

[Transcript] Founders / A conversation about being OBSESSED with studying the history of entrepreneurship: Acquired x Founders crossover!

So, I'm about to do something that I've never done before.

I've been working on this podcast for over six years, read over 300 biographies of history's greatest entrepreneurs, well over 100,000 pages.

And in that entire time, you have never heard another voice on this feed besides my own.

But I want to make sure you don't miss this conversation with David and Ben from the acquired podcast.

So, right after my dinner with Charlie Munger, I flew directly from Los Angeles to San Francisco because David and Ben very graciously invited me to be a guest on their world-class podcast.

What you're about to hear is a three-hour-long conversation between three people that are so obsessed with studying the history of entrepreneurship, that they're dedicating, it's their life's work, they're dedicating almost every waking hour to do so, to finding great ideas from the past and then sharing those ideas on our podcasts so future generations of entrepreneurs, founders, and investors can benefit.

And as you already know, I've been obsessed with David Ogilvy ever since I was reading Warren Buffett's Shareholder Letters and Warren Buffett said that David Ogilvy was a genius.

I then went and found every single book that he ever wrote or was written about him and read it.

And there's a line in one of the biographies of David Ogilvy that says, David Ogilvy was building his first-class business in a first-class way.

Ben and David of acquired are doing the exact same thing.

I believe that acquired and founders are perfect compliments to one another.

I focus on the founder, the actual individual and the person through biographies.

They do these hours-long really in-depth company histories that are just absolutely excellent.

If you do not already follow acquired in your favorite podcast player, please do so right now and start with their episode on the history of LVMH.

It is one of the best episodes that I've ever heard and I've been obsessed with podcasts for over 13 years now.

I would listen to that episode first, but their episode on Walmart is excellent.

Their three-part series on Berkshire Hathaway, excellent.

Their episode on the NFL, Sequoia Capital, Benchmark, Amazon.

The list goes on and on and on.

In regards to what episode that you choose to listen to, what acquired and founders has in common is the fact that we both do an insane amount of research.

We do this so that when you press play, you're guaranteed a good return on the time invested listening to every episode.

One more thing I want to tell you about before we jump into this conversation is the presenting sponsor of this episode is Tiny.

Tiny is the easiest way for you to sell your business.

They provide straightforward cash exits for founders and they can do deals of all sizes.

Between the past, they've bought businesses for as little as \$1 million and some businesses for well over \$100 million.

As we've learned over the last two episodes, Bernard Arnault is the buyer of choice for

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family luxury businesses.

Warren Buffett and Charlie Munger are the buyer of choice for family businesses of all types and Tiny is well on their way to being the buyer of choice for founders of businesses worth anywhere from \$1 million to over \$100 million who want a hassle-free cash exit.

If you have a business that you want to sell now or in the future, make sure you email hi at tiny.com first.

I hope you enjoyed this conversation and I hope you follow acquired in your podcast player like I do.

So David, do you want to tell us who you had dinner with the other night?

I had a three hour dinner with Charlie Munger.

That was awesome.

Where I could ask him any questions that you want.

Well, first of all, I guess we should back up.

It's like there's a reason that he's so admired by so many people.

But for me, particularly, you get to meet a lot of really interesting people because of the work that we do, right?

And so that's like a blessing and something that I know we've had conversations in the past that we deeply appreciate.

But Charlie's a different level for me.

I literally think of him like the wise grandfather I never had.

I met all kinds of people.

I don't really get nervous or starstruck.

I was legitimately shaking the day before.

I was like, I cannot believe.

I didn't want to tell that many people because there's no way this is going to happen.

I won't believe it till it actually happens.

We do very similar work.

Right?

Where it's like how many people have spent six, seven years, tens of thousands of hours reading hundreds of books about the history of entrepreneurship and investing and then not only reading it, taking notes on it, making a podcast.

It's us and Charlie and Warren.

Yeah.

And so the reason I bring that up is because you think about all the different companies and founders you guys have studied, all the different companies and founders that I've studied, right?

Like even amongst the rarest group of people, Charlie still stands out and the crazy thing is, he's 99, right?

And so I get there and we start off in his library, which is the best place for me that you could possibly see.

It's set the stage more.

How big is the library?

Like how many books are we talking about?

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So one of his family members was there too and she's like, oh, this is like nothing.

This is like the front room, wait till you see the back.

Yeah.

This is most like the room we're in, like very similar size and floor to ceiling shelves.

And so I'm with a smokeable friend.

In fact, mutual friends for us.

So the people that set this up for us or for me was Andrew Wilkinson and Chris from Founders of Tiny, our mutual friends.

And so we're sitting there and there's actually a funny thing where it starts out and they know both Warren and Charlie.

They've talked to me before.

So they go right into it and then like, I'm sitting there and I had this whole list of probably like 25 questions.

I was going to ask if you like prepared in advance.

I know you did.

I never got the chance to open my phone because I was just sitting there.

I was like, I'm looking at him and he's, you know, very close.

Like, you know, maybe a little bit further for me to be disrespectful to like take out my phone.

Yeah.

That too.

And I had, you know, read every single book on Charlie.

I watched all of his videos like I've studied this guy forever.

And so every time he had said, hey, read this book, I go and read the book and then I see a bunch of the books that he has recommended behind him.

So people are like, Oh, was he as like you expected?

Like they say, Hey, be careful.

Don't meet your heroes.

Right.

It's like he was unbelievably gracious.

You know, unbelievably like, uh, I was like, Hey Charlie, you mind if I take a look at your bookshelf?

Right.

He's just like, do whatever you want.

Just unbelievably pliant.

Still like biting intellect, ferocious intelligence at 99 at 99.

So we were talking earlier, um, uh, downstairs where the scary thing about Charlie is I remember asking a question about Henry Kaiser, uh, this guy that was super famous when Charlie was younger.

He built like a hundred companies built the Hoover Dam.

Like he was as famous in his time as like Elon Musk is today.

Right.

But no one knows who he is.

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Um, and I was asking questions about Charlie in the book and his recall is just insane.

So the point where I asked him, I go, how do you know all this Charlie?

He goes, I knew his partner and then he starts telling stories about being knowing like, having a relationship with Henry Kaiser's business partner and then all these three hours of just unbelievable stories.

And then I go, Charlie, like, how do you remember all this stuff?

Like do you write, like you take notes, you read the books over and over again?

He's like, Nope.

And all I could think of was like, imagine, wow, that guy's mind at 99 is still so sharp.

I had brought a gift for him because he talks about like, um, Rockefeller all the time.

I bought him this special edition, uh, Centennial edition version of Henry Flagler's biography.

Oh, Flagler.

So I live in Miami.

The guy, Les Sanderford, I think is his, the author of that book.

Um, he is good friends with, there's only like one local book shop in Miami called Books and Books.

And so Les is a local author who's good friends with the owner of that bookstore.

So they did a, you can't get this book anywhere else.

It's a special edition book.

So Flagler moved to Florida later in my friend.

After the Standard Oil thing.

Yeah.

Yeah.

He's got a fascinating story.

We talked about that where he made, he was unbelievably wealthy because of Standard Oil.

Yeah.

He's, you know, 50, 60, 70 years old when he's doing this.

And he's just like, Oh, what am I doing now?

I'll build an entire state when he gets to Miami, Miami is little less than 500 people living in a swamp.

He can't live there.

There was no AC at the time.

And so then he builds the world's first, uh, railroad over connecting, uh, the Florida Keys.

He just essentially like, you read that book and you're like, Oh, humans have no limits other than the ones we put on ourselves.

And so that's what Flagler does.

He stretches it and he does some terrible things too, where it's like, wanted to find a way to divorce his wife.

So he literally moves to another state because he couldn't be a divorce in New York bribes the, the, the government of Florida.

They create the Flagler law, which allows him to get a divorce.

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Then he does that like a few things, a few times.

I think he's like in the seventies and Mary's like a 30 year old, like just not all good.

But that guy's like, Oh, the, your rules don't apply to me.

Like I will build whatever I want.

I will build infrastructure, hotels, everything else.

This is like one of my, the things that I keep learning from founders podcast and I'm curious if you do it intentionally or if you like try not to do it, but like every single time I'm like, Oh, people aren't perfect.

Like none of your heroes are perfect.

And do you find yourself like, cause we, we run in itself on acquired a lot where like it's not as fun to tell stories about terrible people.

And so you, you, you like don't want to show someone's negative side as much because it doesn't like it's just,

Well, we, we like, we fall in love with them too.

Right.

And we're doing that.

Right.

And you're like, wow, they're the most extraordinary person on this one access to ever live.

And we, we should talk about how they're a flawed person in many ways, but it's not fun to dwell on.

Like you kind of want to like move through that and be like, yep, yep, they were flawed.

Here's the next amazing thing that they did.

Like how do you handle that?

Like you know how a normal biography is written, right?

It's like way too much family history.

Like I want to know some family history.

I don't want five generations back.

Right.

Stop.

I don't need that.

I don't need that.

I don't need that.

And you're like the most qualified person in the world to critique a biography and writing style at this point.

So why we're reading it is like, everyone wants to know the climb, right?

It's like, how did you, you guys, I just went through your entire, to get part of the prep for Charlie's listening to all of your bookshare episodes, right?

Where you guys do a fantastic job on this.

Cause like the first two is like the young Charlie, the young Warren.

So I would literally, and I've done this forever.

It's like, I don't, when you take a Warren Buffett or Ben Franklin or George Washington or anybody that's super famous, when we see them, it's like, Oh, who's the Ben Franklin on the hundred dollar bill, right?

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Or who's Washington on the dollar bill or who's Buffett at the meeting in Omaha.

It's like, no, no, that, that's the guy that is, is enjoying the fruits of the person actually built the empire.

I go and stare at pictures like a freak at like, of young Charlie Munger when he was like 38 or a young Warren Buffett, right?

They, they, they were like, oh, they were young people once.

Yeah.

In, in our Berkshire series, the first, did we end the first episode without even getting to Berkshire yet?

I think we might.

Yeah.

It was a partnership.

It was just a partnership.

You mentioned on the Walmart episode where it's like, everybody says, oh, Sam Walton didn't start Walmart to his 44.

Yeah.

But he was doing 25 years of practice and learning and he wasn't just sitting on his ass.

Like starting a bunch of stuff that looked an awful lot like Walmart.

Yes.

Learning from that.

And so the, the, which is totally like, I mean, aside, but we have no agenda here.

That is like, I think both an advantage that like we have all three of us and like kind of a secret that we have, which is that like, we wanted, we did Walmart because we wanted to do Amazon.

And so we're like, how do we do Amazon?

Right?

We got to do Walmart first.

People want this.

Like this is the right way to study things.

I think, I'm glad you brought that up because I think this is why people get a lot of value and I don't want it to make us about, hey, this is an acquired founder show.

The reason that some of the people in our audiences are the most successful people in the world.

They're all reading biographies.

They're all studying the history of, of business.

I told you guys a few weeks ago, I was very lucky to have a two hour, one on one lunch with Sam's L that I didn't think was possible.

But I realized in that conversation, it's like, you don't make, you don't, Sam's L sold his company for almost \$40 billion, right?

Yeah.

\$38 billion, whatever it was.

It's like, you don't build a company, sell for \$40 billion and then learn all this.

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It's like, he was doing this since he was, since he was young.

We were talking in his autobiography, he talks about, I think my favorite episode of your podcast is the Kobe Bryant episode.

Yeah.

Because like, this is what these guys are doing.

They're like Kobe Bryant.

They're watching game tape.

They're watching game tape.

They're working on the fundamentals from the time they're 12 through the time they die.

They don't stop.

I think that's what we're listening to acquired in founders is, is you're watching game tape of history's greatest entrepreneurs.

Sam did this when he was younger, but this ties together where Bill Gurley had a fantastic quote about this, a treat about this, when all that crypto was going crazy and like the run up and people were getting rich.

And he's like, one thing I don't like, and I'm paraphrasing because I wasn't expecting to talk about this.

He's like, I don't like that these young, the younger people denigrating the people that came before them.

Yeah.

And he's like, he made the point that none of the, none of history's greatest entrepreneurs and investors did that.

They had the opposite perspective.

All of them had idols.

You just made the point.

You can't understand Jeff Bezos until you study Sam Walton.

You can't understand Sam Walton.

So you understand JC Penney and Soul Price and all these guys.

And even their contemporaries, like the point that Walton always made was, I don't think my competitors are stupid.

I want to go shop my competitors and get all of their very best insights and then bring them into my store.

Yeah.

100%.

They're learning machines.

Yeah.

And so you get to Charlie's going, tying this all back to this.

You get to Charlie's bookshelf and it's just, biographies I've never even heard of.

And I do this for a living.

I do for a living.

I was like, what is this book?

And then I start looking.

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I was like, oh, I'm just taking picture after picture after picture.

I was like, I'm ordering every single one.

So we're talking about this idea that like the way to get truth is to weave together the tapestry of all of history's stories of things that are adjacent to understand like how this opportunity to start some business came to be.

And you always have to, like all history is revisionist and all history is biased.

And so I think one of the hardest things about making an acquired episode is figuring out like when we're looking at a source, like someone giving an industry talk who works at a company or like a biographer who chose to dedicate two years of their life to writing this book after working at Newsweek and covering the sector forever is like trying to mentally account for and discount from whatever bias and perspective they're coming in with to create whatever the source material is that we're using to then incorporate into our version of here's how this thing happened, which is that's like, I think it's the hardest part about what we do.

And I'm curious if you ever think about that.

I think about all the time because people are like, oh, like survivorship bias or revisionist history and everything else.

It's like, here's the problem.

Like we humans don't see things as they are.

We see them as we are.

So like we could have this super long conversation between the three of us right now, then go into another room and write down, you know, what just occurred.

Every single version is going to be different because it's viewed it through all of our experience, the way we think, the words we use.

And so what I'm looking at is like when I'm reading about Sam Walton, right?

It's just like the story we both hit on all the podcasts because I've done a bunch of podcasts on Sam too, where it's like the guy's pissed off, he's like driving to store to store in these like mountain roads taken forever.

So he buys the plane and he realizes like, oh, this is a massive advantage because I'm doing something my competitors aren't, right?

I'm flying over and you guys mentioned it too, which I thought was hilarious.

And then he just lands.

Who owns that?

Let me land.

And then he buys for action.

So he's like, we're going to negotiate right now.

I want to buy it from you.

And so my point is like, okay, yes, that most likely occurred.

But what is the idea behind that?

You can have an advantage by doing something your competitors are not doing, right?

And this ties together what you just said is like they all learn from somebody else.

When we're reading these books and listening to these podcasts, what's the idea I can use in my life?

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I'm not building the next Walmart.

There's no way if we re-tighten that we could tell, did this actually happen?

Right.

I don't know.

But I'm looking for the ideas behind it.

Not, oh, I can, I'm going to verify for every single word in this book.

That's ridiculous.

Right.

And the truth is always, it is always the case that the clean narrative is grafted onto a fact pattern.

And it's like, okay, well, what I care about is the lessons I can learn from the clean narrative.

But does the fact pattern, if you had all the facts in totality, did it necessarily mean that it, you know, this was premeditated?

It's like, whether it was premeditated or not, you know, the facts are the facts and like maybe I can duplicate it in a different realm.

For what we do, I mean, I think I'll acquire more than you, especially because you will do multiple episodes of different books on the same people.

And multiple episodes on the same book.

Yeah, multiple episodes on the same book.

Your format is better.

We're doing a narrative weave, so like, you know.

We're shooting the moon a little bit more in this respect.

Like your format lends itself to, so if anyone is listening, like founders is more about, hey, I just read this book and I want to tell you what I learned from this book.

And it's always biography.

And like sometimes you'll do five different biographies on Edwin Land.

And like if a choir was going to do Polaroid, we would do Polaroid.

The episode would be Polaroid.

Maybe it would be like Polaroid part one and part two, or like maybe at some point, we have, we'd have like someone on to like talk about the story, you know, in addition to our one canonical episode, but like, we would be shooting the moon and like, let's make sure that we get the Polaroid story as right.

It's almost like, how do we find the correct average of all of the other stories to create the canonical version?

I wasn't expecting to quote Bill Gurley two times early so far.

But he, does that, you know, this is going to be a good episode.

That fantastic talk he gave, which to me is the best talk for entrepreneurs and investors on YouTube.

It's called Running Down a Dream, How to Survive and Thrive in a Career You Love.

And he says, it's like, listen, in the age of the internet, he's like, you don't have to be the smartest person, right?

Charlie Munger, after talking to him, whatever mind that dude has, I don't have that.

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And I'm cool with that.

Like, I could not imagine trying to compete against that guy 40 years ago.

Like he would destroy me, right?

He's got a super mind that I don't have.

But what Bill says is like, you don't have to be the smartest person, but you can collect more, the most information and he holds you to a high standard in that talk.

Bill's like, listen, in the age of the internet, all the information you possibly need, right, is right at your fingertips.

You have no excuse not to do this.

And so he gives the example of, if you want to be a domain expert in whatever you're doing, like within two years of intense study, if you're doing that and you're focused on it's

like, you're going to get to the point where like, you know more than maybe anybody else.

And so that's my whole thing was like, when you talk to, you've never met a founder or an entrepreneur that's like kind of into entrepreneurship.

It's like, no, it's our lives.

So of course, the reason why so many of them listen to both of our shows, right, it's because they're building machines where they literally can turn knowledge into profit, right?

I've become close friends with the guy through the podcast.

He's a young kid and I don't mean to call him kid, he's not kid, but he's a lot younger than I am.

And he's like 28 years old and we were on the phone the other day because he had a very serious offer for a company he was like 95% of and they were going to give him a hundred million dollars, right?

I might as well say no to it.

But the point is like, when you talk to him, you know, he's listened to all the episodes, it's read like 60 of the books.

He'll text me a picture of like, he wanted to tell me it was a book and I'm like, I'm pretty sure I read that.

Like he's like, oh yeah, it's from this episode.

It's like, oh, why?

What if he finds one idea in a book, one idea in a podcast and it gives a 10% improvement on his company?

That's a \$10 million idea.

Yeah.

I mean, we were talking about this earlier, like this dinner that you have, it sounds like Charlie is just like a very curiosity driven machine, but we know there's lots of folks that have regular dinners and have groups of people often geographically dispersed.

Why did they do it?

Why is it worth their time, their money, their effort?

It's that they get one idea.

The leverage that they can get on that is astronomical.

Charlie tells a story.

He's like, yeah, I made \$400 million from reading Barron's for 50 years.

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And you're like, what?

What are you talking about, Charlie?

How do you quantify that?

He does.

He goes, I read, this isn't something he said at dinner, I've heard him say publicly.

He's like, I read Barron's every, all the time for 50 years.

I found one idea that I can act on.

I made \$50 million on that deal and then I took that \$50 million and I gave it to Lee Lu.

Is that the deal?

Oh yeah, yeah.

In Seattle.

I gave that \$50 million to Lee Lu and Lee Lu turned it into \$400 million.

That's how I made \$400 million from reading Barron's.

Wow.

And listen, I'm not, and this is another thing where I feel like everybody's like, oh, this time is different.

This is new.

It's like human nature has never changed.

It will never change.

This time is not different.

You're just, the difference is if you don't study the history of the people who came before you, you just ignorant and making mistakes that people already saw in the past.

Learning from history is a form of leverage.

He has billions and billions of years of collectives like human history.

This guy spent 70 years and there's thousands of them.

And like Sam Walton's book, how many people spent 50 years in one industry in the retail industry?

And he distilled it down to the most important.

And then you could read it in a week and then you could listen to Acquire's episodes.

You can listen to David's episodes on Sam in addition to that.

So the question is then, do you have 90% of Sam's wisdom or do you have 0.1% of Sam's wisdom after?

There's no way you have 90% because like the time, the instincts.

I was just re-watching Peter Teal's talk at White Combinaries, he says competitions for losers.

And he goes, one thing that we do in Silicon Valley is we overvalue growth rates and undervalue durability.

And he's like, that doesn't make sense for a technology company because all your profits, the vast majority of your profits are 20 years in the future.

And so if you're trying to optimize for growth and that over-optimization can cause your company to go out of business, you're never going to collect that.

You optimize for durability first, dummy.

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Like that's to me, like my interpretation of what he's saying, right?

