

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

Would you rather own a small piece of something huge or a big piece or everything of something much smaller?

Sam, where are you dude? This looks awesome. You're at like a pool or backyard or in the Hamptons. What's going on?

I spent the weekend at my in-laws house in the Hamptons, and I felt pretty sick yesterday. So I just stayed the night here

I didn't feel well, but I'm feeling fine now, but I'm in I'm in the Hamptons. It looks good, right?

I mean it looks amazing. Yeah, it looks like what I've never been to the Hamptons

Not even close never got an invite. I don't even know anyone that lives in the Hamptons

Let me let me tell you my way. Okay. My opinion of the Hamptons

Incredibly overrated you want to know another thing that's incredibly overrated

Central Park Central Park so overrated

Central Park and the Hamptons both overrated the Hamptons. Not it's not that pretty

It's not that pretty at all. So very

So what's the appeal? What is good about it?

If you're in New York

It's only an hour hour and a half away without traffic. So you can go to the beach there

So it's a little bit like Sonoma or Napa like I think those places are nice. They're not the best

They're kind of boring Napa is Napa and Sonoma are prettier than the Hamptons without a doubt in my opinion

Okay, interesting. And do you like do you feel different? You walk around every car is like a Bentley or better

You have to have a Range Rover to fit in. It's crazy, man. I it's not my style at all. It's very it's not It's not even remotely my style

All right quick break to tell you about another podcast that we're interested in right now

Hope spot 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 men's on 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

Did you see the Jake Paul and Tyrone Tyron Woodley fight last night?

Did I tell my wife I can't help with the kids bedtime routine because I'm watching the Jake Paul fight

Yeah, I did that and I watched that fight and I thoroughly enjoyed myself. It was an amazing fight. I thought it was a good fight

I thought Jake Paul I had higher expectations drama was there. I'm not talking about the technical boxing was great

I'm saying the drama was there. I didn't know what was gonna happen

Beforehand and then every round it still felt like anything could happen, which is what you want.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

The drama was so high  
my my my  
Anxiety level was equal to the best UFC fight like like the best grudge UFC fight  
My like anxiety level was equal to it. I thought it was amazing. We had Jake Paul in the podcast  
He was way different on the podcast than he was in like for the for this whole boxing thing  
But anyway, it was gonna be that I was like hey congrats to guest of episode  
170 on your victory  
Yeah, it was it was a fun fight. I'm happy. I got to watch it  
It was more it was more intense than any you have as intense as any UFC fight. I've ever seen it was  
pretty badass  
They've done an amazing job  
Well, let's talk about it a little bit. So they for those who don't know or kind of just roll your eyes  
You're watching Jake Paul and  
Jake Paul fight this guy is this rigged. What's the point of this? Isn't he a youtuber?  
like I got a lot of respect for what they did I'm pretty impressed by this I think that  
this move they did to go from  
youtuber  
Vinard a youtuber and then youtuber to basically one of the best business models you can do as a  
as well as a single person is basically sell pay-per-views and  
Why is that right? So like this fight? I wouldn't be surprised if they sold a million pay-per-views  
And so you sell a million pay-per-views at, you know, roughly 60 bucks of pay-per-view, you know per  
pay-per-view  
You know, that's 60 million dollars and then they partner up with Showtime to do that and do the  
whole thing  
And so, you know, they can make 10 million bucks in one hour doing this right and basically a single  
event and  
That's totally different and it grows their brand  
Like this whole thing makes them more famous because ESPN is talking about it and Twitter is  
talking about it  
everybody's talking about it and  
They're doing kind of like a hobby that they like which is boxing right they train hard  
So it's not easy, but man, is it lucrative?  
So like pretty impressive jump from one platform to the next and as a business person  
I think they're geniuses. I think they are whether it's intentional or unintentional. They are geniuses  
The way that they approach this the way that they promote these things way to leverage the brand  
It's genius. Also getting in a ring in front of a million people getting in a ring in front of 50 people  
It's incredibly frightening now to do it with someone who's like even though what Lee  
Yeah, he's at the end of his career. He's 40  
He fucking kills people like he crushes people like he could he you definitely could die  
I mean, it's not likely, but you could and that's incredibly bold and so likely you could get humiliated  
Knocked out brutally by this guy, you know in front of everybody. Yeah 100% and so I do think it's  
incredibly courageous  
Even though whether I agree or don't agree with like a lot of the shit they do  
It's wild. I can't believe they pulled this off. It's wild. It's incredibly wild the crowd on TV

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

I've been to like three or four or five  
I forget how many UFC fights and I've been to some of the big ones at Madison Square Garden  
The crowd on the TV like on the act in Cleveland last night  
Yeah felt the same as when I saw UFC fight like the same energy. It was pretty wild. They built this  
They did it. They pulled it off. I also went to a  
Live MMA fight a local one here in San Francisco where in the the dragon den dragon house. Yeah,  
amazing  
You went to one. I went together this weekend. I went to one. I've been to a bunch there. It's badass,  
right?  
It's way scarier than UFC ways way more intense. So so we get cage-side seats because they're only  
50 bucks, right?  
So like, yeah, you know, it's not a huge stadium. It's keys our stadium. It's a very small place, but  
We went there we get cage-side seats for 50 bucks  
Since COVID, you know started and they said like everybody's got to be vaccinated. They didn't  
check anything at the door  
So that was not so great, but I walk in and the crowd is just lit  
I don't know what they're all like super drunk  
Yeah, so so I think there's like four or five factors going in so first of all  
It's their friends fighting usually like there's a whole in every fight  
There's at least like 20 people that are there because they're friends with this person because these  
are amateur fights  
These are people who by day, you know, they deliver for DoorDash or they like work in a, you know  
Consulting company or whatever and then this is like a nighttime fight club thing for them where  
they just like decided screw it  
I'm gonna try this  
because I get there early I get there for the amateur fights before I find those way more interesting  
than the pro fights and  
So first of all, there's there's 20 people that for that's that's their friend. That's their brother. That's  
their kid  
I'm seeing moms just yelling like kill them because it's like their son and in the ring or whatever  
Second thing is  
It's like people are drunk. Yeah, so people are drinking. There's only like  
Drunk there if one contestant and it's only beer  
They only sell they only sell beer and Costco pizza, right? Yeah  
Beer and things that make you want beer and then third thing is  
I think so. I think the third one would be  
I'm so used to you're in the Hamptons right now, dude. I  
I just hang out online on tech Twitter and crypto Twitter and like the group of people  
I normally hang out with are so nerdy and  
Like they're just concerned about different things the priorities are different  
I went to this thing and everybody's like super dressed up like not like fancy  
But they were dressed up like I might I might meet someone here like this is like a club to them,  
right?  
I just feel like everybody here. It was like more real people than the like kind of

