

## [Transcript] My First Million / #7 - The Hippie With A Billion Dollars

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.

Then the Bebo story started.

This was now January 2005.

It took only a couple of days to develop it, and we went live and we had a million users after nine days.

Bebo.

Bebo.

Bebo.

Bebo.

Bebo.

Michael Burch.

Bylo and Sel Hyde.

Bebo, which has 40 million global users.

My time-warner is buying the social networking website Bebo for \$850 million.

All right, I'm recording this.

I just finished my conversation with Michael Burch.

For those of you who don't know, Michael is an internet entrepreneur.

He built a social network back in the day when he competed head-to-head against Facebook.

And although Facebook won the war, Michael didn't end up too bad.

But company Bebo, if you've ever heard that before, sold for \$850 million to AOL.

And when I met Michael, we got back together and we bought it back for one million years later.

And then we actually sold that again just now to Amazon.

So I've had an interesting history.

I've worked with Michael for six years.

He was my boss.

Then he gave me his job to run the company.

He's my investor.

He's my friend.

He's a mentor.

I've learned a lot from him, from building companies to investing.

I mean, he's invested in 75-plus companies, things like Pinterest.

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He was one of the first investors, Com, the meditation app.  
He was an investor when nobody believed in Com.  
And he's done all kinds of crazy things.  
He's built hotels.  
He's bought a private island off of Richard Branson.  
He gives tons of money to different charities like Charity Water that he supports.  
He's a very, very humble guy.  
You guys are going to hear that and you're going to hear the humble beginnings when he quit his job as a programmer at an insurance company and made the leap of faith to build his own company.  
He wanted to work for himself.  
He wasn't planning to become a billionaire yet.  
That was a great outcome.  
He really just wanted to work for himself and not have a job.  
He wanted to work on things he was interested in.  
We talk about the years of struggle, all the different ideas he had.  
It's almost sort of in the weeds, but I think a lot of people have talked about his success with Bebo and the big sale, 850 million bucks.  
Very few people have heard the backstory before that about the different products that he tried to build, the failures, the learnings, all that good stuff before he had his big breakthrough.  
You'll also hear him talking about viral marketing or viral products.  
And for those you don't know, it's a method of growth where instead of doing ads or sales or paid marketing, you are relying on your users to send the product to other users.  
So things grow through word of mouth just from one user to the next.  
And Michael was really a pioneer of this.  
Before people were even saying viral marketing, that's what he was doing because like you'll hear him talk about, he didn't have the money and he didn't have the sort of sales skills that wasn't fun for him.  
So he really focused on building products that would grow just via essentially word of mouth or user spreading it to other users, which is kind of crazy.  
So he's a real legend in the growth world for that.  
So I think you guys will really like this conversation.  
I had a great time doing it.  
Enjoy.  
Audience wants to know who are we sitting down with today.  
So just tell them a little bit about you.  
You're Michael and...  
Sure.  
I'm Michael Birch.  
I'm a 49-year-old hippie.  
I originally from a little island called England.  
I've been living in San Francisco 17 years, been doing internet stuff since 1999.  
Just start-ups early on and then went on to a few and obviously kind of culminated in

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selling Bebo 11 years ago in 2008 and then since then doing a lot of investing.  
So that's a very brief polytistry.

Yeah.

Before I even met you, I moved to San Francisco for you almost.

I was living in Australia.

I wanted to come to the startup Mecca.

I was like, okay, if that's where all the action is, I just got to go there.

I don't know much else besides that, but might as well go where the action is and then figure it out from there.

I had never heard of you.

I'd never heard of Bebo before, but I really liked the idea lab you had created and so

I started doing some research and there's not many podcasts or interviews of you online.

Do you like doing these?

Are you doing this as a favor to me?

Because there's not much out there, but your story is really interesting.

So what's the catch?

I don't mind doing them.

I just sort of question why I often would do them.

I don't do really any conferences now, so I don't tend to do a lot of talks.

I'm actually heads down doing a startup.

We'll talk a little bit about that later again.

Yeah.

Well, you've done some interesting things.

I know you did the like a BBC documentary, like what was it called, like how to be a billionaire or something.

Right?

Yeah.

They didn't tell me well that we're going to call that documentary into laughter.

I actually can't quite remember.

You may even call something like that, but he threw the word billionaire in it and I'm like, oh no, this is like not what I wanted to do.

Yeah.

I'd already filmed it at that point.

When I first looked you up, I was like, wow, this guy sold a company for 850 million bucks.

Not bad.

Like I want to do something like that.

I should just go work for this guy.

Maybe I can learn something from him.

So I think that there is something to that spark or that initial motivation, even if you don't have much else to go on besides that.

I would agree with that.

Did you have anything like that when you took sort of the leap of faith?

Because if we rewind the clock, right, your story starts where I think 1999, you're working as a programmer for insurance companies.

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Correct.

You're working as boring as it gets.

That's pretty kind of a low point in life, I think.

It's hard to get much lower than that.

And how did you get there?

How did you even get into that position?

So originally I did a degree in physics at Imperial College in London, which I found quite a few people in Silicon Valley seem to do physics for some reason, but I had no interest in doing physics.

Like it's one of those subjects that unless you're the top like 0.001%, it's probably not that interesting.

You're doing boring experiments or something.

I definitely wasn't in that top, even 1%.

But I got a good degree and then I left college at the time there was kind of a mini recession in the UK.

So the job market was hard and my brother was working as a programmer at an insurance company and he said, why don't you come do this?

You'll love it.

And I was like, Paul, that's fucking programming at a fucking insurance company.

It doesn't get more boring than that.

It's like one boring thing on top of another boring thing.

Times another boring thing.

It's exponentially boring.

He said, no, no, trust me, you'll like it.

And I was like, well, it's not like I have a lot of other offers.

So I'll go in again, do the interview and they had like a graduate intake scheme where they employed 10 people at a time and they trained you on the job.

So I was like, okay.

So I actually wasn't one of the top 10, but one of the people didn't accept the job.

So I was number 11.

I was like the backup guy and I got the job.

And then I learned programming cobalt, which is like pretty old school, mainframe.

It's the insurance company of programming languages.

Yeah.

And a little bit to my surprise, as you really enjoyed it, I didn't particularly enjoy insurance.

I was fairly correct on that one.

But the programming side, I got into it.

So didn't love cobalt, but I did like a six week training course and then immediately picked up a book and learn another language and started programming in that instead.

And I joined a data warehousing team.

So it was analyzing data and I became friends with the chief actually at the company and then started doing all this stuff with him and kind of enjoyed it actually got into it.

