

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

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.

There's a whole bunch of big money industry financial players that will happily pay \$25,000, \$50,000, \$100,000 a year just to be like, uh, explain this shit to me.

Sean, what, um, what are you wearing?

You get so offended when I don't have sleeves.

I forgot.

I'm not offended.

So, like, shook, completely flabbergasted.

I think a sleeveless hoodie is an interesting choice.

I think it looked, you look nice in there.

You look jacked.

Thank you.

I'm trying to be jacked.

Are you?

Um, I'm like thick jacked, uh, like I have a lot of muscle, but they're still fat on the muscle, so it doesn't look very good.

I, um, I took this, so I got, you know, you know, those cars that kids get where it's like a, um, it's like a mini version of a car, so they can drive it around, like whatever it's like.

Yeah.

Yeah.

So we got one for my daughter's birthday.

It's like a little mini Range Rover thing.

And so I posted it on Instagram.

I never posted an Instagram.

So I posted an Instagram, like a close-up of like the Range Rover logo, the wheel, where you, it couldn't, you couldn't tell it's like a kid's car.

I was like, yeah, a new ride, you know, work hard.

It always pays off.

And then I posted like a zoomed out version of it in my driveway and it's like two feet long.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

And then I took a picture posing with it and then, uh, and then, yeah, I didn't realize that I forgot that most of the world has it seen me in like two years.

And so, you know, I have long hair now.

I never had long hair.

So everybody in my Instagram is like, what's going on?

Is this you?

What is this?

And then, uh, also I've gotten like considerably like bigger and more muscular, I guess.

Yeah.

You're, you're, you've, you've, over the last, I would say four years, four years, it's been on like a three year journey, maybe you've changed significantly.

Yeah.

Yeah, so I got a bunch of DMs of people would just be like, well, like, like, how that's funny, what you were doing, like, cause I was like, you know, like, you know, proven the haters wrong.

Like, you know, hard work pays off, you know, like the cringy Instagram stuff that people do when they like get a new car.

I was doing that.

I just doing it for a joke.

And then also jokes on me because people are like, you look weird.

That's all right.

They were actually complimenting you.

So do you know that, um, I was reading stuff on, we talked about examine.com.

I was reading about examine.com.

So I, I enjoy reading about things that have core or that are correlated to longevity.

And so like different studies on that.

And so there's two findings that I've discovered.

The first is grip strength.

So grip strength is highly correlated with longevity.

The second thing is why do you know, explain why?

And the second reason or the second thing is quad strength.

So your thighs, how strong your thighs are now.

So you're living till 300.

Yeah.

I think I'm going to be, I'm thinking of the old, however, there's not a correlation between muscle size and longevity.

So just because you have big muscles doesn't necessarily mean that you're going to live a long time.

But what it means is grip strength and quad strengths are both really, um, the most, uh, perfect of an imperfect test to test your upper body and lower body strength.

And so if you're strong, you're going to live to be longer or it's, it's more, it's correlated with longevity.

So strength is, so I think it's good.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

You're lifting weights.

Uh, yeah, but I feel like my grip strength and quad strength is not great.

And I also feel like that's not what the show is and nobody cares about my grip and quad strength, but I do think it's cool.

The longevity thing is cool.

I've been, I've been like, you know, you have these things where you're like, okay, I'm not doing a project in this area.

It's not my work.

It's not my job.

I also don't even really know what I'm looking for, but I just keep going down this rabbit hole.

Just, I just keep watching videos or reading stuff or kind of like talking to people about this thing.

And I kind of, I don't have like a destination I'm trying to get to.

And um, that's what it's been with this, uh, longevity, anti-aging stuff.

I've just been watching a ton of interviews and reading a bunch of the science about what's, what is the latest in this space.

I think I talked about it on the podcast, that guy Aubrey Gray.

Aubrey Gray.

Yeah.

And, uh, and then there's like Laura Deming, do you know who she is?

No.

So she's, um, she's a, I don't know if she's an entrepreneur.

I think she's kind of like, she, she started doing this when she was like 16.

I think she was a teal fellow.

So she dropped out of college, uh, to take the teal fellowship, which was basically Peter Teal made this thing where it was like, I'll give you a hundred grand if you just drop out of college and, um, work on whatever project you want to work on.

So he's paying people to drop out.

And so she took that and she was like, okay, do I start a company?

Do I do this?

Do I do this?

And I think she ended up creating something called, I think it's called the longevity fund.

And it's basically, it was the first major, I don't want to say first.

It was one of the first, at least major VC funds that was like, um, a, only investing in anti-aging and longevity companies.

And so she raises money.

She's still probably, I don't know, under 25.

Um, but she's like, you know, a veteran in this space now.

So I think she worked under Robert DeGray and then I think she, uh, or knows him at least.

And then she's got this longevity fund and she was talking about like, you know, what, what's been, what gives her hope, like what, what breakthroughs or, or advancements make

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

her think, oh shoot, like the products are really being made.
And like, what are some things where 10 years ago you thought this would be here by now and we're still 10 years away or more.
And, um, and I feel like there's a bunch of space like self-driving cars is like that. People have been thinking about this for a long time or VR. People have been thinking about it for a long time.
It always feels like it's five years away, but it never hasn't clicked yet, but you do feel like it's inevitable.
And that's kind of like what anti-aging is.
Yeah.
I, I've been reading it a bunch.
One of my favorite books is, is it's like the pop culture version of all those blue zones.
Have you read blue zones?
No.
What is that?
You don't know.
You don't know what the blue zones is.
No.
Blue ocean.
I know.
But not.
All right.
So the blue zones is fantastic.
There's five different cultures that have an incredibly high number of Centarians.
So a large population of people who are above a hundred years old, I believe the five locations are the seventh, uh, the seven day Adventists, which is a religious crew in mid California.
Then there's a group in Japan.
There's a, uh, an area in Greece, an area of Korea and maybe Costa Rica.
I forget.
I forget the other ones.
And he tries to narrow down to the handful of things that they all do.
And those things include eating meat and vegetables, particularly large amounts of vegetables, drinking moderately, not exercising vigorously, but exercising, like walking to work or walking around all day.
So the seven day Adventists, um, they, um, they, they believe their body's a temple.
And so they walk throughout the day and they work jobs where they got a lift stuff above their head, but they don't exercise in the traditional sense.
They don't damage their body to try to get super store and grow the muscles.
Yeah.
And they, and they under eat, you know, they don't overeat cause they believe that their body's like sacred.
Um, and then a few others are the old folks don't go to living, uh, nursing homes.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

They stay at home.

So they have a stronger sense of community.

Typically they drink moderately.

I also believe a lot of them have some type of religion or spiritual thing that they're like looking towards.

Um, and, uh, that's mostly it, but there's a, maybe a few more characteristics at that they all share.

And do you, um, there's a whole bunch of like drugs that are like, you know, possibly, possibly linked to longevity, like whatever metformin and stuff like that.

Have you dabbled in any of those?

No, but I'm, as of today, for the past handful of months, I've been taking a variety of magnesium.

Um, what Ashiganda, the thing that you mentioned, right, um, Elf, Elf, what's it called Elf the end?

It's one of those.

It's one of those words that like I write all the time, but I never pronounce.

Theanine.

Yeah.

Uh, cava.

Uh, and I believe that's it, but I've, uh, I've, I have been interested in some of that stuff.

I just haven't, what's it called again?

It's called, um, I forget the stuff that the, that's proven in mice for longevity.

Uh, I don't wrap, wrap some myosin or something like that, wrap a myosin.

Yeah.

Um, anyway, uh, so, uh, yeah, I'm interested in longevity stuff.