Yeah, so you're going to get 1% probably, maybe 5%.

But that's still enormous leverage because you read it in five hours and he took 50 years to do everything.

And it's Sam Walton's wisdom.

And it's what you do with the idea.

I know you've talked about this before, but what was the moment where you're like, I'm going to start this podcast.

Like it's crazy, right?

What do you do?

You talk to a microphone yourself every week.

Yeah.

My friend.

Not that I think you're crazy.

Oh, I definitely am.

You are, but in a good way.

No, I definitely am nuts for sure.

And that's going to be like, we can talk about, did you guys read Jeff Bezos' last shareholder letter before?

Yeah.

The best lines he has is at the end, he's like, differentiation is survival.

And so they think about that, like how hard, like they say, let's say somebody says, damn, I love what Ben and David are doing.

I'm going to do the exact same thing.

They can jump in and try to do that, right?

But you have six years of experience.

You have 600 hours out there.

You have to counter position against us.

Or address a different audience.

Exactly.

Which by the way, they definitely should, every time they talk to somebody who wants to, I, without, I'm always like, you absolutely should do this.

And you will, even if you never succeed in terms of any like numerical success or like, you will succeed because you are learning.

So being a nut job and completely crazy is, I think, makes you harder to compete with.

And it's also, we're going to go all over the map here, but it's impossible not to be that.

Like think about how steeped you guys are in the same information that I am, where it always says, oh, you're the sum of the first of your five friends or whatever, right?

Well, it's like, it's also like what you get some of your podcasts you listen to and the books you read.

And so what happens?

It's your five friends, including your parasocial relationships.

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And so now what happens is like, you mentioned, dude, you're like, you're willing to read like one book about him, you'll go crazy.

And so what happens is when I'm really interested in somebody, I will, I listen to Bill Gurley. Again, I just take advice when people are smirking me.

Bill said, go collect everybody everything you can.

Okay.

Good.

I'll do that.

This is, these are simple ideas.

Yeah.

And so I'll find somebody that's interesting, I'll read everything about him.

And so with Charlie, I have like a little Charlie Munger on my shoulder.

I have a little Steve Jobs, a little Edwin Lan, a little David Ogilvy, Estee Lauder, Coco Chanel, all these people that have been heroes of mine, James Dyson.

And so now I'm presented with a situation like what would they do?

And you'll have, if you read and spend everything that's out there about these people, like you'll have an idea of like how they would respond.

Did you guys ever read Ken Kosienda's book, Creative Selection, about the, oh, that's shocking.

Did you guys read?

He worked on the original human interface for the iPhone.

So he made the keyboard for, when it was still operation purple or something, the keyboard. He made Safari before the iPhone.

He has this excellent book that I've read like three times called Creative Selection.

I think the, how Apple designed products in Golden Age of Steve Jobs might be the subtitle.

But he talked about that where he's, he demoed to Steve, right?

And you're not going to describe it to him.

You're going to demo and you're going to hand it to him.

And so they iterate, you guys already know this, they iterate through a series of demos.

And it's, based on Steve's taste, like he is not, oh, let's talk about this.

Like, nope, do this, do this, that.

And so Ken has a great line in the book where he's like, demoing for Steve is like asking questions to the Oracle Delphi, except the Oracle Delphi would like respond with a riddle.

And he's like, no, no, Steve was unbelievably, like crystal clear.

You understood him out of every single person I've ever studied, Steve Jobs is by far the clearest thinker I have ever come across.

Like, I just gifted at that.

Charlie is like the Oracle and it's crystal clear.

You are not like, you're going to understand what he's, the idea he's trying to get into your brain for sure.

But my point being is like all of the people that we study, they don't denigrate the past.

They, Steve Jobs, the reason I'm so obsessed with Edwin Land, I read in a biography when Steve was like 20 in his twenties, Edwin Land is in like 70s.

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He goes and meets Edwin Land and he goes, visiting Edwin Land was like visiting a shrine.

He's like, he is my hero, more people should try to be like that.

And then you guys made the point in that, you know, Jeff Bezos took a lot of ideas from Sam, who took a bunch of ideas from Sony too, Steve and Jeff.

So you always find these people where you're like, oh, I thought this was a Steve Jobs idea.

Right.

No.

It's an Akio Morita idea.

Yeah.

Or an Edwin Land idea.

Like when you used to watch the presentation that Steve would give, where he's like, oh, we're building at the intersection of technology and liberal arts.

He put it, put it up on screen.

He ripped that off.

He's literally, Edwin Land said that exact word.

But that's the point.

It's like, you're never going to find anybody gets to the top of their profession without doing the work, like studying the people that came before them and learning from them and admiring them.

This is a good like sort of personal pivot.

And it's like, I've never asked you in all the hours we've spent, this is crazy.

This is the first time we've met in person.

Yeah.

Like we spent hours and hours and hours on Zoom.

How did you like decide that this is what you were going to do with your time on this planet?

And like, how did, what led to this?

Okay.

So I, you know, our mutual friend, Jeremy, from Forming Live Tiny, I just spent like a bunch of hours with him.

He was in town in one sentence.

He like, he psychoanalyzed me better than anybody else ever has.

He goes, you didn't have any mentors growing up.

So you like, you have, then you took it to like this extreme and he said it more, much more eloquently than I am, but he's like, you didn't have any mentors.

So I view your career as like the psychopathic search for like mentors that can help you. You know?

And so like to answer your questions, like, I don't want to go into too much detail here, but like I've only had one habit my whole life and that was reading.

I was reading for as long as I can remember.

My mom passed away from breast cancer a couple of years ago and she, we didn't have like a lot of money, like long story, but like I was the first person, not only to graduate

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college, but like high school in my family, like I came from a family that like unfortunately, both sides of the family, like no education, a lot of like just bad habits.

So I identify with a lot what Charlie Munger says because he essentially observes by behavior and then tries to do the opposite, right?

So I was just, let me give you an example.

I was just up in Canada, actually at an event, Andrew Wilkinson was hosting for a bunch of entrepreneurs.

Me, Shane Parrish from the Knowledge Project and Farner Street was up there, Ben Wilson from How to Take Over the World and we were doing this panel together and Shane's the moderator and we don't know what we're going to talk about beforehand.

And so Shane asked the question, it's like, oh, what, what did you learn most from your upbringing or something like that, right?

And I go, I learned not to do cocaine and to graduate high school, like, so that kind of thing, right?

And so there was just a bunch of anti-models.

I thought about this as I was walking through the tenderloin this morning at San Francisco and I was like, I should do this walk with my daughter as the best, like, hey, this way you don't do drugs.

Like this is the perfect example, like you would, you observe bad behavior and then you do the opposite.

So long story short, I've always been obsessed with reading.

Like one of the best things my, my, my mom ever did was even if we didn't have money for books, she would take me to the bookstore and just sit there.

Like, you know, bookstores are so cool because they just let you read.

They don't, no one comes here and is like, hey, you've been reading for an hour, like you got to get out of here, you know, and just read and read and read.

So was there anybody who like introduced you to reading in books or you just, like, there was just something about you?

Sounds like it's mom.

Yeah.

But no, she's, she wasn't a big reader.

The only thing she read was the Bible.

There was no books in the house when I was younger ever.

So how did you be like, I can't take me to the bookstore.

I can't answer that.

All I can say is like my wife knows, has known me for 15 years and her thing, what she says is she like likes my family and gets along with them, but she goes, how did that come from that?

And it's like, it sounds like you have a classic, like you're the one who made it out story.

Sam Hinky, our mutual friend.

He actually gave me the way to think about this and it's called the founder of your family.

Right.

And it's the person that like, and I used to call them and it was a terrible name, but

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generational inflection points, because you'd read this in the biography where you have like generation after generation of just not good things happening.

And then one person just says, it stops now.

That's what Rockefeller did.

Rockefeller.

I always think of Sam Brompton, the guy that did Seagrams.

Oh yeah.

And he's in Canada growing up on, but like they were so, their parents had lost so much money.

They think they were Jewish and they had to like escape from persecution of Russia.

I can't remember where they came from, but they go and they have to start all over and they're in Canada and like, there's no heating and like they're freezing and like, so he has this like psychopathic drive to change, but that stays with you forever.

So like once, you know, he builds this massive company and literally changes the trajectory of all of his descendants.

And his daughter's an adult and she tells a story in the book where Sam is sitting there in like a mansion by next to a fire, like shivering, thinking about how embarrassing it was to have to go to school with tighter clothing.

And that's like, that guy's never going to go back to that and he never loses it.

So I just always been a reader.

That's the only thing I've ever, like the only one unbroken habit I've always had.

And so I just had this idea where like I was obsessed with podcasts forever.

I was obsessed with audio before there was such thing as a podcast, like how we'd listen to talk radio when I was a kid.

And at that time, you know, it's, it's not like there's no on demand anything.

You would listen to sports talk radio, politics talk radio.

It's embarrassing.

It was like this woman that used to be on at night and people would write in like advice for love, their love life.

And I'd listen to that.

Just the idea of like just all this information.

Oh man, I used to listen to coast to coast AM with Art Bell.

Do you ever listen to this?

Like it's when all the other radio programming sort of expires and then you enter the like one in the morning AM radio stuff.

And it was like, you know, aliens and like tons of paranormal stuff, but it was like if you, if you listen like, you know, the, the cabs game ends, I'm from Cleveland.

And so like then you listen to like the sports post game and then it goes into like the politics hour.

And if you still can't fall asleep, then you're into like aliens and it's like four hours of that stuff.

Do you have a radio in your bedroom?

Oh yeah.

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Yeah.

I'd be able to, I don't, I imagine my parents probably came and turned it off, but like would leave it on while I fell asleep every night.

And then remember like, I remember, so you have the jumper from that, then the AM radio stations would then start streaming to the, to your browser internet.

It still wasn't on demand.

So if you're not listening at three o'clock or 12, like you miss it.

And then once I saw, wasn't this what Mark Cuban's company was?

Hems was like broadcasting audio for sports games though, I think.

I don't actually know.

It's kind of like an era.

It's broadcast.com.

Right.

Yeah.

And it was competitive with real player, which also wasn't on demand.

That was just streamed radio.

No.

The first on demand was the first time I saw this is like, this is insane.

Like, especially for people that are, that are like, you know, learning machines using Charlie's, where it's like, I can go to, even today, like they did, you can go to any podcast player, type in what everyone will learn about.

And then you can hear somebody, it's usually spent hundreds of hours teaching you about this stuff.

You can also find intellectual, high quality content more easily now because all content, because there were a limited number of channels and a limited number of time slots, everything had to be produced for the lowest common denominator.

And now you can opt into your niche and find the highest quality content in that niche.

And like, the only way to do that before was books.

Like there wasn't an audio way to, there wasn't content, there wasn't niche audio content broadly available.

And they weren't, there aren't like several million authors out there, but there's several million podcasters.

Right.

Well, you made a good, I think you were getting to a good point, it's like, because the business model didn't support that.

And so now,

And there was no distribution.

Yeah.

And it's like, you guys, you know, I'm sure, I think like 50, I don't ever look at analytics, but I think last time I looked, it was like 50% of my audience was in the United States, but then everywhere.

And so I was doing, the earliest of founders, I was just, I remember it all changed because I couldn't figure out the business model.

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So you would do like affiliate, you know, at that time, I remember when I first started, Yeah, you went through a bunch of business models.

Yeah.

So when I first started, they're like, hey, you contact like the few podcast advertising networks there were back then, you know, because you guys started your show in 2016, right?

15.

16.

And you contact and they're like, yeah, we can do ads for your show.

You know, you need like 25,000 downloads and episode.

And at the time, they're like, I'll never get there.

Right.

Like obviously we've skyrocketed past that, but like, that's impossible.

It's like as many people as in a basketball arena.

Oh, when you start visualizing the audience, it's like, oh, two and a half NFL stadiums show up for every acquired episode.

Like that's an insane.

Yes.

But do you guys think, so do you guys think about that?

Probably in adding to the pressure in a good way, like it's a good motivator.

I never think about it.

Really?

You know what I think about it?

How my show set up is why I say you and I.

Yeah, yeah, yeah.

I like how you treat the audience as like the person you're in.

It's one person.

So like one, and I've done this forever, it's like, I, it's funny, I remember it's one of my friends that we were met up one day and I was like, man, I think I'm going to try to make like a business around the fact that I read so much and he's like, and he called me like a year, like six months ago or a year ago, he's like, I can't believe you did that.

He's like, I thought you were the dumbest thing I've ever heard.

But I just picture him when I started, it's like, oh, the whole idea behind the show was like, what if you got to meet up once a week with your friend that reads a lot and he just tells you the stuff that he read that week, like interesting ideas.

And so I was.

Even crossed your mind to like, try and convince him to do the podcast with you or somebody else or you're just like, no, I'm in it.

So one thing we don't have like a bunch of prepared stuff, but one thing us three talked about is like, Hey, why don't we talk about like, who was your influence on why you do what you do?

And so I feel the greatest podcaster of all time is Dan Carlin from Harker History.

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That's like my, I think he's like, I can't believe what that guy does, right?
You and him are like the only successful, uh, monologue podcasters.
Like I think it's the hardest thing to do in this medium.
And I can't, I mean, there's, everyone else either has a guest on or a co-host.
Yeah.
Um, well, there's another guy that was, uh, that, so I took Dan Carlin, I was like, I was obsessed with him.
I was listening to all his episodes for like years.
You were talking about falling asleep.
I did that too, but I fell asleep to Dan Carlin.
So I'd over and over and over again to now where I listened to him, I'm like, I, it's like, it's a, like, yeah, I was like, no, don't wait.
It's not nighttime, bro.
But there was another one, uh, that a friend of mine put me on to, there's this comedian named Bill Burr.
Mm hmm.
He does the Monday morning podcast.
He used to do it every Monday.
Now he does, I think Monday and Thursdays, right?
He is one of the first podcasters when he was podcasting his, his first episodes at the time he would do it, he would call into a number and record, right?
And then that, there was a service that would transform that recording from your phone into an, an MP3 that you could download and put on your iPod way before like anything.
And so wild how things, I mean, you know, we're here now in this recording setup that we have here, you know, with thousands of dollars a gear and like, we start, I remember when we first started, I don't think you let me do this, but I was like, well, why don't we just talk at the computer and like set up quick time.
Dude, when I listened back to our first few episodes like Pixar and I'm like, we, it sounds like we were just talking at the computer.
Yeah.
Well, we basically were.
Yeah.
That's, that's when people were like, I have a lot of psychos that they're like, I'm, I started on number one.
I go all the way through.
I was like, oh, like, please don't.
Yeah.
If you're going to, if you're going to do like going up.
This is one of the things I'm going to talk about.
I used to, because that way at least by the time you get to one, you like, you, you, you're a fan.
But if you, if you start at one, you're like, oh, these guys suck, but like that it's almost like there's great pleasure in hearing something that you think is excellent and fully baked

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and like, especially when it's been long running, you're like, oh, this has always been immaculate and perfect.

And then you get to go see some of the early work and you're like, oh, it's so, it's so rough.

You want to go, you want the early Charlie.

I get the, I can see where the magic was, even though they didn't know yet.

Like the.

It's the same thing you see in the books that you're reading though.

Like Sam Walton, when you tell a story where his, his landlord screws him over and he goes, he goes, I'm not whipped.

I, I found the, I found the store off.

I'll do it again.

Right.

Yeah.

And it's like, yes, Walmart is a huge success.

You guys made the point that there was a great point where it's like, you're never going to think 25 years in the future when there's watermelons and donkey crap on the ground.

Like that this is going to be the richest family in the world, right?

If you're right.

And the most standardized form of retail.

Yeah.

But, and so you see like, oh, he, that same guy that became the richest person in the world that his now family has a rich family or whatever.

It's like, he's imperfect too.

Just like I am.

And so that is the only benefit of listening to an early acquired or early founders is like, oh, you see the improvement just like in the books.

You see the improvement.

Well, it's fun too.

Like, I like going back and listen to some of your old episodes and I get to like see your journey, you know, like, I'm proud of you like the, but I've been thinking about that.

I was thinking about ahead of our conversation here.

Like I used to say all the time people like, oh, I go back and listen to the early episodes like, no, don't it's so embarrassing.

I actually think like we always want to be embarrassed by our last episode.

We've just constantly kept like every episode, like we try and just notch it up because we keep picturing the stadium and we're like, that's, that's the like, that's why I think about the stadium because I think about the like the pressure of like, we got to do better next time than we did this time.

And it's not just filled with like, you know, Seattle's NFL fans.

It's filled with like hundreds of thousands of the smartest people that, and this gets to like the psyche, like the deep insecurities that at least I have of like, I want to impress

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those people.

I want those people to think I'm smart.

And so I have to produce something unbelievably worthwhile of their time.

And the minute that I don't, I'm like literally walking out in front of an NFL stadium full of people that I want to impress.

And like, I didn't used to have that pressure, but like once we found content market fit for acquired with like people that I've always thought highly of that, that is the driver now.

There were a couple of years where we kind of drifted.

There wasn't that pressure to keep amping the bar and then, and then it's like in 2017.

Yeah.

Yeah.

I think you're never going to be embarrassed about your, your latest episode at the time we're making this is LVMH.

You're never going to be embarrassed about that.

That was excellent.

And like, it doesn't mean you can't keep improving 10 years from now, but no, like I look back and I think like, yes, that's certainly an episode, I don't know how you feel, but like I'm proud of, but I look back like I at the time, like, so we didn't know that was going to be a super popular episode.

Totally unpredictable.

It's our, it's our, because we haven't shared this publicly yet.

It's our, our number one episode by a huge margin, 40,000 more people have listened to that episode than the next highest was Amazon.com.

That's incredible.

I probably could have told you, actually, I was like, David, no one's going to listen to Amazon because everyone already knows this story, which was super wrong.

But I either thought like, no one will listen to this one or like, this will be our most successful episode with LVMH.

Even after we recorded it, I was like, or after we edited it because we had to like edit a lot of stuff.

But I was like, this is how much we didn't know, but it's not like our best ever.

But apparently, I think it might be my favorite episode of yours.

And I heard from a ton of other people that how much they liked it.

Like, well, thank you.

It's really good.

I mean, in this conversation, like, there's a bunch of stuff that we could have done better in that episode, like a whole bunch.

So I do this all the time where like, I'll go back and listen to old episodes because people like, that's weird.

You listen to new podcasts.

It's like, no, this is a tool.

That's how you're better.

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This is two footage.

No, we've even tried to get better.

It's like, I was like, oh, I haven't read that book in like two years.

I'll just listen to my episode on it.

And it like, it's a tool for me.

That's how I know it's good for other people, right?

And so I was like, and then I'll listen to them like, oh, wow, I forgot that.

I need to keep that idea in my mind, but I'll hear myself like, oh, you said that in two paragraphs, that could be one paragraph, cut that part.

That doesn't make sense.

And so, yeah, I understand the improvement.

But what I'm saying is your quality is already super high.

Like it can increase and get better, don't get me wrong, but like, you're never going to be embarrassed.

You're just like, oh, I could probably do it 20%, 30% better, which is still excellent from the level you're at.

So the way that we edit is our editor takes the first pass and he's unbelievably good and we're so lucky to have him.

And then he sends us a rough cut.

I upload it to Descript and then we listen like, and read while we're listening word for word sentence for sentence and try to cut every unnecessary sentence.

And we end up pulling out 20-ish minutes of just fluff.

It's just like, okay, we could have been tighter in that point.

Is there a way to get tighter in it without rerecording it?

And I think that has dramatically contributed to episode quality because by the time we ship it, neither of us feel that there are extraneous sentences.

So I don't know if I'm like that.

You're still a one-man show, right?

I do everything.

No one touches anything.

So like everything.

So soup to nuts.

I'm going to ask your question, but I also think like we should just a perfect point to like how we became friends and why, like I'm putting this out on my feed and no one, no one, you're going to be the first non-David Senra voices that ever heard on Founders and like only would agree to do it and only agree to do it with you guys is because like this goes back to like why I want to be surrounded with first of all people that have like interest, super smart people, but also people that have like positive some thinking, right?

Patrick O'Shaughnessy has this gigantic, successful show, invest like the best.

He's got the classist podcast network.

His fund is called positive some and that's how he acts.

I joined his network.

This is like months later.