So then found myself a programmer insurance company, somewhat enjoying work.

And so that sounds good.

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Why switch?

Why leave?

Well, my father has always been an entrepreneur.

What did he do?

He was a bot in there.

So he did a degree in botany, worked for a company in the UK called PBI, sort of rose to like number two in the company, but would never get the top job because the guy was not leaving and was still alive.

He may still be alive and I think he wrote the world's best selling paperback, nonfiction paperback books like gardening expert books.

So he was a hard guy to replace.

He did that for a number of years and then left and started doing his own insolvency, but was always like coming up with new ideas and inventing ideas.

And he did one of the new type of dental floss that was made out for a special type of rubber.

So as you stretch the rubber, it would get thinner and thinner and go through very tight teeth and things like that.

And so he took a few products to market.

You never found that like one big thing that you never found like the retirement money.

So he always continued working doing the app coaching, selling and running.

And he was working from home and my bedroom was next to his office and there was like an interconnecting door that was kind of didn't open, but I could kind of hear everything.

And so I'd always listened to him on the phone, like coming up with the next idea and speaking to someone.

And I actually found it quite intimidating, but at the same time, I kind of loved it.

Like I wanted to be able to do that.

And so, you know, I went through a fairly normal childhood, very middle class suburban family, again, a little bit dull, you know, defines my early life, I had a great childhood and went to university and then got this job.

And then I realized that it's very hard to be entrepreneurial in insurance for sure.

I mean, not that you can't do it, but it's not exactly the world of entrepreneurs, right? Right?

Dime a dozen.

Whereas computers were clearly evolving and becoming more and more relevant and the internet was like in its early days, but not when I wasn't really around in any meaningful way when I started, but then as I kind of went on, it was becoming a real thing.

And I thought, well, this is it.

This is my chance to kind of do what my dad did and be an entrepreneur and I don't even have to phone anyone up.

I can just like learn a different language and start programming and build a website.

And so was there like a specific day you remember that you're like, okay, this is my last day of doing this.

I'm going to take the leap.

Yeah.

Pretty much.

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There was a guy, I was working, I left insurance for a little bit, worked for mother care, which is a retail chain in the UK doing data analysis.

And there was a guy there building intranet stuff.

And he was starting to show me HTML and I was like, oh, this is cool.

Yeah.

The good stuff.

Yeah.

And so I started like reading some books and doing a bit of a development.

And then my wife, Sochi, got pregnant with our first child who was born, obviously nine months later, Isabella, and it was a maternity leave time and she was going to like leave her job.

And I was like, that's not fair.

Well, I should get to see that home.

And so I pretty much handed in my nodus like at the same time that you went the opposite way as most people.

Most people are like, oh, I'm having my first child.

I need security.

Yeah.

I need to provide.

You're like, no, I want to be at home.

I wasn't lost to me.

Yeah.

Or her in fact.

Yeah.

I'm sure she loved that.

Yeah.

We were, we're both from kind of these stable middle-class families and we knew that it may not go well and we may run out of money, but we also knew we weren't going to be homeless.

Right.

And we knew worst case scenario, I mean, we talked about it, worst case scenario, we go and live with one of our parents, apply for another job, we'll get another job, we're young and we'll start working again, go back to our kind of formal life.

But it sounds silly.

We didn't feel we had anything to lose by doing this.

So was it like a negotiation like, all right, give me, give me X amount of time.

I'm going to see if I can make something work.

Yeah.

I'd said three months.

Three months.

That's it.

I recommend not saying that.

So you asked for three months.

How long did it actually take?

I took three years.

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And so were you just rolling being like, I'm just three more months away or what happened?  
Pretty much.

Yeah.

You know, it's like waiting for a bus.

You're like, you know, we're three months in.

It's obviously going to happen soon.

And so the goal, like when we left, it wasn't even to make our first million.

Like when I left to do my entire 100% goal was to earn as much money doing my own thing as I was earning working for someone else.

Gotcha.

So what was that number?

What's the target for you at that time?

Well, we were freelance.

We were both working.

Between us, we were making about \$300,000 a year, which is great.

Yeah.

Back in 99.

I mean, it was really good money.

So it wasn't like super easy to get to that level, but it also felt that that must be achievable.

So that was the goal.

And then if I could get there, I felt I'd actually be happy just doing that.

The rest of my life.

Right.

But then there'd always be that opportunity that maybe you go to the next level beyond that.

Right?

Yeah.

And so you were like, okay, if I can make as much money as I'm making my job, but doing my own thing, I'll be happy.

And did you have an idea already or it was like first day at home, okay, time to think of ideas.

I had some ideas.

So the first idea that we started on, and I did it with a friend of mine to begin with, the very first idea.

And it was called interview test.

No, that's used from startups recently doing this.

Okay.

Yeah.

The idea was, if someone was applying for a job, they, a technical job, programming job, you want to know how good they are technically.

Right.

So you'd send them a link with a timer and they would answer questions and do some exercises and you'd find out how good they were at some programming languages.

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I literally had someone pitch me this idea yesterday.  
Oh, really?  
He's like, you know, we need a screener.  
We need a practical test.  
Yeah, there are.  
I can't remember the name.  
There's some startups now doing that, but this was 20 years ago and I think probably a little too ahead of its time.  
And we pretty much developed it, never went live with it, came up with another idea, so we pivoted it.  
Okay.  
So you didn't even ship it.  
You were like, you got excited by something else.  
Yeah, basically.  
And so the other idea, we knew that was a hard one to market, like it would be a slog.  
So the other idea was purely viral and it was called lemon link and it was a self updating address book.  
So similar to kind of Plaxo type thing, but not software purely web based.  
So we developed that, did go live with it and got, I think by the time we close it down a total of about 2000 registered members, not the most viral website ever.  
At the time, were you like, hey, 2000, not bad.  
Or were you like, this is bad.  
No, that's pretty bad.  
I mean, it's funny looking back in the 90s, like 90s, early 2000s, like a million was the whole, you know, your first million users rather than the first million dollars.  
Yeah.  
It's kind of, if you could get to a million users, you were like, you'd made it internet land.  
And so that's why I picked million for this podcast because I remember when I was young, all my hypotheticals, like would you cut off your arm for a million dollars?  
Because I thought, well, a million dollars, that's like infinite dollars.  
That's all the dollars.  
Right.  
When you're a kid, it is.  
When I was a kid, it was, right?  
And I think for many people still today, they're like, shit, if I had a million dollars, I wouldn't have any problems type of thing.  
So I think million is just this, you know, like this sort of fantastical number that exists in people's brain, million users, million dollars.  
And I know now it's sort of creeping into, you know, tens of millions or a billion is the new.  
Yeah.  
You need to add a comma nowadays.  
Yeah.



