

[Transcript] My First Million / #34 - CES Highlights, Cloning US Startups & Compliance Education

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.

Yeah.

What's up, dude?

How are you?

Hey.

Happy New Year.

All that good stuff.

How was CES?

Yeah.

I'm pulling up my notes now.

It was amazing.

They had...

Had you been before?

No.

200,000 people.

I'd never been to Vegas.

Okay.

All right.

You went for that fight.

Had you been before?

I'd been to Vegas many, many times because I'm a degenerate gambler, but...

Wait, are you really?

I lost \$100 and lost it.

What did you play with?

A lot more?

Yeah.

Like when I used to go to Vegas a lot was when I was in college and I was like stupidly trying to like make money by gambling, which is like the dumbest thing you could do.

But I was...

I'm good at poker and, crap, you can't really be good at.

You can just kind of break even at.

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It's poker or blackjack too?

Or is poker like...

Poker, you're playing against other people and you just pay a table rake.

Blackjack, you're playing the house.

You just have a defined disadvantage.

Anyways, I love gambling.

How long would you play?

I went to Vegas a lot.

Like when I was younger, I used to play like, I'd bring like 500 bucks.

And now, even though I make more money, I still play with like \$1,000 and I've only 2X because now the thrill of winning that money has gone down.

But the agony of losing money when I know I could have spent it in other ways or like just the time that it takes, like just being there for eight hours gambling, I'm like, this was a shitty use of time now.

I was with a friend, my friend, I don't know how to play.

I was with my friend and he was showing me and he had 20 grand out.

And I played with him.

He was aggressive and I lost all my money in an hour.

It sucks to play with a friend who's playing different stakes because you don't feel the win together.

Even if you're both winning, that guy just won eight grand and you won \$80 and you feel like a schmuck when you get up from the table and you don't feel like you won.

You feel like you lost.

And even when you lose, like it just doesn't feel the same because you're like, damn, I feel kind of awkward because you just lost a car and I lost \$100.

I don't feel too bad, but like you lost a car and I don't know how to treat you now.

Well, the good news is he has a host or whatever at the casino.

So we went with the dinner and I pulled out my credit card to pay for dinner.

It's like, oh no, no, it's handled.

Have you ever played credit card roulette?

Yeah.

He wanted to do that there.

That's just where you have a really fancy dinner and you pull out one card, right?

Yeah.

Basically, instead of split the check, everybody puts their card in and then the waiter comes at the end and the waiter starts pulling out cards.

If a card gets pulled out, you're safe.

Last card in pays the whole bill.

And so I've only played it once and I lost and paid the whole like \$350.

I did not want to do it.

Well, it's Vegas, everything's expensive and we went hard.

And so like a three-person dinner was like \$500.

Right.

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So I didn't want to do that.

So he just paid for it.

Even better.

The other host did.

Do you want to hear highlights?

Yeah, please.

All right.

So there was 180,000 people there.

It was very overwhelming.

I said the MGM grand, huge, mind boggling.

So I'm writing a report actually on the hotel industry because it's really fascinating.

Right.

Takeaways, the Chinese are ridiculously amazing.

And so what I would do is we would go, I had a friend who was interested in the sleep industry.

He goes, let's go find sleep products that I want to launch.

We saw Wivings.

You know, Wivings?

Yep.

They make fancy scales.

I think they're owned by Nokia.

Beautiful products.

He found one that he loved.

It was \$100.

It looked awesome.

They go, we think it's going to be big.

It comes with an app.

He goes, OK, sounds good.

Walked next door.

There was the Chinese knockoff making the exact same thing.

And he said, white label?

And they go, yeah.

And they go, how much?

And he goes, \$20.

And he goes, great.

Found it.

Got my thing.

Done.

Amazing.

So very impressed with Chinese remote work.

I've talked about remote work a lot.

Amazon had a huge booth and they had four target customers.

And it was like the home cook.

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Home cook.

OK.

Kitchen.

Kitchen.

The busy parent.

Right.

And there was one other one that I don't remember.

And then the at home office worker.

Interesting.

And so if this is one of Amazon's four that they chose as personas, they know.

None of the products were impressive.

I didn't see one remote thing that I thought was awesome.

Interesting.

You can try to do like your desk, your, what does remote work even have?

Yeah.

So it was basically a good setup for doing calls.

So a nice big widescreen that was affordable, the Alexa camera.

And then the Alexa speaker.

And that's it.

Nothing fancy.

Gotcha.

But they're going after it.

There was nothing fancy.

What were some more?

Oh, neon.

Have you heard of neon?

No.

My boggling.

So they had 12 to 15 TVs that were six to seven feet tall.

So life's hives.

And they had people there talking on the TV.

They looked like real people.

There was a park ranger who was giving directions.

He was talking to the camera.

He's like, Hey, welcome to the park.

And he showed his map.

Right.

They were 100% fake.

They weren't real people.

Okay.

No.

I mean, they weren't actors.

Like they were.

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The avatars.

Oh, yeah.

They look totally real.

You look at it, you're like, Oh.

So neon makes the characters or they make the screen or both?

The screens is the TV.

Okay.

Screens is the TV.

And that was amazing.

So they want to do what?

Sort of like virtual front desk people.

What are they trying to do with that?

The obvious thing is going to be porn because porn rules everything.

Westworld, real world.

We'll get past that.

I don't know what it's used for, to be honest.

But it was cool.

It's cool in that how believable it was.

Yeah.

It looks real.

There was a version of this at the Cowboys Stadium that went viral on Twitter.

Did you ever see this?

So if you go to Dallas Cowboys, the football team stadium and there's like a screen that looks like a mirror.

It just looks like a camera of you.

And if you stand there for a second out, we'll walk in the screen, a bunch of Cowboys players and they know where you're standing so you can go with a group.

