

## [Transcript] My First Million / #220 - 12 Startups That Can Make You a Millionaire (Sara's List)

All right.

Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.

Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers, and each company's go-to-market strategy, branding, pricing, valuation, everything.

Basically all the things you want to know about how to survive the tank and scale your company on your own.

If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify or whatever you're using right now.

All right.

Back to the show.

Can non-technical people apply there, you think?

Of course.

Right.

Every technical company definitely needs people that are in non-technical roles, whether it's again, marketing, community, sales, whatever, whatever the roles will end up being.

This episode is going to be awesome, and then there's a story behind this.

I don't know if I told you this story, Sean, but basically my wife, Sarah, she about four or five years ago.

My wife is pretty type A, went to an Ivy League school, isn't particularly risk, doesn't like taking risks.

She's someone who's going to rise up in a big company and be an executive one day.

She was like, I want to join a new company, and I want to make a lot of money.

She was, Sarah's going to be 29 next week, so she was 25.

She said, I want to join a company where I can make some money.

We made a list of a bunch of companies where we thought if she was given, let's say, \$250,000 of stock that would invest over four years, we made lists of places where that stock could like 10X.

That's how she eventually, she applied and got a job at Airbnb that was like five years ago.

Now, I think when she joined, what was her last valuation before they went public, like 18 or 20 billion, I think, and now their valuation is like 100, I think.

What's that?

So it did okay.

And you and I were talking, and I think you're underplaying it.

It did better than okay.

Let's just frame this fully, right?

So joined a multi-billion-dollar company that already had 3,000 something employees.

No, it wasn't that big.

I think it had 1,200, but yes, it was big.

All right, so over 1,000 employees, so not joining a risky startup, but not buying a

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lottery ticket.

So she knew this is going to have some gain, it's just a question of like some value, it's just a question of how much.

Got a job and she wasn't like an exec, so it was kind of like an achievable thing.

She came in as like, I don't know, like a mid-level manager, is that fair to say?

Mid-level, yeah, I would say.

Yeah, it's cool.

Lower to mid.

Right, lower to mid.

So it didn't even come in as a hot shot.

And before the age of 30, it was a multi-millionaire because of the stock that appreciated from this thing, from joining Airbnb.

So self-made multi-millionaire without eating shit as a startup founder, where you're stressed and you're making no money and you might fail all the time and all that stuff and you have to make payroll and all that good stuff.

And so had to kind of like, every day got to go in and pick which flavor of soy milk she liked from the company fridge and had health benefits and had all the good things you get at a company plus got to see it grow, right?

So I thought...

By the way, I cannot confirm or deny the multi-millionaire, I can't completely blow up her spot, or the

soy milk spot.

She didn't drink soy milk, but the point is, the point is, is that Airbnb was like, they pay very competitive, you know, they recruit people from Google and Facebook, so they pay competitive salary.

You get very competitive and wonderful benefits.

You work really hard, but it's not a startup of 20 people where you don't have any resources.

So, you know, you have resources to get help.

And so the idea with this, we're calling this Sarah's List, we should come up with a cuter name one day, but it's the idea here is that we made a list of companies that are cushier than like a 20-person startup, but still have wonderful upsides, so you can make a very competitive salary, have wonderful benefits, and there's like a five, 10, 15x upside.

So low risk, great reward.

You're not going to become a billionaire doing this.

That's okay.

Most people don't really care about that.

So when I heard this, when we were talking, I was like, oh, wow, like, I think of myself as the hustler, but this is the ultimate hustle, right?

You know, not in a bad way.

What I mean was like, this was the hack.

This was the lowest, low effort, low risk way to get a great outcome, meaning didn't have to work 120 hours a week, didn't have to like carry the whole company on their back, didn't have to like pick a winner, and it's really hard to pick early stage winners.

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It's like, no, pretty clearly it was going to be a winner, and still walked away with a great outcome or, you know, so it has a great, great outcome.

I thought, wow, that's, that's actually fantastic.

I think there's a lot of people who would love that path.

There's some people who want to be Elon Musk.

They want to go change the world.

There's some people who want to make a billion dollars.

There's some people who want to just have, go sit on a beach and do nothing, right?

But there's a lot of people who would love this, hey, let me work at a great company with really smart people working on a cool product, and let me build, you know, financial independence without risking it all at like a, you know, like a degenerate gambler.

So to me, we got Craig's list.

We got Angie's list.

What's the one with the child predators?

I don't know what that one's called, like Molly's list or something like that.

We got whatever, Molly's list.

And now we have Sarah's list.

And Sarah's list is the companies that we think you could go join today.

They're already valued, you know, over \$250 million.

They have, we think a low risk profile, but if you stayed there for four years and you came in as a mid-level person and you got your grants, which is like \$50,000 in stock every year or something like that, that that could make you a self-made millionaire or multi-millionaire.

That's the fun.

And before we get into this, everything that we're going to say, it's not like financial advice or anything.

All the information that we have, it's basically what we've just read online or rumors that we've heard amongst friends.

None of it, so like everything is hearsay and a lot of predictions, right?

Yes.

Yeah.

We could be wrong, but we thought it'd be fun.

You know, like we're not going to go take these jobs, but there's a lot of people out there who would love to know, hey, what would you all recommend?

We know it's not a guarantee.

