

# Business Better (Season 2, Episode 27): BASE – A Legal Accelerator That Has Been Boosting Dorm Room Startups For The Past Decade

Speakers: Kimberly Klayman, Christopher Molaro, and Adam Pardes

Steven Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Steve Burkhart. After a long career at global consumer products company BIC – where I served as Vice President of Administration, General Counsel, and Secretary – I'm now Of Counsel in the Litigation Department at Ballard Spahr, a law firm with clients across industries and throughout the country. In today's episode, we celebrate the 10th anniversary of the Ballard Academy for Student Entrepreneurs (BASE) program, an in house legal accelerator that Ballard Spahr developed in 2013 to support student owned and operated ventures. We're joined by the founders of NeuroFlow, a fast-growing Philadelphia based startup, who participated in the BASE 3.0. Christopher Molaro, CEO, and Adam Pardes, COO, discuss starting a company during graduate school, leveraging BASE as a resource and how they are continuing to grow the company, a mental wellness platform, today. Leading the conversation is Kimberly Klayman, a Partner in our Philadelphia office. So now let's turn the episode over to Kimberly Klayman.

Kimberly Klayman:

Hi, everybody. This is Kimberly Klayman. Thanks so much for joining today. Today we're talking about the BASE Program. The BASE program stands for the Ballard Academy for Student Entrepreneurs. It's an in-house accelerator program that Ballard developed ten years ago. So we're in our tenth year which means the program itself has been catering to student-owned and –operated businesses since 2013, unbelievably.

The program itself has evolved but there's four components of the program that have really stayed consistent with how we originally envisioned it, which is we provide ten thousand dollars of free legal services to student-owned and –operated businesses that are accepted into the program. Each month of the program, which runs from September to May, we provide those student entrepreneurs with a monthly educational seminar. Those sessions usually take place over lunch. It used to be a lunch-and-learn session where we catered the event. Since covid we've shifted that event to Zoom, which has actually been wonderful in terms of inclusiveness and given we have entrepreneurs all over the country tuning in.

The programs that we run each month focus on business issues and are led by panelists with business backgrounds as well as legal backgrounds. They're led by entrepreneurs that are in our network. They're led by financiers, by accountants, by branding experts, by folks who have been on Boards of Directors of public companies. The points of these programs is to help entrepreneurs focus on things that they're dealing with day-in and day-out. Whether it be branding, labor, accounting, building an advisory network, financing the company. And we do a pretty good job now of soliciting feedback from our alumni and trying to hone those topics to cater to whatever the hot topics of the year happens to be.

In addition to the pro-bono legal give and the sessions that we produce on a monthly basis, we also connect the student entrepreneurs to mentors all over the country with different backgrounds. We also connect them to accounting services and partner with accounting firms to provide those legal services, specifically Wipfli, a national accounting firm that's provided accounting office hours for the program for years and has been incredibly supportive to the program.

The program begins with an orientation for the student entrepreneurs on who Ballard is and how we can support them from a legal perspective and it ends with a pitch competition where the student entrepreneurs get to pitch their ventures in whatever form they end up being by the end of the cohorts year in the program, academic year in the program, to a panel of venture capital firms, angel investors, and other influencers who can provide critical feedback to the ventures.

I'm joined today by Chris and Adam, the founders of NeuroFlow. Say, hi.

Christopher Molaro:

Hi, I'm Chris.

Adam Pardes:

Hi, I'm Adam.

Kimberly Klayman:

Thanks for joining. Chris and Adam were some of the inaugural participants of the Ballard Academy for Student Entrepreneurs, also known as BASE. So Chris and Adam, you were one of the first cohorts that went through the BASE program. Can you remind me what year that was?

Christopher Molaro:

It was 2016 that we joined the BASE program. And just two quick things about the BASE program. First, I didn't know what BASE stood for until right now, so thank you for telling us, Kim.

