

All right.

Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers, and each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

What's up, guys?

Sean here.

Sam is still out with his kidney problem, and we're wishing him a speedy recovery.

It's scary stuff.

Hopefully, it turns out not to be anything too serious.

This week, in the meantime, we're going to try to fill in as best as we can with a few different guests, big shoes to fill, but we're going to do our best.

Today's episode is actually a Q&A we did for Trend Subscribers a couple months ago.

In the Trends community, it's pretty awesome.

They bring in different speakers, and you can do a Q&A with a small group of people.

They asked us questions like, how do you find interesting businesses?

What are your contrarian opinions?

What's something you were completely wrong about?

How would you validate this idea I have for a mental health app?

What news do you consume?

What other businesses do you own?

How do you make great connections?

How do you build a network in the digital era where you're not meeting face-to-face?

Then business questions like, what are some big opportunities in the work from home world?

What are your biggest failures in business?

How would you build a newsletter from scratch, and then book recommendations and some other fun stuff?

Hope you guys enjoy this Q&A episode.

Let's do it.

Okay, we will get going, we're at 70 people now, I think there's gonna be 200 people here.

We'll get going.

Okay.

So today is one-year anniversary of trends, and Steph asked that Sean and I come here and just answer questions.

We don't have much of an agenda today, but for those of you who don't know, Sean, who you can't see, I don't think you can see him now, but he's visible once he talks, Sean

and I have been very close friends since probably 2013, no, 2014, and we have this podcast called My First Million that Sean created, and now I was brought on as a co-host, and Sean and I have an interesting perspective.

First of all, I run this business, or I don't run everything about it, but I started it, and so I have a lot of insight to advertising businesses and subscription businesses, and we're like an eight-figure company or whatever you want to call it.

And so anyway, I've got that insight, but what makes Sean and I kind of unique is we have this massive network of people who are significantly more successful than we are, and we also have this massive network of people who are way less successful than we are, but are more likely they're not going to be way more successful, and so we're able to see all these interesting things and behind the scenes of all these interesting stuff, and when Sean started the podcast, he basically just interviewed people, so he's got all these other insights, and anyway, we just see probably more things than you guys do just because it's our job.

It's kind of a lucky job, and so what we can do today is answer questions on patterns or trends we see on what else, Sean, what can we talk about?

Yeah, I mean, really, it's whatever people are interested in, so we obviously, on the podcast, we're always brainstorming new ideas, new opportunities, trends that we're seeing, or we'll break down a business and say, hey, have you heard of this thing?

They are crushing it.

Here's their model.

So that's what we like to nerd out about, but this is a sort of a community give back, so hey, we're here for an hour, whatever you guys want to talk about, we'll talk about, structured as a Q&A, and there's two ways to do it, so you can either submit a question in the Q&A portion of Zoom, so you can type out your question if you prefer, or if you actually want to ask a question live on audio or video and hop in, we can do that as well, so just type in the chat, hey, I'd love to ask a question about whatever, get feedback on my pitch, or I'd love to ask a question about how you guys do your hair, whatever it is, so there's two ways to do it, either type it in, or say I want to call in, either way works for us.

And it doesn't look like anyone has asked anything, so what you do is, I think on the bottom left, like we see like those three dots, and maybe it might say the word more, click Q&A, and ask a question, so we got one or two coming in, we'll let a few come in.

What do you want to do, Sean?

I'm just going to say, you can also upvote questions, so if you see a question, you're like, wow, I'd really love Sam and John to answer this, make sure to upvote it so we get to the best ones.

So okay, I'll ask the question for Alex, so Alex asked a question, which was to Sam, how do you do research, and I think this is a good question, because like normally if I saw this in a Q&A, I'd be like, how do you do research, what does that mean?

But Sam, you actually have like a knack for finding information and distilling information that most people don't have?

Well, I think we both do, I definitely think we both do.

You're definitely better at it than me, like you've taught me a lot by being like, yeah,

actually, have you heard of this company, here's what I know, here's how I found it, here's where the signals I look for, which is kind of interesting.

So talk about your process, or I think rather than generically, if you just, what's something you researched recently, and then talk about the rabbit hole you went down?

Yeah, so the way that I research is, I talk about this all the time, I talk about this with Steph and Brad, basically for me, researching is kind of like writing a song.

So writing a song, it has a set, there's like a handful of combinations, maybe a couple of dozen that just work all the time.

And the way that you come up with those combinations is you see patterns, but then you also, you might see like an interesting riff from like, maybe I could be like, Slash from Guns and Roses, and I'll see something, I'll see just a Beethoven thing, I'm like, oh my God, that little like structure he had right there for that chord, that solo, that's amazing, I'm gonna steal that, or maybe he'll like, see a sign, this like graffiti that says sweet child of mine, like in a poem, and he'll just like, stick that.

So that's what I do, is I find interesting things, and typically what I do is I have a variety of tools plugged into my browser, and whenever I'm looking on the internet, I just, whenever I see anything that catches my eye, and that's interesting, I throw it through this process.

So I use a combination of similar web, a combination of Wikipedia, which is anyone can use, a combination

of annual reports from privately owned, publicly owned companies, and anytime I ever see something

interesting, I throw it through that process of looking at similar web, looking at Reddit, if it's an app, I'll go on the iTunes Store and I'll just read the reviews, and then what I try to do is just completely deconstruct it to figure out exactly how it works, because it's my theory that the reason why no one broke the four minute mile, and then in the 60s, I think it was, Roger Banister broke the four minute mile, and five other people did it that year, is it's a lot easier to accomplish things when you know what's possible. So my logic is whenever I see anything that catches my eye, I put it in similar web, I put it in HA refs, which is a software for search analytics.

I look at the reviews on iTunes, and I try to figure out how the business works, because then I want to know what's possible.

And I'll add a couple other scrappy techniques.

So you said similar web, that tells you the traffic, you can use app Annie, that'll tell you downloads.

If you go to the Google Play Store, and you search an app, you scroll down to the bottom, it'll tell you how many installs the app has, it's really easy, simple heuristics to figure out how big something is.

Another thing you could do, contact ex-employees.

I've done this before, I call them, I say, hey, an ex-employee doesn't really have anything to lose at this point for that company.

So I'll say, hey, I saw you run, ran BD for this company.

You know, we'd love to learn what you found, you know, what worked for you, what didn't.

I get on the phone with them for 30 minutes, and in that conversation, I'll ask something

like, so like, you know, ballpark, how big was this?

Was it like 10 million in revenue or a hundred?

I have no way to tell.

And then I ask a question like that to triangulate answers from ex-employees, I'll also, you know,

like all the time, or I'll be like, it said here, you guys did ex, that's bullshit, right?

And they'll say, yeah.

There's no way, we did this yesterday on our podcast with this guy, we were like, there's no way your margin's more than 30%, right?

And you could say something like that, and they don't want, if you ask, what is your margin, you'll never get an answer, but they'll be like, they'll be like, you know, we wish, and then you know that it's not even close, or we'll say like, that would be horrible if our margin was that bad, and then you go its way higher.

Right.

Exactly.

So I'll add some scrappy techniques that I did in the past.

So when I was 21, 22, the first business I ever did out of college was this sushi chain, it's a sushi restaurant chain.

We wanted to make the Chipotle of sushi.

I wanted to know what our customers were, or what our competitors were doing in revenue.

And I did two things that worked.

The first was we sat in a parking lot outside of their restaurant, and we counted customers and cars.

And then that got really boring because we're sitting there for 12 hours a day, just to try to get a sense of, is this a good location for restaurants or not?

And then we found you could order on receipts, and we could go in and in the morning we would buy the cheapest thing, and in the evening we would buy the cheapest thing, and we would compare the numbers of the order numbers, and we would know how many orders they did that day.

By the way, you can still do this with e-commerce stores.

Yeah, shopify them.

And when you get a Shopify receipt at the beginning of the month and the end of the month, you'll know how many orders a Shopify store has done.

I've also called and said, and this is true at the time, I'm a student, and I really want to learn about your business and write a report.

And would you be down to answer 10 questions for me?

I am a student at this university.

They didn't know I was a student also trying to launch a business, but those were some of the more, I call it scrappy, other people say, that was disingenuous.

But I'm trying to give you content that you're not just going to find everywhere if you just Google how to do research.

But long story short, the point is that you're just looking for little tidbits of information, and then there's thousands of tactics that you can do to dig deeper.

Sean, someone asked us, what's an opinion that you hold that is a contrary opinion?

I hate this.

I don't like this question because it's just asking to be controversial, but why don't you answer it?