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

Bubble that I usually live in and so it was just different. It was like shocking  
Oh, there was three fights that broke out in the crowd just after after if I would be done  
I'd break out in the crowd and I'm sitting there with my sister and my brother-in-law and we're just  
hoping it doesn't happen near us  
And the last thing was COVID like  
COVID I think has riled people up like when I came in I was telling my brother-in-law  
I was like, dude, this crowd is way better than the last time we came to Dragon House brief peak of  
it  
Just dude people are ready to live. He's like ready to get out and you can see it  
Dude people were just like I don't know  
I don't know how the kids use the word lit but people were lit at this event. This was the whole event  
was lit  
It was I thought of those. I've probably been the three of them were the Mongols there  
I guess they weren't there because they can't travel  
No, I've been there and there's they have there's like a large like  
Contingency and Mongolians and and they have one Mongolian fighter and he yeah, his crowd was  
like his crew was pretty crazy  
And then that he fought this Irish dude  
And I swear to God it was like Conor McGregor came out as soon as the guy comes out  
It's like oh lay oh lay oh lay the whole crowd is chanting. Oh lay. I'm like, where did this huge Irish  
contingent come from?  
He's got a tattoo silhouette of Ireland on the side of his body  
He gets on the ring and they had a crazy fight and so it was it was a lot of fun first of all  
So if you have like a I don't know if people I don't know if it's only people who like UFC  
But if you like the UFC, which is like maybe 1% of our audience  
Go to a local show. I bet it's more go to a local show. I I didn't think it would be this good  
It's like amazing. It was like truly amazing, but it also made me feel like  
What is it about people who why would anybody sign up to do this?  
And then I know you are the type who you signed up to get punched in the face quite a bit  
What's the appeal and would you ever do this?  
Well, I signed up for a smoker. So what a smoker is is it's amateur  
so there's no judges and typically you can kind of have like in a like you can like say ahead of time  
like  
Hey, I'm new you're new like you're you don't actually at the fight that you went into they're going in  
with bad intentions  
You know, they want to hurt you with the thing that I signed up for  
Sometimes like you'd be like, hey, let's let's get after it and you'll try to knock people out and you  
might get knocked out  
But it's like not nearly as angry and you could like say, hey, you're going too hard. Let's take it easy  
So I've got a sparring session  
It's above a sparring session, but it's not quite a real fire at least it doesn't have to be and I signed  
up for it because  
It makes me feel alive. It makes me feel  
Like I feel soft when I just sit in front of the computer all day

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

It makes me feel good to survive getting beat up because I know that I'm not going to be stressed out about anything else  
that I'm going to do throughout the day because like when I stress out about like this podcast or  
If I get mad that our freaking internet wasn't working really well. I'm like dog  
I just got my ass kicked like like this like everything else is fine  
Exactly. I went skydiving once and we did it in the morning. It was like eight in the morning  
And so the rest of the day like, you know from 8 30 onwards skydiving only lasts like five minutes  
So you just you fall for 60 seconds and then you've kind of float down gently for five minutes and  
then it's over  
But the rest of that day I was like I couldn't be bothered by anything  
I was like, dude, I jumped out of a plane this morning  
You think I'm going to worry about this presentation  
I have or this person who didn't call me back or this person who cut me in line like  
Bro, I flew I was flying in the air this morning  
And so it was like if I could bottle that feeling up and have it more often  
Which it sounds like you get by by sparring or whatnot. That's pretty good  
I also have been rewatching Breaking Bad. So did you watch Breaking Bad like once?  
Yeah, so I just I just started rewatching it  
And uh, it's like enough years have gone by where I kind of forgot it  
And that's basically the premise of the show the show is basically  
This guy lived kind of his whole life, you know by the book and was like always like kind of just like  
worried about  
You know, he didn't want to offend anybody didn't take much risk blah blah blah  
And then when he finds out that he's got you know a few months to live he starts doing this stuff  
Initially to help his family like how do you how do I provide for my family if I pass away?  
I don't want them to have nothing because I'm just a teacher. I didn't save up too much money  
And then once he starts to do it it starts to feel good  
He starts to feel alive and so this has become kind of like a theme  
I'm thinking about and like if we want to tie this to business. I'll force it here, which is  
There's probably a whole set of products or experiences  
That just makes somebody feel alive and they're kind of counterintuitive  
Like why would you choose to get punched in the face?  
Why would you choose to take this risk and almost get caught by the cops?  
And then how do you bottle that up and package that?  
In a product or service so that because I think a lot of people do want this feeling and once they get  
it  
I think it's very addictive  
But I would say that that's what you do with a lot of your investments, right?  
Like when I think about what you're doing with an nft or what you're doing with crypto to me  
It's a high adrenaline high risk  
Uh type of thing, right?  
Uh kind of I think you'd think I take more risk than I actually do but uh, but yeah, I could see that  
That's definitely a piece of it  
There's a bit of the roller coaster that you get to go on and a roller coaster for a thrill seeker

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

But I just think in general like  
You know, we were in LA I went to Disneyland. Why are there even roller coasters, right?  
Well, because people in 30 seconds you can get that feeling like you might die and then you live  
and that little package  
That thrills it taps into this thrill seeker part of people and I just feel like  
There's probably more experiences that could be built that are like that  
I think if you're building in VR, for example  
Instead of trying to build a VR like kind of like fantasy land  
I would build things in VR that make people feel  
A little bit afraid a little bit scared a little bit alive  
And I think a lot of video games tried this right like it's why a lot of video games are shooting people  
and stuff like that  
Because it's it's cool and it's an escape and it's something you can't do in real life  
So you get to like live vicariously through this, but I just think there's a lot more that could be done  
So instead of talking about  
Fear, can I tell you something that I read recently? That's it's about happiness  
Can I tell you something that totally the kind of like I read something recently?  
And the data seems pretty clear and it totally like it goes against what we've been told previously  
Can I can I tell you about that layout layout what we've been told and then what you saw?  
So the you know, there's these like things that you see headlines  
So one of these headlines is like the average American doesn't have \$500 in savings or something  
like that's that's that's that's mostly bullshit  
By the way, that's that's a bullshit headline. But the other one was that after you make \$75,000  
Your perceived happiness level doesn't really go up significantly  
And I read about that a while ago. We read about I mean, when did that come out? You think like in  
2012 or something 2013  
Yeah, I feel like I've heard this kind of my whole professional life  
So maybe at least 12 15 years something like that. I've always thought that that was bullshit  
I've always thought that was bullshit  
Um, bro didn't pass the sniff test for you  
Not even a little bit not even a little bit  
And so I came across this study and so what these guys did was they got  
40,000 people to install this app and this app at random times would ask you like  
They would ask you a bunch of questions, but it would be on a scale of like one to five or one to ten  
I see you're highlighting the app. You could click it and you could see it  
It's called track your happiness  
Yeah, and it's pretty cool  
It's just a simple app and what they did was they got 35 40,000 people and they ranged  
They had all types of ranges and they asked people how they felt during different periods of the  
week of the day  
and they would track your income and what they found is is that while  
It is true that after you get past a certain point your happiness levels doesn't necessarily  
Go up in proportion  
But what this study found is like up until like 500 600 700 thousand dollars a year

