

[Transcript] My First Million / #131 - The Companies We Would Buy and Fix and A Multi-Million Dollar Rapper Snack Business

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.

We live, we live.

What's up, Sam?

I'll bring you, what did you say Sam looks like?

It looks like the male Elizabeth Holmes.

He's got a very, very nice black turtleneck looking thing on.

No, it's just a collar.

I'm just being preppy today.

All right.

What up, man?

What do you want to talk about?

I'm sitting here in my office, you know, Jack Butcher from Visualize Value.

Yep.

He, I went to his house in Nashville and him and my wife and him, my wife and his wife all became buddies and now he just arrived in Austin, he's going to be celebrating Thanksgiving with us.

He's right in the other room here.

Amazing.

So I'm happy he's here.

Love it.

Buddies.

We became buddies fast.

By the way, do you like this new little studio setup?

Yeah.

Looks very slick.

Does it look good?

Every day is getting better.

Yeah.

All right.

Good.

Let's get into it.

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You, by the way, I love how much time you spend improving the visual of your podcast studio, given that no one can see it.

I didn't really think about that.

Does it sound good at least?

It does sound good.

Yeah.

Because I put, like, we put carpet and stuff in here to make it sound good before it sounded like so echoey.

So hopefully it sounds good.

Okay.

You want to talk about some of this stuff?

Can we talk about the first thing being your, the Chamath, or what's his name, Chamath?

Yeah, let's do it.

Yeah, Chamath's tweet.

Yeah.

Go ahead.

So he put out a tweet the other day, and Chamath is probably one of the five to 10 people I have Twitter notifications on for.

So I get, like, a text message basically whenever they tweet, which is pretty annoying.

But it's like, you know, you get all the good stuff.

So for some people who are very, putting out high signal and low noise, it's good.

So he put out a tweet that said, what's an interesting cash flowing public company that could be super, super charged if I could get ahold of it and help revamp its technology and go to market?

Basically, what's a public company that's got good cash flows that I could buy and I could use technology to supercharge the growth?

And so good question.

And then because he's, I think it's a bunch of replies of people doing sort of free, free homework for them, you know, they're his free associates.

And so I thought this thread was great.

And I spent like, you know, 45 minutes in this one thread just learning different stuff and looking at these different companies.

And you know, I think somebody could easily spend 12 hours in this thread and learn a whole bunch and publish what you learned and probably get, you know, a job with Schmoth if you wanted to.

But what did you think of this?

Yeah.

So I only saw the tweet.

I didn't read any of the replies.

Okay.

By the way, on Twitter, do your replies sort by most popular?

Yeah, I think so.

Mine don't.

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It's not exactly most popular, but it's some algorithm for sure.

I don't have that.

So I don't really, I didn't sort through the comments.

But how about this?

Let's go back and forth and we'll name one, and then I'll name one, you name one, and we'll go back and forth.

And it's okay if yours are stolen.

None of mine are stolen, but that also means none of mine are maybe that good.

So all of mine are stolen.

But what it means is that I didn't do the homework.

So I'm going to know pretty much nothing more than just what they said in the tweet.

But I'll just read their tweet essentially as my own.

Okay.

Let me tell you one.

And this one, mine are either going to be incredibly obvious or just really stupid.

So sorry.

Okay.

Okay.

Casper mattresses.

Okay.

Have you seen their, like, have you seen their market cap?

No.

What is it?

Two billion?

One billion?

No, dude.

Less?

No.

Less than a billion?

Yes.

Keep going.

Three hundred billion?

How low is it?

No.

Two fifty.

Wow.

Two hundred and fifty million dollar market cap with like five hundred million dollars in sales a year.

Okay.

But why would Schmoth want to buy a trash company like Casper that.

It's not a trash company.

It shouldn't be in New York.

I would buy it.

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He should buy it and fire every single person and move them to Utah.

Tell me why a mattress company has customer service people who are hipster, hipsters out of Brooklyn or in Manhattan.

You don't need that.

But is the problem their, essentially their office, their G&A expenses or is it that the mattress and shipping a mattress and doing the, dealing with returns is really expensive and that's the problem.

He could figure it out.

Matt.

See, like I told you, none of my, my ideas aren't necessarily going to be that great.

Okay.

I like that.

I would say I'm going to say no on that because I don't think that technology, I think they are a technology native company.

I went the other way looking at the dinosaur companies that have strong brands, strong cash flows, sometimes small, strong real estate and they just don't have technology DNA.

That's where I went with this.

You want to do another one or you want me to go?

Yeah.

Let me do another one.

Okay.

Okay.

This one, it doesn't necessarily fit because I think it's still privately owned, but it's probably owned by, I think it's owned by a bank.

Okay.

So that's like subway.

Ah.

Okay.

Tell me why.

Okay.

Here's why.

Did you know that there are more subways than McDonald's and Starbucks combined?

I did know that.

So, okay.

Well, so it's the largest, I think, I believe by location.

It's the largest food chain in America.

Great brand.

Everyone knows subway.

You know, you say subway, everyone knows what it means.

They're incredibly cheap to open.

The reason why there's so many of them is a little town in Alabama may not have a McDonald's because that requires a proper kitchen.

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Well, subway just is two people and like an easy bake oven, like a little like, you know, microwave oven.

It's really easy.

Now, the reason why it's interesting is I think that their quality right now is horrendous.

The subway, like the legit, there's something wrong with their logistical, with their, with their chain of their supply chain that they can't get quality ingredients to the location.

Yeah.

Nothing is fresh anymore.

And like, that's their shit.

Yes.

And, but it's still a great brand.

It's even though they've been a horrible brand for like 15 years, all of us who are in our thirties and forties now grew up thinking that subway was like the Chipotle back then.

Like it's a healthy alternative, which is no longer is.

But I would be very interested in buying subway.

