mid-level engineers or junior engineers and I can resolve these dependencies because I have a mature team that knows how to sign a paper, how to make a decision, and who to set expectations with others that depend on them in order to exceed those expectations.

Mark S A Smith: Well, it also illustrates, Wolf, that you are a humble leader that is almost egoless because I know I have listeners that are saying, "Mark, no way. I am not leaving for four weeks. I can't leave those knuckleheads. They're going to burn the place to the ground." I'm guessing your response would be you got what you hired.

Wolf Ruzicka: That's exactly right. You know, I'm in the high-tech business and I'm in the high-tech problem-solving business. So, what type of team members do I have to hire? I have to hire problem solvers but more importantly, I don't have to hire .NET developers, which is one of the mature development platforms. I don't have to hire a user interface or user experience developer. What I have to hire are people that know how to solve problems, that care about whatever it is that they

are responsible for, that can handle the accountability that comes with it, and that I can trust that they will fulfill their promise to me because I will always fulfill my promise to them. If that is a true contract that we can sign not on paper but with a handshake and we can prove that over many, many years, the company has now been in existence for 17 years, then I can do the things that I can do.

If I don't do any of those thing, so if I don't hire someone who truly cares about their children, about their spouse, about the customer, about the work product that they are responsible for, if they don't want the accountability for it, then I may not be the right place for them to be employed and they may be better off, and there's nothing wrong, with it in some other place because that's where they can align the accountability, the responsibility, where they can show their level of care, if there is any, in the right environment. That may not make any difference and therefore, that's the kind of business where even that manager can then take four weeks or six weeks off and not have to worry about it because their business is fundamentally different than mine and if they set it up that way, then they can take off.

Mark S A Smith: I love it. So, you're hiring people that you don't have to watch. I love your criteria list to these people who know how to solve problems, care about what they do, and be responsible, and can fulfill their promises to me and others. What a fantastic checklist of how to find the right people. That is absolutely brilliant and so elegantly simple.

Wolf Ruzicka: Thank you, Mark. Yes. One of the learnings here also is that solutions should always be as simple and elegant as possible. That's actually attributes that our customers and our partners give us about the type of work that we do. It is as simple as possible because everything can be made complicated, but if you find the most simple solution to any given problem and you then create it in the most elegant way, then it is delightful. Who wouldn't want to be delighted? I'm not only talking about high-tech data science or any of the other things that we do. I'm also talking about your Starbucks experience or your shopping experience online. As long as it has these types of characteristics, then you will have a successful business.

Mark S A Smith: A great example of that is the iPhone. It is simple, and elegant, and therefore, delightful. I like how you've packaged those things. The delightful solutions should always be as simple and elegant as possible that is always going to end up being disruptive.

Wolf Ruzicka: That's right.

Mark S A Smith: So, there's your formula. That's the Wolf formula for disrupting the marketplace.

Wolf Ruzicka: Even there, my name has nothing to do with it because tomorrow, that person Wolf Ruzicka, might just lie dead under a truck on M Street. But guess what? It will continue because it has been set up this way, not by intelligence but by

simply starting the with the right first step, which is hire the right type of people for the kinds of jobs that we, as a company, want to work. Also, there the term want is very important. We don't have to work on it. You have to have a very strong ability to say no to certain type of work that you know is the wrong kind of work for the type of attribute that you have assembled successfully in your company.

Mark S A Smith: That's another brilliant insight. Select projects that teams want to work on, not have to work on. So, they stay self-motivated, self-directing, self-rearranging. They wake up every morning and can't wait to go to work because they're only working on things they want to work on. Fantastic motivational alignment. A lot of companies wouldn't do that.

Wolf Ruzicka: That's correct. You just have to know who you really are in essence, but that also doesn't mean that I just simply say no to someone who comes to me with say I want to build a website and therefore, I need some HTML code, it is my responsibility to, first of all, say thank you that they thought of me, but then I also have an obligation to point them the right way because there's plenty of companies that specialize on creating these types of things in a much better way, in a cheaper way, in a more valuable way than I ever would, and therefore, these potential customers that had turn away will always come to me when their work requires the kinds of things that we do or when they hear at The Watercooler with someone else that they are struggling with a different kind of solution and through that entire process of saying no, I've actually sold them, and I've actually educated them, and I've evangelized them on the types of things that EastBanc Technologies and our team is really unbeatable in.

Mark S A Smith: Fantastic. So, you've really defined a powerful niche where everybody in the organization is passionate. Meaning passionate in the most delightful way about what they do and you can't help but develop extraordinary outcomes.

Wolf Ruzicka: That's right.

Mark S A Smith: Let's change gears just a little bit and let's talk about a little forecast. I like for you, Wolf, to put on your forecasting hat and take a look at the crystal ball. Where are we going with software? What do you see as being the disruptive elements that we're going to see in the next say 5 to 10 years in the world of software development?