And secondly, what I would love to say about BASE is, as starving students at the time, all we saw was pro bono legal help. But what we were pleasantly surprised to learn was, it was so much more. I mean, it's the community around BASE. It was the classes, it was the monthly programs that they had, the mentorship, frankly.

And now, getting to give back... We've been on panels in the BASE program for rising student entrepreneurs, has been really great. And so, the BASE program has been wonderful. So thanks for having us today, Kim.

Kimberly Klayman:

So Chris and Adam, for the benefit of our listeners, do you mind just giving a little bit of background about how NeuroFlow got started, how you guys decided to form this company? What the impetus and motivations were for both of you. Obviously you were both students at the time.

Christopher Molaro:

Sure. We met each other while we were in grad school. So I was in my MBA Program at Wharton and Adam was in his bioengineering PhD Program. And my journey starts in a very personal way with health care and specifically with mental health care. And just for our listeners sake, this is a rhetorical question but, if we were all in a room together I'd ask everyone to reflect on their own experiences with mental health. Because if we're all being honest we've known someone, we've loved someone, a coworker, even ourselves, has struggled with some level of anxiety or depression. Especially after the last two years of the pandemic.

So for me this is very personal. Before I went to business school, I had the honor of serving in the army for nine years. I went to West Point for my undergrad and then was a Lieutenant. And as a platoon leader deployed to Iraq in support of Operation *Iraqi Freedom and New Dawn*. Forty soldiers under my command. I got to call them colleagues and heroes of mine. We came back home, we had 280 combat missions under our belt and everyone came home safe. Except one soldier struggled with PTSD, sleep issues, I mean we all were struggling in our own way but one soldier in particular needed an extra level of support and he didn't get that support and he lost his battle to depression.

Looking back on it, aside from being a personal leadership failure for myself, it is such a gap in care that didn't need to exist. No one ever followed-up with him to check-in. "How are you doing, are you improving are you not improving?" and while

technology is not the panacea to our healthcare challenges, I believe technology can be an accelerator and can help bridge that divide so that other people don't fall through those cracks.

And so today that's what we developed at NeuroFlow, is a technology platform that helps connect patients and members of health plans with the appropriate level of care whether those are psychiatrists, therapists, so forth. And then run data analytics in the background so that we can see are people getting better, are they not getting better? And we can highlight those and escalate those people that need that higher level of care to the appropriate resources. And so today, I mean we go back and we do that with a bunch of people around the country. It's a big honor and doing a start-up, especially in healthcare, is not an easy endeavor but being anchored in our "why", in our personal mission, certainly helps move forward and get through the tough days.

Kimberly Klayman:

Now I want everyone out there to know exactly where you guys are at today. So, perhaps you can give us a quick snapshot of NeuroFlow today, and then we'll take everyone back in time to 2016 when you first discovered the BASE program. And give people a sense of the trajectory and journey you guys have undergone.

Christopher Molaro:

For sure. So today, we are a healthcare technology company based at 1601 Market Street. We just moved into our new headquarters, so we're neighbors to the Ballard offices in Philly. And we have just over 100 employees. We're spread out nationally. We support 15 million users in all 50 states, and we partner with health systems, health plans, and government organizations.

Kimberly Klayman:

Yes. NeuroFlow has grown tremendously since we first were introduced to you guys in 2016, including going through rounds of financing. Incredible growth in terms of the number of employees. Offices keep getting fancier, so all of that is great.

But maybe take us back in time for a second to when we first got introduced. So the BASE program at that point was in its 3rd cohort. We're at the 10th cohort now.

At the time, the program was very much centered in Philadelphia. As I mentioned in the beginning, the program's now national in scope, with companies in Chicago, California, Texas, Arizona.

So maybe we go back to 2016. We had about 10 to 12 companies in the cohort and you guys were one of them. How did you come to learn about BASE and apply to the program?

Christopher Molaro:

When we were students, we were as bootstrapped as companies get from the beginning. And so we were still full-time students. We needed ways to try to fund the right interns we were hiring, building prototypes and that sort of thing. We were fortunate enough to win \$140,000 in various business plans. So actual cash, non-dilutive funding that came to us.

