

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.

We are a platform for remote work.

Our mission is to create great work from home jobs powered by AI.

A lot of companies and individuals use us to convert audio text.

There's a lot of video all over the web from YouTube to Netflix, and it all needs to be captioned and subtitled.

And so we serve all of those needs for everybody from the one guy with a podcast to large media companies like CNN.

The Reggie News coming into CNN now.

On the other side of our business, we have freelancers who work at home and can earn money from the pajamas at any time, and we give them the ability to choose the work they do.

When they do it, they can make money to helpfully list all they want.

A lot of them are home with children or family obligations, and we're able to fill the cracks in their day in a way they can't otherwise do.

We have 150 employees, more than half are engineers.

We've raised \$31 million.

There we disclose for the first time that our last valuation was \$206 million.

There are so many people around the world that would love to work remotely but can't.

They don't have opportunity in their small town or country.

I just think that there's going to be a huge change in our lifetimes where by the time I'm dead, I think there will be a billion people who work remotely.

\$5 million is not enough, \$10 million, \$20 million, \$100 million, \$850 million.

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 zero.

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 man, shit hit the fan.

I ask 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 nine-to-five job, this is the podcast for you.

The hustle presents my first million.

Hey, my name is Jason Cicola, companies is Rev.com.

We are a platform for remote work for customers.

We convert audio to text and our mission is to create great work from home jobs powered by AI.

So we're a two-set of marketplace.

I use you guys.

Wonderful.

I like transcribed our podcast using Rev.

Yeah.

So a lot of companies and individuals use us to convert audio to text.

Podcasters use us a lot.

People in media use us a ton.

But so do a lot of other industries, whether it's eLearning websites, the new videos captioned, whether it's market research firms that have a focus group to transcribe.

There are user research teams that transcribe audio.

There's a lot of video all over the web from YouTube to Netflix and all needs to be captioned and subtitled.

And so we serve all of those needs for everybody from the one guy with a podcast to large media companies like CNN who use us all the time for audio and video.

And then on the other side of our business, we have freelancers who work at home and can earn money from the pajamas at any time.

They work flexibly.

They can work as much or as little as they want.

And we give them the ability to choose the work they do when they do it.

And they can make money to kind of help lead the lifestyle they want.

A lot of them are home with children or family obligations, and we're able to fill the cracks in their day and keep them busy, help them make money in a way they can't otherwise do.

And brag a little bit how far you guys have come.

So you started the company how many years ago?

Yeah, I started the company, it's almost ten years, nine and a half years ago.

We have, if I mentioned some of our publicly available metrics.

You can mention the private ones too, it's cool.

There you go.

We have 50,000 people who work on the platform each month.

We've raised \$31 million.

We were on the Forbes AI list a few months ago and it said in there, there we disclosed for the first time that our last valuation was \$206 million.

We have 150 employees, more than half our engineers.

We have...

How did you get to \$206 million?

Usually the valuation's around numbers.

Why 206?

I think in that case...

Is it a multiple of a number?

Is that how you end up at 06?

You know, it's always a peculiar process.

I mean, I think it was a small round and I think in that case, we agreed to the round size first.

It was the pre-money and then that got added on.

Gotcha.

Okay.

All right.

Gotcha.

About 2014, we were having trouble hiring engineers as everybody does because it's a competitive market and everybody in the Bay Area is fishing in the same pond.

I started talking to advisors and board members and one of my board members was involved in a company that had a big office in Seattle and also one in San Francisco and he made the point, SF's not the only place to hire engineers.

So I thought, well, that's a good point.

Let me think a little bit about this and look around at the world and I realized that the Bay Area, because of the lack of construction and the housing costs and the various way the labor market and the real estate market works here, I thought it would be a tough place to be only based here, right?

The Bay Area has the best of a lot of things but I felt that it would be good to have another office in a city with a lower cost of living, did a much looking around for a lot of reasons chose Austin and we now have offices in both places and we're hiring a lot in both offices.

We think both markets are great for different reasons and we have some people that go back and forth between the two.

I think it's really hard to retain people for more than 10 years if you're only in the Bay Area.

I think there's a lot of examples of companies that had a really strong start and then a lot of their people left after they vested and they ended up, you know, without maybe as much of the core original people as they would have wanted.

I saw some interview once where Mark Zuckerberg said, if you could go back in time, he would have done Facebook in Boston.

I don't know if he meant it but he said it, which is a big thing to say for a guy like that and I was reading one book, I think it was Chaos Monkeys, I talked about Facebook and the guy said that when he had the Facebook, he met somebody who was employee number 29 at Facebook and that he or she was the only person of the first 30 other than Zuckerberg that was still there.

Right.

Right.

And so I can imagine if that's assuming these facts are true, he must have been kind of bummed that the first 20 people he got, I mean, in their case, they made up some money, they did great and they went on to other things.

It's got to be hard to keep innovating the way you want to when you lose talent like that.

And what I see is that your Bay Area housing costs create this pressure on people to jump ship pretty fast and it's a rational economic strategy to kind of hop around company to company whether you go to a big company and get paid a lot of cash or you go to start up and you get some options that may be worth a lot of money, you do that two or three times and one of them strikes gold and it works out.

