

[Transcript] My First Million / #74 - The \$72B Chinese startup you've never heard of, a mysterious billionaire and the guide to post-corona opportunities

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.

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What's up?

How are you, man?

I'm great.

I upgraded my internet.

Hopefully, it looks better.

Called Comcast, now paid \$60 a month, and just called them, and with a click of a button,

I paid them more money, and my internet was supposed to improve.

We'll see if it happens.

Like magic?

Great, great business to be in.

I'm excited to talk to you.

I feel like it's been a little while.

I got a bunch of random topics to talk about.

I don't know how about you.

Do you have anything that was top of mind for you?

Yeah.

Well, I know about all the stuff that you, or a lot of the stuff that you have in here.

Right.

Like, I know it to the point of I wasn't sure if I wrote it or you wrote it.

That's for the best.

Okay, great.

Okay, so I'm going to start with, let's pick one that's interesting.

Okay, so how about we start with this one?

So somebody was, somebody tweeted this, and I saw it, and I was like, this is pretty smart.

So a lot of people right now are talking about coronavirus, how does the world going to change

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and lots of speculation?

I think everybody sort of agrees.

Okay, handshakes, you know, might go out the window for a bit, live sports, you know, it's going to be a little tough.

So there's, there's some things that we know are going to change, and there's some things that you can't really predict.

They're sort of second order effects.

And so somebody reached out and they had put together this, they had like a group of people had put together this thing called the second order effects of COVID.

I thought it was great.

I'm going to find the PDF and I'm going to link it in the description here.

I know one of the creators was this guy that I've met one time, super, super smart guy.

He created, are you a Harry Potter fan?

No, but I know, I mean, I'm not, not a fan, but I don't buy the stuff.

I've seen the movie.

So he created the site back in the day called Muggle Net, which was, oh, yeah, I know that guy.

He also created a, oh my God, pop, or what was it?

He's a viral content.

He's a viral content.

Not an OMG pop, but he's, yeah, yeah, yeah, I know all about him.

Tell me his name.

I'm going to find it.

I can't believe I forgot it.

So they started sports media.

Yeah.

Yeah, yeah, yeah.

I know, I know about him.

Well, I think his business is the one you're thinking about.

That's right.

So he started a chain of viral websites and they got really popular, but like everything in that era, I bet it just crashed.

But if I met this guy once and I was like, oh my God, if I could just bet on this guy's like lifetime earnings, I would bet right away.

Like this guy, this guy's really, really sharp.

Yeah, he's, he's kind of like a, almost a little genius-y.

Yeah.

I like when you say genius-y because it means like it's kind of hard to talk to.

Yeah.

Like he's a little genius-y, but when I read about him, I'm like, dude, why are you doing these viral sites?

Like you do anything.

Yeah.

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And I bet he will.

I bet he's going to be one of those people that transitions from like, yeah, I first created these, you know, the Harry Potter fan site that became number one, then I created this viral Twitter account and these viral meme websites.

Oh, and then I like solve climate change.

It's like, that's what this guy's career should look like.

Right.

It all goes well.

He's cool.

So anyway, what about him and a group of people who created this thing that was like second order effects.

They were basically like, okay, you know, for example, what's a second order effect?

So everyone knows a first order effect is coronavirus, they, you know, is wild first order effect.

You shelter in place.

Okay.

But the second order effect of that is like, are people going to have more babies?

Our divorce is going to go up because you're at home.

Is grocery delivery going to take off because of that?

And then there's like a third order effect.

Okay.

If grocery delivery takes off, they need to, you know, in cards, hiring hundreds of thousands of delivery people.

Okay.

What happens when all those people go to that job?

Now they need a healthcare system for a gig worker becomes more important.

So there's like these, these knock on effects.

And so for a business person, you want to think about, okay, oftentimes the biggest impact to the biggest opportunities are in the second and third order effects because you can start doing work now.

And then as this plays out, those things, those markets are growing rapidly, but you can kind of predict them.

So a classic example of this was you probably know this better than I do.

There's some story like the highway system was built for, for something.

I like it was built for, I don't know, forgot what it was like military purposes or something like that.

But the second order effect was that like Walmart, basically it was like, oh, people are going to exit and want to get, you know, buy stuff, get little, you know, get food, get drinks, blah, blah.

So the whole retail cars got faster, cars get faster, the retail system takes off because now there's a highway interconnect system, blah, blah, blah.

So there's a second order effects.

So one of them that I just thought was kind of interesting was this idea of drive through

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and drive in.

So now that, you know, movie theaters are like sort of going bankrupt because all their chairs are so close to each other that people, like people aren't going to go back to the movies.

Movies were already kind of struggling and this might be the knockout blow.

And so people are talking about drive in theaters.

Is that going to be a thing?

I could see it.

I could see, you know, sort of rising on top of that, you have drive through.

So how do you sort of minimize contact?

Well, drive through caffeine.

So there's some coffee shops that are like the photos I saw on Twitter, you know, the line is out the door.

I've never seen a line this long except for Chick-fil-A. And so like, what's this for?

And it's basically just drive through caffeine.

And so I'm pretty bullish on this.

If somebody was, you know, right now, they had like nine franchises, but they were doing well and they were a drive through coffee concept.

I would, you know, be very, very bullish on this thing, expanding and going from nine to 200 locations over the next two years, because I think the need for this is going to go up.

What do you think about that?

Okay.

So what do I think?

First of all, are people going to change their behavior forever?

Let's talk about that.

Like are shaking hands going to go away?

Only now, like I don't want to do a lot of that stuff, but is that going to change your behavior forever?

I don't know.

What's the, what's an analogy?

Like what, what can we compare this to?

Like World War II?

I mean, September 11th, like when I see, when I hear low planes, I get scared.

So like, no, no, no, no, TSA clearance, right?

So like you used to be able to just walk into an airport, take a ticket that didn't even have your name on it and board any plane and it took you five minutes to get from the, you know, check-in desk to, to the gate.

And now it's like, you know, security, buffering an hour, you have to have your ID.

It's got to have your name on it.

If your name sounds a little sketchy, you're going to come to this special room and get checked.

The world changed forever from that.

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Sure.

But we're also talking.

So the September 11th was definitely like a lot of like force change, like TSA.

But then what we're discussing is like, unforced change.

Like when you and I see each other, are we going to hug?

Are we going to high five?

Are we going to?

Are we going to bow?

Like, you know what I mean?

It's like, yeah.

So like how far away are we going to say?

I would imagine that some of these consumer behaviors are a little bit more analogous to that.

Right.

I don't know, man.

Will we change?

I think so.

I think that at least for three years.

Something is going to change.

