

[Transcript] My First Million / #95 with Craig Clemens of Golden Hippo - The 9-Figure Business You've Never Heard Of

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.

So today we have Craig, what's your title actually?

Are you CEO or founder?

What are you?

What's your title?

I just use co-founder because I do too many different things.

Yeah.

Okay.

So co-founder, golden hippo.

So you describe you guys, but Craig, I think I met you originally at a conference and we became friends, and you just tweeted something the other day that got thousands of interactions and it caught my eye, and we chat just as friends, but you tweeted this thing.

What did you tweet the other day?

It was the 10 things we learned at Golden Hippo after spending a billion dollars of our own money on media.

And our own money.

So what is your company?

Company is called Golden Hippo.

We build brands, direct to consumer, and we are self-funded.

So that's where the own money comes from.

So what's a brand?

Can you give an example or can you say what you guys sell?

Yeah, I can give an example.

So we partner some of the world's top doctors, people of influence, people of expertise, and we help them bring their ideas out to the world.

So probably the brand we're most well-known for is a brand with a doctor named Stephen Gundry who is a world-famous heart surgeon.

He's an inventor of a device that is used in 90% of all heart surgeries, and we partnered with him to bring nutritional supplements into the world based around his ideas and philosophies.

Okay, and so what are examples of products that you guys are selling with Dr. Gundry?

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So Dr. Gundry's philosophy is that we humans are a common medium for bugs, aka bacteria. And he calls it hollow bionics, and what that means is if you take care of the bacteria that lives in us, you know, the 25 trillion bacteria in our gut, you guys are all familiar with microbiomes and on our skin, that they will take care of their home, which is your body.

So that's something all the products have in common is that they're designed to nourish the bacteria that call you home.

So Dr. Gundry has like how many SKUs, like how many like is it like just like one or two products that you're selling to his audience, or do you have like a whole store with like dozens of different things?

Yeah, yeah, it's like, I don't know, 50, something like that, you know, we have everything from specific digestive health supplements to coconut bars to coffee creamer, you know, the whole game.

All physical stuff, or is that any information?

The information is available on Gundry MD when you subscribe to our newsletter, you know, we send out a high quality email newsletter, we do a podcast, we do a YouTube channel, but the information's all free.

The products are what people do.

And how many, roughly how many brands like him do you guys have like dozens or hundreds or or like six?

Yeah, more like, you know, in the 10 to 20 range.

I actually don't know exactly because we're always launching new brands and shutting down brands that don't work.

Got it.

And at the beginning, you said self-funded, you said, well, the tweet storm that went viral that caught my attention, many others is, you know, here's what we learned spending a billion dollars of our own money on paid media, and it was about marketing and it was about how to spend money.

Well, self-funded, is that because you had a big win before this?

Or is that because you bootstrapped this kind of slowly, but over time accumulated a big cash flow in business.

So give us kind of the brief history.

Yeah, great question.

So self-funded because we bootstrapped though, this is not my first company.

And I was really fortunate in my younger days to have an amazing mentor who taught me all this shit.

You know, I was one of those kids who fairly graduated high school at a 1.7 GPA.

I went into the lucrative field of 1.7.

What is it?

What even, how do you even get a 1.7?

I don't even know that's a thing.

That's what I had.

That's what I had.

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It's a D plus.

My boy.

So let's see if it was for the same reason.

Mine was because I just hated doing homework.

Yeah, same.

Yeah.

So hated doing homework, never got the projects in on time, you know, had to go to summer school. I wasn't even supposed to walk in the graduation, but my mom was a teacher in the same school district and she kind of schmoozed the principle.

And on graduation day, I get up there and they're calling the other C. So they're like Clarkson and then they go to whatever C comes after Clemens, but they skip my name. And so I walked up and got my diploma, but my poor grandma was sitting in the stands and she never saw me.

She's waiting.

She's like, where's Craig?

You know, it's, it's that.

You're still just trying to live down that disappointment.

Disappointed grandma.

It's like, okay, I need to change the world now.

Yeah.

Like Donald Trump is always trying to impress his dead father, you know, me with my grandma.

And so, so you, you're a crappy student and Sam, you were also a 1.7 GPA type.

I've graduated with a two, a two, two, which is a slightly above a C average.

Oh man, I'm a Rhodes Scholar compared to you guys with my 3.1.

Um, okay.

So Craig, were you like business motivated at that time or you were just wondering?

I had zero motivation.

I went to community college because my parents dream was for us to go to college and went there.

I was delivering pizzas.

I then really stepped my game up and started waiting tables, which is a lot more in the tip jar than the pizza delivery.

And then I got a job as a telemarketer.

And that was a real game changer for me because it was the first time I was getting paid actually to use a skill.

Now don't get me wrong, I was pretty good at delivering the pizzas, but this time I was actually doing one-on-one calls with people and the job was selling tools and industrial supplies.

I was selling these farmers out in Iowa and I'd try to sell them drill bits and wrench sets and things like that.

It was pretty bizarre.

At this point, were you motivated like, you know, pursue the happiness where you're not going to put down the phone.

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You're going to try to get, you know, 10% more calls than everybody else.
Did you transform in that way or what was it?
You know, I really wasn't, I always had this thing against working hard.
I think it was some sort of rebellion against my mom or something who was always telling me I need to work hard and go to school or I wouldn't amount to anything.
And I think because of that, I didn't want to do my homework.
I didn't want to put the hours in.
So I had an eight hour shift at the telemarketing company and then I got a better telemarketing job at a company that did credit card merchant accounts.
And that was like a legit corporate gig.
You know, there were people there that were making six figures wearing suits and I showed up there 21 year old kid.
I would wear my collared shirt that I would wear at the nightclub, you know, it's an office to at least have some sort of upscale tire and it was straight commission and I told the boss, I walked in there so cocky because I was pretty good at the tools and all that.
I said, Hey, how many sales do I got to get my first month to get one of these corner offices?
And he says, if you get 20 accounts, you can have a corner.
I don't know what 20 accounts was.
So my first day, I sat there pounding the phone and I got one guy who was kind of interested.
Finally, I stayed there till eight PM and got him to fax in his form to sign up the credit card account.
I just bulldozed this dude and he ended up backing out a few weeks later, of course, you know, because that's usually what happens.
I got like 12 accounts that first month, but I just really liked partying back then.
I was 21.
I was going to the bars and you know, waking up with a crack of 1130 and that's when I'd roll into the office.
So even though I wanted to be this hot shot salesman and make six figures, I just didn't have it when it came to being straight commission and picking my own hours.
My own hours would be like, you know, 1130 AM to six or seven PM.
And then the guy who passes out the leads would see me rolling in there, 1130, where am I shit from the night before?
And the good lead comes in.
There's someone else who's been there since six AM trying to feed his family.
Who's going to give the good lead to, you know?
So I did make 40 something thousand dollars that year, which was a game changer for me.
I was now rich, quote unquote.
And I was still in my boring hometown, which is a thousand East California, if you guys are familiar, and I hated it there.
And all of my friends who did have their shit together that had real grades in college had moved down to San Diego to go to San Diego State or USP.
And so I packed up my bags and I moved down to San Diego.

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And I tried to get other jobs doing merchant accounts.

I sold direct TV, I did mortgage loans, and I just could not find a job that may be anywhere near that 40 grand.

And since it was straight commission, I never had to pay the taxes on it, you know, to hold your own money and you wait.

But while I was running through these dead end jobs, I spent through my savings.

So pretty soon I was like 20 grand and dead to the IRS.

And that was a real low point for me because by that time my friends were starting to graduate college and they were getting a salary job, driving the company cars.

And I was still going to McDonald's with like a dollar off coupon for the two cheeseburgers and a Coke.

And I was pretty depressing.

So that's, that's where I was.

And then you said you hooked up with someone, a mentor.

And I know, I think I know who is this, Evan Pagan.

Yeah, yeah.