And that's probably good for the individual, not great for the company if the company has long term aspirations to do big things because our Googles are a very impressive company. They produce this incredible sort of engine that is maybe the best economic asset of all time but what I find almost more impressive is that a company like Amazon at 25 years old can launch something totally new like a convenience store and see it kind of work.

And to me what's really impressive is innovation that can happen in the second and third decade and I think to do that, you need a different approach to culture and you need to try to build a company where people don't burn out and where they stay energized and excited about the next chapter and building great new stuff.

And I think that having offices in two places has helped us to do that, to create that kind of more sustainable culture.

So right now as we approach our second decade, our best days are definitely yet to come. We're right now building some things with artificial intelligence that I couldn't have dreamed of three or four years ago.

So we're going to be producing our best products for sure in our second decade.

And you guys, this is kind of an interesting one, right?

Because the service you provide is really simple which is awesome because I love simplicity in general but B, it's just easy for customers and employees even to grok.

What are we trying to do here?

What is the service for?

And so where you guys are transcribing audio to text and you're doing it really well, you're doing it efficiently.

Customers like Google are releasing AI, I feel like every year that's getting closer and closer to being able to do real-time captions because watching a live-streamed video and the captions were so good and it was live, these are only being done I guess through ML and so like that's an existential threat, right?

Where you guys are employing 50,000 people right now which is awesome and people are making money in their pajamas at home.

How does the sort of, obviously you guys are using AI to assist humans but like the AI is coming to be able to do this really, really well, how do you think about that?

Yeah, I mean that's one of our biggest strategic questions and I'll tell you our view on that and other people have a different view.

The people who want to pay, the people who care about quality need the human in the loop

to make it accurate and let me give you some examples here.

Let's just say you have a podcast, you actually have a lot of listeners, right, but you're kind of a small business, there are plenty of podcasts that are smaller than you and then there's this American life, right?

So for the guy in his garage with no budget, he's probably perfectly okay to use an automated transcript from Google or we actually have a service for that, you can get automated transcript that's more accurate than Google's and the automated version is probably good enough for the small guy if he doesn't need a perfect plus podcasts tend to be recorded with good audio because we're sitting here with these great microphones and in a good room and so forth.

This American life wants it right, they don't want any mistakes and even if the AI is a lot better than today, it still takes a human to make it near perfect and when we go out to the market, whether it's our customers that want captions for Netflix or whether it's a market research firm that has a focus group, they want things that accurately, they don't want them full of mistakes, they want a translator caption file to go to a bunch of people and it can't be wrong and as good as the AI is, it still makes a lot of mistakes like a lot and the AI, we use the term AI which is really a misnomer, it's probably more accurate to call it machine learning because the software we have that converts audio to text, it's not intelligent in the way that my three-year-old or my dog frankly is intelligent, it's not doing inferring and reasoning, it's doing strict pattern recognition using brute force and so it makes all kinds of mistakes that a human just wouldn't make, particularly a human that knows our culture.

So understanding, if I'm talking to you and I know you a little bit or I know people like you or your style, I can probably guess what you're going to say next based upon the threat of the argument and this kind of software can't do those things.

I think the way we look at the market is the AI is definitely going to shrink the market in certain areas because there will be some use cases where somebody says, hey, I was paying a dollar let's say for a human to do it and I can have an AI do it for a lot less, I'll do that but what we also see even more so is that as we've rolled out a cheaper AI service, our volumes have grown dramatically because what's happening is people are coming to us and saying I have a whole back catalog of content that wasn't worthwhile for me, it wasn't important enough to pay a human to do it but at your lower AI price I'll do all of it and so we're looking around and saying well how much audio and video is really out there so let's just think about TV for a minute.

When I was a kid I had a black and white TV in my bedroom, 41 so I'm not that old but it had like two knobs, the UHF and the VHF knob and so you could count it only had like maximum 40 stations of which probably like only a dozen had actual content on it.

Now with YouTube I have like half a million decent stations I can choose from, right?

So in my lifetime it went from like 12 stations to like 500,000 and not every station there needs closed captions but all the big ones want it and even the medium ones want it too because it's better for the audience, it's better for SEO, it's better for foreign visitors or people with English or second language.

If it was good and cheap you would want it and what you guys are doing is making it good and cheap.

Exactly, so the amount of audio and video that is of high quality is growing exponentially and so what AI does is it makes things more affordable and we're seeing massive market expansion.

The other example I would say is look how big was the taxi market in SF circa 10 years ago, right?

It's a lot bigger now or the market for personal transport is so much bigger even though the price has gotten lower.

How can that be, well now every millennial who is the one in the bar is probably going to use an Uber pool and pay like seven bucks whereas before there was no option.

The taxes weren't available and if they were available it would have cost three times that.

So the efficiency...

People used to say this about Uber, they said well how big could this be?

Is this overvalued?

