

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.

All right.

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

He's one of the guys who's been advising us on how to build this podcast because his podcast is way more successful than ours and has been around.

He's been doing podcasting for like 12 and a half years, which Jordan, that's got to be as long as podcasting has existed, right?

Yeah.

I think podcasts have been around for like 14 years and I've or 15 and I've been around for 13 of those.

When I started, there was no way, there were no iPhones, so you couldn't get podcasts on your phone.

You had to use an iPod to play them.

Yeah.

Straight to cassette.

That's how long this guy's been doing it.

So Jordan, I like your show.

I've been binging it while in quarantine because what else am I going to do besides try to learn something new or improve myself in some way?

And I got to say, I like it because you do the interview style show where you go deep with a guest.

I think, you know, you had it, I was listening to the one with Tony Hawk, which was pretty awesome.

And I got to say, I like that you don't do the kind of surface level, you know, just just, you know, pitty patting around with the questions or trying to do, you know, inspirational fluff where you're just saying, go, you can do this.

So with that episode with Tony Hawk, what was that like as Tony Hawk's an icon?

How was it, you know, interviewing Tony Hawk?

It was great.

He's a really interesting guy, really open and fun and he told some pretty funny stories.

One which was very apropos of what's going on right now is one day he walked into his agent or some sort of marketing team that he'd hired.

He walked into their office.

This is like at the height of video games where he's making, I don't know, 50 million bucks off these skating games and these brands and he goes in and he says, look, I got this backpack that was made pretty shoddily and it's got my name and face on it.

I don't want any more stuff like that.

And as the agent, marketer, whatever is sort of nodding his head and understanding, Tony goes, wait, what's that on your shelf?

And it was a roll of toilet paper with Tony Hawk's name, face and logo on it.

And he goes, what the hell is that?

And the guy goes, oh yeah, anything we put your name and face on does so well.

We were joking that we could put your face on toilet paper and we'd still be able to sell it.

And he fired them on the spot because it was clear that they didn't value his brand, which I thought was a funny story.

He's got a ton of stuff like that that he talked about on the show.

That is epic.

You know, I actually met Tony Hawk.

We went on a trip to Africa, a charity trip together and believe it or not, we were halfway up a mountain in Ethiopia where, you know, it's like, this is a mountain village and somebody saw him there and they were like, Tony Hawk, you know, that's probably the only English word they said to us all day.

They identified Tony Hawk on a mountain in Ethiopia.

That's how famous that guy is.

So that's an amazing guest to have on the show.

Even being that famous that you get recognized in the middle of countries where like, nobody speaks your language and they maybe don't even have skateboards yet.

We were there trying to give people clean water.

They didn't even have water, but then you Tony Hawk, that's how that's how famous I got.

Amazing.

Awesome.

Well, if you want to hear more from Jordan, we're going to be having him on more and more.

He's a friend of the friend of the house and you should listen to the show.

It's one of the podcasts that I would recommend if you like Tim Ferriss's stuff, if you like our stuff, you're going to like his stuff.

And so go check out the Jordan Harbor and Gear show on iTunes, Spotify, wherever you get your podcasts.

You'll find them there.

I think a lot of great companies are monarchies, either as a king or a queen and that person's the boss.

What's up, good people?

We are back.

Sam, how you doing, man?

What's up?

New Mike.

New outfit.

New room.

New room.

Somebody wrote in the comment section, they go, I would give this five stars, but Sam's Mike sounds even worse than before, so until you fix it, I'm not going to give you five stars.

So it worked.

Nice.

All right.

You're motivated.

Cool.

We've got a bunch of interesting stuff to do today to talk about today.

I feel like today, you know, sometimes we come in and there's one bullet in the chamber and you're hoping that that's the one that fires out.

I feel like we got six bullets in the chamber today, so I feel good.

And you want to start with this article?

You just made me read.

Yeah.

All right.

I'm going to read the Mark Andreessen, It's Time to Build blog post.

Why?

Because it was a bit polarizing.

Some people were like, hell yeah, I'm inspired.

This is, you know, cold arms for the tech industry, for entrepreneurs.

And then some people were like, yo, he just said a big deal.

Dude, it's not for the tech industry.

I can't stand this stuff.

There is no tech.

I don't want to use the word tech industry anymore.

There is no tech industry.

Everything is the same.

Everything is tech?

Or you're saying there is no tech industry?

What does tech industry mean?

Like the internet companies, technology companies.

Every company uses the internet.

Every company uses technology.

I hate when people say it's the tech, no, it's not tech.

It's everyone.

I mean, even the dumbest restaurant that's run by people who are 100 years old that don't know anything about, quote, technology, have a website.

I like that you're coming in hot today.

I like it.

All right.

So that's true.

Yeah.

So the recent, probably the prior most famous blog post that Mark had recently put out was Software is Eating the World, which is basically what you're saying, which is that, hey, yeah, it started where software was for software companies and for internet companies.

But every company is going to use software.

Every company is an internet company.

I don't care what industry you're in.

If you haven't already been transformed using software, it will happen.

Software is eating the world.

So this is the most famous blog post, I think, since that.

What did you think?

What posts were you, A, inspired, B, annoyed, C, other?

You want to summarize the article for the readers first or listen?

Yeah.

You just read it.

So you do it.

Okay.

So Mark Adresin, big time investor who's been quiet a lot lately, but he's pretty much the best of the best when it comes to venture capital.

It's an article called Time to Build.

It went pretty viral.

I don't know when it was launched, three days or announced or released a few days ago.

They basically just says the corona might be some people's fault, might not be some people's fault.

It doesn't really matter who's fault it is, but the fact is, is that we have to create stuff.

We could have been prepared, or not prepared, but we could have had, we could have built things.

For example, right now, what is it called, the PP, what's the loan program, that's been a disaster.

I've gone through it.

It's been a disaster, it's been quite hard to distribute that money.

It's been quite hard to get vaccines.

It's been quite hard to get therapies for corona.

And what he is saying is, yeah, it's because we've all gotten complacent and we haven't aggressively pushed forward to make new stuff.

And it doesn't matter what it is.

It could be skyscraper.

It could be games.

It doesn't matter what it is.

But he's just saying, it seems like he's mostly saying America has become soft and not innovate quickly.

Has not innovated quickly.

He's basically like, it's a failure for us to take action.

So he's like, okay, yeah, why don't we have ventilators?

Why don't we have enough ICU beds?

Why don't we have the ability to pump out a vaccine faster?

Okay, even simpler than that.

Why don't we have enough cotton swabs?

Why don't we have enough gowns and masks and ice shields?

Why can't we get these faster?

Like the hospitals are asking for ponchos to be used because they're running out of medical gowns.

Like ponchos.

This is America.

This is 2020.

How is this possible?

You know, we decided to give trillions of dollars to bail it out.

We can't even give it out.

We don't have the infrastructure to even give out the money.

Why don't we have, why are we sort of so complacent and why are we so slow to action?

Why didn't we take action before this?

Why can't we take action post this?

And it was sort of like, you know, you're losing your edge.

So he gives an example.

He's like, when HBO wants to produce Westworld and they want to portray like, you know, the American city of the future with like, you know, modern everything, they don't go to Seattle or LA or New York.

They go to Singapore.

And, you know, that's where that looks more like the future than America does.

And so then he, you know, education, he goes through manufacturing infrastructure.

And so he just goes through each thing and his thing is like, you know, it's time to build.

We need to be building and rebuilding all of these things called, you know, universities need to be rebuilt, roads, cars, you know, we need, we need to build.

And that's sort of the call to arms.

I have a strong opinion about this.

So you know this.

I'm a history buff.

I love, I love reading about history.

It's, it's my favorite thing to do.

And my favorite era is right as post civil war.

So like 1870s to about 1920.

Are you familiar with that era?

No.

Okay.

So it's a really interesting era.

The civil war just happened.

And imagine, I mean, more people died in the civil war, maybe than any other war America's ever had.

I mean, it was, it was brutal.

And afterwards they were like, all right, let's get to work.

Let's do some cool stuff.

Everyone was like, almost stir crazy.

And so they created a lot of amazing things.

And this is where Vanderbilt came from.

This is where John Rockefeller came from.

This is where Andrew Carnegie came from.

And the reason all these great businesses came to be is like I said, people were hungry, but also America wasn't number one.

I mean, we were still growing.

We were, we were trying to become the best at whatever we were trying to become.