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But I'm still in the million land.

Okay.

So you wanted LemonLink to work.

It's not working.

Right.

And you're just at home.

How are you feeling at this time?

You're in a bedroom.

You're working on this.

You guys have Isabella.

You have your first baby.

Yeah.

What's life like at this time during this period?

It was a little bit stressful because we didn't have like financial security, but at the same time I was enjoying it.

I was enjoying the learning process and, you know, I felt I was creating things.

It felt like a very creative process.

And yeah, our daughter was born sort of during the period of the early startup days.

And so we entered parenthood and then came up with another pivot.

Okay.

Well, new startup really, not really a pivot.

And that was called babysitting circle.

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That's who we use to organize things for the podcast.

Highly recommend checking it out.

Basically parents babysit for other people's children in a circle.

And so you kind of exchange credits within the circle.

Sometimes people use tokens.

Sometimes we kind of took that online and created a digital thing where you could find a local babysitting circle and hopefully join one and didn't really work.

What was going wrong?

Is this execution?

In my opinion, nobody knows, but you weren't doing a good job or was it the market wasn't there?

Yeah.

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Again, now we've moved away from the viral thing.

We thought it would be somewhat viral because parents will know other local parents and they would tell them about it and ask them to join.

But it wasn't ever going to be exponentially viral.

I don't know.

I mean, I think every start up, every new website we launched, I felt, oh, I know so much now that I didn't know before, that you never know what you don't know.

And then the next one, I'd be like, oh my God, the last one, I don't know, have a clue what I was doing now.

I think I've really worked it out.

And of course, each time I was wrong, eventually it became true.

But yeah, it just went from one to the next.

And this all happened relatively quickly.

It wasn't like I was spending one to two years on each.

I was spending maybe six months and then moving on to another complete.

What were the big things?

I mean, I don't even know if you can remember now, but what were the big kind of like realizations?

What were those big learnings where you looked back and you're like, oh shit, I didn't know this, or I didn't understand this before, but now I know.

Part of it was just becoming technically bad.

I was becoming a lot faster and able to build more stable websites.

This is back in the day when there wasn't any kind of cloud hosting.

So you're hacking servers and doing the whole shebang on my own.

So there's definitely a technical learning, but I think the thing that I should have like insisted on and not done anything other than was focused on vial.

Because the problem that we always hit upon was I never tried to raise any real money from anyone that would allow us to like have a real marketing budget.

And so I was coming up with these ideas that then needed marketing and marketing was not my forte.

Like I'm not a sales marketing guy.

And so it's like creating products, but then I need more to convince people to use them and didn't have the budget, even if I knew how to spend that money really wisely, I just wasn't going to be very good at that.

So I do a little bit of Google AdWords and like that was sophisticated for me.

So had I focused on vial, I could have only becomes a technical challenge, right?

But then you've got to focus on products that are inherently vial.

So I kind of eventually worked out.

You found your sweet spot, really?

Yeah.

We did one other website that was another, you know, paid to get customers.

You write your will online.

It's called Friendly Wills.

Great name.

Yeah.

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The unfriendly wills website never got anywhere.  
It sounds like it would be a good bar too.  
You know, this is Friendly Wills, Wills the bartender, he makes great drinks.  
Yeah.  
So that one didn't work either.  
And then eventually we hit on an idea.  
Did you lose confidence at all during this time?  
Because most people would, you know, I don't know if you just don't have that gene.  
No, I'm too arrogant to lose confidence.  
I mean, a little despondent at times, you know, I think my friends are like, why don't you go get a job?  
My friends start having like semi interventions.  
I mean, the reality was I was enjoying doing this so much more than I ever was.  
Like my last job was like just a hell of a miserable job and I just hated it.  
And this was just, this was fun.  
I was sitting at home.  
I was very self disciplined.  
I was working from a spare bedroom, but I would get up early in the morning and then take like a 20 minute lunch break and then work through to kind of an evening house and just loved every moment of it.  
Yes.  
Doing it.  
Learning, building that didn't have the financial success.  
We mortgaged our flat twice.  
So it went up in value by about three and so we took money out twice and basically lived off that.  
Okay.  
All right.  
So no stranger to risk.  
And so you, I like the way you're thinking about that because I've worked on projects in both fronts.  
I've worked on projects where I'm like, this will be great if it works.  
And when it doesn't work, which it's most likely not going to work, then I'm bummed out and I'm like, fuck, that was a waste, you know, but then, you know, yeah, there's learnings, but like I wasn't, if I wasn't enjoying doing it, A, it's hard to just wake up and do it every day, but B, then success is kind of dependent on it working out.  
And now I've basically made it a mandatory thing where I'm only going to do projects where I enjoy doing them.  
So at the very least, I have a good time.  
Yeah.  
I would always prioritize enjoying work over any financial, I mean, obviously you do need to do something where you can afford to live.  
Yes.  
I have a huge portion of my life working.

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So if I don't enjoy doing the thing that I spend more time doing than anything else, what am I doing it for?

Some later happiness.

Yeah.

Like you're always optimizing for the future, but never the present.

Right.

So that's become one thing that, and it's not always obvious because you're, it's so easy to be like planning, like it was John Lennon made the quote famous, like life is what happens whilst you're busy making other plans, right?

And I just think it's such a, such a true quote that it's so easy to say, well, once I've done this and then that and then that, then everything's going to be great.

Right.

And then I'll be happy.

And of course, yeah.

And the moment of arrival is, is very finite.

The journey is really long.

So I don't like optimize for that one moment where you're like, oh, I'm ecstatically happy because that worked.

Yeah.

And then like, well, then what?

And what do you do next?

There's something after that, you know.

You finally stumble into, you know, that first thing that starts to work, uh, describe what that is and how you even stumbled into it.

So the website was called birthday alarm.

When we did one of our early websites, lemon link, one of the options on that was you could enter a birthday and no one ever said anything nice about lemon link of the 2000 members.

No one ever said, oh, thanks for creating this.

It's awesome.

The only thing people ever commented on, I think it was my cousin kind of commented for New Zealand emailed me and I think we used to send out like a reminder to say it was someone's birthday.

And so I think he might have got a reminder saying it's my birthday and he said, oh, that's really cool.

Cause you know, I didn't actually know your birthday and then he sort of sent me a nice email or an e-card.

I can't remember what.

Nice.

And I was like, oh, okay.

That's cool.

So I just, it just kind of stuck in my head.

That was cool.