And I think there's a lot of things that you could do in the back end to make that business incredibly more efficient.

Okay.

I don't hate the subway call.

I still don't think I still think you're thinking in the same vein, like you're taking a brand that's known for X and saying, do X better rather than, okay, I'll give you an example here.

Okay, fine.

Let me give you a good one here.

So I found this in the thread.

Should I even try to give credit?

Should I try to find who said this may, maybe, maybe not.

Okay.

So the one idea is Western Union.

Okay.

So the person who tweeted this back is a main street investor.

They're their ad handles, new money, FC, good name.

I like it.

So he said Western Union.

Here's why.

Growing digital footprint, tepid revenue growth, strong free cash flow and no other bets.

And I think that's the key.

There's no like growth bets really in Western Union.

And so, you know, basically showed for, for 2020, a billion dollars of free cash flow on five billion of revenue.

So that's pretty good.

And then they basically, they talked about some of the assets that they have.

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So they are operating already and they have compliance in 200 countries.

That would take you a long time to buy into or grow into.

So they already have that.

They have a network of 500,000 agents already in all these different countries for you to do business with.

That's really critical.

And then, you know, it has a billion in cash and three billion in long term debt.

And so, so Western Union, here's the play with Western Union.

You have Chamath, who at one point owned 5% of all Bitcoin that was out there.

And you have Western.

Did he really?

Yeah.

I don't know if he still does, but at one point he had, he owned 5% of the market cap of Bitcoin.

He had accumulated a pretty big position.

This is according to him.

I don't know if this is an audited statement, but I heard him say it at a talk.

So then you have Western Union, which is all about money transfer on legacy, legacy systems.

And it's for international remittance of currency, which is actually the one thing that Bitcoin can do really, really well.

And so I think you basically take Western Union and you pair it as the Bitcoin brand.

And so you have all these agents in all these different countries where they have weak currencies, you know, you go to Uganda or wherever else.

And you have Western Union is a known brand over there, which is one of the few Western brands that's known internationally.

It's known as a trusted financial partner, which gets over the hump with Bitcoin, which is this new kind of scary thing.

And you basically inject, you basically turn Western Union into a Bitcoin remittance network over time, starting small and then going bigger.

And so I think this is a great way to become the sort of international Bitcoin, Bitcoin merchant and network using Western Union as your Trojan horse.

And let me look up the Western Union market cap.

So while you're looking at it up, let's look at what, like, I usually default to like, oh, yeah, why could this work?

But let's actually ask ourselves why this can't work.

By the way, eight billion is the market cap.

So Western Union, pretty shit brand, like they're known for being like reliable, but like to put crudely, like this is what you use when you're really poor.

That's the market.

That's the market that they have is people who need, you know, need money transfers like this.

Totally.

And it's typically like in bad neighborhoods, it's like poor low income people, right?

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Like it's opportunity.

You're just saying the word opportunity over and over again in my head.

That's all I'm hearing, dude.

I'm just hearing opportunity, opportunity, opportunity.

Hey, look, I agree.

There's opportunity everywhere.

But my point is, is that with that market, truly embrace Bitcoin.

So the thing is, you can make it where either Bitcoin is getting to that point where people are curious enough.

And if you make an easy on ramp, that's what people always talk about on ramps and off ramps with Bitcoin.

How do you make it easy to buy?

How do you make it easy to take your Bitcoin and get cash out, get cash that you want with it?

That's what Western Union is.

It's a network of on ramps and off ramps.

So I like that.

The other thing you could do is you could sort of mask it.

So you could basically make it, you can make it a more user friendly product that just uses Bitcoin as the rails.

And so you could, you may be able to skip the step of educating, but I would just go for the education component of it because I think enough people are interested in Bitcoin.

And I also think that the kind of bad neighborhoods thing, that's the US perspective.

I'm talking about countries where there is just a bad, the whole country is a bad neighborhood.

And so that's where Western Union is on the other side of, you know, that's the other side of the tunnel when you send money through Western Union is typically to countries with really poor financial structure, poor currency controls, that sort of thing.

That's who needs Bitcoin.

Another thing about buying a company like Western Union is that you probably have a ton, like hundreds of people in upper management who have been worked there for probably 20 years.

And it's like, can you teach an old dog new tricks, or do you just got to fire everyone?

We're cutting heads over at Western Union.

Okay.

So if you're going to do this, everyone's like, there's so much opportunity, but you got to think like, you're going to have to fire a ton of people, you're going to get lawsuits, the yellow color, we're brightening it up, we're rebranding or we're doing everything here.

So we are heads are going to roll, we're rebranding the whole name might change to Western coin soon.

And and it's going to be about trans transmitting.

I'm just saying these people probably all look like my aunt and uncle.

You're going to have a lot of angry Karens in Western Union packages on the left over here, you can collect six months of severance and see you later.

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I'm getting a bunch of crypto nerds in here and we're taking over.
That's an interesting one.
What are other ideas?
It's pretty good.
It's a pretty good idea.
I think now not like I would be on, but I wouldn't bet my own money because we're just shooting the shit, but it's quite interesting.
Okay.
Here's another one.
CVS.
This was the top reply in the thread.
No way.
And what?
Okay.
So let me give you the person.
CVS is booming.
They're great.
They don't need him.
It's like a post market.
So post underscore market is her handle.
She's actually very interesting.
She has very good tweets.
So she said CVS has 15 billion of cash flow has touch points with 100 million consumers and store base of 9,000 stores for distribution for you.
So this is the whole foods Amazon playbook.
And so basically it's healthcare is the most attractive vertical with the largest profit pool.
They have the tools to win an Amazon dominated world.
So Chimath is known to be very interested in healthcare.
I think one of his backs just took Clover Health Public as well.
He invested like a diabetes company and some others.
And so now there's some problems with CVS, which is that, like you said, CVS is doing well.
So CVS market cap is like 80 billion.
So not a realistic target to take take out, take private, take over.
So he actually responded in the thread and said, what about cash tag RAD, which is Rite Aid?
What about Rite Aid instead? Rite Aid is kind of interesting, right?
It's, you know, the poor man CVS.
And I think Rite Aid is like a 500-ish million market cap company that has many of the same properties, just with a smaller footprint overall.
And so here's the play.
We do, we do, we take Sam's original idea with the subway.