Even if it took 100% of the taxi market it wouldn't live up to this and what turned out was in cities like San Francisco that same year, I remember when I read this argument, that same year they three-exed the total size of the San Francisco taxi market themselves.

I remember somebody telling me, somebody told me that same thing and we see the same type of dynamic.

How much audio and video is out there?

It's limitless and how many times were you in a meeting or somebody wanted to know what was said?

Right.

All right, it's 2020, new year, it's going to be a big year and you know we had to come in with some new awesome partners.

So for January we are partnering up with Microsoft and My First Million.

That's right, this episode is brought to you by Microsoft because whether you're just starting out or you're well on your way to your first million, Microsoft Teams can help your team hit the ground running.

With must have features like real-time chat, editing and video calling, all in one easy to use platform.

Teams is a no-brainer at a price you can afford.

Yep, there is a free version of Teams as in it costs \$0.

See for yourself at [aka.ms slash the hustle](https://aka.ms/thehustle).

Again that's [aka.ms slash the hustle](https://aka.ms/thehustle) to check out Teams brought to you by Microsoft.

Love it.

Microsoft, that is a trillion dollar company.

Right, we're talking about My First Million, they're on My First Trillions, that's goals for everybody.

They got there because they build epic products, Microsoft Word, Excel, PowerPoint, these are products that stand the test of time and now they've come out with Teams to help Teams chat, communicate and work together and I think it's awesome.

All right, great.

Let's get back to this episode.

The amount of audio and video that matters is limitless.

So AI is a breakthrough technology that is delivering higher value at a lower cost and so it's going to expand the market and there's a lot of headlines that say robots are coming for the jobs, people have these sort of dystopian notions of people think of like Terminator and when the robots are going to come and kill us all.

That's not what we see.

I mean, I think that sells movie tickets but what we see is that when we go to our freelancers and we give them software that does the most tedious parts of their job better, they think it's great because those aren't the parts they enjoy.

They want to do the parts that require them to think and use judgment.

So I mean, if you look across, I'm an economics geek, if you look at the history of industry, what I see is that as factories bring in more technology, they produce more stuff with fewer people per widget and they require more skilled people.

Right now, if you talk, you know, you read the big challenge of factory owners, is there any workers that can deal with robots?

Right.

Because like, well, it's kind of hard to work with a robot compared to the guy.

Right.

Any teenagers, basically.

Yeah, maybe.

Yeah, maybe.

So let me ask you, before you guys built software for your transcribers, what would the cost be if there was no software per, let's call it minute, and what is your average cost now?

So like that's the efficiency gain, right, through adding the sort of machine learning components where you help their workflow, you speed them up, you take away the tedious parts.

Yeah, I'll answer your question, but I'll kind of go one step back before then.

We intentionally chose an industry that we thought was very large, but that hadn't received any real innovation ever, frankly.

And once in a while, I'll be reading some book about something that happened 200 or 2000 years ago and talks about scribes, transcribing what was said by a president or king or general.

So as long as people could talk and write, people have been transcribing.

And when I was in high school, I remember one of my biology teacher had a wife whose wife would do medical transcription and she would get cassettes mailed to her and she would sort of type them out on a word processor or something and that was the job.

And so it was opening the mail and taking the cassette and putting it in and playing it.

And that was state of the art when I was in 10th grade, circa 1994.

And so then when I started this, you know, nine years ago, state of the art was you get emailed an audio file and you import it to some software that's designed to play audio for transcriptionists.

Typically, you can often control it by a physical foot pedal that you plug into a USB port.

So people have tried to make it more efficient, so the software is made for transcriptionists.

And somebody that was good would have a physical foot pedal, so that way they could have a

third hand.

And the reason for that foot pedal is it would control things like play or pause or go back five seconds.

So people had done some basic things to try to get speed, but the technology wasn't very good.

It really wasn't.

It was desktop software.

If you looked at it, you just, with your kind of bay or your product lens, you'd say not nice software.

And they were typically typing into Microsoft Word.

And that's how we started.

We started doing the same thing everybody else did.

But we knew we were going to build software to do everything that it could do to help in the whole process.

And there's a lot of pieces to that.

It took us a couple of years, but we built software to help people do the job, which is to listen to audio and transcribe it.

And it was full of little productivity hacks in the software.

So for example, they would have, the person would have shortcuts for things like, for a very common word, they might see a lot, they might have a little shorthand for it.

So instead of writing the word because, B-E-C-A-U-S-C, they would type B-C space and it's been informed because.

And there's like 10 other different types of little hacks that's in the software that each one is not that big of a deal.

But when you put them all together, it makes somebody faster.

And so what, and we had teams of people that would, we would watch people work almost like with a stopwatch and figure out when they're getting tripped up and say, let's go fix that point.

We got to unblock this.

And because, because we understood that the faster they could work, the better for everybody. They're happier, customers happier, they make more money per hour of their effort.

Everybody wins.

And we put that software through dozens and dozens of versions and we believe it's the best out there.

And so we probably, as best we can tell, cut the time to do a job or rather double productivity.

Cut the time to do a job at half or double productivity on what the norm was in the industry.

