

MOST ADMIRABLE CEO

JULIE LERNER

Second time's a charm for energy disruptor

"It's when I've tried to force that round peg into the square hole that things have gone awry." — Julie Lerner



MARVIN ANANI, SPECIAL TO DENVER BUSINESS JOURNAL

Julie Lerner founded PanXchange in 2011, launching with minimal investment the first company to bring the negotiation and trade of all types of physical commodities onto an online platform. The company now has offices in five cities, including its Denver headquarters, Houston and Singapore.

Lerner mentors young professionals and is involved with the youth-focused Colorado UpLift and the David Sheldrick Wildlife Trust.

PanXchange has a unique business model. What convinced you it would work, and that it made sense to launch from Denver as opposed to a more-established financial or commodities center? This is actually the second time I've

started PanXchange. The first time was during the dot-com boom. There were a lot of reasons it didn't work back then, but primarily it was because the market wasn't ready for it. Before I started this again, I decided the litmus test would be to see if I

could pull together a best-in-class advisory board. The board has evolved as PanXchange's needs have changed with growth, but I've been grateful for everyone past and present who has lent their good name and expertise to this venture.

I'm a New York City escapee who has no interest in going back. The first time I went back to NYC to raise funds with early-stage venture capitalists, they all told me I'd have to move back to the city if they decided to invest. But that would mean moving the company and increasing our costs by over \$1M per year, just to appease them. It just didn't make sense. So I decided to take a leap – three days after returning from that first trip, I put a down payment on a house in the city of Denver. Ever since, the company has been anchored here.

You've said that one of the bigger challenges you've faced in starting PanXchange is making people understand what you do. Many investors don't understand the market and commodity traders can be leery to try new things. How do you bridge that gap? It's tough to try to convince investors to roll up their sleeves and learn more about what we're doing. Because the commodities industry isn't well understood by many people outside it, we're at a disadvantage, especially since most investors pride themselves on being "hands-on." They don't always understand the disruptive nature of our business and thus cannot contribute much to strategy.

With regard to customers, we've adjusted our strategy to reflect a realistic customer engagement ramp-up.

We launch markets with a quorum of early adopters: PanXchange launched frac sand in October 2017, and our client base presently represents 45 percent of all sand traded on and offline. That's been a big win.

What do you find most rewarding about your role as CEO? Bar none, it's working with the people who get behind our venture – the PanXchange team, advisors, investors and partners. If these people are showing up for me, I will do everything in my power to not let them down.

JULIE LERNER
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What workforce trends do you see most impacting your business in the coming years? I'm very glad to see our country tackling gender and other diversity issues, but it's disheartening to read recent stats on how ineffectual we've been at moving the needle. In 2017, only 2 percent of all venture capital went to women-founded companies. Moreover, LeanIn.org's recent study shows that companies "made almost no progress improving women's representation" since 2015.

I don't want my success qualified by the level of difficulty I've had to overcome because I'm female. Still, I can accept that that's a role I play in today's society, as long as I'm being effective in moving the needle for tomorrow's women leaders. Had I known that women only receive \$2 of every \$100 invested, I might not have even started the company.

Tell us about a time you took a risk and it paid off. A few times, I've had to accept that I might have to walk away from a deal, regardless of the theoretical potential. Whether we're talking about an employee, investor, or partner, hope is not a strategy, and sometimes you have to accept that things just aren't meant to be. I think making the call to walk away and accept the risk of "losing" in a situation has paid off numerous times. It's when I've tried to force that round peg into the square hole that things have gone awry.

Why do I want to work for you? We are the first thing to disrupt global physical commodity markets since the invention of the telex. And if you're invited to join our team, it means you have a seat at the table, a table where all your ideas are welcomed.

WHAT IS YOUR FAVORITE QUOTE?

"Life shrinks or expands proportional to one's courage." — Anaïs Nin