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No, no, no, we got not so we need like a blockbuster.
We need someone who's going out of business and we're going to take Rite Aid, the brand, and then we're going to pick up real estate footprint of some brand that just died during COVID.
And they like, you know, some dollar store or like, you know, Sears, I don't know who somebody's going out of business, but it has the same Sears, too big, you need somebody with the same footprint as a Rite Aid. We're going to do a roll up of those two.
And we're going to offer the sort of mobile ordering delivery DoorDash style service for prescriptions and and products from Rite Aid. Give me your thoughts.
And passport photos, which is why people go to CVS and Walgreens and stuff as well, to take passport photos.
We're going to come to your house and take a picture of you.
How big is Rite Aid?
I don't know. Are they public?
Five, six hundred million.
Five hundred million dollars.
Yeah, that's it.
Money cap. Fucking steel.
Yeah. Cool idea.
How many locations?
Like how much?
How I feel like their real estate would be worth the close to that.
They may not own, they may lease, right?
So OK, so it's a six hundred million dollar company.
Net operating cash flow, twenty, twenty, five hundred million dollars.
Free cash flow, three hundred thirty million dollars.
I don't understand public companies.
How is it? How is a company that's got, you know, three hundred million of free cash flow and, you know, five hundred million of net operating cash flow?
Yeah, I don't know anything about that either.
I mean, I would wonder how much debt they have.
Some someone who's smarter than me about how public companies are valued.
Tell me about all this.
But but I like the idea.
I like the idea of taking something that has going for something that has a wide real estate footprint in a space you care about like health care and then trying to modernize it by offering some of the things that the digital pharmacies are doing.
And I try to go that route.
That one's a good one.
What else was good?

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One other one I liked.
This was actually my idea.
But somebody in the thread also was thinking about it,
which is a brand that I find hilarious.
And that's Tootsie Roll.
So Tootsie Roll is a very interesting company.
I I don't know if I'd ever tell you about the Tootsie Roll stock tip I got.
No, but wait, did that the one that Moyes talked about?
I talked about it with him.
Yeah. Yes, I've heard about this through the through the grapevine.
So there was several years ago.
And by the way, this turned out to just be very lucky timing.
There was no actual intelligence behind this.
But several years ago, like 2017 ish, Tootsie Roll was like,
I don't know, thirty five dollars a share.
And I saw this YouTube video of this guy who was like on CNBC.
And they were asking him all these like,
what do you think about the global economy?
He's like, I don't know about any of that.
But I'm going to tell you one thing.
Dead stock Tootsie Roll.
He's like, I'm shorting Tootsie Roll big.
And I was like, what?
This came out of nowhere.
And he's like, I'm shorting Tootsie Roll.
He goes, do you know anyone under the age of 40 who likes Tootsie Rolls?
And he's like, yeah, Sam raises his hand.
But he's like, he's like, kids don't like Tootsie Rolls.
Don't even know about Tootsie Rolls.
He goes, Tootsie Roll owned by this woman who is 90 years old or whatever.
She's never going to sell the company.
She refuses to sell over her dead body.
So there's no sale possible.
Revenue is going to go down because nobody likes Tootsie Roll.
And as I was listening to this, I was like, yeah, dude, Tootsie Rolls are gross.
And so I shorted the stock.
This is my first stock I ever shorted and it crashed.
It went down to like whatever, not a huge crash, but it went down like five,
six dollars a share.
And I made a bunch of money and I immediately sold it and I got out.
And since then, by the way, the stock is up.
So it wasn't a long term thing.
But ever since then, I've just always looked at this Tootsie Roll stocks.

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So Tootsie Rolls worth two billion dollars.
And it is actually a big brand, but it is so outdated in every way. And it doesn't do that.
I love Tootsie Roll, by the way.
I wish I had a Tootsie Roll right now.
I feel like they don't do any of the things that like M&M's and Skittles and others candies do to stay relevant with like the younger generation of like, you know, partnering with young pop stars, like coming out with new variations, new holiday themes, like, you know, I feel like Tootsie Roll does nothing.
And so the idea would be to buy Tootsie Roll out and bring it back with like hire like the best marketing agency of all time and bring it back with the vengeance using TikTok as distribution.
What's their What's Tootsie Rolls market cap?
Two billion.
It's expensive.
What's five hundred?
Sorry, two billion.
Yeah, two billion, not bad.
It's expensive.
Wow. But I think, wow.
That's not an interesting one.
Not compared to all these other brands, right?
Hershey's, I think sold for 20 billion or something like that.
There's basically several candy brands.
If you follow the trail of candy brands, they all get like sold to the same in Mondolees and whoever.
Tootsie Rolls is a good idea.
Here's why. OK, so they own Tootsie Rolls, obviously.
They own fruities. I love fruities. OK.
They own dots, you know, dots.
Dude, I don't even know what fruities is.
I don't know what kind of, you know, Middle America candies you eat.
That is some redneck shit that I eat.
Do they own like red dots as well?
I feel like that would be a brand that they would own.
No, they own Sugar Daddy, you know, Sugar Daddy and Sugar Baby.
No, you know, dots?
Yes, dots is like what you get at the movie theater.
I love dots.
How about Andy's Chocolate Mints?
Don't know.
Yeah, the little they're like in a green.
Dude, everything in their portfolio is outdated.