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And they're like, hey, like, like, you know, we have editors, whatever, like he has like this empire over there.

And resources is like, what do you want?

And I was like, I just want you to amplify my audience and then connect me with first first rate advertisers because like, I think acquired is a luxury podcast, not maybe not luxury premium.

We got to go over the distinction there after LVMH, but like we're saying, no, no, this is like where we're trying to set the bar here.

But anyways, he's like, hey, do you want editors?

You want any of this stuff?

I was like, no, I don't want, no one gets to touch my stuff.

Like people think, oh, like, does, do they tell you what books to read?

And like, no, Patrick liked my show.

And he's just like, why would I tell you?

Like just whatever you're doing, just do it to more people now.

And so the answer question, no, like I picked the books, I record them, I edit, I'm still one person show.

I don't know if that'll happen forever, but I do think the fact that it just like spend so much time with the material gets it in my brain.

But the reason that like, I want to talk about like the role you guys played in that where we're going on zoom.

And for like the background here is like, you know, we had known of each other, I talked to Ben a long time ago because he was running this private podcast like years ago.

And so anyways, we're like, that's also funny to think back like all the dead ends that we went like, we went down a ton of them, you went down a ton of them, you're about to talk about some of them.

Like there's so many dead ends.

But they're in the books too.

Yeah.

They're in the books.

That's exactly it.

Will we change the name of the show to adapting?

Oh my God.

That was, that was, that was, that was on me.

That one was on me.

Tell the story.

COVID happened and we were like, no one wants to hear these like stories of like extreme capitalism.

Like we're like the X games of capitalism and like this is a moment where like everyone is hurting zero business and like this isn't that the stock market trough too, where you're just like, wow, like, you know, all businesses are going to go under, I have no one's ever going to have jobs again.

This is, you know, it's scary.

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And so we were like, well, like, what stories should we tell?
How about businesses that are adapting to make it through this tough time and to like show how serious we were about it?
We changed the name of the show.
It was like our three least listened to episodes covering a pretty amazing stories, but we just branded it wrong.
Like Candice is like the most interesting restaurant story you could ever hear about.
And like we did Intel.
That's the only time we've ever done Intel.
That's the only time we've done Intel.
Because it was adapting.
It was stupid.
So stupid.
But you want, there's no way to do like learn rather than screw up.
Do you want to know the first name of founders?
You know, like in your RSS feed, you can change the name, right?
But you can't change the link.
Like it'll still say.
So you look at it from mine and it's auto-telec.
The worst name auto-telec comes from this book called Flow, A-U-T-O-T-E-L-I-C, maybe I don't know.
I can't spell for it.
I can't spell pronounce.
I have no grammar.
So I'd be like, you read so much.
I was like, I don't pay attention to any of that stuff.
Is that the Mihai?
Yes.
The guy behind?
Yes.
It is an activity that you do for the sake of itself.
Going back to your questions.
I just love to read.
I'm going to do this if no one listens.
That's how I know I'm going to win because it's like people are like, oh, would you do it for free?
It's like, no, no, I've paid to do this for like a long time.
For a long time.
Like I literally said, I'm going to quit and I'm going to, I have the savings.
I have a wife and a baby or a daughter to support.
Now I have a son, a wife, a daughter and a son.
And I was like, I bet you, I just put trust in myself is just like, I'm going to, if I focus on this seven days a week, I'll figure out the business model.

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I know, I don't think I'll ever get rich from it, but I will at least pay my bills, right?
And so like every month I'm like, oh, less money there.
And like, so I paid to do it.
So the idea where like, you know, again, people get, I think Steve Jobs talks about this, like the older he gets, he said something like the older he gets, the more he realizes why people do things matters.
And so he's always asking those questions.
Like I always say, it's like, how do you know that you found what you love to do?
And people are like, oh, cause like I wouldn't sell my company.
It's like, okay, there's another level.
It's like, how much would you have had to pay Steve Jobs to stop working at Apple?
The answer is he wouldn't take all the money in the world.
How, how much would you have to pay Charlie Monroe?
A lot of people tried to stop Steve Jobs from working at Apple.
Yeah, but like think about that.
Like the idea is like, he's not doing it for money.
He's in a different game.
He's doing it for the sake of itself.
And so I went through a bunch of different names, history's greatest men, history's greatest like history, all these terrible names.
And I just started narrowing it more and more and more to like founders.
And I was like, oh, that's perfect.
There is a question.
Cause you weren't even like, you weren't coming from the tech world.
You weren't like, this wasn't content marketing.
No, no, no, it was just like, the idea I had known about like Warren Buffett, Elon Musk and all these other people.
And I remember you had Kevin Rose on your show a long time ago.
So you guys remember his, he had, if he was still not that long ago, maybe a year, year and a half.
Yeah.
Yeah.
It just time flies.
Cause it was post.
It was, he was, he was pretty much already.
Fully web three by the time we.
So do you guys remember foundation?
Yeah.
Oh yeah.
It was like one of the first high quality, like imagine if he would have stuck with that show.
Like, you know what I mean?
Like it would have been a monster.

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Right.

And it's like the, the only episodes that ever came out was like, here's me interviewing Elon Musk.

Here's me interviewing Sam Altman.

Here's me.

And like these people, and also before they became like icons of our time.

That's it.

Elon had the model.

That was the only thing he was just about to release.

The road less.

You have the roadster.

I mean, they were in the factory because I watched it, I watched it all the time.

They were in the factory building the Model S.

That's right.

So it was, I don't know if you could buy it yet, but it was like coming or whatever.

And Elon looks way younger and like, you know, and then in 2015, Tim Ferriss, I was a big fan of his podcast.

I'd read like, you know, for our work week.

I remember the way I just.

Dude, four hour body changed my life.

Did it?

Yeah.

With the slow carb.

Yep.

Slow carb diet.

I did that too.

Slow carb diet, cold showers.

Like I did.

And the funniest thing is like, that's like, this whole cold punch thing that's like becoming a thing now.

Yeah.

Was nobody like reading Tim Ferriss in 2011?

Oh, they were.

It was a huge part of it.

Yeah.

Well, it goes back.

It's just only our demographic was.

Yeah.

Actually, that, that made me think of something.

Let me interrupt this story.

Because I think it's really important.

You're like, oh, is anyone going to listen to our, like no one's going to listen to our Amazon episode.

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They already know it.

And so this is something that like, and United Queens becomes the most successful.

Are you going to quote Ogilvy?

Yes.

Yes.

I'm supposed to do enough founders to know.

Yeah.

Because it's like, this is so key that people don't understand.

It's like you're not advertising to Standing Armour, you're advertising to Moving Parade.

And so like, I will literally get on calls with like media company founders that are like selling ads or like building companies and I'm like, oh yeah, you must have read Ogilvy.

They're like, what?

And I was like, these are not new lessons.

Like if, if, and again, this comes from the humility to realize, hey, Warren Buffett's smarter than me.

So if that dude in his shareholder letters is saying, uh, David Ogilvy is a genius.

I'm like, wait a minute.

This dude, how many businesses has Warren Buffett looked at at that point?

How many founders and managers has he looked at when he's like, this dude's a genius.

This is not rocket science guys.

Just go and like, let's search David Ogilvy on Amazon.

Five books.

Good.

Order them all.

These days, it's search David Ogilvy in your podcast, choice.

Like, um, that's, I went to explain the, the Standing Armour versus.

So you're not advertising to Standing Armour, you're advertising to Moving Parade.

But what happens is like, even when you put on the Sequoia episode, right?

We went, me and David went on a hike in Stanford and I was like, dude, you have this crazy back catalog.

Every single day you have more people following your podcast feed than you had the day before.

I was like, and I, cause I knew this because I was a subscription podcast, right?

Recount briefly your business model journey.

So I'll give you a shorter breakdown because like I went through so many of them.

I just put a hard paywall.

Listen to the first 30 minutes.

You want to listen to all of them, um, then you pay, right?

And it convert.

So this is when we had that chat that you were talking about, we were like, dude, you're doing it wrong.

You're doing it wrong.

Yeah.

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Cause there's been times like this one where we're like, what the hell are you doing?
But there's been other times where you come to us and you're like, do you know how good your Sequoia episodes were?

And like the fact that you have four times the audience that you have now and none of the 75% of those people have ever heard the Sequoia episode, what are you doing?

And so you guys, we had this hike, this Ogilvy idea, remember, not my idea.

I don't get like, everything has already been done guys.

I'm speaking to the people listening, not you, you obviously know, it's like, they've already been done.

Just go see, hey, that person's smart.

He learned from 40 year career.

Like you're not going to pick up an idea.

You can use a silly.

So I told David, I was thinking about this.

There's some cases where it's, it's not true, but I think most truly like iconic world changing businesses and founders, they build, they stand on the shoulders of giants, but they have one or multiple things that is novel that they come up with.

It's the combination of these ideas, like Sam Walton taking soul prices ideas and his competitors ideas and like, hey, what about, you guys are kind of ignoring these like 4,000 person communities.

I'm pretty sure like the thesis behind Walmart is like, will they just drive for our distances just to save money?

Right.

The answer is yes.

Right.

Five hours.

Right.

Right.

But that, that, like that isn't a novel idea.

Yeah, exactly.

It's a very, it's, that's the whole thing.

It's combining like one big novel idea with a bunch of other things that.

You guys combined David Ogre's idea by republishing your Sakura podcast and then you text me like,

oh my God, like the downloads are crazy.

Yeah.

And because the vast majority, because you're not podcasting to a standing army or podcasting to a moving parade.

And so I had known this because through my experimentation, I would take an old episode that I had done, do a preview, throw it up and you'd get conversions every time because it was new to them.

And that was like, so Ogre V, I credit Ogre V for that idea.

That's an idea he got from Claude Hopkins and Albert Lasker, who were building advertising

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businesses 50 years before him.

Is this scientific advertising?

Yes.

Yeah.

Also a good Founders episode.

Yeah.

He's excellent.

That, that, that book, Scientific Advertising, sold like eight or 10 million copies.

They kept it in Albert Lasker.

So Claude Hopkins worked for Albert Lasker.

Claude, Albert Lasker thought that book was so good, he stored it in a vault.

He wouldn't let, he's like, he built.

Because it was like the secrets of the industry, right?

Like don't publish this because we don't want this getting out.

I've learned that because in Ogre V and advertising at the very end of the book, David's like, here, these are the six giants that I learned from.

So I was like, okay, well then I'm going to Google search.

Who's like, I'm going to read the book.

This is not rocket science again.

So then he's like, oh, Albert Lasker made more money than anybody in, than anybody else in the history of the advertising business.

So I was like, hold up.

What?

Wow.

Also none of us know this guy's name.

Yeah.

And so then, then you realize it's like, he says in the book, he's like, his estate outside of Chicago was so big, he had 44 time employees.

I'm like, what?

Like, what are you talking about?

Like make these words make sense in my mind.

That doesn't make any sense to me.

So you read Albert Lasker and then he tells you about Claude Hopkins.

He's like, yeah, the information was so good that like I stored that in my vault for 20 years.

And then once he sold his advertising, I think he gave it away like a token, like \$100,000, you know, to the people working there.

And then they released it and Claude went off on his own and, and everything else.

So these are not like, yeah.

Okay.

So you were doing the 30 minute hard cutoff when we had that famous.

It was so unsatisfying, it's like, I'm going to listen to 30 minutes of this episode and then like I just have to get someone's asking me to pay for the rest conversion, right?

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The conversion rates were higher.

But you guys said this is where you had a local maximum.

This is where like you were very helpful, like David, first of all, and you guys are nice.

This is not the language you use.

You're like, you idiot, like, but you guys are so nice.

So it's like, dude, you're doing it wrong.

Listen, for every one person, I think it was Ben that said this, for every one person that would buy a podcast, there's a thousand or a hundred that would listen to him for free.

Like just, it's about a hundred.

Yeah.

Probably even more than that, you know?

And so then you guys would show me like, you open the kimono, you're like, this is, these are our downloads.

This is who we advertise with.

This is what we charge for advertising.

You just like.

Well, the other, the other really key insight is, so after spending a bunch of time with originally Kimberlite, then Glow, which is old to Libsyn and still what powers the acquired LP program.

An interesting learning is most podcasts should generate about 50% of their revenue from direct monetization, some kind of membership program or paywalling their feed, and about half from advertising.

And it should, the mass should sort of work out where that's going to be the case.

For the type of podcasts that we are, whether you have lots of founders and CEOs and hedge fund managers and the sorts of people listening, you could never ask someone to pay you in membership what they are worth to the most valuable advertiser for that slot.

And so the way it sort of works out is like you're massively hamstringing your monetization potential.

If you make it membership only because you'd have to be like, yes, please pay two to \$5,000 a year in order to get access to this private thing versus if you were to take that same piece of content and open it up to advertisers.

You made the great, the good point earlier and we can elaborate on that, right?

Why you're so psychotic about this sentences needs to get out of here.

Like these two sentences, let's, let's remove it.

Because if you could factor in the average hourly rate of the people in your audience, it is unbelievable.

So even I think if you make what a million dollars a year, and we know people obviously in our audiences make a lot more than that, but I think a million dollars a year is about 500 bucks an hour or something like that.

I don't know the math.

I'm not a good math person.

But like, so you're asking if they listen to an hour long podcast of founders is like,

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that's \$500.

Like you cannot waste these people's time.

So I never answer your question when you're like, Hey, how do you guys think about this?

Do you re-edit or do you cut them out?

I use the script as well.

I actually think the way I listen to founders is obviously listening to it and listening and reading, like the superpower of podcasts is you can listen to it when you're doing something else.

But when you're editing.

But I think I'm going to put all my, all my podcasts up on YouTube, not, I don't have any video, but I think I'm going to use the script.

So if you, there is like, some people have success just putting up the audio and idea, like a static picture and you can listen to it on YouTube.

But I also think I was like, well, if I'm going to do that, might as well just, I have this and that's kind of cool.

If you want to use it, but don't have to.

We did not find success doing that.

Like this episode will be the first episode this year that's on YouTube because we basically said, if there's not interesting video, then it's not a video podcast and you can go find it in a podcast player.

I'm using it just for search and I'm never going to, I don't think I'm ever going to do video anything because it's just like, it's so much simpler to do literally what I'm saying is like, I'm going to upload the MP3 to YouTube.

Like I'm not making a video just because it is, they're eventually going to have, they're not stupid.

They're eventually going to have like the podcast player inside of YouTube.

Like I, did you, they released this like 40 page document I read on their podcast goals on YouTube.

Did I send it to you guys?

No.

I'll send it to you guys.

So right now I have YouTube premium so you can listen to them in the background like a podcast player, but they need to have podcast functionality.

It's still like a video.

Yeah.

So anyways, the way I do it is like, yes, I'm very aware that who's listening.

I'm not ever going to waste a lot of their time.

And what I found with the more practice I have for the podcast is I'm able to edit on the fly.

Like I don't have a script.

Right.

So like, I'll go through the book, I highlight, then write down whatever pops my mind.

I don't, like just am I, first of all the highlights, like, am I excited about that?

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Oh, that's interesting.

Highlight.

Just go off instinct.

Right.

And then write down it like something that, oh, that's like this or that made me think of this.

And I just write it down.

Right.

Then I'll reread all these highlights the night before I record.

So it's like the second time.

You're doing this in physical books, physical books, but you're putting your notes into read wise.

That happens after.

Okay.

That happens after.

So the fifth time, every single book I do, I think I read the highlights five times.

And the fifth time is me actually taking pictures of the physical book and putting it in read wise.

So Jeff, I was thinking about this yesterday because I'm also slightly obsessed with Jeff Bezos.

You're slightly obsessed with a lot of founders.

That's why we're like, you're like, we're sitting in chairs like, dude, I'm going to be forward.

Yeah.

We were setting up the camera angles before.

Because you know what I love?

We're like, we got to move David's chair back here a little bit.

So if you ever, if you ever watched the old Jeff Bezos interviews when he's like first starting Amazon, he's like skinny and bald, like it's one that's like in that field outside the conference.

Yes.

I think this is the one.

He's like sitting, like you see grass man.

I don't know if he's in a field.

So, but he like leans forward and he's like, we're going to be the most customer obsessed company ever.

It's like, he's got that look on his face.

Yeah.

That's why I am about founders.

I'm like, you know, maybe like that dude's a psycho, but Jeff says something that he is, but Jeff says something in invent and wander, which is an excellent book because it's all of his shareholder letters and transcripts of the speeches and all of his transcripts of the speeches.

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And he goes, do you really want to, to live in a world or to compete against somebody that's, that's as good as you?

Like I certain would certainly wouldn't.

That's what his, he states.

And he's like his, if you read his shareholder letters and listen to him talk, he's like, he's constantly looking for unfair advantages.

And I think part of the fact that I have now over 20,000 highlights from hundreds of books and I still have like 50 or 60 or maybe 80 books that I haven't put in there yet that are in my library.

So it's like, that's my read wise account is an unfair advantage because anytime somebody's talking, it's like, I can immediately, oh, you said something, I search for that term and it pulls up.

And it's like, oh, and then I see my highlight and I see my note.

It takes so long, like so long to do that, but it's worth the extra five or two hours.

And that's integrated into your process of making that.

That's because I'm reading something.

I remember, no, I know I've seen this before.

I can't remember it.

Type in that term and it pulls up every single instant.

Wow.

It's an unfair advantage that I have with me all the time and what I'll do is like whenever I'm like waiting for Uber today, right?

Just pull up read wise and read wise has the highlights feed.

And I'll show you guys what it looks like.

It looks a lot like a Twitter feed, right?

Completely random.

So I'm not choosing this.

And instead of me reading Twitter all day, which is not a good use of your time, it's this highlight from the Dodge Brothers.

I haven't read that book.

You know, that was like episode, you know, probably like the one 15th Billy Durant, who's the founder of GM, Sam Colt.

And so are these ones that other people have liked a lot?

No, therefore, no, it's just repopulating your own.

Yes.

So it's my form of practice.

So you've got so let me give you a healthy Twitter there on your phone.

So is that like how many times a day like how often are you just pulling up read wise and almost every day?

And if I'm not doing it on read wise, I'll go to like my bookshelves.

So what will happen is you can pull a book off my shelf.

And I'm thinking about this for like my kids.

Long after I'm gone, my kids can like, what was my dad into, you know, and they can go

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back and see, oh, and when he was 35 or 38, this is the podcast he made, let me go find that book.

And then you pull off the shelf like, oh, this is the line.

He thought was interesting.

Oh, wow.

You see dad's handwriting here.

And like, so I use this for myself where I can pick up a book and quote unquote, read it, reread it in 30 minutes by rereading my highlights and notes.

And now I'm like, it's back in back like in front of mine.

And then what happens is like, you can do this anytime like people are like, oh, I'm running late for lunch.

Like I'll just do this or I'll answer DMs or all I always have stuff to do with me.

But I use it as a form of practice.

The reason I said this is like, sounds stupid.

People think it's maybe maybe they think it's silly.

I don't know.

But I read this book.

It's up to two 12 founders.

It's called Michael Jordan the life.

It's a 600 page biography.

And in that book, you just have like this encyclopedia knowledge.

Two of the numbers of your episodes, which I'm so impressed by.

I don't.

It's only because I reference that all the time.

So when if you look up something over and over again, yeah, yeah, yeah, it's repetition.

Everything in life is repetition.

Sam Walton's career is repetition, you know, like it's like, I just think you're trying to.

This is what I asked Charlie.

Like.

One of the most interesting things he said, he's like, one of the best things that ever happened to me is I got rich later in life, you know, like he saw the time and how difficult it was.

And he was talking about like, imagine you being like a super famous or rich when you're like 21 or 25 and how disorienting he's like, I was a full grown man, like with life experiences of the wife and kids.

Yeah.

Child who died.

Yeah.

I did not mention that.

Yeah.

But like he had all like, you know, full life experience and therefore also the main problem that happens is people don't know they're like, I was the son of a poor man.

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Now I'm rich and my kids live an unbelievable amount of wealth and privilege.

How do I deal with that?

That comes up in the books for hundreds of years.

The answer is no one knows, right?

And so with Charlie, though, the benefit is he didn't have a famous last name or a lot of wealth.

His kids were like grown.

Right.

They wouldn't have to deal with that when you're five or seven or 10.

He also gave me some advice that was fascinating.