You can just be one person and the Cowboys players will come pose for a photo with your group.

They'll walk around.

They'll basically move around you to pose for the photo and it'll take a photo for you and you can share that out.

And I was like, this is a really cool interactive display.

Yeah.

That's amazing.

And the final thing was Delta, the best booth there probably for real Delta airline.

Yeah.

What are they doing?

Okay.

So they give you a ticket and you put it in your pocket.

You got to sign up to this.

So they would like have five people stand and look at a screen, I would stand here.

Someone would stand four feet to the right and then four feet to the right, another person.

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And each person would look at the screen, which was supposed to be like the ticketing thing like when your flight leaves and they look at the same screen.

They each see different things.

So it would say, Sean, your flight leaves at four o'clock and then I would stand next to you and they would say, Sam, your flight is 30 minutes late.

Okay.

That sounds like magic.

And well, do you remember when you're a kid and like those books would have these things where you like.

Yeah.

The angle changes.

And you see, I think that's what it is, but it has like dozens and dozens of them.

And it follows your ticket and it knows where you're standing.

Right.

Amazing.

I like that.

That was the most impressive thing.

And why did you go to CES?

You just wanted to check it out or you had like a purpose?

I wanted to go to, so I had stories for this stuff.

Yeah.

A couple of our investors were there and I had a free ticket and a free hotel.

Okay.

Gotcha.

Can't lose.

You know what I've never done?

I've never exploited the whole media pass thing.

Not once have I ever signed up for a media pass, so I wouldn't be gone free probably anyway had I signed up for a media, exploited it in a good way, not a bad way, but I didn't sign up for that.

Super Bowl's coming up.

Not too late.

Yeah.

Well, I went to the UFC fight and I tried to sneak in with the media pass and they're like, Oh, you didn't sign up.

But then I realized, wait a minute, I could have just, I'm not a liar.

I am in media.

I'm so used to just lying and sneaking in.

Yeah.

I'm like trying to like scheme.

I'm like, wait a minute.

I'm legitimate.

So that's why I went, but I'm not going to name names, but we talk about D to C all the

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time.

Yep.

So I'm going to get over how fast some of these things grow and I want to know what your opinion is.

I was with one guy, first year of sale, about 40 million.

40 million.

Revenue?

Year one.

Yes.

Second year.

They're trying to get 150.

Jesus.

Bootstrapped.

Break even.

Can you say the product category or no?

No, I'm not going to say anything other than that.

Okay.

Let me ask you this.

Were you surprised that this would do so well or that there's even a market for this or that?

No.

It's a common item.

It's a product that a lot of people use all the time, but it was only an okay product, just all marketing.

And then Moise, this is public, he tweeted that last month in December or November.

So at HustleCon, he said he had 20 employees.

On Twitter, he said last month they did \$800,000 per employee in revenue for that month, which comes out to be \$10 million in annual sales per employee.

Right.

Crazy.

Right.

And so, according to his tweet, crazy, right?

And so, what do you think?

But they now have the target boom behind them, too, because now after the acquisition, they got into normal retail also in addition to all of that.

Yes, but he was doing similar numbers when they, I mean, he was doing \$200 million, the same revenue, similar revenue per head, I imagine, or at least per non-customer service head.

Right.

And so whenever I hear this, I'm like, oh man, I got to do this.

I don't know.

But then I have this thing in the back of my head.

I'm like, this is a bubble of this, like, so I don't know.

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But the cost of entry is so low.

So yeah, maybe you're wrong, or maybe it is a bubble.

Maybe the Facebook ad prices are going too high, maybe it's not as easy as it sounds.

But you've got to ask yourself, what's the cost of entry?

So is it a high CAPEX commitment?

It's a month worth of time.

Yeah, exactly.

At most 50 grand.

It's a month worth of time, and then you've got to ask yourself, what's a month worth of my time worth?

And for most people, that equation will say, give it a shot.

It's amazing.

There's no story to tell there, but I have to wait five months to tell it.

This is a bad teaser, because it's too far away.

But we will clip this part of the audio, and then I will tell the story in five months.

That's interesting.

And one of the folks I was with was telling me about Rocket Internet.

You know about Rocket Internet?

So Rocket, for those who don't know, two brothers, basically three brothers, yeah, and they're in Germany, is that right?

And they basically clone US internet companies, typically, and launch them in Europe or Brazil or different countries, and they're not ashamed to be like, oh, Airbnb, good idea.

Here's ours.

Here's our Airbnb.

It's called, whatever, Home Away, or whatever it is.

And they've created, actually, quite a bit of success doing this, and Silicon Valley loves to hate on them.

Yeah, and the more specific story is Ali, the boss, the middle brother, when he was 21, he went to Stanford for a month or something, and hung out and saw Silicon Valley startups. When he was 22, he cloned eBay, and 90 days, they sold it for \$50 million, I believe.

They used that money to clone a ringtone company, sold that after three years, maybe, for two or \$300 million.

And then they used all their winnings to turn it into a clone factory called Rocket Internet, and their HQs in Berlin, and they have a chief scientist, I don't know what they call him, and he studies all of their clones, and he's like, emails the CEOs, he emails the Amazon, the Philippines, or Amazon of Africa, it says, hey, Amazon changed the color of their buttons, go.

Right.

Love it.

And they cloned Groupon, and they got so big that they actually beat Groupon to the point of saying, oh, this business model's not going to work, Groupon, come buy us.

And then they got so big that their Zappos clone got too big, and they couldn't sell it.

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So now they're-

They have to operate them.

And a lot of them are publicly traded.

Right.

They have a big one in Latin America, it's like Amazon for there, I forgot what it's called, exactly.

Yeah, and I was with a friend who started one of their companies, so they have CEOs, and they went from him to 10,000 employees in three years.

And what did he say?

He liked it?

He hated it?

Because they're known to have a pretty brutal culture.