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Dude, Andy's is what you get at the restaurant.
It's like the green thing that you get at the restaurant.
Like a peppermint.
It's kind of like that, but they also own they own Junior Mints.
They own Charleston Choo.
They own Charms Blowpops.
I mean, I wish people could see the excitement in your face right now.
Like this is like when you meet someone and you have five friends in common.
I feel like that's what's happening right now with you.
The Tootsie Roll brand portfolio.
Double bubble, they own double bubble.
You're crazy. This is a good.
So there's some good stuff here.
All of these, I would I would partner with rappers and make very clever songs.
I'd get my candy name dropped in every single song.
Double bubble. That should be a rap song altogether.
I would sugar daddy.
I'll try to bring it back, make it culturally relevant again
and and bring bring this candy back to the mainstream.
And then, by the way, you actually don't need to do any of that stuff.
You just need to not be this 90 year old lady
and then you need to sell the business.
She's just refusing to sell the business.
No, no, I don't think she is. Is she?
Yeah, Tootsie Roll CEO dies at 95.
We may never know how many way my info is outdated here.
This is back from three or four years ago.
She dead. So who owns it now?
Why didn't they sell?
Well, it's publicly traded.
I mean, I don't know. It's got a CEO.
I don't know, man. I'm looking at the shit on the spot.
But on Wikipedia, it says she's dead.
There's been all this candy movement, these candy rollups that are going on.
And I'm surprised that Tootsie Roll hasn't gotten in on the action.
But that's by the way, the candy companies, I think Hershey's and Mars.
I think those are like two.
Like, I think they're both in the top 10 of privately held companies in America.
In terms of size, interesting candy businesses are cool.
Yeah, I mean, Buffett is sort of famous for being in the C's candy business.
And yeah, OK, but how about that?
You want to talk about no one in Tootsie Roll?
Who goes to seize candy?

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Well, does C's candy own other brands that are like very popular, like they own M&M or something like that? Because he's always eating M&M. He's eating M&M to drink Coca Cola. So I assume they're he only like consumes his portfolio. So I feel like no, C's candy is owned by or they own they own those all the the fancy stuff. Yeah. I mean, it's fine. But like, it's not like I'd rather have a butterfinger than a C's candy. Yeah. Anyway, I mean, I'm into the candy space. I think there's opportunity in the candy space, but I agree with you. Like when you have has there been an like there's lots of like D to C healthy shit. But has there been a new like I remember when I did my cross country trip on my motorcycle in 2012, I remember going to like rural Alabama or rural Oklahoma, where I hadn't seen anyone in 100 miles. And then rural Minnesota and then Manhattan and then Miami. I went all these places and I'm like, they all have the same candy. Like there's a Snickers and M&M's and Hershey in all these places. And then I went to Mexico and then Europe and then all over the place. My sister was in Africa and I was talking to her and I was like, she's like, yeah, M&M's freaking everywhere. Like, I'm like, how like that's pretty crazy how ubiquitous some of these brands are, right? It's just phenomenal that you go like we think that each region is different. It's not we all like we're kind of similar. We all have the same stuff. And I started thinking about that in the scope of business. And I'm like, that actually seems like why has there not been that many new entrants into the candy bar space? I mean, there's been like cliff bars and healthy stuff, but not like. So I was literally thinking about this like an hour ago when I thought of the tutorial thing. I was like, dude, why are all these DTC brands trying to be like the vegan, sugar free, gluten free candy? It's like go for the junk food, go for addictive, you know, delicious, indulgent, have fun, you know, get a little wild candies. And I can't remember the last one of those that came out. And so I can remember one of them, which one? All right, a quick message from our sponsor. You know, I was thinking about the shortest day of the year earlier. And while we technically have the same amount of time as every other day of the year,

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the lack of daylight makes it feel so much shorter,
which is exactly the same kind of feeling as working with disconnected tools.
Our work days, the same length as always.
But before you know it, we spent three hours just fixing something
that was supposed to be automated.
Thankfully, HubSpot's all-in-one CRM platform can serve as a single source of truth
for managing your customer relationships across marketing, sales, service operations
with multiple hubs and over a thousand integrations and an easy to use interface.
HubSpot lets you spend less time managing your software and more time
connecting with your customers.
Learn how HubSpot can help you grow your business at HubSpot.com.
Wrap Snacks.
Okay, I don't know what that one is.
I don't like that.
You don't know what Wrap Snacks are?
Oh, it started in 94.
I had it when I was a kid and I still eat it.
It's called Wrap Snacks.
94 is not recent.
I know.
They take rappers like Juvenile or Migos or Cardi B and they call it Wrap Snacks.
Wrap Snacks are great.
I'm looking at this.
It's like Honeydrip Butter Popcorn by like Missy Elliott
and like notorious B.I.G. Honey, jalapeno, pup, potato chips.
Or Lil' Boozy, Louisiana heat potato chips.
Okay, so this is pretty much the exact idea I was going to pitch you,
which is you buy, going back to buying Legacy Brand.
So you go buy warheads.
Do you remember warheads?
Yeah.
So you go buy warheads and warheads are amazing.
I don't know, when I was in like sixth grade, warheads were the shit in my school.
It was like Pokemon cards and warheads.
Those are like the two ways that you could, that's like, you know,
that was Gucci and Prada as far as I was concerned in my school.
If you were carrying that, you were cool.
And so warheads are kind of out of fashion now.
But I think you could take that same product, that extreme sour product
and rebrand it and go partner.
I would go to clutch sports and I'd be like, Hey, LeBron,
we need like 15 NBA athletes.
You're each going to get your own warhead flavor.