And also there wasn't a lot of regulation.

And so this is why a lot of these guys who seem like they're so rich, I mean, John Rockefeller, Andrew Carnegie compared to Jeff Bezos were significantly richer.

And it was because they're up until Rockefeller in the 1920s, anti-monopoly.

There was no system as monopoly laws.

There was no stock.

There was very little stock regulation, stock market regulation.

You could do anything.

And one of the reasons I think a lot got done is because A, you could do anything, which was pros and cons.

And B, we, it was kind of like a crony capitalism, but also we weren't number one and we wanted to be number one.

And that's why a lot of really interesting things came from.

We were the underdogs still.

And in my opinion, China is kind of like America in about 1910, which is America had a lot. China isn't capitalism.

They're not communism, but they're definitely, they're crony capitalism.

And that's kind of what America was a little bit in the 1910, 191910.

And anyway, I think that what we need now is definitely far more like we ain't shit.

We're the underdog.

We have to win almost when it all costs type of mentality.

And that's impossible, I think, for America to do.

Like, you know, I think about it now.

I went from doing startups for 10 years to now I work in a 2000 person company.

And no matter the good intentions or even, you know, individuals who have rally cries like this, it is like impossible to change, you know, such a big ship.

That's a 2000 person company.

Imagine, Sean, I'm going to take away your apartment from you.

You're now fired.

That doesn't happen.

What I'm saying is you have to provide for your daughter.

What are you going to do?

What I'm saying is it doesn't happen, right?

So inside a big organization, it doesn't happen.

America is just a giant organization, right?

So you have all these different parties, all these different constituents, all of whom are, you know, contributing to this one large institution called America.

The reality is that changing that to be to go back, you can't like turn back the clock and go back to where regulation goes down.

He goes, yes, I can make her go up, she's up right now.

We just approved a trillion dollar bailout in five days.

That's how big companies try to solve problems is by approving a giant cash bailout.

That's not, that's not doing what this is about, right?

What this is about is sort of, you know, the call to arms on building, innovating, taking risks and holding everybody to that standard.

And if you're not doing that, you need to either support that or you need to get out of the way, right?

You need to build, builders go build, supporters support the builders.

And if you're neither of those, you need to get out of the way.

And I just don't see that, I don't see that happening.

I think that's like a dream if we think that that's going to just change, that culture is just going to change now when there's like, you know, 300 million people who have been operating some certain way their whole life.

And I think you can change it, but I don't think it will, but I think you can change it if, if Sean got laid off in the bank that he stored his money at, went out of business and he lost all of his money, I have a feeling you're going to get an urgent and you're going to create something cool.

People will write and people will, yeah, that, that sort of thing can happen.

I guess what I'm saying is like, even when you just look at the coronavirus response, you see what China did, you see what Singapore did, you didn't see what South Korea did.

They were able to mobilize cause they're actually run like a startup, right?

It's essentially, you know, like a dictatorship where they're like, okay, here's the new way we live.

If you're not on board with that, um, sorry, there's no debate here.

We don't care.

I'm going to weld, you know, in China, they're literally like welding people's door shut.

You're not leaving the house.

Oh, you wanted to go over here, temperature check on your forehead.

Nope.

Go home.

Um, right?

Like you were closing all of this down.

Uh, you know, we're not going to give you any warning or anything, right?

Like they, they were able to call a response that frankly we don't have the muscle for nor the stomach to, to endure.

So here's how I think about it.

Hard times create strong men, strong men create good times, good times, good, yes.

Good times create weak men.

So hard times create strong people, strong people create good times, good times create weak people.

And that's the cycle.

That's, that's the cycle.

And, um, so the way that I personally suffer from this as well, so do you, you make money or you have success and you get soft.

I like betting at all.

I love, I love, um, putting myself in situations to where the risk of failure is strong.

Um, and I personally love that stuff.

And so I, I think just, you have to find ways to put yourself in a corner where you have to fight otherwise.

So I think individuals are going to do that.

I think small organizations are going to do that because they're going to be led by people with strong wills like this and with strong mentalities like this.

And then they're going to be able to override, you know, if you're alone, you're overriding nobody.

If you're in a small group, you're overriding a small group of people.

Then as it gets bigger to the big companies and then eventually to the country, um, I don't think that realistically, I don't think that that's what happens.

I think what happens is what you're talking about where hard times make strong people.

Um, that's what's been happening in other parts of the world.

And they've just been getting sort of stronger and stronger and living in with a certain level of toughness and a certain level of, um, of non complacency.

Um, and so they will thrive during the hard times in ways that we will not.

That's sort of my, my pessimistic view.

There's this, um, great ad campaign that was from the 1960s.

It was, uh, I thought it was Hertz.

I just looked it up.

It was Avis.

Um, Avis was the rental car company and they were clearly number two by like a lot.

Like Hertz was the, the market leader and everyone knew that it's kind of like McDonald's versus, uh, like Taco Bell or something like everyone knows McDonald's is more popular and Hertz had this ad campaign called we try harder and, and then they also had other parts of the campaign that says we know we're number two and that's good for you or, and like they just like, they like said that they were number two and like, this is why you, we have to work extra hard to beat, to do this.

And they ended up becoming number one in the market for a little while and the campaign was a huge hit.

And I think that's like the perfect explanation of what's going on, which is like, you have to act like you're number two.

Right.

You have to act like you're the underdog mentality and, and that's hard.

It's hard to create that fake, um, I'm a dude, I'm always referencing history.

Here's another one.

Ted Turner did the same thing was he would always pick up enemy.

I mean, these, these are just like basic strategies, uh, for like war and leadership, which is you, you always have to act like you're the underdog.

Right.

Yeah.

You know, this, this actually happened in sports as well.

Sports isn't the other sort of great metaphor for life.

And like in basketball, the warriors had been dominant for the past five years.

They went to the finals five straight times.

And so the warriors were so damn good that most teams basically just sort of threw in the towel or were like, you know, they just sort of silently marched to their slaughter.

And a one team, the Houston Rockets basically decided, okay, you know, we have two options here.

We're either going to also just walk to our slaughter or we can fight back and we will still probably lose, but we have to sort of David and Goliath this.

And so the general manager came out and he was like, um, he said what everybody was thinking, which is look by default, the warriors are going to win this year and every year.

So we need to elevate our risk profile.

So we're going to do some things, you know, they're, cause people, they made a couple of trades that were like on paper, kind of crazy.

And they're like, yeah, you know, we just thought like with our current team, we were very good, but very good was going to be for sure a second place.

Like there was no way we're going to beat the warriors.

So now we're going to go to this crazy strategy where we traded a whole bunch of players that got rid of all of our big guys.

We're only going to shoot threes.

And Hey, if we get hot, we can knock them out.

And it was like, they wanted to give themselves a puncher's chance and they literally, um, you know, we're very open about it and it was very controversial.

And I think this happens in business too, where if you're the clear number two, not only do you have to try harder, you need to elevate your risk profile.

And so how do you take greater chances given that by default, you're going to lose.

So if you're going to lose anyways, you have really nothing to lose besides, uh, you've got to lose and therefore you should elevate your, your risk and try to get into a more high volatility scenario where you may actually win.

I love it.

I love these types of conversations, um, and learning, I mean, you watch, I guess you definitely watch the Jordan stuff.

We're going to have to talk.

I don't want to talk about it today, but we're going to have to because that's similar to a lot of this stuff for sure.

For sure.

All right.

Let's pick another topic on this thing.

Let's talk.

Yeah.

On deck.

Okay.

And then only.

Okay.

Let's do on deck.

All right.

So do you know what on deck is?

Yeah.

So it's, uh, be on deck.

Is that the website?

That's the handle.

But yeah.

Uh, I think it's beyond deck.com.

They went to Y Combinator.

Uh, they're, so I have friends that work with them, um, and they're confusing.

Like the website, I think is dumb, but people like the product.

So it's a small critique.

So, okay.

So let's explain what it is.

So be on deck was started by Eric Tornberg, Eric Tornberg was one of the early employees at product hunt.

I think he was employee number one and he helped Ryan kind of build the community, host events.

He was just kind of jack of all trades guy.

So product hunt was such a big deal in the tech industry that, uh, Eric got extremely well connected and so he started doing several things.

Um, I would say he parlayed his position, which was like, you know, uh, product was a cool company, but it wasn't this massive success.

