

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.

People on the other end of the phone would say, are you those guys that make those big ass fans?

I expected the first year that we were going to sell 1,000 fans, but we sold 142 fans.

People calling us up and saying, you're crazy.

There's no way that fan is worth \$5,000.

Check out this next story where a simple name change completely revamped a company's culture, sales, and attitude.

But they're going global, and the sky is the limit.

When we started the business, we were the only people in the world that were doing this.

And there is no doubt that it is paying off.

We made a lot of multimillionaires, made a lot of millionaires, and now it's an iconic brand bought by 70% to fortune 500 companies growing at 30% a year.

What made you want to sell?

And then how did you get the number 500?

I felt that 500 million was a big enough number.

5 million is not enough.

10 million?

15 million.

20 million dollars.

100 million dollars.

Half a billion in revenue.

850 million dollars.

One or two people in a bedroom actually put threats to these like giant multi-million dollar companies because you have creativity and you have nothing to lose.

Add another zero to that price, buddy.

Add two more zeroes.

Every week we sit down with self-made millionaires and ask them, how did you do it?

I didn't start a podcast.

I started my own personal business school, and the teachers are the successful entrepreneurs behind the biggest brands and businesses that we find today.

I wanted to know the real stories with all the details, like how did you get your first

hundred customers?

What did it feel like?

Shit had to pay.

I asked them, how did you spend your money now that you're rich?

And what would you do if you were starting over from scratch again today?

If you're like me and you want to own your own business instead of living a 9 to 5 job, this is the podcast for you.

The hustle presents my first million.

Okay, so we are here with Keri Smith, somebody who, when I read your story, immediately hunted you down.

I did the thing that I never liked to do, which is I went to the Contact Me page on your website where there's just a form and you never know if anyone's ever going to respond to that thing.

But I said, I got to try because I have no way of getting in touch with this man, and I have to get in touch.

I have to get him on the show because your company is a wild one, has the best name of any company on the podcast so far.

So you are the founder and CEO of Big Ass Fans.

No, actually, I was the CBA, which is the Chief Big Ass.

The Chief Big Ass Fans.

Okay, you were the Chief Big Ass.

Yeah, and everybody always told me that they love to introduce me simply because they got to say ass twice.

Right.

That's a real turn on.

So, yes.

I want to know so much about this business because it's fascinating to me.

But what is the premise, right?

Let's start at the top, for somebody who can't figure out from Big Ass Fans what your business did, give us the very simple one sentence, explain like I'm five years old, what you did.

Well, Big Ass Fans was in the business of manufacturing, selling, distributing very large ceiling fans, and the fans ranged from six feet in diameter to 24 feet in diameter.

And they normally are used or were used and still are in large manufacturing plants, distribution centers, auditoriums, and the like.

And so, the way I like to put it, I wrote this down because I'm pretty proud of it.

Fans make you cool, but Keri Smith, you made fans cool.

You made a fan business very intriguing.

Built it about 20 years old now, right, this business?

Yes, you're correct.

From 1999, and we sold the business in 2017, so.

And you sold the business for \$500 million on the dot.

Correct.

That is a fantastic outcome.

And did you have investors along the way, or was this a bootstrapped business?

We bootstrapped the business.

We started because I didn't know any better, but we found in the long run that that was the best way to do it because I think that when you're starting a business, to imagine that you know what you need the money for is a little ridiculous, and I always tell people that come to us, that come to unorthodox ventures, which is the company that we have now, that there's a time and a place for everything, and that includes money.

And if you take money too much money too early, there's certainly the opportunity that you're going to misuse it, and then you've traded typically a significant amount of your equity for something that you've turned around and wasted.

Right.

So you bootstrapped this business, you grew it over 19 years, you sell the company.

For me, I want to rewind to the start of it.

And so, and as I understand this amazing name that you have for the business, that wasn't the name when you started.

So tell me about the name first, and then we'll go into the rest of the business.

When we started the business, we referred to the fans and the business as HVLS fans.

And that stands for high volume, low speed, which from an engineering perspective, describes the fans because they're very large in diameter, but they required very, very little power to operate.

And we're talking about between a one horse and a one and a half horse power motor.

It is less than a kilowatt.

And what was interesting about the fans is we could, with the air foils that we used instead of typical fan uses blades, just flat pieces of metal or wood, we actually developed an airfoil that moved a significant amount of air at a very low speed.

