

## [Transcript] My First Million / #97 with Andrew Wilkinson - The Warren Buffett of the Internet Returns

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.

What up, everyone?

Today, we have Andrew Wilkinson.

He's been on here a bunch of times.

We don't need to do a proper intro other than Andrew started this thing called MetaLab, which he has spun into Tiny, which owns like 10 or 20.

He just owns a lot of stuff.

And he's really interesting.

I am moving tomorrow out of San Francisco.

We've talked about this a lot.

I'm moving out of here, Sean.

I'm going to go to Park City, and then I'm going to go to St. Louis and then New York, and then I don't know.

Along the way, I'll be doing this, obviously, and I'm going to take a little bit of an academic nerdy approach to it, where I'm going to like, I'm reading these books and I'm going to outline like what is like the most desirable, like what are the attributes that make a happy neighborhood?

And I'm I'm on a mission to find that neighborhood.

There's some movie.

I don't know if you've seen it.

There's some documentary about the happiest city or the happiest society.

It's like in Sweden or something like that.

It's just like very communal living.

Do you guys know what I'm talking about?

I'm only remembering isn't it St. Louis, a Bipsoe or whatever in California, the happiest place in the United States.

I think it's sunny like San Luis Obispo.

Yeah.

Yeah.

Yeah.

Yeah.

Have you checked that out?

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I have.

I do think that people overestimate how much weather impacts them.

I'm almost positive that the number one attribute is your tribe.

Yeah.

Can you have a tribe of people?

I think it is your tribe, but I think weather is like two or three.

Like I think it's, I think it's way up there because just spending time in nature.

Where I live in Canada, it's like you're always surrounded by nature.

It's free.

It's not freezing cold.

It gets shitty and rainy probably like half the year and then it's beautiful and sunny the other half.

It's not too hot, never too cold, and I find just having the contrast.

I don't know if I'd be happy if it was always sunny.

I talked to people in LA.

I feel like they just don't appreciate it.

Yeah.

I've grown to actually hate San Francisco weather.

I want really hot or really cold, but Andrew, you have family up there, right?

Yeah.

Yeah.

I grew up here and I hated it.

I thought it was the lamest place in the world and then I started traveling and I realized like holy crap, this is the most beautiful place in the world and it's awesome and it's exactly what you said.

I have a tribe.

I have all these amazing entrepreneurs I meet up with every single week.

I have great friends.

I've got family here and now I wouldn't go anywhere else, but before I had the tribe, I hated it.

And Sean has a tribe in San Francisco, so he has no reason to leave.

Yeah, exactly.

Because I lived in so many different places.

I think I've lived in like 10 different countries or something like that and people always like, oh, which one would you like the best?

I'm like, well, literally my whole experience was just a function of like who I hung out with.

I had friends and my family was around.

I had an amazing time.

It didn't even matter what the city was.

And if they weren't there, again, it didn't matter how sunny and how many beaches there were either way.

Well, it's like I used to work in a cell phone store and it's a shitty job.

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It's an objectively shitty job, like literally on welfare Wednesday, you're dealing with all these like rude people who are addicted to drugs and it's super stressful, but I worked with all these awesome people and we all had fun and hung out and I loved it, right? And so I think it's the exact same thing.

And it doesn't really matter what the settings are, if people are awesome.

Andrew, have you heard of this thing called Hello, I think their URL is Hello Landing and their URL or the URL is Hello Landing.

It's called landing.

And what they're doing is you pay an annual fee of \$100 and you get access to a ton of furnished apartments throughout 20 major cities in the US and you can stay there for a monthly fee as opposed to 12 month terms.

Have you heard of this and what's your opinion on this type of business?

Yeah, I mean, it's fine.

Like staying in a hotel sucks.

I travel for work when there's not a pandemic or whatever.

So I understand the appeal of something like maybe a little cozier, but I feel like it's kind of like these people who talk about like van life and glorify that.

Like in reality, it probably sucks not having your friends and family around being cold, having consistency.

This is maybe a nicer version of that, but at the end of the day, I wouldn't want to live that lifestyle where I'm just bouncing from city to city.

Like what you're talking about doing is exciting because there's a purpose and the purpose is at the end of a month or two months, you're going to decide where to live.

But it's, I mean, maybe if I was a business traveler, I'd be stoked about it, but I hate traveling.

I'm in the same boat and I actually had a question similar to that.

I've read this or in the same vein as that.

So Sean, have you read when Mark Andreessen, or I think you told me about this.

So Mark Andreessen, famous investor guy, said something like Warren Buffett talks about seized candy and he kind of like with disdain said like, I don't want to build seized candy.

I want to create the next scientific candy that's going to blow them out the water.

And what Warren Buffett is betting on is that change won't happen.

What I'm betting on is that lots of change is going to happen.

And Andrew, would I, would you, you're like a technologist and an internet guy like us, but you're, would you say you agree more with Buffett on that if you had to pick one or the other?

Yeah.

I mean, I think it's that there's that classic EBY quote or whatever where it's like, I wake every morning trying to decide if I want to enjoy the day or make it better.

And I think I've really embraced, I just want to enjoy my day and I'm going to leave the curriculum and task of innovation to Elon Musk and all sorts of other people.

Not to say I don't want to innovate and make improvement, but I think making real change is really hard and that most people who set out to do it just have unhappy lives and fail

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because most people who try to innovate fail.

So I'd way rather own 10 car dealerships and sit on them for 50 years, live a nice life, have lots of kids, live somewhere I like, hang out with my friends, then spend 50 years trying to innovate and do something crazy and launch rockets to Mars, but have a miserable life.

Right.

I'm glad people like Elon Musk exist, but I don't really want to do that personally.

How long did it take you to be self aware of that?

Because nearly everyone I imagine originally sees like an Elon Musk and they're like, that's the best.

You got to do that.

Right.

Yeah.

And then maybe they're like, this is, this kind of sucks.

I don't know, probably like you guys, like I grew up worshipping Steve Jobs and I read every single biography of him.

And as I read more and more biographies, I just went like, wow, like everybody he worked with thought he was a genius, but also felt he was an asshole.

He didn't seem super happy.

It seems like a really stressful path.

And like, again, it's like, holy shit, that guy like transformed all these different industries and did all this amazing stuff.

But at the end of his life, like, is, was he happy?

Did he enjoy all that time or did he not know his kids or I mean, I don't know, I have no insight to that.

But to me, it just looks really stressful.

The, it reminds me of two things.

One is that quote, like, I think both Mark Andreson and Warren Buffett are right.

They're just playing two different games.

And so if you try to apply one person's strategy to the other person's game, they would lose.

And so in the same way that like Warren Buffett famously has, you know, rule number one of investing, don't lose money.

Rule number two, don't forget rule number one, right?

And then if you go in the startup world or the technology space and you try to apply that, you'd be the worst venture capitalist, the worst angel investor that anybody's ever seen because actually the nature of the game of high tech, you know, rapid growth investing is to make 10 bets, lose on eight and have to return, you know, 10 to 100 X or more.