The question is what's going to change and how long is it going to change or is it going to be sort of a temporary precaution that goes away?

Well, so look, you, how long did you live in China for?

Two years.

Maybe not long enough to, maybe, maybe long enough to when, when they went through, they've had, not, I don't know if they've had pandemics, but they've had a variety of outbreaks of things like this.

Has, is their behavior different?

Yeah.

Like the masks is a great example.

So like masks quite common in Asia to be, you know, something you just generally wear out and nobody even bats an eye or seasonally, like when it's flu season.

Yeah.

Everyone masks up.

I'm not trying to get the flu.

And, you know, you don't see that here, but will you?

Maybe you will.

Like I would, I would expect.

Do they go to crowded movie theaters?

They do.

Yeah.

I know you like can't avoid a crowd, but, you know, you got like a billion people in a small city.

So it's, it's very, you know, there's crowds everywhere in China, but people do behave quite

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differently than they do here.

Gloves, you know, gloves are very sort of common there that people here don't wear gloves just on their day to day life, right?

So.

Yes.

I do agree.

I think things are going to change.

I think specifically big cities are going to, I mean, I'm biased because it's directly it impacts me.

I think cities are going to, our cities are different.

Right.

I do think that work is going to be different.

We, uh, we're getting rid of our office in San Francisco.

Yeah, exactly.

So, you know, there's all these sort of second order, third order effects, example of a second order effect of the TSA.

So first order effect is TSA, second order effect is people selling toothpaste in three ounce bottles because that's what you need now to get through that, right?

That became a market where before who wants this tiny little bottle.

And so, you know, from, I'm just trying to keep it from a business perspective because, you know, from a medical, scientific and cultural perspective, you know, don't listen to me, listen to other people.

But from a business perspective, I think that there are, uh, it is worth, you know, taking a pen, go into a whiteboard and starting to map out, okay, if this, then that, and then if that, then what, and the what is where your business opportunity lies.

And if you're looking for that, it's also just a good way to guess and check.

Even if you're not going to go do those things, the only way to get your gut to be good is to predict a bunch of times and be wrong or right and we'll go revisit those.

And so I often do this while predicting also, let's talk about some, talk about some of these predictions here.

I pulled it up.

So some of the predictions here are, uh, so gyms are going to go away or significantly go away and which means innovation in home exercise.

Obviously that's like, that's like, yeah, that's, um, I mean, that's not even a question, right?

Well, I don't think gyms are going to go away necessarily, but yeah, people are going to whatever the home exercise market was versus gyms, it's going to eat more share.

Are you exercising at home?

Yeah.

But it's, you know, I exercise at home as much as I do at the gym, which is like weak on both fronts.

Um, have you, oh, how about food?

That's interesting.

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Funerals.

I don't know.

Um, cities will become, uh, less popular.

That's one of his predictions suburbs and rural become more popular.

Like real girl, he came out today and was like, you know, camping and RVing is going to go on the rise because people still want to travel, but they're not going to want to travel, you know, in dense areas, staying in, you know, maybe, maybe staying in hotels or uncleaned Airbnb is yeah, I just rented an RV.

So I'm going to do a three week cross country trip for my birthday in June.

Um, so, uh, yeah, I'm, I love that.

Uh, I, uh, completely agree.

I've never understood that in the first place anyway, Americans are kind of interesting whenever they like want to do a gap year or like travel for a honeymoon or whatever. They always want to go outside the country and I'm like, dog, like let's, you should explore here.

It's way easier and we have everything.

I mean, that's what it's interesting about America is that we have every time, I think we're the only country that has every geography or every climate.

So anyway, um, another thing that he talks about is virtual tours and virtual museums.

Um, so on trends, we had talked about, um, a company that was crushing it with virtual museums and we also talked about a company that was, uh, doing, uh, what was it called the VR thing?

Uh, I don't remember the name of it, but I know what you're talking about sand or, um, is that was it?

Sandbox.

Uh, and I, yeah.

So I, I think it's great.

They're struggling with this, right?

Sandbox VR, you have to go to a physical place where, uh, headset that somebody else wore an hour before and, um, you know, do this in person and, and they place their locations in malls and they're supposed to be foot traffic from the malls.

So foot traffic is dead.

Nobody wants to wear a device that somebody else just wore and, um, you know, in general, this is like sort of a fringe behavior anyways.

And so I talked to, you know, I heard from them that, you know, they had to be really conscious about how they're going to do this.

I think they did some layoffs and whatnot, but they, you know, they have to figure out how are we going to survive and what does the new world look like?

And so unfortunately some great ideas and great businesses, um, you know, some markets got punted back a year or two, four years, whatever it is, and some markets got pulled forward.

Like as my friend, uh, Chris from first base and they do remote work set up.

So you, you know, everybody's now at home, but this wasn't the case when I started advising

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him.

When I started advising him, it was like, Hey, I think companies are going to be going remote more.

And if you have a remote employee, they need a desk and a chair and they need a webcam and they need a microphone so they can work effectively remotely.

Maybe companies will pay to give them a home desk and I was like, I don't know, maybe they'll pay, maybe they won't.

And then boom, this thing happened and like his waitlist has exploded, thousands of companies signing up and he can't handle the demand.

And now every company has to have a person like, you know, at the head of HR or whatever that is planning, how are we going to have so many employees remote?

And also, Hey, this is actually this remote thing actually kind of works.

Why are we paying so much for our office?

Let's just do this.

This is way cheaper.

And so, you know, the world has changed for him.

His market got accelerated by four years.

Yeah.

I, that's incredibly fascinating.

I, what I think we should do is we should just link to this.

This document is dense.

There's no way that we can talk about all this, but I think it's cool.

I think it's cool that somebody did this and that they just published it as a Google doc that anybody can access.

I think that's just like a cool way of going about things.

And also one that I like on here, one more that I like is church.

So like, you know, church was one of the super spreader type of places where everybody congregates.

People often hug or shake hands or touch and it can spread throughout a community rapidly if you, if you have churches open.

And so how are people going to do this?

Right?

Is church going to go away?

No.

Are people going to go and sit six feet apart?

Maybe I don't know.

And so I'm of the opinion that church like live streaming for churches is going to be a very big deal.

I've been in the live streaming space for a while.

So maybe it's one of those situations where, you know, to a hammer, everything's a nail.

And for me, everything can be live streamed.

No, you're definitely right.

Church is one of those things that's every Sunday, so people can build a habit.

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And you know, the experience of a live streamed sermon is pretty much just as good as being there.

It's not that much worse.

In fact, in many ways, it's more convenient and you have all the sort of community features like chat or donations.

I mean, that's like what the Twitch product is, for example.

