

[Transcript] My First Million / #183 - How Course Businesses Work, How Irish Pubs as a Service is Making Millions & Profiting From Vacant Office Spaces

That alone is kind of like to your point here where if you're a creator with an audience with credibility, if you've done something, if you're actually good at a skill, yeah, you can get to a million dollars a year of profit, not just revenue, doing it as an individual course creator.

Yes, and the path is quite straightforward. The tactics are simple, but it's basically...

Alright everyone, what's happening? We have a good episode, but before we get to it, please do me a favor, click the subscribe button on iTunes and the follow button on Spotify.

Last week, we got a ton more Spotify listens because they're doing something. I think there's like a pop-up right now that shows to people when you listen to the podcast and ask if you want to follow. Anyway, I want to see if that's working, so go ahead and click follow on Spotify and then click subscribe on iTunes.

And the reason why is the more you click that, the higher we go up in the rankings, the higher we go up in the rankings, the more listens we get, the more listens we get, the more cool shit that we can do.

So do that now. In this episode, we're going to talk about course businesses.

Course business is something that a lot of people are interested in. I think it's one of the easiest ways to make a million dollars a year, but we're also going to talk about how companies are making a hundred million dollars a year doing it.

So go ahead and give us a listen. We're going to talk all about the course businesses. It's going to start in just a second and make sure to click subscribe, click follow, and we'll talk to you soon.

We got a lot of cool stuff going on, but how are you doing?

I'm good. I'm still recovering from your sick burn about my sweatshirt.

They'll see on video. It's not that it's bad. It's just that it would have been a lot better if you wore it as like a nine year old in 1994.

I look like a skateboarder who got his birthday present, you know, a 12 year old skateboarder who got his birthday present, and then a brave clap back at Sam and told him he looks like a knight who's wearing the like chain link stuff that goes under your armor.

You look like the extra from the Disney movie Brink.

Okay, I have not seen that, but you look like a 90s Disney movie extra.

Dude, I wish that would be an upgrade from my reality.

Have you, um, do you read books?

Can't tell if this is another burn transition to a real question. Do you know how to read? Yeah, I read books.

How many books do you read?

I'm not. This is like real.

How much do you bench press? I read like, I'm reading like a book all the time, like I just have one book that's going at any given time, probably read, I don't know, three or four a year.

Do you, um, when you're reading it, do you feel like you absorb it?

Yeah, I intentionally read slow and I reread and I take notes.

So that's what I'm doing now. Instead of like, you know how like, do you know who Ryan Holiday is? Do you know about him? Yeah, I love Ryan. He's cool, but he reads like five books a week and that's popular that people will say like their New Year's resolution.

I'm going to read 50 books this year and I'm like, damn, that's hard just to do, but like, do you learn anything?

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And what I'm trying to do now is only read two or three books a year, but I'm, I'm like quizzing myself. I'm trying to master it.

And it's been really hard.

And what I do is I get a bunch of books, like I'll buy a book every three days, probably anything looks interesting.

I have an unlimited book budget for myself and I've had this for a long time where I just decided, okay, I'm not going to be, I'm not going to have a budget.

I do the same thing, by the way.

And so I just instantly buy it on my phone. I use the Kindle app on my phone to read. I have a Kindle, I have physical books sometimes, but I'm all the phone is always with me.

I end up reading more there. And what I do is I will, I'll read like 5% of 50 books in a year, right?

Like I will just pick up a book, I'll start skimming through it and I just assume that most books are bad.

And so I, I, I'm very, I do not complete 95% of the books that I read that I start. And I think that's totally okay.

The book has to actually like be interesting or grab me or say something interesting for me to try to finish it.

But then once I do read a book that I like, I will reread that book multiple times over the years.

Like I'll reread the book a few years.

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.

This week, the host relived the latest and greatest pitches from Shark Tank, from Squatty Potty to the Manchana 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.

It's a great show.

Same. I do the same thing. I use it as a reference book and I reread it a couple of times.

I want to ask you, so today I want to talk to you about course businesses.

And I went down a rabbit hole and I called someone right for the podcast in order to get intel and get insights.

It looks like you have a ton of ideas.

But can we start with something really easy, which is you got into an argument with someone on Twitter.

That's what you have listed here.

And you alluded to it a week ago.

What happened? I don't know what you're talking about.

Okay, so.

All right, I want to try to do this without getting without restarting the fight.

I tweeted out that I said, you know,

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I don't even know what I said exactly. I basically said, Elon Musk and Jake Paul have.
Yes, I said, I said, Elon Musk, you know, sells cars and launches rockets and raises money and does all this stuff.
And you know, Tesla never runs a commercial.
Jake Paul is like, does the same.
He's going to sell millions of dollars of paper views for this boxing match that he is coming up without a commercial.
And I said, the best marketers don't spend a dime, right?
Just kind of like an observation.
It's not like obviously.
And also like a cute sound bite tweet.
Yeah, just a sound bitey thing.
Obviously, many marketers spend money and they're great at it.
And that's a smart thing.
I do, I spend money when I advertise too.
It's great.
So that's not really the point.
It was some people are able to hijack people's attention in the news and have done very well with it.
Right. So I tweet that out.
Doesn't even seem like that controversial of a statement to me.
Move on with my life.
And then a few people start comment.
A bunch of people were like, yeah, true.
And then a couple of people comment like, you know, yeah, but Jake Paul is an asshole.
Okay, fair enough.
Doesn't matter to me.
And then one person who's a writer for the New York Times basically says, I can't believe you.
I can pull up the tweet.
I should pull up the tweet because this is going to be stupid.
If I am doing that, the person you're talking about her name is Taylor Lorenz.
She works for the New York Times.
A lot of people in the tech world and a lot of people in general really dislike her.
And I'm, I actually, let's be objective here.
A lot of people really love her.
So we don't always want to go to the negative side.
Okay. So I have my stuff in front of me.
And by the way, I don't have her tweet because she now has blocked me, but so that's the end of the story.
All right. So I said, Elon is pumping Dogecoin on Saturday Night Live while the Paul brothers are raking in tens of millions just by stealing Floyd Mayweather's hat while the camera is on.
The greatest marketers don't spend a dime.
By the way, did you see the hat thing?
The gotcha hat thing?

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So funny. Yeah.

So funny. Okay.

So if you haven't seen it, Jake Paul's older brother Logan is scheduled to fight Floyd Mayweather. Logan Paul's a YouTuber, Floyd Mayweather, probably the greatest boxer ever.

It's not even going to be close.

It's not even a, it's not even a, like a real contest.

It's like 2001 odds.

Yeah. It's like celebrity death match.

You have two celebrities that are agreeing to go punch each other, but like one of them is actually a professional puncher.

Yeah.

And so anyways, but they have to sell the fight.

So in the press conference, you know, they have to pretend like, Oh, I'm talking trash.

Like I'm going to beat you.

And you're talking trash.

Like you're going to beat me.

Anyways, Jake Paul stole the show.

This wasn't trending very well because it's so one sided.

Not a lot of people wanted to go buy this because there's not much intrigue of what's going to happen.

The only people want to buy it are just people who want to see a bit of a circus.

And so Jake Paul goes up to Floyd Mayweather and they're talking shit.

And they're like, I'm, you know, I could beat you up.

You could beat me up.

And then Jake Paul goes, gotcha hat.

He just took his hat and ran away like an absolute third grader on the playground.

Funny as hell.

Of course, you know, to, to ham it up, Floyd Mayweather tries to go fight him cause he took his hat.