And if you try to do that without losing money, if you try to be a value investor in the startup world, you'd just be sitting on your ass the whole time wondering why these two kids with a half baked idea are, you know, saying they're worth \$10 million pre money, right?

Like it just doesn't work.

So you got to know which game you're playing and choose wisely.

And go ahead, Andrew.

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Well, the world's worse.

The world's worse if they don't both exist, right?

You need people like Buffett to be a steady hand and make sure that those businesses are well taken care of once they get to scale and they don't need to innovate anymore.

But then if you don't have the people innovating on the bottom, we live in a boring shitty world.

Technology ultimately makes everyone's lives better.

Makes everyone richer.

You know, we all live like kings compared to how people did 100 years ago, even the even the poorest person today is way better off.

So you need the innovators.

I just go, man, I'm not built for that.

I know I've no, I've gotten to know a lot of those people.

They're amazing.

But I often just go like, wow, there's a lot of personal sacrifice here.

They're 45 and they don't have kids.

They are super stressed.

They're sick all the time.

They don't sleep, et cetera.

I just, I just don't want to do that.

And I think at the end of the day, I think we all know that the world's super competitive.

And if Steve Jobs hadn't done the iPhone a year later, someone else would have, right?

Or Samsung would have done it.

It would have sucked.

It would eventually would have evolved and gotten to where it is today, right?

So I just think fundamentally, um, innovation is a competition and there's hundreds of people competing.

If it's not you, it'll be someone else.

I don't think you have like this mission and duty to do innovation.

Yeah, you don't have to play that.

It's sort of like the way I think about it is, okay, what's the purpose?

Like, well, not what's the purpose of life, but what's the purpose of your life?

And like, I'll say there's three kind of high level goals that I can think of.

Maybe there's more.

Maybe there's like a fourth one that's religious in some way that I'm out of my blind spot.

But the three that I think about is, okay, um, my overarching goal is to be happy, right?

That's one.

And it's Andrew.

Sounds like you're sort of in that bucket.

Enjoy my life.

I have the highest quality of life I can possibly have.

The second one is, um, I want to make the biggest impact or contribution to society, the world or someone's, you know, the world at large.

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And so if you chose that path, you would want to be, you know, curing diseases. You'd want to be, you know, advancing humanity forward, removing scarcity, all those things. Because you think the highest calling for you, for yourself is to contribute in some way. And then the last one might be the highest calling is to win and to push yourself and challenge yourself as much as you can.

And you view life as basically a series of obstacle courses and in doing them, that gives you the most pleasure and meaning to your life.

There might be a fourth one, which is like, you know, to, to spread the gospel of Jesus Christ or something.

I don't know, whatever.

Um, but those are the three that I know about.

And as I look at the people around me, I could just see, Oh, that's their track. They've chosen the track of impact contribution.

They've chosen the track of quality of life.

And they've chosen the track of, um, of winning slash competing slash challenging themselves.

And, um, I am at a point in my life where I'm now realized that this is the case. This is the frame.

This is the best frame I can use to describe the world.

And now I'm deciding which one am I going to go into?

Which track am I going to go into?

Well, and there's so many different ways that you can contribute to that track, right? You look at it and go, okay, you could be the guy who invented the burrito, or you could be the guy who created Chipotle, or you could be the CEO who took Chipotle and made it. Instead of one place that was really awesome, 50 places that were really awesome.

And you think like every single part of the management and growth that business, someone got inspired by it, right?

And so if you're just the, the boring, steady eddy guy who took it from five locations to 50, yeah, maybe that's not as innovative, but that also inspired all the innovators to go create a whole bunch of new burritos because burritos are hot now or whatever it is.

It's like everyone's contributing in their own way and it doesn't matter.

You should just own your strengths and do what you want to do.

When I say I want to live a happy life, that doesn't mean I don't want to be socially responsible, build great businesses, make them as big as I possibly can.

I'm just not going to go and, you know, try and build the next great business in VR.

I'm going to wait a while and wait for all those guys to figure that out.

And then maybe I'll do something there.

Well let's talk about what's interesting you at the moment.

You guys, Andrew has been on a bunch of times going, I think his episode might be like a top three or five most listened to one.

Basically Andrew started this agency in Canada that was incredibly successful and he used the profits to buy more companies.

And so Andrew, at this point, how many companies do you guys either own part of or fully?

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So we've about 30, 30 something like that.

And then we've invested in about another 80 businesses, just in a minority capacity like venture.

So what, and you're just, you, me and Sean are all incredibly similar, where we have this ADHD, where we just like to jump around and look at new things.

Even if we don't ever do it, it's just exciting for us to geek out.

What are you geeking out right now?

For a few months ago, it was cat furniture.

And it's always been, it's been podcasting, podcasting software.

What now?

So I, it's been interesting, so, you know, I spent 12, 13 years running all my businesses, super stressed, trying to, you know, bash my head against the wall and grow them.

And then I finally read about Buffett and I was like, okay, I can hire other people to run my business.

And when you do that, you go, you kind of go into shock, right?

You're used to being this ideas guy and you start all these businesses and then you're running them and you wake up every morning and you're drinking out of a fire hose.

And when I got out of my businesses, I suddenly stopped getting emails.

I wasn't needed.

I went through this existential crisis and I was like, how do I still be creative and do stuff and start businesses while also just supporting the existing businesses we have?

And so I suddenly had all this white space to just start screwing around where I'd be like, okay, I'm going to spend 30 grand and I'm going to, you know, try, you know, starting a new little business.

You've started a variety of these businesses and to be honest, the purpose of them is to distract me so that I don't make dumb mistakes.

I like taking action.

I like doing stuff, but the best investing is done while you're just sitting there on your hands, maybe not even making a move for a year or more.

Hey 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.

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 in California paying some Silicon Valley prices, but maybe I can afford a developer in the Philippines or in Eastern Europe.

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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 or a bad developer.

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, is 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 get somebody in kind of either Eastern Europe or in the Philippines, Southeast Asia.

You know, you save money there.

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 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.

And so these businesses distract me.

I've started a bunch of them.

And one of the ones that I'm really loving is actually local news.

So about a year, year and a half ago, you know, every day I'm a news junkie.

I pick up all the big papers like New York Times and Washington Post, all that stuff.

Like read all this like physically or on my iPad or whatever.

And I realized there's always incredible, this incredible revolution happening in journalism in the States.

But in Canada, where I live, we just had a shitty local paper and it was slowly dying

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to the point where it was owned by a big media company.

They fired all the journalists.

They just have like wire service articles and stuff.

And I was really bummed.

I'd pick it up every morning and just be like, this sucks.

I don't know what's going on in my own city.

And so I went to a friend of mine who is a stay at home mom and I said, hey, let's make a newsletter and we're just going to summarize everything that's happening in Victoria every single day.

And you know, kind of inspired by the hustle, just super simple.

There's like, you know, kind of a cleverly written summary of what's up.

And before we knew it, we just, we just had like crazy numbers of subscribers.

We are at the point.

So well, I mean, it's not hustle level, but we're now at about 40,000 subscribers in a city of 200,000.

Right.

So we've got 25% of the population opening this Facebook dude, you're the next Facebook.

We're bigger.