And that was before we brought AI to bear.

And so we've been bringing AI into the picture over the last year.

I think we're still, you know, any one of this journey.

And the AI is not always helpful because with AI, it's garbage in, garbage out.

You know, the old saying, you can't make chicken salad out of chicken, bleep, bleep.

And if, if I record here with you, with these microphones, the AI will do a great job, whereas most people aren't doing that, right?

A lot of it's in a conference room with an iPhone, Doritos bag next to the mic.

Right.

Fan on.

Fan on.

Then a guy with a cough.

Yeah.

They're not thinking about it.

Oh, and then maybe somebody's got a foreign accent because they, you know, reached an immigrant,

which is, which can be harder for certain people to discern the words.

And then somebody like me gets excited and interrupts too much, and so you have a perfect storm of, of like, that's, that's reality.

Right.

Right.

So there's like perfect conditions and then there's reality and we get both, right?

It's like self-driving cars in a parking lot versus, you know, in a city when it's raining.

That's right.

Tahoe in the snow with a fog, you know, in winter and I, and I, and I see conditions.

So the AI today, what I mean by AI, we have a proprietary technology that converts audio to text and we run, we run all of our audio through it and we find that in some cases the AI can do a really good job and we give it to the human being and they love it.

In other cases, the AI can't do a good job.

And so we kind of throw away the transcript and the type of scratch.

So let me ask you a question.

You started this business when you were, or you, you left your job to start this business, but your job was somewhat related, right?

You were at, I think, Odesk, which has been rebranded or acquired or whatever to be upwork. And so did you see this opportunity while you were there that, hey, man, a lot of these jobs are transcription jobs.

What if we, you know, just did that really well?

You know, how did this come about?

What's the origin story from, take us from, you're a guy with a job to, you start this company.

What happened?

Sure.

There was a step in another company in between, not a startup, I'll tell you the story.

So I joined, a startup that was called Odesk, it's now called Upwork, and the company went public in late 2018.

So it was doing pretty well.

I joined this company in 2004 when it was super tiny.

And what was your job title then?

The title, I'll tell you the title and what I actually did.

The title was Director of Marketing and Sales, in reality, I did a lot of product management, I did online marketing, I did a little selling before we automated our sales process, I did fundraising, I helped the founder with the Series A and Series B financings, I kind of

got, I did some operations work, I did everything to be done except for, I never wrote software. And I had a great founder-like experience, I was an early employee, not quite a founder, but I did a lot of different things.

And I joined the company early on, I joined the company before they could pay me, so I worked for free for a few months with the founder before he could find me.

Why'd you do that?

Because I believed he was building something really important.

And I'll tell you frankly, a personal motivation, and there's a little bit of, so one of the biggest questions for somebody who wants to join an early stage startup is how do you negotiate with the founder, particularly for equity, which is the thing that matters most in the early stage company.

And I saved a little bit of money in my previous job, I was willing, happy to work for a few months for free.

Thank you.

Give people a sense of your age at the time.

Are you a 24?

24?

Okay, so a couple years out of college.

24-25.

And I remember calling on one of my mentors, who's a venture capitalist, for advice, saying, I want to go work with this founder.

We have tremendous chemistry, I think the world of him, and he respects me, and there's the things that he's good at are different than what I'm good at, and I think together we could really do a great job building this business.

And the question was, how do I frankly negotiate with him for what equity stake I'd be working for?

Because that was one of the main attractions for joining a company that was so early.

They had no funding, had no money to bank, they couldn't pay me, nobody had ever heard of them, they had like four customers, but it was a big idea, I love the idea.

And the advice I got from this mentor was, and I'll never forget this advice, it was great advice, it was, look, right now the information is very asymmetric.

You don't know, he doesn't know what you're worth, and you don't know how to sell that to him, how to show him that.

So he said, just work for a little while, demonstrate value, and he'll realize that he wouldn't want to do this without you.

And it's, you know, a lot of people want to spend a lot, I mean, I think it's a general point here about negotiation.

A lot of people want to spend a lot of time to use a different phrase, you know, dividing a pie that may never get baked.

And sometimes you want to just start baking the pie and figuring out a little later how to deviate it up.

So what we did is we agreed, we said, we'll work together for, we picked some time period, I might have been three months, and say three months, we're working to sit down and try to figure this out.

And during the three months, we worked together as if we were married, meaning I was a hundred percent dedicated to making him and the company successful.

And we put in place online marketing programs with Google, and we did a lot of product work to get customers coming off the website, and we started hiring people for roles that we needed, and we did some fundraising, and we were having some early traction on that process.

And when we sit down to basically discuss and negotiate on the talk, have the big talk that we build up to, amazingly, we walked in, each thinking, each with the same number in our heads.

Oh, wow.

So.

And what do you chalk that up to?

You were too low.

He's too generous.

How do you square that circle?

Why does that happen?

You both had an accurate view of what this was worth.

I think that there's this phrase in negotiation, like, do you go for the last dollar?

And I think it depends on life about what kind of relationship you want with the person down the road, and I think we each try to come up with something that we thought would be fair to the person, but mutually attractive.