Do you know who this is, Sean?

I just heard about him yesterday when I was doing my research.

No, tell me, tell me, let me tell you who he is.

Let me take a stab at this Craig because this is from an outsider's perspective.

And this is, I think I could do a good job of relating this to anyone who doesn't know.

So Evan Pagan also went by David D'Angelo.

I was a customer of this.

Well, I assume that you're male and this is the pick up artist guy.

Yeah, but I was on the, I'm 31.

So I was probably only 18 or 16 when this stuff happened.

So I think I'm on the younger age of when this was at its peak.

So this guy had this thing called double your dating and it sounds sleazy.

I mean, it doesn't sound, it sounds like it's trying to like hook up with girls.

It's not, it was about how to like build a relationship with people.

And I was 16 pimply face and I was like, fuck, I want a girlfriend.

And so somehow I came across this double your dating thing and you enter your email and he was, he would send these super long, like 3000 word emails, only texts about these stories and he would get you to buy his book.

And Evan is still around, but at the time his stage name or whatever you want to call it brand name was David D'Angelo and I'm pretty sure, I don't know, but I'm pretty sure he was selling 30 or 40 or \$50 million a year of this book on how to date people.

Is that right?

I can, I can get into all the details of that for sure.

So I was in your shoes when I was 18.

I only kissed one girl and no, I hit kiss two girls in high school.

The first one was legit.

The second one, I was at a party and there was a girl who had thrown up.

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She was 20.

I knew her kind of from my martial arts studio.

She had finished puking and she was walking back to the party.

She was grabbed the back of my head and made out with me.

So that was my second kiss.

Great.

How are you only kissing two girls?

You look like Mark Wahlberg.

What's going on?

Did you grow into Mark Wahlberg later or what happened?

So, you know, I left out the part about me not graduating college and stuff.

I was a virgin all that whole time.

I was a virgin till I was like 22.

I was really bad.

I was a virgin till age.

So I was in these forums talking about how to meet girls and I just wanted to find a girlfriend.

That's all I wanted.

I was like saving my virginity to have a girlfriend.

So that was my goal.

I wasn't trying to be a pickup artist.

I just want to one, but I was just not socially able to do so.

I was super shot.

I won, you know, they have the high school hall of fame.

So in junior high school, I won most bashful.

I was voted the shyest guy in the whole school.

And so in high school, I decided to do something about it and I would buy these books.

Like I've never, there's one called 92 tricks for success and personal and business relationships.

And I would read these things and I'd test them out.

So I'd go up to like the cool guy at school and I'd say, Hey man, how was your weekend?

And he'd say, it was good.

I was yours.

I'm like, Oh, it was good.

I, you know, rode my bike around and stuff.

Well, enjoy the rest of your day.

And he'd say, Okay, cool.

And I'd be like, Yes, I had a normal conversation.

I did that.

I was able to speak with them.

And I wasn't being an idiot.

So I was really bad, but I worked on myself.

And so, yeah, I was in all these forums talking about meeting girls and I met a guy who knew a guy, et cetera, et cetera.

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And he said, you should meet this guy, Evan, because he's also based in Los Angeles.

And Evan was also a dating nerd.

So I meet him.

We hung out a couple of times and news touch when I moved down to San Diego and then I'm working at this other telemarketing company.

And what you do at the end of a telemarketing shift because the room has these speaker boxes so everyone can hear the calls as you start prank calling all your friends.

And so, you know, we grew up on the jerky boys and we had epic prank calls.

So I had the, this prank call that was pretty epic.

I would call people up and well, Sean, to give you an example.

What's a, what's the name of your current or past girlfriend?

Past girlfriend, Jessica.

Jessica.

Okay.

Cool.

So let's say Sam and I are buddies and you'd be like, Hey, call my friend, Sean, his ex's name is an extra current ex happily married now.

Okay.

Got it.

So call you up.

Say, Hey, Sean, this is Steve Johnson with Longitude International, the revolutionary penis enlargement pill guaranteed to add two to three inches in length or more three to four inches and girth within 30 days.

We're having a special right now and get you two bottles for the price of one and you don't pay anything out of pocket until you see the results.

How would you like me to send it out to you?

And they'd say, no, no, I'm not interested in that.

You know, I'm good.

And I'd say, well, you know, Sean, man to man, I mean, I'm good down there too.

But I mean, couldn't we all just benefit a little bit from some more length and especially a little more girth and say, Oh, no, no, I'm really good.

I don't need that shit.

Like, well, Sean, that is free to try.

You don't get billed unless you actually use it.

And if you don't look down and see more girth, it's not going to cost you anything.

So let me just send you out a sample.

No obligation.

And if you like it, great.

I'll charge a credit card.

If not, you don't pay anything.

No, no, no, I really don't.

Okay.

Well, Sean, I wasn't actually supposed to tell you this, but turns out you're referred

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to us.

Does the name Jessica ring any bells?

Then they'd be like, Oh, fuck.

Okay.

Here's my address.

Send me that shit.

Put your friend on the phone and tell him they got fun.

So a lot of good times at the office there.

So I, guys, I want to take a second to answer one of the most common questions I get, which is, Hey, I got this great idea or, Hey, my company's doing really well and I just need a developer.

I need somebody who knows how to code so that I can either bring this idea to life or I can grow faster.

And you know, I've been there before.

I've dabbled in the no code tools, trying to make it work.

Sometimes that works.

Most of the time it's not good enough.

I tried to learn programming myself.

That was a waste of time.

And you know, I've looked at overseas platforms to say, Hey, can I find an affordable developer?

You know, I can't afford to somebody here in the States and California paying some Silicon Valley prices, but maybe I can afford a developer in the Philippines or in Eastern Europe.

And the big challenge has always been finding somebody who's actually like good, like they're vetted, like I never know if somebody's going to just take my money and run if they're actually a good developer, a bad developer, and how do I know if I knew how to code, I could judge their stuff, but I don't know how to code.

So what what I really like about this week's sponsor, lemon.io is that they have a vetted marketplace of remote developers from Eastern Europe.

So I know the founder pretty well, his name's Alex.

And what they do is they filter and they test and they basically have a reputation system of any developer that they have on their roster.

So you know, if you go to lemon.io, you're getting a developer who is actually good, good quality is going to get the job done.

And so what the way it works is you go, you type what you need, hey, I want to build this app or I need to add an extra fun and developer to my team and I don't want to hire.

Within 24 hours, they'll match you with the right developer.

If it's not the right developer, you just tell them and they'll switch it, you know, basically for free.

It's a replacement guarantee.

And they're actually cheaper than the other outsourcing platform.

So you know, you get one big savings when you just go outside the US or outside of Europe and you, you get somebody in kind of either Eastern Europe or in the Philippines, Southeast Asia, you know, you know, you save money there.

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But lemon.io is actually half the price of the other platforms that try to do this.
And so it's stupidly effective.
I would just kind of take advantage of this as long as they, they can offer these rates.
It's pretty amazing.
And Alex basically told me that for any, my first million listener, they will offer a 15% discount on the first six weeks of work that you have done.
So if you want that done, if you want a developer who is vetted, who can build your projects, go to lemon.io slash M F M again, that's lemon.io slash M F M like my first million.
All right.
Enjoy.
Back to this week's episode there.
So I decided I wanted to prank call Evan and I dialed up the phone.
I hadn't talked to him in a year or so.
And I decided to do it myself because I didn't think he'd recognize my voice because I didn't know him that well and been like a year.
And so I call him up.
I say, Hey, Evan, it's Steve Johnson with the longitude, the revolutionary penis and larger pill.
And he goes, Is this Craig?
I'm like, Oh, fuck.
So didn't get to fall the prank call, but we get to talking and I say, What are you doing these days?
He said, Well, you know, I wrote a book with the dating advice that I've been giving out for free in the forums.
I call it double your dating and I've been selling it as an ebook.
I said, What's an ebook?
Is that like Amazon?
And he goes, No, it's a, it's a file like a PDF file.
And I said, What do you, you charge them for this file?
He goes, Yeah, I charge 40 bucks and then I send him the file.
Wait a second, so people, you are sending you 40 bucks, you don't even send him a real book.
And he's like, No, no, no, it's information.
I was like, Dude, you're going to jail, man.
That sounds scammy as fuck.
And he goes, Well, I actually sold \$4,000 worth of ebooks last month.
That's okay.
You know, not bad.
I talked to him a month later, he sold \$17,000 worth of ebooks.
I talked to him a month after that, he'd sold 70,000 worth of ebooks.
So at this point, I was like, Okay, man, I'm coming to work for you.
I'll shine your shoes.
I'll get your coffee.