We're bigger than the local paper and I did it all for a couple hundred grand, right?

So it's called capital daily.

And I started, so, so the original goal was I just want to, I just want to open, you know, the newspaper, aka my inbox and know what's going on every morning, what events are happening, what news stories, et cetera.

And then now we started actually hiring journalists.

So we now have an actual news team of journalists who are out there writing, doing original reporting and pulling on threads and doing investigative stuff.

And it's been super fun to, I think everyone's dismissed media.

Everyone looks at newspapers and goes, this model doesn't work.

The reason newspapers don't work is because they have legacy.

They're cruise ships.

It's hard to turn them and change them.

And they have these huge, you know, real estate portfolios.

They have printing presses, all this stuff.

When you cut all that crap out, you can actually afford to sell ads for way less.

You don't need that much revenue.

And you can really just have a virtual newsroom with a couple people and cover a city.

So we're now debating going out and it would be just hard to CEO.

We're thinking about rolling this out all across Canada, maybe starting to do the States, because we're looking at the numbers and going like, yeah, it's not the world's best business, but it's important socially and it can actually be profitable.

And all it is is using the same tools, Sam, that you guys use to do the hustle, except applying the same model to a small city.

I can nerd out for this all day and I have a feeling we're going to, Sean, you want to,

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you want to go down this vein?

Just go get a coffee and let you guys nerd out on a couple of newsletters.

Let's go down this vein a little bit.

So let me give the listener a little bit of background here and Andrew, I don't know if you, I don't know how well versed you are, but I'm a geek on this.

So local news is a digital local news is something that people have been trying to solve since the beginning of the internet.

The most important or one of the bigger attempts was Tim Armstrong.

You know Tim Armstrong, Andrew?

Yeah, he was like the CEO or something, some executive at AOL and he started patch.

And I'm sure you've investigated that, right?

I don't know.

Okay.

So patch.com.

So he started it as a thing in AOL and they try to make it big in the early 2000s and it's not big, but it's not not big.

It does probably 50, \$60 million a year in revenue, but not much profit and it's kind of hard and he's invested a lot of money into it.

So that's that and then a bunch more people have tried to do it, particularly one guy named Kevin Ryan.

Kevin Ryan started Business Insider.

He started Guilt.

He started MongoDB.

He started, what's the thing that became AdWords?

Double click.

Yeah.

So incredibly successful guy.

He recently, what he did was something you did, Andrew, where he invested \$300,000 I think into this thing called the Denverite.

And they were going to turn the Denverite into capital, what's your thing called?

Capital city?

Capital daily.

Capital daily.

So he tried to do this and he told me, he goes, I can't figure it out.

I quit.

I can't figure it out.

So many people have tried to do this and almost all of them have failed, but there is a handful out there that are actually doing hundreds of millions of dollars in revenue.

There's business journals.

I don't know if you, I don't know if they have those in Canada, do they have business journals?

You don't talk about Sean?

Yeah.

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Oh yeah.

Make hundreds of millions of dollars a year in subscription.

And there's a few other ones that are doing hundreds of millions in revenue successfully.

It is such a sexy and fun project to work on.

It just sucks that so many people have failed at it.

But so, it's so, it's one of those things, it's like starting a restaurant, right?

It's like, it used to be the world's best business.

Now it's the world's worst business.

The question is if you apply modern technology and you run Super Lean, can you do it effectively?

I mean, dude, like some of the, some of the media companies up here that own all the papers, some of them do hundreds of millions of dollars.

Like one of them, the Toronto Star, which was like the, I would say it's like the Washington post of Canada, basically.

Those guys just sold for 50 million bucks and they had 50 million bucks in the bank, right?

And now they had, well, so basically they get to a point where the business doesn't make money or it loses money, right?

So it's slowly eroding that cash.

And then they also have 50 million dollars of pension obligations because paper owners used to make so much fucking money that the staff would unionized, right?

And that was a normal thing and, you know, labor versus ownership and all this stuff.

And it kind of made sense then because the ownership was making so much money.

And so they'd unionize and they'd get all these crazy pension benefits and that was totally fine because it was a duopoly.

Usually you have one or two big papers in the city and you just make shitloads of money forever.

And then all of a sudden, 20 years ago, the business just died.

It's like, imagine if you own Coca-Cola and you're like, I don't see what could possibly disrupt me.

And then some unforeseen, you know, the new science of pop where you can make pop that, you know, is better and everywhere and healthy.

And it just totally disrupts Coke.

Like it's just unthinkable.

So these companies are still huge.

They make like this company that sold for 50 million bucks.

I think it did 250 million.

But as Chris and I actually looked at it, we're like, maybe we could buy this as we picked it apart.

It's just a nightmare.

It's full of landlines.

There's this one company doing this.

And what they've done is basically, I don't know if they call it a franchise.

I don't know what they call it, but basically it's called N2 Publishing.

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So N2Pub.com.

I'm looking, I'm pulling up my notes on my research.

So they said that in 2018, their revenue, in 2014, the revenue was \$65 million.

In 2018, it was \$137 million.

Their model is kind of interesting.

It's kind of like a franchise model in that they bring on news reps who work on their own and are 100% responsible for gathering all the content.

And then N2 takes care of the overhead and logistics and like filling the advertising.

And it's quite profitable.

I don't think they've raised money.

I think it's like, if you look at it, it looks like it's like physical, which I think is fine.

But I think at the end of the day, like being able to do email with zero cost is way superior.

I mean, it's like, why would you guys send out the hustle as like a newsletter, like a physical newsletter be so stupid?

I know it sounds stupid.

I've talked to old school competitors and they go, we're digital only.

But then he goes, we offered this new thing now where we charge you \$500 a year and all we do is send you out like a basic ass, like, like almost like printer paper version.

And he goes, people love it.

Sam, you should be doing this with trends.

Trend should be a magazine that comes out quarterly that summarizes everything.

And it should be a print magazine with awesome photos and just take the best, you know, stories.

Hand in the ass to organize though.

Have you seen what that guy, what's his name that Nathan kind of, yeah, that guy, that guy, uh, that guy's like a, he's a total tool.

He's a total tool, but I like that he's also, there is someone, someone basically said he's a con artist.

I don't know if it's true, but wasn't there some, someone called him out and vulture or something box.

Well, he's never really, right?

Where he's kind of like, he's basically, he's basically never really done anything.

And then he also apparently has people on his podcasts and then he grills them for their numbers and then he goes out and he sells that data to people or something like that.

Yeah.

He had me on it and he was like, you know, first it is pretty impressive the way he operates it.

Like he's got this like drip system where he's just pink, you know, he's got these VAs who are just pinging everybody, uh, anybody who's got a pulse to be like, you want to be on this podcast.

It's the number one podcast.

It was featured in Forbes.

It's like an article he wrote as a Ford desk contributor and it's like, and then it's just

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like, Hey, when do you want to do this?

Hey, does this date work for you?

Hey, come on.

What's up?

Hey, your competitor just did it.

Like whatever.

This is this drip sequence.

And so, um, so I went on and he's like, yeah, we asked, you know, it's all about numbers.