Yeah, why don't you answer the shit question?

No, it's a good question, but it's a hard question.

So the idea here is, what's a contrary opinion you hold?

So what's something you believe that few others would agree with?

Let's make it business related or in that sphere.

So I think, you know, as I've been doing the podcast, the thing I've learned that has the thing where my opinion has changed the most, and I now view it as a controversial opinion, is that starting a company is not the best way to build large wealth.

I think that actually buying a business is the best opportunity in business right now.

So you know, traditional path, go get a job, non-traditional path, start a company in the tech world that's usually like start a software company, raise money from investors, all this other stuff.

And I've just now seen people, sorry, the other one is I'm a bootstrapper, I will put my own credit card money into this, and I'll try to make profits on this.

I'll build this organically myself from scratch.

But now it seems like the lowest hanging fruit is to buy an existing business.

There's, I'll give you an example.

I looked at a business that does two million in revenue.

It does 500,000 in EBITDA.

This business, you can buy it today for 1.2 million.

Wow.

You can buy a business for 1.2 million, so it's about a two-year payback period of slightly over two years.

And that's, and so you push a button that says, I'm interested in this business.

They tell you everything about this business.

So you're just getting an MBA first.

Secondly, you don't have to put out a million dollars, right?

You get an SBA loan because this business has existing cash flows.

So how would you buy this business?

You would put down about 10 to 15% as a down payment.

That's about 100 to 150 grand.

You can either put that yourself from your savings or you can borrow money from friends, family to buy this business that is already proven to be successful.

And then you get a loan on the rest.

It's SBA loan.

It is personally guaranteed, but you're buying businesses that are mature, that have existing cash flows and you should do your diligence to make sure this is durable.

It's not a flash in the pan, you're not buying a lemon.

But you're going to buy a business that's doing \$2 million a year in revenue, 500,000 in SDE, which is the seller's discretionary earnings.

And you're going to be able to pay, every month that you're paying off your loan, you're

actually profiting.

You have more net profits from month one than you would if you did your own business from scratch or you went and got a job.

And so I just think that so few people, you know, the people who are doing this, they're like, it's obvious.

I see some people in the chat like, Hey, here's a great book on this.

I agree with this.

This is such an obvious path that is so underpopulated.

It's like the best city in America that nobody's living in right now.

There's like 100 people there and they're like, this is fantastic.

Don't tell anyone I'll, I'll say to, and one of them is the opposite of what Sean said.

The first one is, um, I used to think that the best product would win.

That's not true.

It's the best.

Whoever has the best sales and marketing process, I think will win.

And if it just, and if your product happens to be good, that just makes sales and marketing a lot easier.

And the second thing is I love the banking and finance and all that stuff.

I think that's shit is just, uh, it is like siphons out all the soul of anything interesting.

I think that like starting stuff and making stuff, um, from a place of like act, like just simply going after an opportunity because it makes money.

I think I just can't stand it.

And, um, I think it just sucks the life out of my, of me.

And I, it's so hard for me to do.

So that's a little bit different than what Sean said, but it doesn't have to be different.

Um, cool.

So if I had one more contrary opinion, it's probably not that controversial in this group, but I would say in mainstream society, this would be contrary, which is that, um, college, if you're a smart kid who wants to be successful, you shouldn't go to college.

Um, going to college.

Oh, I so disagree with you, Sean.

I think if you can get into a top 20 university, you 100% should go.

I went to top 20 university and I disagree.

Uh, so that's why it's a contrary opinion, right?

Because I think most people would disagree with me and that's why it's one of my contrary opinions.

Dan, what if you can't get in the top 20, do you still think you should go?

I think you should go to a state school, but you should not go into debt or you should go to community school or you should just take two years off and just fuck around.

I guess what I mean is I think that between 18 and 22, you should have the freedom and the ability to just be an idiot and be a fool and learn about yourself and sexuality and get drunk and have sex with people and try new jobs and do all that great stuff, but you shouldn't spend 30 grand a year to do it.

And less you can, unless you're like, like my wife went to Penn and she's a, she's a

thinker in academic.

We need women like her.

Um, but I went to a school that costs 30 grand a year and it was a private school.

That was a total waste.

Cool.

Next question or where do you want to go?

Uh, okay, let's, uh, I don't want to talk about research, uh, Gustavo, we'll talk about that in a minute.

We already answered that or we talked about some similar.

We'll come back to that though.

Cause it's highly, uh,

Does anyone want to call in?

I'd love to actually just,

There was a couple of people in the chat.

There was a Sean McKay has a mental health app idea.

So Sean, if you want to, if you want to talk, just raise your hand, um, in zoom, we'll get you on live.

Adam Haston, Haston also, um, hanged us.

He's a full time real estate investor.

He might want to come on live.

Okay.

But your questions have to be, uh, fast short, um, okay.

And while you're pulling that person up, somebody asks for a broker, like where you find companies.

Uh, I, I think Sean does as well.

We use quiet like brokerage, which is pretty helpful.

Um, yeah, there's several, you know, quiet light is good for curated, smaller number of high quality ones, but, uh, you don't always get the best value there because, you know, you don't get the diamonds in the rough there.

And also other people are fishing in that same pond.

And so honestly, the best businesses are not for sale.

Um, so I, I like to go find a business that's doing well, contact the owner and get them, uh, to see if they, you know, or sorry, not get them to sell, but ask if they would be open to selling and now you're bidding against nobody.

Yeah.

Like for example, I'm, I'm not trying to buy a company right now because I have a job and I have my, I'm busy, but like, for example, Hemingway app.com, I think 100% someone should buy it.

And just to like, cause I can't help myself, I emailed them and asked if they would sell and they would in fact sell.

I don't mean that it's a good price, but yeah, they will sell.

Nice.

Okay.

So we've got not other Sean, actually.

Okay.

I'm going to, Sean, I'm going to allow you to talk.

I'm not sure if that worked, here we go, there's Sean, Sean, feel free to go, Sean.

Hey guys.

Yeah.

Hey guys.

How are you doing?

I sit here from you.

Great name.

Uh, yeah.

Spelling.

Well, there's a lot of different ways.

Uh, yeah.

I posted in the chat about an idea I'm toying around with, um, also post in the Facebook group a while back as well, um, basically it's a mental health app, think calm app, but instead of, uh, de-stressing and calming yourself down, it's more guided sessions for improving your critical thinking, problem-solving, focus, motivation, uh, just wondering kind of where you would get started on testing the market if this is a viable idea.

Can I just jump right into this?

I was just talking to my friend about this, Sean, are you finished talking?

I shouldn't have cut you off.

Yeah.

Um, go ahead.

I was just talking to my friend about this where I'm like, everything that's going on in the world right now, it, a lot of it boils down to like young men and young women not being good at processing emotions, whether it's good emotions or bad emotions, but like how to effectively process how you feel about something.

And I totally thought about this because I used to be, um, if you ask Steph, some people or Sean still say I've got a bad temper, it used to be way worse where I would, I would be angry all the time and I started using calm and it totally helped me identify emotions and try not to like be, uh, what's it called, impulsive about it.

And I think one guy who's kind of exploiting this opportunity in a good way is Sam Harris with wake up and I don't know for a fact, but if I had a bet bet, I would say that's a \$10 million a year company that is almost 100% profit.

So I understand what you're trying to do.

I think it's incredibly interesting.

And I think the way that these guys grow is by just through shit, tons of paid performance marketing on the app store.

Is that right?

Sean, you think, I mean, Sean, Terry, what do you think?

That is how they grow.

Unless you're Sam Harris, then you also have your normal audience to grow through.

But the thing I would say is like, okay, cool, you know, that's a worthy problem.

So it's like, it's a problem worthy of your time.

It is a real problem.

So you're not trying to validate that part.

You need to validate.

So the question is, what are you trying to validate?

And really what you're trying to validate is, can I acquire customers at a profitable rate?

And then secondly, you know, do I actually have a way to deliver this value?

Do I have a way to deliver anxiety relief, stress relief to the customer, right?

So like, you know, what is my product?

Does it actually work?

And then secondly, can I acquire customers profitably?

All right.

Today's episode is brought to you by Tempo.

Tempo.fit is the website.

I actually use this.

I've used this for a few months now.

And it's this machine that has a touchscreen and this 3D sensor.

And what it does is they give you weights, like 115 pounds of weights.

And it's for strength training.

So what it is is it measures your body and it sees how much weight you're lifting.

It sees how many reps you're doing and how much effort you're putting in, what your heart rate is.

It's pretty amazing.