And I researched and there's a platform called church online now or something like that.

Church online platform, some horrible name like that.

It looks like a pastor who learned programming in his spare time and like, you know, sat in the pews and coded this thing up.

Like it is so, you know, unbranded and backwards in a way.

But he said they have seven million members or something crazy.

And you know, I guarantee that's not the best thing that's out there.

So for me, you know, digital faith is a big thing, whether that's sort of like a next door for churches.

I don't know what that means, but it sounds provocative.

I like it.

But is it, is it Twitch for churches?

Is it, you know, what is it?

And so I would be, if I was, if that meant something to me, if religion meant something to me, I'd be like, now is my time.

I need to combine technology with community building and religion.

And I need to bring these real world institutions online.

I am very excited to see what happens with all that stuff.

Speaking of this Corona stuff, you have on our sheet that you want to talk about outdoorsy.

I would love to talk about that as well.

You talk about it.

I don't really know shit about it.

I just put it on there because I'm like, oh, interesting.

And I didn't do any research.

So you tell me about it.

Okay.

Let me, the good thing about us doing this remotely is my computer is right in front of us.

Okay.

So outdoorsy, it's a, it's a peer to peer market.

This is the exact description.

Peer to peer marketplace to disrupt the \$32 billion recreational vehicle industry.

Okay.

So they've raised \$75 million.

They've raised a lot of money.

Is this what you used to rent your RV?

Clearly.

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You said you just rented an RV?

No, because I, I think I'm going to drive from San Francisco to New York and then maybe fly back.

I have to, I have to figure it out.

I, I technically haven't rented it.

I have a lot of outgoing quotes.

So I've got people who are going to be sending me back quotes.

So I think for outdoorsy, it's kind of like Airbnb where you submit it.

Sometimes you got to get approved.

And so anyway, outdoorsy is interesting.

If you want to learn about this industry, there's actually, what's that guy's name who's on that TV show called a profit market?

Yeah, isn't his name, yeah, Marcus, something, yeah, Marcus, the profit I've watched like eight episodes.

Leonis.

Yeah.

That's right.

Or no, Limana, something like that.

Well, anyway, a lot of people don't know this, but Marcus is actually, I don't know if he's the founder.

I think he like aggregate a bunch or brought a bunch of companies together.

So he's the CEO and chairman of camping world, good Sam enterprises, gander outdoors and the house board shop.

Basically all of this is around RV and camping.

And you can actually go and read about this company.

And a lot of their information is public.

So you can kind of see huge business, many, many hundreds of millions of dollars in revenue, maybe even hundreds of millions of dollars in income.

And so what outdoorsy is doing is basically kind of screwing up that model.

And I love it.

I don't know.

Do you know what their revenue is?

I don't know outdoorsy's revenue.

I think it's quite high.

If I remember correctly, it's over a hundred million.

Let me just do a quick check.

Let's see.

Yeah.

Okay.

325 million in 2019.

Jesus Christ.

But there's a difference between revenue and is that their revenue or their gross bookings?

That might be their GMV.

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Let's assume for a second it's their GMV because marketplaces love to do that.

So let's say, you know, they're, you take 10% of that exactly 32 million is their take.

Maybe.

Yeah.

So they're just exploding right now.

Yeah.

This is, I mean, this is a great business.

And you know, we talked about before, hey, marketplaces are great.

What are the fringe or niche marketplaces?

And this is one of them, right?

Renting RVs, you know, and now, now is the time.

And so they, you know, so I think they're going to ride a wave of interest as people sort of crave being outdoors, crave travel, but need to be away from others.

How about hip camp?

Are you familiar with hip camp?

Yeah.

They're like the same idea.

Right.

They're like a turnkey glamping.

Is that right?

Camping.

Camping experiences.

Camping in the way that I would do it where I'm like, all right, do I want to learn at a camp and like go get a REI membership and buy like hundreds of dollars of stuff and then be like wet all night?

Like no, I'm not interested in that.

But this is like, Hey, you know, sleep in this Instagram worthy tent is what I remember of it.

Yeah.

It can be as easy as that, or it can be as difficult, or you can make it as difficult as soft or hard as you want.

Right.

Yeah.

So you could just like go and rent like a cabin, which isn't probably camping, but or you could just like get a plot of like an area and like land and apparently they're booming as well.

So they've raised about \$50 million.

And what's interesting is if you told me about hip camp about two years ago, I'd be like, this is not interesting.

But it is kind of interesting.

And there's a, I don't know if this is a company, but okay, so like I am like, I'm like a habit.

I keep referring to this type of stuff, but what I always like to do is I like to look at comparables and I like to look at public information.

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So do you know what KOA is?

Never heard of it.

Okay.

So KOA, I don't know what it stands for actually, but what it is is it's a, it's a, it's a nonprofit and they have campgrounds throughout the country.

And if you go to like in Colorado, they're all over the place.

You'll be on the highway and you'll see in the same place you see signs for food.

You'll see a KOA sign.

And what that means is if you're a member, you can, for, I think it's like \$20 a year.

It's super cheap.

You can camp there either for free or for five bucks a night.

It's really cheap.

And I used to use it all the time when I was traveling.

And so according to some analysts or I think they're privately owned, they're not a nonprofit.

They do about \$40 million a year in sales and they charge like five bucks.

It's like dirt cheap.

And so if you want to learn about that business, look up KOA, that's probably the best comparable.

It's a, I can't believe Sean, you've never heard of KOA.

Never.

Like looking at it now looks great.

Seems like an obvious idea, fantastic.

But the, what's interesting to me, what I love doing is I love looking at these older things like KOA, like Boy Scouts and it's like, show me the demand.

And that kind of gives me an idea.

And then if you just like add add-ons and operate it in a, in a way where you prioritize revenue and profit, then things get super interesting.

And so KOA is a really cool one to look at.

It's, yeah, it's, it's, it's an interesting group.

And I also think that in terms of RV, I would look at a Marcus Leon Leomis's companies.

Right.

And you can, a lot of that information is out there.

I love it.

I love hearing about businesses that I've never heard of that are successful.

I feel like there's a, like my brain, I feel like is organized, like there's a, a set of hangers and every hanger I can just hang another like business or business model onto.

And then that's just mapped in my brain.

And then when I see something new, I'm like, Oh, is this a new hanger?

Or do I just attach this to one that already exists?

And I start to see a pattern of like, Oh yeah, there's five things that are just like this.

And so that's what I see when I love hearing about new things because it's just another thing to hang into my brain.

Have you, um, updated your home at all while you've been at your house?

I had built a home office right before COVID cause I was planning to work remotely anyways

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for the month of March, which has happened to be like COVID.