We know it's not set in stone.

We know this is just a prediction, but hey, some prediction is better than nothing.

So we'll go on the record and we'll see how these play out.

All right.

So we each did a research.

We got five.

Yeah.

So you go.

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So we have five.

I've got more than five, but let's go.

You go.

I go.

Okay.

Great.

Okay.

I'm going to save my best one.

I'm going to bring in second.

I'm going to first jab, just feel you out, see how strong you're coming in, but my best one is coming next.

My power punch is coming second, okay?

But for the first one, my first one that I'm going to present for Sarah's list, my nomination is Flexport.

Okay.

Okay.

What's Flexport?

So Flexport is a company that you use when you are, when you are shipping things.

So for example, my e-commerce company, we ship things.

We need to arrange between an international supplier.

We need our goods to go from their factory to our, our warehouse.

Well, how do you do that?

You got to, you got to go to a bunch of shipping carriers and you got to say, hey, when are you, when do you have a boat leaving?

My, my ready date is August 3rd.

Do you have a boat August 3rd?

What's the price?

They get some quotes.

So what Flexport does, this is a job called freight forwarding.

Flexport is basically software that does this thing that used to be done pretty manually or with very old clunky software.

They made modern slick software that does this freight forwarding thing, right?

So you go online, you could see all your quotes, you book your boat with a simple click.

You pay the fees.

It's all, you know, like very nice and then the notifications come through.

And basically it is modern freight forwarding software.

So Flexport's currently valued, last public valuation was about \$3 billion.

So SoftBank put in a billion dollars at a 3.2 billion dollar valuation.

It's got about 2,500 employees.

These are about, so you know, about 2,500 employees and they're in a huge space.

So global shipping is, is massive.

It's only getting bigger.

The bigger e-commerce gets and, and what they did was there was all these small mom

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and pop freight forwarders and they just sort of like did what, what many great companies do.

They, they sort of take a fragmented market with low NPS and they build a best in class product that's, you know, integrated.

And so you don't have to deal with kind of the mom and pop telephone call game that you would have otherwise had to do.

And the founder is pretty amazing.

He's right at Ryan Peterson.

I've hung out with him once or twice and I've read a lot of interviews with him.

He's very charismatic.

He once said that this company is either going to be worth zero or a hundred billion dollars or something like that.

You know, he's like, this is going to be all or nothing.

And he's pretty, he's very, very good.

We should compile an e-book of quotes like that.

That's like talk dirty to me.

The VC edition.

It's like, what are some offhand things you can say as a founder that just get every investor to like salivate?

And they, they sometimes sound dumb.

Like, why would I say my company's either going to be worth zero or a hundred billion?

It's like, well, that's exactly what a VC wants because that's how their economics work.

So we should just, and you can just cherry pick these phrases and they're like, pick up lines for VCs.

And we should just make a little e-book out of those, but that's a great one.

All right.

Next one.

I'm going to go first.

Mine will be easy as well.

Zapier.

So what they do, it's always really hard for me to explain what this company is.

What this company does, but once you use it, you immediately get it.

And I'll give you a use case.

So basically what they do is they connect API.

So for example, when the hustle first started, we had, we didn't, I don't want to buy like greenhouse or one of these like really \$500 a month applicant tracking systems.

And so I created a Google form and then I use Zapier to connect that to a sauna.

And so every time someone applied to a job, the information was automatically film filled into an a sauna board.

And that's what we use to track our job applicants.

Another example, and this is like a really simple personal use case, is I had a scale and every time I stepped on my smart scale, it told Zapier and Zapier put my weight into

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a spreadsheet and I compared it to all my friend's weight and we had a competition. Now that's like a really simple use case, but they do incredibly complicated ones where they'll attach loads of different, so you could build an entire company using basically Google spreadsheets and Zapier.

They're interesting for a few reasons.

They bootstrapped it to like \$70 million in recurring revenue and they did it very quickly. They recently raised a little bit of funding at a \$5 billion valuation by, I believe, Sequoia. They currently have 350 people.

My opinion is this is going to end up a very similar to Atlassian.

And so Atlassian is an Australian company that went public, I think, in 2014.

And when they went public, it was like a 15 or no, maybe it was like a \$6 billion valuation and they sold widgets to small businesses, software to small businesses and people slept on them and it slowly scaled.

I think today Atlassian is worth \$100 billion.

I think Zapier is going to be similar.

Wade Foster, the founder of Zapier, spoke at HustleCon and I hung out with him and he was like everything, he was just like perfect, he was wonderful.

There is one downside.

I've heard through friends of friends that they don't, so their pay is, they're a remote team.

They've been remote from day one.

They pay against Chicago market salaries, so they don't pay San Francisco salaries. So that might be a downside, but I would love to own Zapier stock.

Yeah.

Okay.

So what you're saying is it's a \$5 billion company and kind of amazingly this was, it was at \$1.3 million in funding to get to that \$5 billion in value.

Is that right?

Yeah.

They basically only raised \$1 million in funding and they got that to \$60 million ARR.

They're probably north of \$100 million ARR.

They're probably worth, they're worth valued at \$5, they're probably worth \$10 at this point.

I mean, it's like a crazy valuable company.

That's insane.

They're growing crazy.

You would need them to become a \$25 to \$50 billion company and you're betting that they can and will do that.