It wasn't Facebook or Google.

Like they exited, I think for 20 million bucks to Angel list, which was like about the same valuation that they were, that their investors had invested in the map.

So it wasn't this like home run, um, you know, grand slam type of outcome, but it was definitely a good product.

And, but what Eric did was he parlayed his position as just like, you know, employees slash community builder at product hunt into like today he has a fund called village global, which has like, I don't know, Warren Buffett and Bill Gates as LPs and his fund.

It's like pretty insane.

And so he raised the giant fund, he invested in companies and then he started this thing called on deck, which was one of several experiments he was doing.

Now what on deck is, is you're an employee at a tech company, you're thinking about what's next for you.

You want to go start a company.

Um, so you're on deck for your next opportunity.

And what he did was it was like a set of meetups and an online educational program.

So basically it's a bunch of meetups where you might meet your new co-founders or hear ideas to, you know, help you get ideas for what's next or meet people that you're going to work on, work with your, or sorry, that'll be the founding team of your startup.

And then also they do like speaker series so you can like learn about stuff.

So it's kind of like a, that's how it started.

In fact, I hosted the first, I don't know, five on deck events at my office.

And so I literally was there from, you know, event one, I think of the program and it was like, okay, this is kind of cool.

Like this guy works at coinbase today and he says he wants to leave and go start a company.

Interesting.

What's he thinking about?

Maybe he's looking for a technical co-founder and here's this engineer that wants to work with him.

So I kind of wrote it off as like, I don't know, it's like a meetup, it's kind of like a founder dating type of thing.

That idea had been around before co-founder dating, I think it was called founder dating, something like that.

Yeah.

I was like, okay, whatever.

Which I think is so stupid as well.

And then Eric moved on.

And so I kind of wrote it off in my head.

Then I saw this tweet recently that brought it back.

He goes, be on deck is going to do a million dollars this year in revenue.

And I was like, what on deck from what?

And he's like, so we're doing a million dollars this year.

We think we're building the Stanford MBA program for founders.

And you know, I think, you know, there's a pathway to 10 million and a hundred million.

Right.

Okay.

So let's ignore that last part because that's the generic like founders can say whatever the fuck they want.

But let's look at the first part.

So million dollars.

Where are they getting that from?

So they now charge about a thousand bucks to be in on debt.

So you're, you're somebody who's trying to figure out what's next.

You pay a thousand bucks and you get into this network, you get to go to these events and you get to maybe meet your future co-founders or hear a bunch of cool ideas.

That sounds great.

I should steal that.

Then he, so he's got a thousand people paying a thousand, a thousand bucks a month to be a part of on decks like batches.

Wait, you're, you said a thousand people at a thousand dollars a month.

Not a month.

Sorry.

A thousand dollars a year.

Um, I think it's like per, I think it's not like a yearly subscription.

I think it's more like a batch.

Like you're, you're like in on deck.

It's a program.

Like cohort.

Yeah.

You're like in a cohort.

So anyways, thousand people, a thousand bucks a month.

Okay.

I think it's over a million dollars a year.

All right.

Not bad.

So why is it the Stanford MBA?

So this is where I started to look at it differently.

So why do a lot of people go to business school?

A lot of people go to business school.

First very few people go to business school for the education.

Um, you know, if you wanted to learn about a P and L and like a cash flow statement and how to do a discounted cash flow, like, you know, analysis you could do, you could just go on Khan Academy and find that in 10 minutes and be done with it.

So people go to business school because they're looking to pivot their career.

They have a job that's good.

They go to business school because they don't know what they want to do next.

And business school is like this mixing pot where you just go, you meet a bunch of other people, you have a year to figure your shit out and nobody's judging you.

You're not like an unemployed bum sitting at home.

It's like, no, no, no, I'm going to Stanford Stanford for my, for business school or whatever.

And so people use it as a, uh, as a career pivot to figure out what's next for them.

So what he's done is he's basically just built, he's unbundled that part of business school and just built that as a service.

And I think that's actually really fucking smart.

So now I'm looking at on deck, like, oh, he's unbundled one of the core values of business school.

Um, and he's offering it as a service for one 10th of the price of business school, 120th of the price of business school.

So now I'm thinking on deck is actually pretty dope.

What do you think?

Okay.

So to sum it up, it's just a network, right?

It's a network of other people who are also looking to start companies.

Okay.

For sure.

That can be a good business.

I mean, that's just Vistage.

That's just YPO.

So for sure, that's a, that's a, that business could be large, um, what do I think of it?

I, I'm, I'm mixed.

If they stay like this like niche thing, um, like only for like startup entrepreneurs.

I'm not, I don't know.

Can that be big enough?

Like, is that BC funded big enough?

Um, you know, it's, it's hard to say, right?

Because a lot of these things that are catering, you know, when people started making developer tools, it's like, okay, how big is that?

Then that turned out to be really massive because it turns out there's a lot of devs and they all make money and they could pay for things.

Um, and then on the other side, you have like Angel list, which is essentially Angel list is linked in for the startup community and Angel list is now like a multi-billion dollar company.

Well, but that's not how Angel list doesn't make Angel list doesn't make money from job or LinkedIn makes money because they have 200 million people who use it and then they make money from job placements.

They make money from, um, software via their subscriptions via their, um,

Yeah.

So they make the money from, from, from recruiters basically and, uh, Angel list is amazing for jobs.

They don't charge for it currently or they have a list, which they charge for just a small, it's like a, that's their first attempt at charging for it, but Angel list is already, I think placing more startup jobs than any other network, uh, uh, that's focused on startup jobs.

Angel list job platform is amazing.

I only, if I hire, I only hire off Angel list jobs.

Am I being a hater?

Could this be big?

I, so here's why I don't think it's going to be big.

So what, the reason why I don't think that it would be big is that starting a company is, uh, not capturing the startup community.

It's capturing the founder community for every company you have, you know, hundreds of employees,

but you only have one to two founders.

And so they're capturing just the sort of 2% of the startup community, which is 2% of the overall job market.

So yeah, that's why it's small.

That's why that's small.

Now they're, um, their revenue could come not from just people paying for the cohort.

It could come from other things.

They could be investing in this and this could be like a, it's like a pre YC, right?

Cause you're actually finding the startups before they've even formed.

And so you could get first dibs.

You can get very cheap options on, on startups that come out of this.

That's dependent on how, that's dependent on how good of talent you could be.

But do you know these things like founder, like these ways where people are like, I'm looking for someone to start something with, um, in general, I think that is a horrible idea.

Um, you know, matchmaking and starting a company with somebody.

Yeah.

That's stupid.

And so I think if someone's like, yeah, I want to meet other people to start a company with, I think that in general, and I, I never, I rarely try to say like it's always, um,

bad because there's stuff it could in general.

I think that is incredibly stupid.

I actually agree with that.

I agree with you a hundred percent.

I think that's suboptimal.

Yes.

It's not, it only works if it's like an Indian marriage where it's like, all right, fine.

We are being assigned, we're in, there is no outs.

Yeah.

If that is the case.

And yes, I think, I think that in some, like, are your parents, were they arranged?

My parents were arranged.

Yes.

And I think that a lot, I don't know.

I'm just, you would obviously know way more than I do.

But I think that if you arranged marriages, I think could be, I bet a lot of them could be very happy.

Yeah.

The success rate is pretty much on par with the American marriage success rate, which is both poor, like both of them, 50% divorce rate or whatever.

Um, and it's also weird because you can't measure marital happiness in any way.

You only measure divorced and any people don't want to get divorced because of cultural taboos.

So their divorce rate is lower.

They're more willing to, they're more willing to stay in an unhappy marriage than an American. Yeah, and I don't know how like whole culture, like regards like abuse and like if you should leave or should not leave.

So like it's a whole sticky thing that I'm not even going to get into.

But my point is that when you don't have an option, then yeah, if it's like, all right, we're in this together, no matter what, then that is interesting.

But for, if you're going to this thing, like, oh, I'm going to meet another person to start a company with, um, I think that is stupid.

Yeah.

I don't support that at all.

Right.

So, so better ways to start your company, take people you've already worked with or at the company you're at right now.

Like find the star person in your company and spin out with them or, uh, you know, just start working on it alone, but talk about what you're doing and great people will come to you and, uh, you know, filter them.

And then if anybody really is at that level, go ahead and make them a co-founder or find somebody who you, uh, believe is sort of like a domain expert or you think could be that person and then date them for a while.

