

[Transcript] My First Million / #152 with Trung Phan - Sam Talks About the Hubspot Deal & Ideas With Trung Phan

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.

We're live.

We're on.

Okay.

We're on, man.

Listeners, so Sean has had a little work emergency, not like a real emergency.

He just couldn't join the podcast today.

So we have Trong.

What up, man?

So Trong is a writer for the hustle.

He wrote for Trends.

Now he basically writes the daily email by himself to close to 2 million people a day.

He is big on Twitter.

What's your handle?

TrongTfan.

So he's around.

A lot of you guys hopefully know him, but he's been wanting to come on the podcast.

Sean wasn't here.

So I want to be grilling Sam for everyone, and I just want to clarify, we do have some other hitters on the daily email.

I mean, I did some heavy lifting in Q4 2020, but we got some hitters now.

Jacob Cohen, I got to give a shout out to the young one, and he does great stuff.

But yeah, I'm here for the listeners to ask Sam when he was selling hot dogs in Missouri.

If he ever thought he'd be selling a media company to a SaaS firm.

We have this group on this app called Apex, and it's like a private group where a bunch of my first million listeners are on this group and they anonymously say stuff.

All of them make fun of me for talking about hot dogs too much.

So I don't think I could talk about that anymore because they say I talk about it too much.

So I don't know if you can go the hot dog route, but you know what we should do one day, we should have Trong and his team come on and actually talk about how they write the daily email.

I feel like a lot of people ask me that all the time, but it's way less sexy because

[Transcript] My First Million / #152 with Trung Phan - Sam Talks About the Hubspot Deal & Ideas With Trung Phan

it's basically Trong just locks himself in a room and does it.

One time I talked to Trong at like 11 a.m. his time, and he was like outside with this kid at the playground.

And I was like, Trong, don't you got to write the email?

He goes, dog, it's done.

I did it already.

He took the day off.

I was like, all right, we'll have to do that sometime.

But yeah, our deal was announced, I think last Wednesday, the company, the hostel has been sold to HubSpot.

That includes this podcast.

And we're going to do a ton of cool stuff.

I actually think we're having Kieran on the guy who was like the champion of the deal at HubSpot.

We're going to do this podcast tomorrow to talk about, from his perspective, why they did it.

But today we could talk a little bit about our company's perspective and some things like that.

Just as everyone knows, and so Trong knows, because we got bought by a public company, we're definitely not allowed to talk about certain things or to like, I'm going to try my hardest not to make a joke like, oh, you got to go out and buy the stock, right?

Because that's illegal.

And I'm still learning all this as I go.

I'm not as I go.

I mean, I've learned a lot already, but it's definitely new to me.

I have to make sure I don't do anything unethical or illegal on this podcast.

So Trong, hopefully you'll be able to do that tomorrow.

Well, just for anybody that's wondering, the ticker is H-U-B-S, so is that going to have to get bleeped out?

No, you're not.

I don't think you're saying anything wrong.

You're just saying a fact.

All right.

That's a ticker.

I mean, this one might have to get bleeped out, but I was telling Sam that of all the Hub companies that purchased the hustle, I'm glad it was HubSpot, you guys can do the math and the other Hub companies.

What do you think, Abrayu?

No, I can't keep talking about this.

There's a big one based in Montreal.

We'll just leave it at that.

Yeah.

So what do you want to talk about?

[Transcript] My First Million / #152 with Trung Phan - Sam Talks About the Hubspot Deal & Ideas With Trung Phan

What should we talk about with this deal?

Well, when you tell the listeners, I mean, no one's heard from me other than that thread.

Just tell them, download on them right now.

You're feeling.

Yeah.

So we, a while back, so we've always had people wanting to buy us a lot of media companies and mostly all media companies or all media companies and private equity firms.

And I was never going to sell to a private equity firm.

Like, no, not a chance.

Was it going to be part of that?

Media companies, I thought it was cool.

So I went to like the offices of like a lot of these cool New York publishers in Brooklyn or some of the older ones that own lots of brands in Manhattan.

I went to a lot of these companies and they were lovely, nice people, but it was just not a culture fit.