We'll have to talk about it.

I don't have slack open, by the way.

If you're going to message me, I don't have slack open.

I've got Zencaster.

No, I was just kidding.

Like some of the things you were talking about.

Yeah.

They're all, it's all meant for like lower mood.

Also the blue oceans, a lot of it, a lot of it, um, they have low stress.

Right.

Yeah.

I think this stresses, the stress is the killer.

That's what, that's what some people talk about with Warren Buffett, because Buffett's diet is like famously garbage, um, like soda McDonald's.

Yeah.

I think he eats, uh, you know, McDonald's for breakfast every day on this way to work or something like that, like a sausage McMuffin every day.

I remember watching some video following a day in the life.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

This was like 10, 15 years ago.

So maybe he's, uh, maybe he's, he's sharpened up, but at the time he was saying, this is what he does every single day.

And then he drinks diet coats and he eats M&M's.

It's like all his portfolio companies, you know, that he like lives by basically and, um, and so, you know, it's like shocking, but because he's, you know, he's in pretty good health and he's got like, he's got his wits about him, even though he's almost 90 years old or whatever.

He's like very sharp mentally, has high energy, that sort of thing.

And obviously he's still performing like extremely well at his job, even at that age.

And so, um, it's a lot of people are like, well, that defies the odds.

And then some people say, well, one thing that Buffett does right, he may do a lot of dietary things wrong, but one thing he does right is he is extremely low stress.

And, um, and it's, uh, if I was betting, I would bet that stress ages and hurts you more than any other, um, like dietary input.

Now I'm not a scientist.

This is just like my observation of people.

I could see people who are glowing, who have high energy, people who stay healthy and who don't.

And it's like, if I looked at what in my life, the people around me, what would be the common denominator?

Um, it's actually not their diets.

It's more of their, their stress and their mindset.

Yeah, I, uh, it's, it's, it's hurt me in the past.

So we're in the, we're on the same page.

Do you, um, do you want to talk about the results of the NFT thing?

Yeah, dude.

I mean, it's kind of insane.

We, uh, so we did this NFT auction, which was, uh, here's like the, the quick summary if you, if you didn't follow.

So basically I was, I'm really into crypto.

I did this thing called crypto week where I was just deep diving and my goal was to actually use all the different parts of crypto, not just like be an investor, but like be a, be a user of what they call web three, which is all these different technologies, different things you can do.

One of which is NFTs.

So I bought some NFTs, I, I played with the tools to help you value them or, or scope them out and all that stuff.

And the last thing I did was I wanted to mint an NFT and I thought, all right, what, what would be an NFT?

I would do.

Well, we're not great artists.

So I'm not going to, you know, I'm, I'm unlikely to have this visual art that just

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

speaks to you.

Um, but I was like, what do we do well?

And I thought, well, one thing we've done is we've, we've created this audience through my first million.

And what if we created an NFT called five minutes of fame and five minutes of fame is real simple.

It basically just says, Hey, the owner of this NFT owner of this token, it's like the Willy Wonka golden ticket.

If you have this golden ticket, you get access to the chocolate factory.

So for us, it was, if you own this token, you get access to the pod, you get five minutes of airtime on the pod where you could talk about whatever you want.

If you want to talk to us and just shoot the shit, bring your ideas to the table, fantastic.

If you want to ask questions or promote your company or whatever you wanted to do that five minutes is, it's yours.

And so kind of on a whim, I just texted you being like, Hey, idea, what do you think you're like, cool, go for it.

And I minted it on open seas.

I paid a little bit of a Ethereum to create it.

I set up an auction for seven days and I started the auction at 0.25 Ethereum, uh, ether.

Uh, and so that was the equivalent at the time about like \$700, \$800.

And it just closed at last night at midnight, the auction closed.

And I think it made \$33,000.

So I think it closed at 11.55 ETH, uh, which is about the, about 30, 32, \$33,000.

I think it was a little more, let's see, 11.5 times 11.5 times 3000, uh, 11, uh, 35 grand.

Yeah.

So that was, uh, that's what it closed at last night and, uh, so we should shout out the winner.

I thought it was going to go at about 25, 30 K. That's what I, that's what I would have predicted ads on how much would an ad cost on this podcast, maybe \$10,000 and we would do a couple of them.

Yeah.

I think, you know, 10,000 bucks would, would be, you know, maybe I don't know, we don't sell ads anymore.

So I don't know what five or 10 grand maybe going ad rate would be for it, but you can't, we don't sell them.

So you can't even get it.

But yeah, who's the winner?

Um, the winner is some of his user name is just like D2D something.

So I don't actually know the person, um, you know, it's sold to, uh, kind of an unnamed, unnamed artist.

And we have to figure out, they can, they can hold it.

So they can basically say, all right, cool, y'all are growing 20% month over month.

I'm in no rush.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Let me, um, let me just hold this for, you know, the foreseeable future and, um, and let's let this thing grow and then, you know, they could cash it in later or, um, so the user name, the one person who won is D2D628.

And then you can go look at their profile about some other stuff that they own.

They own some other NFTs that are, you know, five ETH, three ETH.

They own one that's valued at 335 ETH.

So they definitely have like a portfolio that they collect 335, I mean, that's like, is that 900,000?

Yeah.

It's like a million dollars.

That's the set price for it.

But that's what it'll go for, but that's the, um, that's the, the list price that that's asked.

Um, so anyways, this person won and they can sell it.

So they can just say, cool, I'm going to flip it.

They can use it.

Um, the way they use it is they send it to our wallet.

So they, they'll have to burn it by sending it to our wallet, which takes it out of circulation.

And, um, and then that's how we know you were the owner of it and you cashed it in.

All right.

Let's, um, you want to talk about, you want to talk about Harvard?

Yeah.

We talked about this.

We hinted at it last time.

Let's do it.

I think you did a bunch of research.

Yeah.

But I want you to, you, I want you to kick it off and explain to me why you, you, uh, got interested in this.

Basically I, I've known about this for a while.

So I launched trends because I read all about this.

And so I want to know what caught you.

I think I brought this up on the podcast a little bit, but what caught your eye?

You initially told me about, uh, the Harvard business review in passing.

You just said something very, very, you were like, I think they do like a hundred million dollars.

You said something like that.

Um, so that caught my eye, this was maybe five years ago and at the time I like kind of stashed that away.

And then when we sold Bebo, one of the idea, I did a brainstorm of like, would I start another thing?

And one of the things that always interested me was education, education, education, education.

I was like, okay, well, I like business.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

I mean, this is before the podcast, even I was like, I really like business and kind of digging into nerdy business stuff.

Could I package that into a product?

It became this podcast, but one of the ideas I had was, could I compete with Harvard business schools, HBR, kind of the media arm, because what they do at the time I was looking into their case studies.

So what they do is, if you ever go to business school, and there's many business schools that do this, they have kind of like case-based, uh, learning project-based learning basically. And so you, you go into class and you see, you get this printed out piece of paper that says, here's the scenario.

You're the CEO of Sony and you're coming up at the new PlayStation and you're competing with Xbox and right now Sony's market share is going down and you need to figure out a way to get it to go up.

Here's some of the background, and it basically gives you a case to walk through and basically give your kind of like, your two cents on what you think the strategy should be and all that good stuff.

And then the teacher has kind of like an answer key, essentially.

It has the results of how things played out and what worked, what didn't, and kind of a guided discussion.

And so it's basically like the curriculum for a business school.

So I, the reason I got interested in this, because I was actually going to go start a company making these case studies focused on technology, focused on, on kind of like cutting edge tech and either sell it to schools or sell it to companies who wanted to train their managers.