And I always, I think it's akin to when you were a kid and you saw your mother mixing batter in a bowl with her mixer, and you just had to do it.

You just had to ask her to do it.

Naturally, she's doing it at a low speed so that she's actually mixing all of the batter in the bowl.

But as a kid, I didn't cut it.

I mean, you wanted to turn it up high speed.

And if you remember when you did that, well, if you took it out, you got a mess.

But when you were mixing it, if you mixed it at a high speed, you saw that it wasn't really mixing everything.

It wasn't in training all of the batter within the bowl.

It was simply mixing what the space where the mixer was.

And the same thing applies to air because it's a fluid and you move it at a low speed and you can entrain a significant amount of air.

So with one of these fans, even a smaller one with a one horsepower motor, you could actually move all of the air within a space that was 20 feet floor to ceiling and an area of 10,000 square feet.

So it's a very inexpensive, efficient means of providing cooling for people in those spaces.

And so just so people have a picture in their mind, these are being used in where?

These are in, you know, airplane hangers and farming situations in industrial manufacturing facilities, schools, you know, where are these fans being used?

Well, they're used all over.

I used to tell people that when they had breakfast in the morning, they were consuming a product, whether it was coffee, orange juice, eggs, milk, that in all probability had been packaged underneath one of our fans.

And as I said, when we started the business, we referred to the fans as HVLS, which sort of rolls right up the tongue and you can imagine.

Yeah, a little less catchy, but technically accurate.

Yeah.

And so what was funny about it was in the beginning, there weren't many people working for the company and we would have a call and answer the telephone HVLS fan company and there would always be a pause and the people on the other end of the phone would say, are you those guys that make those big ass fans?

And I don't know, it took us a little bit of time to figure that one out because we're not the sharpest knives in the drawer, but we renamed the company big ass fans.

And though we got some pushback, it was, I think, marketing is you need a little ying and yang to make it work.

And the pushback was good because most of the people recognized what it was and they thought it was a little risqué and I think it worked, plus it was very, very descriptive.

Right.

And so when you came up with the name, did you have some other variations of it, like big old fans or something else, or was it just that one?

And you guys knew that was the one?

Oh, no, it was just that one.

What was funny was the, I'm not a country boy and we went out when we thought of the name to find an ass, I mean, to find a donkey to take pictures of and one of the people in the office knew a vet that had an ass and we drove out and took pictures and I knew exactly the picture I wanted, which was we would shoot it from the back, obviously, so we could see the ass is ass and to have the animal looking towards us.

And it was interesting at the length of time it took us to get that shot and we had to clean this boy off because he was, asses don't keep themselves very clean when they're out in the field.

It was a little bit of an adventure, but I think it worked out in the long run.

Were you asking anybody about this name, like a consultant or an ad agency or anything like that?

Are you just, you got it and you ran with it?

Are you kidding me?

I mean, seriously, we had, what was funny about that is we did with the business, we used our own resources and we, a lot of the things about the business that made it interesting, I think, were that we didn't use distributors, we developed and built our own sales team and though we tried various marketing and advertising agencies, we really didn't employ any for any length of time, but one of the reasons was when they would come in to talk to us, of course, you can imagine how this went over.

The first thing they would say as well, you know, that name, we're going to have to do something about it and it's like, you're totally insane.

We also had ad agencies come in and say, well, you need to refer to, we can show women with big asses or men with big asses on this and it's like, no, man, that's just tacky.

I think that what made it work was we were very, very honest about it.

I mean, we'd have people writing us, as you can imagine, we had some pushback for every one of the letters, the emails that we got that said, you know, you're going to burn in hell, you're contributing to the delinquency of an entire country by using a name like this.

We would receive a number of letters that said things like, you know, I go to church every Sunday and I think your name is great and the word ass is used 46 times in the New Testament and Mary rode Bethlehem on an ass and so what are these people talking about? So it was one of those things, I guess it brought out a little bit of tribalism.

For us, it worked and as a matter of fact, over a period of time, unfortunately for us, it was less and less controversial because it's sort of funny when people are reacting to you like that and it's good for marketing because it just is, I mean, people were talking about you, but I think over, gosh, after maybe 10 years or so, it was less of a thing.

Okay.