And then you have a coach on screen walking you through what to lift, how many to lift, what workout to do, whether you want to do a 20 minute, 10 minute, 50 minute workout.

It's pretty amazing, but the best part is the leaderboard.

The other stuff, all the features that they have, that's cool, but I'm obsessed with the leaderboard because it measures how many reps you're doing and how much volume you're doing and you can compete with other people who have taken the same class.

So it's made me want to work harder, lift more weight or have more endurance.

It's just pretty freaking fun.

And the whole point of working hard is to have money so you can spend it on stuff that will make you live longer and this product Tempo, it checks that box for me.

So they're our sponsor today.

If you use the code Tempo Hustle, you'll get \$100 off.

So Tempo.bit is the URL and Tempo Hustle, one word, you'll get \$100 off.

So check it out.

I use it.

You'll see, I'm always filming videos where I'm talking to that company, saying I'm trying to crush their employees on the leaderboard because I actually love this thing and I use it all the time.

So check it out.

And so, you know, that's where you would, that's where I would focus all my energy.

It's not about saying, is this a good idea or a bad idea that you have to zoom in and

say, what part of this do I not know that I need to know to be successful?

And in this case, I believe it's can I acquire customers profitably and if I can, then I'm going to grow this.

I completely agree.

This is not a question of do people want this.

You already have that.

It's like back in the day, you already, I was going to say, I wanted to make a data app.

Verify.

I'm not talking about an app that de-stresses and, you know, reduces your anxiety and calms you down and all that.

I'm talking about going the other direction and kind of motivation, yeah, all that great.

So let's say all those are positive things, fantastic.

Same idea, which is worthy cause.

I believe you could do it.

You know, maybe there's open space in the market.

That's all great.

I guess that it comes down to, do you have a growth machine where you'd be able to acquire a customer for a dollar and make \$2.50 or \$3 off them so that you could plow \$2 back into buying the next customers?

Yeah.

Really how these businesses work.

I completely agree.

It's kind of like when John Rockefeller started Standard Oil, like there was no question if there was a demand for kerosene.

There was just a question, like his secret sauce, but that he made a deal with the railroad so he could profitably get his kerosene all over the country.

That's what this is.

It's not about demand necessarily.

It's about can you service demand profitably?

Yeah.

I would also just add that it's about whether people are willing to pay for, everyone wants to be more productive, everyone wants to be more mindful.

Are people willing to put their money where their mouth is?

In some industries, it's obvious, in some industries, it's taken a lot of time for people to be like, oh, I absolutely should spend \$30 on my mindfulness this month, and I do see a change in that, but you need to validate that people actually are willing to put money behind productivity.

Yeah.

Actually, even on that front, I wouldn't worry about that personally.

I've failed to see any apps that people use regularly that don't monetize well.

If you get enough scale, then the way mobile apps work, it's not like you're getting 50 or 100% of people typically to pay.

Usually these apps are freemium models.

Games are really extreme where all the revenue comes from 1% or even less than 1% of the revenue, the whales.

Apps like Calm are a little bit different because they put a paywall up right in front and they have just like the seven days of free, Calm or whatever, but I guess I used to do this with my earlier startups, I would try to validate, I try to prove everything, and some great advice I got was like, when you step back, which one of these do you really doubt is true, and it's like some things you need to prove because you need to do them and actually show it's not just a thought, but as an entrepreneur, you want to focus most of your energy on the thing you actually don't know is true or not, and so that's where I would focus the majority of my energy, which in this case is acquiring customers.

One little pilot prototype of this, so a couple months ago, I put out a podcast that's called the nine minute morning routine, because I do this nine minute morning routine, it helps me with the things you talked about, motivation, clarity of thought, all those things, helps me be basically more successful.

So I put it out as a podcast, and I think a podcast is a very cheap way to pilot an idea and build an audience that's not an app, because for an app, you got to get a developer and build an mobile app, that's a whole like set of work that maybe you don't want to do right now.

And another example to look at that's like this, I talked to these guys who built the sleep app, I forgot what it's called.

Yeah, this shit's amazing.

And they started out just by having a podcast where they would read sleep stories.

Actually, I think it's the opposite.

They started with a website, I started with an app, and the app's gotten really popular and the app does a few million bucks in revenue and it has millions of users.

And now they're actually doing more podcasting, they started doing podcasts to sell the app, to basically grow the app, but the podcast, they got way more users quickly.

And so now he's like, dude, I love this.

I don't even have to bother maintaining an app.

Maybe I could just build this whole business on the podcast.

And I never really heard anything like that, but that sort of leads me to believe that might be an interesting prototype for you is put the content on as a podcast, drive customers to that, and see if you can get a huge base of hooked subscribers, and you're not monetizing them yet, that's okay.

Maybe through ads or whatever, and then you could transfer that audience to an app if you needed to later.

That's one way I would consider approaching this.

Thank you, Sean.

That's awesome.

Thank you so much for your input.

See you.

Can I answer one of these questions?

Yeah, absolutely.

Tom Schmidt asked, what's one thing of biz that you believed ended up, what's one thing

that you 100% believe ended up opposite of what was expected?

I'm reading that funny.

You guys get what I mean?

Yeah.

I'll say a few.

I was with Ryan Hoover the day before he launched Product Hunt and he told me what it is and I was like, that is so stupid.

You're wasting your time.

The second thing is, when I started my business, I thought that I was going to be this operational powerhouse and lead it every single day, just like Jeff Bezos.

That didn't happen.

I think that that doesn't happen with most people.

The third thing is, charge more money than you think for stuff and people actually are happier that way.

Those are good.

I like those.

I was also totally wrong on Product Hunt.

In fact, Ryan had interviewed for a job at my company a week before he started Product Hunt and we didn't bring him on board.

I really liked him, but my team wasn't sold.

Then he was like, okay, next week, he's like, I launched this thing.

I'm a user of 15 of Product Hunt.

I remember showing my team, be like, hey, that guy we interviewed, here's what he's doing and we all just sort of laughed and were like, this is silly.

I've been wrong many, many times on apps like that.

My Snapchat username still has the word test in it because I thought this app's going nowhere. This is just a test account just to see what this dumb thing is that'll be gone in two months.

Here we are like seven years, eight years later or whatever it is.

I've been wrong many times on that.

I was also wrong in some things I believed would happen in the future, so I'll give you an example.

I thought that the way all these, when the web got popular, these services like Squarespace and Wix and all that, they let anybody build their own website and I was convinced this is going to happen for mobile apps.

Maybe I'm right, but on a way slower timescale, but I thought people are going to want to, you're going to have no code, basically you're going to have non-coders building apps just like non-coders build websites and I also thought the way I have, you know, SeanPerry.com, people have their own personal websites, I thought, oh, it'd be great if Tim Ferriss just had the Tim Ferriss app and he could directly connect with his audience and he could push notify them when he has any blog post and I just thought that would be great and it turned, I was totally wrong on that as just like one specific example of things that I thought the future would be that it doesn't seem like it's played out that way. Great.

Nice.

Should we bring someone else on live?

Yeah.

So Jackie, Jackie says he bought the largest towing directory in the US.

I'll let him speak, but it sounds like something super interesting.

Jackie, go ahead.

Hey guys, how's it going?

What up?

I know who you are.

Yeah, I think I messaged you a couple of weeks back, you too, Steph.

Nice to meet you, Sean.

Yeah, so I actually stumbled across one of these directories, my background's in SEO, so I managed to rank for like towing company near me, et cetera, et cetera.

So what we're doing right now is like we're essentially selling ad space in each city for like a flat one K a month, for example.

But now that I'm listening to some of these calls, I realize like the customer experience is so bad and like these guys have no idea how to run a company.

And I was wondering if there's like some some way to disrupt this industry.

It's one of these like really boring, but I would say pretty lucrative industries.

So what I have is a bunch of traffic.

So essentially people looking for towing, but no one to fulfill it.

And how would I rule it out in the US when I'm based in like Germany?

Does it make good money as is with the lead gen?

I mean, I bought it last month at like 200 and it makes 200 bucks a month last month.

This month we're going to hit like two, three K and it's just pure profit because it's just it's a website.

Right.

So what are you trying to do?

Sell leads to tow truck companies?

So right now that's what we're doing.

I'm running Facebook ads and we're offering like 30 days for free, just free calls.

We're tracking everything.

What I want to do, like the \$50 million, \$100 million idea is be like the next trip away.

So I have a friend who built exactly that.

He tried to build the next triple A. It's called swoop.

I think he got bought like maybe 50 million bucks, something like that by an existing tow trucking company.