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

It was definitely still going going up

Like yeah, we can we can show this graph if you're watching on youtube

We'll put this graph on the screen and it's basically two lines. It's your life satisfaction and your experience well-being and

They're both

Like from \$15,000 of household income up to \$500,000 they're tracking like up into the right just like a straight line

So the more income you were getting the more sort of life satisfaction you were having

During at each step of those it didn't just plateau at 75,000 like the old kind of like that quoted quoted study is

And it may like the difference between two million and three million probably won't be significant

But like according to this study like the difference between 10 million and one million is significant and does impact your happiness

And that totally like kind of broke my frame even though I always thought it would be true

I thought this study was actually really interesting and there's a few reasons why a few reasons

Why basically the other one was nonsense was the first one was remembered feelings

So the \$75,000 study basically what they did was they asked people how they felt in the past

And that's kind of bullshit because you always think that you remember

Things better than you actually did or like during during one period

You'll think it's great and then you will say how you remembered it and you'll think it or sorry

You'll during the time you think it's horrible then you'll look back and be like oh that was actually awesome

Right this actually asked you right then and there how you felt

The second thing was before it said were you happier then or were you happier now?

And that's kind of nonsense because there's no variance like the variance is too low and like

You know sometimes like it could be a lot. I'm a little bit better and that matters and so that's too binary

It's it's just yes or no. There's no like there's no granularity

Yeah, so I don't know. I thought this was interesting

I wanted to bring this up because that's one of the it's one of those studies that I always thought that people base like

You read this headline and you believe this to be true and a lot of people probably make decisions based off of this

And I think it's important to say no that's I think it's bullshit and and you shouldn't base your life on that data or that study

Right. Yeah. Yeah. Yeah, and I like I love this topic by the way

I think it's great

It's sort of like myth busting of these like common things you hear like another one is like the 10,000 hour rule

That got really popular because Malcolm Gladwell wrote this book called outliers and he's like, oh, you know to be great

It's something you got to spend 10,000 hours and and so then a lot of people run with that and it's like well

There's obviously a bunch of caveats

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

But like the caveats gets stripped away as the thing just gets kind of like turned into a fortune cookie tweet, right?

It's like 10,000 hours. That's the rule and

And sure there's instances where somebody spends 10,000 hours it gets really great at something

But there's definitely instances where it doesn't take 10,000 hours to get great at something

I've had many of them in my life and

And so you want to like I guess question a lot of these things that you're told and try to figure out

What what's the truth and what's the truth for me? What am I going to experience?

What do I choose to believe and so I'm with you on

On looking into stuff like this. I also think this app is cool. This tracker happiness app

I'm going to actually use it at my previous company

When I was running the idea lab

It was my first time like as CEO of like a larger group. We had like 20 something employees

Uh at that time and that was I was 25 years old. It was the most people I had ever managed

And I was like, okay. Well, how do I manage people? I was like, well, there's a whole bunch of books on this but

I created something pretty simple. I asked one of the programmers. I went to the guy Quinn

And he's like this young hacker guy and I was basically like hey Quinn

I would love to know I would love to just kind of like if I could go have a conversation with each person each day saying

Hey, how are you feeling?

How's it going?

I think I could be a better manager

But that would take way too much time and it would just also be like a full-on conversation with each person

I said, can you just set up a thing so that

at the end of every

Like workday so like 4 30 p.m. Or whatever

It just pings everybody individually in slack and it just says hey Shawn

How you feeling today, you know one to ten and what's your happiness right now?

And it would just I would basically do what this app does and they would put it in and then I had a dashboard as the manager

Is the ceo that would show me all these different people and what what I found was two things the first is

some people

Have a very narrow range of emotions that they feel so like there's like our cto is this

British guy paul and he's a he's very kind of like stoic

He's sort of like, you know, like British people sort of dry humor

And so like he never got too too high up too high down like he was always like a

You know like a seven or an eight

He didn't he never hit a 10. He never hit a five

He always stayed in that range. So I had to interpret his data differently because I was like

For this guy his self-assessment of his own like kind of like happiness or well-being his his range is different



## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

So I can't just say oh eight. You're good eight is actually  
Great for him and a seven is actually quite bad for him  
Whereas for other people who were like, you know, the hot mess folks  
It's like some days it's a one and some days it's a 10 and I had to interpret them differently  
So that was the first observation the second was  
When I would go and uh, I could I could ping them afterwards  
I could just say, you know, it could basically ping them once they submit their score  
I would say cool. Do you want to add a note on why?  
And the reasons that affected people's happiness were so different than what I would have expected  
I thought people would be unhappy because  
You know, they feel like underpaid or overworked or you know, maybe their colleague sent  
something to them  
And it was always like the smallest shit. It's like like what it'd be like, you know  
It'd be something like oh, you know  
At lunch today, you know, I whatever, you know, this table was full  
So I kind of had to go sit over there or it'd be like, you know, at uh, you know, we're working on this  
project  
I really wanted to get more done, but I got a phone call. I got distracted  
It's like they were like some people were like real some people got off on high output  
And so their happiness was like it's like, oh, yeah, we had to do that team meeting  
And so I didn't get to go work on my pride. I didn't get to write enough code today  
Or it'd be like something really, really small  
It's like, yeah, I'm really dealing with this kind of like back pain  
So this chair is really uncomfortable  
It was always things that I wouldn't have otherwise seen  
And so it brought those to the surface and then I could decide is this something I could affect  
And like improve or do I just like at least I get a better understanding of them  
So that was like one of the better products that we built  
We probably should have productized it and made it an actual like work tool for other people to use  
Yeah, I used to use this thing called 15 five. You remember that company?  
They're doing pretty well dude. I think they're pretty successful  
I bet they I would bet they are so they kind of like went quiet for a little while  
And typically that means it's failing horribly or it's actually quite large like it's usually like one of the  
other  
And so it was called 15 five and basically they would send you five the whole product  
It was very simple and it's probably thrived during COVID but basically they send you an email every  
day  
And it takes is it 15 questions that are five minutes to answer or it's 15 minutes to answer five  
questions  
One of those and that's all it is is they just send you an email at the end of the day and they say  
What did you get done today? How do you feel?  
Yep  
And that's all the product is and I would imagine that it's quite large. Yeah  
Yeah, I think it raised at like a hundred thirty million dollar valuation recently or something

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

So, you know, maybe that's a lot of date. That's 2019. So I bet it's doing pretty well

All right, let's do a different topic. What do you want to talk about?

Let me tell you about a different a different company that I recently discovered. So it's called ESRI

Have you ever heard of that?