Listeners like actionable stuff.

I was like, oh yeah, that's reasonable.

I was like, bro, you know, I'm not going to share any of the numbers.

Yeah.

Yeah.

So that, and then he, he's like, yeah, no problem.

It goes on there.

He's like, so what's your revenue?

First question, basically.

Oh my God.

Hey, we're not really sharing that.

Um, so how many users do you have and how much do you make per user?

I was like, well, that's the same question just with a different angle.

And he's literally got a data collection business that's put like faked as a podcast or whatever.

Exactly.

And nobody, I don't know who's listening to this, but he's got this sort of, uh, army of, uh, like sort of equally like dumb people who think that he's great and it's like, oh no, this is the blind following the blind.

Um, and so yeah, anyways, but I like that he's doing a magazine.

I give him credit.

The guy hustles more than most people and, um, although I don't really respect him cause I don't think he's on the up and up.

Um, I think he comes up with some clever like mechanics.

This is quite so whenever I remember when I was like 20, I would see like, oh wow, someone's like Forbes 30 under 30 as if it's like, you know, the head, the editor in chief chose and it's literally just whoever has the best PR and pushes the hardest to get in.

And it's amazing how it validates people who have achieved nothing.

It's crazy.

So Sean, by the way, quick caveat, whenever someone like starts off hot like that and says, what's your revenue?

I, my immediate reply is always like, what do you look like naked or like, how big is your day?

Or like, what was it like when you lost your, what was it like when you lost your virginity?

That's the immediate reply.

That's great.

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It's like, uh, how much they'll be like, what's your revenue?

I'll say like, how much do you have in your checking account right now?

Right.

I can't stand it.

Um, oh, so, so local media is interesting to you, Andrew.

What do you think Sean?

Uh, yeah.

I think it's cool.

I think, uh, the athletic surprised me in how, um, how many subscribers they were able to pull doing just local sports news and making you pay for it.

And as a giant sports fan, I was like, what are you talking about?

Like I, the sports information news opinion is everywhere.

It's one of those like supply demand things where everybody loves sports.

So everyone's willing to talk about sports and everyone thinks they're an expert and everyone's got an opinion.

So like, you're going to charge people for that.

That doesn't make any sense.

And what they got right was people have sort of an infinite thirst for things that are extremely relevant to them, which is either stuff about yourself, stuff about your friends and family, or stuff about you, where you live.

And that works for local sports teams.

There was just a bigger appetite than was being served by the national publications.

Well, and also, so it was so much of the reason why people subscribe to the newspaper.

It just flips straight to the sports section.

So if you unbundle that, um, exactly.

And so, so there's that side of it.

There's like next door does this with neighborhoods, a citizen does this with crime alerts for like every police alert in your area.

Like there's lots of examples of where this works.

Um, I don't know if it's the most exciting, it's definitely not an exciting business to me personally, but also the question is what, where does technology lever this?

So like, okay, emails better than a news bundle.

I get that, but it's not emails, not cheaper than a blog per se, right?

Because internet already made sort of like free the like printing process.

And so, um, where are you getting new leverage is kind of the question I would have around it.

Um, like to me, to me, there's like this social, I like, I look at it and I go, yeah, maybe each city could make 200 grand a year, 500 grand a year profit, whatever it's like not that exciting.

But what I get excited about is the idea of being the flashlight in the dark, right?

I think there's all this stuff that is gray area, gray area shittiness that happens in a city where if you just sat at the court, like, and you just like look at all the dockets that go up, you'd be like, holy shit, like there's all this crazy stuff happening in

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this innocent little city and being able to like point attention to injustice and crime and all the stuff that is just too in the middle.

I think that's the purpose of the local paper.

And so that's what I'm excited about.

It's like getting to play Batman a little bit, even though I'm like at the end of the day, not directing it anymore, but it's cool to actually know I'm making a positive impact to my city.

Who you found to be the operator of this, because this is the one giant black box of your operation.

Like, I love your life in a way, but then I'm like, Oh God, I'd have all these projects and they would all be execution dependent and I'm not doing the execution.

And I in my, in my life, I found it very difficult to find people who can replace the CEO and be great CEOs and hiring great CEOs, it seems like something that's absolutely essential for your model to work.

So like, just walk me through the example of this, like, who did you find as the CEO or whatever?

Yeah, the execution, the execution barely matters, right?

Like it was such a simple model where it was like the, at first it was just literally my stay at home mom friend would spend two to four hours a day doing it.

And I would just go and I went to some friends who run a PPC agency and I said, I'll pay two bucks per acquisition, execute what Sam does with the hustle and we'll scale it up.

And we got that got us to like 10,000 subscribers or 15,000 subscribers.

And then at that point I was like, okay, like I need, I need actual journalists to make sure this is all kosher and start doing the original reporting and run a news team.

And there was actually a guy who went to high school with who was at one of the big national papers and wanted to move back to Victoria.

So I just poached him and put him in charge and then, you know, we got to a certain point now where we're bigger and we need more business leadership.

So we just hired a CEO who we haven't announced yet, but you know, it's iterative, right?

And again, the bar's so low, it's not like I'm going into like drone racing and I need like the best CEO to execute it amazingly.

It's like, it's not hard to send out a mail chimp every day and write a bulleted list.

Yeah, but that's not exactly what Sean's saying.

It sounds like a nightmare to have 30 CEOs because if you have 30 CEOs and they each stay with you for two to four years, like that means like every other couple of weeks, like you're, you're someone's going to be quitting saying is the difference between like all the great, like the difference between good and great, uh, from my experience at least is, is quite large and, uh, comes from a person who's going to just solve a bunch of problems, have one or two creative ideas to get you unstuck or get you to the next level and, um, I just find like, I just feel like those people are really hard to find.

Like even when I invest in companies, I'm like, oh, that's a good idea.

I don't even believe this person's going to be able to do it.

And that's their baby.

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That's their original idea that they've been pushing forward and I'm like, I don't think you're going to be great.

Now, maybe I just think it's a lot of wrong bar here.

I think it's a lot harder though, when you're talking about a startup, right?

Because a startup is like this mix, all the right things have to come in at the right moment, right?

What we're doing is we're generally buying businesses that have product market fit, real revenue, me doing these stupid news projects and stuff.

It's like, who gives a shit?

It could be the worst execution ever.

It barely matters.

The actual portfolio of real businesses we own, we have to be really careful to select the right people, but the advice I always give people is if you want to build a business that is going to scale and do well, just find someone who's already done it before, right?

So if I'm buying an agency, I'm going to go find someone who's run an agency that's double the size and I'm going to incentivize them appropriately, make sure the culture is aligned and stuff.

But it's like saying, going back to that Chipotle example, if you've scaled Chipotle to ten locations profitably, it's not that hard to go and go, okay, who's a seasoned executive from the food industry who's done franchising before, right?

That's a lot of what we're doing.

You know that's what Chipotle did by the way.

Chipotle at ten restaurants took an investment from, or I think it was at ten restaurants. McDonald's.

And McDonald's like, hey, we have the playbook of how you get 200 locations up in the next year and we're going to run that.