So if you actually want to do this, I can connect you with him and he could tell you everything about the tow trucking industry, why it's hard to disrupt and where it still can be disrupted.

He's telling me and I was just getting bored, but like, you know, it's obviously highly relevant for you.

So I'll hook you up with him, just DM me on Twitter after this.

The other thing that I would say is like the lead gen revenue just seems really, really

low for that business.

Like I'm guessing that a tow job is like, I don't know, hundreds of dollars at least, right?

What's the average job?

Like \$600?

No, actually it's depending on what they need.

So flat tire is like 50 bucks, actual tow is like a hundred something.

Well, but that's definitely, there's definitely enough of that in America to build a big business. Yeah.

So, so I would definitely try to like just, I would first ask myself, how big should this lead gen business be?

And I would do a back of the envelope and figure out, is that two or three K a month or is it 30 K a month or is it 300 K a month?

It's two million a month, I mean, it can definitely be up to, I calculated if we signed up one person in each city, I mean, major, at least 50 K a month, we're just getting to the sales side of it, building the funnel is like, everything's from scratch.

I'm using some like janky SEO reselling platform right now.

But Jackie, you're talking about that's not, if you did something disruptive, that's just the lead gen business, right?

Exactly.

Yeah.

But like the disruption is like rolling out in cities and offering actually like becoming a tow truck company.

Is that advice?

Sorry, go ahead Sam.

Let me say this.

I sold one of my companies, like it was a small exit to this, a lead gen company for apartments and they scale, they bootstrapped it to about 25 or 30 million in revenue.

And the thing about lead gen is it was, it was very profitable.

It probably, I think it did 30, I think it's probably doing, when I had maybe two million a month in sales and like \$400,000 a month in profit, which is great.

And then what happened was they were buying all this traffic from search, which is what you're going to probably do.

And they tried to rank on search and they're like, well, shit, we're doing all this transactional revenue with these companies who buy leads from us.

We have a few problems.

The first problem is if some of them, then you work with a combination of third parties, like apartments.com and all these other places and they give you a cut of the lead.

And what the problem was is two things.

First of all, users were coming to that website and it's a very transactional relationship.

And so when this company that I worked for wanted to build the relationship and create actual products that people would truly buy, the users were like, who the fuck are you?

Like I don't know you.

You've just been pawning me off to other people.

And that will probably happen to you.

The second thing is if you are just selling leads and then you want to become a totora company, your revenue provider goes, oh, fuck that.

You're going to compete against me.

We're out.

They're going to quit paying you any money.

And so in my opinion, this company, this apartment company that did this with us, they should have just kept that going and just let it make \$2 million a year in revenue and like \$10 million in profit and just took all that money and gone and started something else. Or from the very beginning, they should have said, like, we're going to do it the hard way.

It's going to take a long time, but it might be way cooler and way better because they got addicted to this lead revenue and it just completely screwed them over.

It's kind of like at my company, we've done a good job of this of doing revenue from advertising and subscription revenue, but it's really easy for people to get addicted to that ad revenue and they're like, no, no, no, we can't promote our subscription.

So that is what would happen probably.

Yeah.

Okay.

We can sort of wrap it up, but I guess what I would say is personally, I would just try to get the lead gen revenue to 50K a month and I would move on.

I would take that revenue and I would take the profits and I would invest it into other things unless you're really saying the next five years I want to build a totora company.

That's like the top thing you're most excited about.

I complete my 100% degree.

Don't turn something that's awesome into something that's shitty by trying to reach for scale and doing 90% more work for some potential return.

It sounds like for a little additional work over the next six to 12 months, you can get this thing to be a cash cow that nobody knows about and you don't hire anyone and you just milk it.

Okay.

Yeah.

Yeah.

Because I mean, I was looking for that \$50 million idea.

I guess I'll just settle for like an exit.

It's not really about settling.

It's sort of like if you were, if this is really the \$50 million idea you want, great, go for it, but it sounds like this is an amazing 50K a month idea and with, you know, you have a clear line of sight to that it sounds like and I would do that.

Maybe when you get there, you'll reassess and you will be able to overcome the problem Sam's talking about or maybe you don't and you're like, you know what, this is actually a great cash cow and my \$50 million business idea is this other thing I'm really passionate about that I'm going to use, you know, my SEO skills to go do.

One of my favorite companies right now, Flexport, that's exactly how they started.

They had the software that was me and they go, probably won't let's not fuck this up, but let's just go start something new.

Yeah.

Also, one thing that didn't add up in what you were saying was that was like a really low ticket price and you said you could do a lot of money through Legion and that just didn't add up.

So I would go check those numbers and be like, all right, do I really believe this can do 50K and walk through step by step for that and get a second pair of eyes to look at it.

All right.

Next question.

Thank you.

Thank you, Steve.

Can we rapidly go through some of these other questions?

Yeah, the Q&A.

I was going to say there's 36 questions in the Q&A.

If people could go and upvote them so we get the best ones to the top.

Let's rapidly go through some of these, Sean.

I'll say my answer in two sentences and you say yours in two sentences.

How to make new connections, wait, where'd it go?

How to make great connections in a digital era, Twitter.

Twitter and writing.

Yeah.

Blogging and writing.

Email list, blogging or Twitter.

You can get famous in six months from this.

It won't be, you don't need a huge audience.

You just need like 1,000 really smart people to think you're smart and that's actually trivial to do if you are smart.

Yeah, I would say Twitter.

How about, okay, if you're trying to launch a popular blog, should you start wide or narrow?

Narrow.

Next question.

You have a great blog post on this, I think it's called Nitch's Get Riches or something like that.

Go Google that.

Yeah.

You always go narrow.

What's the first generation newsletter, blog or anything?

It was a blog and then a newsletter.

Newsletters way better.

Sean and Sam, what other businesses do you currently own?

I don't know if Sean wants to answer that, does he?

Yeah.

Can't talk about it right now.

So yeah.

Can't talk about that.

I own the majority of the hustle.

I have partnered with my friend Ramon and we, I'm a minority owner of a software company and both Sean and I are advisors to a few things that we have shareholders in.

I wouldn't say we're an owner, but we own equity.

We own a lot of pieces of.

I have Angel invested in not many companies, five.

So we own, partially own those.

Anything else?

I've got like maybe three or four things that pay bills.

I make money from each month, but they're all like tiny.

Yeah.

Also, I would just say my goal is not to own many things.

Everything you own owns a piece of you and I don't want to own many material things.

I don't want to own many businesses.

I'd rather own, you know, nothing or one amazing thing.

And you know, I have this phrase, if you've ever seen Jerry Maguire, he talks about the quan and he talks about, you know, basically like he wants the money and he wants the quality of life and he wants to have that it factor.

I have a similar phrase, which is, I don't want to be balling out of control.

I want to be calling out of control and call is corny, but the call is like quality of life.

And I say it to myself specifically, my brother in law, we always talk about the little things and the quality of life.

He walks his daughter to school every single day and, you know, having the freedom to just go work out whenever he wants and travel whenever he wants, those are, those are wealth and I don't want to own businesses and I don't want to have money tied to things that take away my quality of life.

Great.

What media and entrepreneurship organizations, let's, okay, so media for me, I'm not going to say anything I'm associated with.

I consume Business Insider and Hacker News every single day.

I also go to TechMeme and that's it.

The only media I really consume is social media.

I don't read any news.

I do listen to sports stuff just to kind of,

Me too.

I don't skate, kill my mindless stuff or entrepreneurship organizations.

I pay attention to anything that white commentator does.

I pay attention to anything that something, a group called NFX does and I pay attention to what's going on in India because I think there's a lot of really interesting things there and I have a whole bunch of people who feed me information about the startup scene in India.

That's where I'm, and then I also have private groups.

So I have several private groups that are either just chat like messaging groups or we meet up once a month that are full of other founders and those are my favorite entrepreneurship groups and that's where I learn from.

I don't listen to the news or read anything.

I don't read TechCrunch or any of that shit.

Sean, what are some of the ideas that you've seen in India that you're surprised haven't happened in North America yet?

I'll give you an example.

So this guy, I should shout him up because he's kind of amazing.

I actually going to just turn this into a newsletter.

There's a guy who knew how interested I was in India and he just, he said, I'd love to tell you about it.

His name is Sumitra Sengupta.

So shout out to him.

So he sends me this thing every week.

So I said, send me one interesting business every week and he just does, and he was like, I'll send you a report.

And I was like, no, no, no, just DM me on Twitter, three things.

What's the name of the business?

What's the one line description?

Give me three bullet points of why you think it's awesome and screenshot it for me because I don't have an Android phone.