And I think it probably helps also that the buyer or the customer in this case was, you know, maybe a facilities manager or a maintenance person, right?

So, you know, it resonated with the right person.

It wasn't, you know, highly buttoned up corporate environment or anything like that.

No, no, you're right.

And it appealed, we understood our customers and they appreciated it.

Now I will say that as the company developed, we designed different fans for different purposes, some of them in residences, some of them in auditoriums and so forth, that we did wonder a little bit about that because you can imagine having a fan with a big ass on it in your daughter's bedroom.

I mean, that doesn't resonate.

And but what was interesting about it was that at almost every turn, we got confirmation.

As a matter of fact, we advertised a lot for our commercial and residential fans in the New York Times and we assumed that we would have to start moving away from making the big ass logo and the big ass name of the company that we would put less emphasis on that and more emphasis on the name of the actual product.

But what was fascinating was when we did that, we had people call us up and say, are you guys running away from your name?

We don't understand this.

And we actually went from putting the name, for example, of the residential fan, which is Haiku.

We actually started using a smaller font for that and a larger font for the big ass fan.

So

Interesting.

The business obviously grows over time.

You sell it for \$500 million, but the beginnings of any big business are sort of small and

very humble.

Where do you get the idea to even do this?

Most people, I think a lot of people listening to this podcast, either just starting their own business, want to start their own business and they're looking for ideas and they want to go into a market that has a lot of potential.

What did you see early on that made you think this is a business worth doing?

I had started another business prior to this and we were involved in sort of the same thing. We didn't use air.

We used water and air conditioning to cool large spaces, large manufacturing distribution spaces.

It simply did not resonate to the degree that I obviously thought it should.

But I was introduced to the fact that there are a large amount of very large buildings in this country that are not conditioned and the people within those spaces suffer.

And these poor people would be working eight hour shifts and the only thing they had to comfort themselves was a small fan, which those are great if they're within a couple of feet of you and if you're not moving around.

And it became obvious to me that I saw large fan that was being developed for cows, I mean for the dairy market and I thought, my gosh, this is it.

And so that really was the beginning.

And I think though that what it points out is you really do have to know your market.

I don't think that I'm always telling people that you don't have a solution and then go out to find a problem.

You really should recognize the problems and look for problems or niches in the market that aren't being filled and then determine what the product is.

And that's sort of the way we did it with the fans.

And it took longer even in the beginning because I thought, oh my God, what a great product. I know the market.

I know that everybody can use it.

I expected the first year that we were going to sell a thousand fans, but we sold 142 fans.

Not quite what I anticipated.

And the next year, it was wonderful.

We sold 400 fans.

Anyway, it was very, very slow.

It was something that nobody had ever seen before.

Okay, quick break to talk about our sponsor for today.

That's right.

A few weeks ago, I did a fake ad read where I said this episode is brought to you by nobody.

And ever since then, people just email reaching out to advertise on the podcast, which is great.

And this is a really cool company.

The sponsor for this week's podcast is Supercast.

So if you want to cash in on your podcast, Supercast can help you unlock predictable, recurring revenue from your audience.

How is that?

[Transcript] My First Million / #28 - Building Big Ass Fans For Big Ass Money

By cutting out the middleman and turning listeners into paying subscribers.

In fact, podcasters using a subscription model can make twice as much versus advertising alone.

I like that.

Visit supercast.com slash hustle to learn and earn more.

All right, I will have to check that out after this.

I do love me some subscriptions.

What gave you the sort of motivation or faith to just keep going, right?

Because, you know, sometimes there's that hard thing for an entrepreneur where growth is a little bit slow and the market's not picking up as much traction as you want.

Do you just put your head down and persevere?

And oftentimes that's the right answer.

And other times, you know, you think to yourself, wait, is this a signal that I should be doing something different and you need to know if I should pivot or change what I'm doing?

So how did you think about it during that first year when, you know, it's coming in a little below expectations and what gave you the faith that you should continue versus change course?

I knew it was a good idea.

And I also knew that the way we were marketing was resonating.

And this was more of a, we always had good response from our customers.

And I agree with you that there are sometimes when you have to pivot or when you have to lay it down.

But I think one of the problems that young entrepreneurs have today is they imagine that these things happen very, very quickly.

And in reality, they don't.

And you really do have to persevere and give it a little bit of time.