You do that.

Like you got to pay that bill eventually, though, like his grandkids have to.

Well, so how do you do with this though, right?

Like he's multi-billionaire.

Like that's an insane, right?

This is a five generation problem.

Not only is he a multi-billionaire.

He's like, people like us talk for hours about him.

He's like a celebrity.

So I just read this fantastic book.

I like reading obscure books because go back to what Jeff Bezos said, differentiation is survival.

So like I'll find like weird books like me and Sam were in this, I was searching for books for you guys.

I couldn't find any.

I will order them and bring them to you because I always bring books and I was really, we went to three different bookstores.

I'm not kidding.

You brought energy drinks instead.

Yeah.

But no, we like bless Sam and his patients with me and like drove me all around Menlo Park and Palo Alto yesterday going to bookstores.

I was literally looking for you guys.

Like you had specific books in mind.

No, no, no.

I like going to use bookstores and I think of how my interpretation of you guys in my mind and I just know if this book is good for that person.

Like the Henry Flagler book, I knew that was good for Charlie Munger because of what he said.

So I don't know what's going to happen.

Now I do have two books picked out for you guys, which I'll send you, but they're like newer books.

But anyways, by the way, that sounds like a great day.

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Driving around with Sam, Pinky and going to bookstores.

What better day could you spend?

Also the peninsula is like beautiful.

So like.

Yeah.

And like, you know, Sam's unbelievably intelligent and like she's got a weird alien brain as I always tell him.

Our mutual friend Mitchell Baldrich, all three of us now, says Sam has a giga brain.

I think he's, I think, I think, I heard him say that.

I think that's what he said.

Here's the description of it.

But I like obscure books.

I read this book that is very hard to find.

It's like 300 bucks.

It's called The Invisible Billionaire, Daniel Ludwig.

He was the richest person in the world in the 80s and no one knew who he was.

He paid a public relations firm to keep his name out of the papers.

Okay.

Do what your competitors don't.

Yeah.

So he's just like, I don't want to be known.

And a lot of his was like, it's like shipping and oil and refining and mining and, and, and all that stuff.

But the author makes the point in the book that how different a million and a billion is going back to Charlie Munger.

Right.

Yeah.

And he goes a stack of a million dollars in a stack of \$100 bills is like 40 inches, you know, a billion dollars in a stack of \$100 bills would be taught, would be three times taller than the Empire State Building.

Yeah.

And so like for us, like, oh, that guy's kind of rich.

He's like, no, the billionaire and millionaires are not in the same category.

It's so disorienting.

This is also a thing where like the English language has done us a disservice by naming two things that are a thousand times different, very similar words.

It sounds similar.

Yeah.

So they're not similar at all.

What was, a lot of people were asking, like think about all the wealthy people that, that Charlie talks to.

And they're asked, like, okay, what do I do with like this wealth with my kids?

And it's like, you know, if you give your kids a bunch of money, is it going to demotivate

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him?

And Charlie goes, of course it's going to.

So he's like, but he's like, you know, it's like, again, like this should be obvious to you.

So he says, I don't try to steer his kids or his grandkids into what they should do for living, which is Charlie Munger's one of his best piece of advice that I took to heart.

It's like follow your natural drift.

Yeah.

Like how I pick books.

There's been like 15 or 20 that I've read completely or half and it's like, I don't like this book.

I'm not making an episode about it.

I go to my bookshelf and I have like probably 80 or 100 books I haven't read yet.

Most come from the audience.

And I was like, what am I most excited to learn about now that's how I pick it, right?

So following natural drift.

Which is also more or less how we pick episodes too.

We have a little bit more planning because now like there's such long lead times, but it's kind of like, what's interesting to us right now.

100%.

So he's like, you know, don't try to steer them too much.

And he's like, he definitely feels that some of them are going to be less motivated because they're born rich.

But he said this was the most surprising thing.

But he goes, you have to give them the money anyways or they're going to hate you for it.

And I was like, that's like, because my answer before this, I've read so many like family dynasty stories and I'm not saying I'm trying to build a dynasty.

Or they decided we're not going to give them the money.

Or no, they did and it ruined them.

Like did you guys, you guys haven't done an episode on TCI, John Malone, all that way.

That will happen this year.

So you know why?

That was one of the books that was recommended the most.

They're like, you got to do cable travel, you got to do cable travel, you got to do cable travel.

We both have read the book.

It's awesome.

It's excellent.

And there's, so you know the story I'm about to tell you where the crazy thing is like, I'm always thinking about, I didn't understand this before studying, dedicating my life to studying history, right?

Where it's like, oh, wow, the decisions I'm making now can, can reverberate through the generations.

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That's a crazy thing where Bob Magnus, which is the founder of TCI is, you know, he doesn't have any monies and rural Texas wants to do this, jump into this new industry cable, right?

Full of cowboys, little cowboys.

And he doesn't have money.

So his dad gives him a \$2,500 loan.

So Bob takes that \$2,500 loan and then let's say 40 years later, Bob dies and he's got to pass on his money, right?

That was created from the company he created to his two kids and he winds up giving them, I think, I don't know the numbers, I want to say like 200 million each, two sons.

So think about that one decision.

I think I talked about in the episode and if I didn't, it's a big mess up on my part.

And I stopped in that part of it.

I'm pretty sure you did.

I was like, hold on.

Think about that.

Like what if his dad didn't give him the \$2,500?

Yeah, you're talking about that.

Yeah.

So his \$2,500 turns into 400 million, let's say 200 million each for his grandsons.

Change his grandsons' lives.

Right.

See, that means you rule of thumb, you take like, I don't know, you probably have three more generations after that of wealth guarantee before they...

That wealth is gone because I think it went up their nose.

Like that was...

That's pretty hard in one generation.

But I don't know, the point was, that wasn't good for them because they were not motivated, they did a bunch of drugs, I think they went to jail, like that kind of stuff.

And you see that so much.

So my thought was like, oh, get them a little bit, but not enough that they don't have to work or whatever.

And Charlie's like, they're going to hate you.

And what's the point?

That's such a good insight.

He's just like human nature.

This is my biggest takeaway from Charlie and I think the biggest benefit that people that listen to founders and acquired and then hopefully read a bunch of the books and do studying on their own are going to realize, this is like, Charlie, I said this out of my notes and this is the first thing, this is like, it's comforting.

The conversation had, Charlie was comforting the same way that people tell me listening to founders is comforting, is like, Charlie has an almost complete indifference to problems.

Troubles from time to time should be expected.

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This is inescapable, so why would you let it bother you?

And the difference, and if you think about that's the main takeaway from this three-hour dinner had with him, right?

And if you think about how does he avoid this?

He avoids it by great things have less problems.

You're never going to escape problems, but if you're around great people, like they're not going to throw up just like a great business doesn't throw up big problem after big problem after big problem.

Your wife, your kids, your friends, your coworkers, his whole thing is aimed for the highest quality you can get.

And then that's going to solve 99% of your problems.

And then when you have the problem, the inevitable problems are going to come.

Okay, you just deal with it.

He talked about when he lost money on Alibaba, he brought that up, you know, that people try to make fun of him for or whatever, it's like, you guys are missing the point.

You're not going to escape, get through life without making mistakes.

The founder of IKEA has this great quote where he says, making mistakes is the privilege of the active.

Only those asleep make no mistakes.

The version of the man in the arena.

Yeah, that's the idea.

So what do you think is the ideal way to handle it if at 35, someone becomes very wealthy and so when their kid's memory starts around age three, so for their entire kid's memorable lifetime, they've grown up in wealth and privilege.

How does one handle that?

I have no idea.

I have no idea.

Me even giving an answer to that is like, there's this guy named Charles Kettering or Kettering, I don't know how to pronounce his name.

I read his biography, I think it's episode 127 or something like that.

So he invented the electric starter, he founded AC Delco that gets acquired by GM.

He is the head of research and development at GM when GM is the most valuable company and most like the cutting edge of technology company in the world at the time.

There's a story from his wife and his daughter in that book saying, hey, when he dies, there's only one, there's only three words on his tombstone, I don't know because that's what he would say over and over and over again.

He's having this conversation, same thing.

He was the son of a poor man, he is now a rich man, his kids are rich, he's talking to other people that have the same experience, his peers, like what do you do?

And the answer they came up with, I don't know, because it's so dependent on who the person is.

Maybe you give them money going to Bob Magnus's grandsons, maybe they're like Warren Buffett's kids where they run foundations and they want to give them money away and I don't think

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they're coke addicts, I don't know, but it's just dependent on the person.

If there was a simple, if there was a correct answer, I think some of these guys would have figured it out.

Well, that's the thing about humans, right?

Every person is different.

Yeah.

Yeah, so I have no idea.

Really that's the biggest thing where I think this is one of the lessons I learned from the podcast where you mentioned this at the beginning, Ben, where most of these people are just so, they're like best in class in this one dimension in the world and of course to get that, they had to be, they couldn't optimize all of the areas of the life at what they did for their work, right?

Sam Walton is one of the rare guys where he gets to the end, he knows he's dying because he's got cancer all over his body when he's writing that book and he's like, listen, if I could do everything again, he's like, yeah, I missed some of my kid's childhood.

They worked in the stores and he took them with them, but he's like, I'd do it again.

I had to do this.

I had to get after it.

I had to improve.

A lot of them get to the end of their life and like, oh, I regret.

The founder of Ikea has the best words on this.

He said, I had three sons growing up.

He started Ikea when he was like 17, worked on it until he was like 80 something.

And he's like, I sacrificed my three sons' childhoods.

I regret it.

He goes, it's anybody that has kids knows that childhood does not allow itself to be reconquered.

And so we were hanging out today, we were going to do a recording, go to dinner and my plan was I want to see my son.

He's like, am I daughter?

It's like, I'm going to take the red eye.

And I realized is like, yeah, but I want to spend time with David and Ben, so I'm leaving early tomorrow morning.

But it's like, I'm doing this as fast as possible.

And if I had to, I'd like fly back and forth because like, your kids are, think about like the relationship you guys have with your parents.

Are they still alive?

Yep.

Yep.

Okay.

So you get to talk to them, see them, but you have your whole life, right?

When your kids are small, there's like this tiny window when they're like two to five to six, where you're everything to them.

Oh yeah.

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You don't have to talk to them.

I absolutely feel this way.

Even my 10 year old daughter, like right now, she wants to spend time with me.

Like, it was the cutest thing ever.

I was leaving, going to LA to see Charlie and then coming up to San Francisco to see you guys.

And she texts me, she goes, I'm wearing your sweater because like, it makes me feel close to you.

Like, while you're gone.

You know what I mean?

But if you ask her, do you want to spend movie night with dad and mom, or do you want to go play Roblox with your friends?

For sure, the latter.

They're friends.

And she loves me.

Don't get me wrong, but like, they're friends are way, they're really important to them.

They're like, every day I miss my son's about to turn three, it's like, I'm not going to get back that day.

And there's only like a thousand of those days.

And my wife won't have any more kids, even though I was like, I don't want a bunch of kids.

Like, what's that?

I was like, I don't want a bunch.

And she's like, no way.

I was like, hey, I don't have to get pregnant.

So that's fine.

Something that Buffin and Munger did with the gram group that like, was way ahead of its time that now anybody can do is they formed their social networks outside of geographic barriers, and they found their like most compatible, most like-minded, highest level of talent, you know, peers.

And then they just like got on planes and got to go see them, you know, and like that was really hard to do back in the day.

And now anybody can do it.

It's kind of like the Bill Gurley, you know, you have no excuse not to do that.

You also, but here's the thing, what people get wrong is they're like, oh, I want to meet this guy.

You have to do the work necessary to make them worth your time, right?

Which is like the unfair advantage that the three people sitting in this room have is that it doesn't matter.

That's why like in the last six weeks, I've gone to lunch or dinner with multiple billionaires.

This is like, and the people that like you get to talk to and also stuff is like, this dude is crazy.

He's read 300 biographies of entrepreneurs.

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There's no way I'm going to have dinner with them and not pick up one idea. And then now I've built this machine where like, oh, that's an interesting idea. I'll just plug it into this business and like, it's not a financial transaction by any means, but there's no, the reason it's not that like Charlie was the first person I met that I was actually nervous about.

And it's the reason I'm not nervous because I know I've done the work.

Like you can't put me in a room with anybody on the planet.

And I'm not going to be able to tell them at least one interesting thing.

It doesn't mean I'll be the most, the best dinner they've ever had in their life.

That's not what I'm saying.

It's just like, they're going to hear something that's like, oh, that's interesting and like goes through their own brain.

And it's only because I've spent six years and same with you guys.

It's like, oh, you should feel comfortable like you guys mentioned earlier.

It's like your audience feels like, you know, two football fields and like, oh, it's a little bit of like, not, you didn't use the word insecurity, but like, you know, a little like nervousness.

I want these people to like like me.

It's like, you know, you're pushing you from back, but you know, like, you've most likely read your, your, you've, you know, more about the subject than they do.

Sure.

I do.

But I need to make something worthy of their time.

Yes.

That is admirable.

Yeah.

It's like, I could, who cares?

I could spend all the time in the world and fail to synthesize the narrative and the takeaways and all of a sudden then I've just, you know, then I failed them.

It, regardless of how much work I did, the product wasn't good.

So that's, that's the thing.

It's hard to not have the product be good because you did the work.

I guess that's my point.

Yeah.

I think we now have a process that means that when you and I put in the work, the product is good, but it took a long time to, to arrive at that.

It's almost like, you know, this is another Sam Hinky thing.

Trust the process.

Yep.

I guess the point I was making there though is, um, like because you guys do so much preparation and like it's now your life's work, like it's just so much, it's, it's going to be so hard not to add value to the people in your life, whether it's like friends that never show up on a podcast or friends that like you don't have a business relationship with, it's like,

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and like you're just going to add value because what you do is so rare.

Like I, Neval Ravikant has this, he's influenced my thinking a lot too, and he has this thing in, um, in the Neval, the Omnitak Neval by our friend Eric Jorgensen, and he's just like, if you read an hour a day that puts you in the point, zero, zero, zero, one percent of humans.

And I'm like, that can't be true.

No, that, that's the dirty secret I've acquired and founders is that people don't read books. So if you just read them and then tell people what's in the books, you're going to 100X the market for books.

And I couldn't believe that.

I had a dinner with the same friend, uh, that was telling me, like I told him, oh, I'll try to build a business around, like, uh, my reading.

This is like a couple months ago, and he's like, you vastly overestimate how much people read.

He goes, how much do you, how many books a year do you think the average person reads? I was like, I don't know.

It's like 0.5.

It's zero.

I remember asking a book publisher, he said, America reads a book a year.

They, well, he quoted some other study.

I said, 12.

He's like, no, not 12, he's like, it's zero.

They average is zero.

It's crazy.

And at your point, um, I've become friends with a bunch of, uh, writers, some of them I met through the podcast, and they've been telling me, like teaching me about the publishing industry and just breaking down, like 98% of books ever published sell less than 5,000 copies.

It's power law.

The book business is the venture business, which is so interesting to me how, uh, the advanced model works.

It's like quite similar to a seed financing.

I mean, they, they put out, you know, \$50,000 for an advance on your book, which is, you know, it covers your cost of living while you're writing it.

And like, they kind of don't care about recouping it because it's even worse.

The whole business is about, do I, did I sign up, you know, um, James Clear this year?

And like, you know, when you have Michelle Obama on your hands and you have to pay for it, but you don't know when you have a James Clear on your hands.

And when that becomes the book that America reads this year, you better make sure it's in your publishing house and not one of the other three big or four big, whatever it is, publishing houses.

Seed funding is better because their advances are recoupable.

Right.

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So it's like, I would have this long conversation.

That's the most preferred stock.

Yeah.

We were, we were talking before.

It's participating preferred.

We were talking before we started recording.

It's like, man, Jimmy Sony would be great to do a session with just because he's got this historical knowledge of PayPal, PayPal being so important to like Silicon Valley history.

And he, we were talking about this and he's like, no, like I have to pay that back through sales.

I'm like, oh, cause the thing is, um, going back to like, um, did you guys listen to GameCraft?

Blake Robbins.

Oh yeah.

Yeah.

So excellent.

Like unbelievably good.

And what I loved about is how they focused on the business model innovations and how one decision by some random group of programmers in the 1980s affected a business model decision 10 years later or whatever.

And I was talking to Jimmy about this ago.

The books are fantastic.

They, they're the best products in the world.

You can, uh, there's a great quote in poor Charlie's Almanac, which says that, uh, there's ideas worth billions in a \$30 history book for Charlie Munger and Warren Buffett.

That is literally true.

Right.

Yeah.

So what I don't understand is like, you guys have such a high value product and you haven't innovated on the business model at all.

And so I was telling, um, Jimmy, I was like, do you know the deal?

Like, like you just, you think about this as like an entrepreneur.

Like you're not a writer.

You're an entrepreneur and your product just happens to be a book, but you can make money off that any kind of way you want.

Like you can just get creative.

I go, people think it's crazy where I'm like, I'm trying to be the Jay-Z of podcasts and people are like, what the hell is wrong with you?

And I did like that.

Have you done episodes on Jay-Z?

That episode I did on Jay-Z.

Yeah.

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The autobiography is one of my most popular people.

I bet.

I love Jay-Z.

I love you.

So I can't believe I haven't listened to that episode.

Jay-Z has the founder mentality and he had it since he was a kid and you just see everything his whole career.

And people look at him and be like, oh, like, this is another thing about, intelligence manifests itself in vastly different ways.

It's not always like credentialed.

In many cases it's not.

Right.

But like Jay-Z is a straight up genius.

If you listen to him and what he did and he looked at, he's like, yeah, he says it from the get go.

He's like, I thought I told you characters.

I'm not a rapper.

He's like, I'm a businessman and rap just happens to be my product.

And so I'm going to think about it like that.

I go, Jimmy, you should do that.

I go, why don't you just find a deal like Jay-Z did with Samsung?

He's like, what are you talking about?

Well, that's like true founders, entrepreneurs, whatever you know, founders in the case of the title you want to put them.

They care about ownership.

They own their work.

And realize that the business model matters, which is why I brought up GameCraft.

So what Jay-Z did, this is years ago.

This is his Magna Carter, Holy Grail, probably came out in 2013.

So he goes, he goes, you know, I could record this album and then I could sell like normal and normal.

You know, stream it and then sell it for \$10.

You want the physical copy, et cetera, et cetera.

He goes, he goes, what if I just want my money guaranteed?

So he goes to Samsung and says, Samsung, you're launching this new app, this new phone and you have your own app on it.

I'm going to sell you, I will sell you a million copies, \$5 each.

You give me \$5 million guaranteed from an album.

I'm still going to own it so he gets a streaming app light.

He goes, and so what I'll do is like, you pay me \$5 million.

The first million people that get access to my album are going to be Samsung, whatever phone was coming out.

You download it for free if you have this device.

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And so it's advertising to the Samsung and it's guaranteed money at hand.
I go, dude, you're writing about technology founders.
I was like, there's these venture capital funds that have \$80 billion of assets under management.
Just like, hey, will you pay me a million dollars to write this book?
And then you say, hey, this book is now presented by whatever firm.
This is why, I mean, you, us, we have talked about this privately.
You guys already know this was like, there's been like something like 15 acquisition or investment offers for founders.
I said, note every single one, a lot of them are like this, where it's like, oh, well, you have the attention of people that are valuable.
You just said the worst thing that happened to a venture firm is they miss the hit of that.
So they have to expand.
They have to make sure they catch that, right?
So it's like, hey, we'll pay for founders or whatever, give you X amount of money, pay you to do it.
You do exactly what you do.
The only difference is essentially they're trying to buy up our inventory forever.
It's like, hey, founders is presented by X company.
If you're going to raise money, email here.
And the response I have when I get these pitches is like, if I did that, that means I'm not actually learning the lessons in the books, which is like, you never give up control.
It's like, no.
Ooh, that's interesting.
Let's dive into it like a deal structure on that.
So like, what if they weren't, what if you weren't giving up control and what if you weren't giving up economics forever?
You're just doing a period of time buyout of your, all your inventory.
This is the intelligent thing.
This is what Tegas is doing with invest like the best.
And this is why like, it's crazy to me when I talk to people and they don't understand this.
So I had a conversation with a founder and he's like, it's really weird.
I'm not going to say who it was.
He's like, it's really weird that this company is running ads on that podcast every single episode forever.
And I'm like, oh, and I go, oh, see, I'm moving for aid.
I go, David Ogrevy ran the same exact ad in the same magazine for 30 years and it was still effective.
And so I went to, I was like, this is, I go, what do you think Coca-Cola has been doing for a hundred years?
This is not new ideas.