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I'll wash your car.
Whatever you need.
I don't care if it's a scam.
I just need to know how you're making 70 grand a month selling these ebooks.
And he goes, Ha, ha, thanks, but no thanks because he knew I was just, you know, party animal that didn't have any useful skills besides harassing people on the phone.
So I go to the website as Sam can probably remember, and it's not even a real website.
It says one sentence.
It says you're about to learn secrets.
Most men will never know about meeting women and then it has three or four bullet points of what you'll learn, like how to get a girl's phone number, you know, how to kiss a girl without getting rejected.
It says putting your name in email address.
That's it.
That's the whole damn site.
So I put in my name and email address and I started getting these huge newsletters like Sam was talking about with these dating tips and advice, like, you know, first date ideas or, you know, what to do if you're fresh out of a relationship, all this stuff.
And I'm reading them.
I'm like, you know, I can write this shit.
So I sit down one day and I write one.
I'll never forget.
It was called two tips to kiss a girl.
And I was careful to write it in this exact funny style that he wrote in, which was very conversational single sentence paragraphs and it was copywriting, but I didn't know what that was.
I wrote it and sent it to him and he wrote me back and he said, okay, now we can talk.
And he gave me a job at \$3,000 a month, which was life saving at the time.
And I actually didn't get hired as a copywriter.
I got hired to do a link exchange.
Do you remember those days when you trade links or something?
And I started doing customer support, but not like help me download this ebook, but more when people write in, they'd say, Hey, I'm 30 years old.
I just got divorced.
Will this book help me get back in the game?
And so I'd write, yeah, it absolutely will help you get back in the game.
There's something on page 36 that I'll tell you what to do to build your confidence.
So I was getting into the minds of the customers doing that customer support and that made me a much better copywriter later.
So the numbers in that business, at the time I joined, you know, that's what about what it was doing 70 grand a month soon, it was 150 that men's dating brand eventually got up to about 8 million a year.
But then we started one for women that was called catch him and keep him.

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And the women's market was even more rabid.

I don't know why.

Wow.

That's counterintuitive.

I wouldn't have thought that.

Yeah.

I think men are more desperate and need more help, but here's the thing that women's ads converted much better, but it wasn't all trackable.

And the takeaway that we had, and it's not 100% sure if this is true, but you know, Sam, did you ever tell any of your friends about that dating book you bought?

Never a million years.

I didn't either.

I wouldn't even tell people I worked at this company.

When people ask me what I do, I just say, Oh, I do need this is the first time.

And that was 15 years ago that I'd ever even said that I took the cover off the game when I had the book.

I was like, Hey, that's a Bible.

There it is.

Yeah.

But women, they'll buy this book and they'll tell all their friends and they'll have a book club about it.

So I think that's why it was selling more because women will talk about it.

But then the other interesting thing, the back end for each business was CDs and DVDs of live seminars.

And the men would buy those like crazy.

The men were way more valuable on the back end.

The women were not spending \$100 to \$300 on these expensive courses, maybe because that made them feel desperate, maybe because they weren't as desperate as the men were, who knows, but it was really interesting getting to be on the ground floor of this.

So how big did it get?

It got to 20 million with those two combined.

And then, you know, this is early, this is like 2004, 2005.

And people are asking Evan, Hey, I'm a golf instructor.

Can I do books on how to play better golf or Hey, I train guinea pigs.

I want to do an ebook teaching people to train guinea pigs.

So he decided to launch a business course called Altitude that showed people how to create their own information product businesses.

And so I ran this little incubator that we had there.

By this time I was proficient in copyrighting and marketing.

That became my college education.

I didn't listen to music in my car for three years.

I only listened to like audio cassettes by Jack Trout and Outer Eyes and Good to Great and, you know, Gary Halbert shit, you know, some of the stuff we talked about when we

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first linked up.

And that business took off and I don't remember the exact numbers on that, but that's what Evan is still doing today is the altitude thing.

And he sold the dating companies to a couple of the top employees, but I remember correctly.

And so just to give people perspective, can you say how big golden hippo is now?

I mean, I just, I just want, I want people to be like, okay, this guy is worth or not worth listening to.

And oftentimes numbers are the best way to do that.

Sure.

I can tell you that we are almost 900 team members.

We're not public on revenues, but we've grown to about 900.

A big chunk of that is customer support too.

So we've got about 400 agents in Salt Lake City, Utah at a call center and we do all of our own fulfillment.

And of course email and chat support is critical these days.

So we've got about 70 people doing that also.

If I had a guess, I would say hundreds of millions in sales.

That's what I would guess.

I can say in the nine figures is accurate.

Okay.

And what makes you guys a little bit different is, and I think I, I said something negative about you guys and I'm going to, I didn't mean for it to come negative, but you guys do a lot of long form copy.

And what I said was a lot of people, I think I used the word scammy and I didn't mean to say that.

What I meant to say is that a lot of people perceive that as scam stuff because a lot of scammers use that.

I didn't mean to say you guys were a scam artist or anything like that because I don't think you are, but you guys do do a lot of like long form copy.

Is that correct?

Well, we do.

And it's the same model that we did with the dating advice.

So if you remember, you signed up and you got these really new, really long newsletters with free tips and things like that.

So that's why our stuff is long is because we lead with education.

So I like to say that we have two offerings.

We have education and then we have great products.

And if people just stick around for the education, don't buy anything.

That's fine.

You know, we try to leave people better than we've got.

Do you have tens of millions of email subscribers?

I actually don't know, but I would think that that would not be true.

I don't think it's that many because we have a different business model than some people.

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There's other very successful businesses in the spaces we are in that grab emails and then sell backend.

And that is what we did with double your dating and catch them and keep them is we would go for that email with those capture pages.

And at Golden Hippo, we only email for the most part existing customers.

We don't do a lot of email capture, though it does work very well for profitable brands in the space.

So not against it.

Why would you do?

Why?

Why did you go away from that?

That seems to be like the standard protocol like, Hey, email, they're willing to give it.

And once I have that, I can start to sell them drip by drip until they're my customer.

Why'd you move away from that?

Yeah, no particular reason.

I've seen it work very successfully as I was saying, you know, and I don't know if it's something that we wouldn't necessarily do in the future, you know, I know we have some some quiz funnels and things like that, you know, that ask for it.

And so I would say a percentage of our people are our first timers, but also if you've ever read a company that does a lot of emailing, you learn that the more people on your list, the harder it is to get your email in their inbox, you know, especially in their like real inbox.

And so if you're emailing millions of people, then you get on all kinds of weird lists and things like that, that Gmail automatically put you in a promotions tab or automatically in the spam, and it's really hard to figure out why.

So we found that just emailing customers cuts down in the bulk of it by a lot.

And so that was the, I think, original reason.

And so not to say we wouldn't do it again.

So let's talk about some ideas.

So the space that you're in, if I like from an outsider's perspective, it seems like because you're launching new brands, you're constantly looking at opportunity.

And maybe before you got into this, you had no idea that Steven, Dr. Steven Gunn treat like that people ever even bought anything that he was interested in selling.

What, uh, what are you currently surprised about in your space and where's their opportunity that you think you guys are not capitalizing on because of it just not a priority?