Um, so that's been like the only home upgrade and then shit started breaking my dishwasher broke and my dryer broke.

Cause I'm like, that's not an upgrade.

Um, yeah, that's it.

I started going to the park every single day and I bought these little like tiny fold out park chairs.

And I've actually seen several friends buying this same product called click CLIQ.

It's a, um, it's like, you know, whatever a park chair, like you go to a soccer game, you want to watch and you just want to unfold.

But the key is how small and discreet can you make the fold in versus like, Oh fuck, I'm carrying a chair all the way to the park.

And I don't know, it's going to arrive soon, but I've seen like, I've seen three different people I know mentioned this thing and I bought it myself too before that.

I have began spending.

So I've, I think I'm saving like Matt, I haven't, I actually, um, ever since the stock market crash, I have refused to log into my accounts.

Um, yeah, I sold though, I was like, Hey dude, good news, go log in.

So like my philosophy was, I was like, man, there's going to be like dead bodies in the streets of New York and that's going to scare wall street.

And someone's going to take a picture of like a body in the, in the, in the, like an open van with bodies and it's going to flip people out and they're going to like say sell, sell, sell and that happened.

There was like videos of like these like ice trucks with like, uh, bodies in there and nothing happened.

And that the day I saw that picture, I was like, I'm out.

And it took off a week after and so I'm still sitting on a lot of cash and, um, I've lost a lot of money and I hope, well, I don't hope this, but if it goes down and I, yeah, if it goes down and I get back in, uh, so I, anyway, I haven't logged in.

I usually use, I use personal capital and I log in all the time to check my finances.

I've not logged in.

So I don't, uh, entirely know what's going on, but I, uh, the other day I went and bought like eight or maybe a thousand dollars worth of artwork because I'm like, I haven't bought anything in forever.

I'm just going to buy exactly what I want because I'm pretty cheap and, uh, I just haven't been buying shit.

Have you been buying?

Yeah, I buy like crazy dude.

Cause I shop online and now I lost track of like time and space.

So I'm just buying things and then there's stuff arriving and it's like, if you can't go anywhere, the next most interesting thing is like someone comes at your door and leaves a mystery box at the, at the front and you're like, oh shit, what did I order nine days ago?

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I don't know.

I'm excited to go see what it is.

It's like this moment of fun.

Um, so I keep giving myself that gift, but yeah, buying a lot of stuff.

Also all the delivery stuff is like super expensive.

So I'm like post-mating and instacarding and it's like, you know, \$400 for groceries or something crazy.

So I don't know if that's just a SF thing or I don't know what's going on.

Can we, all right, I want to talk about this Mark Leonard guy who you have, but before we get to that, I have a good segue, which is I, I'm going to get rid of these, uh, map.

I have, okay.

So people listening, I have a background and I've got maps and which apparently is like a super basic thing to do.

I didn't know that, uh, but I have St. Louis.

Yeah.

It's like the most basic with the capital B, uh, St. Louis, Nashville, or no, St. Louis, New York, San Francisco, me and my wife are from those areas and, uh, I'm going to switch it up.

So I have a wall of people who I inspired by.

So yeah.

So let me tell you who I have.

I have Steve pre-fontein.

You know who that is?

I've never heard of him.

Who's that?

Um, there's a movie about him.

That's really great.

You don't have to be a runner to like it, but he was, uh, he was a runner at Oregon.

He was the first person to wear Nike.

So Bill Bowerman, uh, was the coach of Oregon track and field, his, uh, pupil, his, his athlete was Phil Knight together.

They partnered and made shoes together.

Steve pre-fontein was probably the first person at war.

Um, he was, or one of, and he was definitely the first sponsored athlete.

And he was kind of a badass runner where he was like, um, he was like kind of like a full clip.

So he would say shit, like, uh, to give anything less than your best as a sacrifice, your gift.

He said all this inspirational stuff, but he died when he was 20, 26, and he was just kind of rubbed out of cause.

Then I have, and anyway, uh, he was drinking and driving and flipped over and crashed his car and suffocated.

So pretty, very, very tragic, but he lived fast, died young.

And, uh, he, uh, it was real tragic because he got fourth at the Olympics when he was,

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uh, a favorite, even though he was only 23 anyway, it was a big deal.

He's also like really good looking.

So it's like easy to like admire him, um, props to you for admitting that that's part of the appeal.

All right.

Great.

Yeah.

He's like, he's like, you know, uh, romantic kind of that type of thing.

Like you kind of look good.

Um, then I have easy E and Dr. Dre.

They're interesting to me because when easy E was only 23, 24, 25, something like that, he created Ruthless Records, which went on to become a huge business, like hundreds of millions of dollars a year in sales.

And he was just like a kid from Compton who knew nothing, didn't deserve to be there.

Or, you know, like on paper, like, what are you doing here?

Anyway, they achieved it.

Dr. Dre fucking changed culture in, in a, in a variety of ways.

Uh, then I have Felix Dennis and Ted Turner, Ted Turner started a CNN.

I like him.

Felix Dennis, he started a media company and he was like Richard Branson, but more vulgar Google him.

And then I have, um, I've got three more.

I've got Mike Tyson.

I love Mike Tyson.

He screwed up so many times in his life, but he's done a good job of being ferocious and kind of coming back.

And then I've got Tupac.

And then, um, I think that's it.

That's amazing.

Uh, great.

Oh.

All right, so you have like, I love Nate Diaz.

You have like the intimidators row, dude, like, I'd say like the majority of your people fight for a living or like should fight for a living.

Not intimidators row, but I'm incredibly fascinated with people who are bold, people who on paper should have done nothing.

And they did a, they were really good at having bold ideas, but then also we're having fun along the way.

Right.

So, uh, that's what I like.

I think he had a, he was a southerner, he stuck out, but he had a bold idea and he laughed along the way.

So I'm always fascinated by that.

