Props to this guy for doing this. I got to give him credit. I'm more into this than you are
I kind of love that a guy is dreaming like this
So we
We just did this other intro mics got screwed up. We're gonna do it again
We could say what we said even faster though
We're talking about the stuff that we're the startups that we're investing in I actually put it into a format
So like the name of the deal
Why each of us did it why it can be great, but I also want to say why it can suck why it will fail
Yeah, this is like the disclaimer here. We have a stake in everything that you're gonna. We're gonna be talking about I
Frankly don't care if people use it or not. I mean this is more so entertainment
I have a feeling some people will use it, but that and also this isn't like investment advice
A lot of these companies are very likely gonna go out of business because that's just how startup investing works
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 host relived the latest and greatest pitches from shark tank from squatty potty
To the mansion a bench to ring doorbell and they break down why these pitches were winners or losers and
Each companies 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
Yeah, and you couldn't invest in them if you wanted to most likely the the good outcome of this would be a you hear about some cool startups
That are doing interesting things and it just gets your wheels turning about like oh shit
I've never even thought about that. That's exciting and then the other is you get a taste of what it's like to invest in deals
And how you think how how an angel investor thinks about investing in an early-stage startups? All right
I don't want to say really quick that doesn't I don't want people to know I'll say for me. I'm not necessarily
I'm not saying I'm good at this
But I'm I'm just kind of doing it like publicly so people are watching me learn like get in shape publicly
I've probably done 30 deals, but anyway
You want to um all right? Let me go first because I have this deal that I I have to make an introduction to you because they
Specifically asked for you. It's the top one. It's called abstract ops
And I need to know if you want to join this or not

I actually I just emailed the guy today because I was like shit when I saw you write this
I was like oh shit. I forgot to reply to that guy. Did I introduce you?
You told me about it, and I was like I forgot to ask about it. So I emailed yeah
He I offered you him or him one somehow you're already in the know and he said he wants to talk to you
So I know this guy. There's two guys. I don't know the second one. The first one his name is Adam Specter
He's one of the founders. I think he's the COO. I've known him since 2014 or 15 maybe I've been in a book club with them
There's four of us have a book club and I invested in the seed round
I didn't have much money at the time, but I think I invested either 1,000 or $2,000. I don't remember but I got right pro
Rata so when what that basically means is when they were gonna raise again. I got to invest again
And that's how I find out about this Adam's amazing
I ended up investing around $400,000 and I got a preference that saying that I do my own money that comes straight out of my checking
Count and then I also had this thing called Hampton vc so Hampton vc.com or is it dot com or dot co?
And you can it's where I use Angelus where I invest Hampton vc.com
It's where I invest like my own money and then if someone wants to join they can so in this deal
I did both my own and Hampton's money and we invested about four hundred thousand dollars basically what it is
Yeah, most abstract ops. So have you the like if you're like know what you're talking about a little bit
It's you would say it's like net net suite for startups if you don't know what that is
Which a lot of people don't know what that is it basically I don't know what net suite is
So when you start a company, there's all I don't actually know if you had to do this because you actually had people earlier on on
But when I started my company
There's a lot of stuff that I would always forget to do because I'm just an absent-minded person. So for example if you have
Employees in different states to file taxes into each state or even just to register in each state
And it's not like a huge penalty
It's like a hundred dollar penalty if you don't do it correctly and you get a notice
But it's important to do it all right. Otherwise it adds up or
Another example is like certain HR practices and certain back-end practices like
Onboarding contractors in a very particular type of way getting them to reset a sign like an intellectual property release
There's just a thousand different things and abstract ops is software that helps you that basically adds in what all those things are and it's
Workflow so you can see which tasks need to get done
Does that make sense? It's a little bit fluffy, but does that make sense? That's a little bit fluffy but I recommend people actually go to their landing page not because
That has anything to do with the investment, but
It's such a good landing page or so so what you see if you go there

So it says so I'm just gonna point out a couple of brilliant things
I'm gonna use this in my power writing course because this is an example of an amazing landing page for a fairly boring
Business that would normally have a cookie cutter very boring
stock photo type of
Website and so it says
Stop running from your back office tasks, which is basically like they had a million ways
They could explain their business like we make it easy to handle
You know your your back office tasks or to handle HR legal and league HR legal and finance ops
And so stop running from it
I think it's great shows me this person understands like how founders are which is like we put the shit off as far as we possibly can
Because it's a pain in the ass, which don't want to think about it
And then it has this stick figure running away from a tornado
Like a little hand-drawn tornado and I love it and then the the first like sub headline is I
I started a company to do a bunch of back office work literally no founder ever, right?
And it's like I just get that I love the that they have personality
I think what that does is it makes it way easier
It shows me that whoever's behind this knows marketing and they're gonna have a much easier time recruiting
like customers and users because
They're taking the average mundane things and they're turning them into little sales moments where I start to love this brand and
I think slack did this extremely well if you open up slack, there's like 10 little delightful details that make you kind of like slack even though it's a pretty boring like work chat tool and
So that was something that stood out to me right away
So I'll explain why I made a decision to invest the first is I know the founder his name is Adam
And he had previously sold the company to Twitter
I don't know if it was incredibly successful, but I don't care to me. It's like all right
It's in what we call that the sweet spot
Yeah, you know you did just enough that I don't think you're an idiot
But you didn't get rich enough where where I I'm worried that you're gonna be you know
Some lazy want to be Steve Jobs visionary type for your next thing
It's like you're you're hungrier than you were the first time and you're smarter than you were the first time too
Yeah, and so that's one of the reasons why the second reason is the product
I like I know like frankly
I think they're still figuring out the product they have like close to seven figures in recurring revenue
But I think they're still even figuring out the product which frankly is a reason why you shouldn't have it
I shouldn't have investors like they're still kind of tinkering exactly what it's gonna become
But I do know that when it comes to the back office of startups
This was something that I failed that for years
Like I struggled so hard to like make sure I filed my taxes in Washington because we had one guy