And then there's like, you know, 70 people all holding their camera phones up, recording the thing.

Yeah.

It's just a shit show.

Yeah.

So that, that went viral.

That goes, that gets on every, you know, blog and that goes viral on social media.

Some people think it's stupid.

Some people think it's whatever.

It doesn't matter what your opinion is.

They got a bunch of attention from it.

So that's all I was pointing out.

And in fact, Jake Paul then tripled down on it, which was he, he did the gotcha hat thing.

It goes viral on social media.

While it's going viral, he has this merch guy create gotcha hat hats, puts it up on his store, sells out of gotcha hats, gotcha hat hats.

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And then he gets a tattoo on his leg that says gotcha hat and post that, that goes viral that Jake Paul got a tattoo of the thing that just happened.
So he got a double pump, a second pump of news PR out of it.
So I was just pointing out that these guys are good at marketing.
They're good at marketing themselves.
They're self promoters.
By definition, you really can't disagree that the Paul brothers are not good self promoters.
They self promoted themselves.
Huge.
Anyways, a bunch of people say yes.
And then a couple of people are like, you know, these are pranksters.
They shouldn't be labeled as great marketers.
Don't set them up as anything to be emulated.
Basically like, don't say they're good because people, what they were saying was like, people follow you.
Well, they were basically saying, well, Sean, they're bad people and you're like, yeah, I don't care.
That's not the point.
They could be the worst person on earth.
I'm just saying, I'm just showing that they get eyeballs.
Yeah, they're effective at marketing.
That's all I said.
Yeah.
It's like saying like a, like a cigarette company could be a great marketer.
Who cares if you think cigarettes is good or bad.
And so this writer from the New York Times basically takes us as an opportunity to come in and promote her own article in the New York Times that says, I covered the story about the sexual assault allegations against him.
So, you know, you really basically, I don't know exactly what she said because again, she blocked me.
I can't go read it, but it said something to the effect of like, it's messed up to, to promote them or say something like to be saying that they're good or whatever when they're actually jerks.
They're bad guys.
They're assholes.
They're whatever.
Say this guy's been accused of sexual assault.
So I kind of, I don't even remember what I said back, but I kind of went back and forth and I was just saying what you just said.
I am not saying that they're good humans.
I'm not saying they're great citizens.
I didn't say they should be president.
I said they're good at marketing.

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I don't really see how that's arguable.

And then, you know, they clapped back again and said, you know, basically you're a jerk for saying that he's good.

And so a couple of things happened.

First is, dude, I like our Kelly could be a great singer and also a horrible human being.

Yes.

And so one of them was like, you know, is there really anything to learn from these guys?

Blah, blah, blah.

And so anyways, they're going back and forth.

And I'm getting agitated at this point.

And so the York Times writer, she goes, she said something that was like, again, just like trying to like virtue signal.

And I just replied, I go, she was, she said something like, I don't think he, I don't think he knows the point.

He's, I don't think he's making the point he thinks he's making talking like replying to me, talking about me, but as if I'm like not in the room.

Anyways, I thought that was like a weird way of saying it.

And so I just go, you are the Jake Paul of journalism.

Oh my gosh.

Got blocked instantly.

And you know, a bunch of people that got a big reaction out of people.

Now, I thought this was the perfect kill shot.

Why?

Because that's not an insult to me.

So first of all, it's true.

Her brand of self promoting herself as a journalist is confrontation.

She gets in confrontations with Heathrow boy, with biology, with, with whoever, right?

She just goes and picks fights on Twitter with Mark Andreessen.

And so she, she goes to the biggest names.

She creates controversy, picks fights.

And then she also like then as soon as they sort of attack back, then she turns that into a story, which is big bad tech is bullying me.

And so I was just pointing out that actually her form of self promotion is the same as Jake Paul's.

He went to Floyd Mayweather, agitated him, picked, got, got your hat and used that controversy and that confrontation to build his own brand.

So I was a correct in the way, identifying her own playbook of self promotion.

B, it's not an insult to me.

Again, I have no problem with Jake Paul.

Jake Paul came on the podcast.

You know, I think this guy's a good marketer.

I think that I don't take such a black and white look at people and say that this person is good and this person is evil.

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You know, like, I just don't think that the world is that black or white.
And so anyways, I wasn't trying to insult her, but she took it as an insult, of course, because that's why it was the perfect one liner.
I was able to insult her without even insulting her.
And so, so anyways, that was the confrontation.
And then, yeah, I got, you know, a bunch of DMs from people and then, you know, people at my company were like, Hey, can you not like pick fights with journalists?
And I was like, Okay, I'm sorry.
I really wasn't trying to pick a fight with the journalists initially.
Well, that's pretty funny.
That's a good story.
I still have no problem with her.
I actually think she's a really effective marketer of herself too.
Like I know her name.
I don't know anyone, any other tech journalist name.
I genuinely think she does a very good job at promoting herself by covering interesting and controversial topics.
Like she, she was covering TikTok early on.
And then also her brand of sort of like taking it to the, you know, powerful people in tech.
I view it as an effective form of marketing.
I also think she's good at it.
So it's, I really have no ill will, but I did think it was a cool online.
I think that's a pretty good one liner.
I didn't, I unfollowed like everyone on Twitter.
I've been spending less time on it because it makes me angry, but I wish I would have seen that because that's pretty wild.
By the way, by the way, this was the best part.
All the white nights, do you know what a white night is?
Yeah.
So for those white night is like sort of a, I mean, how would you describe it?
Like someone who like they don't, they don't necessarily care about the topic.
They act like they're saving the day.
So the girl likes them.
Yeah.
It's basically dudes online who come to the rescue of women to virtue signal how they are, you know, such, they are the good noble supporters of, of good and evil, whatever.
So anyways, there's a bunch of white nights that were in the thread that were like, yeah, Sean, I can't believe you did this.
I can't believe you would give someone this platform.
First of all, Jake Paul has a 50 times bigger platform than me.
Second of all, yeah, I, that's my, that is my platform.
I point out things that are interesting or, you know, I point out truths.
I'm not like trying to toe the politically correct line.

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And then I go to this guy's Twitter.

I go to his Twitter.

The second retweet is Conor McGregor has sold this many millions of dollars of whiskey.

You know, he's promoting it.

Guess who also has a bunch of sexual assault allegations against them right now.

Conor McGregor.

He was allowed to promote that Conor McGregor.

I called him out.

I go, dude, I like you.

We've, we've been friendly before, but what a hypocrite.

Look at your own timeline, dude.

You're saying this guy's great at businesses.

He goes, honestly, I just didn't, I didn't know that about Conor.

And so it's blah, blah, blah.

And then a bunch of people were eye rolling like, oh, you didn't know good.

Yeah.

Okay.

Cool.

Everyone knows it.

Like I like punched an older guy in the bar.

Like this has been on the news.

Yeah.

Yeah.

You thought Conor McGregor was sort of, you know, goody two shoes.

Yeah.

Right.

Like this guy's been in the news.

He's been in jail.

He's done all this stuff.

And so I just thought that that was the, the classic hypocrisy of people on Twitter.

Well, I, uh, I didn't see it.

I'm happy.

I know the story.

I'm, and I'm what I love that you do that.

I think that is great.

And I think you should continue to do it.

Hopefully you won't, you won't not do that because you were asked not to, but we'll see.

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

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year, 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 hub spots 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 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.

You want to talk about the course business?