Part of that money.. What required us because of that money, was to then establish a company, so that we could have a business account to accept that money. We were anything but a real business at the time, but we needed a business account. And so you needed formation documents, and we didn't know really how to do that. And so we just started researching different ways that we can incorporate different resources that were available to us.

And I think that's when we initially met, Kim. You were guest speaking at a class of ours, and we learned about the program at that point. To which then, Adam and I applied for BASE. We were fortunate enough to be accepted. And you helped with those initial formation documents, which is just kind of neat looking back at it.

Kimberly Klayman:

Yeah, I think that's right. I remember you guys being students. I remember asking the professor what he thought of you, in order to make sure you guys were good guys.

But I will say, yeah, I remember you guys joining the cohort. At the time that you joined, I know we did the formation documents and that was your guys' goal. I know our goal going into each cohort is always to make sure we're doing much more than just providing legal services.

What are some of your recollections in terms of the takeaways from the BASE program?

Adam Pardes:

I found it to be much more practical and pragmatic than a lot of the kind of early stage, especially free type accelerators. Because we've gone through a variety of them that had different value to us across the kind of life cycle of the business. But the accounting principles, some of how you should think about partnerships from a people standpoint, from a founder standpoint. How to work together, what pitfalls you should be thinking about, even though it's really early.

I felt like the courses were not just kind of philosophical in nature, but were very nitty gritty in a way that I haven't come across a lot in other programs.

Kimberly Klayman:

Back in the early days of BASE, a lot of these student startups who came into the cohorts were really working on formation. They were very much prior to any rounds of financing. I found now, that startups coming out of universities and dorm rooms are much more sophisticated.

And just as a data point for you guys, the BASE cohorts as of last year, had raised over \$150 million within the program. So they'd done fundraisers in aggregate of over \$150 million.

Looking back on your own cohort, what sticks out in terms of the network of other entrepreneurs that you met, and how does that strike you?

Christopher Molaro:

So first, I think building on what you were talking about in terms of goals, and what we tried to get out of it, and what Adam said of that foundation of the very pragmatic things that we were learning. To me, formation documents were just that, obviously formation documents. But it was important to do them right from the get go and to set the foundation for our company peering into the future, when we were a \$50 million or \$100 million dollar company with 100 employees, that we didn't have to redo a bunch of things. That we had a foundation where we could build off of.

And I think in evidence to that, many of the foundational documents that we did with Ballard and through the BASE program... And then maybe not documents, but policies and lessons learned, have not changed since then. Our stock option plan is still the stock option plan from 2017. And we haven't had to adjust any of that, which I think makes us more efficient moving forward as well.

In terms of the cohort, I mean, I think that's part of the foundation. That network is really tough to build. And when you have colleagues, other entrepreneurs, that you can learn from, you can share what mistakes they've made, maybe what strategies they're doing, is invaluable.

One that stands out for me is Jared, who was on Shark Tank. And he was in our cohort. So for those that don't know, Jared is the CEO of... Oh, what's the name of the that-

Adam Pardes:

Oh, is it-

Kimberly Klayman:  
Simply Good Jars.

Christopher Molaro:

Yeah, Simply Good Jars. They're amazing salads, this is an amazing product. And I've become good friends with Jared, who I would not have met if it wasn't for the BASE program.

Kimberly Klayman:

That's awesome to hear. And then building a little bit off of the principles and philosophy behind BASE. I mean, one of the most important principles for us, yes, we're a law firm. Yes, we're a for-profit company. But, the BASE program is pro bono. So a question for you guys coming into the BASE program very early in the life cycle of your venture. First of all, the \$10,000, did you feel like that stretched? It's a \$10,000 pro bono give by the firm, for the listeners. But then for you guys, did you feel like that \$10,000 went a long way? What's the magnitude of that for a young startup?

Adam Pardes:

It's definitely all relative, \$10,000 now verses back then. And also, just what it costs to do things, like Chris was saying.