It's both good and bad.

There's a lot that can be learned, and there's a lot to avoid.

He said that it was like operational excellence, and they demanded it, and they made him exceed expectations.

The downside side is they burned a ton of capital to start their companies.

A lot of them didn't work, apparently they burned a couple of their investors, and I think they've done it in a rather unethical way, as opposed to like, we're in good faith trying to grow big fast, and that's okay, actually.

So good and bad to learn from them.

I heard a story about one of the CEOs, or one of the brothers, flew to Asia, and he got 20 of the CEOs in a room of their companies, and goes, you guys got to work harder, you got to be more aggressive, you see that guy in that room.

Every company has A, B, and C players.

I have him firing on the phone every C player right now, and then the guy who's in the other room making the phone calls gets done firing, and the people walks in the room, and the guy goes, all right, now you're fired.

And so there's like dozens of stories like that, and it's just really fascinating.

That's some Scarface shit.

I like it.

Okay.

And so CES also, you're interested in these like trade show conferences also, right?

Yeah.

You like study these things.

I wrote a big report on trends about trade shows.

I didn't include CES.

I included other ones.

They're huge.

I mean, the guy who started CES, he originally called it Comdex in the 1980s, and then he sold it to SoftBank for a billion dollars.

And that guy, his name's Sheldon Adelson.

He's worth \$15 billion in as one of the richest men in the world because-

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He's a hotel guy, right?

He's a casino guy.

During his conference time, he goes, we need bigger space.

So we started, I think, the Sands Hotel Corporation, which is now huge.

Super fascinating.

If you told me that this conference did \$500 million in revenue, I wouldn't be surprised.

Right.

And so what do you think about that?

Because you run a conference.

Do you think that this is a model?

Do you guys think about applying this model as you guys do?

Yeah.

So the way our conference set up is like a conference.

The big bucks is in trade shows.

That's the big money because you're selling-

So what's a trade show that you think could exist?

Remote work.

Okay.

Remote work trade show.

Like it?

Yeah.

What else?

The construction industry.

So I read a whole bunch of publicly traded annual letters from the biggest trade show businesses in the world and a few markets that are consolidated and there's not a clear winner as a construction industry.

Right.

And I wrote about that in the report.

Yeah.

Okay.

Cool.

If you're listening to this and you had a trade show idea, email us.

I want to hear your trade show ideas or if you're working on one even better because you're not just talking-

Yeah.

And Blackstone, the biggest private equity firm in the world, just bought a bunch of trade shows that for huge multiples.

They bought one in the digital marketing space for nearly \$50 million and they only did \$6 million in revenue.

That's an outlandish multiple.

But they're really good cash flow companies.

I like it.

Okay.

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So that's CES.

I figure you're going to have a couple things.

So it's the new year.

Do you do resolutions?

Yeah.

What'd you do?

What are your resolutions?

I have three traits that I want to embrace more of.

Okay.

I like that you said that rather than resolution.

And I haven't done like income goals or anything like that.

What are the three traits?

To be a better leader, to be more bold.

And I'm not going to say the last one.

Okay.

Why bold?

I feel like you're bold.

I don't think I'm bold enough.

Do you?

I think you're bold.

Yeah.

I think you're bold in the sense that you take action very quickly.

So when something comes into your head, you will like instantly begin the action that's required, massive action to take that thing.

I don't think you're bold in the like range of things that you do.

So you could probably do more things, but the things you decide to do, I see you take like very bold action on that.

Like this podcast room we're in right now, like we will be talking like we should do podcast and then it'll be like you're on the phone, you're still talking to me and then you're like on the phone with somebody being like buy everything you need for a podcast.

Email Sean, buy everything you need and let's set this up.

And like it needs to be where you walk in, push a button and it's a podcast.

I don't think that's boldness.

That's impatience.

Okay.

Fair enough.

That's a, that's another way of looking at it, but I like it because I think most people get held up on action.

The people that we roll with, I think are like crazy bold, like they tell me the stories about what they're doing.

Like, oh my God.

Well there's different kinds, right?

There's just insane risk.

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So like our buddy, Suley, Suley is who I'm thinking about.

So he, he take, he's very bold, but he takes also like some insane risks.

Like on the, he's the very first episode of this podcast and he tells the story of like when they ran out of money and then they take a loan and then they run out of the loan. He takes his entire net worth a million bucks and secretly puts it into the company to buy them like two more months to try to see if this thing can survive and he was just willing to wipe out totally, but he was not willing to live with like not seeing the product launch. That was a big ass risk to the point where he was like, I will never see this money again. He's also good with taking action quickly.

So.

And so is Ramon.

Yes.

Crazy bold.

Yes.

They're all immigrants.

Do you think I'm bold?

Well, I think that you have a good way of thinking like, well, why can't I?

So in a sense that is, yes, that is boldness.

I think that a lot of people, they have ideas and they're like, but I can't do it.

I'm like, well, why not?

And you do a really good job of like, well, I'm going to do this and then this and then this.

And where?

Well, why wouldn't that work?

Where?

Where do I lack in boldness from what you've seen?

Sticking with something.

Yes.

Sticking through it.

Even if it sucks at first.

Yes.

And I've told you that.

Totally agree.

And you have told me that.

Okay.

I think that that is the, that's the only part I think where you lack in boldness, but you have very bold ideas.

I think we can talk about this.

You did a deal.

You told the company the way you went about that I felt was very bold.

Yes.

I told the story at HulsoCon actually.

I told it and what I feel is the closest version of truth that I can tell it where you can't

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tell all the details always, but I told like most of the detail.

I felt that when you told me about that, my jaw dropped a little.

I was like, what?

You had the confidence to make that happen.

So yes, I do think you're bold.

Okay.

So I want to share something with you.

That's.