And, um, and then we thought, why don't we just, why don't we try just see if we can now we were thinking viral, viral, viral, like can we do a website and all it does is just remind

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people of birthdays.

Like that's it.

It's super simple, simpler than lemon link by far in many ways.

And we knew it.

We thought it could be inherently viral because the reality is, if you think about whose birthday do you really know by heart, you know, you're like children's, your parents, siblings.

You probably don't know your cousins.

You may know one or two best friends, but that's it.

The vast majority of people you know in life, you don't know their birthdays.

This was obviously before Facebook.

Yes.

Now, you know far too many people's birthday that you don't care about.

So you have to, in order to use it, you send an email and ask all of your friends to enter their birthday because you don't know it.

A fair request, not spamming your friends, just saying, Hey, what's your birthday?

I want to keep track of it.

I want to remember it.

And this was back in the day when there weren't a lot of email requests from websites like viral things weren't, there weren't a lot of inherently viral websites or people even really trying to do it for some reason.

And so you got this fair request saying, Hey, I'd like to know your birthday and be reminded each year.

Can you enter it here?

And the answer to that email was very good and then the next question was, would you like to be reminded of your friend's birthday, the one that just asked you?

So a lot of people would say, yes, well, to be reminded, you need an account.

So you create an account.

Do you want to be reminded of lots of other friends' birthdays?

Why not?

You only got the one on the calendar.

Let's get everybody else.

And so then you take them through the email flow and at the time we did copy and paste a link.

So we had kind of a little, you should also see everywhere, but I had like a very short email.

So it was more than a link.

It was a pre-canned email and a text email.

Don't even need to think of what to say.

Yeah.

And just a one line.

Hey, I'd like to be reminded of your birthday.

Can you click on this link and enter it for me?

And so people would copy that into their address book and send it.

And it didn't work immediately day one, but we did some tweaks.

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And then we, I remember getting up one morning and this was probably the most excited I've ever been during the entire like period career.

Yeah, like more excited probably than any highlight of Bebo even.

And so it's, you know, I got up one morning, we've done this little treat.

Do you remember what the tweak was?

I think it was even around copy and paste because I think originally we had people entering like enter all your friends emails.

Right.

Yeah.

And then we're like, why don't we just do a text here?

I think it's my brother's idea.

Actually, why don't we just do this text area box thing and let them copy and use their own email client rather than us sending and getting blocked because our mouse servers not listed.

And so we got up the next one is like, let's see how it did.

And we went in and we had reports written so we could see how well things were doing.

But because we had so few users, the one report we had was a list of names of those who had joined and the timestamp at which they joined.

Right.

Because, you know, we'd get a few people a day.

Yeah.

So you're like, Hey, Margaret was joined.

Great.

And so we got up in the morning and then we click run on the report.

It pulled up and I was like, Oh, Jesus, look at that.

And all these names were listed, but they were like, you know, within a minute, there were a few each minute.

And I was like, Oh my God.

So then I had to write another report to actually count how many users there were.

I think overnight we'd got a good few hundred users.

And even then it was kind of ramping up.

And so we sort of jumped up and down and did a little dance in the office, come bedroom and kind of celebrate.

I was like, we've done it.

We've done it.

That's it.

You know, 300 users.

Not going to be great.

You know, this is ramping up.

We could get bigger and bigger.

And so we carried on working on it and we got it to the point through the copy and paste mechanism where we're getting 10,000 users per day, which again, back in, well, this was now 2000.

That was a lot of users.

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And so you're, this is like a sort of magic beanstalk.

It's like, you know, you just wake up and you get users for free every day.

Yeah.

I know it's great.

Isn't it?

And so, and at this time there's no business model.

No.

I haven't thought about that.

I'm over the moon anyways because people are actually using the thing I built.

Yeah.

I was still living with this, this number of a million users in my head.

Yeah.

All right.

So if you're getting 10,000 a day, we need 100 days and we're going to get to that million, right?

So we just have to wait a few months and not screw it up and we'll get there.

And so what, what happens from there?

Well, we still weren't making any money, but we were in England at the time and we moved to the U.S. April 22nd of 2002.

So we'd been doing birthday alarm for a while then and we had accumulated a few million users and we were doing, we were just doing through, I think it was Tribal Fusion ad network.

We were just putting ads on the pages, but it's not the sort of website where you come back to every day.

So we were sending a significant number of reminders and we started doing some greeting cards.

We thought, well, what's the one thing you're going to do if you know it's someone's birthday?

You want to wish them happy birthday?

So send them a card.

So we thought, well, combine, we'll use the viral mechanics of birthday reminders to grow and we'll use the greeting cards to one day monetize in a more meaningful way than we could for ads.

And so from the ads at that point, we were doing \$10,000 a month in revenue and that was, you know, to pay for our living costs, the server costs, you know, all the business costs and everything.

So we were living on sort of in a very conservative manner and we were just about breaking even on 10,000 a month.

So we hadn't reached a point where we were used to earn, but we'd reached a point of kind of financial independence as it were, but not living as well as we used to.

But it still felt like a win.

It felt like a win.

It felt like a meaningful milestone.

And so we moved to the U.S. I literally, we had two servers.

And you moved because for work reasons or just life reasons?

So she's from the East Bay, from San Francisco.

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So she wanted to be their family.

Yeah.

We always agreed we'd move between countries.

We both wanted to experience living in each other's country.

And so the time had come, we're like, well, there's no reason that we can't move.

And they thought, you know, Silicon Valley may be not the worst place to do a website.

Were you talking to other entrepreneurs, internet people at this time?

Were you learning from them?

Were you getting, nobody knew about birthday alarm, nobody's getting pressed, nobody's...

I thought I'd proven nothing.

I was not worthy of meeting other people who did internet stuff.

Okay.

So it was literally myself.

And so she was also a programmer, got a job at that same insurance company.

So she was helping me on some of the programming as well.

So both of us were doing programming in the early days.

And she was doing it between children.

We had another child born in the UK before we moved.

But yeah, we just made the switch.

So I packed one of our two servers in a suitcase, checked it in, flew it to San Francisco, went and wracked it.

Who needs the cloud?

Yeah, I know.

Pack your server, check it in.

Wracked it in a colo.

I think we were down, synchronized the databases, I think we were down for like two minutes whilst I like flipped over from the UK to the US hosting, probably violated all sorts of data.

Right.

Thousands of birthdays lost.

Yeah.

Anyway, we made that jump.

And now we're in Silicon Valley, still not meeting anyone who worked in the internet space.

And so where did things start to turn?

Where you go from sort of the 10,000 a month to, I believe you got to like 10,000 a day.

What was that jump?

How did you sort of ramp it up?

