

[Transcript] My First Million / #168 - How to Reverse Engineer Businesses, The Indonesian King of Coal & the Story of Adidas

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.

This Chinese Indonesian guy, what's a politician?

No, he was the guy, he was the middleman.

So what he realized was, because I was like, okay, cool, we have this coal, what do we do with it?

He's like, oh, we just sell it immediately.

As soon as we sign the paper, we have the coal, we sell it to Exxon.

And I'm like, oh, okay.

So how does that work?

He's like, well, I bought all this coal for \$2 million, and then we, I bought all the coal for \$2 million, and then we sell it in blocks for \$20 million each.

I'm like, well, that's like \$400, \$500 million.

How are we, we're turning \$2 million into \$500 million?

And he's like, yeah.

I'm like, well, that's amazing.

Like, why didn't Exxon, why don't they just go in directly by this?

I feel like I can rule the world, I know I could be what I want to, I put my all in it like no days on, on the road, let's travel, never looking back, I just got vaccinated.

That's pretty cool.

I got a new toy.

Do you want to see?

Yeah.

Oh, nice.

Sam's holding up a gun.

I was just, I just drove by a bath pro shop and I walked in and I was like, I was just walking around just to look at like beef jerky or something.

And I just saw it and I've never even remotely owned anything like that.

And I was like, hey, those are cool.

You didn't need to like get certified or like do a background check or something.

You just walk into a bath pro shop and buy a gun.

But yeah, I mean, I just walked up to the counter and I go, oh, those are handguns.

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Those are neat.
What's the deal?
Like, how do you buy one of those?
And I go, well, just give us your driver's license and we'll run a background check and you can walk out in five minutes and I go, huh, sick, I'll take that one.
You just held it up.
So we got it.
You didn't hold the gun part.
You held it with two fingers and like pointed sideways.
Yeah, I still have to learn how to use it.
I don't even have ammo for it and I have like a lock on it.
I'm like pretty paranoid.
I got to figure out how to use the damn thing.
Um, very Texas.
So we have something.
We have one.
I'm a, I'm a, uh, Texas residents resident now.
We have something cool happening on Wednesday.
Yeah.
We're going to interview Jake Paul, which might be in terms of just like famous people might be the most famous person we've ever interviewed, probably the most famous person I've ever met.
Um, I met the Pope once, um, I met Bill Clinton when he was in office.
All right.
You peak.
So, but Jake, Jake, I did that.
Both of those when I was, uh, like eight years old.
So Jake Paul is like number three, but Jake Paul's coming on.
What does that mean?
You saw the Pope.
You shake hands on the Pope.
And what does it take to meet the Pope?
Uh, shake hands that said hi in a busy crowd.
Oh, that's pretty good.
All right.
You shook hands.
Let's see who is the most or did we like more like a high five?
It was more like a high five.
Bill Clinton, Bill Clinton, uh, I shook his hand and like said, Hey, uh, what's your, what's your real first name?
And he goes, William, I go, Hey, why, why do you have white hair?
He goes, cause I'm old and that was so I met him and asked my name.
So I actually, I actually met Bill Clinton.

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You really shot your shot with Bill Clinton.

Well, I was like six years.

Well, what year was that?

What, what year?

92, whatever it was.

I was like four or five.

Was it pre-Lewinsky, post-Lewinsky?

What was going on?

Uh, pre.

Yeah.

Pre.

Pre.

Back when he was still a young bill.

All right.

Um, that's pretty good.

I met, uh, the closest thing I ever got to that probably was, well, I have this really long Orlando Bloom story that's very funny, but I'm not going to tell it.

Uh, but it's like, if you're my friend, you've heard me tell the story 10 times because it's just a go to.

It's just a winner of a story.

Uh, you know, the stories that you just like, you just have in the bank.

If you ever need to be like, you know, the life of the party to impress someone.

Um, but then I also, you know, the, you know, the Duke, uh, Duke Andrew or something like that.

I forgot his name is Duke Andrew.

I don't know how you say his name.

I know the name.

It's either guy.

Did he get in trouble with Jeffrey?

I'm sorry.

He just got in trouble, uh, for that or maybe for other things.

I don't know.

Something happened that's not great for him, but he was doing a tour of Silicon Valley.

And so we got word that, oh, the Duke is coming to our office, uh, Prince Andrew, Duke of York.

Yeah, that's right.

Uh, he was the Duke of York.

So I heard that word.

Oh, in the morning, the Duke of York is coming to the office today.

Can you give a presentation?

I didn't know what the Duke of York was.

Um, still don't really know what the Duke of York is.

He's just like not in the Prince lineage, but whatever.