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I went to, uh, Suley's house, our friend Suley, and he had this on his wall.
I was like, I was like, who are these people?
Why do you have these pictures?
This is not your family.
And I was like, cause the first one I saw was Hillary Clinton.
I was like, why didn't the picture really Clinton on your wall?
He's like, Oh, these are people I admire.
And he had seven photos and I only knew like three of the people told me the other four in a story.
And it was like Hillary, uh, I don't remember, it was like whoever, you know, Malcolm X or Martin Luther King or something like that.
And then it was a cool idea.
I was like, you know, I guess that's cool.
Like, you know, you walk out of your bedroom every day and you know, go to your office or wherever you're going.
What does he admire about Hillary Clinton?
Hillary Clinton and Suley don't seem like an idiot.
He loves Hillary Clinton.
I have no idea why.
He just thinks she's awesome.
And I'm like, what?
Okay.
I guess so.
I mean, not even to say like that she's not awesome, but I didn't think that she was wonderful enough.
That's exactly what I'm an Indian entrepreneur at San Francisco cares so much about.
I was like, I don't want to sit here and hate on Hillary.
I don't hate Hillary, but I am so surprised she made it to your wall.
Like that doesn't make any sense.
I definitely disagree with that one.
Yeah.
It's just like mediocre, maybe.
Um, all right, this episode is brought to you by super side.
All right.
So here's the deal.
I'm incredibly impatient, like horribly, horribly impatient.
And if I get an idea at midnight by 8am the next day, I want it done, um, you know, but that's really hard because if something needs to be designed, where am I going to find a designer at midnight to try to make this thing, bring it to life.
Um, so, you know, I don't think I'm alone.
Other startups, even huge companies need design help fast and they just don't have the internal resources or expertise to get it done.
So how do you get reliable design done without dealing with expensive agencies and lots of

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Oh, so let's talk about this guy, consolation.

So I know a bit about them.

Sean put us on here as Billy of the week.

His name is Mark Leonard.

You want to expand the background here?

We sometimes do this billionaire of the week.

So the Billy of the week is Mark Leonard, constellation software.

So I had heard about this from a few people because they do something that, you know, we had Andrew Wilkinson on here and he buys internet businesses and sort of has this conglomerate of small internet business that he's collected that are now, you know, let's call it \$100 million worth or maybe a little more and a little less.

And that's a fantastic success.

So this guy, Mark Leonard, did that like he's Andrew's daddy.

You know, like he, his companies were \$31 billion.

What they do is they buy software companies and they roll them up sort of and they're, they try to be a perpetual owner.

So they're not like, they're not private equity where they're doing a leverage buyout and trying to flip, you know, cut its skin and flip it or whatever.

They tried to just own the thing for a long period of time and have the cash flows.

And so what I liked about this guy, what I thought was cool was this guy's like a Satoshi Nakamoto of boring businesses.

So he, nobody knows shit about this guy.

You can't find a photo of him really.

Wait.

What's that reference?

Is that the Bitcoin guy?

Yeah.

You just don't know a lot about him.

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All right.

Yeah.

So this guy, you can't find photos of him.

He doesn't do public appearances.

He doesn't really talk.

He writes his annual letter and, you know, but so I was reading like kind of the definitive thing about him because I wanted to learn and it's like, all we know is this guy's born in 1956, maybe in South Africa, maybe in England and I was like, what the fuck?

We don't even know where this guy's from.

And, you know, he wrote on his bio.

He's like, it was a VC.

But before that he said, I was a banker, a evaluator, a mason, a grave digger, a dog handler, a bouncer, a sapper and a wind energy researcher.

I particularly enjoyed the bouncing, but an early retirement was necessary.

So I love it.

I don't know anything about this guy, but what he gave me, I love.

And I think half of those are like a joke.

But here's their business.

So they buy in the early on, they buy, they bought businesses that were, you know, two to \$4 million acquisition targets, so very small acquisitions.

Which is on paper, you would say, that's asinine.

Why on earth did you ever do that?

Yeah.

Because, okay, you know, small ball, but small ball has turned into sort of big league returns.

And so, you know, this data is out of date now because when the article I was reading was like, hey, this guy has, you know, done really well.

They did last year, they had 1.2 billion in sales, 20% margins.

They're doing 10 to 20 acquisitions a year.

And at that time the market cap was \$5 billion.

I looked at it while I was reading the article, it's now \$31 billion.

And so if you just invested in these guys, they have a \$31 billion valuation and only 1.2 in sales.

That was the old one when they were at \$5 billion market cap.

Now they're at \$31 billion market cap.

So, you know, if the ratio sort of held the same, it'd be whatever, \$6, \$7 billion in sales.

We can see what it is now.

But I love that this guy's mysterious.

I love it.

Dude, it's only \$3 billion.

Their sales were only \$3 billion.

It's a lot of money, but that's, they got a good little...

I wonder why it's been on such the run up.

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Because you can see the stock chart is like, you know, it's going up like crazy and then they can use that money for acquisitions.

And this guy, he writes these annual letters that are actually pretty interesting.

So like, if you're like me, I like to read Bezos' annual letter.

I like to read Warren Buffett's annual letters.

This guy is a new one I'm adding to the sort of arsenal of annual letters.

And he has lots of really interesting sort of views on business, none of which are like totally groundbreaking.

But he does something that I think most people fail to do, which is the same thing Warren Buffett does, which is take a very simple principle that everybody would nod their head and agree with and then like actually stick to it and do it for like 40 years.

And that's like a winning formula.

Most people, you know, nod their head and then go do some other shit.

And they get their lack of discipline and lack of focus.

And so I also like, you know, I was trying to read a little bit more about the company and you know, they have sort of a focus on what they call vertical software.

So they'll go for like within one vertical or sorry, they looked at it and they said, hey, some companies are horizontal, like a slack.

Every company can use slack as a messaging service and slack will be a multi-billion dollar company.

And these vertical things that are like better software are specifically tailored software for a, you know, what if you're a golf club, you need to manage bookings, tea times, memberships and whatever else.

Every golf club, you will pretty much use whatever the best software is and they'll pay for it every month, reliably and they'll never churn.

So they'll buy like that clubhouse software, they'll buy healthcare software, public transit software, law software.

And that's been their focus.

I don't know if that's changed over time, but when I was reading about them, they try to consolidate vertical market software, which I thought was a pretty interesting approach.

What do you think of this guy?

So I love it.

I'm reading about what you have here.

So I love doing these things and I love what he's doing.

And I actually, I'm going to bring up a different point and I don't want to address it yet, but I want to ask your opinion of it in a second.

But more so what I'm interested in is, and I don't want to refer to like things I tweeted.

That sounds super lame, but I was tweeting earlier about how I hired an operator.

So basically Adam Ryan works at the company and he kind of handles a lot of the operational stuff and I work sometimes down in the weeds, sometimes high above revision stuff.

And it's hard finding someone who's competent to run a business.

And so if this, if this guy, if he might have, does it say how many companies he has?

It could be like 200, right?

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So I don't know if their model is that they keep the existing management or if they replace them.

I'm not, I'm not 100% sure what they do.

I'm sure there's some, some mix and blend there.

One thing I saw that was interesting was, so they like Berkshire Hathaway, the execs of the companies do not get share options as their compensation, which basically, you know, incentivizes you to just boost the share price as much as you can, which is often somewhat short-term.