Cause I actually, I didn't get into it, but I, I saw a company that I think is kind of silly for what they're trying to disguise themselves as.

But I actually think it's good for what it really is.

And I want to bring it up, but I went and did a ton of research.

And I know that you're interested in courses as well.

Yeah, okay.

I'm fully teased.

I go for it.

What is it?

What's the company?

Okay.

So today, the, for this little segment, let's talk about the course business, the education business, whatever.

I broke it down into four different categories, but there's this company called, I don't know if it's called beyond deck or on deck.

On deck.

Yeah.

It's called on deck.

The URL is beyond deck.com.

It's actually really confusing what they advertise themselves as.

If you go to beyond deck.com, frankly, I didn't know what it was.

I didn't understand it.

I did some research.

I think I understand it now.

And the way that I see it is, it's a course business.

So basically you pay, I don't even know the price actually.

Is it like \$500?

It's like hundreds of dollars, I believe.

And you sign up for it.

It's over a thousand dollars.

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It's over a thousand dollars.

Is it under two grand?

Yeah.

I think it ranges between one and two grand, something like that.

Maybe one in three.

One in three grand.

And you sign up to a cohort based class, meaning there's a start and an end.

And they have got like 15 different classes probably at this point.

I gotta stop you.

It's not a class.

Why are you saying it's a class?

Yeah, that's what it is.

You can call it.

There's no teacher.

There's no.

Okay.

So here's how I would describe it.

So you know Eric Thornberg, right?

I don't know him.

Oh, you don't know him?

Okay.

Eric's a good guy.

He was early on at product time.

He left and he's created a bunch of things since then.

One of which was on deck.

So the way he thinks about on deck and the way he talks about it is on deck is basically like a modern day business school.

So why do people go to business school?

People go to business school because they want to build a network.

They want to maybe learn about business and they're looking to kind of like pivot their career in a different direction, right?

They were doing one job.

They want to go to the next job.

They don't know what it is.

They want to change industries, change roles, change whatever, change careers.

So business school is this great pivot point to do that.

So what on deck did was they sort of made an unbundled and digital version of that.

Actually, not even digital.

There's a lot of in-person components to it.

So what it is is you, let's say, and they have a bunch of different tracks, but let's say you want to go into, let's say you want to become an angel investor and you're not an angel investor today.

So on deck is your pivot to do that.

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You apply to join.

You say, great, I'll pay the \$1,500 to go to the on deck angels program.

And yes, there is some education.

They bring in speakers who are angel investors.

They'll talk about angel investing, that sort of thing.

But it's basically a X week program for you to go from where you are now to that track that you want to be on.

And it can be with angel investors, it's a little bit more like a course, which you're talking about, which is you're going to learn about a thing and then by the end of it, you can do it.

But it started with just people who were on deck to build their next company.

I was like, all right, you don't know what you're going to do next.

Why don't you join a group of other people who are also thinking about their next opportunities?

Maybe they have a great idea.

You could join their team.

Maybe you could find a co-founder and do this here.

And it was just people who were looking to make a change and you would pay to basically to join this, to get a good network.

So the network is all kind of like other kind of like, just like if you go to Harvard, you're getting other people who have a certain caliber of person who's going to go on to do a certain caliber of things and you pay to go be a part of like an eight week program or whatever to go do that.

Yeah, that sounds like a class to me.

An eight week program where you're learning and talking to other people.

It's just a lot less about the learning content side and it's a lot more about the network that you're going to build.

Then in that case, I would say the likelihood that they're going to be quite huge, I think is actually lower.

It would actually be better if they were a course business because the problem with that is they're either going to have to raise prices to be tens of thousands or hundreds of thousands of dollars a year or they're going to have to decrease the standards of who they let in and keep the price low and thus ruin their network.

So let's talk about some of the programs that they have, right?

So they have on deck founders.

That's I want to go start a company.

They have on deck first 50, which is I want to become I'm a talented operator.

I want to go join a early stage company in the first 50 employees that's going to be the next Airbnb, the next whatever, right?

There's on deck investors where you learn about angel investing.

There's on deck podcasters where it's like, if you want to start and kind of grow a podcast, join a batch of other people who want to join to start a podcast, listen to speakers who are existing successful podcasters.

And by the end of it, you'll have like built up some momentum of now going down this new

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path that you weren't on before.

So let's just say who cares about on deck because it got me thinking about the course business.

I think it's a course business.

You say is that it doesn't really matter what it is because that is what got me interested in the course business.

And the problem with the course business is when we say the course business, oftentimes people will categorize anything that's even remotely related to course into the same category. And that's actually false.

That's not, that's not how it should be.

And so what I want to talk about is the four categories and let's talk about what, why each one is interesting.

And so I'll just briefly list what those are.

So the first one is basically one person or a small ish company making a handful of courses.

And that's like our friend Jack Butcher, right?

That's like Ramit Sethi, our good friend, or my good friend Ramit Sethi.

And we're going to, I'll go back and we'll actually talk about what makes that what it is.

The second are platforms.

So things like you to me, things like teachable.

A lot of people say this is the course business.

That's how to course business.

That's a tech company that makes technology so people can create and sell courses.

I'm not even going to talk about that because that's a totally different category, even though people do sometimes refer to it like this category or courses.

The third one is the master classes of the world.

These are another example is this company called the great courses.

These are businesses that create hundreds eventually of different courses and they go and sell to consumers for a hundred bucks to \$200, \$300 a year.

And the fourth one is B2B companies that sell education to companies.

And so a company like that is Pluralsight, which sold for \$3 billion and does something like \$500 million in revenue.

There's a few other.

There's Coursera.

There's actually a handful of them that I didn't know about.

But in researching, there's a handful that do 300 to \$600 million a year in sales, multi-billion dollar business.

Now I want to go through each one and explain what makes them tick or at least what I think makes them tick.

And in order to do this, I went and talked to my friend Ryan Dykes.

He runs this thing called digitalmarketer.com and he's been in the game for 20 plus years and we kind of talk through this.

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So the first category is these like single person creators.

I think you're like that.

I'm not like that at the moment.

I could probably easily become that and I enjoy that.

And I actually think that the path to making a million dollars a year this way is incredibly straightforward and it's a very high likelihood in terms all relative to starting a business.

But it's like a really high likelihood of making like a million bucks a year.

A very high likelihood that you can make \$200,000 a year.

And so these are companies like I will teach you to be rich.

Is that what it's called?

I will teach you to be rich.com.

It's what you've done.

What was your newsletter called?

The All Access Pass.

That wasn't quite a course.

It's what I announced.

I don't know if you saw this.

I tweeted out that I was doing a course next month and I said, hey, I'm going to do a course on power writing, basically like writing for the real world.

And I just tweeted out like, would you be interested?

This is help.

This skill has helped me.

It's helped me get jobs.

It's helped me, you know, get investment.

It's helped me grow my companies, helped me make money.

So writing in the real world, emails, tweets, blogs, ads, landing pages, that type of writing, you know, going from good to great is a big difference.

Would you want to learn this?

I said it costs 400 bucks for the first batch of people, whoever's like kind of the guinea pigs.

Let me know if you'd want to do this.

And I got, I think, in a 1200 replies of people filling out the survey saying they want to do this.

And so, yeah, just that alone is kind of like to your point here where if you're a creator with an audience with credibility, if you've done something, if you're actually good at a skill, yeah, you can get to a million dollars a year of profit, not just revenue, as an individual course creator.

Yes.

And the path is quite straightforward.