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So anyways, he first, a full security detail comes sweeps the whole office, the, you know, the morning just to make sure they get the whole layout.

They know where the entrances are.

They know where the exits are.

And they're like, okay, this place is secure for the Duke and he shows up at 4 p.m.

And I've got this like presentation I've been working on through my whole day away.

And I just started working on this presentation for the Duke and, um, explaining what we do and why it's so great.

I'm like, I've gave my all and the presentation is, uh, you've been to our office.

Our office has like couches, not like kind of chairs, so very comfortable couches.

So he sits down on one of our couches and it's just flanked by security guards.

And I fire up the first slide on the big projector and I start talking and I see that he's asleep.

He is, uh, passed out by the, before the first slide even starts, he has fallen asleep in his chair and now I don't know what to do because I'm giving this presentation to this one guy who's asleep.

It's all my employees who know what the heck we do.

They don't need this presentation.

They all see that he's asleep.

I see that he's asleep.

The security guards are kind of like not saying anything, they're not doing anything.

And so I give the presentation to the sleeping Duke of York for the first 20 minutes.

Oh my God, I'm cringe.

I was so lame.

That's actually really cringe.

Well, I'll, I'll finish the story with one thing cause it's kind of relevant to what we do.

So at the end, uh, because we were an idea lab and like this podcast about brainstorming business ideas and talking about, shoot the shit about business ideas.

So we, I basically paused at the end and I was like, okay, I could keep going, but like it'd be more fun if you actually joined us and doing what we do and kind of brainstorm some business ideas.

And so we asked him a bunch of questions were like, do you guys, like what apps do you guys use?

And he was like, we don't have phones.

We're like, what?

He's like, he's like, we don't get to use our, our like personal cell phones.

I guess at that time, I didn't know exactly what he's saying, but there's some limitation where they don't have, they don't just have like iPhones with normal apps and they could do whatever they want.

They're very like pre-installed, use this phone, use what it has and like, if you want more, go to IT and they'll, they'll help you or something like that.

And then I go, what business ideas you have?

He goes, there needs to be a fact checker.

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So politicians can't lie.

I was like, what?

He's like, we need to hold politicians to, to what they say.

There's so many politicians that just lie and we need them to, I mean, everything should be on the right.

Everything should be like on the record.

It should be fact checked at all times and it should be public.

If you're lying, that was his idea at number one.

And then he had something else that was like about like, I don't know, like digitizing paperwork or something like that.

And I was like, all right, thanks, Fritz.

So there's actually, wait, I can riff on that.

There's this thing called Politico, Politico, uh, what is it?

Uh, I actually don't know how you pronounce those.

Oh God, everyone makes fun of me for not feeling.

Politico?

No.

Uh, Polita, uh, P-O-L-I-T-I, fact.

Polita fact.

Polita fact.

Okay.

No.

Um, so what it does is it looks at, uh, like when there's a big, um, uh, big election, they analyze all the major speeches, uh, done by some, by someone.

So in the case of Trump or, uh, Biden, when they were doing their debates, they would, they have a meter that is says true, mostly true, half true, false, most of this pants on fire.

And they actually check all the stuff they say, and they say this is, or is that true?

Here's why.

And it's kind of cool.

Uh, uh, Polita fact, I guess it's called it by the, I like that it goes to pants on fire.

That's it.

That's a nice touch.

It's pretty cool.

Um, I like that.

Uh, so your, your boy was onto something, not a great business, but it, it does exist.

There is something that does this, um, okay, wait, one more thing you said, uh, we got on this tangent because you said Jake Paul's coming on Wednesday.

So, um, why is Jake Paul coming on and what are we going to do about it?

So Jake Paul.

Okay.

So, uh, I am basically copying Sean and I started investing in some companies and Jeffrey

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Wu is a friend of mine.

I think he's a friend of yours too.

Uh, yeah, I'm, I'm mildly close friends with him and he saw that I was investing and I saw that he was investing and he goes, and we were just shooting the shit.

I go, what do you do it?

And he said, what do you do it?

And we exchanged ideas.

He goes, Hey, you just want to do a phone call.

I'll bring on my partner Jake and I was like, Oh, aren't you partnering with Jake Paul?

He goes, yeah, yeah, yeah, I'll bring him on.

And uh, I go, all right, sounds good.

So we just do a zoom and I'm sitting there with Jeffrey and or Jeff and, uh, Jake and Jake's like, Hey, what's your cell?

Let's just have a text chat, like a tech, a group, uh, thread.

And by the way, uh, I love my first million and I know the hustle.

Like, can I come on the podcast or, or like, yeah, sounds good.

So here.