This is the legal guy and that's the construction guy and this is the other person and you just kind of need to move out of the way for a bit and we're just going to do this.

And then they did that.

And several other people, they all started in Colorado, like Noodles & Company came next and then they just hired all the extra Chipotle people.

They're like, oh yeah, this is the lawyer who did the Chipotle deals.

All their leases.

It's cool.

They're doing all my leases now.

And they just did the same thing and it's sort of a Silicon Valley for fast casual food in Colorado.

And the same thing happened, the same thing happened in Silicon Valley where it's like, yeah, you hire the ex-Facebook, the ex-Twitter people because you're the new Snapchat and you want to experience growth and build data teams and do all the things that you probably never done before, but they did.

And Andrew, when you do this, do you accept mediocrity?

Like I was reading this book before the exit or something and their whole argument was

like, you actually, it's really hard to build a business that makes profit and good money.

Like it's hard to build a business that's worthy of even being sold or bought.

Maybe you should not even sell it and you should hire a mediocre CEO to run it.

And like, like that was basically their, and they're like, look at the math and it kind of makes sense.

And you know, I don't know.

I'm not saying I agree or disagree, but is that what, do you accept a mediocre CEO?

No, I mean, I'd like to think I don't, but I think the key is buying businesses where they can withstand a mediocre CEO where they're already organically growing so well on their business model is so simple that it's hard for somebody to fuck it up, right?

So you look at the hustle and you go like, okay, if you just keep doing what you're doing, you could put almost anyone in there as long as they didn't go, let's blow a bunch of money, let's go and try and build some crazy new software and do crazy R&D.

And so to me it's like, is your business good enough to withstand somebody who's not optimal? Do I want an optimal CEO and the best possible CEO in every business?

Absolutely.

There are situations where I have a CEO who's extremely weak in one area where I know that, for example, let's say they're a great operator and I see a great innovative strategy they could be doing or they could be doing M&A and rolling, rolling up and growing faster.

I have to accept those limitations because at the end of the day, the most important thing for that individual business is, okay, the product is freaking awesome and the team is happy, right?

Sometimes you do have to make those sacrifices.

Yeah.

And we were talking about that.

You have this one company that I like and I was like, man, you guys can improve this so much if you did X, Y and Z and you're like, I know, I've been telling them to do this and I'm like, well, why don't you just do it?

And he's like, they'll figure it out.

And I was like, that's such a Zen way of approaching it.

And I guess it's working for you.

It's the hardest thing about what I do is I see, first of all, you guys know this, it's so much easier to criticize someone else's business and be like, why don't you just do X and Y and Z?

And it's always like, well, I don't have enough awesome people to do that or we don't have buy-in on it or there's complexity that you don't understand because you don't have context. We have that in so many of our businesses, I have a million ideas for the CEO.

But I've realized that at the end of the day, I hire and fire CEOs and I give my opinion, but I can't tell them what to do because if I tell them what to do and they execute what I do and they're pissed off because they didn't get to do what they want to do, they resent me or they think that they build a counter narrative that if only they had been able to do what they wanted to do, they would have been hitting their bonus or the business would be doing well.

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So I've realized I can just set up the guidelines and create the incentives, which will be a magnet to get them to achieve the thing that I hopefully want, right?

But it's really, really hard to tell someone what to do as both of you guys know.

In the first scene of Game of Thrones, Ned Stark beheads this guy and he tells his son, his son's like, you don't have to do this, somebody else should do this.

And he's like, no, you know, he who speaks the sentence must swing the sword.

And that has been like one of the most useful management things I've ever learned, which is like the person who decides, the person who has to do the action should be the one deciding and the person who decides should have to do the action.

And anytime you disconnect those two, really bad things happen.

Like if you're just telling the CEO what to do and then they have to go do it and they don't agree with that, it wasn't their decision, you're fucked.

Well, think about magic if they have to make a layoff and they go, ah, the board is making me do the layoff, right?

Cause that's the easy thing to do is blame the board.

Well now the board's vilified, the whole company thinks they're working for evil, evil people, right?

You're so right.

It has to be the decision.

Every tough decision has to be the CEOs.

That's like a, that's like a traditional gangster, like in all the gangster movies, they're like, they act like like the mob boss or the gang leader is like up top and then someone speaks to their name and they're like, oh, you thought I went soft and you got to like step down and like, you know, fuck someone up every once in a while, just approve you still got it.

Um, that's like the traditional, uh, that's like how all the gang movies work.

Hey everyone, a break here.

We're giving away a free masterclass pass.

All you have to do is go to today's July 31st edition of the hustle newsletter, click the link and enter the code word hustlers.

Again the code word is hustlers.

We'll email a winner on Wednesday, August 5th.

Good luck.

What else Andrew?

What else?

I got a question.

So, um, you listen to the podcast, uh, you know, pretty regularly, um, what's been something that we talked about, an idea or a space that like you either know something about that we didn't know or you're excited about it or sort of like, imagine we could have patched you in in that moment, but like we can do it now.

So was there, was there a topic or an idea or a theme that's that got your attention?

Well, I got really interested.

You guys were talking a lot about this idea of how do you make a lot of money in a short

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period of time?

I think it was three million bucks in three months.

Is that what it was?

Yeah.

Three million dollars.

We didn't, we didn't do it.

I've listened.

No.

Yeah.

So what I think, I think it's the wrong, I, to be honest, I think it's the wrong, it's probably the wrong question to ask, right with it, it kind of creates this incentive of like, you know, I'm going to put everything on red or whatever.

But I was thinking about what I would do.

And I think I'd do the million dollar homepage, 2.0.

Like I'd find some poor kid who he'll, he loves tattoos and people can buy an inch of his skin and you go and you sell this kid's skin, you know, for tattoos or whatever.

I think you could easily make three million bucks if you pumped it up and put it on the hustle and stuff.

But I was really racking my brain trying to think like, how do you ethically make three million dollars in three months?

That's a hard one.

So the hard part, so the original prompt, which I think is the reason why it's been really hard to do the original prompt was I think too hard, which was three million dollars in revenue in three months and only inputting 10 grand into it.

And I think the 10 grand into it makes it very interesting.

If you can pull it off, it's even better, but the 10 grand takes away most of the traditional like distribution techniques.

And the original person I got the question from, they didn't have that constraint in it.

Like so what they were doing was they were finding apps that are in the app store that are producing millions of dollars in revenue produced by one person, really simple apps.

And you know, they might do like, I'll give you an example of one of them.

It'll be like, you know, celebrity voice changer.

And it's just a app, you talk into it and it makes it, it makes Donald Trump say that that same sentence or whatever has like 10 presets, but like, you know, two of them are free and eight of them are, are you paying the five bucks for it?

And then they go do a bunch of cheap install ads and they, you know, they're making millions of dollars in revenue on a product.

You could, oh yeah.

The other part of the constraint is something you could build in three weeks in three months would get three million in revenue.

That's the sort of catchy way to think about the challenge.

And so he's like, dude, I could build this app in three weeks.

I could, you know, in three months I could be at three million in revenue, but of course

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they'd be putting in a million dollars into paid marketing to get that.