I do feel like we got a lot of mileage out of that and we didn't have to worry as much about exactly how long things were taking. We knew it would cover what we needed to at that stage and it wasn't going to be a week's worth of effort, or some template documents, and then we were immediately going to have to think about becoming a client. So I do feel like it covered us pretty well.

And I also am always kind of amazed that... We decided to obviously retain Ballard beyond the BASE program, but we were told from the beginning and then throughout the program, that it's not meant to be a seeder for that. It's meant to be exactly what we described, as a way to give back.

And undoubtedly, some companies will become clients. But I truly never felt that there was a pressure, or that was a thing that was said to make folks feel comfortable, but ultimately it was really just trying to create clients. To me was truly educational first, informational first. Anything beyond that, great. It was really never brought up otherwise.

So I think that also makes the 10,000 feel better, when it's not like, "Yeah, I mean, we're going to give you \$10,000, because we're eventually going to charge you a lot more than that." It's like, "We want to set you up for success, and what you decide to do beyond that is up to you, but we'll make sure this goes to good use."

And that's only the capital piece. Obviously the rest of it that we've talked about was really valuable as well.

Kimberly Klayman:

Thanks, Adam. Yeah. One of the philosophies behind BASE, and I think beyond most startup ecosystems is, you have to be willing to give a lot of your time, energy and resources to the network, and the broader startup ecosystem in order to grow successfully.

Do you guys feel like that philosophy, coming out of the BASE program, was better embedded in how you guys run your own business, and how you think about giving back to the startup community locally, and more nationally?

Christopher Molaro:

Yeah, I definitely think it does. As a matter of fact, I think... We obviously started in Philadelphia when we were both in grad school at Penn.

We decided to keep the company here for a lot of reasons. But we're proud that we did that, because we're part of this community now in Philadelphia, where it's not an enormous entrepreneurship community, but I think it's a gritty one. And it's one that... No pun intended I guess, with the Flyer mascot. But it provides us the opportunity to continue to network, to meet with other CEOs, to other founders. And to both take from that community, but also give to that community as well.

Kimberly Klayman:

Absolutely. I've definitely seen that in how you guys run your business. And I know that you participated, and also host several events that are supportive of the broader community of startups and entrepreneurs, which I think is really wonderful to watch. Just bringing it back to the legal for a second. Do you feel that being a part of an accelerator program... And I'll call it a legal accelerator program, though I think it's much more than that. Did that help make you guys smarter users of legal services? Do you feel coming out of that, you were better able to prioritize what you needed as a company, in order to grow effectively and efficiently?

Christopher Molaro:

Yeah. Look, we didn't know what we didn't know, frankly, when we were students. Neither of us had legal backgrounds. Google makes you just dangerous enough to get some answers, but maybe not get the full context behind those answers, and really knowing what landmines to look out for that are ahead of us. And the accelerator certainly did that.

But again, I'll echo what Adam said before. It's not just an accelerator, where it's a transaction. It's a relationship, mentor-based program that, there's an element of trust there. Where, you were investing in us to be a successful alumni. If that just meant being a part of the community, great. If that meant being a future client, great.

But regardless, we were better set up from a foundational knowledge standpoint of knowing when to come to you for help, versus when not to. Which is, I think invaluable, when you're talking about efficiency. Not just from a dollar and sense standpoint, but also from a time standpoint, too.

Kimberly Klayman:

Yes. Thank you. And you guys have been wonderful mentors, and advisors, and speakers on panels since your... I put this in quotes, "graduation" from the BASE program.

For the listeners out there, the graduation ends with a pitch competition, where the cohort of student entrepreneurs pitches to a panel of investors who are clients and friends of the firm.

Maybe we'll bring you back to that moment for a second. I know you guys have done hundreds of pitches since then, but do you recall being on the stage, pitching NeuroFlow to that panel? How did it feel? I don't know if you guys feel like you've gotten much better at it at this point?