Yeah.

Over the course of four or five years when all your stock would vest, yes, I think that.

Okay.

All right.

Sounds good.

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Okay.

So.

Do you agree or disagree?

They've surprised me every step of the way so far.

So, you know, when you first, it's like, Zapier, I'd be like, oh, cool indie hacker project.

And then it's like, no, no, it actually got to like a million dollars ARR.

It's like, oh, you know, that's cool, cool bootstrap software company.

Maybe you can sell for \$25, \$30 million.

Oh, wow.

They're doing \$50 million in ARR.

Okay.

Jeez.

How many times am I going to be wrong here?

So I'm just debating, do I really want to bet against them again?

And I think the answer is no, I don't want to bet against them again.

So I think I'm going to give you thumbs up on your, on your, on your one here.

I would include it in Sarah's list.

Flexport, would you have given it the thumbs up or thumbs down to be included on Sarah's list?

Can it be worth 50?

Yeah, definitely.

Okay.

Good.

So keep in mind, we're, keep in mind, we're talking about like five years from today.

Yeah.

Five years.

Exactly.

Yeah.

So, okay.

So we have two, two, two successful nominations to Sarah's list.

I'd like to give you my next nomination.

You're going to hate this one or roll your eyes or something.

Okay.

You're going to swap.

Do you know what Uniswap is?

No.

Oh my God.

That's insane to me.

Okay.

So Uniswap, if you go to like, I don't think it's Uniswap.org is how you get to the thing.

So Uniswap, what if I told you, let's just play this game.

There is a company in the cryptocurrency space and I have an opportunity for you to join.

Here's, here's some of the things you need to know about this.

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It is, it's bigger than Deutsche Bank, Credit Suisse and State Street all combined.

It has bigger in terms of what?

Current market cap.

Yeah.

In terms of current market cap.

Okay.

Let me tell you some other things about it.

Oh, is that just market cap?

Is that just one of those crazy crypto market cap things?

Hold on.

Let me just tell you a little bit more.

What if I told you it has the trading volume of Coinbase with 50 times less employees?

Would that be something you're interested in?

Yes.

What if I told you that this company is doing 10 billion a week in trading volume?

And what if I told you it was doing that with less than 35 employees?

What if I told you that it took Coinbase eight years and 1,000 employees to get to a billion dollars in revenue?

And I told you that Uniswap is only two and a half years old, has less than 50 employees and is on pace to do over a billion dollars in revenue this year.

Would that be something you're interested in?

Because that's Uniswap right now.

In.

In.

So what do they do?

So what do they do?

Okay.

So let's say you've heard of all the different like tokens that exist.

So let's say, have you ever heard of, you know, die or Ethereum or whatever, like all these different tokens, right?

There's thousands and thousands of different currencies.

So Coinbase, what they're really good at is to say you have US dollars, you want to go buy some Bitcoin or Ethereum, you want to go buy some, you know, some, some Solana.

Great.

We'll take your US dollars, we'll connect with your bank and you can buy this crypto asset.

What Uniswap does, it says, thanks Coinbase, we'll take it from here.

You're kind of slow and expensive and you, you know, you have all these employees and all this red tape and stuff like that.

From here, once you have a crypto token, this Uniswap is how you trade any crypto token for any other crypto token.

So let's you swap between any crypto asset instantaneously and it's what's called a decentralized exchange.

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It means there is no central company with a bunch of employees that owns the exchange.

It's a protocol that they built and all it does, if you go to the website, it just says,

what currency do you have, what currency do you want?

Here's the exchange rate, push, go, and it'll exchange it for you right there.

And what they did was the genius of it is normally for a centralized exchange like Coinbase, they have to have a, you know, sort of, they're the market maker, they, they, they find buyers and sellers and they match them together and they have to have, you know, a certain amount of reserves themselves to be able to facilitate, to bring liquidity into the market.

But what decentralized exchanges do, what DEXs do, that's what they're called, is you have a buyer, you have a seller and then you have this group in the middle that I can also come in and be a liquidity provider.

So I can just go give Uniswap some money and I can earn a portion of the revenue that they have, that they make just by providing liquidity into the pool.

Oh, cool.

And so they have, it's like a three-sided market and so they have over \$5 billion of liquidity that users just locked up into their market to create the liquidity for their market.

Yeah, it's like a, it's like a, it's like a weird lending club type of, type of thing.

That's pretty sick.

Only 30 people.

What type of person would be a good tool?

Wow.

What type of personality would be good to work there?

I don't know.

Crazy nut.

I don't know.

But you know, these types of things that it's like you, typically these are going to be engineering heavy life things.

And so you can come and be, you know, do all the other stuff.

So let's say you're a community person, you're a marketing person, you're a PR person, you're whatever.

So you can go and sort of say, look, I have this skill set that you probably need, but when you're at 35 people and this much scale, they kind of need everything, they need more of everything probably.

And so I think anybody could probably fit in.

You just have to figure out how to solve some of their problems.

Do you think they give equity?

Yeah.

So basically there's a company, so there's a company and then there's the protocol.

The company owns some of the tokens using the protocol, but like, so the company raised a series A from Andres and Horowitz and Paradigm and a bunch of others, they raised only a series A. So I think they've only raised \$11 million to date and they've reached basically the same scale as Coinbase on \$11 million and Coinbase is what, an \$80 billion company.