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LeBron, you're the you're the black warhead.
You're the craziest, most sour one.
And then we're going to go get, you know, Anthony Davis and Yanis
and the other guys to be the other flavors.
And then I would go to Jake Paul for the next season.
I'd be like, Hey, Logan, you're the black warhead.
Jake Paul, you're the red one.
And then we're going to go get the other team 10 guys.
And I would just keep basically licensing influential people
and make the warhead packaging, you know, their head basically.
And and those would be the different flavors.
They'd all be limited edition.
And I would go that route.
I'm into it. I think that would be killer.
I really like some of these ideas.
What else is there in the candy space?
Like there's just not much movement in the sour cream with a dab of ranch.
Was that rap snacks? So good.
The one with what's a Dr. P or what's the fuckers name?
Dr. Dre Master P.
No, the Master P.
What's Master P's son name?
He has one.
Little Romeo, Romeo, Romeo, that he was he made it popular.
There's little Romeo rap snacks.
That's what I used to eat when I was a kid. That was a cool one.
OK, the other rap, the other brand that I would do this with is ramen cup,
like cup noodles.
There's a picture on the rap snacks website.
That's E 40s prime rib icon ramen noodles.
And it's just a branded version of the ramen noodle thing.
And, you know, the ramen noodle ramen is, I think, is eaten
by a certain demographic of sort of like kind of like the college student
or like low income, like because it's like, you know, it's the cheapest way
to get a bunch of calories.
Basically, it doesn't taste great, but it doesn't taste horrible either.
And so I would basically take the any of these products that are generically
branded or they look like kind of like ramen.
It's like this Asian looking brand.
It doesn't really, you know, like have much of a of a standout presence.
And I would just clone the product and slap, you know, different
celebrity faces on those products. I'm into it.
I love this idea. I've just I've always been thinking about, I mean,

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I've been thinking about this for years.
I'm like, why do we not have, like when you think about the innovation that has come out of candy, like it's been like M&M's having peanut butter and crisp and like, you know how M&M's has all those different flavors now or like peanut or or or peanut butter cups having Christmas tree or like there's it's very there's like they don't do a lot of new shit ever.
OK, so did you know the story of wrap snacks?
No, I didn't have some to do it.
Masterpiece Masterpiece.
I think he bought it.
Right. So basically they went into the chip industry.
So not exactly candy.
So so somebody named James Lindsay's part.
James Lindsay partnered with Master P to put some of my hip hop biggest stars on bags of chips.
And so this article wins this article.
So this is from 2020.
So this may be, you know, put some water to cool down on my idea.
I don't think it's that big.
So basically it said they're in for four thousand.
They only sell it like in the Midwest and the South.
We're like they have it all the stores right where I grew up.
Right. So they said, you know, they started this in ninety four.
Like you said, I can't believe you'd even do this, by the way.
You have the most random collection of knowledge I've ever seen.
And then 2011 things slowed down.
And then they were just kind of operating in three or four markets.
And then they came back in 2016 and they launched nationwide, basically not nationwide, but like a much bigger part of the country.
So now they're in four thousand Wal-Mart stores nationwide.
And they say it's grown into a five million dollar business, which seems really, really low.
That's wrong, brother.
It is.
Rap. Snacks reported.
I don't know what that means.
No, rap snacks makes at least a hundred million a year, dude.
Like every store in St. Louis has them.
Let's let's see if we can do it quick.
I believe you.
It's like it's huge and they have like T.I.
Snacks and they've got like a juvenile.
They got me goes. I love it.

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OK, so 30 million revenue like four weeks ago.
30 million in revenue in 2019.
You bought rap snacks recently.
Yeah, dude, I love rap snacks.
Do they taste good or do you just think they're cool?
They're just generic chips.
They're just cool.
I was with Sarah and she likes Cardi B.
I got her some Cardi B rap snacks.
Bro, like come in.
This isn't like hard to understand.
I would also be interested in starting a line where I just
got the brands that we would all eat for lunch.
So like Bosco sticks or like pizza sticks
or hot fries and cheddar fries.
We have what's Dunkaroos doing nowadays?
All right, so let's move on.
But I'm into the legacy brand legacy legacy food brand rebranding as
you know, who did a really good job of buying an old brand and making
completely different was a little bit Shinola.
No, what do they do?
What do they do?
Shinola.
You know what Shinola is?
No.
The guy who started Fossil Watch.
He's a Greek guy and he's American Greek, I think.
I don't want to pronounce his name because it's like a really
hard Greek name for me to say.
Tom, something.
Fossil Watch went public.
He became a billionaire.
He then started Shinola and Shinola is a very or used to be a famous
American brand and their tag phrase or tagline was you don't know
shit about Shinola and I don't know why that was the phrase actually,
but that was their tagline and it originally was a shoe polish business.
But Shinola, it had the coolest logo and so he bought it, the logo
and the brand, which I don't know what bought mean, like I don't know
what there was to buy and then he turned it into a watch company.
And at this point, they make watches, they put Shinola branding
on watches, basketballs, some electronics, like electrical cords,
which is weird, notebooks.
Right.

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And it's like a half a billion dollar company.

Hmm.

Interesting.

I like it.

Which one do you want to go to?

Do you show you want to talk about Bitcoin?

It's kind of nerdy, but I'll just get I'll just shout it out.

OK, so there is a blog post you should Google called nine charts about why Bitcoin is different this time.

And I think it's important because, A, I'm into Bitcoin, but B, it's hard to differentiate between when something is actually here, when there's substance versus just hype.

And what this shows is that Bitcoin has re-arrived at the like 18.

It's about 18,000 and a half now per Bitcoin.

And that's just about the all time high where it hit 20,000 a few years ago.

And then it crashed.

So people want to know, is it just going to crash again?

Or is it just hype speculation?

What's causing this?

And I thought this guy did a good job of looking at some of the fundamentals of Bitcoin, and it's pretty compelling.

I'll just shout out to the proof points.

And then I just think people should go read this.

It's very interesting.

So he did an analysis.