who was working more than 40
Hours a week there. Yeah, like it was just like a nightmare and it stressed me out and there when I was selling my company
There was so much stuff that was like loose paperwork
the
The the things that make me worried though is that Xenophant's gusto or the thousand of other Companies that they can just once you because like it's hard to get once you start using gusto or some payroll provider
Getting out of that is a pain in the ass
So if these companies are smart which some of them are but they're still big slow companies
Then they're gonna do a good job of ripping abstract ops off and offering these features as a add-on
But I asked I think that could be said for a lot of different companies
Also because it's this like huge
It's kind of vague now because it's not a very narrow product because this is like huge idea
I get nervous that they're not gonna be able to sell this to customers
But they've done a pretty good job of getting some of like the cooler HIPAA companies already as beta customers
So it's incredibly interesting to me. What about you?
So so I kind of agree so I guess like the one thing for me is it's not super clear
Like even on their website they have a bunch of these like little examples
So it says pure CEO we handle and automate your HR legal ops finance
So you don't have to and then I like it
I would says be scrappy not sloppy, which is definitely a distinction
I've failed at many many times is falling into sloppy but calling it scrappy as my as my cover
But they have a bunch of like use cases like pay legal invoice send equity grant to advisor set up health insurance
Compose investor update and so I'm not sure how one platform can either do all those things
Or is it just a to-do list so that you actually do this?
So I don't actually know the product well enough because I haven't used it
But I would say that's one challenges
It seems like it's trying to do a whole bunch of things which means it's either a very generic horizontal tool or it's a complicated tool
Which one is it? I think it's going to be a complicated tool at first that said
I think that like a company like a net suite which does a little which is like a net, you know quick books
Yeah, net suite is like that but plus a lot more
And what I've noticed is that being particularly being at HubSpot once I can get if you can be a good enough salesman and get someone to
Start buying your shit
It's incredibly easy just to start selling them more and building more stuff on top of that
And I'm hoping that's what we can do with abstract ops and one of the kind of question marks here
Is is this automated or are there just humans in the back end that are like helping do all this stuff a little bit of both?
Currently currently a little bit of both

But I think that's that's the question is can they get it to be more software than than humans so that it scales better
Are you gonna invest?
We'll see I want to actually use the product because I I'm guilty of this like I said so like I have a company that
You know my basically my my personal company that's like back office is kind of sloppy
It's kind of a mess like our quick books like I don't want to open any of those tabs
I don't want to open gusto. I don't want to open quick books. It's like something. I like choose to avoid
But I'd rather like I'd rather put it off until shit breaks and then it's I know it's too late
But like fuck I hate thinking about this stuff
I'd only rent I only want to think about growth if I can and so I actually think I would be a potential user for this
And so I'm gonna use it and I'm gonna see is this magical for me or not
And that'll be the the maker break for investing which is always the best if you can be if you are the customer
It's way easier to invest than things that you're guessing about tell me about one that you're excited about
All right, I'm gonna tell you about one called
Jar so I I think I emailed you this deal because I think you should do it
But what is it so jar is you know that app acorns?
It's like kind of a big fintech app. Hey, didn't they go public. I
Don't know if they I think they're like spacking or something like that
They're they're like a mold they're like over a billion dollar valuation and what?
The genius there was like you would buy something and they would just be like hey
Do you want to like do you want to it would just tell you up front? Do you want to be a saver?
Okay, you want to be a saver great. I
Well, here's why we can make it easy for you
You don't have to think too much when you buy Starbucks and it's your bill is you know 323
Let's just round up to four and we'll just round up the savings and we'll just deposit that and oh look over time
If you just keep rounding up, you'll you'll save that's how it started at least
It was a pretty clever idea people like that and so what these guys are doing is they're taking the acorns model
And tweaking a little bit, but they're doing it in India and so here's what I like about it
You most apps when you want to go invest
it's like you download some fintech app and then you got to like link your account so you got a deposit money and then
It's like great. What do you want to invest in or how do you want to set this up?
You know, do you want to do a mutual fund?
You want to do an index fund like what do you want to do and it's like shit?
I need knowledge now and then it's like hey by the way
You can't just start investing right away like we have to verify your identity
So like scan your driver's license hold it up to the screen, you know with a nude photo and whatever

else
Right, there's like all these steps that go into just getting started with any investing app because that's the law
and what these guys figured out is a
Did this used to be called Spenny?
No
Are you sure?
Yeah, I think they're
Don't remember Spenny. They didn't mention that at least it's called their their URL was like changejar.in
And so what they were doing is they were like look the average person in India is not this was like their story
They were like I got my job when I was 21 like most people
But I don't start I didn't start saving anything or investing until I was 30 and when I was 30
It was like oh shit
I want to like buy a house sometime and like I want to get married and like I really should start doing adult stuff and
So he's like that lost decade between 20 and 30 is
Like a huge difference in your net results if you had started saving earlier
Like everybody seen these compound savings charts where if you start at 21 versus 31
you know you end up with millions of dollars more because you've been able to like save for an extra decade and
Even in small amounts and so what they said was how do we solve that problem?
How do we get you to start investing at 21 instead of 31 and what they did was like we're gonna simplify the shit out of this
We're gonna simplify it where in 45 seconds you can have your first investment done
I said well, how do you do that? And they said well here's the thing in India?
Everybody believes in gold and I know this because my family in India has like gold shops
They like sell jewelry and whatnot and gold is like the thing every like if you ask a mom there about stocks
They can't tell you a single thing
It's not even a big stocks is not like a big thing there
But everybody has like a gold set of jewelry as they're like safety nets crazy man
Like if we ever have to flee we're just gonna grab the gold and we're gonna run and like this was literally happened in India
Where there's like a where Pakistan and India split up so people literally did have to flee
So it's like kind of baked in that way and so they're like we only offer one asset
It's gold everybody already believes in it and they want it the second thing is your first up to a certain weight of gold
You don't have to do all the financial compliance that you have to do for like stocks or real estate or other like larger investments
Or different asset classes, so they're like there's this loophole where basically we can get you to start saving right away
You don't have to verify your ID and you don't have to like link your accounts and do all this other