And we worked together enough that I was aware of how awesome the company's potential was.

He had an idea of what I could do, and if we tried to have that conversation.

Too early.

Too early, it wouldn't have gone well.

And he knew that I took a leap of faith to work for no pay for several months because

I believed in him and the business, and it worked out.

Did you signal even at the beginning because I've had a similar experience where I had a company, a guy literally was like, I want to work on this with you guys.

I'll work for free.

I'll, you know, sleep on a couch and we'll figure it out in three, six months.

Don't worry.

We'll, I'll show you first.

And one challenge we ran into, and I love the guy, Sam, you know, big, big shout out to Sam Soli.

You know, we ran into was when we, when it came time for the talk, we didn't know where the other person's expectations were at all.

We had like beat around the bush so completely that when it came up and he was like, well, I, you know, basically want to be an equal partner.

And we were like, whoa, whoa, whoa, whoa, like we didn't even think that's the discussion we're trying to have.

We thought it was between X and Y and that set off a pretty bad tone.

So I'm curious, just to sort of compare personal experiences, it might just be that every experience is different, but did you do a better job maybe of setting the tone or, or benchmarking in some way at the beginning, or did you just happen to have a better outcome than we did?

So it's been 16 years, so the details are a little hazy, but I think we did have some rough discussions over maybe not quite ranges, but, but some benchmarks.

I mean, I was, I had the good fortune to, you know, I was coming out of a job at a VC firm where I was a very junior person, but I had a lot of data on what people earned at startups and what they had in various roles.

And we probably had a little bit of maybe some bookends on the conversation before going into it, I think.

Got you.

I mean, certainly, that's a very, it's a very delicate, that's a very delicate question, but I do think that it's important to always sort of have some broad meeting of the minds before you go into something.

I mean, it's, it's, and there's no easy way to do that.

So one question I get a lot as I do this podcast is people will come to me for career advice and I'm like, you don't look, uh, A, you don't want advice and B, you got to look at your own situation.

But one question I often get is should I, you know, go down this path, start my own company, go down this path, work for a big company.

And the other one that's most interesting because it's, you know, I would say at least known to people is what it's like to do what you did, join early at a company that, that might make it big.

And the question I get a lot is around, um, what are, what are my, what should my expectations be?

So for example, you joined, uh, Odesk, which became up work and ultimately is, you know, public companies.

So that's the, that's the win, you know, financial win is what, uh, that, that startup actually made it through the gauntlet of things that startups normally could fail in and, um, give people a sense if they're that, you know, that person who's 24 years old and weighing their options, they don't quite have a business idea they love and want to start.

They kind of know they don't want to be at a big company and they're trying to figure out, okay, the big company is very clear what I'm going to make.

And at this startup, I kind of don't know how to think about these options.

And you know, if a company makes it all the way like you did, where does that set you up financially?

How would you sort of inform somebody who's trying to make a, who's trying to do a sort of a rational decision financially between those two options?

How would you talk, talk, talk to people about that?

So, um, it's a really important question.

Obviously there's no, there's no like the definitive answer to anything.

And I, I could, you know, give an answer and then somebody could say, well, I did the other path and I was really successful.

So you're wrong.

But, um, you framed it as big company versus join a founder and start up.

And I want to add that there's a lot of room.

Range in between.

A lot of range in between that.

Okay.

And, um, I would think that for most people who, let's say somebody says, I want to be an entrepreneur co-founder one day.

If they haven't yet, I would probably advise them to get involved in a high growth startup first, um, because you're going to learn a lot really fast.

Now, if you start the company great, uh, if you have some incredible passion for a problem, your father had a certain illness and there's a company that's going to solve that illness and you have a dying desire to solve it and you have skills to do so, then go do it.

But what I find is a lot of people want to do a startup for kind of lifestyle reasons.

If they want to be an entrepreneur, they want that lifestyle and they're just hungry for it.

And, um, most people who haven't been in the game for a while probably don't have the background to be able to evaluate a new idea with high confidence that they're going to get it right.

It's all, it's all really hard thing to do.

And that's why, um, if you go, if you look at a startup that has raised venture capital from some decent venture capital firms, is growing quickly, is innovating a lot, um, and you can join in a capacity where you're building and growing something, ultimately hiring people.

Um, you're going to learn a lot of skills and along the way you'll be exposed to a lot of different markets and categories and start to develop a better, um, view over, over what a good opportunity and company might be for you.

Cause there are a lot of people that jump from startup to startup, a lot of little startups that don't go anywhere and they probably have a lot of fun and maybe they end up happy in the end, but I think probably they went in hoping for, um, either a financial outcome or some kind of legacy.

And if you jump into a bunch of companies that don't go anywhere, you don't get it.

Um, I think that if you find that high growth, uh, venture back company and do a couple of your stint at, um, you, depending on what, what sort of function you're into, you know, you want to get in a position where you get exposed, um, to multiple functions.

So, so you have some exposure to the business side of things, um, product is often a good in back, a good area because it cuts across a lot of departments, but you can get, you can get that from a lot of different, uh, fields.