Well, I can tell you things that I'm not allowed to do legally that are pretty interesting.

Yeah, let's start there.

Yeah, okay.

So, I mean, it's not going to be anything you haven't heard before, but I can't fuck with CBD, which I think is great.

I take it myself for sleep, but it's still not federally legal to ship state to state yet.

It's like gray area.

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And so I get asked all the time by, you know, celebrities, doctors, whoever, if I want to start a CBD brand with them, and I have to say, no, because we have too much to lose, but I don't tell them to not start it because I think the laws are heading in that direction where it's going to be totally fine soon, but right now it's not.

So I can't mess with it.

How would you spin that up 24 year old Craig, Craig Clemens with nothing to lose would be like, you know what, we'll figure this out.

The laws will get there.

Yeah.

And I encourage people.

I've had people come to me that were more entrepreneurial and say, Hey, do you want to do this together?

I say, no, but you should do this on your own because it's a big category.

It's something that gives results you can feel, which I think is really important when you're doing something in ingestibles.

And it's something that helps a lot of people.

How would you get your first customers for that?

I mean, I think that the CBD thing is easier because there's so many people already making it.

Let's say you just wanted to sell it.

What would you do?

Yeah.

You have to lead with education, with everything.

And I think one of the reasons that our advertising is successful is we give value.

That's definitely why the networks love us is because people click on our ads and they learn something interesting and something interesting to a CBD customer could be why is this not marijuana?

I mean, think about it, you know, your parents, like, do they know the difference?

They probably have fears around that.

There's such a huge education opportunity around CBD right now because it's derived from marijuana.

Marijuana has been, you know, blacklisted since Nixon or whatever, you know, they've been hearing this shit's bad for them for so long.

Why is this good for them?

That's a huge education opportunity.

So I look for spaces where there is an education opportunity and then give that education.

I think it's a great way to cut through the noise of the 4,000 ads people see every day.

So you'd write a blog post about the title that and then it would be like a thousand-word blog post and you would drive traffic to it from like, let's say, Outbrain or Tabula or something.

I think Facebook is the best network in the world to do your initial testing on.

And the reason is because you can target so tightly and then go broader and broader.

So what I would suggest is, you know, the blog idea is a good one and you can do different

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types of blogs, you can do it on your own domain.

You can do a sponsored post on, say, Well and Good or something like that, you know, or even LA Times or some of these will take sponsored posts.

So you can do that type of educational presentation.

And then, yeah, I'd suggest they go on Facebook and they look for people who have raised their hand and said, I follow this back pain group, you know, or whatever it is that people are buying CBD for the most.

You know, a lot of people buy CBD for anxiety in their pets, that's a big one, you know, so you can target anyone that is in a I love dog videos or cat videos group and then start off and get your advertising to where you can convert those folks that are really targeted and then uncheck the box on, say, cat lovers and see if it still works for just a dog lovers and uncheck that box until you can go broad.

That I think is the key to scaling up and that's a great thing about Facebook.

Yeah, I love that.

That's extremely tactical.

You can do Google AdWords in a way with type and traffic, you know, you can go in the more targeted terms, you know, like buy CBD for my dog's anxiety during flights, you know, like you can do this on tail stuff or, you know, but you eventually want to get to the place where you can convert on CBD or on rack.

So when you're when you're testing a brand, a new new idea, I don't think back to the last idea you guys spun up or you were involved with.

What's the timeframe you give it?

Do you say, okay, we're going to spend six weeks on this and we kind of know within the six weeks we're going to be able to validate this or is it not time based at something else?

Yeah.

So in my post, my 10 things post, I think it was number five and I said nothing is more expensive than a just okay converting ad campaign and not many people got that one.

I got a lot of comments on the other ones, like when I said social media is influencer marketing is for companies like burning money.

Got a lot of good back and forth on that, but that one, not too many people got except someone who I really respect, Jeremy Liu from Lightspeed retweeted just that number five.

I even wrote, I was like, I think you're the only one that actually got this.

And what I mean by that is if you have something that shows a little bit of promise, it keeps you putting money and time into it totally.

And you can just chase that rabbit for fricking ever man and just dump money into it.

And so I actually would much prefer putting something up that completely tanks or does really great and not doing that, you know, I've lost a lot of money trying to build brands where I've partnered with someone who I really liked, maybe I really liked their product ideas or their philosophies.

And then the world just didn't respond.

But since I liked it so much, I kept going for it and going for it and going for it.

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What's an example of a metric that says this is taken off?

I mean, like, do you want like a, do you want to put in \$1 and get out three?

I think that's different depending on the brand, you know, so if you have a subscription model, for example, you can spend a lot less upfront, you know, like if you look at Guthrie Rinker and proactive, they're losing money on every sale.

And I think they have like an eight month turnaround or something like that, you know, if you're doing something that is low LTV, like maybe you only have one product, yeah, you got to make your money back pretty quick, you know, so there's no like real set metric I can give you.

It's different for every business, but I would suggest define your metric and try to go for a homerun or a strikeout.

Is there a product that you guys created where you're like, where you weren't, I mean, I'm sure that many of your successes you were shocked by, but is there something, what's the one thing that took off and you were like, Oh my gosh, I did not think that this was going to work as amazing as it does.

Shoot.

That's a, that's an interesting question.

I'm trying to think of which one to share because that happens all the time.

And one of my other points in that tweet, yeah, I know you've been doing this for you're going to be wrong a lot.

Well the one that's popping into my mind is when we were doing heart health, which we still do, but we had a particular campaign that we were starting off for it.

And the ads had the picture of a beating heart, you know, and some copy around that.

It was tripled when we switched the ad from a heart to a foot.

Weird.

Yeah.

What the fuck?

Yeah.

So the reason why is because people who are looking for support with their heart typically have circulation problems that affects their feet, right?

And so we, we did this, this in the heart health space and it worked really well.

So well that we were running a ton of media for it.

And then we partnered with another doctor who has, I think one of the greatest products that, that we make, it's a, a foot cream called foot medics.

And this product, when people start taking foot medics and putting on their feet, they, they never stop.

It's the LTV is insane.

But we needed to run the foot banners and Facebook ads and all that to sell foot medics because it was a more natural product.

So we did this deal.

We created foot medics and actually we didn't create foot medics.

We, that was a kind of like an acquisition slash takeover, whatever, that's a different story.

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But because we were doing so much media in the heart health space, putting feet all over the internet, some of these networks got together and they said, you know, these feet on the websites aren't a good look and they banned advertising that has feet in it. Now you can get away with like a sexy woman's shoe or something like that, but if it's just like a random person's foot, it's, it's not allowed in the networks.

It's a random thing that they don't want on the site.

And if you think about it, if you got some nice looking website, there's just a random foot there, you know, it's not the best look for your site.

You know, everyone, I would say everyone wants the BMW ad because you get this sleek car, maybe a sexy couple, and then no one clicks on it.

No one leaves to go buy a BMW.

They stay on your site and watch more ads.

So that's everyone's dream ad.

Their nightmare ad is an ugly foot that someone clicks on and leaves their site because they're so interested that they buy the foot product and never go back to the Facebook news feed or whatever it is, you know, so we ruined the foot banner for everybody.

And then we had this great product foot medics and we had no way to advertise it.

And it's still around, you know, and it does a little bit of business, but not to the scale it would have been had we still been able to use feet.

Yeah.

I want to, I want to go back to one thing you said, which is something that has stuck with me as well.

It was a thing we put on our wall at my old house, which is mediocrity is expensive, which is kind of what you were talking about.

And I used to say the worst thing we could do is be in a just okay or mediocre business because it's going to drain us of our most valuable assets, going to be really expensive on time.

And it's going to be not that expensive on money.

And we're going to justify, keep going, keep going, keep going.

When really we just want something that's going to break out.