stuff
So I love that like the simplicity that was in their go-to-market because I was like
Oh people will actually do that if I can in 45 seconds get saving great
And then once I reach this threshold where I've bought a certain weight of gold
Then it asks you to put your put your put way more information in but by then I'm kind of pot committed because I already have my
I already have wealth here even a small amount
I'll like protect that versus a normal app you just bounce before you even put the first dollar in was this your own money that you
Invested or the funds money? Well, I put my own money into the fund
but then all my investments have to go through the fund unless
The founder itself won't let the fund invest and because that's like a like an angel is rule
Well, that's the rule I set when I started the fun because I didn't want to have a conflict of interest where I'm doing the good
Deals in my own money, and I'm doing the borderline deals in the funds money. No, I wanted it to be clean so that hey
Every deal I do I just do it through this one vehicle. How much do you invest?
so I put in 150k and
It's got a $12 million valuation and a 20% discount and so so I put in 150k
They're raising about a million bucks. They already have good traction. So like, you know, what do you look for?
You like the team you like the product and then you got to like the traction in the market size and so market size
I like because I think this micro savings thing can add up really big in India
There's just so many people and so like their average user after I think like two or three months has has saved
$300 already in the app US dollars
And so that's like pretty significant for a very early like just putting micro payment after micro payment in of just rounding up your expenses
Or just automating and saying every day I want to put in 50 rupees
Which is like, you know, whatever a dollar or less than a dollar
And so it's like every day I want to put in 50 rupees and because my goal is to save up enough where I can pay for my wedding
You know in five years and so it's kind of like sets the goal and then it says great
You should put in 75 a day and you say yes, and then India also has this crazy thing. I don't know if you've heard of UPI
No
So basically the country like you know how like in the States you have like every bank just kind of has their own clunky software
And there's different payment that you know, you can use striped for payments
You can use something else for payments and there's no like there's no country level payments rails
And so in India the government came in and was like yo in the next year
Everybody has to move to this news payment standard. It's the universal payments, whatever infrastructure or something like that and

This will just make it so that anybody who's taking payments
You just build on top of these rails and we're gonna modernize payments in India cool through this and so they did that big change
And so that's change that's changed again
That's why there's a lot of innovation in India right now because this UPI thing was like a pretty major breakthrough
And the second thing is they just released this feature called autopay
Which is basically like a recurring auto investment and so these guys are using that new feature of UPI
So I just think the like why now makes a lot of sense for for this
And I like the the hack that they have around just buying gold so that you you've reduced all the friction of getting somebody started
Do you so are you're totally okay with investing in India like because I don't I've only invested in American-based companies
I've had Australia. I've had you're all over Europe
And I'm like for some reason that GAT freaks me out a little it yeah
it kind of does to me too, but I've been investing in India and
And so so when I do when I invest in India, there is definitely like some trepidation
So that's my why it could fail
I just wrote India question mark question mark question mark like easy for me to be fooled right like these guys could be
Well-known scammers in India that I don't know right these guys could be I mean they weren't right
They went through YC. I think so so so you know I actually I don't know if they went to YC
But I know well the other other companies I invest in know these guys and they went their competitor went to YC
Which is your second point why they could fail is there's a lot of people in the space exactly
So fintech is just super hot worldwide right now
There's like every day
There's a new credit card a new debit card a new neobank that's popping up
And then there's bigger players that are trying to modernize and so I think the one way they could fail is that there's probably like
10 between 10 and 50 legit competitors to this in India that are not doing directly this but they can add this as a feature or they
Could pivot into this or they could like recognize the the clever things that these guys are doing and implement them
So I think that's the those are the two which is like there's a bunch of competitors and fintech right now for every idea
and the second thing is India is always a little bit of a question mark and it's something it's very easy for shit to look
good in India because
You know cost of customer acquisitions always super cheap. It's like oh man. You're getting users for 80 cents
That's awesome
But like the reality is not all these Indian companies can be great

So so I got it like my own filter for India is off because I come at it with a US point of view
Having said all that
The two Indian investments I've done so far are probably two of my best investments
And so I'm gonna keep betting there because I think that the country is like
It's in a sweet spot where there's just a lot of innovation
There's just gonna be a lot of winners out of this batch and I just need to bet in on enough of them that
Okay, even if I get fooled by one or two or I didn't understand the market landscape
I get into enough winners is my goal also because I'm Indian
I kind of have this advantage where a lot of people in India follow me through this podcast or through Twitter and
So I have been able to get into like any deal like these guys when they were reaching out
They're like we asked only for two intros you and Naval and I was like okay, bro
You have one of us in the wrong league there
But the reality is that's kind of an opportunity for me is I agree
I build my brand bigger there. I can get into any deal. I want there. I agree. I think it's why like
Like Bruno Mars is like the most watched person on YouTube
It's because when you see cuz in the we're see from in the Philippines wherever he's from
If you see someone who you recognize in America who's crushing and kicking ass
Everyone rallies around that person from the outside country like like oh, he's one of us
Manny Pacquiao in the Philippines. He's like the president there and he's just because he's like a famous boxer here
They just want to go all out for their guy. Yeah, or Bjork in Iceland. So you're like the you're the you're the
India I'm saying if I keep betting then I have a path to do that
But if I'm never investing there then I can't build that like it takes a stack of
reasons why you should be like
Known and respected in a place and I think one of the reasons why you could be known and respected is having invested in some winners
But I got to plant those seeds now. Alright, can I tell you one?
I'm really excited about and I wasn't excited at first and then I started using it and I'm like oh, I'm in okay
So okay, the name is bad and they're gonna change it. They're gonna change the name
I think it's called the names really bad. It's called rumor. So I'm actually highlighting it
You can see the memo that I wrote for you say it the name's fine when you spell it you you know
It sounds like you've got cotton in your mouth or something. That's so I've talked about
Bring a trailer bring a trailer is this website that originally started as like a car or they would show off cool cars
That were on sale from around the web. They eventually launched their own
Auction platform, but they just did a really good job of making editorializing it making feel like a community
So you can buy classic or even newer cars that fit a certain demographic
Rumor is doing that for houses and by the way, if you want to invest Sean, let me know
I wouldn't have been interested in this except for the bring it when you've educated me on how bring