I don't want to download this app and like get it all set up.

And so he does exactly that.

So like he told me that just last night, midnight, he says, um, business called cred.

The founders, this guy, can all, the idea is to create a virtual club, like a credit card club.

Like, uh, like for diners club used to be a popular one my dad had for the 1% of India.

So they launched in early 2019, they've raised 175 million.

They're already processing a billion dollars of payments.

They have 2 million users and it's valued at \$500 million.

This all happened in essentially one and a half years.

And then he's like, here's why it's awesome.

Here's my two cents of where it might be weak.

And I just think it's great.

Hold that up.

Hold that up.

I mean, read that.

Sam, let's make this a section in the trends email each week where we like list for things are in, uh, non-American countries that are doing stuff.

Interestingly, Sean, we had Nike reach out to us and ask us to pay us money to build this corporate like paid information thing.

And all we do is talk about Chicago and on a different countries.

Yeah.

I think it's great.

Um, and so I'm super interested in about that.

Hold that up.

Let me show you how he writes it.

All right, let me show you.

So he's got little emojis next to certain things.

I don't know if you could see it.

Oh my God.

And then it's just like, oh wait, where'd he go?

And then he has like at the bottom, he has like a little screen cast where he walks me through the app.

Oh my God.

I love this.

Like this is business school.

This is why you don't need college because you could do this.

This guy does this in, you know, one week and I'm learning from it.

So it was infinite ways to learn if you're motivated.

He just does this for fun.

The guy, I don't know why he does it.

He loves the podcast.

He reached out and he was like, how can I help?

And I was like, Hey, I want this.

And then he did such a good job of it that I'm like, okay, we're going to turn this into a thing so that you can like more people should read this.

It should not be locked in my DMs.

Like more people should benefit from this information.

People are saying they'd love to see it in the chat.

So this is the problem.

I always end up competing with the hustle here.

Now you guys got to do it.

This poor guy is going to get ripped off.

Well, Hey, no, there's a newsletter called stenocism.

I think it's called, and all they do is talk about this type of shit, but in China.

And I bet you that guy makes a million dollars a year doing that.

So I think that if you like could, we wouldn't analyze this crap, I mean, maybe we would, but like one person could do like a weekly newsletter just on the landscape of India, but for an American and a lot of people would buy that.

Yep.

Okay.

What else we got?

I want to find something that is different.

Here's one in the, in the chat.

I know you guys talked about the RX bar in the past.

So someone, someone did a test with their friend to imitate the RX bar in Europe.  
How would you approach differentiation and protein in the protein bar market when there's already so many products that are super similar?  
We want to talk about what we talked about yesterday, Sean.  
Go for it.  
You do it.  
No, you, you're better than me at it.  
Okay.  
So we, did this podcast get released?  
I don't know if our podcast from yesterday.  
No, tomorrow.  
No, it gets out tomorrow.  
So we did a podcast with the founder of liquid death and which is a water, a canned water drink that's taken a totally different brand.  
And he was like, you know, this whole business for us is about branding because clearly, you know, people don't buy water really because they, you know, if you did a blind taste test of 10 bottled waters, people wouldn't be able to tell which one is which, which one's better than the other.  
So really you're working on form factor, you know, the bottle and the brand.  
And so they have a new form factor cans, um, our X bar did the same thing.  
Their packaging is very, very distinct and unique.  
And then the second thing is like brand, what do we stand for?  
Right?  
Who are we speaking to?  
What do we stand for?  
For his thing, he was like, you know, the water brands all try to speak to like yoga moms, purity.  
It's a picture of a mountain, uh, you know, crystal geyser, like all that luxury, it's luxury, all that stuff.  
And he's like, you know, he himself was a punk rocker and was on tour and they used to, you know, be promoted by monster energy and he talked about how on the monster can, you know, they would be chugging these things.  
He's like, dude, the tour schedule is brutal.  
How are you out here in a hundred degree heat drinking monsters?  
Like, and they're like, Oh, this is water inside.  
It's called on the bottom of the can.  
It says monster tour, like tour beverage or something like that.  
And tour beverage means water in a monster can.  
And you know, so what he was just trying to think of, like, you know, it's true.  
There's no water brand that speaks to, uh, fun and there's no water brand that speaks to these different demographics, um, who don't necessarily want to be holding the sort of purity, clean, you know, brand, he said, like, he said, he said, like, we want to be like water that when you're smoking weed, like go ahead, do like smoke weed or get drunk or do drugs, like do something that maybe isn't always physically healthy for you, but

it's exciting and also drink our water.

Right.

And you see this all the time, right?

Uh, there's medical drinks to replenish and rehydrate you that are electrolyte drinks and they look like a PDA light and they look like a medical drink to rehydrate you.

And then Gatorade came out and just refactors that same thing with the brand of this is what the top athletes in the world and the world drink.

And then, you know, there's, so you just take a customer first and then you say, okay, to this customer, is there already a brand in this category that speaks to that customer that, that that is fits that customer's lifestyle and if not go for it.

Uh, but you know, you need to have that clear insight about this customer uses this product or wants this product, but there's not a brand in that category that knows how to speak to that audience.

I want to, we have 43 open questions.

We're not going to get all these, but I definitely want to try how, how can we do that stuff?

Let's just power through them.

Do people want rapid fire or do they want in depth of a few questions?

I don't know.

Okay.

We'll try this one from Justin.

Wait, hold on.

Let's, let's look at the chat.

Let's, we, you, uh, Sean asked a question, Sean said, do you guys want rapid fire?

Rapid fire.

Okay.

People are in rapid fire.

Okay.

There we go.

Okay.

Uh, Steph, if you want to read this question that we just rapid fire, Sam, you can go first on each one.

Yeah.

Okay.

So with work from home becoming more prominent after COVID, what are your thoughts on the work from home economy?

Um, they seem to think there will be a market for benefits, company benefits at home.

Uh, the big market, I think it's going to be in helping set up different entities in different states.

It's still very hard.

We have a full-time woman who works at our company named Edie who helps us with this.

It's hard.

Uh, totally agree.

There's a big economy.

I don't think it's around benefits.

I think it's around things like, uh, teleconferencing, work collaboration tools, software like that, uh, things like you talked about HR things to, to deal with this new world.

Or, um, I advise this company called first base, uh, which is providing actual like hardware to your home office.

Like the company needs to give you a computer or desk and a monitor and a webcam so that you can actually work from home.

And companies don't know how to do that.

They don't want to deal with the logistics of that.

These guys are doing it for them.

And I think that's a awesome business too.

Facebook going remote with 20,000 people.

The hardest thing is, I think it's going to be taxes is how to handle the taxes.

That's so hard.

Yeah.

Okay.

Cool.

So, uh, another question.

Any advice to one to four years just out of college, young, ambitious people who are affected by COVID either for laid off or laid off?

Um, is it worth trying to intern or should they focus on finding the full time job?

Um, what do you recommend people answer first?

If I was in that position, man, it's so fucking weird right now.

Um, I kind of was in that position and I moved to San Francisco and it worked out well.

Uh, the second thing that I did and it also worked out really well is I learned a skill.

Most college kids don't have a skill.

I learned the skills of copywriting, which means I was always able to have a job.

Uh, so I would learn a skill set and I have 100 percent would intern.

Um, I think there's two answers.

There's one, if you're in the top 5% of people, uh, and your goal is to be sort of entrepreneurial or if your goal is to get on the career track, then go get a job or go to internship and uh, start climbing that ladder.

And so if your, if your goal is more entrepreneurial, which I'm assuming it is if you're in this community right now, um, then I would learn how to make money on the internet.

I think that's an incredible skill that's going to be useful for a long time.

And I think it takes a lot of trial and error and I would be like, okay, I'm going to live like a cockroach, very cheap.

And I'm going to find a way to just cover my bills every month and I'm going to learn how to make money on the internet.

It might take me two years to figure that out, but I'm going to find every model of how people are doing it.

And I'm going to learn how to make money on the internet.

Cool.

Um, someone's asking Sam, you said yesterday that you'd like to use research coming out of trends to eventually launch a business.

How far would you deviate from the hustle or trends model, basically like how far would you deviate from media, which we're in right now?

Well, we're going to have this business.

We do trends and hustle and that will be one thing.

And then we will invest in stuff.

Our company has not invested in anything.

I, Sam Parr personally have invested in some stuff that we've discovered.

And I think that's what I want to do is either have a fun underneath our company arm or use our profits to invest in that and we would invest in anything.

We just, me and some guy built this hotel that Sean and I were riffing on the other day.