So instead they take, you know, 75% of their after tax bonus and they can buy shares on the open market and then those shares are held in escrow for four years.

So if the shares, if the stock is overvalued because they are sort of temporarily pumping, you know, enthusiasm, energy or doing buybacks or whatever, they're buying overvalued stock. And so I don't know if this is perfect because maybe the other thing happens where they actually, you know, when they're about to buy, they sort of, you know, bad news dips the share price temporarily.

They could buy it on the discount.

So I'm not sure if any incentive system is perfect, but I thought it was interesting that they've thought through how should we compensate everybody and, and not sort of follow the traditional playbook.

So I want to dig in more.

I've only just scratched the surface of this guy.

I think there's a lot to learn here, but I wanted to bring it up because I think it's very interesting and I like that he's a sort of mysterious character.

I think that adds to it.

So here's an interesting takeaway in this, what I'm about to say actually kind of changed my business game and I'm going to name drop here, but when Tim Ferriss invested in us, he told me, he goes, one thing that I've learned from, I don't know who he learned it from, but he goes, there's this thing that I like to use called, did he, I think he called it inverse incentives or, but basically the idea is if you, when you incentivize employees to do something, you need to actually have an opposite incentive that makes sure it's balanced.

So for example, if you're going to tell your sales team, you have a quota of this number and it's huge.

You also have to have an incentive, it's kind of like revenue collection, which means you only go after a quality people who can pay bills or retention, which is you only get paid if you sell people and you are, you treat them well and they want to come back again. And so yeah, counter incentives, I think that's what they called it and that actually changed the game for me a lot because what I've noticed is with people, if you give driven people incentives, the right type of person will kill to get that done and you want those, you want those people, but you actually really need like that second incentive in order to make sure that it's quality and quantity.

And so I love this incentive, but what I want to know is how on earth do they recruit all these people who are talented enough to run a business?

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I've hired CEOs for a sample of small businesses that I've had, most all except for one or two have been horrible, which maybe I'm bad at hiring, but I think it was also, it's really hard to find these types of people.

And so in my mind, this company, Constellation, they're more like a recruiting company than an innovative software company.

Yeah.

You know, I think that that is sort of the maker break.

I think you also invested in our friends who are doing enduring ventures.

And so these guys are basically starting a modern day version of Constellation or what Andrew is doing or whatever, where they're buying companies to hold forever that have strong cash flows and they want to own great businesses.

And you know, they've already closed, the first business they bought was a business called UpCounsel.

Ironically, I believe this was sort of outside the model, which is, you know, to my point earlier of say a simple thing, nod your head and agree and then go fucking do it.

I think that they did not do that with UpCounsel because UpCounsel was not a great business.

It was a, it's a potentially great business, but it was currently sort of in Rocky Waters, but they got that at such a great deal and they structured the deal in such a smart way that I think they'll still end up making a lot of money from it.

But anyways, you know, they're doing the same, same sort of thing.

And their biggest challenge is, is how do you find operators?

So when they bought UpCounsel, you know, the CEO that they placed was, you know, you know, somebody that Xavier had worked with and knew, knew very, very well.

Anyways, they brought in a team of operators, but, you know, they're pulling from their personal networks.

That's what Andrew said he did as well, which was he pulled from people he knew or, you know, had worked with before in the past.

But I think that is the, the largest challenge with this business model is being able to maintain a, keep a great business, a great business by having good operators in place.

Because when you buy out the owner, sometimes you may lose that great operations.

And if this interests you, I think that there's a few giants that you can look up and one of them is Alta Vista, or not Alta Vista, that's a, not that Vista equity.

It's owned by this guy named Robert Moore.

I believe he's the richest black man in America is the guy who's famous for I'm the richest.

Wait, what?

I wish he's, well, he's the guy who's famous for paying the tuition of everyone at Morehouse when he gave a, an address, he said, by the way, all your guys's debt paid off.

So he's, he's cool.

But that's what he does.

He does the same thing as does trilogy software.

So look up Joe Lamont who we've talked about.

All right.

You want to talk about, oh, here's what I was going to talk about.

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Okay.

So there's these companies like Tesla and basically a lot of stuff that Elon does, which is like this like super sexy stuff.

I mean, I'm not interested in it, but it is quite sexy to say you're going to send

a, a, uh, you're going to go to Mars or you're creating these cars that are neat and fun.

And that whenever I think about these companies, they're like the coolest companies where you create a hype video at the end of the year and you see everything they've done and you're like, Oh my God, that's so sick.

Like when they created like a video of Elon celebrating the, one of his rockets taking off house, like, it's awesome.

And so anyway, Constellation's not that he doesn't do a video of him like looking at his golf club software, right?

And it's pretty boring, um, but it's still fascinating because like a fun puzzle.

How do you, Sean, about like, where are your aspirations?

Like, do you say like, I want to do something that's full of excitement or do you find excitement in the boring stuff?

So I used to be, uh, pretty hardcore about this where I was like, dude, the only thing worth doing, like if I'm going to spend my time, and I used to be really like, uh, dismissive of people who were wasting their time doing things that, uh, were not sort of the peak of the peak.

Like, okay, um, if I'm going to do, why would I do a job when I can own my own business?

Then I was like, why would I own a small business when I can own a big business?

They both kind of take up all my energy in my time.

And it's like, if I'm going to do a big business, why would I do a boring thing?

Might as well do an exciting thing.

And that train of logic made sense to me.

And I did that.

So at monkey inferno, it was, we are here to try to create the next hit consumer thing.

We're like, we don't give a shit that that's low odds of success.

We want to create the, you know, Michael had created Bebo and which was like sort of like almost Facebook.

He's like, come within sort of inches of, of creating a Facebook, but instead ended up in the MySpace pile and, um, you know, did well financially, but he didn't change culture.

And so we were like, dude, we can do this.

We can change culture.

And so we tried every, you know, messaging apps, live streaming, we tried all these different consumer things and failed like crazy, you know, even things that like kind of worked.

They ultimately were not successful because they were, they were so home run driven.

They were grand slam drip.

So I backed off that and I backed off that maybe because I'm just burnt dude, I just want to get wins.

Like, I don't need to change culture.

Like I need to change my bank account and my lifestyle.

