

[Transcript] My First Million / #67 - A Very Random Episode

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.

Okay.

We got a friend of the show, Jordan Harbinger is here.

Jordan, how are you doing, man?

Thanks for having me on, man.

I'm just chilling, self-isolating, the use.

We are all isolating, but I appreciate you dropping in on the show, just parachuting in, just for a couple of minutes.

It's always fun to have you.

This is a crazy time, 2020 has been a crazy year.

We got coronavirus, and we also had the sad, tragic passing of Kobe Bryant, who was a guest on your show.

How did that happen?

How do you get Kobe?

Yeah.

You know what was funny is I was pitching a publicity team for a different guest that I can't even remember now, because he was about 1% as famous as Kobe Bryant.

They booked it, and it was like some comedian, which I, of course, was really excited about.

They booked it and they canceled it, and I got really annoyed, and they said, well, would you consider interviewing Kobe Bryant instead?

I said, yeah, of course I would consider that.

Let's do that.

We set it up, and I flew down to Kobe's office and went over there and hung out for a while and did the interview right there.

It was incredible.

It was a really interesting experience to be there with his team as well for that day.

Honestly, it was probably September of 2019, so the timing was interesting.

You know me, I asked him all kinds of questions that had nothing to do with basketball, including about creativity, business, hiring, and firing, because you wonder how a guy like Kobe Bryant decides who to hire and how he lets people go.

I don't know if I'd want to be on the wrong side of him.

I did end up asking him about his life and what he's going to do for his second act,

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and creepily, I asked him if he ever thinks about what he's going to do if he were gone because he has kids, and he was really, really honest in the interview.

He was really, really straightforward, and I admire that.

It was a really good interview in my opinion.

Yeah, that is intense.

High stakes interviewing, to say the least, and was he like an idol of yours before you did the interview?

No, man.

Honestly, look, who doesn't love watching basketball, but I'm just not a fanboy of athletes in general, so it was a great unique opportunity, but I wasn't nervous because of that.

I was more nervous because you just never know if your audio equipment's going to screw up.

I was more nervous like, make sure it's recording than I was nervous to be sitting in front of Kobe Bryant.

Honestly, he was so friendly and unassuming and not very loud.

In fact, we even had audio issues recording it because we're like, hey, we got to turn him up really high, and I said, you're really quiet, and he goes, yeah, I'm just not a loud guy, man.

And I was like, oh my god, can you be loud for the next 45 minutes?

So it was a really unique experience.

I'll be thankful for that for a long time to come.

That is amazing.

When we started this show, we were doing the interview style thing, and I made a bucket list, a wish list of all the guests that I would want.

Kobe was on there, and when I look at your show, and I've been going, I've been plowing through the archive of episodes that you've got, you've had a bunch of them.

So you've had Tony Hawk, you've had Kobe Bryant, who are some of the other awesome episodes that people should check out if they do binge your show like I'm doing?

Sure, yeah.

Howie Mandel was really good, the comedian.

He was very open about things like mental illness and how he doesn't shake people's hands.

I've had Dennis Rodman, Malcolm Gladwell, and I also had Frank Abagnale, which a lot of people haven't heard about or from, but he is the catch me if you can guy.

So he's the real guy that was played by Leo DiCaprio, and we talked about the psychology behind how he was able to trick so many people.

And now he teaches, of course, FBI and intelligence agencies how that's done as well.

That is amazing.

So if you're one of the listeners to the show who misses when we used to do the interviews and bring in guests, well, this is my recommendation for you.

You should go check out the Jordan Harbinger show.

He's got tons of interviews from guests that we were hoping to one day have on our show.

He's already had them on.

Check them out on iTunes, on Spotify, wherever you can find it.

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Jordan, appreciate you as always dropping in on the show.

Yeah, thanks for having me on, guys.

We're on.

We're back.

What's up?

Me and Sam are here.

Sam, you wrote something at the top of this.

I want to hear what you have to say, which is people's reply about what we talked about last time.

Thrasia, let's jump in with that.

All right.

You want to, I'm going to read just word for word.

I have it pulled up on my Twitter.

Okay.

I'm not going to read the guy's name.

He goes, I'm a modest size mid seven figure Amazon seller and a network of guys that range from one to two million to probably 50 million plus.

We have a few guys in our network that actually sold their company to Thera, how do you call it?

Thrasio.

Thrasio.

Thrasio.

I'm happy to chat about Amazon e-commerce sometime.

Okay.

So I'm going to read his replies.

Now, for those of you listening, the background is, is that on Tuesday, Sean and I talked about Thrasio.

It's a company that raised money.

They raised a hundred, 200 million at a 750 valuation.

I don't remember.

Yeah.

Close to a hundred million at a 750 valuation.

Big company.

You can, they're only two years old.

What they're doing is buying Amazon fulfillment, filled by Amazon company, fulfilled by Amazon companies and they are making the brands better and just owning them.

They're doing a bunch of stuff and so I had a guy reach out to me and I go, that's great.

Tell me, what's the, I asked them, what's the cash flow situation like for most guys sub 10 million dollars, they're probably working with zero to a handful of us employees still actively involved in the day to day, large team in the Philippines and in cheap locations and are probably netting between 10 to 20% a year.

And so the typical size for three to five million, the typical size is three to five

million in revenue and they're probably pulling in 500 to a million dollars a year for themselves.

But the problem is, is that it's getting harder and harder.

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In 2013, you could sell almost anything and scale seven figure business.

Now there are a lot more dominant, more sophisticated players and it's incredibly hard to enter in the business.

The Amazon algorithm is much smarter and it makes ranking incredibly expensive and difficult. Also Amazon treats their sellers like trash.

So it's kind of a mixed bag.

I could take a month and do nothing and let my team run it and it can go perfect.

Or I can get an email tomorrow saying my account has been suspended or killed and I need a lawyer to reinstate everything or I'm just crushed.

So anyway, Sean, I wanted to fill you in on this because I thought it was cool and say

I didn't know about that.

That's a good insight.

So a couple thoughts on that.

So the first is, I think he's right, back 2013, 2014, it was a lot easier to do it than it is today.

That seems consistent with what I've heard.

In fact, it seems like the formula is build a successful Amazon business in 2013, 2014, 2015, then start teaching other people how to do it because it's too hard to do anymore.

And so now you start giving away the sort of secrets and you become a teacher for the next three years.

So I think that's the career path right now.

The other thing that comes to mind, we were talking, I was talking to Andrew Wilkinson about this and he was saying, he used the, I think it's a Charlie Munger quote, which is, no, no, no, it's a Nassim Taleb quote, which is, it's like picking up pennies in front of a steamroller.

So there's a high probability you can make a little bit of money consistently every single time you reach down, you pick it up.

And then there's.