No, sounds like a government agency

Kind of. Okay. So ESRI. So basically there's this entire sector, the entire industry that needs important map information

If you scroll all the way down to where it says felt, you'll see where I am

But basically the idea here is there's this company called ESRI. It was started in the 1960s. It's 100% owned by this one guy and his brother

So 100% owned by the same family. No debt. They've never taken any outside funding

You can't find anything about it. It does over a billion dollars a year in subscription revenue

And basically what it does is subscription revenue. Nice. Yes

It's software. I guess you could call it information, but probably at this point software because it started in the 60s

So at the time it was basically information. But what it does is very simple

So 20,000 plus cities use it. So most cities, most like reasonably sized cities in America use it

Most states use it. Most Fortune 500 companies use it. And what it does is they have loads of information on maps

And so if you're a government and you want to build new gas, new pipes or something like that in your city

You're going to take their data and you could also give them more data and that's going to give you an interactive map

That you can use to figure out where the other pipes are and you're going to be able to build this

This pretty complex system that you can continually use year over year. That's going to show where your pipes are

It's called geographic information system. You never heard of that term?

GIS. Yeah, I've heard that. Yeah, I thought for sure you would have heard of that

So it's almost like Google Maps on steroids in the same way that Apple or sorry

It's like B2B Google Maps. Yeah, so in the same way Uber uses one of the Apple or either Google Maps

This is what like the city of like the Hamptons would use when they're building new roads and when they're building new electricity

Now there's a few reasons why this is interesting. One, it's one of the most complex and one of the most interesting family owned businesses I've ever seen

Total Monopoly. So in the way that they got their monopoly is they go into colleges and so they work with engineering students

They've worked really hard on making sure all the colleges they give their software to for free

So the engineering students start using it at a very young age and they're used to it then when they graduate they go

Oh, yeah, let's just use ESRI so they know exactly what they're doing and it has a total moat also because selling to a government is impossibly hard

It's incredibly difficult. Why? Because when you're a government you want to make sure that the vendor that you're using takes 100% responsibility if something f's up

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

And so when you're like signing up if you're a government employee, if you're working on a Fortune 500 employee, you want cover your ass insurance

You know, you want a company that's like well known and like not new and like they're going to take responsibility if something bad happens

That's ESRI, crazy fascinating company, but I'm curious about which businesses are going to because whenever you see something old, you know from the 1960s as a software company

You think well like surely they're like, you know, you can't crush it forever. Also the founder of this company ESRI probably worth \$10 billion at this point

I think he's like 85 years old so he's gonna die. He's gonna they're gonna lose its way like this just inevitably how it works

This guy's name by the way, Jack Dangermond

Is that his name?

Right, this Dangermond? I mean, come on. That's

How old is he?

I can see why people don't want to compete with this guy. He's pretty old. I don't know. I don't look like he's 80. It looks like he's, you know

Well, he's rich

60, 70 something like that. Yeah, personal fortune, \$4 billion himself

Yeah, and he started with his brother when he was like 27, crazy fascinating business

Remember taking a cent outside of a \$5,000 initial loan from Dangermond's mother

Crazy, right? Crazy fascinating company and he seems, I mean, you know, what I read about him seems like a good guy, him and his wife

So he's an environmentalist. So he started this because he cared about like wildfires and things like that

And he was building software to help create maps that somehow reduce wildfire, which I'm going to explain in a second

But basically there's a new company. There's a bunch of new companies coming out

The first one is called Felt. So go to felt.com. It totally is not

I went to this. It looked, well, this is like an early access site, but my, I saw it and I said, oh, this is kind of interesting

So I started looking into it. I read your notes on it. This felt thing seems pretty cool. Are you investing in this?

This seems like kind of awesome

Nope. We just, I've never talked to this person. So it started by a guy named Sam Hashimi

His first company was called Remix. It was a city transportation planning startup that he sold for \$100 million

And when he was doing that, he learned all about the inadequacies of like basically using maps and creating maps for your service

And he said, well, I'm going to credit create a better map business

Something that people can add stuff to and it's almost like where ESRI is like Google Maps

This is like Waze. So people can contribute to it if you use it

Kind of fascinating. And it seems very, very interesting

And I always like these old school companies. I mean, I like this company, this guy Jack started

I think it's Badass. I love seeing the new guys that are going to try and take this and kick their ass. I

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

think it's very fascinating

Yeah, this is cool. I like this a lot. There was a company called, what's the name they're based in They spun out of like this lab. Hold on. I think you actually might have their name here

And while you're looking for that, so felt they describe it as the world's first collaborative mapping tool

And it serves a wide range of use cases. So I imagine they haven't said this

But I imagine actually anyone can use it, a user can use it. So if you're going hiking with your friends, if you're planning a trip, you're allowed to use this

I imagine what they're doing is their grand scheme though, they're their niche, their wedge is to help wildfires go down

So the way that you can do that is you can actually use data and you can figure out where wildfires are, where they're going to happen

And then cities will pay money to use your mapping data in order to reduce wildfires

And I imagine what they're going to do is they're going to create this really cool because if you go to felt.com, it looks very user focused

Whereas they're going to make all their money from B to B. So it doesn't look the same. It doesn't look like a B to B product

I imagine what they're going to do is like just like ways to let the consumers use it and map out really interesting shit

And then they're going to go and sell the data and mapping tools to B to B to businesses and that's how they're going to win

Crazy fascinating. Go ahead.

Yeah, I think it's cool. So the company I was thinking is called Discartes Labs

And what this I met the founder of this at a dinner and he was telling me about it and I was like, wow, this is kind of amazing

And this became one of my one of my misses. I was like, oh, I really should invest in this and at the time I wasn't really investing super actively

And I missed the boat. I think this has become like a very big company. But at the time I was like pretty convinced that this is going to be a winner

And why is that? So they spun out of Los Alamos, Alamos National Labs or whatever, which is like in New Mexico or Albuquerque or something like that

It's like this like it's kind of like, you know, NASA or something like that. So this is like highly kind of scientific community they spin out

They create this commercial company that's called Discartes Labs. And what they do is they do satellite imagery. So they would basically take

I don't know if it was their own satellites or other people's satellites, but they would take the imagery of like, cool, there's this image from a satellite of a field

And then they could run all kinds of machine learning and like kind of computer vision and different like more modern technologies on top of that

And they could give a hedge fund an idea of how much corn yield there is this year or they could give, you know, so it's like, if you ever watch billions, they kind of do some of this sometimes where it's like

Oh, look how many trucks are leaving this factory. So before the earnings call, I can figure out, you know, how much volume they're doing because I can see the rate of change from before to after

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

Things like that. So they have a whole bunch of different products. But basically, at the time it was like they were like trying to figure out how to use it

I think he told me the story and this is many years ago. So I may be getting this wrong. But I think what he told me was at the time they didn't have that many customers

But their business model was basically just betting on like futures of corn crop yields or something like that because they're like they're putting their own

They were their own balance sheet. They were just betting basically and they were showing that like, look, we can actually generate returns using this strategy because that's how valuable our data is

And I think since then I think that was early on when they were like just making the technology and playing with it

But either is them or them and a partner doing that. And now I think they have a lot more customers who are looking for this, whether it's like, you know, a agriculture company that has some need because they need to predict, you know

The way that the world is changing the way that the way that anything any data that you can get from satellite imagery is basically what they do. So I really like that business model as well.