And by the way, in two years, if you have a company that is a unicorn or some like bullshit where it's like popular and like I 100% expect that you're not surprised.

So you're going to be a CEO.

You're the CEO type.

I think.

It was end of the decade, right?

And I went back and looked so I'm 31 now.

I was 21 at the start of the decade.

And so I did a look back and I was like Denver, I was like, yeah, I was, I was living in Boulder at the time.

I just, just graduated from college.

And so I was like, what were my goals when I, what were my decade goals back then?

And I didn't really write these down, but I know what I kept saying over and over again.

And so I did a check in on those and be like, how did I do?

So I'm going to read you my, what I thought I was going to do in my twenties and what actually happened.

So here's how I did.

Okay.

So I had number one, I said, I want a million bucks in the bank, like available to me to invest.

In investable assets.

Exactly.

Like liquid.

I can liquidate it instantly or it's already liquid cash.

So that one was a check.

Number two was marry a girl who rocks my world.

So that one's a check.

Then come some cringy ones that I feel like looking back, I'm like, fuck, I really want, this was my goal.

So one was Forbes 30 into 30, which.

By the way, anyone who is down on the inside track or like, that's total bullshit.

Totally.

It's 100% bullshit.

At the time, I didn't know.

I thought Forbes, that's where, you know, Forbes, Forbes had such a big brand that they

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like, who you know game and a lot of the people on there are fucking idiots.
I referred somebody this year who made it and no knock on this guy.
He's a great guy.
He's my friend.
But like the fact that I could just refer this guy and he just made 30 and 30 for nothing as shows how much.
They asked me to do it.
Insider game.
Yeah.
So anyway, that was on my list.
That was on my list too.
Give an epic Ted talk.
So that was a fail.
You gave an epic hustle con talk.
Yeah.
But I always liked Ted growing up.
So Ted was one there.
Do a 10 minute standup comedy set in front of a hundred people.
Forgot about it.
Didn't even attempt it.
Could have done it, but didn't.
You kind of, but you gave a talk.
You kind of.
The hustle con talk counts.
Well, you're an entertainer.
Yeah.
I know.
But like I'm just going through, here's what the goals were.
It's actually more interesting what the hell I thought was important back then versus what I think is important now.
So my other ones were go play and win a season of survivor.
I tried out.
I auditioned.
Didn't make it on.
But CBS, I'm still out there.
Play the World Series of Poker main event.
So the 10 grand big buy internment didn't do that either.
Find an excuse to live in Australia again.
I did that.
And then my last one, because I kind of backed in even, I kind of knew like, is this what I should be trying for?
My last one was come up with better checkpoints for the next decade.
Right.

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So I would tell you the story.

So I have this hack, which is I'm at Twitch now and I'm on this like exec team, which is basically like, I don't know, the top 18 people of the company are on this, like what they call the ET team, the extended Twitch team.

Are you the only blab guy on there?

I'm the only Bebo guy on there.

Yeah.

Bebo.

And so these are all really great, smart people.

And so I have this networking hack that I recommend to anybody, which is these are all cool people.

And one of the things I want out of my time at Twitch is to meet awesome people and have them respect me and maybe we can cross paths again in the future.

But with all these people, everyone's so busy because they're all an executive managing their part of the business.

And so we barely interact.

So what I do now is every Sunday, I just send an email out to just the exact team.

And it's just me rambling about like, whatever the hell I want.

I just sent out for an hour and I do it in this format.

I stole this from James Clear.

James Clear.

Do you know who he is?

He's the habits guy.

So he sends out this email called 321.

So mine's 123.

It's basically one photo, two thoughts and three links that I find interesting.

And I send this out.

And it's kind of funny because when I first started doing this, it felt a little bit awkward.

But now that I do it.

People love it.

And they have something to talk to me about.

All these people who I never interact with, you can tell they're like, hey, this guy's actually pretty interesting.

He's pretty smart.

I like this guy.

And so one of the people on this list is this guy, Ethan.

And so Ethan is actually not even at Twitch.

He's the VP of Amazon Prime.

And so he's just on this list because when Amazon acquired Twitch, he was part, he was like the adult that they put into Twitch essentially at the time.

And now he knows you.

And so he reached out at one point and was like, hey, by the way, I love these emails.

Like I wish we had gotten to work together.

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And I was like, I didn't even know he's on this list.
Does he work?
Not work there anymore?
He runs like VP of Amazon Prime.
So he's at Amazon Prime now.
And so anyways, he replied to my deck.
I sent this out.
I said, hey, by the way, here's what my decade list was.
And here's how I did.
And so he was like, I got mine lying around here somewhere.
So he sent his back to me and he also said, what are yours for this next decade?
So I don't know how much I should go into this.
But is this interesting?
Should I tell you this decade once and what he said because I think he's pretty wise and his feedback was pretty wise.
So mine for this decade is total financial freedom.
So that's six million bucks in the bank that is working for me.
So I think if six million bucks is out there working at market rates, so like seven percent a year on \$400,000 and 400,000 a year of just the interest, my life burn is not that high.
So I will, I'll only be going up, you'll have a 10 year old.
Yeah.
I don't think it'll be that expensive.
Like I live as extravagantly in a very expensive city right now and we're not close to 400k a year.
Okay.
So that's one.
Number two is a 70 million people, which is 1% of the humanity considers me like one of their favorite teachers through things like the podcast or books or anything else.
The next one is like have a healthy lifestyle that's not using willpower.
So like just find food I like.
That's also healthy.
Find exercise I like.
That's also good for me.
I don't have that today.
I brought back the standup comedy set.
So that's back on there.
And then are the last two.
One is live in walking distance of five households that I love and great one.
That I think is the most important.
That's the hardest one and the hardest one.
I completely agree with that.
So that's why I'm trying to go move next to Ramon and then I'll try to drag you there and I'll try to drag five of us together.