So that was my like idea.

I still kind of want to do that someday.

But I did back away from it when I realized that Harvard really had a monopoly.

I think the stats at the time were that 80% of all the case studies, all the business school case studies were Harvard business school case studies.

And then the second thing was, if you go talk to a professor, I think I talked to two and I was like, Hey, I'm going to do all these great case studies.

It's going to be so much better.

And they were like, Yeah, but like, what's that phrase like, nobody gets fired for buying IBM.

It's like, nobody gets fired for buying the Harvard Harvard case study.

If I go buy the Sean case study, and if, if anything is off about it, or even if it's good, like it's just going to have lower perceived value than the Harvard one.

So I actually need to stick on the Harvard sauce.

And I was like, Oh, that's a problem.

It's the credential.

It's the brand of Harvard, not the content of the case study that really makes a difference.

So let me set the stage here and give some numbers to explain what we're talking about.

Okay.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So every number I'm going to tell you is from 2019, all of these numbers are public.

So this isn't, this isn't ideas or theories or rumors.

This is fact in 2019, Harvard business school made \$925 million.

I'm going to rank in order where that revenue came from.

So 25% or yeah, 25%, which is a billion basically just to make the math easy.

Yeah.

We don't do public math.

We don't do public math, 25% or around \$250 million came from endowment and gifts.

Okay.

That's the second largest thing.

I'm going to save the first largest for last.

The third largest thing, 24% or around \$240 million, executive education tuition.

We made from a Tyra Banks for saying she went to Harvard because she went to an executive education.

That's what she's talking about.

The fourth largest thing, get this, only 15% of revenue, MBA tuition, right?

Tuition is the fourth largest one.

The final two are Harvard business school online.

So basically online courses, which is 5% of revenue.

And then finally, housing rents and other 3%.

So the biggest one, their biggest revenue stream is 28%, roughly \$280 million.

That makes almost two times what tuition makes.

What is that?

Their publishing arm.

So they make money in publishing through a couple of different ways, basically a two or three.

They make a little bit of money through advertising, but it's nominal.

But they have 400,000 subscribers and subscribers pay anywhere from \$10 to \$50 a month depending

on which package you get.

But the bulk of their revenue comes from the 15 million case studies they sell to around 4,000 universities.

Now that number of around, let's say, I believe the exact number is \$262 million in revenue.

How does that rank?

So let's put this in perspective here.

The New York Times, I think probably the largest print publication or text-based publication in America, revenue of \$1.8 billion.

The Economist, another 100-plus-year-old brand, \$429 million.

Harvard Business Review, \$262, Forbes, which has all they do is publishing 180 million,

Fortune, an Axios, \$58 million.

However, amongst all of those, Harvard Business Review has the highest revenue per employee, so they're the most efficient, so \$582,000 per employee.

So that's some of the numbers.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Shockingly big.

Shockingly big.

Shockingly big.

So just to break that down into the different categories, so let's focus on HBR.

So what are their products?

They have the review they publish, which is kind of like a magazine, right?

Essentially, it's sort of like a smart person magazine.

Then they have the case studies.

What's the split between those?

Case studies and subscriptions.

Yeah.

Well, they sell about \$18 million case studies a year, and they cost like \$10 to \$20 a piece.

So here, I actually have the exact numbers.

They have 400,000 subs, and they sell 18 million case studies.

So I would imagine that of the \$262 million, \$200 million is from case studies.

Wow.

Yeah.

So that's kind of unbelievable, and that's basically recurring revenue, because they have to pay for it each year.

Yeah.

The way it works is your professor who's teaching, so professors who are teaching at any MBA, they basically, one of the 4,000 universities in America, they've given Harvard their credit card, and the prep professors just scroll through, and they go, click.

I want that.

Oh, I have 120 students, therefore \$120 times \$20, so that's how much I'm going to pay.

Just click and bill it to the university, and that's how it works.

Right.

Yeah, I still want to compete with this.

Actually, now that you've brought this up again, it just makes me want to go do this.

So I tweeted this out.

I put this in my newsletter, actually, yesterday.

I go, top universities are an amazing business.

Imagine having hundreds of millions in recurring revenue through tuition or publishing.

A huge venture capital fund, basically a huge fund, not venture capital, a huge fund, which is their endowment, you own your real estate, and you pay virtually no taxes because you're a nonprofit.

And so I think Harvard paid, I remember reading this one year, they paid \$12 million in federal taxes on all that revenue that you said, because they're a 501, a 3C, or whatever it is.

They're a non-for-profit university, and I think there was just some new bill that now they have to pay some tax on their endowment, so their bill went up to like \$50 million, which is still not very much for a billion dollar a year enterprise.

Well, so check this out, dude, Harvard's endowment is \$40 billion.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So let's just say that they get a 7% return.

So that's a little bit less than \$4 billion that they get an annual profit.

I would have to run the numbers, but I believe I did this one time.

If they gave free tuition to all of their students, and they only paid their bills with their endowment profits, they would still net, make a profit of a few hundred million dollars a year.

So like you have to keep in mind that Harvard, like you say you want to compete with Harvard, okay, cool, I hear you.

They have not infinite, but close to as many, as much resources as you could ever possibly need to build.

Yeah, so what is Harvard worth, right?

Like if you were going to value Harvard, how would you value Harvard?

The same as Nike or something like that.

I mean, you have to look at what the multiples are for Nike.

And interestingly, if we did do, if we just looked at the Harvard Business Review revenue, Harvard Business Review had \$262 million in 2020 revenue.

If we added the same multiple that the New York Times currently has, it would be worth just the business school portion would be worth \$1.2 billion.

Yeah.

Oh, sorry, just the publishing arm of the business school.

Right.

So just the publishing arm, the media company would be \$1.2 billion, would be valued at that, right?

Is that what you said?

Yes.

And so the whole thing is probably \$50 billion or more.

Yeah.

Yeah.

I mean, it's a lot.

And one would argue that they're not exactly optimizing to make revenue and profit.

I mean, I don't know too much about it, but I would have to imagine that they're not like smacking the whip and telling everyone, we've got to improve margins.

Right.

Yeah.

It's kind of crazy.

And let me give you some more stats.

You know, MIT Tech Review, you've read that, right?

Yeah.

You'll see them floating around.

I recruited a person from MIT Tech Review to work at the hustle, and that person told me all about it, and they were doing north of \$20 million in revenue, and it's archaic.

It's a very, very old enterprise.

Columbia has a popular one.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

University of Virginia is the second highest sale of case studies.

And get this.

Here's another big one.

You know Oxford Press?

Have you heard of the Oxford University Press?

Yes.

They own the Oxford Review, and they make books.

So they do close to a billion a year in sales.

Wow.

From their book publishing.

From their book publishing.

Yeah.

And case studies, but lots of books.

All right.

So how would I do this?

Sorry.

Let's brainstorm with me.

Okay.

These are much bigger businesses than you would have thought.

What would you do if you wanted to go get some of this action?

If you said, wow, that's a lot of money being spent on, let's just start with, let's just take case studies.

Well, look, you're advising your buddy, Sean, Sean says, you know what, I think I want to do this, but I don't have the angle.

What would you say?

So I did this, dude.

So my company, Trends, the ones that I just sold, we did this.

At the end of this year, Trends will potentially be a 10 million plus a year recurring revenue business.

So we did do this.

We built this exact thing.

And if I owned it and was trying to make as much revenue as possible, I would start in knowing what I know now, I would charge probably 10 times the price.

So I'd probably charge \$20,000 or \$30,000 a year, well, \$10,000 to \$30,000 a year.