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So either Coca-Cola is really dumb or exactly as, exactly as.

Exactly.

And I don't think they're dumb.

And Apple has the prime billboard in every major city in America to advertise whatever the latest iPhone is in a server forever.

So I talked to Michael Elnick, who's the co-founder of Tegas and he's an, oh yeah, we all knew each other.

Great deal.

And we talked about this like, and this is another example because this sometimes somewhat affects our business because when there's like a decline in overall economics, like ad markets usually shrink a little bit and ad rates come down.

And it's like, oh, you're doing exactly what investors do.

Like what do Charlie and Buffett do when there's a crash?

They don't deploy.

Deploy.

You read Izzy Sharpe's fantastic autobiography, The Founder of Four Seasons, right?

And he says this.

He goes, he's building what didn't exist at the time, the only chain of five-star hotels at the time.

And he says, I grow, and this is every founder does, Andrew Carnegie, John D. Rockefeller, Henry Cully Frick, when they have recessions, that's when they grow.

So what he would do is his competitors would pull back on advertising.

He would spend more.

And he says, he claims, I think in the book, he increases market share by like 25% or 28% using this over and over again because human nature is, oh, crap, things are small and they cut.

This is what Ogabee said.

Ogabee's like, if you need advertising to sell your product, it's not a marketing expense, it's a production cost.

It's actual cost of manufacturing your product.

And so what Tegas, Michael Elnick did that was such a genius move was, first of all, he knew something was working, right, and he scaled up through podcast ads.

And he knew it was effective.

And then he's like, okay, well, like now you have all these people in the tech industry, their stocks creating, everybody's like running in the street.

What does he do?

He goes like, oh, there's probably available inventory.

And so he goes, hey, Colossus Network, I'd like to buy up every single ad inventory for 2023 on every single one of your shows.

That's how you know that likelihood that guy is going to win.

Like I don't know the details of his business, it's private and everything else.

It's like, that's the right decision, the same decision.

That's what Ogabee would have done.

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That's what Buffett and Munger do when they put money in.

That's what Coca-Cola does.

It doesn't matter the economic climate.

You ever can see less Apple billboards?

You can see less Coca-Cola?

No.

It's interesting to think about this in the venture business, which obviously, as we record this here in mid-March 2023, there's a lot going on in the venture business.

It's so dynamic right now that I feel like we don't know the last two iterations of what have happened because we've been recording and I haven't checked my phone.

That's how fast the world is moving right now.

Things are happening very quickly as we speak, but I think a consequence of that to your point about like you should advertise heavier during recessions, I think customer differentiation among venture firms is just declining rapidly, right?

Well, no, it was until interest rates went up, but now that capital is scarce again.

I think both the up and the down cycle is both, I think, are commoditizing.

I totally disagree with this.

I think when capital was a commodity and money was free, it was extremely hard to differentiate yourself as a venture firm or any financial firm, but it should be easier than ever to differentiate yourself because the thing-

Okay, so how do you differentiate yourself right now?

You guys are doing it.

I mean, well, one of them, let's abstract away like speaking to the acquired audience as one of them or as a gigantic means of differentiation.

Well, let's just say you're XYZ average venture firm out there.

Having money and writing the checks.

Yes.

Yes.

Having money, right?

But like-

A year from now, it's like six to 12 months from now, that's going to be differentiating.

So I have a thought on this.

One, I don't know anything about venture investing.

Two, I don't know anything about investing period.

Like, I get to talk to super smart investors and I'm sure the questions are like, hold on, you had to find that for me and I'm sure they're like, this kid's an idiot.

But when you guys were talking a little bit about like your business and like your venture game in general, is I just think of like what one of my favorite things that I heard Jeff Bezos say is, you know, for years, people were like, hey, when are you going to do physical retail?

When are you going to do physical retail?

When are you going to do physical retail?

And he says something that was crazy.

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He's like, physical retailing is an ancient business.
I love that term.
It's like an ancient business.
So I'm not going to do it until I know like, it's so hard to improve on an ancient industry.
It has to be completely differentiated.
You mentioned, I heard you on one of your podcasts where you're like, you went to the Amazon Go store just as like, like your curiosity is like, not like you needed something.
And so you guys have probably read that story too, where it's like, at one time they were going to do like, meet and like all this other stuff that you'd have to like talk to somebody.
He's like, no, you have to redo this.
This doesn't make sense.
The key that the differentiation here is that you walk in, you walk out, not walk in, talk to some guy.
He's like cutting salami for you.
You got to get that out of there.
And so I've had this thought because I've read a bunch of biographies on investors too.
And like investing is an ancient business and we're just doing it in different ways now.
And so I was like, well, if you wanted to invest, let's say you wanted to invest in private companies, which people have been doing forever, I always think of like, where did JPMorgan get his deal flow?
And you know, like you've read through the history.
It's like, people like, oh, that was JPMorgan Bank, like, no, no, there's no retail bank.
Like you're not going in there.
There's no sign on the doors.
Like here's JPMorgan.
Like it was a relationship based.
It's like, you got in if you knew somebody, right?
I read this biography that's incredible.
I highly recommend people read it.
It's episode 103 of Founders.
It is the richest woman America, Hedy Green.
I can't remember this.
I love how he denies that he knows every number of every episode and then busts out three more.
Oh, it's only because I like reference this all the time.
So Hedy Green, right?
It's only because you reference every episode all the time.
One day it's just going to be a recording of just all the episode numbers.
But you are an algorithm.
You are your read-wise app.
That's how I get it.
So the Hedy Green, though, was so wealthy that she bailed out the city of New York.

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Like that book has unbelievable stories.

I've never heard this person's name and they bailed out the city of New York.

Her family, so the richest, when she was alive, the richest city in the world per capita was like New Bedford, Massachusetts.

Oh yeah, Whaling.

Bingo.

So her family made so much whaling.

And the way they looked at the family fortune is, I am a steward of this money.

My job is to make it grow so that the next generation has more.

She's like the third generation of these whaling.

And then whaling, it died out, I think, the generation before her.

So they had to figure out how to make money.

The technology stocks of her day, railroads, she made a ton of money in railroads and then she'd buy land like real estate in New York and everything else.

But anyways, my point being, and I had this conversation with Patrick one day, I was like, think about it.

That was an ancient, investing as an ancient business, so like you wouldn't do what Hedy Green did.

Like where did she get her deal from?

People knew her.

They knew she was wealthy.

They knew that she was the first person to go to in financial panics.

They called financial panics what we call recessions and depressions now.

And it was like every three years back then.

And so what she would do, she had a desk in Chemical Bank in Manhattan.

So the advantage there is geography, physical location.

You're at the center of finance in America.

You need to be here.

You build a reputation.

There's literally there are stories in the book where there'd be a line of people in financial crashes waiting for at her desk.

She's like, okay, I'll save you my rose stocks, pennies on the dollar, Cornice Vanderbilt did the same thing.

She invested with him and a bunch of other people, right?

And I was like, but what would you do today?

Like you're an, you're, you won an edge.

Everything we're talking about is like, you need an edge, right?

You can't play, Ed Thorpe has a great, the great quote in his book.

He's like, I've been a manager, money manager for 50 years.

One thing I know is you, the surest way to get rich is only play games and make investments where you have an edge.

Right?

Which is another way of saying, do something your competitors don't, aren't or can't.

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Or Edwin Land.

So Edwin Land plays a huge role in my life, founder of Polaroid, CJS Hero, because he said, I have a personal model, it may not fit anybody else, don't do anything someone else can do.

And so I was like, okay, I don't think anybody else can do founders the way I do it.

So I'm just going to do this, right?

So my point being is like, how would you do it today?

Well, you would, it would look very much like what I think you guys are building.

And I'm not an investor, so I don't know anything about your, your world.

But it's just like, I'd spend my time reading and learning about business history.

Charlie Munger and Warren Buffett did that.

Every single investor you guys have probably read about does that all the time.

They read constantly.

Right?

I would share what I know.

That's going to build my network of other people.

Those people are eventually going to get so many deals.

Then I have this huge advantage that you couldn't even do 10 years ago, or 15 years ago, because there's no such thing as a podcast, right?

It's like, now I could record all the stuff I'm learning, right?

Which we should say like, there have been iterations of this, like this is how Union Square Ventures became Union Square Ventures, or Foundry Group became Foundry Group because

blogging, you know, blogging, and then Brad and Jason writing the book on venture deals.

I mean, it's like,

Angel, uh, venture hacks with Neval and Rivie.

Totally.

I have two other examples.

It's like, it's not even venture.

Like, what is the most successful content marketing of all time?

Uh, Michelin?

No, Berkshire Share Holders.

Totally, of course.

Of course.

Of course.

Yeah, of course.

Because this is how you know, Jesus, genius, it is the greatest act of salesmanship because you never even see the sale happening.

It's like, hey, and they spend, you know, you guys have probably done this research, how much time they spend on those letters.

It's like half a year, seven, eight months for every letter.

This is not like, oh, I just jot it down when I learned this year.

And the crazy thing is like, he's, he's, how many people have, this is something Charlie

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talked, oh, so this is a great, great thing that, uh, this came up here.

Did you talk about the letters with him?

No, I asked him about like, so I was explaining to him, I was like, Charlie, I'm literally in the middle of like, reading about you when you were like around my age.

So every time I read a book, I'm like, okay, I, first of all, I know what year they're, they're born.

So every time as I go through the books, I'm like, how old are they?

And I write down, okay, he's 24 here, he's starting, I want to know what they were doing in and around my age.

And so I was like, Charlie, I'm thinking about you guys, like you just started, like your fund starts, he's like 41 or something like that, I don't remember what it was, right?

And, um, and I was like, then like 50, like you start out, you're trying to figure things out, you could see them kind of figuring out, making mistakes, you guys did an excellent job on your episode, like talking about what they learned from, getting to like get away from the Ben Graham, like get to wonder, excellence, great businesses are rare.

We should be in there and then there's let time do all the work.

And I was like, and now like you guys put up the greatest investment record the world's ever seen.

It's like, are you surprised?

He goes, of course.

He's like, of course I'm surprised.

Like how could you not be like, we want to be successful and we were like, had, we were ambitious and driven, but there's no way you could say, I'm going to wait, what's Berkshire's market cap right now?

I don't know.

Like 500 billion, whatever it is.

But he said, but the reason that popped to my mind when I was asking him like these questions, let me actually get the exact note because I don't want to mess up the way he said it because his lines were just excellent.

And so he goes, he surprised how successful human war turned out about how could you not be surprised?

And then he said something that was fascinating.

He goes, I think we get too much credit.

I was like, whoa, that's not interesting.

Why do you think that, Charlie?

And he's like, it's very, he goes, I find it odd to be so wealthy and loved that's not, these are not exact words.

These are my interpretation of his words.

Let me just be clear here.

I find it so odd that to be wealthy and loved, that's not a usual human reaction.

And then my note tied to why I think Berkshire letters are the greatest content marketing of all time.

He goes, and I go, I wonder if this is because they spent so much time teaching others.

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So what is, when you also acquired, you guys are teaching, right?

Berkshire, I'm going to go to Paul Graham too.

Berkshire, they're teaching, like you could just not read a book and just read Berkshire's letters and you're going to get a fantastic education, right?

And then in there is like, oh, by the way, we'd like to be the buyers of choice.

So if you happen, if you happen to know of this business, like this business that you want to get your hands on, like, you know, you care about it and he does this excellent product differentiation, call me.

The greatest content, what are the, what is like, how much money do they make off of that?

And obviously,

And I think this is probably, I don't even know if it's on the list of things that they care about, but like, it's also marketing for their businesses.

Like, totally.

I have Geico car insurance because it's a Berkshire Hathaway company.

This is how we talked.

I'm drinking.

I feel an extra kinship for Brooks running shoes.

Absolutely.

We're in Brooks right now.

Okay.

So I, I changed.

There you go.

I changed out.

I was in a polo hoodie right before I came over.

I watched the documentary on Ralph Lauren.

I just did a podcast.

I just listened to your episode.

Yeah.

I think it's episode 288.

I wonder if I'm right.

It is good.

Let's see if I'm right though.

Let's see if I'm right.

I could be wrong.

Yeah.

It's 288.

Okay.

So, but before that, I had watched a documentary on him like years ago and I found out that he did the, I always go to Ben for the proper pronunciation.

Like we'll do the same podcast.

I will, I'll say like Akio Morita and then he's like Akio Morita.

I'm like, all right.

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I'll go with Ben.

I'll just Ben.

You get the, I will give you the correct American pronunciation and it's unclear if it's actually right or not.

So he did the same thing that Akio did, you know, like they, they were struggling in the early days of Sony.

Like this huge order, like we're going to take a hundred thousand units or whatever it is, but take off Sony and put on our name.

And Akio's like, we have no money, but he refused to do that because like I'm not building your company, building mine.

I love that, like that entrepreneurial like bullheaded Tennessee.

Same thing with Ralph.

Ralph was broke.

Him and his wife are living in a house, our apartment with a train running over on top of them.

They're sleeping on a mattress and he's making ties and Bloomingdale's like, we'll take them.

We love them.

Take that name off.

You're going to be our house brand.

Yeah.

I'm not here to build your brand.

I'm here to build mine.

Like that.

So that.

Which is funny because later in life, like he would make so much money on just licensing out his brand.

Right.

He's like, I don't even make any of the products.

Yeah.

Literally just license the brand.

Hearing that made me buy more polo clothes.

Hearing your affinity for Geico makes you buy Geico.

The advertisers you haven't acquired because they love you, your audience, if you, I know you guys vet them and like, like you have a ton of people that want to advertise that you don't let.

You're related to that goodwill that you're building up, the goodwill that Buffett built up.

Another, the second, maybe most.

And by the way, there's a litmus test for that.

It's does the acquired, like I want to only work with sponsors that I want to so full throatedly endorse that I feel the acquired brand gets stronger by working with them.

And like, if you can actually just keep doing that durably, I think that is like an amazing

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way to build a brand.

And you know, we try, it doesn't always work.

And sometimes we just don't sell ad slots because we're like, well, we, the bar is here.

It's long term.

Like, okay, I miss a week on advertising.

It doesn't matter.

I'm doing this for you.

When we get on the phone, the first time we've talked, do you guys love podcasting?

I love podcasting.

You're going to do it forever.

We're going to do it forever.

We say the same thing.

It's like one week, you know, we could do this another 40 years.

So the same thing is like the same goodwill that you're talking about.

It's why I'm drinking.

I don't even drink energy drinks, right?

But like the format for founders.

We showed up with five Jaco guys.

This is, this is the only energy drink I found.

And I only found it because the, I was driving home on Thanksgiving and all the coffee chefs are closed and I heard Jaco's podcast and I know he has this and he says he's in Wabwas and I was like, wait, there's a Wabwa on the turnpike.

I was like, I can just go there.

Like they're there.

And I bought them and then I was wired for the whole drive home.

I was like, oh, they work, man, this is fantastic.

The point there is like, it's not like when I went to the energy drink, I was like, oh, maybe I'll do Rockstar or Monsters, like no, they didn't make a podcast that I love.

Jaco made a podcast that I love.

You were not evaluating energy drinks at that point.

The format for our founders, I got from Jaco.

I found his podcast because he was on Tim Ferriss's.

His podcast at the very beginning was just him reading books for an hour and a half saying, oh, I like this section.

Yeah.

And he does it for autobiographies for military people.

I was like, oh, I should do this for autobiographies of founders or anything else.

So it's a combination of ideas.

The second best version, and you guys know this more than me because it's your world and I don't know anything.

I had spent three weeks reading Paul Graham's essays.

Paul Graham's essays changed my life.

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Also, content marketing.

Yeah.

So we're going to get there.

The full, the reason to finally jump and dedicate my life to founders came, my wife was sleeping in bed next to me up late at night.

I read Paul Graham's essay, How to Do What You Love.

I talk about this on episode 275, 76, and 77.

Those are right.

I know that for sure.

Or the three Paul Graham episodes I did.

I talk about this snap, how he changed my, that episode changed my life, or that essay changed my life in 275.

So then I'm re, so I spent three weeks going through every single one of his essays.

So something his new essays lack that they had before, so you used to have this bright orange box at the top.

It says, do you want to start a startup?

Apply to Y Combinator.

Apply to Y Combinator.

And so I was like, think about, so again, it's not like you went, I thought about this like, what is the founders version of Y Combinator?

What's the acquired version of Y Combinator, right?

You have to be very careful like who you partner with and what you're doing.

So I was like, what is the orange box, right?

It's not like you go to Paul Graham's and he's got like 10 banner ads.

He's just like, no.

Yeah, he worked for Yahoo.

He knows that doesn't work.

Your attention is here.

And it's like, he didn't know that starting Y Combinator, you can go back and read his essays about it, watch his interviews, they had no clue.

Just like Charlie told me, he's like, no, I did not expect to build what was called the Summer Founders Program.

You know, it wasn't even.

That's the best thing about learning about the company and founder history is like, they didn't, there's no way when you could interview Sam Walton, when he's, his shoes, the bottom of his shoes has watermelon and donkey crap.

He's not gonna be like, hey guys, we're just spanning the world.

And so I love this idea of, hey, all of these discussions about the business benefit all comes from, it's the byproduct of educating people, sharing people.

That's why people love Charlie and Warren White, all three of us of them.

How much have us three learned from him?

Them.

Right, so much.

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To the point where like-
It's such a good point.
I wanted to cry when I met him.
Because of their content marketing.
I mean, it sounds strange, but like-
His lessons changed my life.
They're gonna change the trajectory of my kids' lives.
Like that is, and you know, he probably hears that a million times a day, but it doesn't matter.
It's like, I got a chance to tell him that.
That's it.
It is crazy.
He's educated America on investing while still managing to do it better than anyone else.
There were some funny things about that too, where he says like, you know, they get-
He says something like, well, you know, they're completely-
He says, you both, in your episode, you talked about snowball.
Snowball has that quote from Buffett in there.
He talks about it's really important to have an inner scorecard or an outer scorecard.
Inner scorecard is his dad.
It's like, I'm doing this because I know it's good.
Outer scorecard is like, I'm doing this.
What are the people gonna think about me?
Do slash.
No one's thinking about you.
They think about themselves.
So outer scorecard people cannot have-
Like, it's almost really hard to have a happy life having an outer scorecard.
I like Charlie's description of that better.
He says, like, I think it was Andrew that asked him the question.
Maybe Chris asked him questions like, were you driven to succeed to impress your dad or your mom?
That's a great question.
He goes, no.
He goes, I had an inner clock.
I've always had-
He goes, I have an inner clock, and I always had an inner clock.
I did this because I wanted to do it, and like, that's-
And he goes, and they're like, do you think Buffett's like that?
He goes, Buffett has an inner clock, too.
And it's just like, this idea where they did it their way, regardless, they don't care what other people think.
He said this about the fact that they keep some of their wholly owned businesses, and like, oh, the profits are less, or they kind of just let them run out, and like, they'll

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just keep the cash.

And then people are like, oh, you should invest the cash, and he's just like, no, because we're opportunists.

We're individual opportunity driven is the line that he has about that.

Right.

You were going somewhere, David, earlier with the discussion of being a professional investor and how it's less differentiated than it's ever been before.

Well, where I was going with it was, I bet, look at the reaction on Twitter and elsewhere, and I think in, you know, much of the country to what's happened with the Silicon Valley Bank situation, not that this is a current events podcast, but like-

It's also, by the time this comes out, going to be two weeks old news.

Hopefully things will just be calm and settled down, and there'll be no more impending crises.

But another one's coming eventually, like, just like Charlie says, you're going to have another unintended problem a year from now.

I think you are right, Ben, that just having capital to invest will be differentiating going forward.

However, I think the aggregate brand and reputation of the venture industry has taken a massive hit.

Totally.

This has been the last several years.

And you're not holding up SVB as-

And it just keeps going down.

No, no.

SVB is revealing to how other people think of Silicon Valley.