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Like, so I don't know to what extent I'm, um, it's like, I can frame it either way.
Am I more mature because I'm like, look, I don't have, I'm not as attracted to the sexiness of it.
I just want to build, you know, great things, great businesses, or am I just fearful and burnt out from failure?
It's hard to say for me, right?
But my view, it definitely has changed where now I'm like, Oh, that Elon path.
I don't know.
That sounds like a lot of effort.
Why don't I just do this simple thing that's going to like work?
Yeah.
And part of me is like, okay, I, I agree.
And I, I agree.
And I am the same.
And then the other part is like, yeah, dude, but you're just kind of being like a push like what were the 12 year old and you like think is awesome.
And every once in a while you got to listen to that.
And so I don't know how I feel like because the other day I was thinking about making a purchase and I, um, I sound like a, like a kind of entitled rich dude right now, which I'm not implying I am either of those things, but I was going to buy like a car, like a cool car and it wasn't expensive.
It was like a \$10,000 car and it was not practical and I was like weighing the pros and cons of it.
And then I was like, yeah, but here's this pro, which is like, this is fun and cool.
And I want it.
Right.
Um, right.
And I'm like, when did I become such an old man?
Like where I'm not just doing shit just cause it's exciting.
And I do think that like you, we have to give into those urges a little bit more.
Like Elon recently was asked about, uh, this, I think on, I don't know if it was Joe Rogan or I don't know what it was, but he was, I was talking about it.
He was like, yeah, like Warren Buffett, um, like, he's like, I'm not a huge fan of the guy, not the biggest fan, but he didn't say he didn't like him, but he was like, you know, what he does, he's a capital allocator.
Like he spends his time trying to figure out, do I buy Pepsi or Coke?
It's so boring to be like, he's like, yeah, he's like, he's like, he's figuring out to put \$10 billion into Pepsi or Coke.
He's like, like, that's boring to me.
Like I want to change the world and you know, I'm going to make cars electric so we don't have to depend on false fuels and I'm going to get us to Mars.
So we're interplanetary species and I'm going to do neural link so that our brain can control, you know, our brain can download information and upload information like we're a computer

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in the brain.

And I'm going to do boring company because I fucking hate traffic and I want to get, you know, from place to place and, you know, 15 minutes rather than two hours.

And I'm like, okay, you know, respect, like when you hear that, you're like, yeah, that does seem like the maximum of winning.

But you know, I guess my view is, my view isn't broadened, but I'm like you were when I hear myself say it, I'm like, don't be a pussy dude, just like, come on, go for it.

Do what you would do at the beginning, you know, like don't lose that sort of dream just because of practicality.

So I'm a fan of motorsports and motorcycles and I like some of these adrenaline stuff.

I like old Porsches and all these exciting things.

And I see these guys on YouTube, like Ken Block and he's got this like compound or I'll see like Travis Pastrana and he's got this compound.

It's just like grown up playground.

And I'm like, Oh, one day that would be cool.

And then I'm like, no, no, no, no, no, no, no.

Now, like, why, why can't I just do that shit now?

And so I constantly have to battle that in my head.

And so it sounds like you.

Yeah, it is about I have what's prudent, like prudent versus like excitement and the balance between the two.

Okay.

Let's, let's leave with one or two little ideas real quick.

All right.

Yeah.

So are you familiar with Pinduoduo?

Okay.

So this is one of the largest companies in China.

I think like a \$30 billion company that grew in the last, I don't know, four years or so.

All those numbers could be wrong, but you get the idea.

Big ass Chinese company.

So what the hell is Pinduoduo?

Pinduoduo is like Groupon, but it's with your friends.

So what happens is you go on Pinduoduo and there's like an item, the number one selling item, tissue boxes.

Number two selling item is like a vacuum or some shit, but it'll be like tissue boxes.

Here's these tissue boxes.

You can get them for, let's say, you know, \$20.

You can get these tissue boxes, but if you buy with your friends, you can all get them for eight.

And it's like create a team to buy.

And so you see the item you want, you create a team.

The way you create a team is it just gives you a link and you share that link through

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WeChat or whatever your messaging apps are.

And if your friends are like, yeah, cool, I'll join the group, I'll buy at eight.

Like I'll pitch.

I will contribute to the cause helping you get a lower price and I get a lower price too.

And so there's these team buys basically.

So this thing has become really, really popular in China.

And I don't think it's become popular really anywhere else.

I know there's a couple of companies trying to do this in India as well.

And like, you know, God knows Indians love a good discount.

So I do think this will work in India as well.

But I was thinking about this.

So I was like, okay, you know, if I was an entrepreneur, you know, just sitting on my, you know, at my desk and there was nothing on my desk, I would just write the word pin duo, duo for X.

And I would just figure out what the hell X is, I would spend a day on that brainstorm.

And so.

So I love it.

Can I, can I give you, I'll let me.

Are you sure you don't want me to just talk over an hour straight?

So I know I like listen to it while you're talking, I'm like in my, my brain's buzzing.

So, you know, tilt.com tilt got tilt fault.

It was called.

It was called.

It was called.

So James tried to launch this.

He raised a lot of money.

It crash and burned.

And then another crowd tilt was, um, crowd tilt was not a discount.

It was just, Hey, we need \$500 for a kegger.

Everybody pitch in your 10 bucks if you're going to come to the party.

So it was a way to collect money, but it wasn't discounting.

You're right.

So let's get rid of them.

Um, drop.

Do you know drop formally known as mass drop?

They do this, right?

So I have, yeah, kind of it's similar, you know, you know, I think to make this work, it's all about the packaging and the positioning, like so mass drop and this other company can offer the same technology and do the same thing.

But you really got to, it's really, you got to get that angle exactly right.

I think.

And, uh, mass drop has, is trying this.

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And from my friends who have inside information, which I don't have, they claim that mass drop is booming.

Mass drop has raised close to 50 million bucks and, um, everyone I talked to who knows about the space says that it's a sleeper and it's, um, doing wonderful.

And they do a little bit similar stuff.

So I think that that's cool.

Another bit of information is, um, something like masterclass.

So masterclass actually allows you to share passwords to one or two people.

Um, and someone, someone in our trends group, um, posted about it and said like, Hey, does anyone want to split masterclass with me?

And it was our most engaged post ever.

And so I completely see the validation here.

This is incredible.

So, yeah.

And back in the day, I think Woot was like this and there were some others where it's like, Hey, this TV is, you know, cheap and they, it wasn't exactly like, it wasn't exactly the same.

I think the magic of this is that, um, it's your actual friend group that you use to do this.

So with the problem with Groupon and all these others is you get these deal hunters.

So there's just this population of deal hunters.

They're getting everything at a discount and, um, they're not necessarily like the best customers longterm.

They're not retaining longterm.

All that stuff.

What's cool about this is, you know, one of the challenges for any business is you have to acquire customers.

So here's how I would do this today.

I think you can create Pinduoduo for Shopify.

What does that mean?

So there's all these Shopify stores.

I don't know.

Let's call it a hundred thousand Shopify stores.

Even one of these Shopify stores wants more customers, they'll try to get those customers through either Google SEO or Facebook ads, two primary ways.