And I would start in different niches and I would slowly start checking off the box.

And I would build this elite kind of scary brand, you know, something like a Viacom or a Blackstone.

Something that has this like, or like, what's the university that starts the D, Dartmouth, like something like kind of like cool sounding.

I think, what's the, what's the research report?

Okay, here we go.

Yeah, or Gartner, we'll just call it like, I don't know, I would have to look around and just like, you know, it's like your porn star nickname.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

I would be like, your favorite piece of furniture and you're like, the hardest metal or rock surface near you, okay, granite and then like, you know, award that means research. Yeah, we're going to call it like Macklin, Inc., like the street that I grew up on, Macklin, Inc.

And you start doing these like, and you start, you hire salespeople, you know, you do build like a gardener.

And then I would branch down and start hiring a few more pop culture centric writers.

And then I would, and I would do a little bit more broad, a little bit more broad one.

But you know, this is what Gartner is and Gartner has a significantly large business.

And doesn't Priceonomics do this too?

You know about them.

They try to, but they didn't execute that well.

That doesn't mean the business sucks, but they fail at executing it.

I think they ran out of steam or lost interest.

I see.

Okay.

And what, you sold to basically small business, freelancers, entrepreneurs, agency owner, types.

So we have like, you know, over 20, or I don't know, you know, tens of thousands of subscribers.

Okay.

And we did that well, but I'm an idiot because the reality is those same people would have spent \$1,000 and right now they spent \$300.

And so I fucked up the pricing.

I should have charged either way more or way less.

So another way is I should have charged \$100 or \$99 and made that an impulse buy \$300, which we charge.

That's not an impulse buy.

\$99 is, so you charge \$99 for a couple of small things.

Then you have an upsell of two, three, four, \$5,000 and very few people could buy that, but you use the \$99 one as a get in the funnel.

That's what you should have done.

I did \$299.

That's it.

That was a dumb, that was stupid.

So you, you, you have two, two things you would have done differently.

One is the price point.

And then the other you're saying is you would have niched into certain categories and like really built those categories out.

What would, what would be the first two or three categories?

Oh, I would probably, let's see, I mean, it would have to be like what I know.

So I bet I could have done media pretty well.

I also think I could have done D2C and what I could have done is I've could have gotten like the Nikes of the world to give me \$20,000 a year and they would have gotten two things.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

One, I would have published one or two case studies a month, maybe four or five case studies a month on the latest and greatest e-com, like the D2C folks, like who's, who in the, who in the category is, is crushing it?

Why are they crushing it?

And then every single month I would host a digital or sometimes in-person panel where I would go out and find, you know, the Sean, the Suley and the Ramon or the Moises, like you know, three or four young, young companies that are crushing it.

And then all these gray hair Nike executives would want to come in and be like, oh, that's how you guys are doing it.

That's how you're thinking about X, Y and Z.

And I would do that panel once a month and you guys would get free access, the young guys, but then the companies would have to pay \$20,000 to \$50,000 a year.

And then here's the third thing that I would do, I would come up with a very cute graph or some type of signature thing where I rank and I have a ranking.

So I have a power ranking.

Here's all the power rankings of the latest and greatest D2C brands that are under eight years old.

Here's the best up and coming ones.

Here are the incumbents, the older guys.

Here's the, their power rankings.

And I would create some, it wouldn't be bullshit.

It would be some type of legitimate ranking, but I would come up with some proprietary thing and that's how my ranking would be and I would keep that updated at all times.

Right.

Yeah.

I agree.

And I think you could do this right now in crypto.

That was a great idea, by the way.

It was great.

It was great.

It was a great idea.

That would fucking work.

That will work.

Yes.

It was an absolutely great idea.

Now.

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

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just fixing something that was supposed to be automated.

Thankfully, HubSpot's all-in-one CRM platform can serve as a single source of truth for managing your customer relationships across marketing, sales, service operations with multiple hubs and over a thousand integrations and an easy to use interface HubSpot lets you spend less time managing your software and more time connecting with your customers. Learn how HubSpot can help you grow your business at [HubSpot.com](https://www.hubspot.com).

I think you could do this in other spaces.

I think you could do this in crypto.

Why?

Because there's a whole bunch of different brands to keep track of.

Yeah.

All the different tokens.

There's a whole bunch of big money industry financial players that will happily pay \$25,000, \$50,000, \$100,000 a year just to be like, uh, explain this shit to me and tell me what I need to be paid to do.

Crypto would be way easier.

Crypto would be way easier to sell than D2C because crypto is fear-based.

So you want anything that's fear-based.

Exactly.

And it goes after the biggest wallets.

So people who, like, it's one thing to say, oh, these brands are crushing it.

But if you know which tokens are crushing it, which networks are crushing it, you can actually make money off them.

And on the other side, you're afraid of them if you're the incumbents that have huge wallets.

So I think that's why it's better.

Additionally, with crypto, you've got all these guys like Sean and Jack Butcher who are spending 24 hours a day on Discord and Twitter and like studying, and they're like, oh, Kevin Rose just tweeted this out.

And then you have some gray hair guy at Morgan Stanley, they're like, why do I care what Kevin Rose does and what the fuck is Discord?

And you're like, forget about it.

I'm just going to spoon feed this to you.

Like, big name influencer just tweeted this, likelihood of it getting big, pretty high.

Right.

You know what I mean?

Yeah, for sure.

Yeah.

So I think that's something.

By the way, if somebody does this, let us know, there's a guy who reached out, I got to show you this.

There's somebody who reached out that said, hey, you guys were talking a while back.

I think I came on the pod one day and I had this idea, I was like, somebody needs to do bar stool for tech.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

And this person reached out and they're like, hey, you had this idea a while back. I want to do it.

I'm actually pretty uniquely qualified to do it and explain why like I did this, I did this and I did this.

If anybody can pull this off, it's me.

And I'm like, actually, that's actually pretty believable.

And it's I'm going to like kind of help this person, you know, think it through and maybe maybe launch this thing.

So I'm going to, I'm going to share that with you.

But I love when ideas come to life with a legit operator.

By the way, I also hate the exact opposite, hey, I love that idea.

Would love to talk to you about it.

No, no, thanks.

Yeah, I'm just like just zero appeal in that one.

Yeah, I think it's far more appealing to someone say, oh, I've been working on this for three months.

I've made \$15,000 so far.

Exactly.

Okay, let's talk.

I have a stock reply now, which is like, hey, glad you liked the idea, you know, would love to support, but I get a bunch of DMs all about the same idea every time we release one of these.

So my rule is basically if somebody shows me that they're actually like, there's a lot of people who talk about it, very few people who do things.

If you end up doing something actually building a product, getting some users or making some money, definitely hit me up.

That'll get my attention and I'll happily help them.

But just for, you know, peace of mind, I can't help everybody who just says, that's cool.

I'd love to think about it.

Dude, that's so much nicer.

I just say, let me know when you have traction.

That's usually what I say.

I also, if someone comes to me saying they're considering working on X, Y and Z or they say, this was amazing.

I'm starting to work on it.

And then a month later, they say, this is amazing.

I'm starting to work on this other thing.

I say, oh, you are disqualified.

I will no longer think about it.

You're one of them people.

You have no grit.

I do not want to talk to you about if you jump from idea to project to project to project and you don't, without like a really, really good reason, you're done.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Yeah.

I just miss you.

I'm super guilty of that.

And why you feel that way and I think you're correct.

Okay.

Let's do some, let's do some other, let's do some other topics.

Let's see.

What else you got?

You got something else you want to do?

No, you lead.

You got something?