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I think that's a great idea.

Well, I remember when I was poor in Nashville, I lived in a predominantly black neighborhood in the projects and it was the happiest I was ever been because I would go on my front porch and see my neighbors and we would chill and kick it and I was way happier because I had that coldest atmosphere.

And walking is a key thing here because when it's walkable, you don't have to plan.

You can spontaneously hang out.

You can dip right back to your house.

There's no obligations.

That's why college is fun.

That's why college is fun.

Exactly.

I think I'm just chasing college really in many ways of my life.

So I mine in 2011 was like earn a hundred grand a year, buy a Rolex, have a certain pair of jeans that I wanted, a leather jacket.

What was the jeans?

I'm a jean and wheelie jeans because I was really poor when I did this and I achieved all of them, unfortunately, which is like not.

So at Twitch, they have this goal setting thing because I'm always like, they asked for a goal and I'm like, well, do you want me to say that a super aggressive thing?

You want like a seven out of 10.

Or do I do what other people do and just sandbag it because then you look good because you hit your goals and the seven out of 10 rule is what they said to you if you're hitting seven out of 10, you're appropriately aggressive, but not unrealistic.

Yeah, I agree with that.

Can we talk about one idea I have?

Yes, go for it.

I've been looking into membership programs.

I'm very interested in those, so like group buying.

So we've talked about it where you pay a fee and you get access to discounts.

Right.

AARP is an example of one huge business.

AAA is an example of one AARP you said has like three million members or something, I believe you said.

No, I think 40, I mean, I think that like the majority of Americans who are 50 years and above have a membership.

I bought a membership just to test it out to AARP.

Yeah.

It's only seven or eight dollars a year.

The majority of the revenue comes from people who use their insurance premiums or insurance policy.

Gotcha.

Huge business.

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Huge, huge, huge.

It was kind of scammy, actually.

And so I investigated Founder's Card, this thing called the Select Card.

Have you seen it?

I have never heard of it.

They have billboards.

Not huge businesses.

From what I gathered, this is all public.

I think if I guess that Founder's Card is 10 million in revenue, Select is 2 million in sales, but other than people, 100% profit because you don't have any costs.

And I talked to the founder of WeWork about this when he spoke at HustleCon and he told me that they had that as well for their members and no one used the perks.

Why do you think that is?

Why do people not use it or why are these not bigger businesses?

Why both?

I'm shocked at how little they are.

Now the angle that you could do is if you're Founder's Card, they claim to have 30,000 members, you have to clone or steal from Brex and launch your own lines of credit.

Right.

I think the problem is you get these like non-compelling discounts.

So the people who are incentivized to partner up with these are people who want users.

So by definition, they don't have a lot of traction, which probably means they're not as attractive.

I don't think that's truly necessary.

You have Shopify discounts.

If you use the discounts, they will make, like why wouldn't Zoom give you a discount?

They just say that we're going to spend this money to acquire a customer anyway.

We'll just give you the CPA.

Right.

But like is a 15% discount as exciting to me for like signing up for this card, for this membership.

Right.

Like, I don't know.

I'm still trying to think about it.

The thing I was telling you was if I went to your site and you just said, what do you use?

And yeah, I use MailChimp.

I use Shopify.

And they say, boom, you'll save this much money.

And it's like, you're guaranteed to save this much money and therefore will offer you a membership at, you know, 15% less than that.

So would you like free money and you offer a variable membership rate depending on the products that you use, but you guarantee upfront those savings because you're making

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your money on the backend.

I'm not seeing it from the companies anyways who want customers.

No.

Founders card makes 100% of their revenue from the membership fees.

Why?

I don't know.

It's a weird business.

I'm trying to understand it.

If I was Founders Card, I would launch a bank.

So I would do it Brex.

What Brex does is the care, what's it called the fee that credit card companies, the 4%, they probably go to MasterGuard and they go, give us 2% and you get the other two.

And so that's what I would do.

You're interested in doing this for the hustle or you're dabbling.

And so if you're out there and you, what, what types of products would you offer the discounts to?

Things like Shopify.

Software.

Software.

And what are you curious about?

Why, why don't you just do this?

What's the, what's the risk?

Likely will.

Likely will.

And so if people are listening to this and they want that, how do they signal that to you?

Tweet at me at the Sampar.

At the Sampar.

Yeah.

Tweet the word yes.

Oh yeah.

He'll know what you're talking about.

Yes.

Okay.

I like that.

All right.

Yeah.

You were researching cash for when I walked in.

The S1 came out an hour ago.

So everything I'm saying is kind of summary that may not be accurate, but the gist is close because I couldn't read all of it.

From what it appears, they've got \$50 million in cash, a \$50 million loan that is \$25 million drawn out and they lost \$70 million last year in cash.

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So they're going to run out of money in six or 12 months.

The valuation is \$1.2 billion.

They're trying to go public right now.

See I think I just did a quick search.

I think these companies trade for 15 to 20 time earnings.

I don't see how on earth this is ever going to work.

Right.

When I walked in, you just kept saying bad.

Bad.

Yeah.

I was like, how is it bad?

I hope people don't judge too much.

I've only looked at it for 20 minutes.

I don't understand how this will work.

Right.

Horrible.

That's what I would say.

Horrible.

Okay.

If you were taking the other side of it, what do you think is the most promising part of the business?

They spend \$1 in marketing and they make \$3.

They have well over a million customers.

So this whole own the sleep category, it could work.

I think that could work.

They should not be located in New York.

They should not have raised all that money.

They should be in...

How much did they raise?

Two or 300?

Many hundreds.

They should...

All their customer service should be located in Hoboken, New Jersey and the company headquarters should be there or somewhere else and it should not be run like it's being run.

But what the fuck do I know?

They built it.

They probably know.

Yeah.

No, I think it's interesting.