And it took us, oh gosh, until, I want to say, until maybe 2004 or so, that we realized that by that time we were selling thousands of fans, that we were really, really on the way.

Now, I will say this, I thought we were on the way when we sold 142.

Because well, because it was the response of the market.

And I think it's important.

We sold these direct.

I mean, I personally sold these things and, and occasionally helped install them.

And there's a feedback you get from your customer, directly from your customer.

When you do that yourself, that you cannot get if you're selling it through a distributor or a retailer or Amazon or something like that.

I mean, you are right there.

And I think that was a big deal for me because it was very, very positive.

And, and this was something nobody had ever seen before.

And it was something that when we priced it originally, priced it so that it would fit within the budget of the typical, that the typical maintenance supervisor in a plant had to work with, which is about \$5,000.

And we had as many people, interestingly enough, call us and say, why are you selling this

for so little?

I mean, it's such a great deal as we did people calling us up and saying, you're crazy.

You know, there's no way that fan is worth \$5,000.

And I will say that over a period of time, but for various reasons, I mean, we built a brand and we obviously continually iterated and developed the product.

But over a period of time, we simply raised the price.

And so right now, I think that the same standard fan, obviously it's totally different model with different features and motors and so forth.

The price is about \$10,000.

And I think the reason we were able to do that is that when we paid a lot of attention in the beginning, we focused on getting everything right.

And again, when you're talking directly to your customer, you're able to do that.

They're going to tell you exactly what they like or don't like about it.

You simply have to talk to them.

And I was always a big proponent of, I don't need somebody to tell me what I'm doing right.

I need complaints because that's the only way you're going to be able to fix something.

And we were able over that period of time to build a brand.

And when you build a brand, you're able to command more margin, more dollars in the market.

And the availability of the larger margin affords you the opportunity to spend a lot on R&D, which we did.

We spent an awful lot of money on R&D and to spend money on marketing and in our case direct sales.

So it cost a little bit more, but we were very, very focused on the customer and on improving the product and making sure that, and I think it's sort of odd, we were fixated on selling you the last fan that you were ever going to buy.

It didn't bother us that it was so good that, oh gosh, you know, it's going to wear out in five years, 10 years, 20 years.

I mean, these things are running after 20 years.

That's not what moved us.

It was providing the absolute best that we possibly could.

And I think that the customers recognize that and customers, when they see that they are more than willing to pay a little bit extra for it.

So it seems like you did a few things that, I don't know, you can tell me, but that most fan companies weren't doing at the time.

So you said R&D, I would guess that most companies in your space don't even have an R&D budget or definitely not the allocation you have.

And what I saw when I was looking through your website and looking at some of the competitors, it struck me that it looked like Big Ass Fans is an engineering company and it looked like everybody else is just like a retailer or a marketing company and, you know, that has a few engineers.

I mean, is that accurate or am I reading too much into it?

No, no, you're exactly right.

As a matter of fact, I don't think that they have a few engineers at all.

And when we started the business, we were the only people in the world that were doing

this.

And when we exited 19 years later, we must have had 100 competitors.

Obviously, when we started, we had 100% market share, but when we sold the business, because of the way we did business and because of the engineering, because of what we focused on, we had somewhere around an 80% market share.

If you do it right, if you focus on it, one of the other things, I never really paid that much attention.

I know this sounds terrible, but I never really paid that much attention to the money.

I always told people that if we wound up with making a dollar's profit after a year, that simply meant that I wasn't being very imaginative.

I couldn't find some place to put that dollar back into the business.

We were very, very focused on doing this better than anybody had ever done anything, not just fans.

I mean, this was, I hate to say a work of art, but I mean, it was something that we concentrated on.

And I think that we never thought about an exit strategy.

People would ask me about that, and I said, well, that has nothing to do with us.

We're not interested in that.

I think that when people start businesses and the first thing they think of is money, how am I going to make money?

How am I going to make a lot of money?

Are they think, well, how am I going to exit this business?

I think that the chances of them being successful are significantly diminished.

And that's because you're not focusing on what you should focus on.

And I think business is exciting.

It's very intellectually challenging, and you have to recognize that you can do a lot of different things, a lot of very interesting things.

I always tell people I'm a capitalist, and I'm proud of it because capitalism is very, very effective tool to get things done.

And it's an effective tool to help other people, whether they be your employees or their families or companies that provide you services as a company.