And then word of mouth, let's say, let's be on that.

So you know, they go and they go to Facebook and they'll pay \$15 for a customer to come purchase from them.

And if they want another customer, they got to go pay another \$15 and that's unfortunate, right?

And they'll offer discounts and they'll try to do a referral program or whatever.

What I think they should do is one of the largest sort of booms in Shopify is this thing called Afterpay or Affirm, which basically says, hey, when you're checking out, instead

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of paying \$85 for this, you can do monthly payments for \$9.

And that increased the checkout rate because people can pay \$9 a month better than they can do \$90 today up front.

And so adding an Afterpay button increased sales.

So I think if you added a buy together, save together button, you would increase sales.

So the way it works is you're about to check out and it says, great, you can either have this item for \$80.

But if you get five friends to buy, you all get it for \$50 or whatever it is, some discount there.

And you basically are saying, rather than paying \$15 per customer in Facebook ads, I will pay \$10 right now to discount this item for you because you're going to go acquire five customers for me, right?

So if I reduced it and I'm basically reducing my revenue by 20 bucks per customer, I'm able to sort of acquire customers through a new channel besides Facebook ads, which is sort of steadily price rising over time.

And also the way that if you get introduced to a product through a friend, I think you sort of have a better relationship with the product and a better experience, better retention than if you are only being advertised through by the company.

So I would try that.

I think this is the best.

It's very hard.

Very hard because you have to, you're building something from scratch here and it's all about like, this is definitely a all or nothing type of thing in my mind where you have to get the positioning really, really right.

And but I think if you do, you're on to something huge and I also think, you know, it's kind of, it's kind of like a live streaming thing.

It's like live streaming isn't like hard to make.

I mean, there's so many of them, but you really got to find that angle that gets people.

This is a more big business than small, certain success, big business, most likely to fail.

The other thing that I think is interesting here, I think, and I think about Shopify and

I was like, okay, what other buttons would I put at checkout that I could basically offer?

Oh, that's a great, that's a great framework.

So like, for example, in mobile games, they do this all the time, you run out of lives

and it's like, hey, you could buy another life, you can share this with a friend and get another life, or you can watch this 30 second ad and get another life.

So mobile games are like, you know, it's like a little, you know, wizard sitting inside a slot machine, just trying to figure out how to take your money, your time or attention.

And they've optimized the shit out of this.

And so what can you learn from that?

So maybe if you're at Shopify, or you have a Shopify store, maybe there's a plugin that you could add to your checkout, which says, hey, if you want an extra, you know, dollar off or \$2 off, just click this button and like us on Instagram and boom, now my Instagram is growing with every customer that joins or whatever.

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Yeah, there's a bunch of, there's definitely a bunch of tools that allow you to do that.

But I understand.

The most popular one is email.

Like give us your email and you get a, you get a 15% off or whatever.

And I think that's cool.

That's like level one, but like this idea of team buying or sharing to your Instagram, liking us on Instagram.

There's just more things that you could do at the checkout page that would say, how do

I get your time, money or attention in some way that you're not currently giving me?

And so I don't know, there's a lot there because Shopify is so big now that if you build something that works on Shopify, you can build a, you know, \$10 million, \$20 million business pretty quickly because every store will just adopt these like best practices fairly quickly.

I think that first thing you're talking about group buying is incredibly interesting.

I've always thought that Groupon, I love Groupon.

I think that their valuation is shit.

And I'm like, there's gotta be a better way to make that happen.

And I love Groupon.

I love Groupon.

I'm also familiar with AppSumo, which does group discounting for software and then social stack.

I think it's called great companies.

What else could you do group buying?

Is there any other like sort of space like AppSumo is a great example where they're like, okay, cool sort of software.

Are there like, I don't know, could you do this?

Yeah.

Well, so a lot of this stuff has been tried and it doesn't always work, but you definitely could do it.

I mean, this is what Kickstarter is, right?

You do it with a brand or like you have to tilt.

We have to cross this threshold.

And I don't know what it could work for.

I'd have to really think about it.

I just, I feel so ignorant on what it would work for.

So one way of thinking about it is it works better when the thing costs the maker nothing than when it costs the maker something, right?

So software is great because every incremental sale of a piece of software costs the maker zero versus like if it's a physical item and it's like, well, now I'm every TV, if the more people that buy this, the more people are more TVs, I have to sell out of loss.

And so I think digital works better than physical.

That's one like premise I would make, I would, I would hold when it comes to this.

And the other one is like where maybe, I don't know if it works better for low price, probably higher priced items because A, the discount matters and B, maybe there's just more margin,

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you know, to be captured even after discount versus a low price items.

And maybe you'd be looking for sort of high price digital digital services or software.

Yeah.

I mean, I think that you could definitely, what about using it?

So what, I would want to use it for what businesses buy.

So like for example, I want to buy a pitch book, but it's 20 grand a year and I'm not going to use it that much, but I would love to split it with someone.

So I think that's incredibly interesting.

One weird idea is I think that I would want to figure out a way to use it for lawyers.

So instead of having a legal firm be my lawyer, I split a lawyer with you and five of the people.

Right.

That's a great name, split it or split would be a great name for a company that was trying to do this.

It's like, Hey, you can do this, but or you want, you want to split it with four others and you all save.

You have to have a ton of volume to make this work.

The other way you could make this is if you make it to that cool, let's say the price is a hundred bucks and if I'm going to split it with five people, I think what ends up happening is that everybody gets it for less than a hundred, but the total adds up to more than a hundred.

Right.

Like, uh, like the total, like I, I ended up making more than I would have off of a single customer paying full price by, by letting you split it first for 70.

And now I get 140 and you get a hundred.

Right.

It's like how personal trainer does group training.

They're like, if you want one on one, it's a hundred dollars an hour.

If there's two of you guys who each pay 70 bucks an hour and it's like, I now make more per hour.

That's a great idea.

That's a great idea.

Let's split it.

I'm never going to create this because that it seems way too hard, but I understand the need and the problem and I would love to be involved in as a customer or some capacity.

Great.

All right.

Splendid.

We just call this brain.

We'll be back in a couple of days with another brainstorm.

People said you can't keep up this pace.

How can you keep coming up with new ideas every week, twice a week?

Are you crazy?

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But they don't understand.

They don't know how this brain works.

If you spend enough time doing it, which we definitely don't always do, but a lot of times we do, it is not hard.

If you lower the bar on what you call an interesting or good idea, so you have to simultaneously lower the expectations and practice, that is the criteria.

It's that easy.

Leave us a review.

Tell us what you think.

Tweet at us, whatever.

We'll talk to you all soon.