The tactics are simple, but it's basically build an audience that's all has that mostly has.

Yeah, but even that, there's a process to that.

I mean, it's not, it's not easy, but it's simple.

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But you build up an audience where people rally around one type of thing.
And then you eventually create something that costs \$100 all the way up to thousands of dollars and you sell it.

My good friend, one of my best friends, Neville Madura has done this with copywriting.
He probably, I don't know what he makes, but I, if you said a million dollars a year, I would think that sounds about right.

There's Jack Butcher.

Like we said, my wife, Sarah is actually launching one.

Sean has one.

I've launched one at the hustle before, but it's not live now, but it was, and it's pretty interesting.

It's, it's the easiest path probably to make a million bucks a year, I actually think.

And the way that you scale, it's really hard though, now here's the downside.

It's pretty hard, I think to get past \$10 million a year in revenue on that, not that like that should be the goal necessarily, but like it definitely caps out relatively low.

But you could, if you, as long as you don't base this on your personality, it's a pretty good business that you could sell it at like private equity or something like that for a bunch of money.

And after you've created the course, you then create a consulting or coaching service that costs 10,000 plus a year.

And you could potentially have like a pretty good 10 million to \$20 million a year company. I like that.

I'll give you an example.

My uncle does this.

He's in real estate, he's himself has like, I don't know, a \$200 something million real estate portfolio.

So he created a, basically how to get into multi, how to do multifamily apartment investing.

And he creates a course, the course I think is like five grand.

He sells a bunch of those.

And then out of that, some people pay him 25 grand for like the more one-on-one in-depth coaching because they're like going at it.

And for them, it's not hard to justify five or even \$25,000 because the economics of even a single apartment building that they're buying are such that that's worth the education. What cousin?

My uncle.

Oh, which uncle?

My uncle.

I mean, you don't know.

You want to, you want to pit them out though?

I'm trying to.

Oh, I don't even know what his course is called.

He's my uncle Vinny.

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We should have him on.

He's got a kind of incredible story and his personality is amazing.

He's the most joyful person I've ever known.

Almost to the point where people think he's like, are you high or something?

But he's just like that 24 seventies, high on life 24 seven.

It's kind of amazing.

So uncle Vinny is a great example.

There's a good one example of this.

Now the second one that I mentioned is like these masterclass businesses.

These companies, there's a pretty clear path to get to like \$100 million a year in sales.

And what you do is you create something that is in the \$200, \$300 range for an annual subscription and you scale fast by buying a lot of ads.

But before you do that, you have to create a pretty big library of course content, which can take many years.

I know quite a bit about masterclass.

Do you want me to give you kind of like some of the interesting bits?

So masterclass, they started by a sky went to Harvard business school, I believe.

And then he, you know, one of the core insights was he wanted to create what he said, there's the library of Alexandria for Alexandria or Alexandria.

Basically whatever the library was of like kind of like all the best of human knowledge at that time, he basically was like, I want to create that of today's time.

And so he, they spend upwards of half a million dollars per masterclass just on the production value alone.

Even their first one was over \$500,000.

And so the production value is like kind of insane soup.

It's like a Hollywood chute that they do personally.

I don't even know if that's necessary.

I think that's totally overkill, but that's their shit.

The bigger part was that they got the biggest brand name.

So they go, if you want to learn business, well, here's Howard Schultz from the CEO of Starbucks.

You want to learn basketball?

Steph Curry's masterclass.

You want to learn comedy?

Here's Steve Martin.

You want to learn, I don't know, writing?

Here's Aaron Sorkin.

And so they took the A plus plus talent, which is a key differentiator, right?

Because most of these online courses are like you said, it's me, it's Rameeth Sethi.

It's like these like niche, you know, I'll just make fun of myself here, right?

We're nobodies in the world compared to what masterclass went and did.

And the masterclass was like, great.

I can take, you know, Chef Gordon Ramsay's cooking course.

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I can create a height 30 second trailer and I can blast that on Facebook ads.
And basically Gordon Ramsay has enough brand pull that I can profitably acquire customers.
And so they do this with a bunch of different course creators, Serena Williams, whoever else, they cut a rev share deal with them.
So they give them an upfront kind of like minimum guarantee and then they have like a rev share on every course sold, you know, you get X.
And then they turned it into like a class pass style subscription where now you pay the 15 bucks a month, you get access to all of masterclass.
And I actually talked to the founder of the CEO and I was like, he's a great guy.
And I was like, you know, do people, I took one, you know, but like, do people, does a person really want to go learn cooking from Gordon Ramsay and then basketball from this person, then tennis from Serena Williams?
Like it seems like, do I need the all you can eat buffet and like, do I come back?
Is the retention high?
And he just showed me the numbers and he was like, look, we're making X hundreds of millions of dollars a year.
It's growing at this pace.
And look at the churn.
The churn is not so bad.
I said, how do you keep the churn so low?
Like for an education product like this, because when people take a masterclass, it's they keep their subscription, even if they're not coming back and taking a course every month.
Why?
Because it's aspirational.
They, they have a dream of like learning photography.
They want that hobby to exist.
They buy the masterclass.
And if they have one experience where they feel like their hero or their idol kind of shared a real nugget of wisdom with them, that's enough to keep them hooked.
So that was pretty interesting.
And that's the thing that we should discuss.
That's the downside of this business as well as every other category that I'm mentioning is, and this is this freaks people out.
I wouldn't even say it's retention, but it's completion.
So our good friend, Nick Huber launched a course and he goes, dude, 200 people bought this.
Do you know how many people finished and did the whole thing?
He was, I, the number is, if it's not this exact number, it's close.
He's like three.
Right.
It was like eight or something.
Yeah.
It was like, it was like nothing.

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And I was like, yeah, man, that's really normal.
Well, he was being, he was like, he was legit.
He was like, dude, did I make a shitty course?
And he's like, no, this is the standard percentage completion.
If you go to Udemy, I remember with Udemy, I think they had said at one point in time, 6% of people complete the course, 6%, right?
100 students come in, imagine on the last day of the semester, six people are left in the class.
And so, you know, for Nick, this is pretty much in line with like this single digit completion rates.
That was a big problem with education online.
And that sucks.
And actually, I would say two things.
One, for people getting this business, just know that it's so weird that you're going to make all this money and you're crushing it.
Most people don't even use the damn thing.
And by the way, they're not pissed.
It's not that they used it because they didn't like the product.
Often it's just life happened, they got busy, they didn't follow through.
If they're upset at anyone, they're upset at themselves for not actually taking the full action on the course.
They're not upset with the course, which is counterintuitive.
The second thing here is like, is that even important?
Is this even a problem worth solving?
And the answer I actually think unfortunately is no.
This is not a problem worth solving.
People aren't going to take it.
That is just how people are.
And we should move on and just make money off of it because just the fact that they buy, that's interesting.
And that kind of helps them in a weird way.
So just like you with books, just like you with books.
It's like me with books.
Yes, that's true.
I agree in that I do think it's the fight worth fighting for because if people aren't actually taking the course, ultimately they didn't get the real value of the product, which means they're not going to come back.
They're not going to tell friends to do it, which means your business is going to suffer.
So can it be done?
Can you get above 6%, 10%?
Can you get 30, 40, 50%?
Dude, even that sounds fucking crazy to me.
I've asked people who charge \$5,000 per course, they said under 30% is still what they get

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as a completion rate.

That's insane because that's such a big financial commitment for people individually, not out of their company's pocket, out of their own pocket to spend that money and not complete it is insane to me.