Because birthday alarm, the user base grew from zero to, I don't know, where is that now?

It's 50 million more?

I mean, I think we still actually have a birthday alarm.

I think since its inception, it's probably registered about 200 million users.

Incredible.

But over a very long period now, 20 years pretty much.



## [Transcript] My First Million / #7 - The Hippie With A Billion Dollars

Yeah.

Yeah, we're coming up for our 20th birthday.

So it's a long time, obviously a lot of those are not active.

We still haven't made the million.

So we haven't got that part.

We can end the podcast when we get there.

We were doing it, we were still making 10,000 a month, we were living in Walnut Creek in the East Bay rented an office, like a tiny office, we could both just about fit two desks.

We were sharing it with two lawyers, well, a bigger office with two lawyers and accountant.

One of the lawyers shouted on the phone a lot, which was always entertaining.

He was a litigation lawyer.

And so we were there, still not meeting anyone.

And then a friend of mine emailed me a link, a guy called Morgan Soudin, still a good friend today, emailed me a link of Friendster and said, check this out.

So I clicked on the link, I was like, oh my God, that's amazing.

This is really, really cool.

And it was just kind of immediately enthralled by it.

So I thought, okay, so like two minutes later, I was like copying the birthday alarm code based.

You're like, we're doing this now.

Yeah.

Change name and study.

It was amazing.

90% of the code.

I used from birthday alarm because we had all this like backend systems and so on, customer support and so on.

So I started developing this new website and my friend, so I did that with my friend Morgan who sent me the link.

And my brother was also part of that.

And he owned a domain name called Ringo, Ringo.com, which he'd bought just because he could for \$1,500.

It's all available.

And he said, why don't we use this name for it?

And so I think about two weeks later, we launched Ringo.com as a direct competitor to Friendster.

It was an early, early social network and kind of applied everything we'd learn on viral marketing to that point.

And I think within, yeah, by the time we sold it, we had about 400,000 users, but we started selling it three months after launching the day that he sent me that link.

Okay.

From the day you heard of it, we were selling our business and it was definitely a mistake to have sold it.

We shouldn't have sold it.

I still only making \$10,000 a month.

This was now incurring way bigger costs because this thing was far more intense and computing

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power than the previous one because people were spending all day on it.  
So we had 400,000 users, but a lot of them were active.  
And so I spent \$6,000 on a new database server, which was like a lot of cash to save up.  
I racked it and we outgrew it like the next week.  
I was like, fuck, I can't do this.  
And of course, I should have gone and raised money.  
Right.  
But that wasn't even a consideration for you at the time.  
I didn't really think about it.  
I didn't even speak to a VC, didn't pick up the phone.  
And then I went to my, we went, Sochi and I went to our first ever like internet networking event that we'd ever been to.  
And the founder of Friends of Jonathan Abrams was there on a panel talking about social networking, of course.  
And we were at this event and we were just listening and then we spoke to a couple of people and I said, oh, we're doing this thing, Ringo.  
And then two people that night said, we want to buy Ringo.  
Okay.  
Yeah.  
So one was iVillage and the other was a company, Tickle.  
Yeah.  
No, it wasn't like a formal offer, but it's like, we'd love to talk to you about this.  
So I had some follow up meetings with them, ended up meeting the founders at Tickle and ended up selling it to them.  
And it took about three months to close the sale.  
So it took as long to close the sale as it did to build the entire business.  
Yeah.  
If you can call it a business.  
And we were making a tiny bit of money from advertising, but not.  
And how did you guys negotiate the price?  
Did you just have a number in mind or did they make an offer?  
They made an offer.  
Yeah.  
It was mostly stock with some cash.  
So I think we sold it for very little.  
Again, still haven't got to the million dollar bit.  
We sold it for, I think in, in consideration of the time, I think it was around \$700,000.  
Okay.  
And at the time to give some perspective.  
So friends had just reached that holy grail of a million users and we were at 400,000.  
So we were the second biggest social network in the world with 400,000 users.  
And friends that had been valued at, I think 50 million and we sold it for like peanuts really.  
Yeah.

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So I totally should have gone away with money and got some help on scaling it and some money. But we sold it.

It ended up, the tickle then sold later.

So it ended up being worth \$2 million because the tickle stock was, went up in value.

And this whole time, birthday alarm's still kicking off money.

Yeah.

And so I went to work as part of the condition of the sale, I had to work with them for a while.

I can't remember, it was three or six months that I would work for tickle.

But I kept birthday alarm.

I didn't buy birthday alarm and whilst I was at tickle, now suddenly I was now meeting other engineers, other people, other entrepreneurs.

And they were doing something which no one else was doing, which was doing the address book, importing, scraping.

So there was no APIs for like hotmailing Yahoo, Gmail was around then, but very small.

So the two big ones were hotmailing Yahoo.

So instead of copy paste this and send the email on your own, you say, connect to Hotmail.

And it says, import your address book.

Here's all your email contacts, push send.

Yeah.

And so they were doing, tickle did a, they were called eMode and renamed as tickle at the time that they bought us, but they, they were doing these online quizzes.

And so they had a famous one, which was like, you're, what type of dog are you?

It went super vile, tens of millions of users.

What type of dog are you?

I can't remember.

I don't believe in that crap.

They were doing this thing and it wasn't, the funny thing was it wasn't really working for them.

Like they put it live and it didn't really move the needle for them.

And I don't really know why, but I thought it was very clever and I hadn't seen anyone else doing it.

So I think they were the first people to do it.

So I went home one weekend cause I was still working for them and I was like, I'm going to put that live on birthday long.

So I worked the weekend, put it live Sunday night and then looked at the data like 24 hours later and we'd added a hundred thousand new members.

So we were still adding 10,000 a day and then 24 hours later, we just added a hundred thousand members.

And I was sort of ecstatic and thought, this is amazing.

But then I also thought they're obviously going to cut me off because it's not, I don't think they had anything in their terms of use against it, but like all they had to do was block my IP address cause it's all coming from one server and I'm not going to be able to do it.

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All they're going to send me a cease and desist.

And so I went live with Hotmail and Yahoo and then it just carried on working.

And so the next day we added a hundred and fifty thousand.

I think it peaked at just under 200,000, but it stayed there and stayed at a hundred and fifty thousand for an entire year.

It didn't drop.

And every day you're like, today's the day.

Yeah.

And I kept thinking and then for now and then it would actually stop working because they changed their code.

Right.

So we're not doing it through an API.

So I'd have to like log in, look at their HTML, work out how to delineate the different contacts and, and then I was like, oh, now I fixed it.

So I probably fixed it like a dozen times where it broke because they changed something.