Some people are doing that in terms of getting satellites into space and other people are doing it taking the satellite imagery and making more sense of it making more getting more actionable like data and insights from that

Did you say the name of the company in front of the founder?

The name of what company?

No, he told me am I saying it wrong?

Have you heard of the philosopher Descartes? Yeah, what's the French philosopher's name Rene Descartes?

Maybe, maybe that's what it is.

What did you call it? Descartes.

It's Descartes. Yeah, it's Descartes. It's like, it's like the, I don't, I forget. Rene Descartes, is he the guy who said I think therefore I am?

Anyway, it's, well, I think therefore I know, I know that I got that pretty bad, pretty badly wrong. I met this guy years ago.

So I don't even fully remember the idea. I just remember thinking, oh, that's interesting. All my friends are making like apps to like order pizza and like to do lists and stuff like that.

And this guy's basically taking satellite imagery and looking at it. And it, my two takeaways were, I should probably invest in this guy.

And the second thing was, why am I not doing something more interesting with my life? Because that sounds way more cool and interesting and like probably valuable than competing in this, competing around ideas that everybody has and that everybody could kind of do.

And so that was a, you know, a takeaway I had during that process.

Do you want me to keep going or you want one? No, do one.

All right, let me tell you a quick story about a guy named Wayne Hezinga. I love Wayne Hezinga. I read his book. I believe it's called Building Blockbuster.

So there's this guy named Wayne Hezinga. All right, now I'm going to sound uncultured. Is he from, I always get it confused, Holland and the Netherlands and Dutch.

Are they all the same thing?

Dutch is a way to describe people, I think, from the Netherlands. I think Holland might be a part of

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

the Netherlands. I'm not sure.

Dude, I don't know. I'm sounding uncultured. I'm sorry. But what does it say? What does Wayne Hezinga say?

So he's of Dutch descent.

Of Dutch descent.

Can't you guys say it's from the Netherlands? All right, good.

All right. So he's born in 1937. All right. So listen to the story of this guy. Born in 1937, parents divorced at a young age, went to the army and when he was in his 20s, he started this company called Waste Management.

Basically, he had one moving truck or one truck and he started a waste management business where he would just go from door to door throwing away your trash.

And eventually, like after only a short amount of time, like two years, he starts realizing that this business is incredibly...

There's loads of small players who all just own little bits and pieces and he goes, well, fuck, I'm just going to buy all of them.

And so he starts buying a shit ton of them, something like two or three a week.

And his business eventually has become waste management.

Today, it's got a \$64 billion market cap. It's the biggest waste removal company in the country and it's incredibly big.

And he left that in 1984. So he built this huge business and you'd think, all right, so that's great. Go and chill.

Next, when he was still in his 50s, I believe, he starts a company called Blockbuster.

And so this is in 1987. He found one Blockbuster, it was one Blockbuster store.

He bought it with a little bit of money and he took it public like two years later.

So this guy's like a financial arbitrage machine.

So he was like, it was really good at raising money and deploying capital.

And so he raises this money and so Blockbuster, after like two years, it has \$7 million in revenue, 19 stores.

And then in just a handful of years, he gets it to \$4 billion in revenue in 3,000 stores in 11 countries.

And eventually he sells it to Viacom in 1994.

This is about eight years after starting the company for \$8.5 billion.

And so it's pretty crazy. And if you would have invested \$25,000, and so he would let some friends invest.

And if you would have invested \$25,000 into Blockbuster when it went public in 1987, it would have been worth about a million dollars when they sold.

So he's pretty amazing. I mean, he's got a good track record.

He also started something else, right? He also started automation.

Yeah. So the guy, all right. So he's in waste management. He's in Blockbuster.

At this point, he's in the 60s. You think, all right, now you're just going to chill? Absolutely not.

He starts automation, which is at this point, it's the largest seller of used cars in America.

So he went from waste management to Blockbuster to cars.

And then throughout this whole period, he's also doing the same with the resort.

So have you ever heard of extended stay America? I believe now it's owned by Marriott.

You never heard of extended stay of America. So basically they've got,

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

they've got something like five, six, seven hundred motels that are nice enough that you could stay for like a handful or for like a month or like two, four weeks at a time.

He started that. He also started a bunch of different golf clubs.

And then in the 90s, he eventually buys the Miami Dolphins.

And I think he bought another Florida. What's the Florida football team?

So that's the Dolphins. And then he bought the Florida Marlins, also the baseball team.

Marlins. Pretty amazing. And so I always was amazed at this guy.

And the reason I was amazed at him is he had an incredibly positive attitude when he was doing this whole thing.

And so here's a few things, here's a few quotes that I have from his biography that he talked about were his philosophy.

The first, we made small acquisitions in different states around the United States.

It was just easier, faster and cheaper to go in and buy out a guy who was already established in a market,

even if it was very small, then I'd hire a bunch of salespeople to go out and do the internal growth.

The plan was always to have internal growth, but in order to get internal growth growing quickly, we sometimes needed to go out to a certain market and just buy a guy who had three or four trucks and say,

okay, let's do this on our own. And that's what he did over and over and over and over again.

And he did it in all those businesses except for Blockbuster.

But even then he did it with Blockbuster because he started the brand and they grew on their own.

But eventually they started buying like loads of different mom and pop movie stores.

And this was his whole strategy. There's another guy who did this. His name is Bradley Jacobs.

He's worth like five or \$10 billion. He did this over and over and over again.

And I think that there's still a ton of room to do this.

So what other industries could you do this in?

I've been thinking about this a lot and I'm not entirely educated on the topic.

But I think you could do it for all types of moving businesses.

Because moving businesses, there's not actually one leader that you trust who's like the best, right?

It's like a lot of mom and pop stores.

What other industries could you do this like consolidation stuff in?

I mean, these rollups happen kind of in every industry. I feel like people have done it with dentists.

Right now, dentists is like the hottest thing going.

There's also like vet veterinary hospitals or veterinary clinics.

There's pet cemeteries that somebody has told us about.

That's like a pet cremation basically is like another one that you could do.

Again, fragmented market. There's a lot of these years.

Rural wireless internet service providers.

There's a huge number of these where in a local market,

there's somebody who has maybe not a local monopoly, but a large local footprint.

And going in, it would be too expensive to go in and try to rebuild that.

It would take too long and be too hard to do that in a small place.

So you buy it at a fair price, but you buy a whole lot of these

and you make the sum greater than the parts.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

And so I think this rollup strategy is one of the more, like I would say, intriguing ways to build a monstrous empire.

Otherwise, you kind of got to build a Facebook, build a YouTube.

It's very hard to build a multi-billion dollar individual company from scratch.

I think it is far easier to execute one of these rollups and create a hundred million dollars, create even a billion dollars of value in five to 10 years.