It's just a very, very efficient way to approach life.

And I think that sometimes when you read business magazines or you look at the media, all of that is overlooked.

And the fact that it is very challenging lifestyle and a very rewarding lifestyle, not just to the individual that runs it or owns it, but to people that surround him or her.

And it also gives you the opportunity.

I mean, when we were doing this, I always paid people more than they could get any place else.

And we were in Kentucky, and our wages were typically 40% above average, and Kentucky and 30% above average in the US.

Every year, everybody got a bonus.

Everybody got a bonus.

Typically, as long as we made a profit and we always made a profit, even during the recession,

we made a little bit of a profit and everybody got a bonus.
But typically the bonus was a month, more or less a month salary.
It wasn't based on that, but I mean, that was sort of what it worked out.
When I sold the company, I had provided what amounted to stock options for a number of people, about 150 of the people that worked for me.
And I wrote checks that total \$50 million to those people.
And so we made a lot of multimillionaires.
We made a lot of millionaires and a lot of hundredaires, I guess.
But that went all through the company.
I mean, there were people that were, sometimes people imagine, oh, well, that's only C-suite or the managers.
That was not it at all.
There were people on the shop floor that had done an exceptional job over the years that really helped the business, and they were in on that.
And not all the managers were of that quality.
So I think that what it gave me the opportunity to do was, and this sounds terrible, but it was to give people that I really, really appreciated a lot of money.
And that was a good thing for me.
And I think that we sold the business for \$500 million.
And I think the way that we ran the business was the reason that we were able to do that.
And the way we ran the business was we were looking out for and including everybody that worked for us.
I mean, everybody profited by being around us.
And that was, from my perspective, it was wonderful.
I mean, the best day of my life was not getting a check for \$500 million.
The best day of my life was the day after when I wrote the \$50 million worth of checks.
That was the best.
That's what I look forward to.
That's what kept me up.
At night, I was thinking about that and how wonderful that would be.
That was a big deal for me.
Yeah.
That's very inspiring.
I mean, obviously the reaction was good, but I mean, I'm just curious, you know, when you write those checks and I think people don't, at that time, it wasn't like people knew it sounds like you didn't have some share structure where people knew exactly what they were going to get.
It sounds like you were sort of discretionary writing numbers down per person to sort of pay out.
You know, what was the reaction like for employees?
Were they surprised?
Did they?
How did that go over?
Well, they weren't necessarily surprised because these people, we had during this time

about 1,200 employees all over the world.

And there were about 150, 160 that were involved in this because they had been instrumental in helping us build a company and we had the company every year valued.

And so they all had an idea.

I don't know that they ever thought it would ever come to fruition, those individuals, but they had a rough idea what was going to happen, but it was still very interesting because they would tell you, oh my God, you know, this changed my life.

And it did change people's lives.

I think some people, several of them started their own businesses, which I think is super great.

So they had an idea.

It was discretionary in the sense that I made a determination typically years before as relates to those individuals in terms of the job they were doing.

I mean, these are exceptional people, but it wasn't that all of the employees were special and they all got bonuses.

But these were the real workers.

These were the people that you couldn't build a business.

You couldn't build a business without these people.

And I felt it had to be, you had to recognize that and it made a big difference to them and their families.

You sold, you know, you said early on that, you know, you weren't planning to sell.

You weren't looking for an exit strategy.

At some point you decided to sell.

So I'm curious, what made you want to sell?

And then how did you get the number 500?

You know, what is, what was that a, you know, I don't think it was a deep, it was a deep calculation based off of some, you know, formula.

Tell me about that.

No, no, you're exactly right.

It's sort of funny because we had the option, the SARS program for seven years at that point.

I wanted to make sure that there was a number that these people, even I, you know, because everybody's like, Oh yeah, well, sure, it's great that we've got these things.

We really appreciate it, Carrie, but, but you know, what does that mean?

And I felt that that 500 million was a big enough number so that it would make a difference to these people.

And how that came up is sort of silly.

I hired a COO who was a very interesting individual and we were after a meeting one morning, we were just coveching and I said, you know, I just sometimes this just gets on my nerves and obviously it wasn't, I was a little perturbed about something, then he was relatively new.

I'd been there about a year and he said, Well, geez, you know, have you ever thought about selling this?