It feels to me like this is something that they should have sold to one incumbent, like some old school mattress company that has a car and doesn't know it's like digital is the way of the world and these guys have really pioneered the digital space for mattresses.

Just by this company versus going public, you really have to have a really compelling

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story or financials in order to do well.

And I'm almost positive that there's five founders and not one of them owns more than five percent of the business.

So if they do that a billion dollars, not one founder is going to get paid more than 50 million dollars for creating billions of dollars worth of value.

You wanted to talk about Gumroad too.

Gumroad, the thing about Gumroad is it's a cool service that lets you sell PDFs and other things like that, electronic files.

So if you make a little ebook, you can sell it for 10 bucks.

Gumroad is a super easy way to do that.

I've made thousands of dollars off of Gumroad.

I love it.

I think it's badass.

I don't think that there's anything better.

They raised 12 million dollars.

The guy who started it was the second or third employee at Pinterest.

He probably would have made money if he stayed there.

He raised 12 million dollars, four or five years in, fired everyone, moved to Utah and it's running it way differently.

Super lean now.

Very lean.

In their eighth year of business, he releases all their numbers.

They did seven.

If you want to see these numbers, he's on Twitter, his at handle is just SHL.

This guy saw it.

I don't know him, but I kind of like him from his Twitter persona.

They did 70 million in transactional volume, 5 million in net revenue because they take a fee of the sales and only 250,000 in profit.

15, 215.

Horrible.

Right.

Horrible.

It's a great product and a horrible business.

It doesn't have to be maybe.

He should be charging like a monthly subscription fee instead of a percentage.

He should charge a, I actually don't know if they do this anymore, or if they do, he should charge a monthly fee of \$20 a month for every creator and a percentage of sales.

Right.

Yeah.

I don't know what it is.

He's blogged a lot about like this journey of like, well, I was at Pinterest and financially that would have been a good move.

And then I raised money and I thought I was the shit.

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And then like-

He raised 12 million dollars at age 20.

Right.

Exactly.

So he was doing really well.

The product is really interesting.

And then he kind of realized, look, this business is not going to live up to those expectations.

I got to like, you know, I got to change this or you radically changed it, which you got to give him credit for.

I mean, to be eight years in and at that level, you know, on one hand-

We did that much revenue in our second year.

Right.

And I see this a lot.

I see great products that are fun and useful and helpful, but they're not great businesses.

Reddit, Quora, Wikipedia and Gumroad.

Well, I think Reddit's going to be a great business, but for now-

I don't see it, but I hope it is.

Right.

The revenue is growing like crazy.

Is it?

Oh, thank God.

Yeah.

I just couldn't imagine advertising for that crowd.

Yeah, it's tough, but the revenue is doing really well and their growth, their user growth and their engagement growth is like going through the roof because they finally built like mobile apps and they actually are working.

That's awesome.

I saw Steve Huffman at CES.

I don't know him as a friend other than a brief conversation.

I love Reddit.

I love Reddit.

If it were a nonprofit, I wouldn't mind and I'm as capitalist as it gets.

Right.

Okay.

So I have one which is training and compliance.

So now that I work at a big company, they have so many like mandatory compliance things like anti bribery training, gender training, sexual harassment training, whatever, mandatory things that you got to do and the content is all really bad and I've also seen this.

My buddy works with a lot of schools and the teachers have to do professional development and so the government gives schools a budget to do professional development.

And so they go out and they buy whatever is the best training and professional development stuff for these teachers and he showed me some of the videos that they have to sit through and it is God awful.

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And so if you're a company that goes into an unsexy space and you just committed to like we're going to make the training compliance curriculum and content that doesn't suck, I think you do really well over time.

So let me, I might be able to blow your mind here.

I don't know the numbers all the time.

I had, I'm Googling it as we speak.

So there's a company in Nashville that does this for nurses.

It's called health stream.

I just pulled up their numbers, market cap, 852 million, PE ratio, 57.

Wow.

Yeah.

Wow.

That's like half a, I don't know what Facebook is.

That's up there.

What do you think their revenue is?

Let's see.

Their revenue is in fourth quarter, their revenue was \$60 million.

So not huge revenues, but not small, but they do exactly what you're describing for nurses.

Right.

And I think each industry has their own, like I'm sure pilots have a whole set of compliance and training and whatnot.

And people don't realize how simple it is.

I'm almost positive.

It's just a series of videos.

It's just a series of videos.

There's basically no technology involved.

The hardest part is the sale and like, you know, there are established incumbents that have been selling year after year the same content to this company.

So what category is interesting?

So sexual harassment is like.

So the big one that's interesting to me is like all of the new social and moral things that like, I don't even personally like fully understand.

So like at Twitch all of a sudden it's like, we have a gender neutral restroom.

People put, when you sign in to come meet somebody, you have to say what your pronouns are.

He, him, her, she, whatever, right?

And I think for a lot of people, like for me, like this is like brand new, you don't know the etiquette.

You don't know the etiquette.

And they're sort of like, you sort of feel dumb asking and you also don't want to like offend people by doing it wrong.

And so I think that the sort of like social norm, like this new social etiquette is one that's there.

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But that's not as.

Who's the provider for yours?

I don't even know because it comes through Amazon.

So Amazon might have their own in house for like a lot of this stuff.

Like, you know, every company is going to need this.

Like a company, if you got 50 people, you need to have like a training and compliance stuff for your, for your employees.

And so.

That's interesting.

Yeah.

My good friend used to work at HealthStream and they were a national or one to school and I think they only have like salespeople.

Right.

And it's like that.

I mean, it's a sales organization.

There's a big business called LMS, which is learning management systems.

Yeah.

Companies, you buy this like crappy SAP learning management system and then the videos. SAP makes that.

Yeah.

Like a big LMS, LMS system that was out there.

I think SAP owns it now.

That's crazy, man.