a trailer is a great business
And then we've looked into different auctions through the podcast
So now when I look at this, I see it differently than like oh just another home buying website
Okay, I don't really how are you different than no, it'll be cool because look at some of the example auctions
And then click comments and read the comments. That's kind of like why it's neat. How do I go to an auction?
I don't even know if those are fake auctions or or what the founder bought a bunch of homes just to put on that site for auctions
And so go to the water bunch of homes to see the marketplace. I think he like owns like 20
He's like a he was like a he's a property owner like he owns. He's like a landlord. Let's just let's just explain it
So I'm on rumor. It's R U U M R.com right now. They might change the name
So I go Washington looks to be the only market that's open so I'm there right now
And I'm just looking at this for the first time. So I see that there's this house in Washington
there's a bunch of pictures and
It's on sale for a hundred three thousand dollars and it says that there's 13 hours left presumably in this auction and
Then there's some details about it like all the normal house details
And then I can log in I can make an offer and then I see people who are making offers
But then there I see people who are also commenting like is the electric heating system baseboard or something else and
Then you see replies from like I assume either the owner or the agent
Like answering questions in the chat here. Well people are bidding a hundred thousand one hundred one thousand one hundred and two thousand
And it's currently at a hundred and three thousand is the neat right?
Houses and yeah, but it's a little bit different than eBay. It's a little bit different
But yeah, that is but if the reason it's one of the reasons why I think this can exist is let's say
You're buying a house for half a million dollars
And they do like a first and final offer process where everyone submits their offer on a Friday
If you're getting half a million dollars for a house and you see that the winning bid was 505
You're like well fuck if you guys would have told me I would have bet 510 and you would have made more money
And I would have got what I wanted right and so it's kind of trying to solve for that
But let me explain to you why I think this could be cool. So first I'm the founder was pretty interesting
He's a military guy. So I like military folks. He also started stay Alfred. You know stay Alfred
By the way, we should we should highlight the groups that we are inherently biased to invest in
Mormons
military guys
Russians
Yeah, juice
It's really juice is what we said, right?
You know who else immigrants I'm always partial to it. Okay, any immigrant anybody who's lived in

the US illegally
You know for a period of time anybody who is you know single-parent. I'm in you did you already did the hardest thing of your life
but can I
Because you know, that's that's a that's a no for me the the other ones that I guess like our our most like I lean in
I'm a little bit interested. It's like. Oh, how'd you what were you doing?
Like when you were younger and it's like well, I was like, you know flipping cars or I was flipping shoes on eBay or I
I kind of don't want to say because I was like this affiliate marketer for these like shape
You don't understand that's like
Yeah, shady internet arbitrage
So this guy started stay Alfred, which was like a you know, Sonder
It's like a competitor to Sonder where they would like rent out entire buildings and then sublease them for
Work travel got to a hundred million in revenue raised 60 million dollars
Crash and burned and went out of business and you know what that's awesome. I love that
So that's initially why I was interested. I told them. I love bring a trailer and he was oh great
Their co-founder works here and so does three other team bring a trailer sold the rumors like half a million dollars
And since two thousand a billion half. Sorry half a billion since 2012. I remember in 2012
I was playing around with
Real estate stuff online and I thought homes should be bought and sold online
Just like we buy and sell clothing and I a lot of people in with rumor
You can actually still go and see the house and open home like at an open house
But in my mind, I still think that in 10 20 30 years
It will be normal actually to buy a house site on scene even though a lot of people don't think that
Now I think I think that will be the case and check this out. So why would I okay?
So let's say I say I'm a seller. So why would I sell here when I feel like okay?
I'm gonna have this 13 hour auction. I don't know what's gonna happen. Do I have to take the offers or I can just reject all
Yeah, you can have a reserve
Okay, great. And then is it because I think I'm gonna get a higher price or because I save money through the fees
So what's the reason I choose this over like traditional help listings? Yeah, the higher price. That's the goal higher price by creating like a
Like they take the same fee as like a normal 5% of whatever agent fees
They take less because what the problem with real estate is the agents are still like integral like they're so very important to the industry
If you cut the agents out then like the agency like all fuck you guys. I'm a bad mouth you
I'm gonna make sure no one ever uses them. So they actually get the agent in on the deal
And they just like make the agents job a little bit better and a little bit easier, right?
And so we'll see if it works, but let me explain two things first is we invested along and the reason why I was intrigued is all

Of stay Alfred's competitors this guy's old company all the CEOs all invested in this company
And I was like, that's kind of an interesting signal
competitors
Respect you like I'll bet on your next thing that means something and they were all real estate guys
So this is still related to that business business. So I was like that's intriguing second
So I I invested and then I get a call Jordan calls me the guy who's starting this he goes Adam Newman
Just put two million bucks in I was like fucking a got it like I think that's pretty good
I think that's a good side. Why is that a good sign because some people would think that's a bad sign
No, no, no, no first of all like I'm not saying what Adam did is great
I frankly don't even know the entire story, but I I'm pretty he's that's the founder of we work
Yeah, like none of like whatever did a bunch shit and ended up walking away
Kind of like drove the company into a weird spot and and was accused of a lot of things and then he walked away
You know pretty wealthy as part of the his agreement to leave and my thing is Adam Newman regardless
Let's say he did a lot of bad stuff. Let's say he was unethical. Let's say all that's true
I'm not saying it is but let's for argument's sake say it is
He's still built something huge and amazing in a very short amount of time and has access to all types of stuff and sees all
Types of stuff. So I think if he's interested, it's a good way
And then why can they fail? I think if they execute this poorly, it's gonna it's gonna be bad
I also think that um like oh, I put I put it could be if they raise too much money
I actually don't think that's gonna be the case
I think they have to actually this company's got to raise a ton a ton a ton a ton of money
What can make this fail? I don't know maybe if Zillow offers this
Well, also, I think it's a new behavior and anytime you're betting on a new behavior
That's like the risk of it failing is that like maybe people won't want to buy the house sight unseen
Or maybe people won't want to sell the house in this way
They want their hand held through a traditional process because it's the biggest asset in their life and they they don't want to risk it
Which is and you can buy this you can go this is not entirely sight unseen
But yeah, it's a new behavior. There's a lot of new stuff about it
But my thing was like when I was doing the math
I'm like you don't need that much volume to build something quite large and
Right once you have the home on there, you can upsell like property
Assessment or what's it called them?
Inspections, I think you can upsell a lot. I just thought it was interesting
I think you're closing so so one thing that's good here is you you don't want all your bets to be logical
Clear good ideas because that means your risk profile wasn't right with start investing
You need a few ideas that
You know sound like they're gonna fail when you when you invest in them and then you either either they fail