But that's what happens.

Now, I want to say though, but when we had cohort classes, like a live cohort class, it was like 75% completion rate.

Exactly.

That's exactly what I was about to say.

Lambda School switched to live cohort based and with a clear like sort of high bar for entry.

Most courses, right, when Nick Huber, Rameet, myself, when you sell a course, you want pretty much as many people as you can to take the course.

That's how you make your money, right?

You're like a college.

You want to admit as many people as you can, unless you're the top college where your brand is really about not accepting everybody.

And so similarly with Lambda School, because Lambda School doesn't get paid until you get a job, their incentive was not to let any Joe Schmoe in, their incentive was, dude, we only want a student if we think they're actually going to finish this course if they're serious about it.

And so because of the filter on the front end, plus the format being live and in a peer group, they had like 75% plus completion rates.

And then I invested in this company, Maven, for the same reason, because they were saying, hey, we're going to make it easy for you to teach a cohort based course.

That was appealing to me because I was like, so far, cohort based courses is the only thing I've seen where people actually finished the course.

So we'll see.

So but that is something, when we're going through this process, or this discussion, we have to acknowledge that like, most people don't buy your stuff, and if you're doing really well, like, what did you say, 70% do it.

So it's like kind of crazy.

That's a pretty nutty thing.

Now to wrap up the master class, I don't have to call this like mass consumerism course category.

I don't know.

So like [linda.com](#) would also be in this at the time.

Now, Linda's more B2B, but when Linda started, it was a place to go learn anything, right?

And so [linda.com](#) masterclass, there's a bunch of masterclass for X. So it's like, there's a masterclass, but instead of Steph Curry and Gordon Ramsay, it's famous YouTubers and they're called monthly, I think [monthly.com](#).

They're trying to do the same thing as masterclass, but their stars are social media stars.

And I think they were doing actually pretty well.

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There's another one that's masterclass for athletes.

It's like, okay, we're just going to take the vertical of sports.

And it was, you know, started by a guy, um, shit, I just talked to him the other day.

This would be a perfect shout out for him.

I apologize that I don't have it off top of my hand, but, uh, but basically he, he was a, he's a trainer.

He's a trainer for Kyrie Irving.

He's a trainer for a bunch of NBA stars.

And so he's able to Carmelo Anthony.

So he was able to say, Hey, Mello, create a, create your course.

Hey Kyrie, create your course, et cetera.

And so he's able to access top flight stars and basketball because he himself is a basketball trainer and create a masterclass just of that group, just for that audience, which

I thought was actually pretty interesting model.

Hey, was his name, I'd, I'd, and raven.

No, I'll find the name.

Let me ask Ben real quick, but yeah, go on.

I'll get the name.

So anyway, um, that in order to make that style of business work, what you have to do is create a mostly evergreen course content.

And the name of the game is get like it basically as many as possible, but meet some type of quality bar.

Right.

And you just go big and try to create hundreds of them or thousands of them.

How can you, what the, the great courses is one example, I think they do like 150 million dollars a year in revenue.

I don't know what masterclass is, but I bet you they're at 200 to 300 ish.

Yep.

Um, all right.

And then the fourth or the third cat.

So I had three categories.

I had like the small creator.

I had tech stuff, but we're going to get rid of the tech thing like you to me solo, solo teacher platform, like you to me and Coursera.

And then you had high end, um, you know, a library of, of courses like masterclass.

What else?

Now here's the fourth one and most interesting one, which is B2B education corporate training type of stuff.

Easily the biggest one.

Hands down.

Now an example of this is plural site.

Have you heard of plural site?

I've heard of it, but I could, I've heard the name before, but I couldn't have told

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you what it did and tell this beautiful, lovely name.

It's geared specifically towards engineers and it just teaches like the latest and greatest uh, um, tech stuff that you give to your engineers and they go through this and uh, plural site is one of them.

There's actually a bunch of more, a bunch more and they, there's many of them that do 300, 400, 500 million dollars a year in revenue and, but this is where it gets kind of shitty.

These businesses are based on one thing, salesmanship.

So you just hire a fat sales team and you go out to these companies and you sell.

And I went and asked the people at HubSpot, I go, why do you guys buy this stuff?

And they actually told me all about it.

Um, and they're like, well, basically we're ranked really high in Glassdoor and we recruit a ton of people.

And one perk that we have is that we give you \$5,000 a year, uh, for education.

Now we could have bought plural site, but and that would have actually solved the same thing, which is we want to be the best place to work.

We offer loads of perks like we'll teach you X, Y and Z.

Um, another example of why these courses are important is something like Cisco or Microsoft have tests and exams that they want you to pass certifications that they want you to pass in order to either get a promotion or just, you just put it on your resume that you have this interesting thing.

Plural site teaches you how to succeed at those, uh, at those, um, um, what am I saying at those, uh, sort of certifications and they charge something like \$600 a year per head and you just got to hire a sales team with a, you give each salesperson like a \$300,000, \$500,000 quota and you go, here's the yellow pages, start dialing and, and that's why the plural sites based in Utah, cause the Mormons are like some amazing salespeople because they've been, they had to spend two years selling a religion to people.

So they're really good at it.

Um, but this business is probably the biggest, but I oddly, it's really not so much about the, um,

It's not about education.

It's not about education.

It's about salesmanship.

And the way that you win this, um, is you, you, you go down a very narrow niche, you hire subject matter experts.

So people who know their stuff, you pay them a flat fee, sometimes royalty, but you prefer to do a flat fee because your gross margins will be really, really, uh, a lot bigger.

And then you go very niche, you go very role specific, and then you go and you sell into the HR and then learning and, or learning and development budgets at large companies, which sucks because, uh, those are typically the budgets that are slashed first, but they're there and they have to get spent.

And so pretty much it's a game about getting inside with these people and selling to them kind of lame, but there's money to be made.

Yeah.

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I wonder if somebody could do so.

So that's the way that most corporate software was sold to until Slack and some others started this like bottoms up sales process inside companies where they basically sell how it's sold though.

Um, it isn't as it, but there's, so bottoms up sass became its own category where the model was you make your software useful to, even if the whole company doesn't adopt it, you let an individual person kind of the front lines or the middle ranks of a company start using it.

They use it with their team.

They're kind of like their sub team, other sub teams start using it.

And then you go to the CIO, you have a meeting with them and you say, Hey, by the way, you know, a bunch of your comp, a bunch of your employees are using this thing.

You need to buy the like the enterprise version so that you have like security stuff, like secured, you have, uh, oversight over what's going on and that anybody in your company can get access to this is right now it's everybody's putting down their own card and trying to make this happen.

And so that became a pretty popular model.

Yammer was one of the first to do it, uh, then Slack and others.

Um, I wonder if this would be the only way I would want to do it if I was an entrepreneur going to space because I wouldn't really want to do the enterprise sales path, um, where it's not really about the content.

It's just about the sales, you know, how good you are at sales as a company.

Um, because if you go bottoms up, you're really going off of making stuff that the individual employees actually want to learn from.

And then secondly, um, you're only as good as, as them sort of retaining or actually wanting to use this.

So I think that's a healthy thing in the end, although it is harder actually than the other path.

So I wonder if there's a way to do that.

The hard part here is just like there's 6% completion rate for hobbyists trying to learn.

I think similarly, you know, um, for example, I know that when, when the learning and development team sends out an email, uh, at Twitch, I asked my team, I said, Hey, do you guys do any of these courses that there's a bunch of free stuff available here?