So don't start a company with them right away.

Just start talking to them, talking to them very frequently and maybe work on some side projects together before you go all the way and, yeah, that's why I always thought that white commentator was weird.

I mean, I think it's great, but if they do something like where they're like, you meet someone and like, oh, this doesn't work and just pick a new idea and you only have three months.

I'm like, no, fuck that.

So where did you find your co-founder for the hustle?

Um, so, okay.

So my story was I moved here from San Francisco or sorry, from Nashville.

I went to founder dating, no, not a chance.

I rented an Airbnb and it was the cheapest one in the city and it was John Havel.

And, um, I was currently, I was came out to start something and I would, he would just be up at night, like, uh, talking to people who it could see had this idea that he was working on it.

And eventually I go, Hey, John, can I just like work with you on free time?

Like I'm here.

I'm going to go get an apartment full time, but like, you just want to like, you're riffing on this.

And so we did.

So after two or three months, he was like, all right, you're now my partner in this business.

And then I left or we did it.

We had an exit and then I went and started the hustle and I started working on it by myself

for a year or something.

And I go, John, you want to come and join this with me?

Yeah.

So it was serendipity.

Right.

But by the time you started the hustle, you'd already worked with the guy before for years.

You sort of knew what you were getting into and for better or for worse, right?

But like you, you weren't, um, just matching at a, at a meetup and saying, Hey, you want to, you know, do one of the most intense experiences of our lives together.

Um, you know, you, you actually knew the guy for the record.

My next company, if I ever start another company, if who knows if it's less forever, if we sell it, okay, but I, um, I won't have a co-founder next time.

Okay.

I'll either do one of these things.

If I have a co-founder, then they will be the majority owner and I'll be a silent partner and I won't work on it that much, but I'll fund it or be like an idea guy or I'm not going to have a partner and I'm just going to pay everyone's salary and I'm just going to own it all.

And why is that?

So a lot of people will say the opposite, right?

Why is he won't, you know, historically doesn't take even solo founders.

So, um, why would you want to do so do it solo?

Some people say that's hard.

Some people say, uh, it's lonely, you know, why would you do it next time?

Because I, I either want one of two things.

I either want to, so first of all, I want to own everything.

I'm greedy like that.

I want to own all of it because I'm very competent in my capabilities and I think whatever I start working on, it's going to be very valuable.

So I want to either own all of it or as much as possible.

I don't want to split anything.

Now I'll, if like, I'll give equity to people, but I don't want it to be 50, 50.

And so if I'm going to build something and I'm passionate about it, I also want it to be my way.

You know, I think that this is controversial.

I think a lot of great companies are monarchies.

They're not dictatorships, but they're definitely not, uh, democracies.

They are a monarchy.

There is a king or a queen and that person's the boss and they can delegate, but ultimately that it's a monarchy.

So I want to be the king.

I want it to be exactly my way or, and I've done this before and I like this is I still own a lot of it and I put up the risk by paying for it, but I have an operator in place and I'm, and I'm really hands off and I delegate and I let that person's, uh, they, I let that

person execute on how I want them to execute my vision.

Right.

Yeah.

I do think that's the right fit for you.

I think that's your personality and I think that you'll probably win more that way.

And some people are good at collaborating, but I also think that what we were talking about with China and America is it's not unfortunately or fortunately most of the time cool things that happen fast.

It comes because one person is dictating what everyone needs to do.

Right.

Right.

So that's what happened with my co-founder last, uh, like for, for Bebo, uh,

Who was your co-founder for Bebo?

Well, Furcon became my co-founder essentially.

So I initially recruited him, hired him, but over time, you know, within that first year, I promoted him up to CTO.

We spun off the company where the other CTO was and I was like, look, you run this other company.

We have this guy's now, this is my CTO 50, 50 split.

Uh, no, it wasn't 50 split exactly, but, um, but actually when we sold, um, I made sure that he got exactly what I got.

So, uh, I can, I can deal with that.

I evened it out later, um, which was cool because I had the option, right?

But he had done so much.

I didn't feel right taking more than his share.

I think that's the way to go, which is like, you are the boss, but then when it all comes down to it, you, you split the winnings.

But I guess what I would say is the, um, I, I, I agree with you that you want it to be where, um, you could be pretty ruthless and you can be very, you know, dogmatic and how things are going to go.

But I was lucky enough to find somebody who is also that way.

And so we were so aligned and we were so similar in our personality on those.

And that way that it was like, Oh, great.

Like we both think of this the same way we, so it's like a two X multiplier.

It's like, both of us are saying this to everybody in the company.

And so it was even louder message.

And then I got the benefit of like, Hey, now I can start companies that are deep technology companies because that's where this guy's super strong.

And on his side, he's like, Hey, I can, you know, build a bigger organization because this guy knows how to run an organization.

I can do something that needs sales.

This guy knows how to do sales.

And so if tomorrow was like, yo, let's do another thing.

If he was like, yo, you want to do this, I'd be like, all right, let's do it.

And if I did the same, great.

We could also do things independently.

But like I told him, I was like, you know, we need to be in business together for the next 20 years.

We need to be working together, investing together, partnering up on different stuff.

Like it's rare to find somebody like this.

You got to take advantage when you have it.

I think that's the way to go.

I also think though, if you're going to do, and if you have that person, there has to be a boss.

And so they are like, if I were to start, like if I had a fur con, like you, which I do in Adam, I say, all right, I'm the, I'm the owner or, and I'm okay with this is you are the owner and I'll do what you say.

But like in that case, I will say, here's what I think is best.

And if they, and they say what they think is best, I'll just fucking go ahead and do what they want.

Right.

And I think that is needed.

Yeah.

I think co-founder is very different than co-CEO.

Co-CEO, I personally believe in, I had some friends have done it, they say good things, but I'm not that way.

That's not how a lot of people start companies.

They start companies, which like, all right, we are, we make decisions together.

Yeah.

Yeah.

It's like, no, no, no, no, no.

You, someone's got to know who's, you got to have a boss and there's one guy and they make the decisions and they consult with people.

But at the end of the day, they, they call the shots and I'm fine being the number two.

Right.

And I'm fine being the number one.

Okay.

Cool.

So all right, let's move on.

That's definitely interesting.

I'm impressed.

They got this far.

I guess my last word would be Eric's not running it.

He has another guy running it.

I don't know who that guy is.

I just picked him up.

I think Eric, I like Eric.

I think he's a nice guy.

And I think he's parlayed what he, what he had into much more and I give him mad props for that.

But at the same time, like he's had five good ideas, but tried to execute on all five and put operators in place for each one.

And I think there's like, you don't skip to level 10, you don't just get to be black belt right away.

And you got to sort of earn your operational excellence.

Like go build one of these ideas into something massive first and then like start trying to be, you know, somebody with a portfolio of things who's, you know, putting operators in place and sort of like, I don't know, I just feel like on deck could be great.

I would feel much better about it if Eric was like, Eric, who started it was like, this is my thing.

I'm going to make this a success.

I'm going to work on this like a maniac.

But I think he's just starting a bunch of things that all sound good.

And then I don't know where the follow through is.

That's actually, I completely agree with you.

And that's a great thing that we can bring up for the listeners, which is I get pitched on a fairly basis to invest in stuff and me and you and both invested into our good friend.

And the first question we asked him was, is this your full time job?

Right.

Because he's the same way, right?

He has lots of good, cool things.

He spins them up and then he spins up another thing and another thing.

And they all sound good.

But like, for any of these to achieve that big vision, the follow through has to be so fucking strong.

Right.

And if someone says like, oh, no, it's like part time or I'll go full time eventually.

I'm like, all right, just I'm out.

Let me know if I have your full time.

So I think that if people do want to start stuff, like you can't, it's not, some people do it.

Like there are people who have pulled this off rarely though.

You have to be all in.

And if you're like doing it part time, I think you're a punk.

Yeah, and maybe I'm projecting because I've made this mistake before, but because I've made the mistake, I kind of know the mistake.

And so that's where I'm like, oh, you know, trying to juggle or trying to just be like, yeah, I, I had this idea.

I started it.

I'm the chairman.

That's always the code word when it's like, when it works sometimes, but not all the time.

You're the chairman of a five person company, which means nothing.

It means you have a lot of equity and you're not doing jack shit.

So it's like, oh, I'm the chairman and this guy's the CEO.