So he basically said it because bitcoins, all the wallets are public, right?

It's a public ledger.

So you can basically see how many wallets have more than \$10 in them.

And this is, you know, this is a way to check how much adoption is there, right?

Bitcoin, like all money is about a network effect.

So the more people that use it, the more valuable it gets.

It's like if not everybody uses a currency or doesn't speak a language, it's not useful.

So back in 2017, so just three years ago, the number of wallets with just over \$10 in them was three and a half million wallets, not that not that much adoption, right?

There's, you know, apps that tell you about plants that have more users.

And now, just three years later, it's 18 million wallets have more than \$10 in them.

So you could see like the number of any you could do this, you could say more than \$100, more than \$1000.

It's the same curve.

It's basically six X the size.

The adoption is six X the exercise as it was last time the price was at this point.

So that's way better, way more adoption, way more fundamentals.

The second part is what they call realized market cap.

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And basically this measures, okay, what's like right now to get the market cap of Bitcoin.

They just say, how many Bitcoin are outstanding and what's the price for Bitcoin?

That's the market cap, but that's not really real, right?

Because a lot of people got in when Bitcoin was cheap.

And so it's not like they're actually buying it at today's prices.

Like if one person buys it at 20,000, that doesn't mean that all the Bitcoin are worth 20,000.

So it's a little bit, the market cap generally is misleading.

So he looked at something called the realized market cap.

And all this basically means is he ignored all the Bitcoin that hasn't moved in many years.

So this is like stuff that people have had since 2009 and like has it hasn't actually

hasn't actually been transferred, hasn't been sold or bought.

So it's basically of the Bitcoin that were sold and bought this year.

How much have those been worth?

And so what it showed was that on a, it shows you kind of the cost basis.

And so in 2017, the market cap, if you use this method was only 10 billion.

And now it's 120 billion.

So 12 times the size, which basically means that the, even though Bitcoin's price is higher, the number of people who are actually buying and selling at this price is much, much larger this time.

So last time the price ran up because a small number of people were buying at this high price.

And most people had been in it at super low prices.

So like, you know, if you own Bitcoin when it was \$40 and now it's at \$20,000,

you're not going to, you know, you're more likely to sell because it's like life changing money for you to cash out, take some money off the table. And you're almost completely

unlikely to go buy a 20,000 because mentally you're like, dude, I bought this at \$50.

I'm not going to buy this at 20,000 per Bitcoin now.

And so there just weren't as many buyers available at that price point.

Now there's way more.

So I think those two are really promising signs.

And so I, I would guess that Bitcoin is going to break through to new highs,

you know, over the next two, three years.

How high?

I don't know. People do these like estimates where they say 50, 50, 60,000 at Bitcoin.

And what they're assuming is essentially Bitcoin continues to sort of eat into the gold use case of why people buy gold.

And so basically if you look at it as a, how big is Bitcoin compared to gold?

It's like 2% right now.

And people see it getting to about 10%, 10% of gold's market cap within that time.

And that would price it at 50, 60,000 per coin.

And there's all these other good signs like a bunch of financial institutions from, you know, JP Morgan, Bank of America, whoever I've come out and put in their thing.

Like here's the asset classes we're most excited about looking forward.

Like all their fund managers and stuff like that, you know, squares now using Bitcoin.

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So there's more adoption by institutions and there's more buying by institutions.
And institutions can really spike the market because that's a lot of cash that wasn't able to get into Bitcoin before that can now, you know, use Bitcoin as a small hedge in their portfolio. And that'll be huge.
So I think those things will drive it up.
There's a guy who is supposed to be chopping off his dick soon, right?
Why? He bet something?
The guy, John McAfee, he said, if it does, I think, did he say if it doesn't hit a million dollars by like this January?
That's right.
Yeah.
He's going to chop off his dick and eat it.
That's what he said.
Set your calendar reminders.
Is that this, is that this December?
I don't know.
I'm going to check when he promised that.
Not to interrupt your, your wonderful.
No, that's it.
That's all I wanted to say.
I'm wonderfully intellectual point, which I buy into.
But just a reminder, the founder of McAfee virus software on December 31st is supposed to chop off his dick and eat it.
If it's not at what, like a hundred thousand?
I think a million.
If it's not reached one million.
Okay.
Yeah.
He's always said he'll do it on national TV too.
Perfect.
Um, okay.
So, so forget the blog post.
Just what, just watch this when this goes live on ABC.
Um, we'll do one more.
Yeah.
What's the, uh, let's talk about Figma for browsers.
What's that mean?
Okay.
So I got two ideas that are kind of what I'll call the X for Y ideas where you just sort of take X and you say, I'm going to do it in a different category.
So Figma for browsers.
So, um, there's been this movement of all the shit people use from being what I'll call single player, like a single player video game to being multiplayer.

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So, uh, a good example of this is Figma, which is like a new, it's photoshop, but it's like the new age photoshop and fig was valued over a billion dollars.

So they built a billion dollar startup, basically taking photoshop and saying, oh, this should actually be on the internet, not just a computer, something on your computer. And like while I'm doing designs, Sam, you should be able to like collaborate on the same file and you should be a great framework.

That is such a great framework.

And, and so then there's Google docs, right?

Google docs said, oh, there's Microsoft Word, that's the single player version of writing a document.

Google docs, it's the multiplayer version.

Two of us can be writing on the same document, editing things, leaving comments for each other, that sort of thing.

It's like collaborative software is the boring way to say it, but I call it multiplayer software.

And did you make this up?

Um, I think a bunch of people have come to the same realization.

I like, I thought of it myself, but I've seen other people talk about this too.

Um, so there's another one that's a front, which is an email inbox.

So email is a single player sport, usually front basically said, Hey, you know, when you have like a help desk, it's kind of like annoying that everybody has to share the same password and you don't know who's going to reply.