Well, I see this omaze thing.

I kind of want to talk about that.

And then there's another one.

I go for it.

Let's do actually, I think this one's more, this one's funnier.

The topic on our sheet says, maybe don't fake it till you make it.

It's like, it's timely, right?

So I tweeted out, I retweeted this story of this guy who was like, hey, you know, the Elizabeth Holmes, the founder of Theranos, her trial starts today.

Funny story.

I actually interviewed at Theranos after all the scandal happened.

So that, I thought that was kind of interesting because there's a lot of people that were like, oh yeah, I met her back when everybody thought they were hot shit and it was a \$10 billion startup and she was the next Steve Jobs and I had this funny experience.

This guy's experience was all the news had come out and then a smart mentor of mine was like, hey, you should take a look at this role at Theranos, like this high level exec role.

He's like, they're joking?

And they're like, no, no, like, you know, they're misunderstood and she's amazing.

You should talk to them.

And then like another person said, okay, I guess at least I'll get a good story out of this.

So he flies there and he interviews with her and he like kind of tells this story.

I don't remember all the details, but it's an entertaining story that you can find it on Twitter.

And actually you can't because Twitter sucks, but like, yeah, just take my word for it.

It's an entertaining story.

So the topic here is like, there's been a bunch of these, I feel like that have like happened in the tech world lately.

And I think in the tech world, there was this gospel of fake it till you make it.

Yeah, that's the cool way to go about things.

That's the hustler way.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

And then you see things like Theranos, you see Nicola Motors, which was like this like fake Tesla basically literally like took the name, right?

Like Tesla was the inventor's last name, Nicola was his first name.

So Tesla was successful.

So he names his company Nicola and he claims that that's not why he did it, but obviously it is why he did it.

Takes the company public via a SPAC.

It runs up to this like \$40 billion valuation.

And then somebody's like, Hey bro, have you ever seen a Nicola car on the streets?

And like, no, nobody's ever seen a truck of theirs ever.

And it's like questionable if it even exists.

They have like one video of their truck and it's basically like just going downhill.

It's like they just had a truck and they released the neutral, they put it in neutral and just let it roll.

And they're like, look, electric self-driving truck.

And so anyways, you know, eventually the CEO Trevor Milton has to resign.

He forfeits some of his stock, but he gets away with billions still.

But he's charged by the DOJ with securities fraud this year.

And so, you know, he's got to still get at his peak at like a \$10 billion fortune.

Now it's a \$1 billion fortune, but it likely to lose it all.

My buddy worked at this company called Headspin and was like, he was like, he had worked at a bunch of, I won't say the names, I don't want to give them away, but you know, high profile tech company you've heard of, high profile tech company you've heard of.

He worked at the pre-IPO and then he was like, I'm at Headspin.

This is the next one.

And he sent me an investor deck for it and it looked great.

I was like, oh, I should invest in this company.

Like it's a SaaS company.

So Headspin does is they like, if you have a mobile app and you want to test it, you want to see how does this work on a shitty Android phone in Thailand on low network conditions?

Well, like, how are you going to sit in your office and say, if it's just go and test that?

They basically had phones everywhere in the world in these like little like data rooms and they would run your app and they would report back how your app runs.

This is cool.

It's a great idea.

And they would give you performance testing, performance data, benchmarked against your competitors in every region on every phone and every cell network.

And so they're at the time in their deck, they had a hundred million dollars of recurring revenue.

It was like, oh, this is clearly going to be a multi-billion dollar company.

Fortunately, I just for whatever reason didn't invest, I just got busy and I forgot about it.

And it came out that the CEO had just literally made it up.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So he's like just making up the revenue numbers.

And so he's charged with fraud.

The company's kind of like, you know, and disarray a little bit.

And he was just reporting false revenue and like telling all the kind of bookkeepers in the company, like, you know, they're on a need to know basis about what they can know.

And hey, if we're going to raise money, I need the number to show this.

My take on this is there's good news and there's bad news here.

The good news is most people are good and they don't lie.

There's amazing things that I've done just off a trust.

For example, I've told you this, I bought a car one time.

I just called the guy and I go, hey, you have it.

I'll take it.

He sent me the money, sent him the money and then just like, I was hoping that he was going to deliver.

I do that all the time.

That works most of the time.

The bad news is, is that these people exist and it's very easy to get away with this.

I mean, get away with it for a little while.

You know, most of the time you're caught, but it's really easy to lie and it's to get away with it for a while.

So how many of your startups, how many startups have you invested in?

Maybe 40.

Okay, I've done probably 25 or 30.

How many of them could be lying to you think and like if 100% of them could be lying to me and I would not know.

And that's for two reasons.

I'll just explain why I'm going to be honest about this.

Most people are not honest about this, but I didn't want to call you out and I do the same thing, but I didn't want to call each other without so I wanted you to volunteer.

Most investors, myself included, do zero due diligence.

We meet the founder, yes.

We play with the product, right?

Those are the two easy things.

We see if, you know, I can use your product that tells me something.

I can kind of just check Twitter, see if people talk about this, is there good reviews about this product, whatever.

And I talked to the founder and I just see, you know, were they like, you know, a drug dealer before this or did they work at Google, right?

Does the stuff they're saying add up or are they saying things that just like you said this number the last time, now you're saying this other number, which one is it?

But do I go audit their financials?

No.

Do I audit their data room?

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Even if they send, they don't usually even send a data room, but even if they do, do I go in there and look at the numbers?

No.

Even if I look to the numbers, would I know that these numbers are real?

No, these are their self-reported numbers.

They're oftentimes a Photoshop of their QuickBooks.

Yeah, exactly.

And I don't know if you mean Photoshop as in edited or just like screenshot.

Yeah, a screenshot of their QuickBooks, which could be photoshopped.

Or their analytics tool and it's like, oh, what does active user mean?

It's like, ah, it's a lot of effort to figure out what the heck they're talking about here.

But you know, directionally, I can see what this is going.

So I do so little diligence.

Most legit investors do so little diligence.

We are all banking on the fact that there's some angels out there.

I mean, angel, I mean, I don't mean that as angel investor, I mean, like good, good person on earth who actually does dig in, and I know some of them, they're rare, and they only do it with a few companies.

I can barely name them, I don't really know that many of them.

I co-invest a lot with Ankur from Teachable, and he does diligence and he'll send me.

Ryan Hoover does diligence.

When I meet with a founder usually on the call within maybe 10 minutes, I've decided yes or no, whether I'm going to invest usually no, but if it's yes, it's like, I'm in in principle, I'll even tell them that.

I don't want to confer, I want to sleep on it, but like, I'm in in principle.

And I want to sleep on it just because I've learned the hard way that like my impulse investing is not always going to be the best.

So like, there's no harm in letting it cool off and just digging in a little bit.

But like Ryan Hoover, I send a lot of deals to Ryan Hoover, he sends a lot of deals to me, and he always is like, great, we're going to dig in and get back to you.

And that means they go, they talk to customers of the product, they use the product themselves, they look at competitors.

I don't think that they audit financials or audit metrics or anything like that.

I still don't think that they do that, but they do more diligence than anybody, than most other people I know who go off of, cool.

If you're saying this, I trust that what you're saying is factual and true, and that you are not, you know, essentially lying and committing fraud.

So this whole fake it to the make it thing is what we're talking about.

And my point here is you, it's so easy, it would be totally easy to do this.

Yes.

Intellectually speaking, it's obviously you got to go, you got to be, you got to be fucked up and you got to be willing to, you know, hurt folks, but intellectually speaking, this is very easy to do.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

It's also easy to, and by the way, if you're smart, even if you looked into it, it's easy to fake it.