And I said, you know, I tell you what, if somebody offered me 500 million bucks, I would sell it.

And he said, Oh, okay.

And I'm serious.

This is the way it happened.

So this guy who was a, who had worked corporately with GE for some time, he said, Well, let's see.

And he called some people and we got it going and it happened.

If he hadn't been there, it wouldn't have happened and, but it was just right off the top of, I mean, it really was, it was just, it was a number that I thought made would make a difference to everybody that was with me.

And so I think it also points out something that I think is interesting as well, which is that from a PE perspective, from a private equity perspective, obviously those people, those companies want to have control of the number that they're offering to buy a company for.

And we simply said, this is what it is.

And so when they came back and said, Well, we're, you know, it's more like, we think maybe 400 or 450.

And I said, Well, I don't care what you think, actually, I'm just gonna, that's what it is.

And if you don't want it, you don't have to have it, I'm fine doing what I'm doing.

And I think the point there in terms of, it was in terms of negotiation is you have to be at that point where you're ambivalent, you just don't care.

And I really didn't, I'm not kidding about it, I just didn't.

At that point, it was like, it's either this or, I mean, it wasn't like it was a terrible life or anything.

And I think that worked.

And so it wasn't something that I had planned, you're exactly right.

A year before that, I would have never even imagined, I would have never imagined that because I just, that's not the way we were thinking about things.

But right.

It's a yes or no negotiation.

This is the price.

Yeah, right.

You can say yes or no.

That is your part.

In this negotiation.

Yep.

No, exactly right.

I think that's the way you handle things like that.

You know, as they say, sort of the party that's more willing to walk away has all the leverage in any negotiation.

And it sounds like you were very willing to walk away when we did our sale just now.

It was very similar where I told the companies that we were selling to, I said, we're either going to sell this thing in 60 days or I'm just going to shut the company down and go do something else.

And they were like, what do you mean?

And I was like, well, those are the two things that I'm most excited about.
I mean, I'm excited about either selling this or I'm excited about doing something else.
And I don't want to waste a lot of time.
So here's the time box.
Can you make us an offer in that time?
And on the price, once one party named their price, I just went to the other one and I said, hey, this is the offer we have.
And they gave me this complicated reason why they couldn't do that price.
And then we said, well, that's the price.
So at this point, it's a yes or no from you.
I'm not trying to play a game.
Like these are the numbers.
If you say yes, then we have a deal.
And it was amazing how quickly things moved because I wasn't bluffing.
I was really willing to do exactly that.
And I think that had I tried to do it as a bluff, I don't think it actually would have worked.
No, no, no, you're exactly right.
For yourself, along the way in those 19 years, you know, were you paying out a dividend to yourself or had you just been on a normal salary?
Like did you go from zero million dollars to many, many millions of dollars overnight?
Not overnight, but sort of in that once the sale happened or had you been paying yourself as a dividend along the way?
No, I just paid my actually, I got right before we sold it.
I said, you know, I want to make sure I make a million dollars a year, at least once.
And so I raised my salary.
But it was to that point, but that was that was at the very end.
And we invested a lot of money back into the business and I always tell people it's not like we had, you know, yachts or planes or anything like that.
We just didn't do that.
And it all went back into the business sands, the salaries.
But you know, I mean, gosh, I mean, when you get right down to it, you just don't need that much.
There's a lot more to life than having a bunch of money and but no, I didn't know what would I do with it?
I mean, I would be I couldn't possibly invest it and make it as useful as keeping it in the business.
The business was the best investment there was.
You still live in Kentucky?
Hell no.
When we were selling the business, the firm that purchased it allowed me to basically take a department out of the company because which was the R&D, the business development, not the mechanical or the electrical R&D, but the more of the business development R&D.
And because they don't make any money, I mean, you know, if you're a PE firm, you're a financial

guy, you understand business like, you know, like, like crazy, you're so good at it that R&D is like, why would you need something like that?

I mean, you know, they just cost money.

They don't make any money.

And so they allowed us to do that, which I thought was hilarious really.

But it was a bunch of young people, the youngest at the time was 19, maybe 20, they went all the way up to about 30.

So most of them between 20 and 30, and there were eight of them.

And I asked them, well, okay, nobody wanted to stay in Lexington.

I asked them where they wanted to go.

And we looked at Chicago, we looked at Atlanta, we looked at Charlotte, Dallas, and Austin, and they all wanted to go to Austin.