Like we're going to make a team, a multiplayer version of an email inbox and like your whole team that does support customer support can see the same inbox and then assign each other's things and leave each other comments about it as you go.

So this, this trend keeps continuing.

So I just look at on my computer screen, I go look at the, the, the, the kind of the desktop apps, all the apps I have.

And I just think which ones of these are single player today that could be multiplayer.

And the biggest one is the browser.

So Chrome, right?

Or Safari or whatever you use.

So today your browser is a completely single player experience.

You, you, you use your browser, you don't share it with anybody else.

But you do take links and you share the shit out of links, right?

Like that's how the, that's how stuff grows on the internet is people sharing stuff with one another.

But the sharing is like a four step process.

You like grab the link and then you go to your email or your messenger copy, paste it, you send it to them, then they click it, then they open it.

And so I actually think that there's room for the Figma for browsers, which is basically, let's say for, for this podcast, for example, we could just have a shared Chrome window and we both just open up a bunch of tabs and I can see which tabs you've put in.

And you can see which tabs I've put in.

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I can highlight stuff on it and I could write notes on it.

You can see my comment.

You can reply to it.

And it's like we have this little shared internet window and I don't know what that would be good for and who would use it.

I would use it.

I know with a bunch of friends, but um,

I think that it's crazy to me that there's not a multiplayer browser.

Whatever the fuck that means, I think somebody should go do it.

I think that's such a great framework.

The multiplayer browser one, uh, maybe, but like in terms of just that framework,

I think it's gold.

Like for example, you know, do you know what Pro Tools are?

No.

It's for music.

Okay.

Editing music.

It's like considered the, I think, I think it's like the default.

I'm like, yeah, multiplayer that.

Right.

I mean multiplayer of any type of.

So people are saying Figma for like After Effects or for iMovie like, um, basically video editing should be done the same way.

It's not today.

Today I edit on my timeline and then I can export a file that you can import that and then you can't make the changes.

It's like really annoying.

That should be done in the Figma style.

There's a whole bunch of these.

Do you know what's crazy antiquated?

I cannot believe it exists.

And like I, I try to tell my lawyers all the time.

I'm like, can we just use Google?

And they're like, no, we're not using Google is when they redline documents.

Yep.

Like track changes in Microsoft Word.

Change tracking.

Yeah.

Like it's so weird when, so what lawyers do if no one's had to do this is they say they're going to, I don't even know the terminology, but they say they're going to do track changes or redlining, which means they like cross out the original contract and make something new in order to negotiate.

And then they like download it to the debt.

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They save it and they upload it to Microsoft Word and they email it to you.
And you can see the track changes.
If you have Microsoft Word, it's so freaking weird.
It's so weird.
I can't believe that that exists that way.
Yeah.
That's an old habits diehard thing.
I think there are some people who have tried to like modernize this whole thing because the big problem there is there's a bunch of different versions, right?
You'll have like contract January 2.3.
And then it's like, oh, contract January 2.4.
And then somebody just says contract revised clause.
And now it's like a different file.
New.
Yeah.
New, new.
New, new copy.
New, new copy one.
I cannot stand it.
I cannot stand it.
It bothers me so much.
I hate this whole redlining thing.
When I called my lawyer, I was like, hey, have you heard of Google Docs?
And she like, she's like, yeah, that's like amateur hour.
We're not going to use that.
And I was just like, okay, I guess, whatever.
Right.
But I'm shocked by that.
I'm shocked at the redlining, how that process works.
So there's another X for Y idea that I think is interesting that a bunch of people are trying to do right now.
And I don't know who's going to emerge a winner or if there is even a winner.
Maybe everybody's chasing a false prize here.
But it's Substack for video.
So Substack got really popular in the tech community as a really easy way to create a newsletter with a paywall if you want.
And so you can get subscribers and you can send them emails and you can charge them for emails.
And a lot of people are trying to do this for video.
So to say you can get subscribers for you to do video either live or recorded.
But let's take live.
I think that's where more people are innovating right now.
So I'm going to be able to go get subscribers for my live streams.
Some of those streams can be free and some of them can be paid.

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And somebody at a budget, people are trying to make Substack for live video right now.

Some people are trying to do Substack for recorded videos as well.

What do you think of this idea?

You think there's a there there?

I'm kind of torn on it.

Yeah.

So let me tell you an example.

There's this company that Ben Askren is part of and he film.

I've talked to him a bit about it.

It's called Rockfin.

Do you know what Rockfin is?

I think you've mentioned it once, but explain again.

So it's R-O-K-F-I-N and it's very similar to that.

It's in their tagline is the best way to monetize your content.

Now they've done something weird in that they've like built this on the back of Bitcoin,

which to me, I'm like, I told them, I was like, you guys, I don't like just just make this, let me give you money and make the service cool.

So I don't understand what this whole like Bitcoin shit is and how it works with us.

Honestly, it makes it super weird.

But you can go to Rockfin at the very bottom, click like subscribers or dashboard and you could see how many subscribers they have.

So they have about 10,000 people who pay them money and they've lined up people like Ben Askren, people who are like mildly well known athletes and they create athletic like vlogs for them.

And so Ben Askren will like leading up to some fight or something.

He'll like put out a bunch of episodes and I think it's cool.

I actually paid for it.

It was awesome.

So they're trying it.

I think one problem is, is that video is significantly harder than text.

So like with Substack, I can just sign up and it would take me 30 minutes to write my first article right video.

It's definitely a lot more intense.

But I do think it's quite cool.

I mean, you're, you wouldn't do it like Rockfin.

You definitely do.

You would just rip off only fans.

Yeah, only fans is a great, great example of this.

They do, they do everything.

They do, you know, mostly photos and videos.

I think the, a lot of people are doing this for live video, which I think makes some sense because you, it's not as hard to create live video as it is recorded video ironically, right?