And every time my heart was sinking, oh, they blocked me.

I was like, oh, no, they haven't, they just changed something.

And so that was, that was definitely like the turning point where we knew we'd be successful.

And then during that period where I was working at Tickle, I went live.

We'd done greeting cards on the website and I was like, we need to start charging for greeting cards.

So we added a subscription was \$30.95 for an annual subscription.

All you can send greeting cards.

And so we went live without whilst, I think we're still working at Tickle.

And then everything's always a very round number in zeros for us for some reason, but the first day we made \$10,000.

So we went from \$10,000 a month to \$10,000 a day.

So financially, this was by far the biggest transformation in our lives.

And so we never really did reach the point of what the money we used to make in jobs.

We just went way over it in one go.

Yeah.

That's how things tend to go.

Like things go from sort of nothing, nothing, nothing, nothing to you overshoot because you've been investing in something that had more potential.

Yeah.

And so with that first year, we made just shy of \$4 million, like the first 12 months of charging.

And our expenses were the same.

It was still myself and Sochi in this little office, our COLO costs were the same.

So we were still living pretty much on \$10,000 a month, but we were making \$10,000 a day.

And that's when we moved to San Francisco, we thought we can actually help forward San Francisco.

So we moved into the city.

Yeah.

## [Transcript] My First Million / #7 - The Hippie With A Billion Dollars

I mean, we just carried on building birthday long for a while and then wanted to go back to social networking.

So we had a non-compete when we sold the original social network.

So we waited for that to expire.

And in fact, before it even had expired, we did another website, which was going back to our first viral idea of Lemonlink and doing that again.

And we called it Bebo.

And it was a self-updating address book.

And I was like, I'm going to see if everything I've learned since the very first idea.

Can I do the same idea?

Yeah.

Well, better.

But do it properly.

And so we applied all of the viral techniques, again, it was like, you know, birthday alarm, save as, bebo, rename, all the viral mechanics, the scraping, all of that code was still valid. Super simple thing of just like, instead of entering your birthday, enter your contact details.

I love how you had two constraints.

One was you basically between you and Zocha, you were the only programming talent you had.

So you kind of just chose ideas that were somewhat similar.

It's like, okay, if I can reuse 80% of what I already built, great, then I don't have to have, you know, weeks and weeks of engineering just to get something live.

And then two was, why don't I have money, nor do I really have a sort of sales and marketing background.

That's not what I enjoy.

So I'm going to make products that are designed to be viral, where using the product invites more people to the product.

And those two constraints, I feel like made your career, whether you consciously chose them or not, those two things, because if you had had a whole bunch more resources, maybe you would have chose other projects that weren't quite as, you know, high potential.

So I think that it's amazing how within those two constraints, you found projects like Birthday Alarm, Ringo, Bebo, that all were able to hit.

Right.

Yeah.

That's kind of incredible.

And the viral thing was, we didn't hit on it in the very beginning, but it became apparent when we tried and failed at marketing.

And that certainly stopped true for a long time that we just focus on viral stuff.

So then the Bebo story started, this was now January 2005, we, it took only a couple of days to develop it, because it was pretty much the same website, and we went live and we had a million users after nine days of going live.

Okay.

It was the most viral website we'd ever done by far, the viral coefficient, the K-factor or whatever you want to call it was 3.5.

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For reference, if it's over one, you've like made it.

One is viral.

One is viral.

One is you're going to win.

Yeah.

3.5 is like you're taking steroids.

One person who joined would get three and a half other people to join on average.

And so I think on the ninth day, we added 350,000 new members on one day.

And bizarrely, 100,000 of those 350,000 were from Singapore.

So I had to look it up on a map.

I looked up the population.

I was like, Jesus, we just like in one day got a meaningful percentage of the entire population of one country to join.

Right.

Yeah.

Which was just bizarre.

But at the same time, it was the most viral website we'd ever done by far.

It was also the least sticky.

So I think two people came back.

One of them was me and then.

One other guy in Singapore.

And then Margaret again.

She was back.

So yeah, I just didn't, you know, I kind of validated the original viral concept.

But as I said, even when I started doing this, I remember speaking to Sochi about it and saying, you know, no one's going to use it.

Like it's kind of an interesting academic exercise, but like self-updating address books don't work.

Yeah.

I think they could work if Apple did it and build it into the iPhone or if Google did it, but they don't work as like a standalone thing because you end up getting 10% of your friends entering their address book and their contact details, but then they don't continue using it because who uses an address book with only 10% of your contacts in it.

And because they're not using it, they don't update it.

So we ended up sort of calling it the non-self-updating self-updating address book.

So you realize that's not going to work, but you're like, let's go back to that social networking thing.

That sounds way more fun.

Yeah.

I mean, it was kind of filling in a gap waiting for the non-compete to expire.

So then we started adding photos to it.

So we thought, well, you're not going to visit and look up someone's address every day, but if people started sharing photos, so Flickr was a big hit around that time before that.

So we thought, why don't we use the virality of the contacts that make it also a photo

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sharing website, which then people may do frequently.

And then obviously photo sharing becomes a big part of social networking.

And so then that started working a little more, started getting some repeat use, some decent photos.

And then we just spent actually six months, the longest time I've ever spent developing like a product, spent six months actually developing the social network.

We launched with a very simple social network, spent six months actually making it a social working site as opposed to social not working.

Yeah.

It took six months for us to go from like no engagement to really high engagement.

And so paint a picture in people's minds.

So Bebo at this time, is it like what we see kind of roughly with Facebook today or MySpace for those who remember that?

Or was there some core difference?

If you think of early friends through an even early Facebook, it was kind of about profiles and it was about posting on other people's pages, but you had posted like different widgets or different boxes.

So you'd, there'd be like a comment section or you could, you know, take, we had quizzes you could take.

So you would sort of engage on someone's page.

There wasn't the concept of a newsfeed.

So Facebook at the time didn't have the newsfeed concept, early Bebo days.

What we did do was we did, basically we did a newsfeed, but as an email.

So we'd send a daily email.

We called it the Chacha Changes email because, you know, we don't like sting.

And so we'd send a daily email with all the, so that was a way of kind of pulling people back so they could see everything that had happened.

But I don't know why we didn't make that dynamic.

I think we just thought that would be really hard to do because it was hard work creating this email in batch and working out all the differences, but we should have sat down and worked out how to do the actual newsfeed idea.

But it wasn't dissimilar.

And what was the, you know, I mean, you've been asked this a million times, but why did Facebook win?

Because you had a great sale, but Bebo, the product didn't necessarily like sort of become the de facto social networking site.