And you're like, yeah, well duh or you end up looking like a genius six years later seven years later because that non-obvious
Contrarian idea turned out to be something people actually wanted to do turned out to be a new behavior
People were willing to do and so I think it's good to have I this was the one note
I told my team who like helps me with investing. I said, I don't think we're taking weird enough bets I don't think we're taking wild enough bets because
That's where the big outsized crazy returns are going to be as in things that are non
Non-obvious today, you know, like low valuation not everybody wants to invest in them the sort of thing
All right a quick message from our sponsor, you know, I was thinking about the shortest day of the year earlier
And while we technically have the same amount of time as every other day of the year
The lack of daylight makes it feel so much shorter
Which is exactly the same kind of feeling as working with disconnected tools our work days the same length as always
But before you know it, we spent three hours just fixing something that was supposed to be automated
Thankfully HubSpot's all-in-one CRM platform can serve as a single source of truth for managing your customer relationships across marketing sales service operations with multiple hubs and over a thousand integrations
And an easy to use interface HubSpot lets you spend less time managing your software and more time connecting with your customers
Learn how HubSpot can help you grow your business at HubSpot.com
Did you do SASE? Yes. Does that interest you to talk about or no? We've kind of talked about them before. We'll do another one. All right
I want to do one. Okay. You'll kind of I think you'll like this one. I think you'll want in on this one. Although it might be too late
So it's called one build. So what one build is is here's the problem as the guy describes it. So I taught so I meet the guy
How'd you meet him?
Ben or Zach found him and then they really liked him and they were like, hey, you really got to talk to this guy. So I said, okay, great
Let's do it. And I forgot. I don't know how they found him
I think he was like in some wicy batch or something like that. So so basically I talked to this guy and he's like, yeah
I was working at cloud kitchens that the startup started by Travis Clannock. He's like I was one of the first 20 people there
And my job was like, you know, they wanted to go build out all these cloud kits all these kitchens around the world and they were like,
All right, you know, we want to build this $10 million project. We want to build this $20 million project and he's like, I'm a data guy
Like my background is like data science and they were like, look, we need you to like be intelligent about how we're going to like plan out these builds

We're trying to spend this much this year. It's a big number. So like help us out with the data side of building out. So he's like, all right, no problem
How hard can it be? And he goes into it and he's like, okay, great. So we have this, let's say we're doing this deal and we're trying to build out this kitchen in Seattle
And the estimate is like 10 million, but like it could be plus or minus like four or five million. And that's a pretty big difference.
Like if it's 15, it's different than 10, which is different than six. So like which one is it. And the guys were like, well, like it depends like it depends on what he's like it depends on the cost of construction
And he's like, okay, well, what does that depend on. And it all comes down to like one of the biggest variables is material costs. So there are many ways that your construction costs can go out of whack like
If you don't get the permits in time and so it gets delayed labor errors, but one big one is materials. And so what he was like, he's like, okay, well, how hard can that be like let's just figure out the material cost and let's just spec it out
And they're like, no, no, no, it doesn't work like that. Like, here's the spec. Here's the plan like a construction plan. And now to cost this, you either you need to hire a cost estimator. And what they do and what you would do if you wanted to do this yourself is
There's this book that gets printed once a year, which is like, this is like the bit the blue book of like all materials cost like if you want a three foot piece of lumber, it's going to cost you this much.
But like, as anybody seen, especially during COVID like material costs like lumber has like, had huge amounts of variants. I don't know if you've seen this but like, yeah, yeah, yeah, like, you know, a truck carrying lumber is like, like right now it's like a truck carrying bricks of gold.
It's like if you robbed that truck, you would have like so much value right now because lumber was so expensive. And so he's like, the problem is that there's no real time data.
Like he said, he said, so that's what I decided to leave and go build is basically an API that will give you real time material pricing for construction. So all you do is you upload what your, what your, your construction plan is.
And then it basically gives you an accurate real time cost of it. And then if that's changing over time, you'll see how it's changing week by week, day by day.
And companies who are building, I don't know any of the companies, but companies who are building construction, companies who work in the construction business who are designing stuff, they will use one build software to integrate with their software.
So it says in real time, how much this is costing. Exactly. So so basically you upload your construction plan. Yeah, they're selling straight to the, to the company.
They're selling to the builder and to cost estimators who do this as their job. It's like, Hey, here's a way to do your job faster. But I think over time, my sense is that over time it eliminates the need for cost estimators as a profession.
But, but I think, you know, the main thing is, if you're a contractor, whether you're, if you're building your own project, you want to know what are my real costs going to be, and you want to know how those change over time.
And then, oh, if we swap this out for this, how does that change our pricing? And the other thing is, let's say you're a contractor, you had to go bid for a job. If you bid too high, if you put your budget, if you put the cost too high, you may not get the job, right?

Because that's your sales pitches. Hey, I'll build it for 12. And if 12 is too high of a number, they're going to give it to some other guy who bid bid eight.
But if the guy who bid eight is underestimating it, and it actually costs him 10, he has to eat that loss. And so bidding for jobs and accurately bidding for a job is basically like a huge part of the sales process of construction.
Alright, so what do I like? I like that this problem seems real. I talked to a few people in real estate and they were like, Yeah, of course, this is like, this is a huge problem.
You know, just the material cost for construction is twice the amount annually of all of e-commerce. So it's like humongous market. It's a multi trillion dollar plus market of just material construction costs.
And smart guy, I like their approach. I think they're kind of like the leader in that space. It doesn't seem like they have a ton of competition.
Like I don't think like what I was saying before about savings at microsaving apps or credit cards, it's like, there's 100 of those startups right now. I don't think there's 100 of this startup.
And then they already have some traction, right? They have seven figures of AR are already booked.
And so I invested in this thing in their series a and and I think there's also a big idea that I like, which is after you cost it for them after you say, Oh, here's the here's your estimated cost for this.
You could also just add a buy button down the road and then be like, cool, purchase all those supplies and actually build a marketplace where suppliers can sell the supplies through their thing because the person's already at the, at the, at the, they already have their invoice basically ready, ready to buy.
This is amazing.
The thing you can fail, right? So why would I hesitate? First, the valuation was higher. So it was like at a over $50 million valuation.
You know, so I put in 100k, I don't own a big piece of this, but I want it in rather than being on the outside. And then the second thing is, I think construction is a pretty old school industry. It's all pen and paper.
Like that trillion dollars of material purchasing is all done just through pen and paper offline right now.
Who are bringing it online can be a brutally hard thing to do.
I'm looking at my Metaprop. I'm seeing who all invested in these folks. I think maybe I know some of these people who's leading this series a
You know, I don't actually know. I don't remember off the top of my head.
Wow.
This is sick. This is great.
This is a cool one.
If there's still reason I would talk to them in the heartbeat. My fear about this, like if I had to like say what the downsides are is, can you easily replicate this?
Like can
I don't think so because what they're doing is not just the, it's not just the app that says great, you know, upload your thing and get your cost. It's like, where does that data even live?
So this is like, you know, that company climate corporation that basically like what they did was they basically organized all that agriculture weather data.
Sold for billions.