It doesn't interest me personally, but if I wanted to become a billionaire, I think that this would be one of the lower risk ways to get it done.

Murdoch did this with local newspapers also.

So Rupert Murdoch, this is kind of what he did.

Local newspapers and then local radio stations, local television stations, whatever.

He basically bought local media companies and then aggregated them and rolled them all up and created like Giant Basic News Corp, which is his like mothership brand.

So yeah, by the way, this guy Wayne Hazinga, if you're watching on YouTube, put this guy's face on here from his Wikipedia, looks like an evil Steve Ballmer.

So that's what this guy looks like.

Bradley Jacobs, the other guy you mentioned who's done this with XPL Logistics and a couple other companies, literally looks like couldn't be a sweeter, you know, someone's sweetheart dad who, you know, coaches the local soccer team.

I love looking at these times because I think to do this, you got to be pretty, I don't want to say ruthless, but extremely aggressive, ambitious, a great deal maker.

And you're moving like at a freight train's pace.

So I love to meet these people.

Now you can't meet them sometimes.

I love to just even look at their photos and just just read their bios.

Who is this person?

Where did they come from?

Because it takes a very specific attitude to be able to go do this with self-storage or local, you know, landscapers, pool construction companies.

You've rolled them all up.

I've read a lot about both of those guys and I've seen them talk.

On YouTube and my opinion of them is that they seem highly ethical.

They seem incredibly high energy, super high energy.

And they seem very entrepreneurial, even though they both look like Wall Street suits that don't like create.

These guys definitely are creators, even though they buy stuff and you think, well, that's not like, you're not inventing anything.

And maybe they're not inventing anything from scratch, but they're definitely creators.

And I, because I remember I saw that guy Bradley Jacobs and I saw what he looked like and I'm like, dude, this fucking suit, like he's just like, he's just some arbitrage square and he's not.

He totally, he's a, he's a creator and it's really interesting.

He's maybe not like Mark Zuckerberg where he's like coding shit, but he's a different type



## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

of creator and I really like these types of folks.

Doesn't this seem a little low?

This guy's net worth was 2.8 billion when he died.

I feel like how is this guy's net worth so low compared to doing auto nation, waste management system doing, doing blockbuster, like how's that, how does that add up?

I think that the number that we have there could be wrong, but I think it's wrong.

What I read about in his biography was that with, with waste management, because they raised so much money and because they bought so many companies, they simply didn't own that much of it.

I mean, they owned a smaller piece of a massive pie and they were okay doing that.

And so when he started waste management and when he left,

he was the largest individual shareholder, I believe,

but he probably owned like single digit percentage.

Right.

Yeah.

Even just owning the dolphins, I feel like the dolphins themselves are going to be, you know, 500 million to a billion dollar franchise.

So that seems a little low, but yeah, this guy's definitely the billy of the week.

Extremely impressive career.

You know, shout out to this guy.

He passed away a couple of years ago at age 80.

So, you know, respect.

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 had 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 workday is 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](https://www.hubspot.com).

Okay.

What else are we going to talk about?

I have another kind of fast growing company.

I think it's worth talking about this thing called Picasso.

Have you seen this?

No, I'm going to Google it.

Is that how it's spelled?

Picasso.

Yeah.

P-A-C-A-S-O.

So, two execs at Zillow spun out and created this thing I think a year ago and it's already worth one or two billion dollars kind of in startup valuation world.

So, I think they created all that value in basically a year to year and a half.

And what does it do?

It's basically a fucking time share.

So, what they do is they buy homes, they convert them to LLC and then they sell fractions of that home to investors.

So, they bought like, you know, let's say a house in Napa Valley.

They go buy a million dollar house, they convert it into slices of one eighth.

So, you can own an eighth of this house for whatever, 125,000 dollars.

You can buy a piece of this home.

So, you're a fractional homeowner and it's meant to be for second homes.

So, you don't do this for your home, you do this for your like second, your vacation home.

And when you buy that one eighth of the house, that gets you 44 nights of a stay in that home for the year.

And you can either use them yourself, you can gift them to others.

I think you can rent them out or let them rent it out for you.

And this company takes this insane rate.

So, they take 12% of the purchase price up front just straight off the mat.

And then they charge you a monthly management fee because they have the app that you and the other owners use

to coordinate who's booking what, what's the rental share, how are you sharing expenses, all that good stuff.

And if the house goes down, you're on the hook for it.

They took their money up front.

So, I thought this was kind of an incredible riff on a timeshare that I'm surprised.

Frankly, I'm surprised it's growing this fast.

It's not something I look at and I say, that's awesome.

I wish I had done that or thought of that idea.

I actually think this is kind of dumb.

What do you think?

So, time shares, I mean, time shares is a huge business.

I like the idea of a timeshare is not bad.

I would be into owning one.

It's just that I don't want to go like through the sleaziness of, you know what I mean?

You don't want to sit through the webinar?

Yeah, I don't want to go to the seminar.

So, it's weird.

So, I think it could be cool.

Why is it worth so much so fast?

Yeah, I don't know.

I mean, they've grown, you know, so Picasso valuation.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

I saw it because there was a big protest going on.

So, Picasso raises 75 million goes from launch to unicorn in five months.

So, I think part of it is...

What was the protest?

What's that?

You said there's a protest?

Oh, the protest was basically like in Napa, the home that they bought.

The neighborhood was like, you know, what is this?

Like, we don't want, we don't want this.

We don't want this like time share rental.

We don't want all these different people coming through.

Why are they doing this?

And so, they basically, you know, they were trying to like, they were trying to say, hey, time shares are not allowed.

And what this company says is it's not a time share.

In a time share, you own a block of time.

In this, you actually are a part owner of the home.

So, it's different than a time share.

And then people were like, dude, you can't just call it cooperative ownership, make up a new term and like, it's a time share.

And so, they're kind of going back and forth about that.

So, the guy who started his name is Spencer Raskoff.

Is that how I say his name?

So, he started...

Well, and Austin Allison.

So, she's actually the CEO.

They were both execs at Zillow.

So, yeah.

So, one of the co-founders' name is Spencer.

Have you seen what this guy's done before?

No.

The name sounds familiar.

It wasn't he one of the original like founders of Zillow?

Yeah.

So, check this out.

In 99, at the age of 24, he founded Hotwire.com, a leading travel internet company.

Obviously, that's hotels, right?

They sold it for \$700 million.

Then, he started Zillow and he took it public.

He was a CEO through its IPO and bought loads of different companies.

He's resigned in 2020.

So, I guess he's out entirely.

Then, he started DotLA, which is a media company for California startups.

So, I guess that's kind of like a passion project.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

And then, now he started Picasso.

Dude, this guy's prolific.

And he's on the board of Palatier.

So, I think this is why it's worth a billion dollars.

Because it's like, oh, the ex-CEO of Zillow is doing this new real estate thing.

Cool.

We're in and we're sort of price insensitive on the valuation.