I was like, okay, who's that guy?

And like, why don't you, if this is so good, why don't you believe in it enough and your time on it?

Like there are people who pull it off.

They're more the exception than the rule.

And I think those people have put in their time of being the maniac, building their company before and have done so much operations that they know how to actually delegate and hire good people to be their operators.

But if you've never done the operations yourself in any company and built it up and like been that maniac to like to have a big win.

Can you really do this?

I don't know.

I sort of have doubts.

No, I agree.

Let's talk about clubhouse.

Do you know clubhouse?

Yeah, I used it on Friday and Saturday.

It's okay.

So let's explain.

So all right.

So this last week or so, at least that's when it came into my world, maybe it's been going on longer than that.

But last week or so, it seems like everybody with a pulse in Silicon Valley started using this app called clubhouse at the same time.

What is clubhouse?

You go look in the app store.

Okay.

You're not going to find it.

Right.

So clubhouse is only in beta.

It's like test flight only.

So you can only get it if you join the test flight, which we're going to get a link from a friend.

Yeah.

You got to get a link.

You got to have this special Apple app that lets you test things that are not in the app store yet.

That sort of thing.

So what is clubhouse?

So basically it's like a it's like audio channel.

Like let's actually open it up real quick and dude, I just got, I literally asked them we're talking, just got a text from my friend and he goes, Hey, were you in clubhouse last

night?

Right.

No, I wasn't.

And but that's hilarious that that's what was happening.

Okay.

So like there's a room.

Okay.

So the heavy hitters are not on right now, but last night, you know, Reed Hoffman has joined clubhouse, like the founder of LinkedIn, the, you know, the top people from Cora, the founders of, you know, Dave Moran from path and the ball from Angelus, Mark Zuckerberg was on it.

Yeah.

I don't know if that's the real suck or not.

I sort of doubt it.

But, you know, Jaden Smith, I saw was on it of Jared Leto's on it.

So basically, there's a bunch of, I don't even want to call them big names because that's an insult to like athletes and celebrities and musicians, but like, you know, in our dork world of tech Twitter, there's big names on this thing.

And what it is, is like a chat room where you go on and you can be either on mic where you're, you're one of the five people talking, or you could be in the audience and you're just listening and just nothing to do.

You just sit there.

So it's kind of cool.

You get to be a fly on the wall.

This is very similar to a product I built called blab.

So I was having flashbacks like crazy the whole time.

And it was started by this guy who created an app called highlight.

Did you ever play with highlight back in the day?

Years ago.

So highlight was, so one time Twitter took, so Twitter took off at South by Southwest, the big conference in Austin.

That's where Twitter really escaped velocity out of Silicon Valley to like the mainstream and everybody was using it.

And then the next year, Foursquare or, you know, maybe I have those flipped, but one year Foursquare was the big hit of South by Southwest.

Just checking into places and Foursquare was the shit.

So then every social app was like, yo, what's our South by Southwest strategy?

We got a launch at South by.

That's what Twitter did.

That's what Foursquare did.

And so then highlight comes out and highlight was like this networking app where you could see people around you was location based.

And so you see them, you see their profile and you can sort of like give them a high five or whatever, do like say, say hi to them.

It was like a tender for professional kind of thing.
Just seeing people around you.
It was big at South by because everybody was in one place and then when everyone went home, nobody used highlight anymore.
So it started by the guy who did that.
And it's all did highlight itself.
I think well, it definitely was not for a lot busted.
Yeah, it was not like it didn't work.
So anyways, this guy's back.
He's got this new app clubhouse and it's popping off right now.
And so on one hand, you know, the inner hater in me went in and was like, this is nothing. This sucks.
Also, I see all these reasons why this thing is going to fail.
But then, you know, at the same time, I'm like, you know, you get zero points for predicting a new social app will fail because they're all going to fail.
It's like saying it's, you know, it's not going to be a tsunami today.
It's like, oh, wow, what a great prediction.
And so, so, you know, predicting it's going to fail really wasn't cool.
And so then I went the other way, I was like, all right, what is cool about this?
So I was on it one night and Naval, who's the founder of Angelist and probably one of the few people I don't want to say I look up to, but I've learned a lot from, right?
So he has his, you know, tons of books out there.
His book Venture Hacks is amazing if anyone wants to raise money.
It's like a founder's Bible for how to not get screwed by VCs when you raise money.
Venture Hacks.
And so then, then he started Angelist, which I think is a badass company.
And then, you know, he's had his podcast and it's sort of, he's turned into like a Buddhist philosopher of tech recently.
So anyways, this guy's awesome.
I learned a lot from him.
And he was sitting up there and like, Naval is so like in demand in tech that, you know, you could email him and you're, it's like nearly impossible to get a meeting with this guy.
If I said, Hey, Naval, can I get an hour of your time to just talk to you?
Can I, you know, you want to get a coffee?
Like, you know, he couldn't type fuck you and caps lock enough to like not do that.
But on clubhouse, he was just sitting there and he was like begging people to come talk to him.
He was like, yeah, who wants to chat?
Right?
He was talking to the guy who started path.
That guy had to go.
And he's like, who wants to talk?
And so I just jumped in.

I was like, you know, click the button.

Now I'm in the hot seat.

And he's like, okay.

You talk to him.

Yeah.

He's like, Sean, like what's up?

What's your question?

I was like, I don't really have a question.

You know, because, you know, I could tell it had started to turn into the Neval celebrity hour where people would come on, even like other super successful millionaires in Silicon Valley were coming on and be like, Hey, Neval, you know, longtime fan just wanted to ask what's your opinion on Bitcoin or like, you know, stupid questions like that.

So I tried not to do that.

But anyways, I ended up shooting the shit with Neval for like, you know, 45 minutes.

And it was awesome.

You're okay.

I got my value out of clubhouse.

This thing's going to go to shit eventually.

But for now.

Okay.

Well, first or second, I'm going to comment on your experience.

But first I'm going to say my opinion, which is neat little thing is fucking stupid.

No one, no one should invest money in this.

It's not a business.

It's a really cool gadget.

It's going to be gone in three months.

All right.

And I hate saying that because like I said, I don't like being haters.

I like, I want everyone to win.

I think this is, this is a cool, it's like fucking Wikipedia.

It's a cool gadget.

Horrible business.

It's like, like HQ, like it was a fun app, awesome service purpose.

It'll be dead.

And there's honestly, there's been, I'm not just saying this because we built Blab, which was extremely similar, but there's been like five other apps that were exactly this.

The difference is they didn't have the personal networks to get every VC and founder.

They're in Silicon Valley on the app at once.

And also he's a beta.

He gives a fuck about every VC and founder in Silicon Valley.

Fuck those guys.

I don't give a shit about those people.

I want some nerd who in Missouri, or I want, or I want like some like good looking kid who's 17 and wears vans and cool hoodies to use it.

And I want them to like dance in front of their friends.
That's what I want.
As a founder, that's what you want.
Yes.
As a founder, that's what you want.
I don't think you would care if a nerd in Missouri is using it.
You wouldn't care to tune in, right?
Yeah, I would.
Dude, I use TikTok all the time.
All these 18-year-olds are like so freaking good looking to dance and are all funny.
Like I love that shit.
They're awesome.
I love watching these kids.
On TikTok, that's cool.
When it's just audio and it's just somebody talking, it's way less interesting when it's just a random person talking about a random thing.
So I think, yeah, you know, if it's TikTok and they've curated the one amazing video by an average person, that's what TikTok is, right?
Like the feed is taking millions of videos and saying, okay, what is the 0.01% of these that are entertaining?
Cool.
We'll put these on a feed for you.
When it's clubhouse and you just open it up and it's like, oh, who's talking right now?
Let me just take my chances.
You know, it's not going to be that interesting.
So I just texted Lance and I asked him if he wanted to do a talk on there with me.
So I want to take advantage of this TikTok or what's the clubhouse thing?
Let's see if it works.
Yeah, exactly.
He might not be able to get it.
Like now they have a link.
Well, they've gated it now.
So now if you try to get in, I think you have to like fill out a form and they're not taking any more people in the beta or something like that.
I don't know.
But whatever.
Anyways, I think it's interesting.
And yeah, I had a had a fun, fun chat.
My opinion is that's my opinion.
Someone's analysis that people come here for, Alan just made fun of me because I said, I love these good looking kids.
I mean, like cute, not like hot, like, like they got, like they got fucking cool hair cuts and they wear bright hoodies and they're just like cool, like good kids, like that rapid Khaled, like since when did every kid get a high top, like a, like a, like a uptown