Sold for billions. And basically what they offered to like, you know, hey farmers, like here's all, you know, farmers and others. It's basically like we took this unstructured offline data and we made it structured and online.
And for example, they're first taking all of the material, all of the materials and they're turning them into skews, like if you've ever done e-commerce, a skew is just like, you know, if you're at a grocery store, a Hershey's chocolate bar, that's one skew.
And then a Twix bar will be another skew. And the large Twix bar is another skew. So basically they took every thing you can buy in construction and they're turning them all into skews first.
So first, that's the first step. Then they have to get the price feeds. Okay, how are we going to get real time price data on all these things when prices vary from supplier to supplier, vendor to vendor.
And so then they're, they have to do that. And then they have to turn that whole thing into an API that like can be queried easily and get accurate price data.
And so, so I think they have a, I think that's the real innovation here is being the one to organize and collect all that data.
Then after that, really anybody can build an app that just asks them, hey, what's the price of lumber right now in Tucson, Arizona for this size of this type of lumber, and they should get back in answer.
And then if that changes in three months, they should get that change notification that the price is increasing.
That's sick. I'm into this. I'm looking at all this now. I'm taking out notes. I think this is amazing. I'm into this one a lot.
You want to do one more you like?
Yeah. Okay. Here's a boring one. Wait, let me look. Let's do a boring one. Okay. So I actually included this email in here because I wanted to show it and I blacked out a couple things.
So don't read those things, but this one's like boring. It's not a seed investment, but I just wanted people to see how this worked.
So my friend, Nathan Barry, Nathan Barry started this company called ConvertKit. You know ConvertKit?
I'm a user. Yeah. I pay him 1000 bucks a year.
I love ConvertKit. If you Google ConvertKit revenue, you can see all their metrics, all their numbers. It's amazing.
Nathan is, you know, he's young. He's like 28 maybe, but he like comes off way older. He owns, I think, almost the entire company.
So ConvertKit is like a MailChimp competitor, but slightly different.
It's hard to explain unless you're an email marketing nerd, but it's just like MailChimp. It's just like HubSpot.
It's just like a lot of these companies, but geared particularly, I believe, towards bloggers.
And he has grown the company very steady for a bunch of years, and he asked me if I wanted to buy some secondary at a 7x multiple.
So their revenue is 28 million, and he's raising at 7x that. What's that? I don't even know.
200 million. 200 million dollars. I invested. I thought I invested $50,000 of my own money.
Right. I would do that in a heartbeat. Yeah.
Well, you want to? Yeah, I do want to. That's great. It's like no brainer.
All right. I'll make an intro. Let me write this.
I know the guy, but yeah, I didn't know he was doing it.

I'll give you an intro so I get credit. So he owes me one.
So the way that it worked was he goes, Nathan emailed me about a week ago.
And he goes, funny story. After you and I talked on how secondary liquidity works in my podcast.
I guess I can say his name. Darmesh heard the episode. Darmesh is the founder of HubSpot who's going to be on in a few days.
Heard the podcast and he reached out saying if you could buy X worth of shares directly from our shareholders.
After surveying former and current teammates who sold hold stock options, we're putting together a secondary round at 7x ARR.
And we're looking to raise 2.5 million in total with 2.05. So 2 million already committed.
ARR is 28 million. Net revenue is 27.3 million, which is up 34%.
Revenue churn 3.8%. Customers 36,000 profit this year, 11%, 12% profit.
He sent me that email and I just said, here's what I replied. I go, how will I get liquidity?
He goes, I'm either going to keep buying more companies and then I'll go public
or I'm going to do more offerings in the future to sell.
And I go, great, in 50,000.
So here's my thinking. My thinking is-
It's just super safe, right? The odds of this going south are under sub 5% easily.
And so this is my safe bet. So to me, this is not-
So the way that I'm doing my net worth is 1% of the vast majority, let's say 95% is in index funds.
Boring, 5% is going to be in angel investing.
And this is considered private equity, I guess, but it's not angel investing to me.
But it's more of the boring stuff. This goes in your boring stuff budget?
Yes, but it's not quite boring. I can't sell it overnight, but I know Nathan.
He's trustworthy. He's ethical. He's amazing.
I've been asking to invest in him since he started the company.
So I put 50 grand of my own money in this and this is going to come straight from-
This is coming out of the boring pool. What do you think about this? You like this?
I like it a lot. I think that this is a really defensible, stable company.
There's a lot of people that are super interested in email software.
There's bigger companies and then there's the sub stacks of the world that are trying to do things.
But I've used all their products. ConvertKit is the best product out there of this batch.
Once you're hooked on it, it's hard to stop paying.
In fact, I told my team, I was like, hey, guys, our ConvertKit bill is like two to three grand a year.
Isn't there like a free thing that will just let us do all this?
I feel like email software is everywhere.
And then sure enough, they go kick the tires of a bunch of different things.
They're like, ah, we can switch. We can get it cheaper, but we're going to give up X, Y, and Z.
It's like, well, X, Y, and Z all seem like the important things.
I don't want to give those up.
And so I think he's built a very steady business that today I think ConvertKit could sell for more than 200 million.
I think if he wanted to sell this business today, he could probably sell it for somewhere like 30 to 40% higher than that.