What I'm specifically referring to is VC's behavior and reactions on Twitter over the past week.

But that's just emblematic of the direction things have been going for years now.

And part of it's related to tech in general, but I think there's a specific, maybe hatred is strong, but brand decline of the venture capital industry.

Yeah, I agree with that.

Tie it to differentiation among venture firms.

So yes, while as the market goes down, having capital will be differentiating, and the number of participants will go down in the industry and whatnot.

But how do you stand out in this market as like, if in aggregate your industry is thought less of and people don't want to work with you, how do you turn that tide?

Right.

Yeah, if the next Sam Walton has the opportunity to raise venture capital dollars and he's like, you know what, I think I would rather just figure it out another way and not build in that ecosystem.

I think there are a lot of people out there right now who want to start businesses and are like, I'm not going to raise venture capital because F that, and I don't need to.

And it was a lie that I needed to.

Can I tell you from the founder's perspective, because I talked to a ton of founders.

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I'm going to go down, I think, well, we'll see, talking to more founders than any non-VC. I get offers all the time, like, hey, you want to invest in my company, I've said no to all of them.

Just because I'm focused on founders, like I don't care about anything about my podcast. And so we have these conversations and it's just like, what VCs don't understand is like, how much founders hate them.

They hate them and it's not they hate the good ones.

They love the good ones.

Right?

Like, I'm not going to say some of the brands that I've heard about, they're like, oh, no, like we raised money from a bunch of people.

They're good.

They don't mess with us.

But if we ask a question or we need something, they jump on it, you know.

And the problem is, it's not like, it's a natural like distribution of any industry.

Like there's going to be crappy founders and great founders.

There's going to be crappy investors and great investors.

And so I really think it ties back to the principle that Buffett and Munger build their business on is like only associating themselves with the best people on the best companies.

And that solves so much other problems.

So yeah, my issue is like, there's a lot of VCs in my audience too.

And they're nice people.

Don't get me wrong.

Right?

Some of them I've talked to was just like, who gave you money to invest like, what is going on here?

But what I don't like is like, the best ones, like this is what I like about Patrick, right?

If you talk to the people that Patrick has invested in, he doesn't like, here's a list of 10 things I took two minutes to think about.

He's asking questions.

He does exactly what he does on his show.

He asks questions.

Yep.

And if you need something like, I'll do whatever I can because he's got a good network and help.

No, but he's certainly not.

He's like, if I have to tell the founder what to do, then why did I invest in like, that doesn't make any sense.

So what happens is like, I'll get these emails and like, I love your show, etc, etc.

Here's like 10 ideas for you and it's just like, you read them, it's like, you hired like an assistant or a researcher, maybe you wrote this yourself.

You thought about this for 30 minutes.

Like I think about this all day every day.

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I've thought about this every day for years, man.

Like that's not helpful.

Like what are you doing?

Like you're just making, I have a lower opinion of you because like, this is a f***ing idea.

And the only way about that is like, do you know who Bryce Roberts is of, okay.

So he has, this is, again, I've never raised venture capital, I've never made a venture capital investment, but I talked to a ton of founders and he has the greatest description.

He's like, what is the product that founders are buying from VCs?

It's not money because everybody's got money.

Like that's a, like, it's used to have money.

Or, yeah, I guess it's used, but still, like there's, the VCs,

In aggregate though, like, there's still a lot of people that don't have it.

There's still going to be investments made in comparative venture in the 70s, yes.

He said two words, improved odds.

That is the best from a founder perspective.

That is the best description.

It's like, if I take investment from you, as opposed to this other guy over here, this other girl over there, like who was going to meet founders, all they care about is, can you call my company, is it more likely than my company succeeds?

I'm dedicating my life to this, man.

This is not a game.

Like, can you make my company succeed?

And sometimes you can do their money, sometimes you can network.

There's other people sitting right across from me that could probably help with distribution, that is actually value-eyed.

Like, that is the difference.

Like if I was going to be a venture capitalist and God knows I would not be, right?

I would just start a podcast and then I would do it for six years and I would get really valuable and then my inbox is full of people.

I don't have deal flow.

It comes inbound.

It comes inbound.

I have a friend, Chris, Chris Powers.

He syndicates real estate investment, rich people like to invest in real estate.

There's all these tax benefits.

And he says, David, even with like, and this guy's done, I think he's got either a billion or two billion dollars of industrial class real estate under management right now.

And he's like, David, I just was interviewing and doing my podcast, again, same thing, educational, interviewing people operating in the real estate industry and interviewing founders.

And just doing it because he liked to do it and wanted to talk to the sort of people that happened to press record, put it out there, never really promoted it.

You know, he's like, even with my small audience, he goes, I've raised, he goes, it changes the dynamic from, hey, I'm Chris, I'm setting an outbound.

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Hey, I'm Chris.
This is what I do.
This is like, can we talk?
Can we set up the meeting to, oh, Chris, love your podcast.
How can I get five million in your fund?
It reverses it because, you know, like, oh, they get to know you as a person.
This is what I don't like also.
It shortcuts the relationship.
But you just said it's a relationship, right?
Which I think there's too much of this like calendar, like Tetris, no offense, that venture capital display, because they try to do it with me, founders do this too, where they're like, hey, love your show, love to get to talk to you.
Can we talk?
And I reply back, yeah, let's set something up.
Then I get like, then they're like, I'm like routed to an assistant.
And then it's like, oh, you know.
How about six weeks from now on Thursday?
You know, Joe Smo has 30 minutes, three weeks from now.
And I've done this like once or twice.
And now my response is that's no way to build a relationship.
Here's my phone number.
Just text or call me when you're free.
I'm not a 30 minute block in your calendar.
And if we have the inbound that all three get, it's like, I'm already almost hitting a limit to how many deep relationships I can build.
So I'd rather instead of talking to a million people, I'm not a fester, instead of talking to a million people for 15 minutes, I'd rather talk to five or 10 people over and over and over and over again.
Yeah, totally.
Yeah.
You've talked a lot about this and like you've rubbed off on me a lot on this and like I have changed my mindset and my daily behavior hugely because of our conversations.
Charlene Warren.
This is like they build relationships.
They found people they like, admired and trust.
They repeat like, admire and trust over and over again in the letters and their talks.
And then they just did business with them forever.
It's not this wide but shallow and that's where you get the bad behavior.
And anybody that's high quality can see through it and it's not going to work with you.
And you're only going to succeed.
Like you guys, if your business is parallel, you're only going to succeed if you get the very best ones.
It's interesting though, man, just like so much in life, like Warren and Charlie really

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like they're just so often right.

And if you think about like, if you buy the premise that the aggregate opinion of the venture capital industry has declined a lot, it may continue to decline, whether it does or doesn't.

It's meaningfully worse than it used to be.

What have Warren and Charlie done?

And to your point about the best content marketing ever, what is what they do?

It's a combination of a hedge fund and a private equity firm.

What is the aggregate opinion, public opinion of hedge funds, managers and private equity firms over the last 50 years?

Nothing but down.

What is the aggregate opinion of Berkshire?

Nothing but up.

It's amazing.

This is one advantage that I have, the fact that I'm not an investor.

So I don't have to keep up on like, to some degree, venture capitalists have to like know what's going on, right?

And I close myself off.

Like I was having dinner with Sam and his wife and they were asking, like his wife was asking me like, hey, do you know about this person?

Oh, no.

Do you know about this?

And Sam's like, he's got a very limited like, he's like, you can ask him about like books, but let's do it.

It's not watching TV.

He's not doing any other stuff, right?

We keep him in a, you know, hot-out bag.

And the good thing about that though is somebody actually, so essentially the way I use like Twitter or any social media is like, I put out little snippets from my podcast.

You put out a lot on Twitter.

In text, though, for him, right?

Yeah.

Which has been really working for you.

And I was like, I'm going to read something that has a million, over a million views in 24 hours because everything's going on and because I just had dinner with Charlie.

So I'm going to read this and then I'll go back to the benefit.

This is an amazing tweet, by the way.

So I go, Charlie Munger tells a story about human nature.

Now, I didn't put this because of the bank run.

Like I was just thinking, I was like, oh, this is, I was reading highlights.

You didn't post this like with regards to the bank run?

No.

No.

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I remember I reread my highlights every day.

Yeah.

And so when I reread my highlights, well, my Twitter is like when I reread highlights, like, oh, that's a good one.

I just put on Twitter.

Oh my God.

This is the greatest timing in history.

Yeah.

Exactly.

Well, like it wasn't intentionally, I knew it was going on, but it never said, oh, let me, I need an SVB tweet.

Like I don't have any money in SVB, like whatever.

So it goes, Charlie Munger tells a story about human nature.

And then this is all Charlie speaking.

One of my favorite stories is about the little boy in Texas.

The teacher asked the class, if there are nine sheep in a pen and one jumps out, how many are left?

And everybody got the answer right, meaning eight, right?

Except this little boy who said, none of them are left.

And the teacher said, you don't understand arithmetic.

And the little boy said, no teacher, you don't understand sheep.

And so.

So effing good.

Okay.

When you were in the room with Charlie for several hours, how did, like, in natural conversation, are they just pulling out these like parables and these fables, like, you know?

Let me, I'm going to answer that question.

The best response to this tweet, I didn't even, I missed it myself.

He goes, was the child Charlie himself?

And I'm like, oh my God, that's exactly what he would have done.

He would have been the kid.

Yeah.

He would have been the kid.

So the reason I think it's so powerful, like the storytelling ability you guys have, how I try to break down things to aphorisms, you ask, like, why is this guy on my phone?

Right?

I only think in stories.

I think people only learn through stories and then one-liners, right?

That's why Charlie, why is Charlie, David Ogrevy, that idea, it's like, he says it in a creative way.

Yeah.

And then you remember Fer.

Charlie Munger says, hey, if you don't learn probability, you're going to go through life

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with a, as a one-legged man in an ass-kicking contest.

So good.

So you laugh and then you think about it.

I know.

It's so good.

I'm going to get my ass kicked.

Like, so that's the way, this is here because it's Ernest Shackleton, his family motto was buy endurance, we conquer.

So we're in the podcast business, you know, people are like, you can't do podcast, there's like two million of them.

It's like, dude, there's like 70 or 80% of them that have quit, right?

98%.

In the business podcast right now.

Me and Patrick were just talking about this.

I just saw him in person in Miami and we were talking and I showed him this.

Dude, for podcasts like me and Patrick's and yours, business categorize and business have at least 10 episodes and I think release at least once a week.

You guys, I think, are really scheduled less than that, right, two weeks every two or three.

So those three categories is like.

But in terms of minutes of content per week, we're the same as everybody else.

But like, that was one thing, like they release once a week, right, 18,000.

And the business category is the second most popular, like the second most populated podcast category.

Behind.

Do you know the first?

Spirituality.

Faith.

Yeah.

Oh, a true crime is falling off then.

Yeah.

Thankfully.

So this is, I'm going to start.

So there's a thing about that where I heard somebody said they're like, founders is like church for entrepreneurs.

And I might start dropping podcasts on Sunday and no, no, I'm not kidding.

And if I do video, I swear to God, I went and looked.

I looked at pulpits.

I was like, I swear to God, I swear to God.

You went crucifix shopping.

I'm not going to get a desk.

Think about, my mom was like fundamentalist Christian stuff and like I had to go to church my whole life.

And it's just like, this is pretty crazy, like, not in a bad way.

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I don't mean that to the majority of us, like they're learning from the same book every week over and over again.

The stories you can tell are limitless.

It's one book.

I can do the same thing.

There's access to all the books in the world.

I can do that.

So I do think there's an element of totally five years from now, people are going to be like, this is the moment where David started the cult.

It's right here on video for documenting.

Cults are the best businesses.

A hundred percent.

If you listen to my episode in and out, episode 244, there's no way I got that right, by the way.

Oh, now we got that.

I did that.

You keep talking.

I'll look up if you got this right.

I did that episode because it's 244, of course.

Is it?

Oh, my God.

I read that book because the best businesses in the world are cults.

That's what founder of Trader Joe's, he wrote his autobiography.

He said that Trader Joe's was a cult for the overeducated and underpaid apple.

It's not to say that like, cults are amazing businesses.

That's not what you're saying.

You're saying the very best businesses are cheerful.

Develop a cult.

In and out.

In and out calls them.

They use this terminology in their business, cheerful cult.

It's a positive cult.

I'm not talking about Jones Town, let's get together and freaking drink mass suicide.

No, no.

I'm talking things that, hopefully you're building a product that's good for the world.

We had Gary Tann on back in the day and he was talking about Palantir at the very beginning and he was like, oh, Palantir was a cult.

That's why it worked.

Well, this idea also influenced me is Zero to One, Peter Teal's book.

He says that.

It's like the best businesses, startups look like cults.

You have to inspire emotion in people, otherwise you can't stand out in the world and you certainly can't have repeat behavior and in a sea of choices for someone to keep choosing you over

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and over and over again.

It's like how founders have to be weird.

This is one of the big things.

I think what's interesting was created by ordinary people.

But I have to be intentional about this.

I'm glad you said, oh, this is where we get in on camera and on recording that David started his cult.

This is like, no, I go crazy.

People start talking about me.

A bunch of them say, David's two obsessive podcasts.

And I'm like, I'm glad they say that because even now, there's a couple, no, it's like

I see an opportunity that other people don't, which is the same thing in the book.

So I think podcasts in general are just fun to make and I'm obsessed with it, but they're also going to be wonderful businesses because they're prone to be cheerful cults.

And how do you know that you have a cult?

You just Google and see if the people have tattooed themselves with the brand.

How many people are walking with a Joe Rogan's face on his tattoo or Joe Rogan face tattoo on their skin?

A ton of them.

Really?

Yes.

How many people have tattoos of the Apple, Apple logo, a ton of them.

There's an insane number with Mario.

We learned this in the Nintendo music.

Mario, Tesla in and out.

There's a ton of it.

Dude, I like cheeseburgers are my favorite meal.

I'm not tattooing an in and out logo on my arm, dude.

You take another level and you see this over and over and over again.

And so when I analyze businesses, I'm not just doing this like it's not a game to me.

I was like, oh, can I use these ideas and building my business?

And like Warren Buffett says the greatest thing and this is, I think speaks to why you guys are so like, hey, we know how big our audience is and we're going to take this seriously.

Seriously, Warren goes, a brand is a promise.

That's the best description of a brand.

It's just like, I talked about the fact that I stayed in this hotel brand.

I'm not going to say who it is in Austin.

I loved it.

I stayed in Santa Monica.

I loved it.

I found out they had one in San Francisco.

I didn't check the reviews.

You came here and they broke their promise.

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I told you to stay with us.
And that's the biggest thing.
A brand was a promise.
I know this is going to be excellent.
The hotel is fine.
It is in like, it's in a tenor line.
It's like, not a place you want to stay.
No, I like, if I wasn't traveling alone, there's no way I'd let my wife.
This is the major misconception about San Francisco.
Many people who don't live here think that it's, you know, an absolute hellhole in wasteland.
A specific part of it is.
But like, and unfortunately, that part is mostly where the hotels are.
Yeah.
Which is not good for the city.
No, it's terrible for the city.
I'm not ever staying, I'm staying with you or I'd stay in, like I'd stay out in Silicon Valley.
Yeah.
Like I'd stay at the Rosewood, which is really nice.
Yeah.
But that is not the tenor line.
The most expensive hotel, which is like good.
I didn't pay for it.
So I don't know what it ever does.
I didn't know.
That's the whole business model.
I didn't know how much it was.
It was really nice though.
Thank you.
I got to thank that person.
Yeah.
Like, again, I don't mean in like, but I am very intentional, but like, hey, I'm not going to break my promise.
I'm, I want you to know, and you guys do the same thing.
It's like, if I press play on an acquired episode, this is why like Dan Carlin is, you know, I read one book in episode.
He reads like 30.
Yeah.
He only does two a year or one in that.
Yeah.
Like one a year.
But like, I know there's no way I'm going to press play.
It's going to be good.

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Yeah.

And he didn't do the work necessary.

Yeah.

That's, that's what we, we all feel.

I mean, you, yeah, in our own ways, we all definitely feel that about what we're doing.

Can I get some feedback?

How can we make acquired better?

Or have you ever had moments where you like paused an episode and we're like, oh, I want to like talk to Ben and David about this right now because like, I have some feedback.

No.

You probably just text us if you did.

No, but like, I text, I would, first of all, or the model, not just, not necessarily just the content, but like.

No.

What you guys said on your benchmark dinner episode, I think was like, you know, there's a few podcasters.

Let's have this conversation with Sam yesterday.

I was like, there's a few podcasters that like they know what they're doing and you, they know by like what their position in the market is, like how they're thinking about it.

And I'm not going to say who, but like you guys hit it.

Like what makes you special?

It's the Edwin Lan thing.

Don't do anything somebody else can do.

Right.

Where you said it's like, your marquee thing is these super indebt, like Blake made the funny, um, Blake Robbins said the funny thing on Twitter I saw.

I loved it.

He's like, only a choir could say, all right, let's bring this home and so an hour and a half left.

That's your brand.

People know it.

Totally.

What you're doing here with like the sessions is like a way to also, it's like, there's no, you can't increase your, the amount of episodes that you can do because they take so much work to do, but you also have a way to surface all this information that you guys have that's valuable to other people in different formats.

We were talking about this a little bit before, which I hate saying we were talking about this before we were recording this.

Yeah.

Why didn't we just record?

But, um, you, you were also thinking about potentially doing something similar and there's like.

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Yeah.

Not years from now.

Yeah.

But for the core episodes, we spend, you know, so much time preparing, but then for stuff like this, we don't prepare at all because our whole career is prepared.

Does this make sense?

Like what, what, what is the right number and format of sessions?

Cause this is the second session.

Like we're still figuring sessions out.

Like in your dream world as an acquired listener, what do sessions look like?

Just, I mean, your sessions should be, replace your interviews.

Something that's a non acquired, like long deep time, just make them a session.

There's enough people interviewing founders and investors, but we need more conversations.

So if I ever did people like, if you ever do an interview show, I was like, first of all, I wouldn't do an interview show.

Cause like you interview as a skill.

It looks easy.

Like I always tell, I tell Patrick, Patrick, your world class at this dude, like you have, you wheeled cause you've been on a show every week and now twice a week for eight, nine years.

And he's just, it's for, I like to read.

He likes to ask questions.

So therefore our formats match the personality, right?

And so what I tell him is like, I've been on the other side of it.

It's like, you can tell it's not, he doesn't have a list of questions in front of him because you can hell, his good question just came off of response of what, like a lot of people like, um, and it's fine, but like the Tyler Cowan thing where he just like, he has his questions and you just said something interesting.

He's not going to follow up and he's going to go on the next question.

It feels very odd cause you're like, are you guys not having a conversation?

No, they're not.

They're not.

That guy like left you an opening and how did you not take that opening?

They're not.

And Tyler, you have to do, let's tie this to Jay-Z and J. Cole and the answer question also about like, I'm glad you guys are so much nicer where you're like, do you have any feedback?

Cause like, I, I can't stand feedback where like not in the sense of like, like I told you, I text you guys this one time where like, uh, one guy was like, Hey, I don't like that you reference the, like the superpower of the show is that it's not like the episode on Ralph Lauren is going to tell you how Ralph thinks like Andrew Carnegie and Rockefeller and Bezos and it's like, you literally know all your episode numbers by heart.

Like, so to me, it's just one large conversation in the history of, on history's greatest

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entrepreneurs.

That's, that's how it is to me.

It just happens to be separated.

And so this, I text you and this guy's like, um, could you save that for at the end and just do it like as carve out, like acquired.

And I was like, don't listen to a choir.

No, I'm not going to.

I have a singular vision for how this is going to go.

And that's why I own and control and operate the entire thing.

It's even further than that.

It's like, I'm not putting on a show.

Like there's a lot, I loved Anthony Bourdain when he was alive, I read his books.

He had a huge influence on me.

Like anytime I traveled to a place that he went to, I'd go and watch it.

Have you done an episode on him?

Yeah.

Two, 19.

There's no way that's right.

There's no way.

Keep going.

There's no way that's right.

Fact checkers.

Uh, it's called the oral biography.

It's X.

That format should be done more where his assistant, um, had interviewed an assistant of friend and interviewed a bunch of people who actually knew Tony and were there in his last days.