fade and wear like, uh, vans, like they're all just cool looking.
That's what I'm talking about.
I'm going to cut you off before, before you get arrested.
Okay.
Let's talk about Oatly.
Um, dude, I've been drinking an Oatly and at least the shit.
Do you drink Oatly?
You know that stuff spikes your blood sugar just as much as normal milk and like a can of soda.
Um, yeah.
Okay.
I don't know.
I don't really care about that as much, but, uh, I don't normally drink milk, but I do drink Oatly now and it's delicious and, um, fuck milk in comparison.
Why would anybody drink milk when this stuff exists?
It's way better.
Better tasting.
It's better for you.
It's better for the environment.
So it's better in all regards.
It's okay.
Dude, have you had it?
Have you drank it?
Have you had some cereal with it?
Yeah, dude.
It just tastes like almond milk.
I mean, yeah, it's fine enough.
It's fine.
It's amazing.
And also the people have spoken because Oatly is like spiking through the roof.
So they went from, so the story is, the back story is pretty crazy.
Do you know their company story?
No, but we covered it in trends like three months ago.
Where like, oh, milk is going to just go through the roof.
And you're totally right.
I think, you know, it probably has already been for the last few years.
So I looked up their story.
It's pretty nuts.
So it was started by the Swedish, it's a Swedish company.
So it started by this Swedish like chemist, basically a food scientist.
And it was started like 20 years ago and it looked like you should just Google like the original packaging.
It looks like shit.
Um, like it looks not cool and nobody really drank it.

It was like total fringe thing, but this guy was a believer to the company stayed alive for a while.

And then in 2014, I want to say, maybe 2006, it's either 2006, 2014, this guy becomes CEO of the company, younger guy, I could look and do, it looks like he's, you know, done some of these turnarounds before.

And he's like, okay, um, we need to rebrand this thing.

And so he hires, you know, a bunch of creatives and they rebrand it.

So first thing they did is they changed the packaging so it's in English, not in Swedish.

And then they made it look like kind of like all the DTC brands type of thing.

So they're like nice colors, nice little packaging, you know, funny copy on the packaging, that sort of thing.

And Oatly starts to sell, like it hits 20 million in sales and then it hit 100 million in sales.

Now it's over 200 million in sales because literally they cannot produce enough Oatly for the demand.

There's actually black market Oatly because they ran out to the point where Barista's like individual consumers don't need to go pay more for it, but Barista's like, look, this hurts our business when we can't offer Oatly as the creamer.

And so there's a whole like black market where Barista's have to pay this upcharge right now to get Oatly for their coffee shops because people demand it and they're just not enough out there.

Okay.

So it tastes great.

It tastes great, I think, but I'm an almond milk guy.

It tastes great.

I think that I was reading some work on it and they're saying some person was testing their glucose, their blood glucose, and they're like, it spikes super high with Oatly versus almond milk.

So that's why, to me, it's like, I have to do more research before I make my final decision for myself, but it's almost like it's the beyond burger of milk, which is like, it's supposed to look healthy, but in reality, it's like kind of bullshit.

Well, I don't think they're saying it's healthy.

They're saying it's healthy in two regards.

One is, you know, there's a huge percentage of people that are lactose intolerant.

And so they need to be drinking alternative milks.

Right now, one in 10 people drink alternative milks versus real milk.

And then of the 10% that drink alternative milks, again, only 10% or less are drinking oat milk.

The rest are drinking soy or almond milk.

My understanding is that oat is better for you than the soy or almond milk.

Might be wrong.

So, you know, correct or wrong, but the point is, all these oat milks are going to continue to grow like crazy.

Oatly is the best of the oat milks and the sales back it up.

And then if you have time, watch the talk of the creative director, this guy named John, just search John Oatly and then, you know, search that on YouTube and he gives a talk at this conference called Slush and he tells the story of rebranding Oatly and all the different crazy stuff they did to rebrand it and how they were trying to market it.

And in the dairy industry, which he was like, you know, you think the gun industry in America is bad, check out the dairy industry in Sweden.

Like these guys are, you know, ruthless and they're powerful.

And so he's like, they went on this campaign against the dairy industry and it just, every time the dairy industry tried to crush them or hurt them in any way, they just made a big fuss about it.

They would take out full page ads saying, you know, what the dairy industry is trying to do to them.

And it just made them more popular and they just got more and more and more popular over time.

And they just sort of literally can't keep up with the demand.

So I think Oatly is kind of amazing.

Like if I could invest in Oatly, I would.

And I tried to actually message them and they were like, hey, we're not currently taking investors.

And I was like, okay, just, you know, take my money somehow, please, I need to be involved in this company.

I believe in this company.

You know, who did something similar was RX bars.

So RX bars, it's a company that bootstrapped and sold for six or \$700 million to Procter and Gamble or one of the big CBG companies, I forget Unilever.

And anyway, they had their bars and catalog, they had their bars and it's fine.

I mean, it's a fine product.

I don't, it's not a revolutionary product.

It's just, it just has dates instead of sugar and it's just a granola bar with no, I mean, whatever.

And anyway, they were selling it and then they go, no, this packaging sucks.

Let's, let's like, we need to try something.

And so they changed their packaging, just say, it only had the ingredients and they, the shtick is that it, it was just like three dates, four eggs, like eight nuts.

Right.

And like, that's it.

And that's their packaging.

And that's it.

Amazing.

And the founder said that once the packaging changed to that, it took off, which is proof just about how important all this shit is about, I always say distribution versus product distribution is more important than product.

Yeah.

Yeah.

I mean, the packaging of the product was more important than what was inside the wrapper in their case.

Yeah.

And it's like a good thing, but it's not any different than 10 other things.

Right.

All right.

You want to talk about one more thing?

Yeah.

Pick one.

Let's do, I don't want to talk about, look, yeah, what's that?

What's what?

Fast grants?

Fast grants.org.

Okay.

Cool.

I think it's very cool and good for the world.

So I think the founder of Stripe is the one who created this.

So John Collison.

Oh, I saw that.

So they created this thing called fastgrants.org.

And I'm just going to read off the website because they explain it in very simple terms.

So basically the idea is that science funding is a very slow moving process.

So you have to apply for grants.

That takes a long time.

I worked in a science lab in college and, you know, the scientist who should have been doing the experiments and analyzing them instead spent 98% of his time writing grant papers just to keep the lab alive.

And so grant, you know, grant funding is super slow.

And so they were like, all right, you know, why can't we make this more like YC?

You know, where YC is like, fill out this application, do a 10 minute interview in person, and then we will give you a check.

So fast grant is basically a 10 to \$500,000 decision made in under 48 hours.

If you approve the grant, if the grant is approved, you receive the payment as quickly as can be wired to your account.

And so they have, you know, the Colson brothers behind it.

They have Paul Graham, Reed Hoffman, Crisaka, Elon Musk, you know, a whole bunch of different people.

So they have, they've committed over 15 million already in fast grants.

I'm looking at it.

Wow.

They're just trying to make science better.

And I think this is amazing for the world.

I think this is like the type of thing that rich people should do, you know, when you

do hit the tech lottery, I think this is an amazing way to sort of pay it forward in a way that's not just charity.

And, you know, fixing a pretty broken system, which is the sort of scientific grant system.

Well, your friend, Eric, be on deck to apply.

He's an academic institution at this point, right?

I feel like the school of say a part in shop hurry is in session every Tuesday and Thursday.

Maybe we should apply.

Well, that's what I was talking to the ball about actually was I was like, yeah, here's what I want to do.

I want to fix education.

Here's how I'm thinking about it.

You know, what do you think?

And that's what we kind of shot the shit out for 30 minutes and in 10 minutes was me explaining this one really degenerate crypto trade I'm doing right now, which is what that's what

I care about.

It's like you had me a degenerate.

He's like, you're insane.

And I was like, yeah, well, you know, I think I'm not insane.

He's like, no, I think you're insane.

I was like, okay, maybe I should reconsider this.

Basically furcon should be this awesome thing.

Okay.

This is how it starts.

And I was like, oh, yeah, this makes sense to me.

Okay, so here's what I'm here's what we're doing right now.

So he started showing me the world of defy.