I think most people are better off in the high growth startup as kind of a bridge or, or as a, as maybe a step before breaking out of their own, that's just doing, doing the, the, the numbers of math, I think most people are better off that way.

Um, you know, in my personal journey, um, I had spent the two years before joining up work at a venture capital firm where my job was to evaluate startups.

I had the good fortune to be able to see probably hundreds of companies from the inside and understand how to compare things, um, how to benchmark companies.

And also I had the opportunity to learn a lot and talk to a lot of people about, um, how does a company build enduring advantages, what people these days would call a moat and defensibility.

And, um, I got a lot of great advice from that and a bunch of, you know, very wise, uh, VC partners and entrepreneurs.

And, um, if I oversimplify that story, well, there's a lot of ways to build defensibility.

I think network effects, he's a really powerful one.

Right.

I think it's very clear from the first minute that if, if upwork had any level of traction, it would have great network effects and it'll be very difficult to rebuild that.

And um, that's proven to be the case.

Right.

So, so, uh, you know, I wouldn't knowing that if it worked, it would really work.

Right.

And when you, uh, you said, you know, you had that experience and then you did something between and then you decided to start Rev.

Uh, I was at upwork for about three years, um, for a lot of reasons, uh, I decided to leave, uh, you know, the company, um, the CEO changed a couple of times and, uh, they put me in a role that I didn't think was the right role for me.

So I said, you know, let me go off on my own, get a job where I can, um, save some money and start a company on my own terms, um, and be able to call the shots in a way that I hadn't been, uh, at upwork.

And that's not what I did.

I had a friend who worked at private equity fund and he was nice enough to introduce me and I was able to get a job and, um, it wasn't relevant to tech directly to work, but I learned a lot and, and was able to save a little bit of money so that when I was ready to start a company, uh, on my own for the first time, uh, I could do it with the flexibility of, uh, not needing to raise the capital of day one.

And when I started thinking about, um, what company I want, I wanted to start, I got to thinking about, um, what I learned from upwork, which is that there are so many people around the world that, um, would love to work remotely, but can't, they don't have opportunity in their small town or country.

And I just think that, um, there's going to be a huge change in my lifetime in our lifetimes where by the time I'm dead, I think it'll be a billion people who work remotely, um, up from a much smaller number today.

And that takes some time because the technology has to mature, the bandwidth has to get better. Businesses and businesses have to change so that work that it's done today in a cubicle farm gets spread across people's homes through software and a lot has to happen for that transition to happen.

And so I thought, um, why wouldn't Rev be the company, why wouldn't I start a company to accelerate that, to bring that forward, to give opportunity to people?

And I was able to more or less dissect what did I think were the, um, Achilles heels in Upwork's business model and build a different business model that we don't compete with Upwork in any meaningful way, but there's two things that are different about Rev than Upwork.

For the customer, we guarantee quality because we, we only do one thing.

We can for all of it to text and because Upwork does everything under the sun, they can't

possibly guarantee quality on infinite range of services.

Yeah.

You pick a, you pick an Upworker, you hope that that Upworker is going to deliver what you want with Rev, Rev is telling you, you're going to get what you want.

That's right.

That's right.

A different way to phrase that is that, um, on Upwork, you hire a person and roll the dice on Rev you pay for a service and we stand behind it.

So it's a different thing.

It's, it's staffing versus a service.

Um, and then the other side of our business is the freelance service.

So if you work on Upwork or Fiverr or platform like that, you spend a lot of time applying for jobs.

The median case of somebody in these platforms is create an account, apply that much to jobs, you'll find work, right?

And even the successful ones are applying for a lot of jobs that they don't get.

So that's time they're spending, they're not getting paid for and applying for jobs means putting yourself out there emotionally, getting excited about something.

It's doing a sales pitch and most people don't only have an indoor slam to the face, getting turned out and you have to get turned down a lot to get a job, which is most people not fun this time.

So what we felt is if we had a platform that would provide one kind of service and we standardized it.

So we knew we would only accept jobs of a given category.

In our case, it's audio files we can transcribe that are in English to start.

Then what we could do is we could vet a workforce.

So we don't let anybody do it, but we let anybody apply.

And if people pass our tests and meet a criteria, we have a tiered workforce where there's different levels in our workforce, if you're in the top level to workforce, we let you do any job anytime.

And so those people spend no time applying for jobs.

They can work as much or as little as they want.

And that's by design.

So we had these key differences of I wanted to have guaranteed experience for the customer and I wanted somebody with the right skills to be able to work as much or as little as they want, never have to sell themselves, never have to bid on a job, never have a race at the bottom of saying, that guy will do it for a dollar, I'll do it for 98 cents, never have any of those things.

Wake up and you have your cue.

That's right.

That was the concept.

And then the question was simply, well, what would they be doing?

What kind of work?

And we considered every kind of work under the sign.