So I think there's a few reasons we, we started a year.

So when we did our original website, social network, Ringo, we were probably six months before Facebook went live.

So we were definitely very early.

When we launched Bebo, we were a year after Facebook.

So we were always in catch up mode.

They had considerably more funding.

We raised, we did one round and raised \$15 million.

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They had considerably more funding.

There were probably 10 times the engineers.

We were always in catch up.

It's not like we had the lead and then they overtook us.

But I do think they made some decisions that we didn't make early on, which kind of paid dividends.

They insisted on real identities and we didn't.

We were more sort of, we were trying to be the kind of self-expression of my space, but with the kind of product quality of Facebook and engineering of Facebook.

That's where we were trying to kind of position it.

And we thought that the middle ground would be the winning ground.

But if everyone started entering silly names and then they'd entered names, which had like hearts in it and like, and then it was just all symbols for their name.

And so you try to find a friend, like, hey, you couldn't remember what ridiculous combination of characters each friend had chosen to use for themselves.

And then you couldn't search because I can't type heart in search box, not very easily anyway.

And so I think that, that was one thing we, we took off with a teenage demographic early on.

I designed it for me and then realized I obviously have the mentality of a teenager because that's who it's resonating with.

And I think it was hard then for the older demographic because it got, it got branded as a teenage website.

So it was hugely popular with teenagers, like any, like every single teenager almost bar was in the UK and Ireland and New Zealand were using it.

So I kind of called it playground viral because 50% of our new users were actually just typing bebo.com in the URL and signing up.

Right.

They heard, they heard about it on the playground.

They heard about it.

It was true word of mouth marketing.

And so it was very popular, but then we just, we hit this ceiling and then we grew in those other countries.

We, 20% of our page views were US based, 60% were UK, US based, 60% were UK based.

And I think about 20% were 15% were in Ireland.

We had these great markets that were English language and therefore easier to monetize and we didn't have to do in the multilingual thing.

We did later on, but we didn't need to in the early days.

But we just couldn't, in the end of Facebook, they kind of didn't care about other markets to be in with.

They were very US centric.

So they kind of left a little window open.

So we launched and cared about Bebo in the UK.

I think they were just starting to do UK schools and colleges.



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And so we just took off there without the sort of threat and competitiveness of Facebook. But then eventually they started gaining traction.

Right.

And we could tell cause they're talking, people are talking about Facebook on Bebo. We could search and see, and people were like posting on their profile, don't use it anymore on Facebook.

Here's the link.

Right.

And I'm like, oh, shit.

And so you, how did you come to the sort of realization or it's time, it's time to sell? Cause I don't think from the outside people could see necessarily that it was, was it clear for everybody or was it more because you were in the middle of it, you sort of knew before other people that it's time to sell?

Well, we, I mean, we had, obviously we knew our own data.

So we, we'd been growing for the first three years of, we'd just been growing every month like exponentially, like every month was a new record in every measure.

And it was very exciting to be doing that.

So we'd sort of, we'd sell away and have a champagne toast whenever we hit a certain milestone, but then we found we're doing it like every one or two days.

And then it, it tailed off.

It started, didn't always grow at that rate.

And then for the six months prior to closing the sale, we didn't grow.

We didn't shrink, but we didn't grow and you know, you could tell publicly on something like Alexa that we were kind of flat and where's prior we'd been hockey sticking.

And I was trying to get it far like when I hadn't really spent any time on growth for a very long time because I didn't need to cause it just kept growing.

But then we're starting and I had, we get it growing again and it was evident that, you know, as much as we could get someone to come in through the front door, someone else was leaving out the back door to go typically to Facebook.

And so it was just evident that this is really hard to do this.

It's really hard to do it alone.

And so we, we ended up, uh, Joanna Shields, who was the company president at the time and he did a presentation and she was invited to present to the Time Warner board about social networking.

And so she kind of shared her vision of, of the social networking landscape and what was happening at Bebo and then they were interested.

So he kind of stemmed from that.

Then we pointed Alan and co the bank, we ran a process.

So we spoke to other people, other companies to see, try to get the high spirit, but it ended up going back to AOL.

There's been a sort of question mark of, okay, it's sold for this much.

Is that just a matter of market timing like, you know, can't buy Facebook, MySpace already got bought, Bebo sort of the, uh, you know, you're sort of the last girl on the dance floor.

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If somebody wants, if somebody wants to have a social network, you know, you're going to have to pay a premium or what really caused, how did it get to that number?

How did it get to 850 million?

It's a good question.

There's not, there's no like real formula for valuing.

I think we were doing, last year we did \$20 million in revenue, I believe.

So there's a multiple of revenue.

It wasn't going to work.

It was all about the potential of what it could be.

I mean, you're right in your analysis that we were kind of the only one you could buy in many ways.

Like we were, basically we were the third place, right?

We were in the metals, but only just there were other ones like tagged and high five that were not dissimilar and maybe even had more page views, but they were far more dominant in markets, non English language, harder to monetize markets.

So Facebook at the time had raised, they've done a round with Microsoft.

Everyone felt it was overvalued, but they've valued at 15 billion.

So you know,

They set the benchmark.

Yeah.

And we were shooting for a billion.

That was kind of the holy grail because, you know, I like my zeroes on the end.

Yeah.

Yeah.

It's got to be around number.

And we didn't quite get there.

But that was kind of the negotiation.

And it's like, look, it's a really good discount versus Facebook.

Right.

Yeah.

And I think the hope at AOL was they aim was AOL Instagram Messenger was still a big deal.

And they had, I think a hundred million users on it at the time.

Like it was one of the big IMS.

So the vision that they had was merge, aim and bebo.

And then

One plus one equals three.

Yeah.

That was the hope.

Yeah.

But of course, people already had their social network, so they didn't want this other thing forced on.

So the reality wasn't entirely flawed as an idea, but the reality was it didn't really turn out that way.

## [Transcript] My First Million / #7 - The Hippie With A Billion Dollars

Yeah.

I see.

What's it like waking up that day when it finally closes and you hit refresh on your bank account and you see \$700 million there.

What was that like?

What was the emotion like?

And you surprised me with your answer.

I can't remember what I said to you about that.

I mean, even now, just thinking back, what was that like?

It wasn't even a single moment of like, hello, Julio, we've done it.

There was kind of this relief that would go through what is quite a stressful process of a health cycle, which goes on for I think around six months in our case.

We also

Unemployed the day of closing.

We were the only, Sochi and I were the only two people not offered a job by AOL.

And so we were like, okay, what do we do?

Because we'd been enjoying work, maybe not the sales cycle so much, but generally we really enjoyed the BRO journey.