That'd be my guess.
And it's just going to keep growing, I think, 25 to 35% a year.
And there's a world I can see Nathan being the type of guy.
And a lot of people say this, but I actually believe if he told me this is what he wanted to do, he was like, ah, I think I'll run it for 25 years and try to grow it 25% every single year through buying different companies.
I'd be like, oh, okay, cool. I believe you in.
I believe you're going to try that. And I believe you're capable of that.
And we see pretty much every major like creator economy deal.
And they're all just like, I think you're sick of creator economy at this point.
I'm very sick of it.
There's just so many creator tools and creator economy startups.
And honestly, most of them are not very good.
It's like there's more funding in the creator economy startups than there is like actual revenue in the creator economy right now.
So, so there's like this, there's like this, I don't know, overhype in that space, but this is an actual, this is a real business in the creator economy.
Right. This is like independent creators use this as their like back end for sending emails to their audience bloggers and newsletter folks.
And, and I think that there's a lot of room to run.
Like the thing I would do if I was him is I would figure out, I would go into the ClickFunnels market.
I think ClickFunnels is a bigger company. I think ClickFunnels has over 100 million a year.
Yeah, but they're trying to shit.
They're trying to shit, but you know, the, I think as a upsell, I think there's a lot of people who use ConvertKit that also create landing pages and try to like sell stuff.
And I think that ClickFunnels is actually one of the better products for doing that, even though it's very janky.
It just, it's very effective at actually converting people.
And I think that that's the way I would go with this as a, like as a route to getting bigger.
But, but yeah, I think there's a pretty safe bet.
Well, I already made an introduction, Nathan, it's in your inbox.
Awesome.
You want to do one more?
Yeah, let's do one more.
Okay, I have a crazy one.
Yeah, I have a crazy one.
Actually, can we talk about that other crazy one that you were telling me about?
Yeah.
Let's do that one.
Let's do that one.
Okay.
So, uh, Cam, his name is Cam.
I had this guy reach out to me because he was a volunteer at HustleCon years ago.
And I've always stayed in touch with him.

I love Cam.
He's a nice guy.
And I, I thought he would always go places.
He emailed me like a week ago or a five weeks ago, like maybe a month ago.
And he's like, I got this idea.
I'm going to build a, build the world fair.
And I, you and me, Sean are way different.
Immediately I said, nope.
Nope.
I'm out.
Like I was never even entertaining this.
Explain.
Cause I, I didn't even really know what the world fair is.
So explain what that even means.
I'm going to build the world fair.
You do it.
Cause it's like, it's, I'm just not imaginative or smart enough to understand these things.
You go ahead.
So, um, and actually if you can link me the, link the, uh, the memo in here.
Cause I think it'll be, it'll be useful to talk about.
But basically what I understand is the world fair is an event that happens, has happened like, you know, 70 years ago and then 20 years before that or whatever.
It's sort of like the Olympics.
It's basically this world scale event.
And in the same way that, you know, the Olympics, every four years it happens and it goes into some country and it like, you know, some city and like takes over the whole city and it brings like tons and tons of millions and millions of tourists.
And, um, and, and so, you know, the previous world fair.
So here's, here's the previous world fairs.
So Seville 1992 had 42 million attendees.
Shanghai 2010 had 73 million and Milan in 2015 had 23 million attendees.
So basically this guy's trying to throw an event with 50 million attendees.
And so that's like the, that's the premise is, Hey, I'm going to build this event.
Um, and it's going to have 50 million people attend.
And I think I can make billions of dollars.
He, he, he estimates, uh, you know, over $5 billion per fair that he'll generate in some combination of tickets plus additional spend when you're there.
Um, as well as like, you know, the virtual live stream media rights to the, to the thing.
And, um, and forget about the fact that like, you know, the, like the city itself gets like this huge amount of economic activity when you get 50 million people coming to town that generates a lot of economic activity for the city.
So his idea is basically go city to city and say, Hey, do you want this like jumpstart of economic activity, host the world?
Like put up, put your city up and put funding up and put resources up.

Let me host a world fair here.
So, and it's like Disney world on crack.
I told Cameron this earlier today and he's a listener.
So I want to let him know, I love this guy and I think he's very competent.
I just think this idea, I think it's stupid, particularly for like a VC funded thing.
I have hosted, like we're calling this a world's fair venture thing.
This is a conference.
This is a trade show.
Can conferences and trade shows make money?
Yeah, they can.
But like to start Coachella, Coachella makes a hundred million dollars a year and they've been around for like 30 or no, 20 years now or a lot of the Palooza 20 years.
Like, right?
This is the degree of difficulty on this is, uh, like at an insane level, I would say.
And it's a level.
So that's the reason not to invest.
The reason to invest is also that the degree of difficulty is insane and the person behind this is insane and it's going to compete against nobody.
And it's sort of this.
What do you mean against nobody?
There's tons of these.
Like, like this.
Who's trying to do this?
I mean, Web Summit did something like this.
Like, dude, do you want to compete against the Olympics?
What happened to the Olympics last year?
Yeah, that's the thing.
Who is competing against the Olympics?
Nobody.
It's like when Elon goes and competes against NASA.
It's like nobody else is competing against NASA.
There's a Commonwealth Games.
There's world championships and different sports.
There's a lot of types of stuff.
There, uh, you know,
Nobody entrepreneurial.
Nobody who's, who's trying to do it for capitalism.
Basically, nobody's trying to make a profit.
There was one person, Ted Turner, he launched the common or, uh, what did Ted Turner launch?
Uh, the Goodwill Games.
Yeah.
I don't, I mean, is that even, did that work?
Did that not work?
What do you know about that?

I don't know if it made profit, but I know that it was a thing.
He invented it because he needed, uh, programming for,
For his TV stations.
TV stations.
Yeah.
I believe it was called the Goodwill Games.
Anyway, no, I mean, like, do they work?
Yeah.
They don't not work.
It's kind of like, um, does the American pageant work?
Like, well, it kind of probably makes money.
It's like an annuity.
It kind of works like every year for 40 years and it does only okay.
So is your, okay.
What's your criticism?
Is your criticism that he's not going to be able to do it at the scale or that even if you do it at the scale, it's not going to make that much money.
It will never, ever, ever happen at that scale.
I'm just saying that like, look, like,
And this is me saying someone betting my own money.
Like I'm not willing to bet my money that it will.
I'm going to bet my money that Cam will do many amazing things.
I just think it's like literally like, it's, this is like, it says like against physics.
I think like, like, do you know what I mean?
So the most, most relatable version of this is the, um, uh, summit, right?
So, so the guys who created summit and then they bought the mountain and they're like, you know, doing that.
I think that's sort of like the closest analog that I know and I've personally seen.
And it's not a good business.
That was not a great business.
It's a horrible business.
It was nowhere near.
Well, okay.
Why do you think it's a horrible business?
They ran out of money multiple times.
It doesn't make a profit.
The event part or are you talking about the mountain part?
The event, both all.
What are you talking about?
Ryan will tell you first thing.
Ryan made all of his money selling trade shows and ads for a real estate newsletter and trade show business.