Do you even know what defy is?

I bet you don't even know what defy is.

No, just for the listeners, I think people don't understand how basic I am.

And I think you understand that, but I'm pretty basic as fuck.

Yeah.

And I actually think I don't even know it, right?

And as I start to explain it, somebody who understands defy is going to be like this shmuck trying to explain something he doesn't understand.

But that's who I am.

I learned 20% of things and I'm like, oh, this is interesting.

I'm going to start learning about it, using it and talking about it before I like, that's how I learned it.

So anyways, he started telling me about defy and I was like, what is that?

So defy is decentralized finance.

So basically what happened is here's how cryptos come along, right?

Bitcoin comes out, people are like, this shit's going to change the world.

Bitcoin goes on this crazy price roller coaster.

And then some people are like, oh my God, cryptocurrency, of course, genius.

We get this is all open source code for blockchain.
Okay.
Copy, paste, late coin.
Copy, paste, dogecoin.
And they started just spinning up other random currencies.
And so then all these altcoins existed.
Now one guy who was pretty legit, this guy Vitalik, was like, okay, I'm going to, I like this Bitcoin thing, but he created Ethereum.
And for the listeners, go and Google this guy.
If there's any person who I trust to create a great concert currency, it's someone who looks like him.
I used to say with this whole Bitcoin IPO thing was going on, it was all these bros with abs in the Ferraris, I'm like, if you have a six pack and or a fancy car, you should not be doing that.
You're fucking out.
I do not trust.
You're out.
You have to have huge ears that stick out bags on your eyes and a super skinny neck.
Otherwise, I'm not connected to your chest hair.
I do not trust your, your anarchism that it takes to build a great crypto ecosystem.
Totally.
Like, yeah, they're like, do you bet your body weight?
If yes, I'm out.
So like, I'm just not interested in that.
So I am the exact same way.
I saw Vitalik and I literally judged the book by its cover.
I was like, oh, I think this is the next Mark Zuckerberg.
I'm going to buy Ethereum.
Okay.
So that worked.
So Ethereum ran up in price like crazy.
Ethereum did the first ICO, which was an IPO for currency and IPO for a digital asset.
And so they, you know, it was priced at I think \$17 today, and anybody could have invested in that.
And today Ethereum trades for, you know, \$180.
It's gone up as high as \$1,000.
And so, you know, the best investment of the last decade was just buying Bitcoin early on.
The second best I think was Ethereum.
And of all tech or startup investments, that would have been the best thing and anybody could have done it at any given time for the first, you know, a few years of their existence.
So anyhow, so Ethereum is like a platform, right?
It's like program.
The idea with Ethereum is, hey, we're like Bitcoin is a great, Bitcoin is like digital

gold.

It's fantastic.

You should just buy it and hold it.

It's a store of value.

It's not going to inflate.

That's the rules of Bitcoin.

It cannot be manipulated by governments or you can't just print a new trillion Bitcoin like they just printed a new, you know, \$6 trillion.

So that's Bitcoin.

Ethereum was like, hey, money should be programmable.

Why can't we make a contract, a smart contract that says, you know, when I send you this file, unlock the money, you know, you put the money in escrow, you know, you wire your Ethereum here, when I send you this file and you click validate, then, you know, it unlocks the money and we don't need all these middlemen to do transactions.

So why can't we do smart contracts?

Why can't we, you know, mint new coins, all that sort of thing.

Anyways, fast forward to DeFi.

The crypto wave has crashed, right?

Bitcoin went up to 20K.

Now it's down to 6K.

And a lot of the speculators and a lot of the hype is gone, right?

Like there was a period of time where you could turn on CNBC and they had a permanent Bitcoin price.

Above the whole stock market ticker was a giant Bitcoin price, 24.7, like that's how kind of mainstream it went.

And now I would say, you know, fucking Katie Perry was taking Instagram pictures talking about Floyd Mayweather was like, Hey, I love, you know, blah, blah, blah, coin, you know, it's hot.

Get in.

And, you know, so that was the way that crashed.

And so all that's left is the true believers who weren't in it for the money anyways.

And the total degenerate gamblers and who are like too deep in the hole to get out.

Which I love.

I want to be around those people.

Those people have done over the last few years is kind of amazing.

So they rebuilt all of the financial infrastructure of the real world in this crypto world, in the digital asset world.

So for example, there's exchanges, okay, just like the stock market exchange, but they're open 24 seven and, you know, they don't close up close for the weekend type of thing.

Then there's lending platforms.

And there's, you know, stable coins, which are always pegged to the \$1.

So you can use them as an intermediate currency and not worry about volatility.

So people have just built layers of prediction markets.

Everything you have in the traditional financial infrastructure has been rebuilt through what

they call DeFi.

Now, it's definitely not perfect.

In fact, just two days ago, one of them got hacked because again, they're not a centralized org.

They can't just like stop things.

They can't like reverse things.

So what's your trade?

All right.

So the trade is this.

I believe in Ethereum and I want to buy and hold it, which I've been doing for years.

And so I have this Ethereum, but I also want to invest, let's say in my tech startups.

And okay, so let's say I wanted more cash.

So if I went to a bank and I said, Hey, Sam's got this startup.

Can you lend me some money bank so I can invest in the startup?

The bank would be like, what the fuck are you talking about?

We don't lend money for you to invest in a startup.

And so instead of what I can do here is I can go to this website called compound.finance and you go to compound finance.

What you can do is you can put up Ethereum as collateral.

So I put in, let's say \$10,000 of Ethereum or \$100,000 of Ethereum.

And then I can borrow up to 75% of that in another currency, like for example, DAI or USDC, which Coinbase is stablecoin.

So basically you put in, let's call it \$100.

You can borrow \$75 of that on there at a very low rate.

So like, you know, when Furcon was first showing me this, the rate was like 0.4%.

So it's like, you know, basically zero interest you have to pay on this thing is like such a low interest rate.

Now I think it's like 3.5, 4% but basically you could basically you could borrow this stablecoin very cheap.

You could trade that out for US dollars and you could put that into startups or you put that into the stock market, you put in for whatever you want.

So his take was like, look, if you're going to invest in the startup anyways, and you're going to invest in Ethereum anyways, you could kind of leverage your Ethereum to get the money to invest in these startups, and you could keep your cash to do things like buy a house or do whatever else you want, like in the traditional financial ecosystem.

And so that's the trade I started making was I started buying Ethereum, putting it up on compound finance, borrowing against it in a cryptocurrency called USDC, which is Coinbase's stablecoin.

And then I sold the stablecoin for US dollars and I put the US dollars into startups.

I think this is just a horrible idea.

So it didn't evolve.

It was like, wait a minute, hold on, let me get this straight.

So you are betting you're taking Ethereum, which is a highly volatile asset, and you're staking it and then you're borrowing a currency and you're putting it into startups is highly

illiquid asset.

Like, whoa, that's crazy.

And I was like, yeah, it's a little bit crazy, but you know, here's the reality of it.

This is like, I'm not betting my retirement account on this.

This is, you know, like a amount of play money for me that like is not going to, it could all go to zero.

I expect the startup to go to zero, Ethereum could go to zero.

Like I wouldn't be in any, my life would not change if this all went to zero, but both of them, I believe in long-term, I believe in these startups long-term and I believe in Ethereum long-term.

And if I would have otherwise invested in both of these anyways, then this is a slightly riskier way to do it, but it frees up more cash for me to do other things.

So that's my take on it.

I don't even know where to begin on that.

What does you like about it?

Let's talk about it.

I'd rather just put my money in Marriott, like I just don't understand why I, okay.

So I think that to me, it's like what you just did is the reason why I buy gadgets.

It would be far easier just to have a normal light, but I want to try all these new lights because it's exciting for me to try new stuff.

If that's your reasoning for why you did it, then okay, cool.

But if you're doing this to make money, I think it's just stupid.

It's not to make money, per se.

It's to do two things.

This is kind of what I told him and he was like, oh, okay, that makes sense.

He goes, oh, if you're not risking substantial part of your network on this, okay, that makes sense.

And B, he goes, I think it's great that you're playing with DeFi because I think this is sort of the most untold story in technology today is what's going on in the world of DeFi.

And then he goes, you know, the thing I always tell people, and this seems like what you're doing is look, you need to go learn it.

Like people will ask me, oh, what book do you recommend?

And he's like, dude, you should just go pick up the book and go read a few chapters of it and see what you think about it.