And the thing that's going to stop us from finding something that breaks out is spending all our time on something that's just okay.

If it fails, if it's obvious, you don't even have to be smart.

We can just move on.

And it won't be so expensive on time.

So I definitely agree with that one.

Yeah, there does need to be a good way to measure it because then you got guys like Gary Vee that are like, you need to hustle 12 hours a day for, you know, give up at 20s hours and, you know, work on this same thing that just converts okay, and one day it's going to blow up.

And that's not true for everything.

I think so many people, so much time cranking on these business ideas that don't have real proof of concept.

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You know, they get a couple of customers, but they just never break through. And they think it's because they're not working hard enough or long enough or whatever it is.

But really it's just because you're making something that people don't necessarily want. Right.

And then, and I think that you have to, the way I'm like, how do I figure it out?

How do I know when I should be the guy from Pinterest who was like, yeah, we just kept going even with growth is flat, and then it started picking up years later.

It's like, how do I know when to be that guy for the, you know, when do I be the tortoise and when do I be the hare?

And because there's examples on both sides.

And then there's a graveyard of people failing because they took either approach.

So it's hard to really tell.

And my, my, just my answer to myself, and I don't know if this is right or wrong, but I like it.

I use it is go against human nature.

Like if my, my human nature is to be really hopeful.

So I know that.

So what I should actually do is be actively skeptical about things because I know my default is going to be to see the, the one customer that it's working for and not the 99 that, that has rejected it, that have, you know, totally don't care about this.

And so I, I just try to work against my own human nature because that keeps me honest.

Whereas if I feed into that, if it's like my nature is to be optimistic, delusionally optimistic, and then I'm actively like, yeah, I should just keep going even when there's no evidence of to keep going, uh, I'll end up, you know, at an extreme dead end.

Yeah.

I'm the same way as you.

Fortunately, my brother, who I run the company with is a classic pessimist shooting down every one of my ideas and I got to fight for the ones I really like to get him executed on, you know, but I know if he agrees with me on something, it's probably going to be a good idea.

So it's good to have that balance.

It has someone that'll check you.

What's your hit rate with brands?

So I know you said when it comes to marketing, for example, you never know what's going to work.

You'll get surprised all the time.

You'll be wrong more than you're right.

Well, one thing I've seen as a pattern, I'm curious if it applies to you guys is there's all these people, I bet people who once they become masters at things that are what seem like, you know, hit businesses, like I have, I have friends who do viral videos and I talked to them like, oh yeah, viral videos was lightning in a bottle.

Who knows?

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And I was like, what's your hit rate?

And they showed me their, their, you know, set of their catalog and it's like nine out of 10.

They had a 10 or going viral.

He's like, yeah, but like eventually we figured out what emotions we're tapping into.

We filter out bad ideas early and then we have a distribution system that kind of ensures a success.

And I was like, wow, so something I thought would be low hit rate.

These guys over time have gotten to be very high hit rate.

I'm curious for you, are you guys, what's your hit rate on new brands or new products you roll out?

Is it more like eight or nine out of 10 or is it more like one or two out of 10?

So I'll answer that on both sides, new products and new brands, new products, we never fail because we're asking the customers what we want, what they want.

We do a survey, we say, you know, which of these 10 products would you like next?

So we don't fail on new products as they told us, you know, I mean, well, once in a while, because sometimes, you know, people tell you what they want, but then when it comes time to pull their credit card, you know, right, they just aren't cooperating.

So once in a while, we don't, so I would say, you know, let's say eight or nine out of 10 on new products, and maybe it's seven out of 10, because also too, there's human emotion involved in our side.

And sometimes you end up getting that product in the line that someone in formulation really loved that they just championed all the way through, and then it was their dream and not the customer.

Right, we forgot the customer at some point.

Yeah, so, and I've been as guilty as that as anyone at my company.

So I'd say that's on the product side on the brand side, 60% maybe, you know, I'm always surprised by what fails and still pretty high though.

I mean, we're still in business, so, you know, but your failures, I'm sure are pretty cheap.

You know, when you launch to the new brand, I don't think it's gonna, I don't think I don't think you're putting in \$10 million into each one.

It's cheap if it fails quickly.

If it takes a year to realize it's a failure, that's when it's really expensive, you know.

How much money do you invest on to a new brand?

You know, let's say, so I'm not a numbers guy at all.

I'm the marketing positioning guy, so I'm just gonna guess a million bucks, something like that, you know, maybe 1.5, but by the time it's said and done, including resources and things like that.

So, like, 5 or 10 people?

Well, it's not mostly people cost though, right?

You're talking about the whole, the marketing.

Well, what I mean is, you throw 5 or 10 people at something and then you give them a little bit of a budget for marketing.

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That's not the way our company does it.

We do it differently than your standard incubator or whatever.

So for example, our formulation team formulates all the products for all the brands.

There's not a brand that has a specific formulator, for example.

There's not a brand that has a specific copywriter, you know.

Vertically integrated.

You manufacture your own products, you're not.

We don't manufacture our own products, but we formulate in a house.

Okay.

I have a team of people with deep backgrounds and science codes and all that stuff that are amazing at formulating products with high efficacy, at taste really good and are, you know, cost effective and still best in class.

But I will just say quickly, if I can do a little pitch or whatever, we're looking to make acquisitions right now.

We're looking to acquire great consumer product brands.

We're looking to acquire startups in finance, you know, personal finance like debt repair, credit repair, things like that, you know, we're expanding into some new categories this year.

So, if people are listening...

Who should get it?

What type of company?

If I'm the type of company that's A, B and C, I should reach out to you.

How do they reach out?

Yeah.

Sweet spot is like one to 20 million in revenues, you know, so some proof of concept there that could benefit from working with people who are experienced in scaling.

That's something that is really a strong point for us that we can help with.

How do they reach out?

They can just, you know, hit me pretty easy to find at Craig Instagram.

I read my DMs, or Twitter, or, you know.

Okay, cool.

Sweet.

All right.

So now to the ideas.

Okay.

So, we do this for consumer product brands.

Someone needs to do what we do for personal brands.

There's a couple of companies that do it, but they have a slightly different model.

So, there's Mindvalley that partners with authors and speakers and they put them in the Mindvalley educational program where I think it's like a Netflix for personal development, if I understand it right.

And I was looking at Mindvalley last night, so it's like a 70 million.

It's owned by this guy in Thai, where is he in Indonesia?

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Yeah.

You should have him on the show.

Actually, he's awesome.

He's a friend of mine.

I'll introduce you guys.

Yeah.

So, it's like a 70 million dollar information brand and they sell to dumb it down like,

I think one of the biggest products was like a \$300 yoga course.

Yeah.

Yeah, he's built an incredible business and he does a bit of what I have in mind, though

I think there's an opportunity for a company that just helps people in the thought leader space that don't want to learn marketing really go big on their own personal brand.

So my wife is a perfect example of someone who needs this.

That's how I thought of it.

My wife is a holistic health practitioner.

She has a book coming out with Hay House that helps women with body image issues.

She puts out amazing content.

She's got a coaching practice with women all over the world that work with her one-on-one.

She's created courses, but she doesn't know how to market.

She's actually become a great copywriter, but she doesn't know how to like run paid media and build out funnels and all that stuff.

And so if there was a company that worked with people like her, and I also host an event in Los Angeles.

Next time you guys are in town and you're allowed to see people in person, let me know.

But we do an event where we, it's kind of like a mini Ted meets pool party and we bring in speakers in all different areas and so many of the speakers say, Craig, I want to start doing courses and things like that.

I don't know where to start.

And you know, some of them end up doing great products with vision, but I think there's more of an opportunity also to partner with people on a smaller scale than vision does because I think he has like 40 or 50 people that maybe run, you know, three to 10 amazing thought leader businesses under one umbrella and share resources.

You know what it's like is, do you know Tucker Max's company?

Yeah, Scribe.

Yeah.