So I think, you know, this would be a very, very, very valuable group to be a part of.

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Now the economics are different because it's crypto and everything's weird.  
It's like, what's the valuation?  
What's my equity worth?  
I don't know.  
It's all funky.  
You got to figure it out yourself.  
But there's definitely enough value there.  
It's growing super fast.  
It's kind of for a person who's, I imagine the personality type is like someone who's okay with a little bit, a lot of chaos and some risk.  
Yeah.  
And like non-traditional.  
Okay.  
With something that's non-traditional.  
All right.  
I'm going to give you another non-traditional one.  
This might be one of my stronger ones.  
So it's called Andrewle.  
I think that's how you say it.  
Do you know what that is?  
I had it on my list.  
All right.  
You stole it right off me.  
Wait, did you really?  
Did you really?  
I didn't see it on yours.  
Yes.  
No, it's not written up on here.  
I have my own little cheat sheet here that you don't have.  
All right.  
Great.  
So mine's called Andrewle.  
So I'll tell you a little bit background, but you actually might know a little bit more.  
So basically it started by the guy named Palmer Lucky.  
And the reason why this is interesting is Palmer Lucky started Oculus when he was like 16 or 17 and then he sold it to Facebook for somewhat like a billion dollars, just like a ton.  
And it's interesting because Palmer Lucky is very controversial.  
So he's a big supporter of Donald Trump, which is very atypical in Silicon Valley.  
He was fired from Facebook and a lot of people or he was the one who said he thinks he was fired because he liked Trump and he sued Facebook for hundreds of millions and one.  
So regardless if you think that's cool or not, he is controversial amongst Silicon Valley folks.

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And so he started this company out of Orange County and they, here's another controversial thing.

They make stuff for the government.

Their first product was an invisible wall basically.

So it was a way to build drones, I believe, to keep illegal immigrants from crossing the Mexican-American border.

So controversial, whatever, we can, we definitely can agree to that.

They've raised money and it's worth about \$4.6 billion.

They have 510 employees.

This would not be good for a liberal person or someone who like, you basically have to be moderate or right of center to want to work here.

Palmer seems like a, like a fine enough guy, a little quirky, but definitely it's a right leaning company, which is incredibly normal in Silicon Valley.

I definitely think this could be a Palantir-esque company.

The way that I describe what they do, if I'm correct, is basically, if you ever see the movie War Dogs, people or the government says, we need blank.

And then people bid and they wait to get it.

And then the person, they go, we need some type of vehicle that can fly like a plane but land like a helicopter.

And then people go out and build it.

Well, what Andrew does, I believe, is they build stuff that they think the government needs and then the government buys it from them and it saves a bunch of time.

Is that basically what they do?

Yeah.

So they, yeah, exactly.

Their primary revenue source comes from the government and what they build is like pretty fancy hardware, software combinations.

So they're like one of their, if you go to their website, it's like Century Tower.

It's like this solar powered tower is like this giant pole that is, you know, used to like, you know, basically monitor a board or right monitor an area and it's autonomous.

And so there's basically like the hardware to be able to do that.

So like top flight hardware mixed with software that makes it like, you know, smart intelligent work well.

You know, it's like a Nest camera for the government.

And so, you know, they have drones.

They have different things like that.

It's not a huge product line because these things are hard.

They probably take tens of millions of dollars to make each one.

But they, they're basically trying to be the kind of like the most technology forward provider for, you know, the U.S. defense budget, which I think is like, you know, hundreds of billions of dollars.

I think you have here like \$700 billion a year.

And the question is, can, so they're currently worth a little bit over \$4 billion.

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They raise money from founders fund, I think.

Can this company be worth \$20, \$40, \$50 billion in five years?

Absolutely.

100%.

It definitely can.

It definitely can.

Okay, I already built a billion dollar company at the age of like 22.

Definitely.

All right, your turn.

Okay.

That's a good one.

I had that one on my list.

So, so I like that one a lot.

All right.

Sarah's list is filling up.

We got thumbs up there.

Okay.

I want to do one.

I'm going to do one that I invested in actually.

Okay.

So, disclaimer.

It's not even really a disclaimer or disclosure.

This is actually a flex.

Yes.

I'm an investor.

Okay.

So, this company is called Replit.

Have you ever seen Replit?

Do you know what this does?

Only because you have been telling me for years it's going to be the greatest.

So, so I'll tell you how I found them or how I kind of heard about them.

So, I heard about them from two different places.

Anytime these two people talk about something, you're like, oh, wait, that's like a winning combination.

So, the first is like my teenage nephew is like using this tool Replit to learn how to code.

I'm like, oh, okay.

Never heard of before.

Kind of like that's interesting.

Stuff teenagers use.

You should probably like pay attention to stuff teenagers use because those tend to be big companies, you know, whether it's Snapchat or, you know, Minecraft or Roblox or things like that.

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And I was like, all right.

So, so, you know, I stashed it away.

Didn't really pay too much attention to it.

Second time I heard about it was from Paul Graham, the founder of Y Combinator.

He tweeted out a graph of a hockey stick.

He goes, he said something like, you know, like one of the fastest growing, you know, this is one of the fastest growing companies I've ever seen.

He goes, he's like, this is, yes, that's over 5 million users.