Wolf Ruzicka: Absolutely. That's what we concern ourselves with every single day as a learning organization, as an organization that builds software products for others and sometimes for ourselves, which usually revolve around data. I cannot help but be reminded of one of the chapter headlines of my master thesis many, many years ago where I quoted Niels Bohr, one of the founding fathers of the quantum theory, who said that, "Any prediction is very difficult, especially when it involves the future." But I will do my best, Mark.

Mark S A Smith: All right, thank you.



Wolf Ruzicka: If I extrapolate from what I've seen over the last few years, there is some inevitable truth and one of those inevitable truth is that the volumes of data that we are accumulating is growing and it's growing faster every single time, every single day, every single month.

Mark S A Smith: That's right. IBM recently said that we have accumulated more data in the past 24 months than all of humanity in the time prior to that and this can only accelerate or accumulate more than ever. They'll be doing it probably on a daily basis very soon. It's amazing.

Wolf Ruzicka: That's exactly right. So, where does that lead us? If you think about data and what it can do, it not only can tell you what just happened or what happened yesterday or what happened five years ago. It can also, with the right type of intelligence, and I'm using the term intelligence very much on purpose here because we're very soon going to talk about artificial intelligence, any type of this transactional data that we have been accumulating over many, many years, the growth of which is accelerating, will lead to us, humans, being served and living a better life more likely than not and we experience that when we go shopping, when Amazon or any other type of shopping experience suddenly understands what it is that we have been purchasing and what might be a natural conclusion of our shopping spree if history is any guide, if our previous shopping history is any guide, if the history of millions and millions of comparable shoppers is any guide.

But it's missing big teeth. So the big new disruption in this entire field, which is growing exponentially, if the transactional data that is currently feeding into the artificial intelligence engines that you experience every single day, that I experience every single day will have to be naturally complemented with emotional information.

Mark S A Smith: Interesting.

Wolf Ruzicka: So, as I give feedback to a customer, to a vendor, to a partner, to an employee, to my boss, I not only give raw trackable information. I actually also give a lot of soft information that is very hard to pinpoint, but it's becoming easier and easier to understand the feelings that I had, the emotions that I had, as I was providing you with a hard data stream. If we combine those two, then we will actually be able to make that jump from current transactional, artificial intelligence. You, Mark, bought these five books, therefore, the sixth book might be something that you are interested in to the addition of that because, Mark, you are feeling sad today. Because, Mark, you will find this delightful. Because, Mark, you and 50,000 others have told us that that addition of a service, a product, a change in your life will make you happier.

Ultimately, that's really what we want. We want to lead a happy life and therefore, technology will enable that because that's what we are very ready to pay very large amounts of money for and we're also ready to invest the most

valuable asset that we have, which is time. It's an investment that we'll never get back, so we better have a return on that investment. Therefore, technology will have to drive to that. It is inevitable.

Mark S A Smith: You have a positive view of what's going to happen with AI. A lot of people I talk to are a little bit afraid of AI or a lot are afraid about AI. What you're seeing is the incorporation of tactical data being attached to emotional awareness so that we can now become much more focused on an outcome that we all desire and what it means to me is that AI is going to be functioning like a best friend, like a really smart psychologist giving us direction that's going to take us in the most positive way. Is that what you see?

Wolf Ruzicka: Yes. I firmly believe it and I know I'm going against the grain in some areas, but think about it this way: in anticipation of these types of conversations and because we, as a company, deal with what can be done with data and what type of findings we can get out of the data, not just historically but also predicting the future. I took some very interesting findings and just stored them in my database called My Memory.

When Colonial Williamsburg, it's a tiny town that came out of the colonial area, was founded, it had a very tiny population. Among this tiny population there were 16 tailors. Now, how many tailors do you know, do I know? None probably. Some automation process has made their craft dispensable. A very few of them have upgraded their skills to become the highly-paid bespoke tailors that we see on Savile Road in London or places like that. But others have upgraded their skills to laterally grow into other professions that were not yet automated and the same has happened over many, many years since then and before then, and this is one of those inevitable truth that whatever can be automated will be automated.

Mark S A Smith: That's right.

Wolf Ruzicka: Because it is the cheapest way of doing things, but the good news is that by design, humans have been given this capability of upgrading their skills, of dealing with these types of automation processes and allow them to complement what they truly want, which is a happy life, a healthy life, and that is not going to stop.

Mark S A Smith: I think you're right. That's a really beautiful way of summarizing where we're heading with data AI and programming. You have created such a balanced life for yourself. You do things that you love in an environment that you love, with people that are passionate about what they're doing, and you are willing to have the discipline to disconnect. I got to say, it takes discipline for so many people to pull the plug. I have to believe that a little bit is cultural. Being a European, You were raised in an environment where you disconnected for four to six weeks. As an American, I wasn't raised in that culture and if you're gone for more than two weeks, people go, "Yeah, but they're going to miss me, and they're going to find out how not necessary I am, and I'm worried about my job going away." You're

saying, "No, no, no, no, no. If you can't leave for four weeks or six weeks, you're not doing your job correctly."