It was like, I remember I was like in this boardroom or it felt like a boardroom.

Like you imagine like boardroom in like a, we just picture like an old white dude with a tie overlooking Central Park and me telling him when I was 26 or 27, about like this email where it's kind of funny because we could say the F word and we just do crazy stuff and yada, yada, yada.

We went to, I'm writing an article about doing a bunch of LSD like, and I'm like, this guy does not get it.

Like I'm just a lying item to him and, and I didn't want to be part of that.

I also felt that a lot of the media companies out there, they were dying and they thought that buying us or buying a bunch of businesses like us would somehow save them and I did not want to be part of that.

So we never like trunk name one media company that's doing great, like publishing media company who you'd want to own stock in.

Are there any?

No.

Well, I mean, I think you've talked about this before, but like, I mean, what the ones that raised major venture like four or five years ago, like the vices, but see the boxes just like those business models aren't going to be able to last in 2020 and beyond.

They're all tons of ventured, tons of growth expectations that there's never going to be able to meet.

No.

To answer your question, no.

And then like, is there any public company that is like a traditional acquirer of us that you'd want to own stock in?

Have you ever spoken to the times?

New York Times?

Yeah.

Not in this capacity.

[Transcript] My First Million / #152 with Trung Phan - Sam Talks About the Hubspot Deal & Ideas With Trung Phan

You're right.

So that's one.

I would want to own New York Times stock, but there's not many.

No, there isn't.

I mean, the other one is, I mean, it's a private company and it's at this point, it's like I'm a nonprofit is whatever Steve Jobs is, a widow is doing the repel jobs.

I've talked to them, but not in this regard.

Do you believe that those companies can like three, four, five, six, seven X their valuations?

Impossible.

I mean, what's vice?

Was that as big as a \$5 billion company?

It's insane.

Yeah.

So when we met with these companies or just like thought about these companies selling to them, it destroyed me.

I also think that a lot of media companies, particularly in New York scene, and I like, I make fun in New York.

I love a lot of these people.

A lot of them are my friends, but you know, just like in Silicon Valley, there's negative stereotypes.

The New York media scene has these negative stereotypes in my head.

It's the same people revolving doors at company, building the same shit and most of it is horrible.

They all say, oh, let's go to video.

Let's do this.

Let's do that.

Now they're all saying, let's go to newsletters.

It's like, doggy, that was six years too late, but they're all saying the same stuff and I didn't want to be part of that.

And so in my head, I always thought, you know who should buy us?

We work.

I thought we work should buy us.

Like when they, before we found out that they weren't that great.

And then I thought, um, LinkedIn should buy us.

And then I started thinking, Oh, what about like a sales force or like companies like this?

And then last fall HubSpot reached out to me and I was like, Oh my God, this is finally happening.

One of you companies that I, that I always thought should buy us is showing interest.

And so that was quite interesting.

And then they should kind of explain their plan and it made a ton of sense.

And I was like, all right, this is great.

We got to keep talking.

[Transcript] My First Million / #152 with Trung Phan - Sam Talks About the Hubspot Deal & Ideas With Trung Phan

Why don't you explain just like briefly before Kieran gives a full download, let me top level.

What is the value prop for them?

Yeah.

So basically the hustle, our vision from day one, here's been our vision from day one.

We said that we wanted to build up this really large email list and we're going to do it for like these, this entrepreneurial business minded person.

We're going to make profits early on, which we did with advertising.

We had about an eight figure advertising business.

And then as we grow, we're going to use those profits to launch more stuff that we could sell directly to them.

And our first thing was trends, which was a massive hit.

I think it's a massive hit, but, and then eventually it was like, all right, that's working.

Let's launch another.

Let's launch another.

And then it was like, all right, we're making all this profit.

Let's invest in some of these cool companies that our trends members or hustle readers are making.

That was kind of the long-term goal.

And HubSpot came to us and they go, yeah, we want to do this thing.

And they basically described what I described.

They're like, we have these products, but a lot of media companies who have these great audiences, they haven't made like the really high margin stuff and we could partner with them and kind of a one plus one equals three type of thing.

So.