And yeah, that may not sound like a lot, but when your users are all programmers, 5 million is a hell of a lot.

And and that's so true.

Like 5 million programmers on a network is like worth its weight in gold, every programmer ever.

Yeah.

So, and so then, so I can't hear too much about it, but basically companies value just under a billion dollars right now.

So if you're looking at this, you're like, okay, can I, does this end up at 5 billion or more?

What's it do though?

What's it do?

So what does it do?

Okay.

You want to learn how to code.

It's kind of like a sandbox that does a few important things.

The first is if you ever, have you ever like gone down path or like, dude, I'm gonna learn how to code.

I bought this Udemy course.

I'm gonna learn Python.

Have you ever like gone down that path at all?

Because one of the most confusing things that happens is you're like, oh, shit, where do I type this?

You don't write your code in a Google doc, right?

Like you got to type your code in a code editor.

And like, then it's like, oh, great, but you need to install these like Python packages.

You're like, what the hell is that?

And it's like, you need to like install npm or like, what the hell is npm?

And then you're like, it's like, oh, you need to replace and now you need servers and you're like server, what do we give them on those?

And so it's all just very confused just the environment, which is basically like the equipment you need to code, setting up that developer environment in itself is like, for me, it was very confusing.

Now I'm like, you know, average person.

So like if an average person finds it confusing, that means it's too confusing.

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And so what replica did was the first day we're like, dude, look, it's just a website you go to.

It's already got all that stuff baked in.

You don't have to install anything.

You don't need five different programs just to be able to deploy code.

Like you write the code here, then you push run, you test it here, and then you push deploy and you deploy it here.

Great, all built into one.

So that was really useful for young hackers, young engineers and hobbyists who wanted to like learn this stuff.

So the first thing was they made all the stuff you need to learn it.

Then they were like, okay, cool, but this is kind of like a social network because we got all these programmers all writing code.

It's kind of like, if you've ever looked at GitHub, GitHub is this big network.

It's probably the biggest network of developers, and they all put their code here.

Well, what GitHub did was like, you could fork something.

So you put some code, you make it publicly available, I can read it, and then I could fork it, make my own version of it, and you'll get notified that, hey, Sean, remix to your thing.

So Replit does that like on steroids.

So they basically, it's almost like a game.

It's like all the different programmers can see what all the other programmers are doing. They can get inspired by those.

They can literally take their code and remix it, make their own version of it, or they can like contribute to each other, and they can take little parts that somebody made.

Somebody made this bouncing ball.

Cool.

I'm going to grab that.

I don't have to remake it from scratch.

I'll just use their bouncing ball program code, and I'll add that to my basketball hoop thing that I'm making.

And so it's like a multiplayer little game almost for programmers to be able to not just write their code, not just deploy their code, but also find other pieces of code that they can interact with and monetize it.

So you can actually launch full apps, full programs on here, and make money.

It's like all built in.

So the bet here, if you look at their graphs, it's like everything is a hockey stick, like crazy, crazy upwards curve and the scale.

So I think they do this side-by-side comparison like, here's our growth compared to GitHub's growth from zero, your one, your two, your three, or four, and they're like outpacing GitHub's growth.

All right.

I'm on board with that.

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I think that's a good one.

Can non-technical people apply there, you think?

Of course.

Right.

Every technical company definitely needs people that are in non-technical roles, whether it's again, marketing, community, sales, whatever, whatever the roles will end up being.

Yeah, for sure.

And in fact, usually those companies, technical companies get built kind of like engineer first.

And so they actually need people that are non-technical to be able to join.

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.

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All right.

That's a good one.

I'm on board.

I'm on board with that one.

All right.

My turn.

This one is similar to Zapier, AirTable.

So AirTable is a Microsoft Excel alternative.

It's a Google Sheet alternative.

When they first came out, I was like, why on earth would anyone need this?

Google Sheets works great.

And then I used AirTable and I realized they're kind of making it their own category.

It's very sticky.

It's very neat.

Right now, they're valued, since 2021, they raised money at a \$5.7 billion valuation.

I actually think they could be much larger.

There's another company that I kind of compare them to.

They're not quite the same, but I think they're a little bit same in terms of stickiness.

And they came out the same time, or they got popular around the same time, and that's

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Monday.com.

And they're worth, they went public at like \$18 billion.

I think that AirTable could definitely do really great.

They currently have 645 employees.

The guy who started it, I think his name is Howard Lu.

Howie.

Howie Lu.

And he's kind of like this prodigy genius guy.

That's like how they stereotype him in the media.

But I've seen interviews.

He went to my school.

He went to Duke.

Did he?

Yeah.

I saw interviews with him though.

He was definitely like a prodigy young genius, but he was very like wise and like he wasn't like a wacky weirdo.

He was like pretty well thought, well spoken.

You want to know something funny?

Yeah.

So seven years ago, so we were in a mastermind group, if you remember me, you had a couple other guys.

We used to get dinner every month or two or something like that, talk startups.

And we would occasionally invite other people in.

And so I have a DM, where I DMed Howie back when AirTable was very, you know, it was a lot smaller.

I think it was still probably, I think it had just raised money, maybe under \$100 million.

I think it was the valuation at that point in time.

And I was like, Howie, you know, love AirTable.

Think it's fucking great.