And I need to see if the economics of that are as good as he, as good as it looks, but like something like that I totally would invest in and I have invested 50, 50 or \$70,000 collectively and interesting stuff like that.

Sam, where'd you get your shirt?

Somebody wants to know.

I have, uh, uh, I don't even want to realize so much.

Anyway, I got it from Target.

Uh, yeah.

Okay.

Great.

What's next?

Cool.

Um, so someone's asking about second, third order effects of COVID and obviously the protests.

Uh, what do you see in terms of business opportunities given where we are?

I think cities with, uh, good living, but typically we're like sea level cities like Denver or Charlotte are going to just fucking explode and San Francisco and New York are going to crash.

Yeah.

This is too, uh, too hard to do rapid fire, but, uh, we talked about this on the podcast, I believe, and there's a great PDF somebody put out there, a second order, third order effects.

Um, community founded after we talked about it and look at that and there's a bunch of ideas in there.

Yeah.

And the guy's name was Emmett.

Okay.

Another question.

So Sean, you mentioned on the Facebook group, um, angel investing and now you're talking about buying businesses.

What platforms would you recommend people find internet businesses?

We talked about this a little earlier.

Quiet like brokerage is where I would start.

Cool.

All right.

Um, so George is asking, can you guys, this isn't a quick one either.

But talk about some of your biggest failures, um, what you learned from them.

I'll just say this.

I haven't had many failures because I've not really probably swung as hard as a shit.

I'm the opposite.

I feel like I failed on everything.

Um, you know, the last, uh, even the company that we just sold in all reality was a failed company.

Like our ambition was to be, you know, the next Twitter, YouTube, Twitch, et cetera.

And then instead we ended up selling to Twitch and you know, it wasn't like some mega mega home run, you know, a few money type of exit or anything like that.

So from my perspective, I feel like my capability is here and my results are here and I'm trying to bridge that gap.

And I would say like every business is that way, your capabilities here and here's your reality.

Every person is usually that way.

And you should be trying to, uh, you should be trying to figure out how to climb up that gap.

Um, you know, the first thing I did was this restaurant business, um, you know, it failed.

Um, you know, the second business I did got a bunch of progress and a bunch of funding, um, from a strategic person, um, I left and it failed later.

Um, I did an idea lab for five years where we were swinging for the fences to build the next big social thing we, I do not own the next big social thing.

So in that sense, I failed.

I want this podcast to be the biggest podcast in the world.

And that sense I failed, you know, like my goals are here and my results are here and that's the good news is my goals are so much higher than the average person that even when I'm failing, my results are so much higher than the average person.

And I completely agree with that.

I've never failed though, because I've failed in that there is still that gap, but I've never had like a run out of money failure because, uh, also kind of kind of corny, but there's a great book called winter learn, um, that was written by Conor McGregor's coach.

Uh, it is an amazing philosophy to adapt.

You don't need to read the book, read the cover.

It's called winter learn.

And all it says is whenever you do something and there's an outcome, there's a result.

You just say how to say, did I win or did I learn?

There is no lose.

And, um, it's corny, but the reality is that that's the best people they act that way.

If they fail, they don't worry about losing or failure.

They just say, what did I learn?

And then that's winning in a different way.

Cool.

Um, someone is launching a D2C product, uh, will be in the market in beta in a couple of days.

They're wondering if they should do Kickstarter and their concerns specifically is whether people might seal their idea or, or basically launch it faster than them if they choose to do a Kickstarter.

I'm not going to talk about that.

You can go ahead, Sean.

I don't know anything about that.

Uh, it sounds like if your products ready to go to market, uh, you don't need a Kickstarter or you don't need to raise capital.

You already, you already got to the starting line.

You use Kickstarter to get to the starting line, like, Hey, I need some money to build the thing so I can get to market.

It sounds like you're already there.

So just start selling it.

See how it goes.

If it's going well, people will want to invest.

If it's not going well, a Kickstarter is not going to save you either.

So, um, it sounds like you're already at the start line.

It's time to, time to go.

Cool.

I'm going to go through some of these, just like rapid fire ideas.

You guys let me know what you think of them.

So one of them hotel living team of cleaners come every day to do small things, make your bed, take your trash out, fresh towels to give you that quote unquote hotel feeling.

What do you guys think?

Love it.

Don't think you can make the economics work.

Yeah.

I don't think the economics work unless you can get an entire neighborhood to do it.

All right.

What's your take on whether companies will or should start to move away from gig and 10, 10, 99s or, uh, and move to W2.

I don't have an opinion on that.

I don't feel like I'm educated.

Yeah.

I agree.

I don't have a real opinion on it.

I would just say generally, I think the world, I forget those labels.

I think the world as a whole is moving more towards freelance and free agency than full time one company.

Like we already broke the paradigm of work for one company for 40 years and retire on your, you know, sort of retirement plan with that company.

That's gone.

Um, you know, average tenure in, in any high growth industry is like, you know, two years or less.

Uh, so that paradigm already broke.

The next paradigm is breaking is, is working from an office.

When you're not working from an office, you're not going to have the same sort of identity and tie to one company at a time.

So full time employment with one company is probably going to go away too.

Uh, I think the ideal world is where you're paid for output and production and you can be working for one or more companies at any time.

You can be one person or you can be a gang of four people who are known to be awesome at doing X and you're more like an agency.

So I think the world moves more towards, uh, on demand, uh, you know, gigs and you get paid based on merits and output.

Nice.

Okay.

We have to answer a few faster.

Okay.

Next idea.

Apartment rentals by auction.

I don't know.

I don't know.

Okay.

Cool.

Um, Sam, what's your advice for building a newsletter from scratch?

Um, uh, star, uh, figure, uh, fuck, I don't know, uh, advice, uh, pick a, uh, a professional related topic.

So for example, something that employees use, not something that is like sports or for fun, um, because you'll make more money that way and start very, very, very niche.

So like people who are any sports newsletters worked to, to become huge.

Yeah.

Like really big sports daily newsletters.

Well, maybe Barstool started that way.

Oh, they did.

Okay.

Um, that I know of, no, but Thrillus is a \$500 million company and they started out as like newsletters for like men's clothing.

So you definitely can do some of these fun stuff, but if you want to make more money and make it faster, do B2B.

Okay.

Um, Rob is asking about sourcing manufacturers, whether it be in China or North America.

Um, seems like it's a blur to him to actually get past that step after about a lot from other people.

Um, I can't talk about that, Sean.

You can.

Yeah.

I've been through that process.

It's hard.

Um, I think it's good that it's hard, otherwise there would be so much more competition.

Um, you know, so if you're in the game, you want that barrier because only the few who climb over that wall will figure it out.

I actually think that the bigger opportunity is to break down that wall.

So if I was somebody rather than trying to start a product company like that, I would say, Oh my God, it's so hard to get through this manufacturing process and all the uncertainty.

And you know, like yesterday I wired 50 grand to China.

You know how hard it is to wire 50 grand to China is like, not easy to do these types of things.

Um, so, you know, there's so many pain points, finding a supplier, knowing if they're good, getting samples made, uh, wiring money to them and trusting that you're going to get your product back, figuring out how the hell shipping works.

Like all of that stuff is super complicated.

I think somebody should, uh, create either probably already, but like source of high as one of them, but you should create more companies that help people not need to know how to do that.

Just like I can launch a website.

I don't need to know how to code.

AWS made it.

So I don't need to know how servers work.

I can just get to my end goal.

So I would do, I would focus on that rather than building one.

If I really wanted to go big, that's what I would focus on.

Someone in the Facebook group asked why I don't like the course business.

They said, I hate it.

I don't actually mean that.

I don't truly hate it.

I have very, very, very little experience with it.

I just hate the idea that someone's paying me money for something and they're only paying me one time versus providing value and getting paid all the time.

All right.

There's still a lot of questions in the chat, but, um, why don't you take a second to scan through a sandwich home.

See if there's any that you want to answer, cause we only got a little bit of time left.

Yeah.

And if we can just grab these questions, we could even do a podcast episode answering the spill over one.

So I can send these to you guys after I'm going to scroll and try to find a good one.

What opportunities do you guys in Galaxy between community and law enforcement right now?

Fuck.

That's a good one.

That's a good question.

I don't have an answer.

I, I, I'm sick to my stomach every single night watching the news.

How many police officers are there in the country?

Let's just Google, let me guess.

I think in New York, there's 20,000.

Yeah.

So there's 17,000 agencies.

So I wonder if there's like, um, like a messaging app or some kind of like a secure messaging app that you could build for that industry, like discord built a messaging app for gamers.

And there's enterprise messaging apps like Slack.