So that's where we went.

And I think that's been a good move because Austin's a very, very, it's a hop in town.

I would have liked to move to, my boat was Palo Alto, but we didn't make enough money to pay these kids that much money to try to, I mean, I don't think they'd been happy in the long run because they couldn't have, that had to live in gosh knows where and pay gosh knows what, for rent, that wasn't an option.

Yeah.

You know, what I love about you is, you know, when I started reaching out, it was because I thought I have this like fascination with what we call boring businesses, meaning businesses that don't sound on the surface, like they require this tremendous insight in this new genius that was around it, it's taking real world problems and solving them.

And with things that don't sound super glamorous or sexy from the outset, like a fan, but you approached it in a great way.

And obviously, like you said something during this podcast where you said, you know, we wanted to do it better than, than it's been done, then he said, better than anything's been done.

And I love that you basically rallied a group of people around something that was, you know, on the surface, not in itself that inspiring and you inspired people to do it.

So that's cool.

So that's what I was excited about.

As I've talked to you, the part I think is sort of most unique and fascinating to me is you pretty clearly do things on your own terms.

So it sounds like you picked a business that you believed in, you ran it the way you wanted to run it, you paid people more than the market rates you, you know, you paid out 50 million bucks to your employees that, you know, you felt were instrumental to building the business, you named the company what you wanted to name it.

And that sort of defied convention, you sort of have defied convention many, many times over.

And so I'm curious, is that by design or am I just, when I zoom out, am I just seeing that?

Or are you intentional about that?

Do you, do you take pride in that?

I think that it's always the path least traveled that offers the most opportunity.

And I will always go to the, the more contrarian, I mean, if there's a decision to be made that you have to look at the decision that most people wouldn't make.

For example, we did all of our manufacturing in the US and the only exception, I should say the only exception we had a plant, we owned a plant with our own employees in Kuala Lumpur, which is in Malaysia.

And that's where we made fans for the East, for Australia and Singapore and Japan.

So on.

But that was something that people, I think they thought, well, that's a little dumb because, you know, I mean, everybody manufactures in China because it's cheaper.

And it's like, why would I do that?

I mean, I don't even get that we control quality much, much tighter in the States.

We were a positive impact on the economy.

And we weren't so interested in making a buck that, that we were willing to let people in countries that aren't, I mean, the Chinese are wonderful people.

But I mean, in terms of the government and so forth, I mean, why would you ever do that?

I don't get that.

I think that there's a lot to be said for doing things and just looking at them.

And if you're going to go right, I'm certainly more interested in going left and following you.

And I think that that's just a style, but I think that it's, it's paid off.

And that's why the name of our firm now is unorthodox ventures.

We're more interested in the entrepreneurs than we are in making money.

And I know that sounds silly, but I don't need to make any money.

And there's a lot of very interesting people that start businesses and a lot of them need much, much more than money.

And they recognize that.

And I think that our group, we're operators, I mean, all of the people here, we've got one finance guy and we make fun of him all the time because he's a finance guy.

And we look at it in a different way.

And one of the things that I let people know is that I would much, much rather tell you not to take money.

I would much rather see you do everything on your own that you bootstrap it than to take our money.

And because there's a time and a place for everything and this, this whole thing about getting money and taking money is to start a business, I think is a little, people stretch it a little bit.

The downside of that is we run into a lot of people that have given away 40, 50, 60% of their equity and they really have a lot of runway to cover before they can take off.

And that's very sad from my perspective.

And I don't like to see that so that when we deal with people, we try to make sure and we tell them that I want to make sure that you've got a big chunk of this.

I mean, that's what this is about.

Part of it is about making money, but part of it is education and hopefully providing

people with a way of life that's really cool and is very, very beneficial to a lot of people. I mean, not just them, but the people that work with them and the people outside.

It's very powerful if you're not just interested in money.

Money is nothing.

You've got to get beyond that.

And I think that a lot of people that start businesses today are thinking all about the money and they really, really shouldn't.

It's not that there's something bad about it.

There's nothing bad.

There's nothing wrong with it.

It's just that I don't think it is productive as thinking about the common wealth of the community.

So that's just my take on life.

I like that.

I was telling my friend the other day, I said, I think I'm chasing money too much.