And she used, organized that interview into, uh, this biography called, uh, Bourdain, the definitive oral biography, I think.

Um, and is it two 19?

It's two 19.

And so, um, and so like, where was I going with that?

That I went on a digression, but oh, so there's a line in the book that I love.

It says the, the line between Tony and the show is non-existent.

Yeah.

Right.

That's why people like, I hear a lot of people talk about podcasting.

It's like, oh, you don't actually know what the superpower of podcasting is.

Right.

I mean, podcast, one of the superpowers of podcasting is it's authenticity scaled.

Right.

Yes.

When I meet with founders that listen to founders and we have a three hour dinner, they all,

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they all say the same thing.

They're like, this is like a three hour episode of founders.

Yeah.

It's like the same person there.

Right.

And I think that, that is a thing that, that you did really well and we sort of accidentally did well.

But I realized over time, uh, why that makes both of the things we've built as durable as they are, a lot of people play characters on the internet and which in other mediums plays really is, uh, an easy trap to fall into.

And like, it's a way to catapult growth.

If you adopt a polarizing character, you can get a bunch of followers.

Yeah.

There's a lot of dividends that pay to it, but it's exhausting to maintain over time and it has a conflict where when people meet you in real life, they're like, oh, weird. And so like when you actually are just yourself, it's going to probably grow more slowly because I'm not like as polarizing, like it would be horrifying to live as a polarizing character that you play on the internet in real life also.

And so you have this more like slow organic growth path.

But like it is, there is this cool byproduct now where like I sit down with someone and they're like, yep, exactly the same as I expected.

This is why I said have Blake Robbins on here because he gave me the dynamic, that spectrum that he talks about.

Blake is a super smart person in general, but he's like, the way you think about this is there's a spectrum.

This is not my idea.

This is Blake's spectrum because I'm one of the, it's like, how much time do people spend with you?

Right?

He's like, on one end of the spectrum, you have these like 30 second tick tockers that dance.

Right?

And then all the way on the other end of the spectrum as you move down, they spend more time with you.

All the way in the spectrum, you have the twitch streamers, right?

Which he helped incubate 100 thieves, 40 thieves, 100 thieves, where they're spending like 40 hours or 50 hours a week with you, right?

He goes, David, you're like one, you're not, they don't spend 40 hours with you, but you're one click to the left.

And they're going to wind up spending 10, 20, 100, 200 hours with you.

And you keep moving down and like, let's say you do 10 minute YouTube videos, you know?

It's like the deeper you go down there, it's why when I think of the guy's name is Nade Shot, when like 100 thieves has a new product and he announces it, you'll see a line down

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the block.

Because hundreds of thousands of people have spent all their time with them.

And so it's like, oh, Nade Shot has something to all come down here and you see this over and over again.

And then Blake says you could have like a TikTok, a TikToker has like 10 million followers yet they can't even get 3,000 people to show up somewhere.

And so I think that is like the way to think about, so.

That's algorithmic throttling too, TikTok, it is almost a zero signal if somebody follows you.

It's all views.

It doesn't actually matter.

It's like YouTube, it's like, oh, they subscribe to your channel, like maybe that'll come up in one of the top eight videos that shows up at the top of the screen of like what they should watch next, but like maybe not.

So my point in all that is if they're spending a lot of time with you, and I love, this is my flip of what Charlie Munger says that you need to learn the big ideas in the main domains like physics, psychology, because they carry the most freight.

I flipped that to time carries the most weight.

As long as what we're doing, we can, you said we're not playing characters, we are passionately interested in this, we're not going to quit, then we do serve a long period of time.

You'll get what you deserve.

You'll get the audience you deserve, you'll get the business opportunities and everything else.

It's like time carries the most weight.

I know I'm not going to quit.

You're going to have to pry the microphone from my cold dead hand, and I'm just going to let the chips fall where they are.

That doesn't mean I'm like lollygagging here, like I'm on it seven days a week, I'm going to try to work myself in a position.

So it's something I learned from Steve Jobs when he came back to Apple, right?

And he's like, people hear that, that, that speech he gives, which he's fantastic.

He's like, we're in shorts.

And he's like, and it's like, I don't even know if he's in the polo, the turtleneck yet.

But he mentions like what they're going to do.

And everybody focused on the fact that he's like, we're going to, you know, there's no sex in the products anymore, and we're going to do the four quadrant thing.

A lot of people in the technology industry particularly know that speech and like, yeah, let's, let's cut the fat and like put all of our A players, fire the B and C players, put all of our A players in these four products that we're going to make, right?

But they miss desktop, laptop, high-end consumer and pro for both laptop and desktop.

Those are four categories, right?

They miss what he said earlier when he talks about Nike, he's just like marketing.

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He's like, Apple sucks at marketing.

We have to be a great marketing company.

And so he said something where I read the quote and then my reinterpretation of this, right?

And people don't know that.

It's in Ken's, no, it's in this book called Insanely Simple.

I think that guy's name is Ken Siegel.

And he's like, he was an ad guy at a company for Apple.

And he's like, TWA, T-W-B-H-I at day, it was the ad agency.

So he goes and every Wednesday, actions express priority.

So there's another maximum, right?

He's like, I don't care what people say, I can hear like what they do.

So when people ask me, like first people that you talk to are the founders like, hey, like, what would you do about this?

I never answer.

It's like, well, David Senior would do this.

I'd say, hey, well, Charlie Munger would tell you this or Steve Jobs would do this or like, hey, I heard a story about here.

Because like my opinion is useless.

You know my opinion on business building and how I build my business, it doesn't matter what I say.

It's like, how is he approaching founders?

Like, why is he making decisions?

That's the important part, right?

And so Steve told you that marketing was important to his actions because every Wednesday at like three o'clock, or I forgot the time, they had like a three hour meeting, he would approve, have to approve every single piece of advertising marketing that went out for Apple.

There's not a billboard in Kentucky that went out without him saying, yes, it's going to go out, right?

And so in that speech, when you're actually listening to what he's saying, he's like, I feel that the products we're making in Apple make people's lives better.

I want, he says this line, he goes, I want everybody in the world to own an Apple device.

We know that it's not going to happen because it's so expensive.

But he goes, and to do that, we have to get really good at marketing.

So my interpretation of that on the podcast, what I said is like, if you feel your product can improve people's lives, I think you guys already know, because you get thousands of messages, just like I do, that yes, listening to acquire listening to founders will improve people's lives and work, right?

Then you have a moral obligation to get good at marketing.

All that means is not get good at marketing so our ad rates are going to go up or that we can be celebrities or anything like that.

It's no, so these messages for all these of history's greatest entrepreneurs that are

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dead, that these ideas don't die with them.

And then therefore, acquired founders can gather these ideas and push them down the generations.

So that's why I mean, it's just like, I'm not dilly-dallying, yes, I'm going to let that time carry all the weight, but I'm going to do everything I can so more people at least know.

And if you try founders say, oh, this sucks or whatever, whatever, I'm cool with that.

But I just want you to have the opportunity to know it exists.

And me and you have had these, also we've had these conversations where it's like, guys, I'm telling you right now, I've said this to you, there's millions of people that would benefit from listening to acquired, they just don't know it exists yet.

So we got to come up and find ways to make sure that people know it exists because they will love it and it will make their lives better.

Amen, I think there's also, this may be an area, I'm curious what you think about this, where our shows and approaches are a little different, most curious what you've been thinking about this.

A lot of these stories are just incredible stories too that are just like worth, I think worth telling just for the sake of the story.

Yeah, it's interesting how sometimes I'm like, I'm not sure that we came up with a lesson that I would advise a founder to follow, but I know this was very entertaining and as true as we possibly can make it.

And so, like, every single episode I've listened to you, there's lessons in there that I've thought about.

Oh yeah, I'm not saying there's not lessons, of course there are.

But like, sometimes we'll do an episode like, I always feel this way about the most recent episode, but we just finished making the Nintendo episode, I'm just like, if you put the best fiction writers in the world.

That's true.

And you said, come up with the best corporate-ish story that you could imagine, you couldn't write something this good.

I guess the thing I was referring to is a little bit the survivorship bias, where someone did something that I would not recommend anyone do and it still worked, what made for a great story.

It's like Morris Chang in TSMC.

It's like he invented the notion of a fabulous semiconductor company before there was any demand for that, and then it turned out that his timing was exactly right that, like, within a couple of years, a whole ton of, you know, fabulous companies spun up and wanted to use his foundry, but like, he created a solution in search of a problem, and like, no founder should do that, but my god, did he pull a rabbit out of a hat.

There's a good number of acquired episodes where I'm like, we should be crisper, I think about pointing out where like, I don't, this was inadvisable, but amazing that it worked.

I think that goes back to the game tape analysis where we talked about Kobe Bryant, Jordan did this too, where it's like, I read this like 600-page biography of Kobe, and in the biography,

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they interview his high school girlfriend, and they're like, what was it like to date Kobe Bryant in high school?

I'm surprised he had a girlfriend in high school, right?

Oh, not for very long, it's like, what was it like to date Kobe Bryant in high school?

She's like, well, are dates consistent of me going to his house and watching tapes of Michael Jordan and Magic Johnson?

That was his whole thing, we're not leaving, I'm not taking you out to dinner, we're literally going to watch this thing.

And so, I think the game tape analysis of that is just like, it is helpful to realize that a lot of this stuff, it's impossible to plan in advance.

It's one of the great, I mean, Steve Jobs has a ton of great quotes, one of the best ones is like, he's like, it's impossible, you're only going to connect the dots looking backwards, so you have to put something, faith in something.

You can call it karma, religion, God, intuition, but you have to do something.

I just did a reread Ray Kroc's autobiography, the guy from McDonald's, again, and it hit me, yeah, I've been thinking about the Steve Jobs quote too, and this is why it's so valuable to reread your past highlights.

You mentioned this in the McDonald's episode.

If you think about this, like, he's a perfect illustration of what Steve observed 50 years after Ray dies for God's sake, he's just like, he goes from selling paper cups, paper cups leads him to selling multi-mixers, which are like, make milkshakes, but multi-mixers goes like, why the hell are you, why does these McDonald's brothers out in San Bernardino have eight of my machines, like people, he'd had a hard time selling one.

That goes to the franchise system, which he didn't even do well, and then he meets Harry Sombor, and then Harry Sombor is like, dummy, you don't even know what business you're in, you're not going to, he's like, you don't build an empire of a 1.4% cut of a 15 cent hamburger, you build an empire by owning the land upon which that hamburger is cooked. Those five things, there's no, he's selling, he's selling, from paper cups to real estate. He sold paper cups for 17 years, but he just like, hey, I have to go in my gut to the point where he got divorced over this.

His wife was like, you can't do this, Harry, and he's like, you have to trust my instincts.

That's one thing, and to what Ben said way back in the beginning of the conversation that you're really good at highlighting, Ray Crockett, like he was a terrible person.

And he didn't try to hide it, most people in autobiographies are trying to hide it.

He's literally like, thank you very much, June Martino, my first employee, for missing every single one of your kids' birthdays.

You're going to get some stock at McDonald's, it's going to get you rich, but 20 years later, I'm going to fire you.

And you didn't have to put that story in there, he chose to put that, that's crazy, dude.

I said on the podcast, I was like, listen, it's interesting, I'm glad he persisted, interesting ideas for business, but not only do I would never want to do business with this guy, I wouldn't even want to be his friend.

I wouldn't want to do business with Steve Jobs, but I want to be his friend.

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Oh yeah, he'd be a very interesting person to be friends with.

I feel like the opposite.

What's that?

Like I'd want to do business with Steve, because you could create incredible things together, but I'm not sure you'd want to be friends.

I think the difference is from a founder's perspective, there is no working with Steve Jobs, it's working for.

You hear the stories of how he even treated his subcontractor, or not the owners of the companies that contracted, it's like, these guys are empire builders, they're literally building worlds, they're not used to being, Charlie was talking about this, because he loves Lee Lu, the new guy, the BYD guy, Du Wan, I don't know his name, those guys, he loves Lee Kuan Yew from Singapore, and what you realize is it's like, these are founder types, but founders are benevolent dictators, or in some cases they're dictators of their own company, and some people call Lee Kuan Yew a dictator, it's like, oh, they can't do that in America, even if that would be beneficial, but all of them, there's no working with them, they're going to be in complete control of the situation, even being in the room with them.

I'm not saying they'd be rude or mean, but you're a subordinate to them, because he says in the book, perfection is difficult, I'm demanding perfection in McDonald's, I will constantly keep expanding this empire until I die, if you get in my way, I will run you over.

He says in the movies, if my competitor was drowning, I'd walk over and put a hose in his mouth, and he was on the other end of the call as McDonald's brothers, because they're fighting over this, he goes, would you do the same, and the stated thing is, you're going to have to compete on my level or else I will literally destroy you.

So Warren and Charlie are so interesting, I'm trying to decide if they are the complete opposite of that, or if they actually are like that just in their own ways.

Every single person has some kind of, like their public persona is for that level, right? It's not like a podcast where they're going to listen to Joe Rogan for 1600 episodes, like you know who Joe is, he's doing three hour shows, three days a week for 15 years, you have probably a good idea who he is, you see flashes of like, you know, imperfection like we all have, I don't think you just, you don't get to that level without having, he's got sharp, they all got sharp elbows, like you ever heard read stories about how Warren negotiates, it's like 1250 bid, what about 14, 1250 bid, what about 13, 1250 bid? Well, it's because he's already, so he spent 10 years analyzing your business and he knows exactly the price that he's going to buy it for, and so now he's telling you the price he's going to buy it for.

Yeah.

He's got a new consideration that popped up and he's like, oh, look at this, a business.

It's like, no, at the scale he's operating at, like he knows all the businesses, yeah.

And this is from the Jim Clayton's autobiography where he buys Clayton Homes, and he even said like he wanted to sell a Buffett, he idolized Buffett, and he talks about like, he wasn't insulting of any means, but he's like, Warren wants the microphone, and if you're in an

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area where Warren doesn't have a microphone, he is not interested, and I've heard that about Warren a lot, you know, so it's like, they're world builders, like he runs everything. You think you're going to go from being poor to having \$200 billion and not distort your perception of the world, it's impossible.

Say more about Warren wanting the microphone, what does that mean?

Like literally in person, like they would do, I think they were doing, Jim Clayton was at either like an event to talk to the employees or whatever the case was, like Jim wanted to have input, and he's like, Warren would not allow it, like he monopolized, and I've heard that about Warren, like same thing, we're like, there's got to be an element of him that, you know, loves the shareholder meetings, of course, but he didn't need to do that.

He created an event.

If he loves having a billion people come, yeah, you know how he loves it, because he's still doing it, right, right, like he doesn't have to do anything in the world that he doesn't want to do, and that's how you know he loves it, like they're beyond, I told, we talked about earlier, like just how disorienting must be to like have, and I would love to know this feeling to come your wrong, like have a \$200 billion net worth, it's like, you're living life on like God mode, like, it's insane, like I was watching this video, I don't know if it's true, but it's like, Jeff Bezos' private jet has its own private jet.

Well, his yacht has a chase yacht, right, I think it's like a guest yacht, like I think it's so that, I mean, he is, he now is the biggest yacht in the world, and there's a yacht that will sail behind it, I was, this maybe, I don't know, maybe we'll become so successful someday that I will regret my words on this, but I gotta imagine having a yacht is actually not, like, additive to your life.

Oh, so this stuff on Ralph Lauren thing.

Like, I think that's more problems then.

Yeah, so I think it was Ralph Lauren sold his yacht, and it's now a charter yacht, because he was like, this thing was more work than any of the businesses I've ever run.

One of the most interesting ideas I've heard, and it comes from our mutual fund, Jeremy, I think we mentioned earlier in the podcast, hopefully we did, Jim Credit, I actually had, was talking to him and David Perot, and I'm pretty sure Jeremy said this, not David, but he's like, I would actually make the argument, because everybody's like, oh, like, what does Charlie talk about, call the Berkshire jet, the indefensible?

The indefensible, yeah, right.

And then wasn't there a second one, the indefensible too, before they bought NEP jets, and I was like, we should be on NEPs.

So you look at those, how could you possibly spend, these yachts cost \$25,000 an hour to operate in fuel, or some crazy number, the planes are the same, how expensive they are.

And Jeremy makes the point, and Jeremy knows, because he's been buying businesses forever, and he's exposed to great wealth, unbelievable amount of wealth, he goes, he makes the argument that they're actually underpriced assets, and I was like, ooh, tell me more.

Wow, that's not what I would expect to hear.

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Yeah.

So I'm going to tell you this book that just proved his point, I actually got to text him and tell him this.

So he's like, they use it not for, you know, like yachting, sitting there sunbathing, right?

He's like, they're using it for like customers, and potential.

And so I had heard this, I'll tell you about how this relates to an invisible billionaire.

So I had heard this, because again, I've never raised money, I don't pay attention to the venture industry, I don't know anything about it, I just have a bunch of founder friends, and founders, tail founders, everything.

And so I'll have these discussions where they're like, they describe the courting process that they get from some of these well-known, super famous people, and it's like, well, the process you just described to me sounds like the old rich dude that like wants to sleep with like a young woman.

Yeah, yeah, yeah.

What would you do, right?

There's, we usually put it in the episode, but there's a bunch of this in Nintendo history, because Warner Brothers bought Atari, and so Warner Brothers was running Atari as Nintendo was kind of like.

And this is how they courted Nolan.

That's how they courted, yeah.

And that's how Warner Brothers courted Atari and Nolan, and then how they tried to court Nintendo was the private jets, the, what was it, there's Clint Eastwood.

They put Clint Eastwood on the private jet with Atari flying coast to coast.

So what does it tell you?

History doesn't repeat human nature does.

These founder dudes are running technology companies now, and they're like, yeah, oh yeah, I'm not going to name who.

They're like, oh yeah, he gave us, he picked us up in Manhattan in his private helicopter, and we landed at his Hampton State.

Do you think he got the deal?

Yeah.

Yeah.

This guy said, hey, come, what are you doing?

It's Friday night.

What are you doing?

Saturday morning.

Okay, come on my private jet.

I'm going to take you to California with me.

Yeah.

Here, you want to stay with your girlfriend at this mansion that I'm not using in, you know, X, Y, Z.

So Jeremy's experience.

It's like the equivalent of like a luxury suite at a sports arena, like it's forgetting

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deals.

So, but they're operating at a different level where it's like, oh, at least influence. And some founders, the smart ones, don't let, like Sam Walton, you know, he's like, don't give us, don't give me a freaking gift.

Right.

That's why, like the whole, everything in Bentonville is like, you can't like come in here and like.

Because they know it works.

Yeah.

If you give a Walmart salesperson, like a bottle of gin or something, it's going to influence them where he's just like, I want your price.

You guys did a great job on your episodes, like tell me the lowest price, and then I'm going to go to your, it better be your low price because I'm going to this guy and if you tell me a dollar, he sells me 98 cents.

Don't waste my time.

I'm going, I'm not, you're not going to hear from me again.

I have an obligation to the customer to do this, to find the lowest price for them.

Yeah.

Because everything, his entire thing, the low cost structure thing, that's a Walton thing, that's a sole price thing, that's a Jeff Bezos thing, that's a Rockefeller thing.

That's the most common theme in the history of entrepreneurship.

Every single thing.

Jeff is like, we're going to have a low cost structure, we're going to have a low cost structure, we're going to be efficient, we're going to be efficient.

Somewhere along the line, 25 years later, now the startup, the technology startups is like, we can just spread money all the time because there's no interest rate, like there's just money coming back.

He built Amazon at a pretty different time than founders today.

The business laws of physics were different, there were interest rates versus when there weren't.

Well, he started when there were none and then the environment changed as he was building it.

Yeah.

But while it would have been stupid for Amazon to spend \$100 million on something, on crazy marketing activities in 1997, you could imagine that in 2018, if all of your competitors had raised a billion dollars and were trying to chase market shares as fast as possible, you either have to exit that market because you're going to lose or play that game on the field.

Or find, even better, find a different way, be more resourceful.

But be more resourceful, it's easy to say, but when all your competitors are hiring all the best engineers by throwing a million dollars a year at them, you're just not going to be able to build a good product if you don't try to play that game also.