They pay for it.

You can just go take it.

Like could help you.

And they're like, yeah, that's a good idea, but like, I just don't have the time.

Like everybody feels overworked.

So the amount of time an employee is going to carve out to just do optional education is so low that I just think that most of the things that live in the, uh, was it called the learning manager or whatever, like the LMS learning management system inside companies is untouched.

Right.

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It's just Twinkie sitting on a shelf.

So that's exactly another, that's another thing.

So not only is it about salesmanship, but basically these courses, the truth is it's not actually about teaching your workers something good.

It's about offering it and if they use it, fine, but the fact that you offer it, it makes you look better and you could hire more people.

Um, as I don't own my company anymore, but when I did, I would never have bought the shit and I've been like, look, if you want to take something, we'll buy you any book you want.

I'm not, we're not paying for these stupid courses because no one's going to use them.

But that's not how a big company thinks because they want me to put it on their perks and benefits.

And here we are.

But that is my, my very high level summary of this course business.

I was very curious as to how they were, um, if I was, well, I am, I'm not going to watch any of this anytime soon, but the first one, the creator one, that's a, that's a no brainer.

It's a no brainer.

Once you have an audience, right?

That's the, if, if you don't have an audience is not really going to work, then, then you're more in one of the other buckets, but, uh, I think you correctly identified, if you have an audience, it's a no brainer business model for people with audiences, but it also has a cap and it takes up time.

So you got to like, you know, choose accordingly.

Um, all right, let's talk about some other ideas.

Um, I have one that I saw today that I think is pretty interesting.

So it's called the Irish pub company.

Did you see this tweet?

No.

So we got tagged in this, which is, by the way, that's the best signal that we're doing something right is now people just tag us in shit that they know is the type of stuff we want to talk about.

Like we've built the brand of like, when you hear about a cool niche business that's crushing it, that's like so simple and you've, you, you would have otherwise just never heard of this.

It's like, this is perfect for my first million.

So somebody tagged us, uh, this is awesome.

Our friend, um, Chris, uh, Chris J. Backie is, is like handle.

I don't know if it's backie or back.

I don't know how you say it.

Things back.

Um, he tweeted this out.

So, so shout out to Chris.

He was on the podcast a while back.

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He's a super entertaining guy on Twitter.

You should follow him.

So one of the things he said is he said, the Irish pub company is one of my favorite companies.

They charge one to \$4 million for a Irish bar in a box, which basically means it's an Irish bar as a service.

So here, here's how it works.

Um, they give you, you know, like, they have like six styles to choose from of which style of Irish bar.

And they give you like the Guinness signs, the, the right bar tap handles, you know, the kind of like all the decor, the seats, the, the, the stuff like that.

And they, they ship it all to you and they install it for you.

And like bang, now you have an Irish pub.

And I think this is such an amazing business.

So they've done over 2000 kits and it's about \$1 to \$4 million per kit, according to him.

So I haven't, this, this happened like two minutes before the pods.

I didn't research too much more, but that's over 30 years.

That's \$2 billion over 30 years that this company has generated, just selling the Irish bar in a box.

And um, and what they say, if you go to their website is like, you know, hey, uh, like the, here's the stats, right?

Like the Irish pubs produce, you know, X more revenue than a traditional bar.

And has this much more foot traffic.

And basically it's saying, Hey, if you, if you throw this kit onto a generic bar, your bar is more successful.

It'll pay itself back.

Uh, what do you think of this business?

So the owner's name is Mel McNally, which is like the perfect, perfect, got him.

Um, he's the founder of Irish pub company is the creator of the Guinness Irish pub concept.

So he launched this in partnership with Guinness brewery brewing, which is basically I'm just reading the about page sounds to me like Guinness was like, Hey, we need more Irish pubs to exist in this world so we can sell more Irish beer and Guinness beer.

Can someone, uh, come and help us figure this out.

And that's what he partnered with, uh, or that's how we started this.

Awesome.

Awesome.

Awesome.

This is so cool.

I love this.

Um, it's crazy.

They, they're making, I mean, I think it's just looking at the numbers if these numbers on their website are accurate, I think they're doing like \$50 million plus a year, um, doing this, just like the consulting, the brand identity, then the like insta, the shipping and the installation and then the service after that, um, it's pretty, pretty awesome.

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How did this guy, they do it inside airports.

They do it in, you know, just different cities, hotels, different stuff like that.

How did your buddy find this?

I have no idea.

He just tweeted it out.

Um, so it's great.

I don't know.

I think this is such a cool concept.

And then you can think about like, okay, how many more concepts are there like this, right?

So like I, I can think of, if you take any sort of like sub genre, the question is, is there a market for that?

So I'll give you, let's just brainstorm for a second.

Well, there's one, one great example that you brought up a long time or a year ago that

I think is probably killing it.

And that was bathroom in a box.

Yes.

Made renovations.

Yes.

All they do, you select one of five different bathrooms and they come and make it.

You can obviously do this for every single room in the home, but then we talked about the guys who came and set up our video conferencing setup, the, you know, this good looking setup that we have right now with the lighting, the audio, the DSLR camera, the whole tech is set up, the wires are, you know, taped to my table so I don't have a wire mess.

I told the guys, I said, Hey, you need to turn this into home, home video conferencing, home studio in a box, right?

You could, you could do just like the bathroom guys did.

You could do this in every city in America right now, especially with remote, with podcasters and Twitch streamers and YouTubers, a lot of people want a cool video set up.

And if you just have four to choose from on your menu, now you have simple operations.

You have scale as you buy parts and both that sort of thing.

So I think that's another version of this.

But just in the bar concept, I think that there's a few more.

So I think that any brand with licensed IP, so like, okay, you can't like, you could you do, but could you do this for basically Disney?

Could you do a Disney diner?

Right?

You take IP that people love and you create a bar restaurant out of it, right?

So like sort of Rainforest Cafe style and you just sell that as a in a box concept for any common thing, coffee shops, diners, pubs, aren't you confusing this, whatever this in a box concept is compared to franchises?

So it's not French.

So this, the idea would be you would partner with, let's say, I don't know, let's call it the Simpsons, you partner with the Simpsons franchise and you say, Hey, look, for every

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one of these, wouldn't it be great if you could have, you know, I forgot what the bars called in the Simpsons, but like, whatever that, you know, wherever Mo works or whatever. Yeah, or do Patty's pub.

Yeah, exactly.

You could always Sunday and you could basically have Patty's pub in a box and every city should have a Patty's pub and whatever.

And so you go and you say, every one of these we sell, you guys get 10%, you got to do nothing more than let us use the name Patty's pub and, you know, the same items we're going to source.

And now you go to bars and you say, Hey, look, you as a generic bar, you're only, you have no like differentiation of why tourists should come here, why the locals should choose you. Can you upgrade?

And so I think that there's a bunch of different concepts that would work with this.

So I think one is gaming.

Gamers have like a deep passion.

And so there's been, I lived in Denver and there were some bars like this where it was like the bar had like some old school retro arcade machines, all the drinks and menus looked, you know, like video game, like, you know, old Nintendo stuff.

And then they had like, you know, life-size Jenga or whatever, right?

But it was a place to go hang out.

You could play ski ball, you could do whatever.

And they just got way more foot traffic than a normal bar.

Why?

Because this one you would go to and you would have Instagram worthy experiences, right?

You would post in your story that you're drinking, you know, the Mario drink while playing whatever, duck hunt or ski ball or whatever it is.