I think it's going to be big.

You know, you're a fellow Duke guy.

That's awesome.

Hey, I host these mastermind dinners.

You should come to one.

And he's like, oh, I'd love to.

And we scheduled it.

And you were scheduled to go to it.

And then I think you and one other person canceled and you're like, oh, I can't come.

And so I canceled the dinner.

And so I never met him.

And like, you know, who knows what could have been.

We could have been homies by now.

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We could have been invested a long time ago, you know, under \$100 million. Did you hang out with him?

No, that was the that was the excuse I had been made. I was like, I do these as excuses to hang out with people.

Right.

I don't want to just say, hey, I'd love to meet you.

It's like, yeah, great.

I don't love to meet you.

I don't want to ask him to coffee, but I was trying to invite him to something cool.

It's like, hey, we do this founder thing.

My bad.

Howie, I'm sorry, dude.

All right.

So I have one.

Yeah, yeah, yeah, yeah, yeah, yeah, because Excel is like the there's this great quote, which is like every SaaS company you actually compete with Excel.

You don't compete with other SaaS companies you compete with Excel because people just use Excel for everything.

And, and so, yeah, I think that like, I don't know what Excel's market cap would be, but I think Excel's, I don't know what it would be, but Excel is like AirPods to Apple.

Like AirPods would be a hundred billion dollar company on its own.

That's what Excel is.

Exactly.

So if Excel is a hundred billion dollar company, I think that the, the best threat to Excel is going to end up being worth, you know, 20, 30, pretty, I think there's a pretty good chance of that.

And so I liked this a lot more.

It was recently at one or two billion.

I liked it a lot more there than at 5.7, but like, you know, we didn't do the episode then we did it now.

So okay, so I'll give you one that's very, very similar real quick, Figma.

So Figma's.

Oh, I have that one too.

I have that one too.

Instead of, you know, and I'll do it quick because people already know Figma, but I would put it on the list.

You know, the way Airtable, what Airtable is doing for Excel, Figma is doing for Photoshop.

So it's the younger, slicker, cloud-based, sexier version of design software.

And it's kind of eating Photoshop's lunch.

And I don't know what's worth now.

What is it?

Seven billion now?

It's like, no, it's, so in July of 2021, they raised \$200 million at a \$10 billion valuation.

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But here's, that sounds like a lot.

But to the listeners, Andy, Sean, how much is, what's Adobe's market cap?

So Adobe, I believe almost all the revenue at this point is from Photoshop, right?

Well, it's the creative cloud, which is basically a bundle that you're like, I want Photoshop to like, but buy fireworks and, you know, like buy all this other shit that we like bundle in with creative cloud.

Okay.

So tell me what you think it is.

I would have guessed Adobe's market cap is, I don't know, \$150 billion or something like that.

What is it?

It is \$315 billion.

And if I'm not mistaken, that might be one of the, let's look it up, it might be one of the 50th, let's see, Adobe would be, it's one of the biggest companies in the world.

So Adobe is the 30th largest company in the world.

So when you think about how big this can be, you think \$10 billion, that's so much money.

Well, Adobe's one of the biggest companies in the world, Figma's going after it, totally should be on this list.

It's like all the business trends, like first, unbundling, it's like, well, creative cloud brings in \$12 billion a year, well, let's unbundle the most valuable part of it, Photoshop, and let's do it differently.

Okay.

What's different?

Second trend, cloud-based, right?

Third trend, multiplayer, right?

Like when I'm using Figma, my mouse is moving around, your mouse, I'll also see what you're doing on the same canvas.

That's really cool, right?

And so they're piggybacking off all these kind of macro shifts and doing it, right?

Just like, by the way, if you think, oh, it's already at \$10 billion, is it really going to 5x?

Last five years, Adobe has 6xed.

So Adobe was trading at \$100 a share.

It's now at \$660 a share in five years, and that's at Adobe's large thing, that's their growth rate.

Figma's growth rate should be in the next five years, much faster than Adobe's was in the last five.

And so I think there's a fairly good chance of that.

In fact, I should just go invest in all these companies that are on this list.

This is a great list to be on.

All right.

My turn.

So I agree.

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I had to think about mine, so I completely agree.

So we're about in 100%.

So Rippling.

That's my next one.

Rippling.

Very boring company.

I used it.

It's a payroll software provider, but it also manages devices and gives you permissions to different stuff.

So basically, if you're a small startup and people sign up to work at your company, I can easily track which person has which computer and I could pay software through there and I could do HR management and issue healthcare stuff to people.

Why it's interesting, the founder is named, what's his name, Parker Conrad.

So he has the controversial past.

He started Xenophys, which was at the time one of the fastest growing companies ever.

He got fired because he kind of, the culture was kind of crazy.

People were like having sex in the hallways and kind of being bro-ey and shit like that.

And so he was like, oh, you know, in order to do this HR thing, you have to like have this like compliance training.

It takes 60 hours.

Well, cool.

I just, I created a macro that will go through the training for you.

Just push the enter key every, you know, five minutes or something like that and you'll be done in six hours instead of 60.

Like shit like that.

That was a little bit like, oh, that's actually like slightly illegal, I think.

Yeah.

But the good news is he has experienced the also good news is that he fucked up.

And so you would think that you'd learn because he got ousted.