Wolf Ruzicka: That's exactly right. There's other things that you actually do in your daily life where you're already doing it anyway. So why not do it on a more macro scale? For instance, by now, I'm a bit too old to do all nighters where I work on something for a night or two and day and night several days in a row. So at one point, by force or maybe by conscious decision or by age, like in my case, you decided that you have to prioritize. You cannot take care of all the things that will flow into your email inbox, that come through your cellphone, that are natural outcomes of the meetings that you have every single day. So you forced yourself or you will be forced to prioritize to the effect that you can probably only really, at a high quality level, take care of eight things in your daily life. Then you have to sleep, you have to rest, you have to eat.

If you just make a little more aggressive extension to that, and here's my example, I turn to my children when they were extremely young and they enjoyed goodnight stories. They're now 11 and 13, Siena and Lucas, and every single night, no matter where I am, but more often than not in person, I still read them a goodnight story every night at 8 p.m. From 8 p.m. until 8:30. They are now a little too old to then go immediately to bed, but it is our tradition. So when you think about it, from the things that are inevitable - you have to get your sleep, you have to eat, you have to breathe - if you just make a conscious extension of to simple decisions like that and you hold yourself accountable to it because you would be embarrassed in front of your children if you skipped night-night story again for the fifth day in a row, then you slowly, but surely, extend yourself into this balanced life because the foundation has already been laid my mother nature itself.

Mark S A Smith: Mm-hmm. That's a really beautiful philosophy of life, Wolf. What magnificence and ... I'm so delighted that you are so generous to share your views with me and my podcast listeners.

Wolf Ruzicka: I'm actually excited to share them because I feel it's sometimes missing not just in society but also in our immediate friends. If we can just spread that little piece of information and allow our friends, your listeners, you yourself to make these types of decisions, we will all be better for it, and therefore, it's actually for selfish reasons. I want my friends to have a better life because if they live a better life, if Mark, the next time we speak, has improved his life a little bit more, he will improve my life. So, even if you just want to look at it in a capitalistic way and I do it for selfish reasons, it makes all the sense in the world. Logic applies to it. It is not even something that I've selflessly do. I could even say I selfishly do it and it would still make sense.

Mark S A Smith: It covers both bases. It's selfless to others, selfish to ourselves. We're still doing the same thing, which is creating a balanced life where we get so much more done. I have been taught my one of my key mentors that the more time I have to think, the more I can create the changes in the world and you've created a life

that allows you to do that. It's not by being busier but by being less busy that we create the innovation that truly disrupts.

Wolf Ruzicka: That's right. I explained that often to our paying customers. You're really paying me a lot of money for me to enable my team members and individual team members to have that one second of an incredible spark in their brain. But you're paying me, I don't know, 8 hours every day or 40 hours every week or whatever metric you want to use, you're paying me for me to enable that person to have that one second of brilliance because that's what's going to make all the difference in the world and if they use that time to read, to study, to learn, to develop, to do some math, then I'm setting everyone up in the right way in order to actually accomplish it.

Mark S A Smith: Yes, indeed. I remember when I was a much younger man, I was the director of sales for a software company, and I'd go back to the lab and these guys would be staring off into space. I'm thinking, "Why aren't you doing anything? You should be pounding out some code." The reality is that these guys were solving all the problems in their brain because they sat down and wrote a single line of code and we had a fantastic, we had an earth-shattering, mind-bending software. We ended up selling the software to Xilinx. So they used as part of their tools to create the field-programmable gate arrays that power extraordinary machines. But it's that stopping, and thinking, and allowing that one second of brilliance, engineering in the environment, engineering the culture to allow that one second of brilliance to show up. I love it. Thank you for sharing that insight.

Wolf Ruzicka: Absolutely, and I've experience the same thing that you just described so many times that I've become a strong, optimistic, positive believer in it.

Mark S A Smith: I believe in it too. We can indeed innovate on demand when we are willing to put ourselves in that situation. Take care of our bodies, take care of our minds, take care of spirits and then let the magic happen. Wolf, what are your final thoughts to share with our listener as we wrap up this amazing show?

Wolf Ruzicka: I counsel everyone not to be afraid of what tomorrow brings because no matter how your day today was, tomorrow is another day and it is completely up to you how you tackle it, how you approach it, and I would also counsel everyone not to try to take care of all the different tasks that are on their list. One of the most important things that you can do yourself as service in is to look at that list and, with extreme discipline, prioritize that list and leave enough room for the unexpected for you to be able to take care of, and not to be afraid of moving the lower priority items that you've then come to conclude are lower priority into the next day.

If you follow that and literally, I'm looking at my list that I created this morning and there were 15 things on that list, I consciously knew that there would be only eight that I can do with high quality and the remaining tasks will be moved into tomorrow and if they stay on top of that list, then I will take care of them at

high quality. If not, then they will move on and maybe they will move on for all eternity and that's okay.

Mark S A Smith: A brilliant strategy for managing your to-do list. Thank you, Wolf, so much for being on the show. It's been an absolute delight.

Wolf Ruzicka: Thank you, Mark. It was a pleasure to be with you.