But like,

And that's okay if it's profitable.

You would still do it.

Yeah.

You would still do it.

Yeah.

You do it on credit cards and you keep scaling it up.

Yeah.

And there's another one that was like a, it's crazy, go look at these apps.

Plant identifier, you just take a, you just point your camera at a plant and it tells you what plant it is.

And this app has millions of installs and, you know, who knew, but people care about this stuff.

And so anyways, there's these simple, really simple apps to build that generate a lot of revenue and you don't have to go this venture capital path.

You don't have to reinvent fucking rockets or like the new cloud software, blah, blah, blah.

Like you just tap into these really simple things.

And I would, uh, I would go to the lead gen route.

Have you, Andrew, have you ever studied lead gen lead gen businesses?

Yeah.

Okay.

So the summary is they don't sell for a lot of money, um, but they can generate a whole lot of profit.

Um, a simple example of this is apartmentless.com, this company I used to work for many years ago.

They don't do this anymore, but they started out as lead gen.

So they would just get you to say that you're, they would somehow, Andrew would search find an apartment in New York city.

They would have a list of apartments and you would say, Oh, I'm interested in this one.

And then they would, uh, take Andrew's information and sell it to Zillow or sell it to the apartment building.

And then the apartment building would give them \$100.

I would do that, but for like irrigation services where you just go door to door and you figure out, Hey, do you guys need your home painted or do you guys like want, um, are you going to read you your garage?

We're going to, we'll help you read you your garage and then, or something like that.

And you go and sell those leads.

And I think you can actually make \$3 million that way very quickly, uh, in particular, one genre or one category that I'm bullish on and I'm talking about this a lot is trucking.

So trucking.

So job, people who are interested in jobs in the trucking industry and you sell their

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lead information for \$50 to \$100 per lead to a trucking company who's hiring.

And I think you can scale the 3 million in three months that way.

Yeah.

It's interesting.

I think it's one of those things though, where at the end of the day you have no competitive damage.

So it's like a good three month business, but you're picking up pennies in front of the steamroller, other affiliates catch on other legions catch on.

There's nothing you can do to protect your business.

I always think what's interesting is finding something like just to go back to the hustle, you guys have this audience and you're clearly, when someone buys an ad for a hundred grand or whatever, obviously it's making them a hundred and 20, 150, 200 grand.

Have you guys ever thought about like doing that exact thing, lead gen, except for like just basically do affiliate.

Like why don't you guys do affiliate?

So I can actually kind of talk about this.

Uh, I don't like talking about the hustle too much of this podcast cause I hate revealing what's your revenue.

Yeah.

Uh, what was it like when you, uh, first met your wife and seller naked?

Yeah.

That's great.

That was really good.

That's the awkwardness that I'm looking for.

Um, uh, so, so with the, something I'm thinking about doing is when you have people's email, um, you actually have a ton of information about them.

So if, uh, Sean at Bebo.com signs up, I could tell where he works because I've always linked in information, his Twitter information, anything that he's used that email for something that we're thinking about doing, um, is for people, instead of saying like click here to go to salesforce.com and tell them you're interested in buying, it, it, it should be just click here and a Salesforce rep will contact you.

And if you just click here, I can send Salesforce to 5,000 people who clicked it and all in the list of leads of like where they work at and things like that, because no one's gonna buy like a hundred thousand dollars of Salesforce, like on a one click, whatever most won't. And so I'm thinking about like, maybe I can like say like click here and we'll have someone who's interested in, in you, uh, we'll have someone from Salesforce contact you and just sending that directly to Salesforce where you've called, you've almost qualified them versus right now it's like they click through and they have to track them and they don't know if they're going to convert or whatever.

And they don't have any information on them because we don't reveal anything.

I mean, I could tell you everyone, I could, I know who's clicked all the ads, but we don't tell that to them because of privacy purposes, but that's something that is interesting to us.

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The reason, the reason I'm thinking about that is like in the local news business, you've got all these local companies where they're not used to, they're used to newspapers, right? So that they're willing to spend \$5,000 to be on the front page of the newspaper. But when you say, pay \$5,000 to be on the front page of my email newsletter, they're like, what?

I don't, I don't get this.

So we've started striking deals with people where we say, um, like there's a car automotive lead gen business that we're working with where to them, no, I can't say because I'm to disclose some of the structure and stuff, but basically we, we put in their ads and then we basically get paid based on every lead we give them.

And a lead is worth like 50 bucks to them.

So they can pay us like 25 bucks a lead or whatever.

So it's actually significant way more than we would make if we'd done an ad, right?

We know we're driving value to them and we can prove it.

So we can keep them, you know, amping it up or whatever.

So it seems like an interesting route.

Oh, and I'm looking at your website, you're using Mailchimp.

If you pay a little bit of extra money, Mailchimp will give you social profile.

So you can, what you can do is tell that car person, um, this woman clicked, this person clicked.

She's a woman who lives in this area of the city.

She, um, works at this company.

So go ahead and reach out to her and you know, maybe this is the proper language to use or maybe she's interested in minivans as opposed to Ferraris or something.

You know what I mean?

This is the stuff, this is the stuff I get pumped up about is like, you're not innovating, you're just remixing, right?

You're just being creative.

You're going like, okay, there's, yeah, right now you have this revenue model, but there's also 10 others and there's probably ways to drive way more value or way more revenue just by being a little more creative with it.

One other, just separately from that, one other thing I've been thinking about, which I haven't really executed, but I think I would if I was starting today is there's all these cool products that are in product hunt, right?

Every day I'll be like, oh, whoa, that's cool, most of those fizzle and most of them fizzle.

Sometimes they fail to catch or they don't go viral or whatever, but a lot of the time it started by developer and the developer doesn't understand how to market and grow something.

And so what I was thinking is it'd be smart to go through product hunt, go back six months and just look at all the coolest shit that had that came out and then start approaching all those developers and saying, look, I'll give you five grand and to them they're like, this is useless to me, I've already shut it down, I don't want to pay for hosting.

To you, that could be a \$5 million business.

What Sean, have you seen a product hunt that would fit that?

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Like there's one, I actually have seen some cool stuff recently, so let me pull it up, but the first thing that comes to mind when you say that there's this app called GIF and GIF is basically AI to make your camera look better while you're teleconferencing.

So it'll either remove the background, it'll sharpen up your image, it'll just auto filter your thing so you're a little bit brighter, you look a little bit better.

And I fundamentally believe people want that, people want to look better, especially now that this is the way that all business is done.

And so there's a little business like that and now Phil Libin came out with, mm-hmm, and that's like, a lot of people are excited about it and it's kind of the same idea, just oh, this guy was the founder of Evernote and so there's a lot of hype behind it and he can build that company and probably raise at a \$50 million valuation today, whereas these two guys, you know, there's an Indian guy who made GIF, probably is in the trough of sorrow.

Like he did his product hunt launch, it was probably exciting, he got 2,000 people to click his thing and now there's probably like 40 active users and he's like, wait, should I just be an engineer at Google and go make, you know, 400 grand right now, like maybe that's better than GIF.

Well, imagine if he'd done the plan identifier or the voice changer, right?