So, I think it has more to do with the team than it does probably the traction in terms of that valuation.

Yeah.

This guy's a badass.

I mean, he's a hardcore badass.

Would you want, when I think of these types of things, these companies that raise all this money, we talked about Zillow or we talked about this company Picasso.

And this guy, it looks like Spencer, that's his history.

Hey, also a podcaster.

He's got the Office Hours podcast.

There you go.

Oh, we should have him on here.

Spencer, if you're listening, come on.

Do you think that, do you like this strategy of raising, would you rather own a small piece of something huge or a big piece or everything of something much smaller?

I don't think about it that, like that wouldn't be the deciding criteria.

If it was just between those two, I would rather own the whole thing of a smaller thing.

I find it to be more fulfilling.

And I think economically, you end up doing better.

You have more options because when you own a small piece of a bigger thing, if it happens to go a little sideways and doesn't have big unicorn exit, the good doesn't go public, doesn't get sold for \$3 billion, it's very easy to kind of walk away with very little because you raised all this money.

So now you have the first \$100 million go back to investors and maybe you only sold it for 70 or something like that.

Whereas you owned like a huge amount of the hustle.

I think that path is better because you could sell for \$12 million and walk away with \$10 million out of it.

And so I think it gives you more options on how to build your wealth.

Now, that being said, there's something fun about building something massive and going for something that's like truly game changing with three extra zeros on the back of it.

So like, you know, I respect both paths.

If I was picking between those two, I would own, I would want to own more of a smaller thing because it gives me more options.

What do you think is easier?

Oh, for sure, owning a small thing.

Now, easier in one sense, which is it is easier, I think on a day-to-day basis, because you

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

don't have to worry about fundraising, shareholders, other shareholder management, and you can again, you can exit for smaller amounts.

The harder part, when you go rate, like these guys just raised \$75 million, they're not going to feel like they're like roughing it every day.

Whereas when it's your company and like, I don't know, you probably ran payroll for, you know, the first year of the hustle.

And you probably had to worry like, let's say, you know, advertisers pull out, you know, you probably were feeling that pinch because you were more or less bootstrapped.

You raised a little bit of money, but like, I don't think you ever felt like, you know, you have this huge cash cushion that you can just fall back on.

Well, yeah, I did not.

But my, I normally would have agreed with you.

But we had Mark Lowry on the podcast.

And I had a lot of his coworkers reach out to me after the podcast.

And basically, Mark Lowry is our judge.com.

And what he's done is he, what was his vision?

He had this like phrase, and I forget the phrase, but it was like vision capital people.

Is that what it was?

That's his, his, his fun name now, so we can look it up.

But yeah, it's vision capital people.

Yeah, you got it right.

And so he like, that was his whole premise.

He's like, everything I come up with the vision, I get the capital, we get the people.

That's what we do.

And when he says that, I'm like, that, like, what does that mean?

Like that's a pretty, like a vague, fluffy thing.

But I started talking to people who worked with them and they're like, he did that so well where he would raise all this money.

And he really like, he did a lot of work, but it wasn't like he, he wasn't like doing like, like, like, like, you know, the shit that you do when you're just starting out, when you don't have any money, you know, like I ran my own payroll, I did all the banking, I did, you know, I would go out and get all the vendors.

He was like, he just like hired amazing people and they did most of the work and he just took care of the hard part of like selling people to join the company and selling people to give them money.

And I thought about that, I'm like, dude, that does sound so easy.

Yeah.

It sounds pretty awesome.

It's easy.

It's awesome.

That's how I put it.

Nothing's easy.

Anything, anything valuable is typically, you don't go to it because it's easy necessarily.

But I'm totally with you.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

What's more fun?

A small vision or a big vision, a big vision, right?

What's, what's, what feels better having a lot of ammo, you know, in terms of capital or being strapped for cash and always work, not only having to worry about how to get customers and grow, but can we pay the bills every single month?

Yeah.

But on the other side, if Sean wants to fuck off for a little while, you can do that.

Yes, exactly.

You know, you could, you could, you can bail.

So I optimized for freedom.

I optimized for freedom above, above most things.

And so like, if you asked me, would I rather work, my dad taught me this a long time ago, he told me once, because my first startup was a sushi restaurant chain.

And I was like, I was talking about, you know, why it's fun and blah, blah, blah, he goes, he was trying to convince me to come work in the energy industry.

He's like, he worked at BP.

So he worked in the oil and gas industry and he's like, he's like, you know, the minimum is like, you like to play poker, right?

Now when you go to a poker table, you can either sit down with \$100 or you can sit down with \$10,000 or \$100,000.

You're still playing the same game.

You're still going to sit there for six hours.

He's like, it's why not play the bigger game?

And he's like, in the energy industry, the minimum stakes are in the millions.

Nothing happens in the hundreds of thousands of dollars.

Like you're saying a restaurant, one location, if it works, can produce \$100,000 a year of net income or \$125,000 of net income.

He's like, why not just, he's like a small project and a big project.

If you make it your, your obsession, which is what you're going to do when you go start a startup, they both take the same amount of time.

They're both going to be all consuming.

All right.

So mind as well do the one that has the bigger payoff.

So when he said it like that, I was pretty sure, like that's why my next start, I stopped the food thing and I went and did a biotech company because he was right.

And biotech, like our way we made one deal, it was worth \$5 million.

And I was like, wow, that would have taken us like five years and 25 locations to do in the restaurant industry.

And this was like one, one great meeting, one great presentation and like, you know, a year of technology development and boom, \$5 million came through the door.

So I kind of got to taste both sides of it.

And so if I was going to a big project and a small project both take the same time, a bigger project's more fun, but what I don't like is big companies because in big companies, I feel like I lose my freedom of my time and my energy of how I want to spend my day.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

And so that's why I'm trying to find this mix of my perfect situation is I work for myself and pretty much by myself, but I'm working on things that I feel are big and can pay off big.

And with the world of the internet, that's now possible.

One of the most expensive mistakes I ever made.

So trends now makes millions of dollars in subscription revenue.

It's a really good business had, we made relatively minor changes, like not that different.

Like it wouldn't have cost us more money.

We may have had a few more people and we are right now, we charge \$300 a year.

There's a world where wouldn't have had to been that much different and it definitely would have been of similar amount of work.

We could have charged \$30,000 a year and I didn't understand that for a long time.

Now I completely do where it's like, we were talking about that with hustle con.

And you were doing hustle con.

The hustle con ticket was like \$200, \$300, something like that on average.

And you had told me, because I was like, dude, why are you doing this like events business?

You're like, dude, events business can be big.

Look at this one.

Look at that one.

And I went and looked at them because you were right, they did actually like make tens of millions of dollars.

But I was like, dude, the ticket price of this is three grand minimum.

And it looks like they have a \$15,000 ticket package for like some people.

Yours is like 10 times cheaper than that.

And you were like, yeah, we should, we could, but you didn't feel comfortable going that route or whatever.