Like I remember one company we did an investment in a purchase of, we looked at their Google analytics, we're like, okay, you're saying you have this much traffic, let me see your Google analytics dashboards, they send us access, we go in ourselves, not screenshots, we're looking Google analytics, okay, all looks good.

And then I don't even remember how this came out, but we looked at the code of the website, which again, most investors don't even know how to read the code, let alone are they going to take the time to go read the code?

They put their analytics code on someone else's website.

No, they had it on this website, but they were multiplying it.

So they just doubled every event.

So if it said one user's here, no, actually two users are here.

They just inflated by 2x.

I don't remember if they just put 2p2, they told the pixel to fire twice or they were doing something else, but it was a multiply by two on their traffic and usage.

And I was like, wow, like, you know, shit, do I need to go read the code or like you go use crypto?

Am I really going to know how to audit the smart contract?

No, I don't know how to do that.

A handful of people on earth know how to do this.

And so there's a lot that happens that is trust and there's a sort of cost of doing business of getting into business with liars.

The good thing about Silicon Valley is it's unlike crypto and unlike, you know, some other other industries, it is a long-term players game.

You see repeat players in the game.

And so what that means is your incentive to have a good reputation matters.

Now does it fully matter?

No, no, because if you could be Adam Newman and you could walk away with, I don't know what he walked away with, over a billion dollars, I think out of the WeWork thing.

And maybe his reputation is tarnished, but he's guys got a billion dollars now, right?

The size of the prize makes it worth it to like flush your reputation for some people sometimes.

But at the early stages with early stage startups where I invest, your reputation matters more than what you can walk away with financially from that round.

Additionally, I think that you can actually screw your reputation, but as long as you have a reputation as someone who turns one dollar into two dollars, regardless of how big of a piece of shit you are, you'll always be able to commit someone to give you money.

For example, there's this guy named Garbash, I believe.

He started a company called Radium One and Blue Lithium.

Am I getting all these names right?

That's amazing if I am.

You got that one wrong.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

It was something like that, I think.
So my sister worked for him, so I know this guy very well.
So give the background of this guy.
It's crazy fascinating.
This is actually a great story.
But the guy is a young, successful entrepreneur.
I think his first thing was like, he got big in ad tech.
So he did like an ad tech company, sold it for like \$200 million, and I think he raised very little.
So I think he owned a lot of that.
So he became a hundred million.
He goes on Oprah.
Oprah is like, wow, you're amazing.
You're like a bachelor.
Like, wow, any woman would want to be with you.
He's good looking.
Yeah, he's like, he's like, you know, has some charm.
He's got a lot of confidence.
I don't think he's that good looking.
He's got a lot of confidence.
He was very rich and successful at a young age, and he would say very motivational things.
His Instagram was all about, you can do, right?
Like he was Barack Obama with the hope poster on his Instagram.
So fast forward, he does another ad tech company, but things start to go a little bit weird.
He ends up getting busted.
So there's a corporate weirdness and then there's a public weirdness.
Most people only know the public weirdness.
The public weirdness is he got caught on tape, kicking his girlfriend or beating his girlfriend.
He kicked her like 127 times on tape.
Basically, he had kidnapped.
He was charged with kidnapping.
He wouldn't let her leave the house.
She was his girlfriend.
She was there.
They got to fight.
They got to argument.
And he's assaulting her.
And the cops, literally the footage is out there on the internet.
You can go see this now.
Cops take this footage.
So he gets fired as CEO of, I think, Radium One at the time or whatever, whatever kind of new ad tech company he had built that was valued at \$500 million to a billion or something like that.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

He gets kicked out as CEO because like, okay, even though he hasn't been charged yet, dude, here's a video of you, you know, beating a woman on the internet, like you're not the CEO anymore.

And he's like, I'm innocent.

I don't know how you tried to say I'm innocent, but he said try to say I'm innocent, basically. So he goes to court.

He ends up getting off because the footage was collected improperly.

Like they collected the evidence in an improper way so you couldn't use it.

So even though everybody saw it, everybody knew it.

He ended up getting charged for like kidnapping instead of assault or something like that.

Like it was like, you know, something softer.

I don't have all the details right, but basically I remember there was some problem with the way the evidence was collected.

And so he goes, you know, has to do some public service and rehab.

He goes lays low for a bit, but he comes back with a new company, Gravity Four, I think was the name of it.

I think, and do you know Nick Sharma?

Yes.

I think Nick Sharma was his assistant.

Nick Sharma was like his chief of staff, I think.

I think it's his uncle, if I'm correct.

Like blood uncle?

I think it's his blood uncle.

Wow.

Or relative in some way.

I hope I'm not wrong on that, but I'm pretty sure I am.

So basically, so here's some other kind of inside stuff that I know.

So then, so he's building Gravity Four and it's like in the ad tech space, ad tech's very competitive space.

So my sister worked at a startup that was a different ad network platform.

They did like retargeting for a bunch of big brands like booking.com and whatever.

And they were doing all right, but they go and they start to pursue an acquisition.

Why?

Because Facebook's always changing the rules.

So today we're a preferred partner, but tomorrow Facebook might give that out to every agency or whatever.

My business is very fragile.

I'm super dependent on Facebook and being one of these preferred partners.

And so they go out to sell the company and I think they get some good interest, they get some offers.

Maybe it's from Facebook, Google, other ad networks, whatever it is.

And Grubbosh wants to buy the company.

So this is what I heard.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So rumor, rumor, birdie tells me.

No, no, I can't confirm any of this.

He tells me that he hears about this, he goes to bid on it and he's a low bid.

He's not the winning bid.

And they're also like, dude, you're no way we would ever sell to you knowing what we know about you.

And what he does is he goes and he basically gets, he tanks their prospects in the market.

How he basically goes and spreads fear, uncertainty, and doubt to the other bidders.

And he gets Facebook to pull their access or their privilege or whatever it was.

And he somehow gets them basically like, he takes away their one like core business asset and like just ruins their ability to sell the company.

And now they're like short on cash, can't go raise money.

Everybody knows they just tried to sell the company and it flopped for some reason.

He goes and gets it for pennies on the dollar and like has a big falling out with the fact like, you know, not on good terms, it's not a happy sale, it was a fire sale.

And you know, they got something out of it because they needed to get some value, but like against their good, against their will sell to gravity for it.

He's rolling up these ad tech companies.

And from the start, he's saying, in 18 months, we're going to take this public, we're going to go get to a hundred million dollars in revenue, we're going to take this public.

And it's like, dude, we have like no product, we have like no team, you're just buying these companies and we're supposed to like integrate them like instantaneously, like you just bought five companies this month that none of them like are succeeding and they were supposed to make them all work.

And this was after he got caught.

This was after he got arrested twice, I believe twice for beating two different women, both, I think both caught on camera, like blatant, blatant horrible crimes.

This was after, right?

And he's got like a bodyguard at the office, like this huge bodyguard that travels with him everywhere.

He's got this like model, like supermodel, like a like a 12 who just comes into the office and out.

That's his new girlfriend, I guess.

I don't know what's going on there.

Why would anyone work for this guy after he's completely erratic behavior?

And like on one hand, like very ambitious, inspiring and like you're seeing your shares go from one penny to he's saying, we're going to go public at a billion dollars.

So you're like, oh, shit, okay, we're going to make, I'm going to make \$10 million.

If I see this out, like I'm going to make \$25 million.

If I see this out, like, okay, maybe I should do that.

And the other hand you're like, this is a house of cards.

Like there's no, like we don't actually have like a stable product.