And so it used to be called book in a box, which was a good explanation of what it is, but it wasn't a good name.

And he changed it to Scribe.

And what Tucker does is authors come to him, people who are consultants or like thought kind of kind of thought leader people or people who just want to leave a legacy for their kids.

They give him 25 grand or he gives them 25 grand and you sit with a ghost writer and you tell your story and they turn it into a book, which sometimes that book is just

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I want to give to my kids because I want them to have like a cool story about how I grew up or I want to get speaking gigs or I want to get consulting gigs.

And what you're describing is almost like a service where you probably wouldn't want to pay up front.

What you'd want to do is find people like your wife or people who are high caliber folks and you're like, look, we can turn this into a blog and then a course and we'll get a percentage of the revenue.

Exactly.

That's interesting.

That's interesting.

Yeah, it's almost like a modern day Harper Collins or a modern day Penguin or something like that.

Like a modern day.

That's what I'm describing because it's not just about the book anymore.

People want all that digital content.

Right.

So brands like Double You're Dating and Catchman Keepin' would be great examples for that.

And Evan was actually getting into that with that incubator where he had me teaching them copywriting and he was going to bring them under the umbrella.

And then he went into the biz ops space and got away from it.

But yeah, that's one idea I think is waiting to be executed on and I would love it if it was.

Okay.

The second idea is something I came up with during an ayahuasca trip.

I went on a trip really hoping to have a personal growth moment and a breakthrough and I ended up building an app in my head for eight hours and I'm not a programmer or an app designer.

So it was maybe a complete waste of time, but I hope someone builds this thing someday.

Maybe that person is listening.

So I'm going to share it.

So it's a message aggregator.

You know, you get the messages on your email, on your DM and Instagram, on your Facebook, on your Slack, all that stuff.

And they're just all over the place.

And then you got to go to 20 different things to answer all your messages every day.

So this thing has a wheel that looks like a wheel facing you like a slot machine wheel and it puts all your emails there and you can scroll through.

But it also merges them with your to-do list because a lot of those go together and right now emails and to-do lists don't connect and they don't connect with calendar either.

So imagine that wheel is your email and then you can swipe over and you can see the next wheel that comes up as your to-do list.

Swipe over the next one is your calendar and you can swipe through and it's all your messages from all those platforms combined.

And when you hit one and let's say you answer the email, it pings, it says, do you want

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to archive your to-do list item too?

Do you want to take this off your calendar?

Or if you go and hit the to-do list, it pulls out all of the messages that might be related to that, whether it's on Slack, whether it's on Facebook, whether it's on Gmail and it pulls them up so it's got it on your screen so you can just address it and get it done.

And then it's a gamified system like a machine gun.

So if you imagine the wheel like a machine gun turret and it just keeps throwing emails and tasks at you, so you just bang them out and get them through your day to hopefully get to inbox zero, which is something I know nothing about.

I've never had it before.

But yeah, someone please build that thing because I don't know how and I would love to use it.

We've talked about superhuman and hey, hey.com.

Have you paid attention to those?

I pay superhuman \$30 a month.

I've only used it a couple of times.

I've been paying for a year.

I do like it.

It's just a lot to learn with the keystrokes.

And I haven't been able to figure that out yet.

I haven't seen, hey, I have an invitation waiting for me in my inbox also.

Though I got a little turned off by what appeared to me from outside looking at it and I didn't go deep in it.

I don't like this whole whining about Microsoft, your app store taking money, clogging up my Twitter feed and I was just like, I don't want to have any part of this because isn't that common knowledge that the app store is going to take their piece?

Right.

I don't want to go to that tangent, but whatever.

Okay, so the ultimate, I like the message aggregator side because I have the same problem, Twitter, DMs, Instagram, email, text messages, whatever it is.

And you sort of have to like, it's like, you know, when old people have to take all these pills because they have like all these conditions and they have this pill pack that's like, oh, I got it.

It's Monday.

I got to open these seven different lids and I got to take these seven different pills and then by then I'm zonked out.

That's how I feel when I check my messages.

And so if you could either make it fun or at least put it all in one place in theory,

I like that.

I also, this is something that Paul Graham, the founder of WhatComeditors talked a lot about.

It's like email is essentially a to-do list.

Why is it not designed to work as a to-do list or with a to-do list?

Somebody needs to do that.

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It will make a lot of money.

And he wrote this like seven years ago, eight years ago.

I think some people have tried it, of course, people try everything, but no one's nailed it.

I like that.

And I think the hard part with that is monetization, but it's something that superhuman and hay are doing that in a million years I never thought would work, but I now completely agree is charging money for it.

Like you're, you know, like most people will be like, yeah, we'll make money from advertising where we'll get like a billion users and hopefully something turns out.

But I think monthly fees for services like this is actually 100% the way to go.

Are you guys both Bay Area guys?

Yeah.

Yeah.

Okay.

So I was up at a Google summit a couple of years ago and I was talking to a woman, I forget what company she was with, but she was talking about how Larry and Sergey back in the day were big proponents that you should never sell out to the man, meaning the advertisers. And then they acquired Google AdWords, which was called, I think go to at the time or double click.

Okay.

Yeah.

One of those at the same time when they were debating, should we charge people for 99 a month for Google and that that move right there ruined the world because now it's an advertising driven thing instead of a subscription thing.

And she was telling this to me as though I should have known this.

And this was some type of thing that everyone in tech knew about.

So I'm curious, is this something that you guys have heard before and believed in?

And is there protests in front of Google or was there back in the day?

Like, cause that was the first time I'd heard of it.

There's definitely a revolt amongst high end insiders.

And I have heard that story that they were like, we're never going to do advertising.

But Google is, I think pretty good for advertising, like it's like high intention or it's intent.

Like if someone's searching for something there, it's effective.

Yeah, for sure.

It's effective to advertise on it in the same way that Facebook is really effective to advertise on it.

But I think, I think you're bringing up a more philosophical first.

So first, no, I actually hadn't heard that story that Google was sort of at a fork in the road moment, trying to decide whether they, hey, do we charge for our product or do we do this sort of free and then make money off ads system.

And I do know that the sort of the ethos went from like advertising is a necessary evil, you know, for Facebook and for Google early on, like Zuck had no interest in ads, probably

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still doesn't have that much interest in ads.

And it was sort of like, you know, can't be, or don't be evil was, you know, the phrase for Google as a marketing message as far as how they're going to run things.

And then now today, like, you know, the suits have taken over, it's a, you know, it's a public company.

They have to, the job is to make as much money as they can.

And so that's why you see things where, you know, if you look on the Google front page, it's like, everything is an ad until you scroll type of thing.

And like, oh, how the, you know, how the times have changed.

And so yeah, it's different.

And same thing with Facebook.

Facebook was not like, there's, there's interviews of Mark kind of casually sitting in an interview like this talking about advertising and how it's kind of lame and how he doesn't really want to do it.

Evan Spiegel, same thing.

He thought advertising was creepy the way it was done.

It's like, that's their business model.

So what are you going to do?

You're going to hate your own business model or, you know, that's not going to work.

I don't know who thinks long form copy is scammy, but you know, hey, look, I use long form copy.

I, not everyone who uses long form copy is scammers, but a lot of scammers use long form copy.

Yeah.

But what's your, what's your email, cold email technique?

Did it work?

Yeah, it worked right away with like a top 20 celebrity in the world.

Oh man.

Yeah.

I don't want to say it was, but it was, it was a pretty, pretty good move.

So I need to charge some money for that.

I think it's out there for free.

Well, it's all trend subscribers have that, but yeah, it's awesome, man.

Can I pitch trends?

I, you know, you and I only met for like five minutes at a conference.

Yeah.

We talked once in a while, but we're not like homies, you know, right?

Right.

Pitch it.

Trends is fucking awesome, man.

It's so high value.

I tell people to subscribe for trends.

I actually wrote back once, or maybe I said this to you directly, I thought it was too

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good.