He wouldn't know, oh shit, I can go to app installs and if I spend 10 grand, it turns into 50 grand within 30 days.

But if you know that, you can go and do that.

I'll give you a perfect example.

So there's this developer who I work with who's brilliant, this guy can build anything, super young, super smart, all that stuff.

But he just doesn't know his knowledge of like what the problem space is in the world is so low.

He doesn't know of most of the problems that most people have, so he doesn't know where to apply his talent.

And so I was telling him about e-commerce and I said, you know, one thing in e-commerce is like your photos mean everything.

And so you spend a lot of money on like getting your little photo shoots set up where you buy lights, you buy the little white parchment paper and you try to get a DSLR camera, you try to take good photos.

But even after that, you then upload them, you then curate them, you go into Photoshop and you try to touch them up because like you know that like if your storefront photos look good, you'll sell more.

It's like very clear.

Plus it's like from a vanity perspective, you just want your site to look good.

So store owners care about this.

There's like, you know, million plus e-commerce shops on earth.

And I told him, I said, there's just one app that's called light and airy.

And this is another one of those apps that I bet is printing money that most people don't know about.

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And I know it's big because in the mommy community, moms constantly talk about how they use light

and airy.

It's a mobile preset.

So it's basically a set of like they tuned all the sliders so that all of your photos have the same look, which is this very light, airy, kind of like the mommy classic mommy blogger.

I'm just looking at this is the mommy blogger blogger look and everybody wants this look and it just makes your photos look good.

And the sale, the ad for it, if you just go look at their Facebook ad library is so good because it's just like before and after it's like kind of dull, dark photo and then like light, awesome photo.

And that's like, I want that.

Yes.

It's just to have that transformation.

Anyway, so I was telling them, I was like, somebody should do this for e-commerce where I just bulk upload a bunch of photos and it just light and airy touches all of them up and then I just like, you know, add those to my Shopify or whatever.

And he's like, Oh sweet, I could build that like easy.

And now, you know, there's a whole separate question of like, is he going to be motivated enough and he's going to like stick to it.

And like, again, he's got a sweet high paying job at a big tech company.

So like, you know, blah, blah, blah.

And he's even when he builds it, he's not going to know really how to grow this thing.

But like, I know how to grow this thing.

If any developer, like if there was a developer listening to this, just DM me, be like, Hey, I'll do the light and airy thing.

And like, I bet you I can build a two to \$5 million.

Someone, someone built this, but it was more manual.

Like it was like, you ship us your product, we'll photograph it perfectly.

We'll do like the 3d renderings and all that stuff.

Yeah.

So there's a product called, called Suna that there's a company called Suna that I think is doing the S O N A, which is cool.

I kind of want to check them out too.

But that's a little different because you got to send them the photo, the items and all that stuff.

Um, and it's more manual, whereas this is like, dude, we all take photos.

If you can make my photos look 25% better, better, I'll pay you 20 bucks a month.

Like it's worth it for my store.

And so, um, you just have to like, and people have done this.

People have, it's remixing, right?

People have done photo, touch ups and filters for Instagram for your personal life.

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But like somebody, you know, we need to do that for e-commerce done, like that's the whole idea.

Um, you know how to market it and this thing will work and you know, totally, that's my job description.

If there's a developer out there.

I like that.

Let me bring up one more topic.

Uh, we have all been using or it's something similar to it levels.

You guys know, or is it called levels?

You know, love, uh, the, the, there you got it.

You got it.

It looks different.

Is that I don't have, I don't have levels.

I have Dexcom.

Dexcom's way better.

There you go.

So for those listening about six months ago, Sean and I did this project where we wore these things on our arms and they told us our blood sugar level and anytime we were not in the thing that we agreed on, we had to give someone a hundred dollars or something like that.

Right.

It was pretty neat.

A lot of errors, but still neat nonetheless.

So the company that made the technology to, to make this all work was called levels, right?

Is that what's called levels?

Yes.

Yeah.

Um, uh, in their angel round, uh, just recently, um, do you, did you guys get in on that or no?

I did not invest.

I didn't, I didn't because they, they don't control the hardware.

Yeah.

That's my number one.

They don't own the most valuable part.

Well, uh, yeah, I, I didn't even look at them by them.

Yeah.

That's what I thought.

I'm like one of the diabetes companies.

Well, I was like, I'm pretty sure Abbott will buy this in a couple of years.

Just because Abbott has so much money and they're like, uh, we'll just employ this guy.

I love the market.

I actually don't think it's that Abbott will buy them.

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Um, I, I don't think that's the case, um, in the same way that like, you know, uh, you know, you know, my fitness pal and whatnot, they got bought by like totally different types of players and it wasn't like sort of the health industry that, that bought them. Um, so I'm not sure that Abbott is going to do it because their business model is very different, but if, but I love the market, these guys are in, and if they can basically say, Hey, it's not just people with diabetes that should be monitoring their glucose levels. Like, I believe that for sure.

A hundred percent.

I believe that.

And Hey, a whole bunch of people who care about measuring themselves and care about fitness and care about health, 2% of them are going to pay monthly to have this.

I also believe that.

And so I really love their market.

The challenge I think is, and if they own that, that would be just as valuable.

If they own the customer relationship directly, that would be just as valuable.

I think the hard part is these monitors are very expensive and to in bulk be able to give these consumers without prescriptions for diabetes.

I don't know how they're going to do that.

I don't know.

Yeah.

I mean, I think the coolest, the coolest thing about it has been, I used to, you know, I'd eat like oatmeal in the morning and be like, Oh, I'm being healthy steel cutouts or whatever. And then when I got the glucose monitor, I just realized there's all these seemingly healthy foods like black bean tacos that were spiking me like crazy.

And I really think like when I have friends that are like, I want to lose weight.

I'm just like, put this on, but there's such a resistance to it, right?

It's this big, bulky thing.

They think it's a needle.

It's scary.

So I think like we're five years ahead of where we need to get to.

I hope levels is successful.

I know some of the people involved and they're really awesome, but my worry is, yeah, the hardware, they could be disintermediated so easily.

And by the way, the founder, I like what they're doing, like the way they did that challenge.

I think that was really smart.

And then we came on here and we were like, yeah, it was a cool idea, but we didn't love the execution.

And then the founder reached out was like, Hey guys, we've made shit way better.

Let's try it again here.

Here's another month on me.

Let's like, I want you guys to see the improvements.

And you know, I love that.

Like I think he's doing the right things and they're, they're approaching it in the right

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way.

Well, I put in super cool.

I put in 10 grand.

We'll see what happens.

You're going to be on your golf stream calling us on the next podcast when these guys exit me and Sean will be very upset.

I hope my 10 grand turns into 20 grand.

I'm going to get a sick use motorcycle and this is what angel investing dreams are made of.

The problem with angel investing, right?

It's like you, you go like, yeah, it could be a zero or it could be this huge thing and you have no clue and you're just playing roulette for like 10 years.

Yeah.

That's what the 10 years is the problem.

I'm down with roulette.

If I get to spin the wheel and 10 seconds later, I find out the result.