We haven't integrated all these acquisitions.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

The revenue is a little bit flimsy because again, like we're just rushing this whole thing through and then he got in trouble again and that whole thing fell apart. And I think he's back now with another company. Like if you go look him up, I think he's back again. And that's my point, which is you can have a horrible reputation, but if you make money, you will always be able to get money. I'm not saying that's good. That's just what it is. What did your sister do for him? Well, she was at the company that got acquired by him, by his company. So then there was like a temporary period where like the whole company went over there. And then like, I think within six months, there was not a single employee left from the 40 that got acquired or 50, I don't know how many it was, like something like that. But there was like one person left at the company by then. Why would anyone choose to work for this guy if they know that he is a piece of shit? That amazes me. I don't understand why you would continue to trust someone like that. Yeah. So now he's doing something called vendor cloud. He says on his Twitter profile, three exits for \$400 million plus, philanthropist, author, investor. And I think he, I don't think he lives in America anymore. I think he like moved to Bangladesh or I forget where it says Hong Kong, Hong Kong. Okay. Yeah. Yes. He's going forward again. I don't know. And, you know, who knows who knows what the other side of the story is. I only know one side of the story. And yeah, Ben, make sure I don't get sued from this, bleep out whatever gets you sued. Everything that we just said is it's just a story and a lot of it was factual, but we definitely could have gotten some of the facts incorrect. Yeah. Exactly. The story is like 10, the story is like eight years old, maybe or six years old. It's not that recent. Yeah. It's pretty wild dude. Go watch like the Oprah video with him. It's just, it's pretty crazy. Yeah. He was a piece of shit.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So fuck that guy.

That's what I have to say about that.

That's a fact.

We tried to head briefly.

We tried to head so briefly and then it's like, no dude, fuck that guy.

I think like maybe I did get all the facts, right?

But I saw a video.

Personally, this is my opinion of this person.

My eyes saw this video.

Yeah.

My opinion is go fuck yourself, garbage or whatever his name is.

All right.

What do we want to do now?

What do we want?

Do we want to wrap up?

We want to do one more.

Let's do one more thing.

You got anything quick?

No.

Let me see.

Let me look at my little, my little stash file here of things that talk about canva last time, dude.

Just how it raised more money at a \$40 billion valuation or something.

Yeah.

So, dude.

Okay.

So check this out.

This is going to be a bad segment because it's really all I'm going to say in this is go read this, go read this article, but go, go read this article.

So what I want you to do is just Google canva journey LinkedIn.

So what happened was the founder, Melanie Perkins, she posted on LinkedIn a kind of like...

She's pretty amazing.

She's amazing.

And when I say full history, I mean like details.

And I love details.

I love the art of the start.

And so like, I just want to share with you some of the things.

Okay.

So what's the story with canva?

Canva awesome product.

I use it.

It's basically like it lets you design things like marketing brochures, infographics, ads,

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

banners, emails, whatever, without being a designer.

So you don't have to have design skills.

They have enough templates.

It's easy enough to just change photos and colors and text that like you'll get a good looking output without being a designer.

That's great because it brings a whole new group of people into the world of design.

All right.

So what's interesting about this?

So first they, I think just raised at a \$40 billion valuation, which is insane.

It's one of the most valuable companies to come out of Australia.

And secondly, this story is wild.

I actually didn't know a lot about...

Can you link to it?

Link to it for me.

I don't...

I'm just going to tell you about it and then I'm going to link to it.

I want you to just hear me, hear me tell it and then ask the stories.

All right, so basically she was I think a design teacher or she was like teaching part time at like a school for like design and art or something like that.

And I think the way they started was actually not with a product called Canva.

It was with a product called Fusion Books.

And all they were doing was they were trying to solve the problem of if you ever put together like a yearbook or like a photo book, it's very hard to like lay it out and like, oh,

I want this collage with like eight photos, but I need them to fit right.

And then I want the background to look pretty and have a flower and then like, you know, page two, I want it to be a big picture and two small pictures, whatever, right?

The layout of photo books.

So they created Fusion Books, which was basically like software slash like, yeah, software basically that would make that easy.

And so they were like, okay, they got a little money back from their tax return and like their part time jobs and they were like, all right, that's our funding for Fusion Books.

And it's like, you know, you don't need a year to make a yearbook, do it in minutes with Fusion Books.

And it's like the most like non-impressive looking startup ever.

And she doesn't just like what a lot of people do when they tell the story is they they what I say fast forward through the hard part.

It's like, yeah, we started with Fusion Books and then, you know, through after a couple of years, we started Canva.

We realized Canva is a better opportunity and what Canva is trying to do is empower design it's like blah, blah, blah, so wait, what happened to those two years?

So what I love about this post is it actually talks about those two years.

And so it's like a photo of her at some like trade show with her like Fusion Books yearbook thing and she's standing there like a dork behind the table.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

No people are at her booth and she's like smiling.

She's like, yeah, this booth was a huge waste of money because like there were more exhibitors than attendees.

So that was a flop.

And then like she's like, we didn't I didn't know how to code and like we didn't know how to find a technical person.

And so just me and my boyfriend trying to do this and like we convinced this one part-time engineer to do this.

But like here was the problems and like here's our printer and we're literally printing books yearbooks for people and dropping them off and we're trying to go get every school to use us blah, blah, blah.

All right.

So they start doing all that.

And so at one of these, what's it called like, I think it was like either a competition or like, you know, inventor of the year, like a Western Australia inventor of the year competition.

They come runner up and she's like, you know, I'm wearing this dorky suit.

I'm holding this runner up prize.

But at that event, I met this guy named Bill Tai and Bill Tai is like a kind of like a famous investor in Silicon Valley.

He's definitely famous now because he was the seed investor of Canva, but he's done many, many big deals.

I think you can probably Google him and he's like, he was a VC who just like happened to be speaking at the event and he gets there and he's like, oh, you know, like the talk for five minutes and he's like, hey, if you ever want to like, if you ever end up coming to Silicon Valley, like let's meet up.

And she's like, oh, cool.

And then she does the thing.

This is the fake it till you make it that actually works.

It's not fraud till you make it.

It's fake it till you make it where she's like, wants to meet up with them, but doesn't want to be like, hey, Bill, I booked a flight for to fly from Australia to San Francisco to see you.

So instead she says, I happen to be there this month, like, would you be free?

I would love to chat.

And like, if he says yes, then she'll book the flight.

And so he's like, he's like, yeah, sure.

You know, happened to me and you should also meet this guy Lars from Facebook.

He's ex-Google like, you know, you should meet him and she's like, wow, this is amazing.

And then she posts every step of the way.

She posts the full presentation that she made for him, which I love because she really slide by slide, the good, the bad, the ugly, like this one's like the future of publishing dot dot dot is the cover.

And it's like fusionbooks.com.au, right?

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

It's like this shitty thing.

And it's like, she posts this pitched egg and like, you know, she posts like five of them in this blog post.

Like you can see the evolution all the way to Canva.

So she goes to meet with Bill.

And so she's like, she's like, she's like, Google's like, how to dress at a Silicon Valley investor meeting.

It's like, you know, dress, just get comfortable, you know, just look smart, casual, you know, you know, you don't have to dress up too much.

So she's like, okay, I'm not going to wear my like woman pants suit, tracksuit thing or like my, my power suit.

She's like wore like, you know, business casual.

And then he gets, she gets there and he's like, oh, you don't, you didn't need to dress up for this, by the way.

And she's like, fuck, I thought I was dressing down.

She's like, I started off the meeting just like totally mortified and, you know, whatever.