I thought it was too much content to digest.

It was just too long and too much great information, but I tell people to subscribe and the paying subscription to trends all the time.

I think it's the best business newsletter that's out there.

I'm going to, uh, clip this.

We'll probably have this clip right now of me saying this in the ad and we're going to run this as an ad.

Thank you.

The smile on Sam's face.

I've never seen this guy smile like this.

All right.

I love it.

You had a third idea as well.

Okay.

VR.

I'm holding up an Oculus for people who can't see this on my dog's head.

I don't know what it is, but it would fit and how much fun would a dog have in VR chasing virtual tennis balls?

You put like the haptic bite thing, you know, you'd be the device so they can bite on the virtual tennis ball and the dog just has like the greatest day every day.

And the technology is here right now.

Maybe it would need to get a little bit lighter, but it's, it's here, man.

You know, the weight thing would definitely work with a bigger dog, German shepherd or something like that.

You know, maybe in three years you can put it on the shirtsuit, but this is, is here and no one's done it yet.

And this thing like this, for example, what if there's a dog adapter for this actual Oculus?

What if I can put this on my German shepherd?

I'm not using it because I don't wear this thing that often, you know, that is a billion dollar business.

Okay.

So what you're saying sounds like a crazy person, but I want to give some perspective on this dog VR, you were just said dog VR and on the surface that's a laughable idea.

But when I, when I, as a dog owner and someone who's involved in a couple of dog businesses, I know you're involved into a pet business too, right?

Yeah.

Pet owners have the highest engagement I have ever seen.

So like the pet companies that I'm associated with, and maybe you can verify this because you're a pet business owner.

Is that the highest engagement of amongst customers that you've ever seen?

That was a loaded question, but yeah, yeah.

You know, I'm just so far removed the numbers.

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I couldn't exactly tell you.

It's not as good as we thought though, as far as buying everything.

We thought they, we thought they would be more fanatical of buyers than they are.

I will say what we did expect as, you know, I own four dogs.

Once they start on the dog food, they don't want to switch because it's a very, it's the healthiest option with a convenience.

And it's just bad to switch your dog's food a lot.

So that is true, but they don't like buys.

That's been a hard business for us to, to get margin on because of the food costs and shipping and, and all that stuff, you know, there's this company that was found that just raised \$10 million today and they claim that their dog, it was either a pill or a food that they're going to add one to four years to your dog's life and they're, they've hired all these scientists.

They raised \$10 million.

And in my head, I'm like, can I, can I eat that food and, or can I eat the dogs that are eating that food?

Uh, I'm like, what can I do to, what can I do to capture that?

But that sounds like a company asking for a lawsuit though, because there's been huge lawsuits against companies that have made those claims in the past.

So I don't know, did they do a 20 year study with hundred dogs or something?

That sounds crazy.

I'd love to know the name of the company.

It's called, um, they, I think they raised \$10 million today.

It's called, um, uh, uh, celebrity.

So C E L E select the word celebrity, C E L E V I T Y dot co a consumer fourth business idea.

They collectively sue them and we'll make 10 million bucks pretty easily.

So that's, yeah, we get all of our dogs eating it and then we get the class action.

Yeah.

I'm, I'm, I'm in.

Yeah.

I mean, big props to them.

I'd love to, to check it out, you know, um, our, our, I'm going to pitch our dog food since people are, let's do it since, uh, you know, you should always be, uh, pitching, right?

Um, if you guys see the documentary, the dog, dog, no, no, you and dogs too, Sean.

I have a dog and my dog is the pickiest eater and we've tried all these different dog foods and I'm trying to get her to eat something healthy and not like the only food I know she likes is chips.

Okay.

I want to send you some of our dog food, but watch the documentary, the dog dog.

It's produced and directed by the same woman who produced the buck, the documentary on the horse.

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Yeah.

It's like a Oscar worthy documentary and the star of it is a veterinarian.

His name is Dr. Marty Goldstein.

He's famous for saving Oprah's dog when every other vet said her dog was going to die.

He saved Martha Stewart's cats.

He just has this little practice in Connecticut where people from all over the world would come bring their dogs.

He's actually retired now, but this is what he did.

He would help all the dogs that no one else said could be saved and he would do it with nutrition.

He'd take them off the medications and put them on his nutritional therapy and the healings are miraculous and the documentary highlights it and it shows that not everything is perfect.

You know, there's some, some cases that he couldn't help.

It's a really great documentary and that is my partner for our pet food line.

It's called Dr. Marty's.

I sent you some, Sam.

Did you give it to your dog?

Yeah.

Sam, you sent me that like three months ago.

Yes.

He's eaten it all.

Cool.

Cool.

And we're good.

And he's helped me.

Sam's dog literally eats everything.

Like I've seen Sam, just when he's done with his plate, he puts it on the ground and his dog eats the whole thing.

Awesome.

Well, you know, it might not be Dr. Marty's anymore if it's, I don't know if I sent you a six months supply, but no, it was not six months, but he ate all of it.

Good.

Good.

Good.

Well, you know, hopefully that, that gave him some extra pets.

So we're kind of over time, but a first year of like a great storyteller, I think you, you know, I'm smelling a regular friend of the pod who comes on with some regular cadence is great.

I want to ask a question.

So when exactly did you start Golden Hippo?

Well, you know, 2010 and so now five, he said five, right, but just five.

So I got hired at Evans company in like 2003, 2002, 2003.

And then we parted ways, basically the end of 2008, when the recession hit, and I had

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a lead generation company also that also had to be basically shut down with the recession. And that was a, I didn't get into that story, but it was a troubling time for me.

I went from making really good money to making zero in like 30 days.

And then in the midst of the recession is when we started Golden Hippo, and that's another reason why we didn't raise money aside from the fact that no one was going to give four jackasses with no college degrees, a sense of VC money, you know, as a recession and people weren't writing checks like they are today.

So, so the thing I was going to ask is now D to C is, you know, been hot.

Me and Sam always joke.

And Sam loves to say, you know, if I see another brand that's just millennial pink lowercase, you know, lowercase brand going into some established category, raised \$10 million, it burns it.

You know, we have friends that have been super successful D to C e-commerce and that sort of thing, but you know, you see a lot of this happening.

What's been your a what's your reaction as you've been seeing that and you're like, dude, I've been here at this party for a while.

And then also, how do you differ from the model that you see Silicon Valley chasing it?

What do you think of that model?

I don't know what they're doing, you know, it's, it's, it impresses me because I don't know anything about it.

Like if someone gave me \$10 million, I wouldn't even know what to do with it instead go start a new brand.

Like what do you do with \$10 million?

I guess if you're that dog company, you go, maybe now you do the clinical studies or something like that.

You know, I'm impressed by some of these brands at the same time, I worry for some of them because I feel like you raise that money and then you're going towards your next money, then you're going towards your next money and then hopefully some big conglomerate grabs you before the rugs pulled out from under.

That's what it feels like the business model of all these brands are to me.

I saw a quote from Gary V that said most of these DTC brands are out of business.

They just don't know it yet.

I don't know if that's necessarily true, but it's something I don't understand, you know, right?

So I am quite impressed by the companies that do that and I read, I just got on the Twitter. You know, that was like, you know, my fifth tweet that wasn't about like, you know, here's my pizza I'm eating today.

So I just started reading the director consumer Twitter and I got on that clubhouse too.

And most of the time when I see someone's theories on what you should do to start a DTC brand, it is not, they're not things I would do.

So they talk about you need to build a community.

You need to be omnichannel, right?

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You need to do influencer marketing.

I don't get that.

I mean, it does work.

I mean, vital protein is just sold for, you know, several hundred million dollars to Nestle on the back of influencer marketing.

And I have heard that their EBITDA was next was very low, right?

And it works.

You know, prior to that, but I just, it's not something I understand.

Love it.

Yeah.