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Because for recorded, you have to like put all this time into editing, make it good and all the stuff with live video.

It's just like, hey, whatever happens during this hour happens and then you're done with it. And so I think, and then you have like Instagram live and all these other things where Twitch, where you can stream for free, but you can't have like your stuff behind a pay wall.

And so that's where I think a lot of people are trying to do this for live video.

I think it's interesting.

Yeah, I would just rip off only fans though.

That's what, that would be my thing.

But for the same market, there's only fans are for a different market.

Different.

Yeah, like a, like a PC, you know, a safer work type of thing.

Right.

Okay.

One other idea I wanted to talk about is this, this website called gumspy.

So it's gumspy.com, G-U-M-S-P-Y.

I was pronouncing it gumsy.

Have you seen this?

No, I saw it on your sheet.

I was like, gumsy, what's gumsy?

So.

Gumspy.com.

Yeah.

So I'll shout out to guys making this guy, Jacob Greenfield's making it.

Greenfeld, maybe is how you say it.

And I like this dude.

He's a kind of like built in public type of guy.

And those are, those are my people.

I like that.

And so he's building a bunch of different random projects.

This is one of them.

So what he said is, let's see who, who's got the best selling stuff on gumroad.

So it's just a list of the best selling stuff on gumroad.

Just good trend stuff for you, by the way.

So he has this, you know, website where you can go and you can get a seat.

You can see a free sample where it's basically like this air table kind of embedded into the website.

You can just see.

So like if you scroll over and you sort by estimated monthly revenue, look what's at the top.

It's a trans competitor of yours that's doing 27,000 a month.

And then there's, you know, just a whole bunch of the agency core stock market investing fundamentals that sold about \$9,000 a month on gumroad.

So I thought this was kind of cool.

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It's a cool way to see kind of what's popular on gumroad.

And, and I like this guy, Jacob style.

I recommend you follow him and look at the different things he's doing.

He's doing what he's calling a bootstrap MBA, which is like,

how do I learn business through trying to bootstrap a bunch of projects over this year?

And it's going to cost me money.

Maybe I'll make some money.

Maybe I'll lose some money, but I'm definitely going to learn about business by building a bunch of businesses this year.

And I'm going to publish as I go.

And so I like this.

I like this guy's up to it.

I think this is a cool product.

Wow.

This guy's Jake, his personal website is even cooler than the real website.

Yes.

It's Jacob with a K.

So Jacob Greenfeld dot com.

Yeah.

This kid's a held.

Is he young?

Is a young kid?

No, I don't think it's a young kid.

I think it's a like guy.

Oh, okay.

Well, this man is talented.

Yeah.

This guy's bought this guy's awesome.

Yeah, I like him.

Wow.

Yeah.

I'm, I think this, this person is going to be great.

I like this gumroad idea.

That's not going to be a big business, obviously, but it's a really neat small tool.

But I bet you if it looks like he's already has eight of these tools already made.

Yeah.

He just uses the same landing page, by the way, for all of them.

Like he has another one called product explorer.

And it's just the same, it's the same website.

It's a great, what is this made out of?

Is this like some like notion thing or something?

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I sent it to my guy who, by a guy, Ben,
who helps me with all my projects.
And I said, great example of a personal website
and great example of a landing page.
Let's figure out what he's using as his template for these,
because I really like this format.
Yeah.
This is really good.
I really, really like this.
His landing pages are phenomenal.
This person seems great.
I think this is really, really cool.
Oh, man.
I'm like digging through all of his stuff.
So how'd you find this person?
I saw the Gumsby tool and I was like, oh, this is cool.
That's the bottom right side.
This is made by a Jacob.
And I was like, ah, anytime somebody builds something tight,
I stalk the shit out of him.
And then I saw, he follows me, he DM me,
and I never had replied to him.
And I was like, ah, shit, here we go.
And so now I DM'd him being like, hey, your stuff is cool.
Yeah, I don't have anything to say about this,
except this is cool.
I think, I don't think that some of his tools are going to be
like particularly big, but I bet you many of them
can make five grand a month.
Yeah.
I think, you know, this is kind of like in the learning phase
and maybe something, not something leads to something.
It's kind of what you bet here.
Wow.
That's badass.
Let me tell you a quick story.
I was out in, in at a bar and I was like,
not at a bar, I wasn't in a bar.
I was outdoors on the patio of this like picnic area.
And I was talking, I guess kind of loud,
but I had a mask on and glasses on and no one could see my face.
And this person walks up to me and he goes, are you Sam Parr?
I was like, yes, hi.

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He goes, dude, you're in Sean's podcast.
I love it.
I'm a huge listener.
Like I listen to every episode and I thought it was kind of cool.
So you recognize you buy your voice, you're saying?
Yeah, they could tell my voice.
They could tell my voice and that happens every once in a while
when people can see my face.
But it was very funny.
People were able to recognize it just from the voice.
That's cool.
Who would have thunk it, man?
That's, that's pretty crazy.
Has that happened to you yet?
No, the closest thing to that is like, I called my cousin
and I called my cousin Robbie and he picked up the phone
and it sounded like something was like off.
Like I was like, hey, what's up?
And he was like, hold on.
And he was like kind of like distracted by something.
I was like, oh, if it's a bad time, like I'll go back later.
And he's like, no, no.
He's like, I was literally just listening to the podcast
and then you called and it's the same voice.
But like now it's live.
He's like, it's just like really tripped me out for a second.
He's like, I didn't know if I just pushed something on my phone
and didn't know what the heck just happened.
So I thought that was actually a pretty good little bit.
That's a good one.
Anything else we got to we want to go over?
No, we're good.
No, we're good.
Great.
Sounds good.
Cool.
All right, man.
I will see you then.
All right.
That's it.
See you all soon.
Cool.