So I kind of liked that.

I always liked that in a company where someone is like, it's their second time around and they've already been mildly successful.

I think that's actually a good thing.

They were, here's why I think this company is interesting.

So they were last valued at \$1 billion, \$1.3 billion.

And I use them and they're amazing.

I've used them for years.

It's an every company problem.

Every company on boards, new employees and needs to get their computer set up needs to get them connected to all the systems.

It's an every person, every company problem.

And that's why it's kind of genius.

So Workday, which is in the space is worth \$67 billion, Paychecks, which is just a payroll

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provider is worth \$40 billion.

So I don't think that their valuation is still true.

Their own category, which is why it's even better.

If you said does Rippling end up, I think Rippling, if it's at a billion now, I think it's maybe one of the best candidates to like 50X on this list.

It's one of those like, you know, when Square went public, Square went public at like, I think \$3 billion or \$2 billion valuation, something like that.

Now it's like \$150.

Now it's like \$100.

So Square, after an IPO, which was again, de-risk, de-risk, de-risk, now it's liquid.

It's already had like a 30, 40X since then.

And so that's like, wow, that's going to get some insane appreciation on your stock.

And so I think Rippling is one that if you told me this 30 to 50X's, I'd say of the things we've said on this list, that might be the number one candidate so far.

All right.

So then we've got a hit and when I used the product, it did everything well, but it was still pretty clunky.

So I think a lot of your product designer, if your customer support sales, I think these guys are hiring for a bunch of different stuff.

So that's my pick.

All right, your turn.

Okay.

I'm going to do one that's a little controversial.

By the way, I think we're fucking, these are hits, I think.

Yeah.

I think so too.

All right.

So here's one.

Open store.

You know what open store is?

It's new, isn't it?

It's new.

This might not, this might not, this might not, well, no, this might hit, but this might be too early, but go ahead.

Yeah.

So, okay.

So what is this?

So first, let me say who's the founder.

So the founder is, is two kind of powerhouses.

Now, I don't know how much of their time they're spending on this, but one is Keith Reboy who was the CEO at Square.

He was part of the PayPal mafia.

He's a big time VC, he's a total dick on Twitter, entertaining dude.

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I enjoy his, he's very smart and he's an asshole on Twitter, which I find to be a pretty hilarious.

And then this other guy, Jack Abraham, Jack Abraham was kind of like wonder kid, built a company, sold it to eBay pretty early on, was like kind of a hotshot at PayPal, spun out and he has his own like studio.

And so they together came together and they made, they made Open Store, which is a riff off of Keith Reboy's other previous, last company that's now worth \$5 billion, Open Door.

So what Open Door did was you want to sell your house, don't go through the whole like dog and pony show, I will buy your house now.

You don't have to stage it.

You don't have to fix it up.

You don't have to hire an agent.

You don't have to do anything.

Just sell me the home.

I'll just give you a price right now and you could sell it today.

So I give you liquidity in this house market, instantaneous sales.

Open Store is the same thing for e-commerce.

They're saying you want to sell your e-commerce company, I'll buy your Shopify store right now.

You don't have to go through the whole banker process, make a day, do all this stuff.

I'll just plug into your data and I'll just give you an offer right now.

And so what they're trying to do is roll up Shopify stores.

And so they raised, I think their first round maybe was at a \$250 million valuation.

So to get your 5X here, you have to bet that it becomes a billion dollar company.

With this guy's track record, Square, Open Door, with Jack Abraham's track record, it's a very good shot that this ends up being worth more than a billion dollars.

This space is very hot.

So do you know Thrasio?

We've talked about them before.

The one that Thrasio was the first hot company that was rolling up Amazon businesses, businesses that sell products only on Amazon, they're called FBA, fulfilled by Amazon companies.

And they rolled them all up.

Do you know if Thrasio is valued at right now?

What?

It's like 5 or 10?

They're going to go public at a \$10 billion valuation.

I think they might be the fastest company to a \$10 billion exit ever.

I think they're up there.

It's like three years old or four years old.

Yeah, three years old and very capital efficient and how they went there because they used a lot of debt to buy these companies because the companies already are profitable or producing a lot of revenue.

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So they're able to use big debt to do this.

And so Open Store is doing the same thing without the Amazon style, it's for Shopify.

And so I think that this model, this Open Store model is one of the fastest, easiest and fastest ways to build a billion dollar company.

And I think that this company at \$250 million, I see a lot of value in this pick here.

Yes, it could go to zero.

This could also not work.

This has higher risk than the other stuff on this list.

So that's the disclaimer.

It's much higher risk, but I think the reward is a lot higher here too.

Okay, so this, I agree this could 10X.

This borderline wouldn't be considered part of the list because they just, no, it's because they just launched.

It's a year or less, right?

It's July 15, 2021.

So this wouldn't fit in the category of being like a cushy gig, but I'm cool with adding it.

I think it might be on the, like, hey, you're in the batter's box, you're not in the batter's box, you're in the on-deck circle, right?

We're just waiting for you to mature.

You got to season up a little bit in order to be on this list, given the criteria of the list.

Also, but we could swap it.

So Keith Woodboy has another company that's incredibly interesting.

I believe it's called FAIR, F-A-I-R-E.

He's just an investor in that one.