And so I think gaming is one niche that's like an Irish pub that you could show that, hey, if you, if you kit your bar out with this, you're going to get more foot traffic and more sales.

I would need to think about which, which of these could work.

But whatever this in a box thing, it's kind of interesting.

I had a friend that did book in a box and they would write a book for you.

I think it was making eight figures in revenue, but it sounded like a real pain in the ass because it was, it was far too customizable to be in a box.

Whereas a pub thing probably isn't, that's way easier.

That's like, so like you got running water, you got a, you know, this many dimensions.

Well, this is basically just as set, like as one interior decoration like theme that you just slap on and boom, you got an Irish pub.

Now you don't, you had a pub.

Now you got an Irish pub.

And so I just wonder, you know, A, could you just compete with them or B, are there other themes that are, even if they're not as popular as an Irish pub, like what's the second most popular kind of like, is it German?

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Is it, you know, an Asian style pub, is it a Russian drinking bar?

Is it, you know, is it a Mexican tequila bar?

Is it a, you know, what, what is it that, is it an Italian wine bar?

I don't know.

I don't know.

You're asking a non-drinker.

I'm, I'm out of the loop on this one.

I do have a different idea that I think is kind of interesting to chat about.

So clear ice, have you ever heard of clear ice?

What is it?

This to me feels like if you're, I'll find you the URL, go to clearice.life.

So clearice.life.

So this is not something I would do, but I've learned that these things that I just shake my head.

I'm like, who the fuck wants to do this?

I learned like the hard way that like three years later, it's like, yeah, this is like

a, this is like a hobby that a lot of people have that's like growing like crazy.

So here's the other examples of this, you know, like soda stream, I think you probably do soda stream, right?

Dude, I have a video on TikTok.

One of the only videos I ever posted has got like 200,000 views because I attached a like a scuba tank size CO2 thing.

I rigged it to my soda stream so it could last like three years versus having to passively replace the things.

Yeah.

I love soda stream.

So the first time I heard this, I was like, oh, you like make your own sparkling water at home.

Like what's the fucking point of that?

The soda stream is like a \$5 billion a year company or something.

I know.

That's my point is that when I heard, I was like, who would want it?

Why is this a hobby?

Who wants to do this at home?

Why is this a DIY category, but it was, it was a huge category and like, you know, got bigger and bigger craft beer.

Same thing.

I remember like a decade ago, these guys were like brewing their own beers and I was like, why are there's so many beers, I don't just go buy some.

And then like overtime, more and more home brewers and craft beer.

Have you ever met a white guy before?

Like that's like, like there's two things that you, there's two jokes about white people.

They always have bottle openers on them and they love making their own beer at home.

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Yeah.

Basically, actually this category is just shit I observe white people do and I've confused about.

So another one, like there's this, there's a bunch of these, like with pour over coffees and like these like really extreme coffee habits that people have.

Anyways, there's a whole bunch of these, these little niche hobbies of DIY things that I don't understand, but they definitely are big and then they create a whole ecosystem of businesses around them.

So clear ice is the latest one I saw that was like this.

Basically what is clear ice clear ice is basically like, I might, I might not even fully understand this.

It's that's how white this is.

Okay.

So you, you, you translate this for me.

What I understand is it's like a, it's like an amazing piece of ice.

So not just the shit you get out of your fridge or your little tray or the stuff you buy in a bag, but it's like, this is high quality.

It's like super clear, like there's no impairments or like kind of stuff in it.

So it doesn't flavor your, if you're drinking whiskey, it won't like affect the flavor of your whiskey.

It's also one big cube.

So there's less surface area.

So it dilutes less.

It doesn't dilute your drink less.

Well, you knew that, right?

I didn't think about this stuff.

I don't care.

I just put the ice in.

I drink my drink.

And when it gets diluted, I drink it.

It's kind of gross.

Haven't you, it's like they sell these like yeah, they like sell these like cubes or balls and they, yeah, it involves surface area and melting and diluting your shit slower.

Right.

And so, so anyways, this hobby, this is like some shit that you would find in the hustle trends thing.

This is my own little contribution to trends.

You know, if Steph Smith, if you're listening, put this in the news, like go research this.

My spidey sense is tingling that this is one of those little niche hobbies that you could sell products, information, courses, whatever.

And there's a lot of people that want to make their own homemade ice.

Again, I could barely understand why, but it's a thing that people are doing.

And I bet you that there's a movement to be had or a sort of a wave to surf if you want

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to build a business around this.

Super niche, but a hobbyist business.

Dude, no, I don't, I'm not on board with this.

I think this is stupid.

I think.

Why?

First of all, is this even that big?

It's clear.

I saw it as part of like a growing trend, I don't know if it was a subreddit or where

I saw it, but I saw it in a way that was like, oh, this is one of those that's like popular and I don't understand why.

Like it's like ASMR.

It's like, what is that?

ASMR is awesome.

So don't.

You better be careful.

That's how all those felt to me at the beginning when I'm like, this is weird.

People do this.

And then like, yeah, a lot of people want this and do this.

Yeah.

Look, I'm looking around on Google.

I get it.

To me, this sounds like a pretty tiny thing, but like tiny enough that you could make like a pretty good living doing it though.

Like I knew.

Yeah.

All you want to do is you want to catch these early, right?

Like you want it to, you want to catch it when it's somewhat tiny, but like very passionate because the bet you're making is that that passion, the tiny, the passion will stay and the tiny will not.

Right.

That's pretty consistent.

Is that when you have the passion there, passion stays and tiny goes, becomes medium size, becomes large over time.

Yeah, I guess it could work.

I mean, I'm looking, I'm trying to like look it up.

I mean, there's this other one.

There was a home brewery company that I, that I, I, for a long time, I didn't know that like people basically beer nerds like track all the beers that they've ever tried.

And I interviewed a guy to work at the hustle and he worked at one of these companies and it was like a 10s of millions, maybe even close to hundreds of millions of dollar revenue business and all it was was an app where you could track all the beers that you drink.

So put that in that category of things I have no idea exists and also kind of they don't

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excite me.

All right.

Let's do, let's do one more real quick.

Okay.

Here's one that I'm just curious, I don't have ideas around this just yet, but let's, let's do a off the cuff brainstorm.

So there's this article that came out that was about, I'll share it with you here.

It's about the amount of space that is now available in San Francisco because of like work from home.

So there is some absurd amount of vacant space.

So there's like companies that are taking 10 or even a hundred million dollar write offs on their real estate just to like get out of it and move on.

And so they're just, they're just writing it down.

So like here's some of the numbers.

So there's \$200 million of real estate impairments in the past year since COVID.

It's almost a billion.

If you add in the lease related write downs from large companies like Salesforce, Dropbox, Uber, PayPal, Zendesk, just getting rid of their, their real estate.

And so Dropbox itself has \$400 million of impaired real estate right now.

And so they think that by, you know, in this quarter, the first quarter of, sorry, the last quarter of 2021, the amount of vacant and subleasable space was 10 million square feet in 2021.

In 2019, that was 3 million, right?

So it's tripled the amount of available subleasable square, square footage.

And the companies are basically saying, Hey, this is, it costs us \$90.

We'll take 24.

So you're able to get real estate for, you know, one fourth of the, of the traditional cost.

Now we're talking.

This is a good.

Yes.

Yeah.

So what comes to mind?

What, what do you think of when you hear about kind of this, this opening that's in the market?

Okay.

For the sake of discussion, let's just assume that they like, San Francisco has a bunch of wacky laws like, um, I mean, can't do with things.