We looked at, should they do software development, should they do graphic design?
We looked at what are all the common job types that people do across the internet.
And we studied what was out there and we quickly rejected any job that was pretty subjective.
Yep.
Design can't work.
Yeah.
So like, hey, restaurant needs a logo for its website, but you think it's pretty, I think it's ugly or vice versa.
We'll never agree on that.
Whereas we've chosen categories that are pretty objective.
Now there's always less activity, but what we do is pretty subjective.
You give me a podcast, we give you back the words to it.
You or somebody else would probably agree that we did a great job or not a great job, but now we did.
And not a super high skill bar either for the workforce, right?
So I don't need to have a degree or special training of like, you know, programming or whatever.
That's harder for me to enter.
That's right.
Yeah.
A lot of people can do it.
I mean, it's surprisingly challenging in that you need a good ear or you need to be a good typist and good judgment.
But you're right.
It's a broad, it's a broad need for businesses because a lot of people have audio and video that matters.
And it's a broad skill set that a lot of people know English and can type.
And those are some of the things that led us to it as far as the name, you know, a bit tangent there, we started off with a kind of a funky name.
We started off with the name foxtranslate.com.
And the reason for that was, so our first idea was to translate documents.
And I thought, well, I wanted a website name that was very clear, not confusing to people.
So I wanted the word translate to be in it.
I wanted it to stand out versus all those things that were out there.
And I don't know where I thought of this.
No, I'd say where I thought of this at the time, SurveyMonkey and MailChimp were like animal doing well and task.
Animals are cute.
So what animal could I get and stick the name and I wanted boxes quick to be short.
And I mean, somehow I came across this idea of I had a bunch of ideas, but then you look at like what can you buy and go daddy for \$10, \$12 and a great creative constraint by the way.
Totally.
Totally.

And I knew it was temporary, but we did it.

And we made a foxtranslate.com, I hired a cartoonist in Indonesia to make a cute cartoon fox.

It was really, really cute.

People would see the website and they would smile because it was a very like adorable cartoon fox on our homepage.

You can still find it on the web somewhere.

And that was a great, perfect name to get going.

So I think, I kind of tell people when thinking about naming something, I would spend like no time at the beginning thinking about a name because the odds that your business is going to work are like not super high and so make get the business to work.

Once your business works, then you'll know more about what the business really is and then think about what the name ought to be.

And so we got going in 2010 in 2012, I made it my big priority to figure out what a name would be.

And that's an advice from some investors, I read books on naming companies, I read books on domain names, I looked for inspiration and you know, the problem is you come up with a great name that you think would be awesome for your business and you find you can't possibly get it.

So it's really a two-part problem.

One, it's picking a name you love and then figuring out can you get the domain name.

I'm skipping a bunch of steps here, but well, I actually hired two different domain brokers to go out and sort of buy names because people have different views on names.

I've from the beginning, I had what I'll call a multi-decade aspiration for the company.

I wanted to build a company that creates many millions of work-home jobs over many decades.

So I didn't want the name to be narrowly tied to our first service.

I wanted it to be broad enough to give me room to maneuver and I also thought that a good name that had some meaning to it would create a stronger brand connection to customers.

I wanted people to think of us as more than just some commodity service.

The first name I fell in love with that I was not able to get was Circle.

I wanted to get the name Circle.com and I hired a domain broker to find it for me and she was unable to get it.

I learned later that I think it was Jeremy Allexer had the name for his Bitcoin wallet company that launched a year after I was trying to get it because she couldn't find out where it was and she had this.

She gave me roadblocks like, no one will call me back.

A domain broker is usually going to call back.

Ultimately, we couldn't get the name and frankly, I think it's probably better that we didn't because that led me to more time thinking about possible names and we ended up coming up with the idea for Rev and we paid a bunch of money to get it.

I don't know if I have disclosed but I'll say it now for fun, we spent 400 grand on the name.

How do you know where to draw the line on that, right?

We didn't have much money.

The business was doing pretty well so we weren't burning that much money but that was like a huge portion of our assets at the time but I kind of felt like, well, look, if the company is successful, it's a job in the bucket and if it fails.

It's still an asset by the way.

You could sell that domain again.

For sure.

The reason for the name is probably, there's sort of two reasons.

One is that when people hear the word Rev, they think fast, that's kind of the first thing they think about.

They think speed, like rev your engines, accelerate and the nature of our service is we're really fast because we do something that is usually done by people in a body shop that's slow like a typical customer that wants a 30 minute podcast transcribed prior to us 89 years ago. It would take you 40 hours to get something turned around.

More than that, several days, three, four days and we were, at the beginning we were probably like 20 hours and today we're like a couple of hours.

We're so much faster than the alternative that customers, it kind of blows their minds.

That's one of the most common questions.

Because people will submit something Friday night at 11 p.m. and then at 1 a.m. they get it back on Saturday, 1 a.m. Saturday night or whatever morning, two hours later and they're shocked.

How does this even happen?

If you know how to work, it's kind of easy, well, people are working.

Someone's working and it was obvious that as we more people working, we just get faster. So I thought rev was good for that.

But also there's, I thought I had some other kind of hidden meanings.

One of my co-founders actually did something sort of clever.

This is something that some of your listeners can try if they're trying to think of a name.