But I wonder, I just would never want to, I would never want to sell to a government.

That would be a pain in the ass.

Not because I'm pro or anti government, but so much bureaucracy.

Oh my God.

So I have an idea I'm going to talk about on the podcast next, next episode, which is around things like this, which is this model where really hard sales cycle to get in, get in, you never get out.

Exactly.

And George said this in the chat, they're sticky.

So, uh, there's a class of businesses like this.

I've always resisted them because I'm impatient and I can't imagine dealing with the sort of bureaucracy and the sale cycle there.

But then on the other hand, the reality is that stickiness and durability and the moat is what makes your business valuable over time.

So I'm going to share a couple of examples of businesses that have done this well on the next podcast.

Great.

Um, let's talk about recommended book recommendations.

If I had to recommend one to me, it's a biography of John Rockefeller.

It's called Titan.

The reason why I like him is he was a ruthless businessman.

Yeah.

He was a wonderful father and a wonderful husband and my issue when reading about biographies, I typically read about men because I'm a man and I identify with them more.

And they are either, uh, a good businessman.

They're rarely are they good at business and great at being family.

And he was that.

That's why I like it.

Nice.

Okay.

So maybe three quick, quick ones.

The happiness hypothesis, good book, story worthy, great book.

If you want to become a better storyteller.

And the last one, um, is the game.

I think the game taught me more about people and psychology than any other book.

I bet stuff.

Have you read the game?

I haven't.

Oh my gosh.

It seems like something you would read.

It's so fun.

Yeah.

Have you, have you read Ender's game?

That's like, uh, I've read Ender's game too.

Yes.

Is that also about like two very different books.

Ender's game is a sci-fi.

Yeah.

The game is about, uh, this like underground world of pickup artists.

Oh, interesting.

No.

I've not read that.

It's so fascinating.

Mary has asked this a couple of times and I want to make sure we get to her question.

Uh, what's the best way to validate a healthcare related business specifically geared towards users age 50 to 75?

And she's basically, she's asked a couple of times, like, how do you target that user base was the best way to do that?

Well, Facebook advertising, but I don't know, like the legal, like if I'm just selling like bullshit online, that is not like FDA approved or won't kill you or something.

I just create landing pages even if the product doesn't exist and they accept payment form it.

That's what I did with trends.

It didn't exist.

I accepted payment forms and then I returned the money and I called them and I asked them why they bought.

Um, and I would do this, but when you say health related, I don't know, like you can't like pre-sell certain medicines, but Facebook, you can find them all on Facebook.

Yeah.

This book is basically the best way to reach most people on earth.

And that demographic, did she say women between 50 and 70?

That's probably like, oh, just people.

That is the best place to reach that demographic.

All right.

Um, how are you guys doing for time?

I know we're a little bit over.

I can spill over.

I have a thing.

I can spill over a little bit.

How about this one?

15 minutes.

I can go.

Yeah.

I can go to about that.

How do you start becoming an advisor, paid or equity to companies?

He asked me and Sean this the other day, uh, we got lucky, started podcast and people email you and I say no to most every single one, even people who pay me money.

Yeah.

I don't know if the question is, is how do you become it?

Um, you know, if you want to become an advisor, you got to have like done something.

So like in this case, both me and Sam have built companies that are, you know, Sam's still running his companies.

It's worth tens of millions of dollars.

I sold mine for tens of millions of dollars.

So, you know, do something that shows that you probably know what you're talking about or know you're a level above wherever they're at in terms of, you know, if this was martial arts, you want to be a brown belt or a black belt.

Um, that's how you get the opportunity.

And then the real question is like, is it something you want to do or not?

Have you heard of these expert networks?

Are you an expert in it?

I'm part of these, one of these expert network, it's called like GLG.

They give you a thousand dollars an hour or \$500 an hour to talk to like a banker.

I used to do that and it's so funny, even though like that's a lot of money.

I'm like, oh my God, I don't want to do that.

It kills me.

Yeah.

Those are great.

Uh, they've reached out, but then it's never come through.

So I never got paid on them yet.

We'll see.

This is an interesting one.

Ray says that he's created a decent and engaged following on Instagram, sharing do-it-yourself healthy baby food recipes.

He's not sure what product he can launch without maybe an app with a baby meal with baby meal plans, but there's a lot of those already in the app store, potentially also recipe books, but those aren't very profitable.

So any thoughts there?

Um, yeah, DM me the page.

I don't know what you mean by decently engaged following that can mean a lot of things to a lot of people.

Um, you know, if you're talking about a page with a million followers and you're getting a lot of action that you have different opportunities than if you're at 9,000 followers, which is definitely good.

It's not zero, but you still have a long way to climb.

And I talked about this, I think on the last podcast, um, that I did solo, which is don't do, um, bank shop companies or double miracle companies.

It's like, first I need to make a super influential Instagram account, and then I need to make a super, super great product after that, um, like don't plan for that.

If you find yourself in that position, great, but like, if that's your plan, you should just good do the one thing that's valuable and put all your effort into that.

Cause otherwise you're going to put all your effort into one thing and you're still not going to be at the promised land.

You're going to have to then go do this whole other really hard miracle thing just to get some value out of it.

Unless you can throw money at the problem and you're like willing to burn through tens of millions or hundreds of millions of dollars, like, like a Tesla or something.

Well, let's get, uh, Naseem has been, hasn't, he's had his hand raised for like an hour.

Uh, he's in the hospitality business, seems to be hit hard by COVID.

Naseem, feel free to talk to us live.

Just got to unmute yourself.

Oh, well, I can read out Naseem's comment in the chat instead.

So he said, we're in the hospitality business invested in a web mobile platform.

Uh, we were getting ready to raise money.

Uh, but now with COVID, all hospitality is, uh, you know, not going so well.

Many venture back hospitality startups are going through rough times.

We made two million in annual revenue, but now with COVID we're down, uh, I'm not sure how much they're down, but they're just doing okay in the last three months, uh, thinking of pivoting.

Uh, can you talk to how you might grow the user base, uh, and customers for a marketplace such as this?

That's a really specific question.

We need to know more about what, what you act, what value you actually provide in the hospitality service space.

Yeah.

I don't even want to touch that.

All right.

Well, it's just, it's, it's, it's, I don't ever.

I'm thankful people listened to some of our advice.

I would be very, uh, nervous about saying something and someone believing it.

Yeah.

We just need more context to even ask questions there.

So that's a longer discussion.

One time, um, Gary Vaynerchuk said something in like some fucking thing and I really admire him.

And I like thought that that was like, and I like built a business like I did like something like I based a lot of my life on there and like bet money on there.

And then when I was on his podcast, uh, this year, I asked him about that and he was like, what?

I go, yeah, yeah, yeah.

I remember the thing he goes, I don't know.

I was probably just shooting the shit.

I don't know.

I was just saying shit.

And I was like, fuck.

Uh, so I don't want to, uh, I've always nervous of doing that same thing with other people.

All right.

Looks like Edgar's got his hand raised.

He has a question about the, sorry, by the way, but hopefully you get it.

Hi.

Hello.

Can y'all hear me?

Yep.

Hey.

Okay.

Hey, how are you?

Everything well?

Yeah.

Sure.

What's up?

Awesome.

Awesome.

Hey, um, so I've been, I've been watching all for a while.

I appreciate what you do.

This is super sick that you guys had these conversations.

Um, I'm, I'm in San Diego.

I'm 21 years old.

Um, I run, um, uh, family, uh, business.

We have two restaurants.

Um, so of course, you know, we've had restrictions and so we're, we're only doing carry out as of now.

Um, but I, I understand how, you know, or I guess I'm really intrigued on how psychology works and people are going to stay home more often.

Um, we hear about a lot of, uh, company shifting to, you know, to people staying at home and working from home.

Um, so I know that, for example, Uber Eats, Grubhub, DoorDash, all these, um, delivery applications.

They, um, they charge a high commission for a lot of these restaurants, especially, you know, these are mom and pop restaurants.

Um, so I was thinking, you know, how can we, um, I guess bring that to more of a, um, I guess, how can we, um, support small businesses per se in the delivery, in the delivery form? So how can we bring power back to the small businesses so they can, I don't, I believe it would be some type of a platform that allows, um, the community to connect to that certain business.

Does that make sense or, I understand what you're saying, uh, so, so I definitely understand what you're saying, uh, just to rephrase, you're basically saying, Hey, restaurants need to, uh, adjust due to COVID.

We're trying to do delivery.

The current delivery platforms take such a huge rake.

It's not great for the restaurants.

They're still struggling.