Yeah.

And they also have like some really crazy tenant, um, what's it called, rent controlled stuff.

So let's just assume that like, we're going to research these laws later and, and that's it.

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Isn't that a good deal?

Yeah, that's what's really, um, but, so what could you do with this arbitrage?

I mean, the obvious answer is like, we were, couldn't make a killing right now.

If they believe in their model, can they, can they just go ahead and like do the thing where they, uh, lease a lot of it up front and hopefully they can fill it.

But what else could you do with this?

I don't know, man.

That's a hard question.

What would you do?

I don't know.

Yeah.

I think you have to see what, um, what were you, I think you want to think about it this way.

Where is demand growing for space that being central in a city would now make a very big difference.

Cloud.

So Cloud kitchens, Cloud grocery and convenience, uh, like Cloud, Cloud corner stores basically like, um, um, fridge, no more or something like that.

I think those are kind of interesting because like go puff because you have a whole bunch of people in the city and now when they push the button, they get their thing in under 10 minutes because it was, they, they took a floor in the bottom of the Salesforce tower.

You know, the, the second floor is now all, you know, Robo convenience stores that it will just quickly deliver to you.

Um, so I think you have to find something like that.

Maybe it is we work style, you know, kind of, um, co-working spaces, but there's gotta be something else that you would do with this prima real estate.

Maybe there's something in education that, you know, you create a distributed campus or something like that, um, across a whole bunch of different cities.

And so, you know, you take a business school, you know, take Harvard business school online, which they have, and you basically say, great, you can attend Harvard business school online in San Francisco downtown in LA downtown and all these places because that's where that type of clientele wants.

And now you get a once in a lifetime opportunity to lock up that real estate at a fourth of the cost.

I don't know.

Those are some just random ideas off.

That is a, I think that's quite an interesting idea of, that's actually a good idea because that would, yeah, it's almost, you know, it was like the equivalent of a study abroad, but you're just going to do it in San Francisco, um, which prohibit, was prohibitively expensive for the longest time.

That is actually kind of an interesting idea.

Um, so what, what do you know what the price for square foot is right now?

Is this, in this, they were saying, they were saying \$20 a square foot, um, which is like,

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that's an annual number, right?

So it would have been \$90 a square foot annually and now 20 is kind of what's quoted in this CNBC article.

Do you know how that compares to like an Austin, like a, more like a C level city?

I don't know.

I think that is like what, I think that would be like what a mid level city would have been, um, without the pandemic.

That's my guess is something like that.

I think San Francisco was four or four to five times more expensive per square foot, um, than, than, you know, a B level city.

You know, I think that I've been living in an Austin now for just a handful of months.

I miss San Francisco dearly.

I do think that if you're starting a company now, um, and you have like a good size workforce, it would be interesting to try to kind of sign a lease now that you can book out for five or 10 years.

I do, like it's going to roar back, I think eventually.

Um, I mean, I think that's the opportunity.

Here's another one.

Let's say you're a, uh, uh, random, let's say you're a venture fund or a late stage venture fund.

What if you took the real estate and then basically any of your companies can just use this and pay you the, you know, pay you market renter slightly above, uh, maybe slightly below. So all your portfolio companies now have their real estate problem, uh, solved.

And you know, you could place them because of that.

Dude, people were shitting on we work myself included.

I think now it's like this, this makes sense in a lot of these cities, these, these we, the we works of the world.

And not only that, I think that they're just going to come back like crazy because every employee says the exact same thing.

Well, I would love to work from home for a few days a week.

Yeah.

Exactly.

It's like, well, dog, I can't pay rent a few days a week, uh, if I have my own lease.

Right.

I'd love to diet a few days a week.

Yeah.

So I think that like the, the Saunders of the world and a bunch of these other companies that didn't do so hot, uh, for the last two years, I think they, they absolutely can be started right now.

And I think it sounds crazy, crazy to start them right now, but I don't think it is even a little bit.

Bro, I loaded up on Airbnb stock today.

Oh my gosh.

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I'm devastated.

I'm seeing it go down.

What is it at now?

It's going down because the lockup period ended.

I don't know if you guys sold your shares or not, but the lockup period ended so people could start selling.

So put a bunch of downward pressure on the stock, plus the market in general.

Wait, did it end?

I thought.

Oh, did it end?

I didn't even know.

I thought it ended in June.

I think it ends in June.

I think it's six months for some, for, for, for, I think for some insiders, at least, uh, they can dump, they can dump today.

Why on earth would you ever dump Airbnb stock right now?

But I bought it because, uh, A, I just, I'm stupid.

I just buy stocks when I feel like it, but B, um, I saw some data that was showing how a huge amount of Airbnb bookings, I think 28, 30% are, um, actually, I don't remember the percentage.

It's a very large percentage of Airbnb revenue or bookings was coming from stays longer than 30 days now.

Um, which means that it's actually not vacation rentals only, you know, it's actually millennials just saying, Oh, I want to stay here for a little while, which is like, I think a pretty big trend of, I don't want to be, I don't want to buy.

I don't even want a one year lease.

That's too much commitment.

How do I hop from place to place similar to what you did last year, uh, 28 day plus stays.

I think that is actually an interesting trend that people should take advantage of.

And we actually have a guy coming on the podcast, um, named Bill Smith.

He has his name.

It's like a real generic name.

He started shipped, which sold for like \$600 million based on Alabama.

It was like an Instagram better.

He's got this new company called, uh, landing is, you know, I'm talking about, yes, uh, what's the URL?

It's called like landing home or something.

Home landing.

Uh, but anyway, what it is is they lease out apartments in different places and they take the whole lease and then they sublease it because for people want to stay for a month.

And the thing about Airbnb is that they actually charge what's the fee 10% you're saying for two weeks.

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If you're saying like in New York, like I'm going to be staying, I'm moving to New York for three or four months.

Uh, it's prohibitively expensive.

So I, if my rent is 10 grand a month, I'm paying \$1,000 a month just an Airbnb fees.

And so they can figure out how to reduce that fee to something that makes sense for the longer term.

I think that in the future, people like us, um, and maybe a little bit younger, I think it's going to be incredibly normal to live somewhere for nine months and somewhere for three months.

Right.

And so they can figure that out.

It's huge.

But do you agree that like if you, would you consider living somewhere for three months out of the year?

For sure.

I had planned to do that.

Yeah.

Where are you going to go?

Because it's just a little bit tricky, but yeah, that's, that's the lifestyle I'm going to live is living in one place and then the other place for two to three months out of the year.

Without sounding like a total douche, is this a rich guy thing?

Or do you think that like lots of people are going to be doing it?

Well, you could do it.

You could do it economically.

Like I know a lot of people that did this and made money doing it, right?

It wasn't a rich guy thing.

They went, they live in San Francisco predominantly and then they sub they, the Airbnb, their San Francisco place for a month, they go live in a, you know, Mexico or South America.

And actually they make money for traveling because they're San Francisco, Airbnb costs more, they're able to charge more for that than they pay in South America.

My lease or not my lease, my mortgage and insurance and everything at my house costs about \$4,500 a month.

And I think that we're going to get about 10 grand a month when we rent it out.

And we're going to use, and then we're, we've already booked a place.

We're living in Brooklyn.

I'm living in Brooklyn from July to September.

And so, and I plan on doing that indefinitely and I think a lot of people are going to be doing that as well.

Cool.

I got to run.

I got to get out of here.

But good episode.

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We're out.