And with this, it's, it's been the wheel and 10 years later, I find out if it was red or black.

Have you had any wins, Andrew?

Yeah, we have.

We've sold a company to work day and we've had a few, a few things in our portfolio give us a really nice return.

But if you look at it, I just keep thinking like I've put probably, I probably have a \$10 million venture portfolio or something.

And if I just taken that same money and put it in the S and P 500 or Apple stock or anything else, I would be way richer and it would be way safer.

I'd have a more liquid net worth.

It would be cash in the bank, right?

Like, so I don't think that angel investing is a good way to make money.

I think it's a good, it's a good way.

If you've got a good network in San Francisco and you invest in your friends, you'll probably do okay.

There are easier ways to make money.

I agree with that.

That's why I, I'm talking \$10,000 checks, not \$10 million.

I love your line by the way about how, you know, the stupid, there's a lot of stupid rich people in real estate, right?

I think you want to go where the stupid rich people are because that means that the business is so good that it can see, succeed regardless of whether you're an idiot.

And I think venture is like, it's just because I'm on a trigger, it triggered so many real estate people.

It was awesome.

I guess.

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Well, they like all took it as an insult.

I'm like, I'm kind of, I'm kind of, uh, complimenting you guys like I'm saying you're successful even though you're stupid.

So like, like you're, you're awesome.

You're winning.

Well, in a way, in a way you have to be stupid to do real estate because you have a ceiling on your return, right?

So if I go and buy an apartment building and I go, okay, I'm going to renovate it and I'm going to the new tenants, I'm going to increase rents or whatever.

That's awesome.

But there's a very distinct ceiling on it and you can't compound your capital to the same degree you could in a business where in a business you can innovate and you can drive, you know, outsize returns.

Like that's why I wouldn't do real estate.

That said, it's really hard to lose money in real estate and that's why you can still be dumb and succeed.

And again, it's like, it's not even dumb.

It's like, you just don't have to innovate at all.

And an apartment building is worth something in almost any scenario.

It's super boring.

It's also super boring.

It's very slow.

Yeah.

Super boring.

And it takes forever.

I've got a friend who, um, he's a real estate developer and I remember I met him about 10 years ago and the building he was working on, there's incredible building that is like a centerpiece in the city, but it took 10 years.

Like I'm, I'm, I have so much respect for him that he can actually spend the time and you know, do a 10 year project, but I think I'd go insane.

Like the, it just takes forever to do anything.

Um, Sean, anything else you want to go over?

Uh, I got two quick questions for you.

You had tweeted out two interesting things and I want to know what happened from them.

So the first one, uh, if you have any updates, you went hay launched and it was like all the rage.

You had tweeted out basically like, okay, instead of like a new email service provider, I'm just going to take the three best ideas, best feature ideas of hay and just make it a Gmail plugin, like who wants this?

And everybody was like, Oh fuck, I want that.

Did you ever build that?

Or what was that?

Well, it actually wasn't even, it had nothing to do with, Hey, I was already working on

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it before, um, probably three, four months before I'd even seen hay, but basically it started because I tweeted out, um, I've noticed that I will just sit in my inbox all day. Right.

Like I'll, I'll send a bunch of emails, responses will come in, new emails are always coming in.

And so if I'm not careful, I can spend my entire day in my inbox and I feel like shit afterwards.

Like I'm just sitting there, we watching the emails come in.

And when I thought about it, I was like, well, 50 years ago, the mailman would come and he'd deliver the mail once or twice a day, you'd do your email or your mail for an hour and that was it.

That's a way better way to work.

And so I tweeted out, look, is there a way to do that?

Can I have Gmail hold back on my email and only delivered a few times a day?

And this developer in India messaged me and was like, Hey, I want to build that with you.

And so we started working on this product called mailman.

And basically what it does is it allows you to kind of snooze your inbox so you can say, you know what, I get home at four, I want to hang out with my kids.

I don't want to have to use screen time and deal with all this shit.

I just want no new emails to come in until seven in the morning.

I want to get email twice a day.

I want to get it at seven in the morning and one PM.

And then also it will hold back all the emails from people who haven't emailed you before.

So and then you can choose who's going to get through.

And that's the similarity to Hey, but we'd already been working on that before because I do see in box still happening.

Yeah, it's live.

I mean, we, I'm beta testing it right now.

If you guys want to try it and I think of it as like an email firewall, right?

It just keeps, keeps all the crap away from you and kind of makes your life a little calmer.

Andrew, when you do, yeah, there's no link yet, but it's called mailman.

I'll, I'll, we're launching a beta wait list.

So I'll make sure to send that to you guys when we go live.

When you do this, do you, are you creating who's fun?

Is Andrew funding this?

Like does Andrew put like \$10,000 into a new business account or does tiny fund it?

And you run creating different LLCs for different entities for each one.

Well, my, my business partner is much more the steady Eddie.

He doesn't want to, he like, I'm, I'm anti innovation.

He's like extreme anti innovation.

He doesn't want to start a new business, doesn't want the trouble.

So I'm funding this through my holdco and then what I basically say to Chris is whenever I have a dumb idea, I will let you buy a portion of it when I start doing it.

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And once I know what it is, but if you don't do it, then you know, we're not going to do it together.

Right.

And so he, there's been certain things we've done together and certain things we don't.

And what that does is it creates a lack of resentment if, because I'm not off going and spending our money jointly on my silly ideas.

I'm spending my own money.

And then if he wants to or feels left out, he can invest in it.

Right.

So that's kind of how we do it.

Literally wire 20,000.

I mean, what's your typical startup cost for an idea, 20 grand,

20 to 50 grand, usually for, you know, get a business to a point where we can sell a product and see if people like it.

So then do you literally put 50 K into a, an alternative account?

No, I just go, we have a, we have a, we have a corporation that we use to incubate ideas.

So I'll hire whoever I need to or contract whoever I need to.

And then once it works and once there's revenue, we spin it out as a core.

And then you just have an email list of people who you want to hire and you go, Hey everyone, today I'm going to work on this thing.

Who wants to work on it?

Pretty much.

I'll just tweet.

And since I tweeted and some guy who's been amazing, this guy, Mohit in India has been absolutely phenomenal.

And he's just been a great partner and like, you know, it's, it just randomly happened because of Twitter.

All right.

What should we be talking more about on future episodes?

What do you want to hear?

What do we do more of?

What do we do less of?

Number one feedback is more brainstorming, fewer like kind of interviews or whatever.

I think like, unless you guys have someone crazy on whom like I have to hear their story,

I just love hearing you guys brainstorm and it's cool having guests like brainstorm with you, but the brainstorming is the value.

And then the other thing is from a business perspective, I just think you guys need to be offering more to the community.

Like, you know, there's got to be an inside track, right?

Like, I know you guys personally, I have thoughts.

I'll text you, but I'm sure the audience wants feedback on their ideas.

I'm sure the audience wants access to you.

You guys should be doing AMAs, you should be doing business critiques, and those should

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all be behind the paywall.

Love it.

Okay.

We're over time, so we should, we should wrap it.

Andrew, anything else?

No, I don't, I don't think so.

That was fun, guys.