By the way, is that the sentiment is that restaurants are angry at Uber?

Um, I'm not, I wouldn't say that we're angry, but, uh, the restaurant industry is pretty hit by the commissions.

Um, these delivery apps are charging, especially, you know, the average, um, food margin for a lot of restaurants is around anywhere between 25 to 30% uh, Uber and, and DoorDash, you know, at the end of the month or taking around maybe a 30, 40% commission, um, you know, total. So it's, it, it is a, it is a big, a bigger hit for them.

So, so what I'm, what I'm trying to propose is, is an idea, um, for, for a platform where actual businesses, actual restaurants can begin to create a, a, I guess to collect per say different, uh, addresses, phone numbers of people who would want, um, their food to be delivered to a, to a home.

Right?

But look, so I understand what you're saying.

And I, I think that what you're, you're saying, you're saying the problem is, is that restaurants are upset with Uber.

And what you're really saying is restaurants are hurt and they need to make more money.

And I actually don't think that the solution that you're saying is actually the right solution to the problem.

And I don't, I'm not into the restaurant industry, so it sounds like you are.

I would actually want to know, has anyone ever made you happy as a restaurant owner?

Are you ever happy at Yelp?

Are you happy at Groupon?

Are you happy at Uber?

Like who has done something that has made you happy?

Cause that's what I would be curious about.

What solutions do make restaurant owners happy?

Because whenever someone talks about Groupon, my belief is that they hate it.

My belief is that restaurants hate Yelp.

My belief is that restaurants don't like Uber, but what, who do they like?

Yeah.

I agree with him.

I think, I think we should, we should move to the next question.

But I think, I think Sam said the right thing, which is the solution you're proposing, I think has a lot of problems.

I don't want to sort of go into each one of them right now, but it's true, the aggregators in the middle, DoorDash, et cetera, they have a lot of power.

They're going to continue to have a lot of power.

There's not really much the restaurants can do against that, but you should try to figure out instead of trying to create a new platform with one, one millionth of the resources that they have and a, you know, no head start, instead just figure out what's something we could do to make money as a restaurant.

What assets do we have that we can leverage to create, create value?

And I'm focused on that.

So that's my point, Edgar, which is the, I do not think the solution is to take 10% instead of 30%.

I think the solution is what, to me, it's like you're obsessed with the solution.

You're not obsessed with the, you might be, but you are also obsessed with the solution and you are also obsessed with the problem.

Fuck that.

Only care about the problem.

And I think you need to come up with a creative way that Groupon has one way to do that, but that doesn't make people happy.

It seems like Yelp has one way to do that.

So find some other way that like maybe like someone's already kind of in that industry and it's kind of making them happy.

And I would definitely like get out of this lane.

You got to get out of that lane a little.

Yeah.

By the way, Uber Eats is a shit business, I believe.

One last quick question before, before I let y'all leave.

If I do want to go into the wholesale industry, like the food wholesale industry, I would like to put, I guess, one of my recipes, you know, on, it would probably be some type of like beans that we have that are really, really good.

How would I take steps to start going into that lane?

Do you know?

I actually couldn't hear what you said, Edgar, but why don't you just email me or DM me and we can go further there.

But I want to make sure that we're able to talk to more people's questions.

I understand.

Thank you so much.

Thanks, Edgar.

All right, I think a lot of people on this call will find your answer to this one interesting.

So it's targeted specifically at Trends, Sam, but I think we can expand it to like how you guys think about ideas for the podcast.

So the question is, what's on your radar for upcoming research reports and specifically what inspires you to basically say like this topic is worthy of researching or sharing on trends and similarly for the podcast?

Sean and I have a doc called MBD and we just fill it out.

Like I just think that people are overestimating, are overestimating how little of a seed of an idea will come across and then we'll just put it in there and then just go down this rabbit hole.

I don't think people realize how much information you can get on Wikipedia or off of a tweet.

Like I just see a tweet and like go to Wikipedia and then Google it.

So I think people are actually overestimating our skill set.

Something on the docket is something Sean and I have talked about a lot is JD Power and this business model of like licensing, like your approval for Trends.

I'm trying to get Trung to write about that for the brainstorming sessions.

Sean, he has this whole idea about business or sales channels that are really hard to go into, but once you get in there, the best.

He already said that earlier.

Yeah.

Yeah.

Basically, if you want to be interesting, be interested.

So whatever you're interested in or something that catches your curiosity where you're like, huh, that's interesting.

I never heard about that.

Or, wow, it makes that much.

Anything that sort of evokes that type of reaction, just boom, write it down and then start researching it.

That's how I do it.

But I think Steph does most of the research anyways for Trends.

So you know, really Steph, that's your answer.

For Trends, I don't fucking touch it.

I read it the day it comes live.

My answer for Trends is basically like, if you see something and you think, if I shared this with 10 random people, if any less than two people would already know that, then it's interesting.

And it's worthy of Trends or potentially my first million.

But just think about like, if I shared this with someone, how many people would already know this?

If it's like more than 50%, it's probably not that interesting, because most people already know it.

One question from Ellis, how could you imagine, this is an opinion question, but how could you imagine one of the fang companies being unseated and specifically, which one do you think is most likely to be unseated if that were to happen?

Right now, Facebook, the amount of frustration people have towards them is quite high.

The angle that I think someone's going to take them is going to be two different angles.

The first is, I think there's going to be an extreme version of saying everything, all

free speeches, okay, anyone can come on this platform, that's going to attract one group of people.

And then the other end, it's going to, someone's going to create a version where it's going to be like, we don't notify you too much, we, we curate your feed so you're not overwhelmed. It's more intimate.

I think something like that will happen.

I would not be surprised if DuckDuckGo gets huge.

I'm very fascinated with DuckDuckGo.

I think privacy is very important to people, to normal, to normal people in the America now, whereas before it wasn't.

Yeah, I actually don't think any of them will be unseated.

Oh yeah, me too, by the way, I don't think any of them will be.

I think these companies, they already sort of got disrupted three or four times and survived.

You know, mobile was a huge shift, Google buys Android, Facebook pivots the whole company and puts it in lockdown mode to get its mobile apps up.

You know, social networking gets disrupted by, you know, photo sharing and messaging.

Facebook spends \$23 billion acquiring companies in that space, right?

Like these companies.

Yeah, Facebook's going to be like four.

They're going to be around for a hundred years, I think.

And so, you know, I think what ends up happening is not that these companies lose what they have, but actually that a new thing comes up that just turns out to be more important or more relevant to where the puck is gone.

And so the old phrase is, when you have a castle and it's got a big, big, deep moat around it, the castle doesn't die because somebody sieges the castle.

They cross the moat magically and then take over the castle.

It's that somebody finds a small little shack on another piece of land, you know, 10 miles over, and that land actually has more fertile soil.

And then your castle becomes irrelevant.

Nobody cares about taking your castle or everyone's more interested in that soil over there.

So like, you know, this is why Facebook's trying to launch its own cryptocurrency Libra or whatever they renamed it to because, you know, it turns out that Bitcoin was the biggest value creator in the last 10 years.

And who could have thought?

It didn't look like a photo sharing app, right?

Uber, Airbnb, these didn't look like Google, Facebook, LinkedIn, Microsoft, they didn't look like any of those companies.

So the big opportunity was in a totally different space.

And those companies missed it because they don't do that.

That's not what their castle was about.

So really it's about finding the next fertile soil where the next castle will be built.

And hopefully over time, these castles become less relevant and less powerful because there's more castles out there.

Yeah.

And I would also say that a lot of the, like all the fan companies are way more diversified than I think we give them credit for.

They're making like a ton of acquisitions every single month, especially during COVID when prices are down.

And so you might think of Facebook as just like the community product that it is, but it does, it's invested in way more than that.

So VR takes off, they own Oculus, if you know, like they own Instagram, they own WhatsApp.

So they're not just Facebook.

And so even though I do think there's concerns, obviously with that company, they're not just the platform that many people imagine them to be.

My computer's on 1% guys, I'm going to have to jet.

Yeah.

I think we're at time anyway.

Thanks so much for staying over, Sam, Sean.

Thanks for doing the podcast every week.

I listen to it every time.

I'm sure everyone on here does too.

So yeah, thanks everyone for joining.

Do you feel like you know me even more because I'm in your ears?

Yeah.

We've had like people come up to it.

I had this one kid come up to us and call me a little bitch and I was like, dude, I don't know you.

And I forgot that he thought he knew me and that we are friends and he called me a bitch.

That's funny.

All right.

Well, thanks everyone for joining.

See you next time.

See ya.

Bye.