And so then she's like, you know, I presented him this pitch deck and, you know, you know, he's just like, I'm explaining the future of publishing and he's like, cool, like, do you have an iPad or an iPhone?

She's like, no, you're like, you're telling me the future of publishing and you don't own an iPad or an iPhone.

And she's like, shit, but she shows this slide in her thing.

And it's so funny, dude.

You'll, you'll see it when you, when you get there.

So I'm going to send you the link now, scroll down to where you see this cartoon character.

It's like clip art cartoon character.

And it says fusion books and it's right by the finish line.

And there's a trophy at the end of the finish line that says the dominant online publishing system.

That's the trophy for winning.

And then behind her, you see two cartoon characters of Google docs and Microsoft office, like falling behind, falling over and fighting each other.

And it's like, basically she's saying like, we're going to beat Google docs or we're going to beat Microsoft Word.

And so even at this point where she had like terrible name, terrible design, didn't know how to dress, didn't know how to pitch an investor, didn't have an engineer.

She had the like, the thing that is like porn to investors, which is the ambition to say, we're not just building yearbook software, we're going to beat Google docs and Microsoft office.

And like, if you're crazy enough to say that an investor will listen to like the next three lines you say to be like, oh, you're just delusional or actually maybe this person is crazy enough to pull something like this off.

So when was the turning point?

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So then she, she hits a, so there's like a long period of time where, where she's trying to find an engineer.

So Bill is like, I'll invest in you.

If you can bring on an engineer that this guy Lars, this Facebook, Google guy I'm introducing you to, he's an engineer.

If he improves of the engineer, I'll back you.

Cause then I think you have the software skills to pull this off.

So she goes to Lars, she's like, Hey, can you introduce me some engineers?

And he's like, you know what, like, yeah, but it's hard to introduce you to engineers.

How about this?

If I find engineers, I'll screen them for you.

So she finds like 20 engineers, he screens all of them and just thumbs down initial screening and like, no matter how good she thinks the engineer is, he's like, not even close.

And she's like, oh my gosh, she's getting demoralized cause he's like, Bill's not going to invest unless Lars signs off on the engineer and Lars, like, I don't know what the hell he wants, but he's just not signing off on any engineer.

And so this goes on for like a year.

And so then she like hustles, like creates a build ties famous for kite surfing.

She had like kind of kite surf so she's like, fuck it, I'm going to become a kite surfer.

So then she's like, Hey, Billy, I was just kite surfing.

Well, he's like, Oh, you should come to come kite surfing with me.

So she's like gets in with them again to like do this completely not the way I would advise anyone to do this.

Like just chasing one investor like this, but whatever this was her journey.

And, uh, and so then she, and then she posts this thing where she like, uh, talks about it.

She's like, uh, she's like, I was so down, like as Lars is rejecting investor engineer after engineer.

She writes this note to herself and she posts that she goes, Mel, you're extremely tired. You're in a challenging situation, though you could pull through nothing bad is really happening, but you're feeling depressed because you were used to achieving things quickly. This is a hard environment and there's no doubt you will succeed. You will find the team that you need. You'll get the investment that you need and you will build the company you always wanted. You have chosen to put yourself in a challenging situation if it wasn't challenging that you wouldn't feel satisfied when you get to the end goal.

And I love it.

Like she was like, you know, riding yourself these pep talks and she posted it, which is like, you know, kind of vulnerable to do.

Um, anyway, it looks exactly the same now.

Like she's handled this woman.

She's a CEO, right?

Yeah.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

So she's been through hell building this business.
She looks totally the same now.
It looks like the stress did not bother her.
That's crazy.
I'm looking at these photos.
I'm like, but in these photos are 10 years old.
She looks exactly the same.
Yeah.
I love this woman.
She goes.
Okay.
So then she finally, okay.
Let me just fast forward some of it.
She finds the engineer.
Laura's like, Hey, this guy is like the best engineer I've ever worked with.
You should, uh, you should hire this guy.
She's like, Oh man, amazing.
This guy's already pre-screened.
So she talks to him.
The guy's like interested.
Um, uh, but he's like, Oh, I got my own startup right now and I have a team of six.
I just can't do it.
So she just checks back in like three months later.
She's like, Hey, how about now?
And she checks back in again, three months later, he's like, Hey, Bob and I.
And one of those times he's like, Yeah, you know what, let's do this.
And so he says, let's do this.
She's like, Oh, that's amazing.
Blah, blah, blah.
Let me fast forward this story because you should really just go read the post.
But I have it up.
This is amazing.
There's a whole bunch of things like she posts every, um, invest like a bunch of investor rejection letters, which is just like, Oh, I'm sorry.
I just don't feel comfortable investing in Australia or like, you know, would love to stay in touch.
Um, it looks like we're going to have to sit and wait this one out or the valuations too high or, you know, it's pre-launch or, you know, whatever.
I don't think the timing is quite right.
And she's just like, you know, whatever.
We just kept, kept going, kept going, kept going.
And then, um, and so she recruits this guy out of Google.
She like makes them up.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Google almost retains them and she puts the presentations like, you know, this is, I don't know his name, but let's just say his name is Greg.

This is Greg.

Um, he worked at Google.

We had a great life, but he started to get bored, started to wonder, is there more for me out there?

And each one of these is just one slide.

This is like a little flip book.

And it's like, any thought to himself, what if I could go and help, you know, a small team where I could bring my expertise and do this?

What if I could bring the power of design to like a billion people on earth?

What if I could do this?

It would be better than just sitting at Google for another five years.

But then Google said, Oh, we need you, Greg.

But then you can't remember, Google's going to keep Googling whether he goes or not.

But canva may not, if, if he doesn't join or whatever, see, you know, that makes us pitch.

And he's like, Oh, I love it.

You know, you really like made me feel special.

So like, I'll do this.

So I feel like it just showed a lot of the grit and the hustle and it did not fast forward the ugly part to the point where I'm like, dude, get to the canva part.

Like, what is all this?

But it's like, yeah, that's probably how, imagine, if I'm feeling amazing, this post, imagine how she felt living this for three years or whatever it is.

And then, yeah, like, you know, they launched it, it takes off.

It's like, you know, super successful and, you know, it's \$40 billion company now.

So happy ending at the end of that one.

Yeah.

And I think her, I don't know if she was dating or if she's now married after they started, but her and her co-founder are married.

And so dating then married now, I think.

So it's pretty badass.

They have two times the wealth now.

This is a good ass story.

I missed this.

I don't know how you found this.

It's on Twitter.

It's on LinkedIn.

Which is funny.

I don't know.

Somebody sent, Ishaan, who used to, who used to get my original podcast editor.

Oh, because he's Australian.

[Transcript] My First Million / #222 - How to Get a Slice of Harvard's Billion Dollar Case Study Industry

Yeah.

He's Australian.

And I have him in a Slack channel with me still and where we just post cool links.

And so he posted this one.

He's like, Dan, this is actually really good.

This is amazing.

This is good.

Fine.

Cool.

This is totally badass.

All right.

That's it for today.

Good episode, I think.

I don't know.

What do you think?

How do you think that was?

Dan, how was it?

The stuff is really cool.

I really liked that segment.

All right.

We'll see.

I think that was well researched.

We'll see.

Oh, by the way, we got to give a shout to Mario.

What's Mario's last name?

Mario Gabel or something like that?

Yeah.

He's actually, I actually stole a ton of information from him.

So good job, Mario.

Mario Gabriel.

Sorry.

He's badass.

He has a, the generalist is his newsletter.

That's right.

So that was awesome.

All right.

That's it.

All right.

We're out of here.

See ya.

Bye.

Bye.

Bye.