Yeah, I didn't add it to the list, but it's a wholesale marketplace for retailers and brands, so you could just basically, it's almost, it's a little bit.

It's a genius idea, dude.

I used it recently.

Go ahead.

For my brand, I was like, oh yeah, we should sell wholesale, too.

I was like, okay, so what am I going to do?

Go contact every brick-and-mortar store and say, hey, would you like to carry my brand, my online brand in your store?

It's a good brand.

Here's the details.

Here's my catalog.

I made it in Excel, and I have to update it weekly, and then here's my pricing.

And then here, just go to my Shopify store and just buy some stuff.

It's like, you have to string together five tools to set up wholesale.

Fair is basically like, you want wholesale?

List yourself as a company.

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The brick-and-mortar stores can all just choose to buy from you.

Your catalog is stored here.

It just takes through that whole problem.

I think it's like a \$15 billion company.

Yeah, I don't know if that can 10X, but it's doing really well, and I didn't do research on it for this project, but I tell people, whenever people ask me this question of where they should join, I say, that company sounds incredibly interesting.

All right, we'll do maybe one or two more.

One last one.

Yeah, one last one on your side.

All right, I'm going to do one that I also, I'm an investor in this one, so there's the disclosure.

It's called Next Health, and the reason why I think it's cool, it's basically the very simple dumb-down version.

It's almost like Shopify for doctors.

So basically, when you go to a doctor, you have to fill out a form, and they've automated the form, so you just fill it out online, but then if every other doctor uses Next Health, all your information is on that platform, and so it's much easier, and so you have basically one medical record, and also they've opened it up to third-party developers who can build apps using your health data and your whole health record, and you can see interesting stuff.

An example, a very tiny example is if you're on Smile Direct Club, and you want to find out where an orthodontist is, and you're by who could fit you for your orthodontist, they say, hey, here's all the doctors in Next Health that are in that network.

Just click here.

You're good to go, and that's like a third-party app that, whatever.

They are worth \$500 million.

Their CEO is young, 26, 27, I've gotten dinner with him.

He basically has told me, and I don't exactly remember how he said it, but he was like, yeah, I kind of want to take over the world, like, he was like, I thought about, yeah, he was like, yeah, he was like, well, I think he told me his parents are from Bangladesh, and I think he goes, you know, Bangladesh is an interesting country because it has a really large male population, and it has a low unemployment rate, so if I wanted to take over the world, I think I could go there and rally the young men, and we could build our own army, and I think that'd be a good, and it's like, he had this like, well thought out, and I was like, you're nuts.

I love you.

I'm in.

So NextHealth is interesting to me, and they've raised \$150 million, I think, and so it's big enough that they, maybe they've only raised \$50 million.

It's big enough that it's a little bit settled, and they can pay well.

Right.

All right.

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You want to bring it home?

You bring it home with one last one.

I'll bring it home with one that's a little bit unorthodox.

I think we said a lot of popular names.

Here's an unpopular name, OneTrust.

So OneTrust is a company that specializes in making your company GDPR compliant.

Oh my God, the most boring shit on earth.

Valued at \$5 billion.

You have to sort of endlessly keep up with privacy laws are different in all these different countries.

You have GDPR for Europe, US is going to have their own version of this, other countries are going to have their own version of this, and they're always going to evolve, and they have the customers, and they're going to basically continue to service these customers, and for the companies, you have huge, huge risk because it's like, if you're not complying on GDPR, it's like fines that are multiplied per user or something like that.

It's like your fines can be exorbitant, and nobody wants to deal with this.

Nobody wants to become an expert of this.

Nobody wants to throw huge amounts of engineering and design and policy headcount towards doing this.

It's going to be much easier to buy a solution and pay for somebody else as you cover your ass insurance to take care of your GDPR needs.

I think it's one of the fastest growing companies in the country right now.

It's called OneTrust.

I think they're based in Atlanta, if I'm right.

I might be mixing them up with another one.

There's actually two companies that are both billion-dollar companies in the space.

I love these companies.

I want to invest in these companies, and if I was going to send somebody to go work at a company that has this profile, this would be one of them.

I think it's a good contender for Sarah's List.

All right.

I think that's the list.

I think this is to a listener applying to jobs could be one of the most life-changing episodes.

This is good.

I think this is a really interesting idea.

I used to have this product called JustJobs where I would write companies that do this and I would pay users, people would pay to have access to it.

This is going to become maybe a recurring segment.

We'll see.

This is pretty interesting.

Well, I told you the thing I wanted to do with this was I'm going to curate 50 companies

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that meet this criteria, and I'm going to basically create a job board from this.

The thing with the job board is you can't just be a company who wants to come list on here.

No.

Only these 50 companies that are curated can post on this job board.

They have to pay to do it.

If they don't pay, they're just on the list, but no jobs will show up.

I want to have a running job.

We take this segment idea, but basically the reason I had a bunch of these companies listed is because me and Ben have been cooking up, oh, we should launch a job board.

When we launch a job board, what would add some value?

If I could curate companies that I think people should work for, and this is not an original idea.

I think you did something like this.

A bunch of people have done things like this, curated companies that you think are cool, and you turn that into a product.

We're going to do that with a job board pretty soon, we're going to launch that pretty soon with Pallet.

Sick.

Well, that's freaking awesome.

Good episode.

All right, man.

See you next time.