I like having the sort of the other perspective because I think it's really easy to just read the articles and be like, oh, that's the formula, but I'm more interested in somebody who's actually got a working formula that didn't like a fundamentally working formula.

And yeah, I was curious about your, your take on that.

Yeah.

I mean, there's a lot of different ways to do it.

Like I said, like some of my direct competitors will grab the email first, you know, it's just different ways of doing things.

And I don't think there's a right or wrong.

It's just what you're more comfortable with.

You know, if I had come from Silicon Valley and had a college degree and, you know, worked at a Sequoia before I started this company, maybe I would have started it with 10 million bucks.

Right.

Sam, anything else before we go?

Yeah.

I just had to ask you one more question, which is we have a lot of people, this is similar to what Sean asked, who have raised a whole lot of money.

And sometimes that's great.

Sometimes that's not great.

But the stories that you're saying, you're saying that you went, you, you have a home that was confused for Mark Wahlberg's house.

So you must have a lovely home.

It's not, you said you have 900 team members and nine figure company.

How are you guys financing, financing all this?

I mean, has it just been crazy profitable from the beginning or do you take debt?

Like, what do you, how does this all work?

And how are you able to cash flow so much?

Well, it was a choice, you know, we didn't have any money in the bank.

And I came from a company that didn't have any money in the bank either, you know, Evan Bootstrapped, the dating advice brands.

So we just started, we had, there's four of us, three of us put in 20 grand each.

We loaned our fourth partner his share, you know, so it ended up being 60 grand total.

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And then we just, you know, didn't have a choice, like it was either it's going to make money or we're going to try something else.

And have you guys been crazy profitable every year or did it just start laying in?

Just ask me the EBITDA, Sam, ask me the EBITDA.

No, I mean, we, yeah, we've been profitable since day one or else we would have had to go raise money, right?

So it doesn't need to, to take on outside funding.

Now we're talking to some people now, you know, we might take on some funding for some of these other categories we're getting in.

You know, for example, like dog food has been a tricky one.

And that is a brand that I could see as potentially needing some cash for to really scale it up.

You know, dog food is expensive, shipping is expensive, it's hard to get the capacity of the manufacturing, you know, so it's not something I'm ruling out.

It's just not a world I come from.

And had I known that world, maybe I would have after we took that 60 grand and built it up to, you know, whatever we did the first year, I think we did, I don't know, half a million in revenue the first year or something like that.

Maybe if I knew that world back then, I would have gone and done a VC roadshow and done that.

I just don't come from that background, you know, I just like had no idea that that even existed until I started going to like summit series and meeting other people that had similar brands to mine that had raised money.

And they also had these things called exits that I didn't know that was a thing either, you know, so.

Well, that's why I'm bringing this up because Sean and I, we're kind of middle of the road in terms of bootstrapping and not bootstrapping, but a lot of our friends are the raised lots and lots of money and sometimes it works, sometimes it doesn't.

And I love having my frame broken and listening to other people do different things.

So it certainly is simple, but hard what you did, right?

Like you just make profit.

I mean, that's, that's like how businesses work, but that's what it's always cool to see whereas a lot of people are starting stuff and they're waiting to exit in order to get their big payday.

Whereas you were kind of able to get paid along the way and I think that's, I like talking about that and sharing those different stories of there's a lot of different ways to make something happen.

Yeah.

One of the reasons podcast called my first million is because I wanted to show all the different ways that people can make it.

Like there's no formula.

There's no, you can't copy any of these actually, but if you hear a hundred different stories, you'll start to be like, Oh, okay, there's so many ways to win and I'm going to be inspired by these people and I'm going to take parts of their stuff, their story that is relevant

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to my context and make it happen.

But like, like Sam said, we want to hear the variety of different paths, not just like the same story over and over and over again, then you think, Oh, there's only one way to win.

Yeah.

The podcast name makes me laugh too because I once met a Russian guy and he said something I'll never forget.

And he said, we started talking about business here or whatever.

And I said, Hey, you know, tell me about this and that.

He goes, never asked a man how he made his first million dude, that should be the intro of the podcast of Russian, a Russian voiceover just saying that.

Yeah.

But did you hear about these people, you know, it's like, like Sam, I think I saw a tweet that you did that you like Andrew Carnegie's biography or whatever.

Loved it.

Yeah.

I mean, the guy was inside of trading.

That's how he made all his money.

All those guys were Joe Kennedy, they all were, it was all illegal shit.

Yeah.

I mean, Hamilton blenders started off selling sex toys, you know, and then it like turned into a blender because they had that like vibration technology, how many people made their money in prohibition and, you know, smuggling alcohol.

It's just a funny saying.

So I like that you guys are digging in and asking that question.

Yeah.

Most people would be shocked.

Like Joe Kennedy, he made his first million by Hertz, which at the time was a cab company.

He was George Hertz was like, Hey, you got to make my stock better.

And so he would buy all the stock and then hurry up and sell it to a pool of investors.

And it was not, it wasn't illegal, but it's probably unethical.

But of all the biographies I read, a lot of it starts that way.

Yeah.

Yeah.

I had made my first, before I started Golden Hippo, I had also lost it all.

So, you know, it's, it's, uh, there were things keeping it and making it.

Okay.

Do you have kids?

Uh, no, but try me.

Okay.

So let's say you have a son or a daughter, they just turned 22 and they're like, dad,

I want to learn about copywriting.

What do you, what do you point them to as like kind of ABCs of copyright, where would

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you, where would you send somebody for the first kind of 30 or 60 days of going down that, trying to become great at it?

Yeah.

I always tell people to read a book called my life and advertising, which was written by Claude Hopkins, who's one of the greatest copywriters in the 1920s, the psychology back then as the same as today.

And I tell them to read my life and advertising, which is his biography, not his copywriting book, because it talks about how he built all these great brands that are around today, like Hoover vacuum and Goodyear tire and pepsin and toothpaste.

And it's just really fascinating stories.

And if someone doesn't enjoy those stories, then copywriting is not going to be enough.

Gotcha.

Okay.

Cool.

And I also tell people to buy that one because it's free.

You can just Google and you can find it as an ebook.

And it often is alongside his copywriting book, which is called scientific advertising.

So you can knock them both out of it.

You know that story, Sean, about Claude, basically, uh, toothpaste didn't like toothpaste wasn't like that good of tasting, but he made this ad where he says, if you rub your tongue above your teeth, you'll, you'll feel film about, uh, and we're going to get rid of that film with toothpaste.

And then he also said it like something to the effect of like, it hurts in a good way.

Like the way that you feel that like, that like crisp feeling in your mouth with toothpaste, that actually, that, that way, you know, it's working.

Right.

Like he would, he would do things like that.

So people like it became a habit.

He created, he's the one who like helped make toothpasteing a toothpaste, a daily habit.

Yeah.

So 5% of people were brushing their teeth daily in the United States before pepsi didn't came out within 10 years, it was 85%.

Wow.

That's kind of amazing.

I always have felt that copywriters and comedians are the, the truth tellers of society.

They understand people the best and they're, they're able to, because they understand people, you can't be a great comedian if you don't understand people, if you can't tell the truth and you can't become a great copywriter, if you don't understand people and you can't, you can't tell the truth.

And then there's a whole bunch of jobs that are the opposite.

Yeah, definitely.

You should jam out maybe next time since I know we're out of time, but there's so many stories like that about these daily life things that were created by marketers.

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Like orange juice, for example, most people don't know that wasn't invented by a marketer.

Bacon and eggs wasn't invented by a marketer.

It's like all these things.

I don't even want to get, it's such a deep rabbit hole, fascinating stuff.

All right.

Well, you got to come back on.

This is dope.

Thanks for, thanks for doing this.

This was fun, fun to meet you.

And yeah, hope, hope everyone enjoys this episode.

Yeah.

Thanks for having me guys.

This has been a blast.

This is great.

Bye.

Bye.

Bye.

Bye.