The day it closed, I think we went to get some money out and saw the bank balance.

And it was like, that was kind of funny.

I just had James Hong from Hot or Not on and he said that he used to go to the ATM and just print the receipt.

Like, don't take, don't take any money out.

Just be like, show my balance and just be like, yeah, I got a million bucks in there.

He's like, I used to just love that moment.

We should have printed it and kept it.

We didn't.

And we obviously transferred it out to the single bank account quite quickly.

I think we got a little bit of money out and then went to watch a film, Forgetting Sarah Marshall.

Oh, good movie.

Good movie.

We've got the Madden ticket, which is a little cheaper than the evening ticket.

Always good to save money.

Always thinking about that.

And it was the most fun thing for us to do because we hadn't been to watch a film without our kids for a very, very long time, like probably some years.

And so we could go and watch a rated R movie, just the two of us, without the kids.

And it was really enjoyable.

We enjoyed doing that.

Okay.

So that was the first thing you did?

Yeah.

Great.

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And you used to work really freaking hard.

This is what Lucinda tells me.

She's like, because I've only known you sort of after that Bebo journey.

And so I always thought, man, Michael's really laid back guy.

You don't do any work.

Yeah.

He likes to do a lot of work.

He likes to do a lot of things.

Well-rounded life.

You like to travel.

You spend time with your family.

You spend time with friends.

And she's like, no, no, no, that's not what Michael was like back in the Bebo days.

Like Michael used to like not go home.

Michael was like, you know, obsessed.

Is that like fair?

Is that a good characterization?

Yeah.

I certainly worked.

I've actually started doing that again recently, which is kind of funny, the first time since selling Bebo.

But yeah, I would work, I think other people have worked longer hours.

I'd probably do 70 to 80 hours a week, but I'd also never really stop thinking about it.

I go out in the evening, I have dinner with someone, I've been talking about it.

I socialize pretty much only with company people.

And so you're always talking about it.

You're always thinking, you're always brainstorming.

I carried on coding to the very end.

I think I was still spending 50% of my time writing code all the way through to the end.

I remember proudly checking in code on my last day.

I was like, I'm going to do another check-in.

Right.

I probably broke the entire thing.

And I enjoyed that coding part.

My favorite part of it was being in the engineering team.

And so we had an open plan office and I sat basically in the middle of all the engineers and it was engineering product that was kind of my passion in building the business.

Right.

When this podcast comes out, there's going to be people out there who listen and they say, Michael seems like a great guy, I loved your story, and they're going to want to reach out to you and all that stuff.

And I always give guests an option when A, you can shout out a Twitter or some way that people can reach you if you want to be reached.

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So that's one option for you.

And then the second thing is I ask, what type of people do you want reaching out?

Because obviously, it's no fun when everybody just goes and asks you for something.

So hey, invest in my company or that sort of thing.

But some people who are full-time investors love that, they're like, hey, send me all your projects.

I want deal flow.

Is there a type of person that you like being reached out to by that you actually enjoy when they reach out to you and you're saying, yeah, really talented engineers who want to come and work with me.

Okay.

Pretty much the only person right now.

And why would a really talented engineer want to come work with you?

They have many options on the table.

What's the pitch for them?

Well, we're working on sort of getting the band back together, employing some of the former best Bebo engineers and close friends that I've worked with technically in the past.

So we're doing hospitality software.

We opened a private member's club in San Francisco called The Battery five years ago.

It's kind of the biggest project I've undertaken since selling Bebo that was time consuming.

And we realized that hospitality software sucks.

So started writing our own software.

So I started doing that six years ago and I wrote the code myself to begin with prior to opening and a little bit after and then got a co-founder and sort of trundled along for a few years.

And then this year decided that we're really going to go for it and build this out and sell it to other private clubs and hotels.

And so it's just just trying to build a super engineering product centric business that's doing a very, very ambitious project because we're writing all of the software, like not just things like point of sales and dining reservations, but membership and events and finance systems.

And it's a little bit ridiculous the scope of what we've taken on, but the problem with hospitality software is most businesses use like five, six, seven pieces of software and they try to integrate them and they don't really work.

Right.

So the solution is one system.

I think it's the only way to do amazing things because once you own the entire code stack, the entire code base, you can implement features which are then cross systems.

And so you get these kind of magic moments as we call them internally where there's kind of the aha moment of like, how the hell did that happen?

What's an example of one of those?

So the point of sales system will be integrated with the membership database and knows when people have checked in at the front door, we have a, we're developing an app for members, which is very community centric, but then it allows once we've installed the app to

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know through beacons around the club where they are.

So we know where members are in a kind of stalky way, but if they walk up to the bar, we know who just walked up to the bar and there's gonna be iPads behind the bar saying who's at the bar, the POS knows who's near the bar.

So when you go to open a tab, so now you don't have to ask who they are, their membership number.

Right.

You greet them by name.

You greet them by name.

You know what they normally drink.

They don't have to take out their credit card and forget the credit card at the bar.

It's all just paid.

You just walk away.

70% of the time they drink Guinness.

They're like, would you like a Guinness, Michael?

And then at the end they walk away and then they kind of Uber style payments when they leave the club.

We know when they've left the club then then they get an email saying here's an email receipt of the money you spent and we've charged their card.

So it's just kind of like the seamless, beautiful moments that you can have as they kind of progress through the club.

Love it.

Love it.

It is one of those engineers reach out to you.

What's this way?

Probably Facebook.

Facebook.

Yeah.

Michael Birch.

Yeah.

I love it.

Anything else you want to leave us with?

Any other words of wisdom?

Any other things you want to say on the podcast before we sign off here?

Optimize for fulfillment.

Well, when you say optimize for fulfillment, to me that means maybe by default people are optimizing for something else.

So what do you think people are optimizing for if not fulfillment?

I think often financial success.

And so where's the situation where you are like, I'm not optimizing for financial success here.

I'm optimizing for fulfillment.

I think when I first started on the journey, the goal was never about money.

So I left my job because I thought I would enjoy this.

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I didn't like reporting to people and I didn't like to develop crappy systems that they didn't care about and to have no passion for.

So I think that very first step was entirely doing that.

But to begin with, it certainly was a sacrifice because I went from making good money to making zero money.

So there was definitely a compromise in that.

Well, you heard it here, folks.

Quit your job.

Yeah.

Everyone should quit their job.

That's what we will leave you with.

Mainly our president.

Love it.

All right, Michael.

Thanks for coming in.

Thanks for doing this.

I know you don't do a ton of these.

So I really appreciate it.

Yeah.

Thank you so much.

Cool.

Thank you.