He went on Mechanical Turk and he filled his account with like a hundred bucks and I think I had at the time like 10 domain names I was thinking about.

So for each domain name, he would pay people some small amount, like 15 cents to answer a question.

And the question was like, when you see this word, what are the three words do you think of?

And when you use this word, do you think you feel positively or negatively about it?

So for like \$10 per domain name, we got like this tag cloud, here's the words people think about when they hear this and they were sized based upon frequency.

So you could clearly see what words people felt positively about and what people thought of when they saw a word.

And so the primary thing people thought of when they saw rev was speed.

There was a secondary meaning that wasn't helpful to us, which is like reverend, which was not related to what we do.

But I think maybe the third reason was revolution.

And that's what we've always wanted to do.

We've always wanted to help accelerate this kind of new industrial revolution towards

letting people be their own boss, work from home and be independent.

And you know, we thought we're going to create a new lifestyle for folks and we wanted that to come through.

My mom works for a company that does a very similar thing called user testing.

And I remember introducing it to her because she was at home and she's like kind of like retired now.

She didn't really want to go.

She worked in the workforce, but she didn't want to go back and get a job.

She also was bored as hell at home.

Kids were gone now.

And you know, if I told her, look, here's something you could do at home, pick your hours as much or as little as you want, whenever you want in the day.

You already have the skills to do this because you're just going to browse the website and click around and tell people, you know, it'll tell you, go try to check out and you say if it's confusing to you, you don't have to be good at it.

You just say what your actual opinions are.

And look, you're going to make, you know, 10, 15 bucks at a time and that can add up to like, you know, money for your manicure, pedicure and taking us out to dinner or whatever, right?

It's a little slush fund for you.

And she loved it.

She loved it.

She did it so much that user testing hired her to review other testers and basically helped sort of help build their workforce out.

And so I've seen this, like what this means for her to be like, you know, four hours a day, picking her own hours, doing this stuff and having her own income and her own autonomy. And it is a game changer.

And so I've had specific brainstorm around how do we mobilize the stay at home workforce, the stay at home mom workforce that's out there?

How do, what are some other things?

There's user testing, there's Rev, there's, there's got to be some others because I just think that once you see the lifestyle that that enables, it's clear people are going to want that and that that's a game changer for people who are sort of bored and lonely at home and not feeling productive.

And it's a pretty big change.

That's a wonderful example of your mom's story.

And I mean, we see so many similar stories in our workforce.

One of the things I hear most often when I ask people, Hey, you know, what's that working in Rev?

They tell me, I love the content because they're watching movies, they listen to podcasts.

You're interviewing interesting people.

So if somebody and the way our system works is they can favorite a client so they can put a heart next to your name.

Oh, that's cool.

So that way when you have your next podcast, they can check it out.

If they think that you do cool podcasts, they're going to think, man, I can't wait to hear his podcast.

And the people on, you know, the Apple podcast app, listen to your podcast, they don't get paid to it.

So these people get paid to hear your podcast and type it out.

And if you think of, I mean, we do educational content, whether it's stuff from universities or stuff from online classes and how to use Adobe online classes and how to cook or how to bake or how to sew or we have churches doing sermons.

There's content for every possible interest.

This is kind of a tough question, but we'll wrap up because it's kind of a fun one.

So if you couldn't do Rev, let's pretend alternate university can't be doing Rev right now, but you wanted to still work on this mission or sort of push, accelerate towards this future where people are working from home with this flexibility and autonomy.

What's another idea you've had that you guys won't pursue because it's too different or it's too out there?

What's interesting to you that's in this kind of remote world that you're not doing today?

Human education is big, in fact, I mean, it's a story here and this is a humbling experience. We spent a couple of years and millions of dollars trying to build a math tutoring service and we failed to meet our metrics and so we shut it down.

I was a math tutor when I was in high school and I spent a lot of time driving from one person's house to another.

I couldn't tutor until I could get a car and maybe we're early or maybe we picked the wrong market, but education is an industry where the government provides most of it and hasn't seen a ton of innovation and I think everybody knows that there's this notion of the flipped classroom that the whole model of read the textbook and listen to a lecture may not be the best model anymore and I think it's clear that online education is a massive opportunity.

There's some big companies.

There's a company out of China called VIP Kid that has a lot of people in the US often you know, stay at home moms or retired teachers who will work online on video teaching English to Chinese children and that's a pretty big market and I think if you play it out, you know, if I want to get the best education for my kid, well, where's that going to come from?

There's a lot of things that you get from a teacher in person, but if you want some specialized knowledge that you can't get or you don't have the best teacher in your school, I think it makes a lot of sense to look at the whole world and so I think I think education is an industry where remote technology is going to be a really big factor.

Love it.

Jason, this is awesome.

Where can people find you if they want to learn more, connect more with you, follow you on Twitter?

Shout it out so people who are listening to this can find you.

Yeah, I'm on Twitter at Jason Chicola so you can connect, DM me and love to hear from

folks.

Awesome.

Thank you very much.

Thank you very much.

Thank you very much.