Right.

And same thing with all these different, oh, no code tools or cryptocurrency.

Like the way to learn is to go put some skin in the game, try to actually use the tools.

That'll teach you about their shortcomings.

That'll teach you what's cool about it.

Watch a whole bunch of videos, lose a little bit of money, make a little bit of money.

And you know, the actual learning of being on the forefront of technology will pay itself off multiple.

And he's like, it sounds to me actually that that's what you're doing is you're trying to live on the edge of technology so that you actually are, you know, learning at a

faster rate than somebody who's sitting on the sidelines and will wait to hear it told.
And I was like, yeah.
I'm involved with that, which is you're doing this for fun.
I'm not doing it exactly fun.
I'm doing it to learn.
And also, I, from what I understand right now, like, these are not just learning and like, most people think about learning, you know, you go buy a thing, you're not, you're never going to get your money back.
You're just going to get the learning.
This is where you're going to get the learning and you might make money, right?
There's no book that's like that where you go buy the book for \$20, you have no chance of getting \$32 back out of it.
You're trying to get the information and then go do something else with that.
In this case, I'm going to get the learning by actually using the tools and I might make money.
And because the assets themselves, Ethereum might go up or I might, then my startups might actually appreciate and value that sort of thing.
So I believe it's sort of a parlay.
I think, like, I am, I, what you just described is so complicated.
I don't even know how to, like, I just, it's so out of my element.
It'd be like you speak, it'd be like, what don't you, it's like, what don't you understand?
It's like, well, I don't, I don't speak Spanish.
I don't know.
I don't even know what I don't know.
Like, I just, I can't, like when someone talks to me about certain stuff, I'm like, you just spoke French.
Right.
Yeah.
We may need to edit this out of the podcast because it might just have been too convoluted for anyone to even understand.
But the thing I would say is, like, the way you're confused, I was confused the first time Furcon told me and then I spent one week just trying to learn all these tools.
I put literally \$50 into a MetaMask account and then Compound Finance and I did a trade.
I tried to see how does this all work.
Oh my God.
So you're doing it again.
Dude, like.
It took me a week to get to where I am now and I'm still like total beginner, but like, you know,
I don't even know what like futures are or like when people talk about options and like shorting a stock, I'm like, I just don't know what that means.
Yeah.
I'm very, I'm very similar, but I don't know.
Now I've taken the opinion that every time I didn't know what these things meant, it's

cost me money.

I remember when I was first being told about Bitcoin and I didn't take the time to go figure out what the hell this is.

It cost me money because I was behind.

I worked on that to Ethereum at the ICO at \$17.

And so, you know, he's doing all this with, you know, he's, he's already made 50X, 20X on his investment.

And so, you know, he's doing all this.

I get that.

I get that.

And it's, if that interests you and that's what you want to be an expert in, then you should do that.

I just think that I'm better at other stuff and I can make 50X on a bunch of shit.

I would correct one thing.

I'm not trying to be an expert at it and I'm not, I don't think that's the goal.

I don't even think that would be the right goal.

The goal is to just get a basic understanding and a fundamental understanding of it so that I could be aware as this evolves, because this is where a lot of growth is going to happen.

I know that.

I know that this is where a lot of growth is going to happen.

And so, I would rather be able to at least speak the language and understand it at a very basic level than just be completely ignorant to it because, you know, you know, I just, it's hard.

I wonder what the listeners are going to say.

So, tell me this.

Where do you think you can make 50X your money?

I can just say, what?

Not Marriott.

I can't make 50.

I probably, I can make 50X if I get incredibly lucky in investing in a startup, but that's incredibly unlikely.

But, something you understand.

It's, I, kind of, but what I for sure can do is create like a, create a business.

I can create a course.

I can create, I can do some type of internet marketing thing that I can make a lot of money.

I can just say, I'm available.

I charge \$1,000 an hour and I'll do copywriting.

I could, that's not 50X because it's my time, so that's not like, that's not like, Pat,

I mean, I can make hundreds of thousands, probably millions of dollars a year just doing like consulting, I think.

But how much are you going to learn doing that, right?

And I wouldn't enjoy it.

I would not enjoy it.

I would not learn.

I mean, yeah, maybe I would learn.

I would learn something.

To me, that's cashing in your mastery chips.

That's saying, I'm the teacher and I'll teach at a certain rate and I'm just much more interested in being in the student chair than the teacher's chair, right?

So like, how do I, I don't want to be a master selling mastery chips.

I want to be a beginner buying beginner chips.

I agree.

What you're saying just doesn't interest me.

That's why I don't care.

Sure.

Yeah.

This topic might just be dry and boring.

I don't, let's have the listeners tell us if the ticket's dry and boring.

I don't know.

I don't, I think a lot of people are interested in it.

I think a lot of people are going to feel the way you felt and the way I felt the first time I heard this, which was like, Oh my God, like this sounds interesting, but I just don't even understand what's actually happening here.

And maybe I'll do like a breakdown of sometimes when you talk about the stuff, I feel like self-conscious.

I'm like, Oh my God, I am just not smart.

Yeah.

I'm like, is like, whatever fact about like options, I'm like, in fact, that actually happened to me.

So when I was talking to default, so this is actually a good example, right?

When I knew a guy who I respect, I actually care what this guy thinks about me.

In reality, he doesn't even know me.

You probably forgot me already today, right?

But I had been listening to this guy's podcast, reading his books, followed his company for years.

So I cared, I cared about what this, that this guy, if this guy liked me, I would feel good about it.

If he disliked me, I feel bad about it.

So as I'm telling him this trade and he's telling me I'm insane, then he's like, hold on.

So walk me through this.

How does this work?

And now he's actually smarter enough to understand it.

He didn't, he hadn't thought of this before, but he was like, he would get it as I was explaining it.

Now, I only half understand what I'm doing.

So I'm half explaining my half understanding to this guy.

And he's like, okay, so it's like a, you know, a short dated option trade with a highly liquid, and he's saying all these terms and I'm like, um, yeah, that's one way to put it.

Now in reality, I don't know if his understanding is correct because I barely describe it. Yeah.

I was like, you know, that's one way to think about it.

But here's what I'm thinking.

And I was just trying to pivot it.

But in reality, he was like, so wait, what would happen if this, this and this scenario happened?

I got no clue.

And so I looked like a total dipshit in front of, you know, this guy who I cared about and then whoever else was in the room.

But at the same time, like, I don't know, like that's the, that's the position to be in.

It's like beyond the edge of like, you know, I think there's all these books that are, they talk about how do you get better?

How do you actually learn?

It's like, if you're too far in your comfort zone, you learn nothing.

If you're too far out of your comfort zone, you also learn nothing.

The secret of people who get great at something is that they sit right on the boundary where they're pushed beyond what they know, but not so far beyond where they drown.

And that's how I, I try to feel about all this stuff.

And if you're trying to learn about this, like, you might feel like you're drowning today.

So just go find a level where, you know, you're on that edge of your comfort zone and your own comfort zone.

I'm definitely going to be curious to see what the people have to say.

Okay.

Cool.

Let us know what you think.

Like, we got some feedback on our very random episode, a couple of people liked it.

Was it bad or good?

It was mostly, uh, it was split.

So basically there were, there was more people saying good things, but I think that's cause we kind of fished for a compliment.

And then the other side, there was a few people were like, Hey, just so you know, this last episode was very meandering.

Okay.

So the mobile do is on Thursday, we'll go on Thursday, we'll come prepared with loads of stuff to bang out.

Or you say, here's what people loved.

They loved your bee keeping story and they loved my reaction to it.

Like literally got texts being like, yo, I haven't laughed as hard at a podcast, you know,

this is like a non-comedy podcast ever who said they liked the bee story, but I got two texts today about it.

I got one text from my friend, Mike, literally right before we went live and he goes, uh, what did he say?

He goes, Sam talking about bees and you laughing was my favorite moment at the podcast.

Wait, what, what did you laugh at?

I don't even remember.

Just when you told me you were a beekeeper, I was like, what the fuck?

And then you started explaining it and it made no sense to me.

You know how you were like, dude, I'm not interested in DeFi.

I'm not interested in beekeeping, but you clearly are.

And it was that it was the same dynamic.

So we're going to come with a lot of meat next episode.

I personally will come and I'm sure you will too.

Okay, cool.

All right.

See you.

Thank you.