This is the benefits of working at a big company.

You see so much opportunity that I have no idea it exists.

Correct.

And what I have to do is just catch myself because it's always the annoying thing.

And then I just have to reframe it.

It's like, no, this is the opportunity thing, right?

Like whenever there's something that's like a real pain point that we have to do or it's really hard for us to do, but we have to check these boxes.

I'm like, oh, that's where we would buy a solution to this problem.

And so yeah.

What budget do you have that you don't have to ask for a mission?

Sales tools, honestly, which is why Salesforce, I think, does extremely well.

And then anything around trust safety compliance, like you don't have to ask.

You just buy it.

Well, like you have to ask above a certain number for everything, but like you're likely to get it when it comes to security, trust, safety.

This is why I don't want to do E-commerce is because I hear about this and I'm like, why would I waste time when like this is like predictable?

You have a company that makes \$200 million in revenue and they're valued way higher on revenue than right Casper is going to have you heard like this zone of genius term.

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You find your flow in this particular category.

Yes.

It's basically the intersection of like what you're really good at and what you enjoy, what you enjoy and what the market wants and is willing to like pay you for.

And that's the zone of genius zone of excellence is just what you enjoy and what you're good at, but not necessarily what the market wants badly.

And so that's kind of how I think of all opportunities now is like there's so many opportunities.

I'll pick the one that ticks all three of those boxes like I'm really good at.

I enjoy doing and the market really wants and then let the let the chips fall where they may.

Good point.

What else you got?

Anything else?

What we need to do is just make a list of all these big corporate needs.

I have such a list.

Yeah, you told me.

You never shared it with me.

I need to share that with you.

I've never worked at a company.

So the simplest version of this that made me make this list is when I saw the like the iPad at the front.

Everybody has this now.

The iPad at the front.

Huge company.

Huge company with the simplest goddamn product in the world.

It's a iPad, which they didn't make.

It's a form, which is like the first thing you make when you learn how to like, if you make a website, you can make a form.

And then all it does is just ping the employee and is like, Hey, and you sign an NDA and they can print your name badge.

Right.

So they added on a couple of things, but like trivial, trivial product.

Anyone can make that.

You can have a team of 10 developers.

Exactly.

Less even if you wanted to.

Oh, sorry.

I met like 10 devs with like multiple customers.

I was saying to start with, you could start this with zero and it's something every business actually wants and will pay for.

So that's where I was like, Oh my God, the needs of a big company, you just need to write them down.

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There's some that already exist.

And then there's, there's so many more that don't, you know, you had a guy on here named Keith real estate.

Yeah.

Keith Wasserman.

Yeah.

I messaged him and I was like, dude, can I just come and sit in your office for like four days?

Right.

I won't say anything.

I'm just going to sit there.

I'll do whatever you want.

I'll clean the floor.

Yeah.

But just let me sit.

And I went out to several people to do this early on in my career, which was I did it to CEOs.

So I thought we're badass.

I was like, Hey, can I just come shadow you for two weeks?

I just want to literally go room to room with you and I will shut the fuck up and listen.

And I'm just going to, I want to absorb you because they don't teach what you do in school.

So like, and they were like, yeah, sure.

Well, that's exactly what I'm doing.

So that's one.

And then the other one is to, I think kind of where you're going was less like, Hey Keith, you're a badass.

How do you lead?

Yours is more like, what problems do you have in the real estate world that I know I could solve?

But I didn't tell him that.

Right.

That's your motive.

I said, I'll sit there.

I won't say a word.

If you want my opinion, I'll give it.

Right.

And if you want like an errand run, I'll handle it.

Yeah.

I think this type of like rotation should be like a staple of what people do.

I was like, I won't say, I won't say shit.

And I'm not even remotely a big deal, but I certainly don't need to go work for someone.

And I 100% would do that.

Right.

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Without a doubt.

And I'm going to do it.

I'm going to go down there.

I'm going to.

He said, yeah.

Sure.

I won't say a word.

If you want me to say something, I will.

But other than that, you just tell you want coffee, I'll get it for you.

And I have a feeling I'm going to learn more in those five days about multifamily real estate investing than I would reading for months.

One last idea.

That's kind of like that.

So I've been on a bigger learning kick because I got a little more time on my hands to learn things.

And so I'm learning all these things that like you read a book, you just watch some

YouTube videos, whatever.

But I more and more, I'll frame it as a business opportunity, which is there are so many great books out there that should just be online courses that are more actionable.

You know, they teach you the principle to give you the worksheet to like do the thing yourself.

Have you seen masterclasses new business courses?

No.

What is this?

Bob Iger.

Howard Schultz.

Yes.

Masterclass.

I'm buying them.

Oh, nice.

Yeah.

So that was one of the ideas I had when I was thinking about business was masterclass for the enterprise, which is kind of like what they're doing now where they take CEOs and they make masterclass out of it.

But I'm just thinking for the average person.

So the book I was actually thinking about was the game.

Did you read the game when you were like?

Everyone read the game.

Everyone wrote the game.

Did you read the game?

Except for people who didn't read the game.

So the game is like a book about, it was like a guy who became a pickup artist.

But we were like 15 when it came out.

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So of course all of us would have read it.

My girlfriend gave it to me when I was 18 and I was like, oh, this is a sign.

If my girlfriend gives me a book called The Game, it says you need to read this.

No, even girls read it because it's entertaining.

It is entertaining, very entertaining.

You should read it for the entertainment.

You'll also learn some things about human psychology and people that are applicable.

But if you take the game and if you created the sort of pickup artist version of a course right now, I think that would do really well through Facebook.

I think that other things that are like, I'm learning one thing about like writing jokes right now, like the craft of writing jokes.

Does a masterclass have that?

I think they do actually.

I took the one they have where it's like Steve Martin, he just stand-up comedy.

Was it good?