And I said, I'm pretty confident that over time, you know, I'll have more money than I'll ever need.

Right?

I'm already doing pretty well, but I feel like I'll get there.

So why don't I just fast forward to that point in time and just say, cool, what do I want to do with my time and my talent?

What would I do then?

Let me just do that now.

And money will just come as a byproduct anyway.

So that's why I do things like this podcast.

That's why I've shifted the way I sort of look at the world in order to just go there.

Because when I look at the people who are at that level in the game, they're all saying the same thing you're saying, which is that there's, you know, money has its place, has some utility, but ultimately it's not what matters.

It's not what should motivate you.

And it's not what should be the decision making process behind what you do with your time.

And so yeah, I'm trying to make that shift myself.

When you think about the businesses and entrepreneurs you're trying to support, you know, what's got you excited?

What are some either problems that they're solving or business ideas that what gets you to jump out of bed right now?

What are you most excited about in terms of new stuff?

What I find interesting and what gets me up in the morning is that there are a lot of individuals and I didn't think this honest to gosh, when I was running my business, because when you're doing that, you're doing that.

And if you had asked me how many people would you imagine meeting that were wired the way that I'm wired and I would have said very few, but now that we've been out doing this, I think the coolest thing about it is that I meet these people and most of them are much younger.

Yeah, well, they are younger, what the hell, I'm on the whole fuck, but they've got these ideas and these approaches and these desires and this drive.

And I guess it's the drive more than anything and it's just interesting.

I just find it fascinating, it's a lot of smart people out there and it doesn't necessarily mean that if you're smart, you're going to be able, you're going to naturally succeed at this because there's a little bit more involved in that.

But I like the people, it's not particular sector or opportunity to make money, it's the people.

It's just, it's interesting, it's fascinating.

I'm the sort of guy that always gets a window seat, I mean, I love to watch what's going on and this is just the best window seat that you can imagine, you can have a positive impact on people and I think that's cool.

Do you ever think you'll go back into the driver's seat, do you think you'll start operating another business?

Unfortunately, yes, probably.

I mean, you see opportunities and you see things and I mean, part of this is it's not rocket science, I mean, businesses where I've seen opportunities where it's very difficult to actually pull together a team that initially, that can run, that can start a bigger business and so I think that there certainly are situations where we are looking at things where we would have to operate and I would have to be involved in that.

I would love to see your team like go revolutionize the porta potty industry or something, basically if you take the same approach you took to fans where you say, how do we engineer the best product, how do we make it so that our customers are really happy, how do we take this kind of widespread need and solve it in a more efficient way and with your team and that approach, I would love to see it go and what you did for fans, I'd love to see you do for, I say porta potty as a joke, but something like that where it seems like the big ass fans approach could be applied to many, many different product lines.

No, no, I think you're right, I think you're right and I think that, I think what's key to that or the way we look at it is it's marketing based on educating a large portion of a market. When you said marketing based on educating the market, I thought of these new plant based meat companies or the alternative to meat because it seems like that's what they do in a big way which is they educate the market that, hey, this tastes good, it's better for the environment, it's better for you, that's the pitch and it sounds unorthodox and funky but the people who do go that lifestyle rave about it.

What's a good example of another company or another industry that's doing this marketing by education, preaching the gospel of this is the way to do things?

Well, I think that's a good example and we have looked at that to some degree.

I think that, for example, bedays, that's an interesting piece simply because that's a better way to clean yourself with water rather than paper.

I think that that's something that the US market does not pay enough attention to.

I think that's interesting.

Big ass bedays.

That's an educational piece.

Yeah, there you go, man.

Everybody's got one.

This has been awesome, one thing that happens a lot with these episodes is that people want to reach out afterwards.

They love what they heard, something resonated, they either want to help you with your mission or they want your help with their mission or something like that.

What's the best way for people to follow you, get in touch, who should get in touch with you?

This is your chance to talk directly to the audience.

I love to talk to people and we love to try to help people.

They can email me at Carrie, C-A-R-E-Y, at unorthodoxventures.com.

That's the easiest way to do it.

Give us a buzz.

I mean, look it up and give us a buzz.

Awesome.

Carrie, thank you so much for making the time.

This has been a lot of fun.

I really admire what you built and I'm glad I got to talk to you today.

Well, thank you very much.

I appreciate the opportunity to talk to you as well.