Christopher Molaro:

Well, if memory serves me correctly, from a timeline standpoint, if we started the BASE program in the Fall of 2016. That means that graduation, that pitch, was occurring probably late spring, early Summer of 2017, which would mean that I was literally in the middle of fundraising our first angel round. And so, it was nothing short of a lot of practice.

I do remember very explicitly, pitching in front of those investors, and then even meeting with a lot of them after the fact. And man, did we learn a lot. I mean, with every tough question that you get, with every "no" from an investor that you get, is an opportunity to understand why, what you need to adjust with your pitch.

And eventually about three months after that, we closed our initial \$1,250,000 angel round. But I attribute a lot of that to the different reps that we get through pitches at the BASE competition.

And to answer your question about, "Have we improved over time?" I mean, if you're not, then you're doing something wrong. Even to this day, right? So, absolutely.

Kimberly Klayman:

Awesome. And we're coming close to the end of our time here, but I'd like to get your thoughts, I don't know if any of the listeners are thinking about applying to BASE, or knows somebody who should apply to BASE.

But how would you advise someone on one, using the BASE program if they got in? And who do you think should be applying? Obviously there's an eligibility requirement. They have to be student-owned or operated ventures. But there's really so many startups coming out of the universities now that, some are right for the BASE program, I'm sure. And some aren't.

But, what are your thoughts on that?

Adam Pardes:

I mean, I'm happy to take that one, because I literally referred someone who is starting with this next cohort. Shout out to Dan Cataldi and Groove. So clearly I think highly of the program, or I wouldn't be referring people there.

I think the best fit for it is someone, or a group of founders, that are serious about wanting to build a business out of something, because I think you all take that very seriously. And I think the programming structured around that, the network that you expose folks to, it's not meant to be as much of the like, "Well, I don't know. It's kind of like a fun project. Maybe I want to build a business around it."

I think there's programs that are probably better fit for that. And there's nothing wrong with that, but I think this is kind of past that stage. Still super, super early, but, "No, we really want to give this a go. How do we go about doing it the right way? We want to be more than a project, we want to be a business, we want to be a company, a venture." What have you.

And from what I've seen in coming back and doing the panels too, when we get to hear what other local entrepreneurs are working on. You can tell that it's serious for everyone that's involved. Even if they're working on really cool things, they're really passionate about it, they're thinking about, "How do I open up my storefront?" Or, "How do I get clients?"

They may be students, but they're very clearly committed to doing this as a business. I think that's the best fit for someone who should apply to this, because it will accelerate it if that's your mindset.

Kimberly Klayman:

Well, we're really excited to go into the 10th year. And like I said, the program itself has evolved since your time, but also since year one, when it really was very Philly centered. In the last few years, we've had anywhere between 15 and 25 BASE ventures that are stationed all over the country. It's been industry agnostic the whole time, but really the diversity of products, the diversity of backgrounds, and the diversity of universities and schools that are represented within the program. Including one year, we had a couple of folks out of high school who had a wonderful product that evolved.

The work that we're doing in the BASE program evolves each year as the companies increasingly get more sophisticated, it seems. Including one company that had an M&A transaction shortly after the close of the program.

So it's really been a very exciting program to be a part of internally at Ballard. And it's always great to talk to you guys in particular, who have been such a wonderful alumni of the program. You've really come back and supported the program in various respects, and it's been really exciting to watch you guys grow yourselves, and we're always happy to support NeuroFlow.

So thanks for talking to us about BASE and helping us celebrate the 10 years that it's been in existence.

Christopher Molaro:

Kim, it's been our pleasure. Thanks for the support and being a part of our journey.

Kimberly Klayman:

Absolutely.

Steven Burkhart:

Thanks again to Kimberly Klayman, Christopher Molaro and Adam Pardes. Make sure to visit our website, [www.ballardspahr.com](http://www.ballardspahr.com) where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email [podcast@ballardspahr.com](mailto:podcast@ballardspahr.com). Stay tuned for a new episode coming soon. Thank you for listening.