That was a killer business.
Then they invested it in this other thing and it was just okay.
Like, would you want to have invested your money?
Like, I just, this boggles my mind.
I have only a few dollars to pick between X, Y and Z.
This like doesn't even come up on the like, I'd rather go all the way down abstract ox just like give me some boring ass software that's just going to make money for 50 years.
So I agree with you from that point of view.
If I'm, if I'm going to invest, I'm not personally going to invest in this, but I think from his point of view, from the guy who's building this point of view, I don't know, you could be, if you're a lunatic, you can do some kind of amazing things.
You can really exceed like where others have gone.
For example, I know Patty who started a web summit and you know him.
That's cool.
What's he like?
Awesome.
Awesome guy.
Like, you know, should be the whatever of Ireland someday, prime minister, president or whatever they have over there.
He's amazing.
He's a really amazing guy, but at the same time, if you are trying to build a huge conference, you're going to approach it very differently than trying to create a world fair than trying to create like an Olympics.
And so I think it is really not that much harder.
I think it maybe it's, it's harder, but it's not that much harder than pulling off what Patty did over seven years of web summit.
The good thing with web summit is he was able to iterate.
So he was able to start super small, like, oh great, I got a hundred people to come to Ireland for this conference.
And the next year I got a thousand, next year I got 10,000, then I get a hundred thousand.
Like he was able to step it up.
Whereas I don't, I think with the world fair thing, there's no like tiny world fair, I don't think.
I'm not sure, you know, how he's going to possibly do this.
Yeah.
His two, his two phases are phase one, host 25 million guests, phase two host another 25 million guests.
I don't want to say props to this guy.
Is he like young?
I hope he's young.
It's 26.
He he props to this guy for doing this.
I got to give him credit.
I'm more into this than you are.

I kind of love that a guy is dreaming like this.
I also think it's insane and slightly, you know, impossible.
I bet you you don't put your money in it.
I will not put my money into it, but I did put my money into something slightly crazy also.
I put a very small amount, but 25 K into a, which is like below what I would invest in any other startup into a guy trying to build a startup city.
So, but I think that that has better odds of succeeding than this world fair.
Yeah.
Because you have rent every month.
Yeah.
Well, can I talk about that real quick?
I know we're late for the other thing, but basically what this guy is doing.
So we've heard about startup cities.
Bology came on this podcast and he kind of said, I think the 2010s were about crypto and I think the 2020s are going to be all start about startup cities.
Bology also invested in this.
So it's this thing called praxis.
And basically what they did was they created this social network like kind of like a club in New York, LA SF with just a bunch of cool people, like founders, people from entertainment like Hollywood, New York stuff, circle, yeah, just like, you know, Soho house type shit.
And so they host cool parties.
So they just been hosting cool parties and then basically they were like, awesome.
We have the seed community of dope people and you know, a city is basically just like an, if you want to create the next Hollywood, right?
You need all that aspiring actors.
You need the filmmakers, whatever.
If you need, if you want to create the next Silicon Valley, you need the fund, the VCs and the entrepreneurs and the engineers to build stuff.
And so these guys premise is basically like, if you're going to build a new city, you need to have a network effect of dope people who want to be around each other.
And so he's been curating this community for a while and then they're going to the like Mediterranean and they're going to these countries like, Hey, Croatia, can we get like a piece of land that's ours?
Like give us this land for free.
That's beautiful land by the ocean.
And let us come up with our own financial regulation rule of law and we're not going to do Croatian law.
We're going to do our own law and like just give us total sovereignty and in exchange, you own a piece of equity in this land and we're going to bring like the best American cool kid talent to this like, this startup city basically to come live here.
And then we're, and basically it's a real estate company that's just building buildings and renting out the office space and all the residences to the cool kids.
Theoretically, I'm into this.

I would have to, I would want to know are the people like buttoned up real estate people or they like people from Burning Man who wear like Coachella hats all the time and you know, like leather shoes, like leather like pants, like I need to, I need to know like what they look like and what they're about.
If they're buttoned up, maybe I don't want to buff.
You want a guy who's just going to, he's going to be out there recruiting the community and then you need the real estate guy who's like, yeah, yeah, go do your thing.
Let me, let me actually set this thing up so that this works.
Right.
So, and by the way, on the website for practice, Cameron Weiss from the last company, he started blogging about the world's fair on March 16, 2021.
I leaked it to you.
Yeah.
He's a member.
And that's the, that's the kind of dreamers you'll get in this community.
So I put a small amount of money into it because I'm just really interested to learn.
And like, this is a, this is a wild idea that, you know, I think the portfolio has to have some wild ideas.
It cannot just be like things that are easy to understand and easy to like imagine working because I think we'll miss out on the large outlier winners.
So all right.
Pimp your, can people still sign up for your rolling fund?
Yeah.
Go to, go to Angel list, just type my name in and then you could just, you don't even need to email me.
I'm trying to find my rolling fund and then I'll email you so you can invest with me.
We're doing, we have about 4 million and 4 million a year we invest across about 30 startups.
And for me, I don't do a rolling fund.
I have a syndicate.
If you go on to Angel list and type in like, it's called Hampton VC cause I used to live on a street called Hampton, not cause I'm from the Hamptons, but Hampton VC.com.
If you just go there and then just click, learn more, you'll get taken straight to the Angel list page and just click apply.
And then whenever I have a deal, you just are notified and you can invest or not invest is up to you.
And Sam's memos are dope.
So you should go subscribe.
Well, thank you.
By the way, everyone's saying great stuff about power writing.
Oh yeah.
They love it.
I'm putting my heart into it.
I was like too embarrassed if it sucked.
So I like really, really tried.

Well everyone's saying great things.
Sarah's class is going live soon, but they're saying great things about it.
All right, we'll talk to you soon.