I don't know what your reason was.

Cause you knew it.

Yeah.

I knew it.

I was being, there's a few things.

One, I was a pussy.

So I was just, I was being fearful.

And number two, when I started my company, I was like 24, what I don't, and I never had a job before.

What I don't understand is how these young guys like people who are 21, 22, 23, like when the folks who started box.com, which is an enterprise cloud company, they were like 20 or 19, like in college still.

What I don't understand is when you're a 19, 20, or in my case, I was 24.

When I thought about the company, I was like, well, like, I don't have any money.

I would never buy something that was \$2,000.

Now that I'm older and I have more experience, I realized, well, \$2,000 is not a lot of money.

And so what I don't understand is how these young guys who are in their early twenties who don't have a lot of experience, how they even fathom that someone's willing to spend

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

all this money on their product.

They're either just courageous or they have more faith.

I don't know what it is, but kudos to them because when I was 24 and started my thing, even though I could have charged way more money and I tell everyone to do it now, I did not have the courage or the knowledge to do it back then.

Right.

And you see now, because you're inside HubSpot, you see how much companies spend on just stuff. What amount of money, it's like going to a really wealthy person's house and then you see them tip, they tip some guy a hundred bucks or they buy this fancy espresso machine for \$8,000.

It's like, oh, these are normal expenses for them.

So then when you're on the outside, you're like, I should be charging a lot more.

But when you've never been inside one of these big companies, it feels like a \$3,000 ask, dude, I better be giving them my left arm.

And it's like, actually, they feel more comfortable with larger price tags.

And that's like, in fact, a \$300 product is a little bit off-putting to them and sort of strange to them.

Yeah.

And it's disrespectful.

It's like, dude, this thing isn't good.

Charge more.

Right.

So knowing what I know now, and I think Mark Andreessen had, I forget, it was a very headline-y quote, but it was something like, if Mark Andreessen had one advice for his startups, it would be simple.

Charge more.

He has two words, charge more.

Because most startups do what I did, you charge way less than you should because you're trying to be cute.

I don't know what it is.

It's just, it's cuter to be cheaper, but it's dumb.

It's like insecurity, right?

Because at the beginning, you're like, oh, I just want some customers.

It's not that big of a deal.

Then you kind of, then that becomes the anchor point that you mentally anchor to and the market anchors you to.

And then you're afraid, if you raise prices, and everybody's going to run out the door, what happens if I raise these prices, I'm going to get complaints.

People are going to quit, blah, blah, blah.

And so it's really like a form of insecurity, and it's like a corporate insecurity.

And so if you're out there, I tweeted this the other day, I was like, if you're working at a company, go ask for a raise today.

Do you think anyone did that?

There's a cycle, I just got a promotion, go ask for a raise today.



## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

But I don't know, I haven't really proven myself, go ask for a raise today.  
Everybody should go ask for a raise inside of a big company.  
Why?  
Because there's almost always wiggle room.  
When I was hiring, they had what they called a compensation band.  
What does that mean?  
It means for the same role, we can pay this much on the low end or this much on the high end.  
And guess what?  
You start people low or in the middle of the scale, and then you flex up when you need to.  
When do you need to?  
When they ask for more money.  
And so there's already in your exact role, without getting a promotion, there is more money that can be had.  
The second thing is, what's the worst that happens?  
They say no.  
When they say no, you might learn something.  
They might say no, because they might give you essentially a soft hell no.  
What's a soft hell no?  
A hell no is sort of like, they say no, and they're like, look, if you want more, you can go elsewhere and get it.  
That's kind of a, you're not so valued here, like go for it.  
Or there's a no that's like, look, we love you, we value you.  
I would love to give you more.  
I just can't right now because of XYZ, or can you hit these goals because that will help us build this case.  
And hey, you're one step closer to making more money than you were before you asked.  
And so, or they say yes.  
And boom, you get more money.  
Like there's no, there's no loss.  
I was a,  
Except if you work for me, don't come ask me for more money.  
That doesn't count because I gave this advice.  
So don't ask me, but you know, other people, this is for other people.  
I was notorious at the hustle because when people would ask me for a raise, I'd always say yes.  
It was, I was horrible like confrontation.  
I just said yes to everything.  
I'm like, oh my God, I don't feel like dealing with this.  
That is not true.  
You told me a hilarious story.  
We can bleep this out of you.  
Don't tell it.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

I don't know if you remember me, you and our friend, Sully, we were at Delarosa or we were at some, some restaurant and you told the story of, okay, bleep this.

Do you remember this?

No.

I don't remember it fully, but you were just like, um, no, and you can leave if you think that.

And it was just like, it wasn't just no, it was like, you don't understand.

Like,

Oh yeah.

Yeah.

So the story was like, well, yeah.

So I remember this.

So I should rephrase this.

When people do good, I'm, I say yes to everything.

When people do bad, they're like, well, I want to raise like, all right.

So you're like, you are a machine to me.

It sounds horrible, but it's like, look, like our business is a machine and like humans are like part of the input.

Humans effort are part of the input.

And you're asking me for a raise right now.

I think that the money that you are paid like breaks even.

So like we put money into this, into this machine.

And we get the same amount out and we get the same amount out.

If I'm going to give you more amount of money, I'm putting more input.

How much bigger is the output going to be?

Cause right now I don't think it's, I don't think that it's worth it.

And so I don't think it's worth it.

And so if you don't think that that's fair, then you should go to some other machine and figure out where that input could have a bigger output.

Cause right now it ain't working.

Right.

Yeah.

Exactly.

So I love that.

I love that.

Cause it was a, it was honest.

B, it was a little bit brutal and, uh, you know, it wasn't like, I would say you have many, many super strengths like A plus skills, like I would pick you over anybody, uh, softly wording things is not, not one of them.

So I found it to be super funny.

But it, but really again, even if you find that information out and it hurts in the moment that this person says, look, it's not like it's not on the table with the way things are currently at.

If you find that out, you know, that's a good, that's a good piece of information.

## [Transcript] My First Million / #216 - Why Today Is the Day to Ask For a Raise

It hurts in the moment, but it's a good piece of information to know.

Cause you might say, should I need to create more value here?

What would it mean?

And you can have a conversation.

You can say, well, what would I be needing to do for you to feel great about paying me double what I'm making today?

That's a question you can ask.

They might not know the answer on top of that, but they'll come up with it.

They'll, they'll help work with you on it.

And then you'll realize, oh, that's where the value is created in my business.

And so maybe in this machine, that's where the machine needs the oil.

I should go oil that part of it and create all this new output.

And then of course they'll give me some more because I've created all, I've created disproportionately

more value out of it.

And so it's a good conversation to go have if you haven't had it, you know, with, with the people you work with.

All right, good.

Well, let's see if we're going to do that.

All right.

Good pod.

Yeah.

Let's get out of here.

I feel like I can rule the world, I know I could be what I want to put my all in it like no days off on the road.

Let's travel, never looking back.