No, I hated it because it's very surface level.

And you know, he just does like a three minute video where he's like, you know, the thing about comedy is you got to be authentic.

It's like, that doesn't help me.

Like what I need is like...

My authentically self is not funny.

Right.

There's this great YouTube channel called Casually Explained.

Have you ever seen this guy?

Yeah, he's funny.

He's just like a nerd, right?

He's a nerd.

He's just a very monotone voice and a stick figure like story is about stuff.

And it's like better than...

So he has one that says how to be funny or like how to write a joke and it's way better.

If there was a course version of that, I think you could sell that at like a very low price to a lot of people.

So there's just a few broad skills that people want to know.

Like a lot of guys want to know how to pick up women.

A lot of people want to know how to be funnier.

A lot of people want to know how to write better and nobody teaches those practically.

I'm not going to have said a course business.

The way most people think about it, I don't think they can be big, big, big.

But I can tell you, I've got my very best friend.

He makes a wonderful living.

Yes.

And then I've got two other friends that probably make eight figures.

On courses.

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Yeah.

But they have companies.

Eight figures is more than I would expect for a course.

I looked at like the top teachable courses and the top like earners on audacity.

Those are just guys.

Right.

I know companies.

Low millions.

Like one to two million.

Like that guy, Grant Cardone, he probably makes \$30 million a year selling education.

Right.

But he's got like a blended model where he's like.

You know, Ramit, Ramit Sethi, he's one of my investors.

He's never told me his revenue.

I have no idea what it is.

If I had a guess, I would say it was north of \$10 million.

Okay.

That's pretty good.

Well, no, it has to be north of \$10 million because I think at one point he had 60 employees.

Oh, wow.

And that's for, and his business is free content, books, and a course.

And I don't know this for a fact.

I never asked him, but like he has a blog post on the Tim Ferriss blog where it's called like how a \$5 million launch week.

So this is not like a revolutionary idea.

I just personally think it's under exploited and again, something that you can do if you're passionate about and you know about a niche topic or skill.

And there's enough people who want to know about that, who want to develop that skill for themselves.

And school doesn't teach you most of the skills that you want to know to have like a good, enjoyable life.

Yeah.

And I bought Ramit's course, even though he's my friend and investor, that's a tip.

By the way, if you have friends who have businesses, don't ask for discounts by their shit.

Right.

I bought his thing.

I got so much value.

I bought it.

So much value.

I just bought it two weeks ago and I started going through it, so I've gone through about half of it.

It's awesome.

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Yeah.

It's pretty good.

The thing is I, with his, what I like that he does is his thing is about and as you're doing the course, you know, you just see him doing it so well that you're like inspired.

You're like, yeah.

It's so engaging.

I believe that this works.

And I think that's awesome whenever you can sort of like embody the product while you're doing it.

It's amazing.

I don't know what he charges for it now.

I got it in like a Black Friday sale type of thing for like, I want to say like, it's pretty pricey, but like, if you're doing a business, you're going to make that money back one day.

And by the way, our company, I buy courses, I don't even think I don't care how much it is.

That's just the policy.

Yep.

That's how I'm with books.

I have an unlimited book budget.

I don't care.

The most expensive course has been five grand.

I don't even think about it.

And I think a lot of more people are like that than you think.

Yeah.

My uncle, who is I'm going to bring him on because he's big in real estate and I asked him, you know, how's the gystones, the gyms?

No, this is my uncle.

He owns multifamily real estate.

And so he was at Hustlecon.

He was at Hustlecon.

He was like, yeah, the way I learned, I paid, I spent 180 grand from myself and four people who I wanted to be on my team to come to this real estate like workshop is like 30 grand per person.

And he's like, four of those were basically flushing money down the drain.

Like they didn't do anything with it.

They didn't like, they walked away and it's like the information left their head.

And he's like, I learned a lesson there, which is like, if you're the type of person who will get the value from it, no price is too high.

And he's like, I knew that I would like make something out of this course.

And I did.

I, he's built like a, you know, \$100 million plus real estate portfolio off of what he learned in that first course.

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And I think this is the difference between broke people and not broke people.
I won't say broke because money is in correlated success a lot of times.
People who achieve what they want and people who don't, which is they think, oh, that's way too expensive.
It's like, no, no, no, no, no.
That's not how you look at it.
Like what's the value that you derive from it?
And is that an ROI positive thing?
Right.
Okay.
Cool.
We should wrap up.
Good stuff.
So we're going to do this every week.
Every Thursday.
All right.
Great.
If you got ideas, send them to us.
If you don't have trends, get trends.
The best part of trends is the Facebook group, by the way.
I've been meaning to tell you this.
Everyone says that the info is cool and it's like good because the group has stuff to talk about, but you know, you've built a badass Facebook group and that's what it is.
For the record, when we said we were going to launch it on Facebook group, everyone at the company, I wanted to do it.
They were saying it's a horrible idea.
I'm like, I don't think I know that is the best idea because I check Facebook every day and I would not go to trends.co and just go click your forum.
I would not do that.
Yeah.
The Facebook group is awesome.
But the, the, the ideas in that group are so high quality or they're just a conversation is so high quality.
It's like, this is a paid membership Facebook group that I do not regret buying.
So hopefully when we get 30,000 people, it will also still be good.
Yeah.
How many people are in it today?
In the group.
In the group.
Yeah.
Maybe 4,000.
It's doing well for like, like normally as things get bigger, yeah, degrades.
And by the way, there's no community manager.

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It's me.

Right.

So there's no one, there's zero self-regulation other than the employees who work here, but no one's job.

I think the filter is the price because the people who come in, they are like somewhat legit and people who are legit, like they behave well and they like say smart and interesting things and like, or they say nothing.

Well, thank you.

And sign up.

Trends.co.

Yeah.

Cool.

All right.

See ya.