Yeah, for sure, but the whole thing, when Peter Thiel says this in his book, Paul Graham

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says it, it's just like startups don't have the advantage of you're not going to outspend Microsoft or Netflix, so you got to find underdeveloped talent. You got to find these people that if they were the credentialed or if they were the well-knowns, then they're going to go take, you're going to work for me \$80,000 and some stock options or go make a million dollars a year at Netflix.

That's the whole thing.

You're not going to win unless you are capable of finding underdeveloped talent.

Brown Valley used to be able to build high growth and profitable startups.

The rule used to be you couldn't go public until you had over a hundred million dollars in revenue and you were profitable.

If you didn't check both of those boxes, you weren't going to IPM.

And in 2021, of all the companies that went public, it had to be single-digit percentage that were profitable.

Any of them?

Yeah, I don't know.

It's crazy.

The game just changes.

Well, to your point, if you have free money, the money supply, grass-like spans, it's raining down, that's going to build.

Did you listen to Doug Leone on, I knew you guys had him on your show, but did you hear him on Invest Like the Best?

Yeah, he was great.

He said he was telling crazy stories.

I loved everything about that guy.

I loved him when I heard him on your podcast too.

It was like that tough love.

This is what I'm into, right?

He still has, I think maybe my favorite quote of all, favorite quote said live on an acquired podcast of you could burn cigarettes in our arms and we wouldn't flinch.

And then he has a great line.

He's like, I want you to know we were killers.

We were killers.

We used to make the most money.

We were killers to get the job done, but he made the point and very few people probably know more about the venture industry than that guy, right?

I would imagine he's up there and he's like, of course, like you have money raining down, eating newsletters.

He's like, it just creates bad habits.

Yeah.

It is crazy how many things in my life I falsely attributed to something that were not just interest rates.

So many things.

The answer is just like, oh, it is that way because we live in a zero interest rate environment.

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The human brain likes to tell stories and at the end of the day, it's like things are the way they are because of mean reversion and what the current interest rate climate is.

I wish, I'm going to pull up something like, this is what I mean, goes back to Buffett.

If you just, I wish I knew this.

I had read this.

I didn't remember it though.

This is Warren Buffett on interest rates, right?

He says, oh, is this from Laws of Gravity?

The log in Snowball?

No, this is from his shareholder letters and he said it 84, 88 something like this.

I think the intro to Snowball, I think the scene that opened the vignette that opens it is Sun Valley right before the bubble bird, the tech bubble bird.

Oh, no, this is like decade and a half before.

Oh, okay.

Okay.

This is why it's like, so it's like, God, like you could have made such better decisions.

I could have made such better decisions if you had just known this and he had known it for 40 years before it happened.

I posted this on Twitter and I opened up the next day.

I'm like, why does this have two and a half million views?

It's like Elon replied.

He goes, yep.

I was like, oh, okay.

I was like, what the, like what the, like damn, you people really like interest rates.

I read it, read it.

It's all grand replies on steroids.

So I go, Warren Buffett on interest rates and the headline is they power everything in the economic universe.

So that was what Elon was responding you up to.

And this is Warren writing in the 80s.

The value of every, exactly what you're saying, the value of every business, the value of a farm, an apartment house, or any other economic asset is 100% sensitive to interest rates.

That's because all you're doing when you're investing is transferring money to someone now in exchange for a stream of money, which you expect to come back in the future.

And the higher the interest rates are, the less that present value will be interest.

This is fantastic.

Interest rates are to asset prices, prices, prices, sort of like gravity is to an apple.

When interest rates are low, there is little gravitational pull on, on asset prices.

We just lived through this, right?

Totally.

When interest, when interest book.

Yeah.

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When interest rates are low, there is little gravitational pull on asset prices.

Interest rates power everything in the economic universe.

Because I found that because all this, this remember this flatline went crazy like a year or two ago or whatever.

And I was like, okay, well, every time that happens, all I do is I have, you can buy the Kindle version of Buffett shareholder letters for like two bucks.

I know it's crazy.

I search it for like interest rates, inflation.

And I just go and I read, okay, this is what you need a billion dollars off that \$2 purchase.

There you go.

And so like you'll say, okay, this way said inflation, and then you see what year he said it.

And this is like, and that's where I found that I go, what do you say about interest rates?

Boom, 1980, whatever.

And he just laid out.

It's so funny because what he also did right there is for every college finance sophomore that's having to go through a class to do DCFs and they're like, I don't understand this.

This is complicated.

Like he just explained conceptually a discounted cash flow model there in a way that was like unbelievably digestible.

He's so good at that.

The clarity of thought.

Because he wants the microphone.

But also like he just educated you in a way that makes more sense and is interesting and you're entertained by and you might build a business off that and then you might sell one day or whatever the case is.

This is where I'm spending a lot more time of like really trying to work on storytelling ability and concision, right?

The value is in the compression and the distillation, right?

If you could listen to like an audio book for 25 hours, but if I can give you the best idea or one idea that changed your life and I could do it, you know, every week or whatever, like in a couple of minutes, like that is going, some of that value is going to be brought back to me.

And all that comes from is what I realized is all my heroes have like what they have in common is like the unbelievable clarity of thought.

Like Steve Jobs, Charlie, you're not going to be like, oh, what does that mean?

They take unbelievably complex things.

Like you're not advertising to a standing army, you're advertising to a moving parade, make it in a memorable way and then you carry that maximum with you forever.

How do you get better at that?

You said you're working on it.

Reps.

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Just straight up reps.

Like thinking about it and then hearing yourself back.

So the advantage I have with that edit is you can say something and like, oh, that was so good.

And then you hear it back and sometimes it's even better or many times it's worse.

Like, oh, I lost, I was, I know what I'm saying, but you missed this part that doesn't make any sense.

And so normally I have to cut it.

I don't think I've ever re, I don't think I've ever re-recorded something.

We only did that for one episode ever.

It's really hard to do.

What re-record?

Yeah.

Do you know which episode we did it for?

No.

It was recent.

NFL.

David and I got on and re-recorded 40 minutes of material over maybe 15 different parts of the episode.

And the original recording of that episode was really rough.

The NFL episode was too long when we started.

It took way too long to get to the interesting part, the Pete Rosell era.

And so we had this like massively bloated beginning and then we had a story arc that didn't cleanly resolve and we had a bunch of concepts where we didn't nail the explanation.

And so we went in, we cut like half of the first epoch of the story.

We recorded new bits to create nice rising action and resolution on the Rosell era.

And then we recorded another like 10 areas where we were just like, this wasn't said super tight.

And I'm really curious if people noticed because we had to like, we basically had a voice act. Like we had to listen to the way that we sort of came into that segment, get that in our head.

This was your theater background coming in.

And then like pick it up from there.

But yeah.

Your editing is so good.

You talked about like back catalog sponsorship and you told me what you're doing with like zoom info and I've been listening to your back catalog and it's like, dude, it sounds like it was there the day you did it.

It is perfect.

And I know because we talk about this, that that ad was not there, but it sounds like it's there.

That's the goal.

The NFL episode is what I meant.

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It's a crazy story.

But even there is like a lesson where like you guys, I texted to you, like totally changed the way I think about things.

Or maybe we were talking on zoom about this where it's like, I never thought of that.

The NFL is like the largest media company.

Yeah.

And the funny thing is that's like that was a David Rosenthal insight that like the NFL is the single largest media property by value.

And the funny thing is if you go look at the because we did this for the Nintendo episode, you go look at the largest media properties.

They list Mario, they list Pokemon and they and then and I think if you sort the list includes like video games and movies.

And so there's like the MCU in there and there's Star Wars in there.

But like they don't think the NFL is way bigger than all of those.

But it's not on the list because people don't think of it as like a media property.

I'm looking for stuff like that, both to do episodes on and as for investing to is like, what is something that is just so like in the air that people don't even realize what it is.

Or what's a comparison we can make that is super eye opening, but people haven't thought to compare those two things before.

Yeah.

Which is why I tie things in to past because it's like, oh, this episode 244, the idea, no, but the idea behind this is like, we've seen this before.

Yeah.

Yeah.

I reread like the show notes on like the Johnny Ive episode I did.

Johnny said something was great.

And he said, he goes, one of Steve's talents was identifying markets full of second rate products.

And so like he would like, oh, there's the opportunity here.

And we're both, we're all podcast addicts, right?

And the reason that we get along and it's a market full of second rate products.

And because you know how hard it is to do.

Yeah.

And when you go and listen to other business podcasts and like, I had a friend, his friend has a podcast and he's like, hey, these three guys, they have large social media followings, but it does not translate to episodes where people don't understand.

Yeah, rarely will.

Yeah.

And they're like, would you listen to their episode and give it feedback, right?

And we went to like, so I was like, yeah, listen to it.

And I go, it's three guys sitting around talking whatever happens to pop to their mind.

What did you expect to happen?

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Which is kind of what's happening here.

I was thinking the same thing.

I was like, oh, we did some stuff.

To all the listeners, we apologize.

No, no, no.

This episode lacks craft.

There's zero chance that people aren't, people interested in entrepreneurship and investing are not finding this interesting because the prep for this is not three guys that have a million other things to do.

Right.

It's three guys that do this all the time.

You're just doing this.

Over and over again.

That's going to pop up naturally in a conversation that you can, like, oh, I didn't know about this.

Maybe there's a bunch of people probably like, I didn't know who Everland was.

I didn't know Ogrevy.

I never thought about the NFL as a large media company.

So no, but their problem thing is like, there's no value proposition.

This is actually something that ties into much of what we've talked about over the last couple of hours.

People are going to do what they want to do.

And if people can do what they want to do and are given unfettered freedom to run it, they can do great things.

If people are forced to do things that they don't want to do, they're not going to make great things.

Yeah.

Or either forced to or choose, put themselves in a situation for whatever reason when they're doing something they don't want to be doing, they're not going to be very good at it.

I think that's one of the reasons why we find ourselves so attracted to episodes that highlight craft is because that's sort of like how we think about acquired.

Like if LVMH benchmark, it's like people who do few things but do them exceptionally well are just so entrancing to study.

I think this goes back to what you were just saying, like, and I want to go into the craft thing.

It's like, Charlie again, has these simple ideas.

Like most of the problems are that you're just not intensely interested in what you're working on.

Yeah.

And he's like, I don't care how smart you are.

And Charlie's smarter than almost everybody else.

He goes, I was not successful until I moved myself into a position where I worked on something I was intentionally interested in.

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And just these like small rules carry most of the weight.

It's like, how bad do you actually want it?

And if you're not willing to do these things, then there's nothing wrong with that.

Like entrepreneurship is for a very small percentage.

I'm not one of these people who think everybody can be an entrepreneur.

I would like to see more of them.

But there's no safety net.

It's like no one's telling you what to do.

No one had to tell you guys, hey, you should buy microphones and do a bunch of research and pick a name.

Well, we didn't buy microphones to start.

Oh yeah.

Yeah, I think the most interesting thing is that like, I think we've talked about this concept before on air is that if someone's going to advise you on starting a podcast, they would say do a 30 to 40 minute episode and like do it weekly.

So there's, and you release it at the same time all the time.

Have a guest.

So that way that person promotes it to and we're like, okay, well, we do the opposite of all of those things.

And I think it's like the conclusion I've come to is advice is an average and reality is a distribution and averages suck because they hide the distribution.

You kind of want to know the shape of the distribution and you kind of want to know like things that apply to your specific data point, not like the average thing.

And I think like advice is always an average that hides the distribution.

And if you know that you're actually an outlier in some way, then you have to sort of like selectively follow advice because it may not apply to you.

Charlie told me a fantastic story about this where he's just like, he was singing the praises of BYD that they're kicking ass.

Like he told me like the, not just me, I mean, I'm with a group of people.

They make batteries for cars.

And they make cars.

Yeah.

But he started out like, like doing like knockoff cell phones in Korea or something.

And then like he, I forgot the guy's founder's name and I apologize, but like he was telling me the life story, but he was saying that the founder, that Charlie and Lelu, Lelu gave the founder advice and he ignored it.

And he was right.

He's like, don't go in electric cars or whatever it was that he did.

And he, you know, selling, I think he said like two billion car, like, I forgot what two million cars meant.

I don't know why he sold two billion cars in a year.

So like, he's like sold two million cars in China.

Yeah.

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So he's just like, and he did it and he gets all the credit because Lee and me told him not to do it.

And he's just like, same to your point.

It's game tape.

It's just like when Kobe is watching this particular, particular play of Michael Jordan, that may never appear in his life.

And maybe the move he did wasn't the right move for what Kobe did, but maybe it influences his other thing.

It's just like, the life is complex and messy.

And like, you can think you're really smart and until you have a two and a half year old and they ask you, why is that the way?

And you answer the question.

And then their follow-up question is going to be why.

And eventually you're going to get to 11 where like, I don't know.

Yeah.

Like, I don't know why.

Everything ends and I don't know.

It's like, I don't know.

And so like, of course, there's no certainty.

Like that's why if you have to, if you crave certainty, you've got to get a job.

But there wasn't even Facebook when I was in college because I had to work full time and went at night.

And my college did not have Facebook, it was just coming out, so we had MySpace.

And MyMySpace, you could put a quote, right, at the header.

And I've always thought like this for my entire life was like, there's no security in life only opportunity.

And I think that's what we do.

So investors and entrepreneurs are going for opportunity at the expense of security.

And if you need security, you can get a job.

But we see like, everybody said, go into tech, go into tech, go into tech, we'll keep all this money.

I think this is a super mispriced thing.

I think people who crave security, which like all humans crave some level of security, sort of mispriced security because no jobs are as secure as we think they are, but they definitely cap your upside.

And people, it's like, is founding a company or going into business for yourself as an entrepreneur extremely risky?

Yes, it is.

But is it actually that much riskier than a job where you could get laid off or the sector could go through a downfall or like, there are a lot of things about having a job.

They're not nearly as secure as people think they are.

Steve Wozniak and jobs, they're like worst case scenario, if we just doesn't work, was it go good jobs?

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We're broke anyways.

Right.

Let's just try.

And he's like sells his van for like 50 Steve sells his van for like \$1500 like, oh, I'm just all in on Apple.

Like that's that to me that's like, again, I think a lot of this is like people are asked is like, it's entrepreneurship, like a Nate, it can be taught, can there be a school of entrepreneurship and I was like, well, ask Charlie Munger if he taught a business class. What did he say?

He's like, I would just teach the history of what you guys do.

He's like, I teach the history of 100 companies and I would talk about what went right and what went wrong.

There's no security.

There's no, he's not saying, yeah, take my class and on the other end, you get this degree that guarantees business success that doesn't exist.

Well, that's what it's quite like.

They have been teaching entrepreneurship for the last 50 years.

So I was an entrepreneur, so I went to the UCF, which is this like diploma mill, essentially, and they was in the pilot entrepreneurship program, right?

The very first year.

And it's a two year program.

Take us back to that.

Yeah.

Were you thinking about, what was your relationship to entrepreneurship before starting the Founders

Podcast?

So like, I've never been on a job review.

I've only had two jobs in my life, like I was, but I was like, there was no entrepreneurship, there was no entrepreneurship like community.

There was no entrepreneurship industry, right?

So like my first business was, this is a long story, but like, I had been accustomed to, I was talking about this yesterday, by the time I was 17, I had been accustomed to working full time and going to school, right?

So like people are like, oh, you work a lot on Founders, it's like, I don't have to go to school.

I can like do this all the time.

You're working half time as far as you're concerned.

Yeah.

So it's like, there's a long story here, like that would take me like 30 minutes, but like, like my dad sat me down when I was like 15, he's like, listen, you don't have to pay rent, but like, I don't have any money for you.

So like, if you want something, you got to go get it, right?

And the good thing about my dad, he's a Cuban immigrant, not educated, but like, the best

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piece of advice that he ever gave me and my brother was a maximum, he's like, don't have fast things, right?

So he does it in like a blue collar, he's a truck driver, like, you know, that kind of thing where he's like, he prides himself on the fact that like, like he'll work 72 hours straight, right?

But he never made a lot of money and never had an education, like his mom wasn't good and whatever, and they had escaped Castro's Cuba.

My dad was born in Cuba.

So it's like, imagine like, I talked about this on, because you know, Patrick's at the end of every investigative episode, he says, yeah, he's like, he's like, what's the nicest thing ever did to you, or for you, did to you, for you.

And I was like, man, like something that, it was a decision that happened way before I was born and like my grandfather is in Cuba in 1959, 1958.

And he, again, not an educated man.

He worked as a butcher and worked in a factory that made shoes.

He's married and he's got a baby, that baby is my dad.

And Castro comes to power and he doesn't have a lot of money, doesn't speak English.

And yet he had some kind of insight that I need to get out of here, right?

And he goes to a country, picks up, loses everything, not that you had a lot anyways, goes to a country, knows nobody, doesn't speak a language.

When I sat down, the first thing me and Sam Zell talked about, and I think helped bond us, to the point where at the end, he said he liked my energy and everything, but so hopefully he liked me, I don't know, was in his story, I was like, because I had obviously read his autobiography.

And one of the first things me and Sam talked about was, Sam, I understand and empathize with their story because Sam's story is his dad being Jewish, getting the last train out of Poland before the Nazis bomb it, literally the last train out, 18 members of his family, his dad went around to saying, we got to get out of here, this is not good.

They're like, no, we're going to stay, they're all dead.

Sam, Sam's dad and his mom have a daughter, they get to America, his mom's pregnant.

Sam is born in America.

And so in that book, Sam's dad's always telling him, you don't understand how lucky you are to be born here.

And I was like, I understand that mentality because I grew up meeting, Cubans have this thing called natural whenna, which is, they don't celebrate, my wife's Colombian, so they married into a Colombian family, they do this too.

They don't celebrate Christmas on Christmas Day, they do it the night before, it's a Christmas Eve.

And so I grew up, for as long as I can remember, I was like eight, seven, ten, ten years old, meeting people that came over on rafts.

And you would see these things, I've seen these in person, it's just like, think about how great, how bad it has to be.

It's like 50 miles, right?

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90 miles, I'm going to go over it to the study of the University of Miami just did on this. 90 miles, you're a parent, hopefully you might be a parent one day, you love your kids way more than you love yourself.

There's people that came, hundreds of thousands of people went to the edge of the island and put their kids on a raft, just the hopes that they get to America.

And so the problem is, you don't make the announcement to everybody, hey, tomorrow we're leaving on a raft, could you get caught, you know, imprisoned or killed or whatever case it is.

And so the University of Miami did this study, it was like, well, how many people did this? We know hundreds of thousands survived.

And they estimate that at least, I think it's something like half a million people perish, never got there.

But the conversation with, there's this UFC fighter named Jorge Masvidal, who was in Miami, he's a Cuban guy.

And his dad was one of the ones that escaped, he went on a, their raft was made out of like a truck tire, like, you know, like, think of like a size of like a bulldozer tire, right?

It's his uncle and two 14 year old boys, they get off path, right?

They run out of their water wound up being like contaminated, so you can't drink, you'll die.

How do they propel it anyway?

How do they make sure it gets to Florida?

You have like, they, some have oars and some have like, like, you see that blanket over there?

Like you try to make a, a, a sale out of like a blanket or something, you know, there, some of these are unbelievably in, in like the level of ingenuity is like, for uneducated, they don't have the internet, like, it's an unbelievable.

And so they're, in his case, they, I know they had oars, I think they had a sale, they get close enough to the Bahamas, they, they haven't drank water for like three or four days or something.

A pigeon lands on the oar, they wind up killing the pigeon, opening it apart and drinking the blood.

That's the only thing that's saved.

And so now his, so he gets to America, eventually gets to go from the Bahamas to America. Now his son is like, you know, makes millions and millions of dollars, like as a professional fighter and a celebrity and, and, and all this other stuff.

So anyways, long story short, the one thing like I, my dad's still alive, I told you my mom passed away, um, but like, I really think like my dad for just like, he did not baby me at all.

He's just like, you got to like figure out how to get a job.

And so I worked at, um, back then this, this is something that Paul Graham made the point of, right?

He's like, dude, when I was a kid, the only jobs available, you're like, you know, scoop ice cream or something.

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And like, you've probably met them.

I met some 17 year old founders, a bunch of founders, we talked to them, they're on their second company.

I'm like, what?

And I'm like, oh yeah, when I was like ninth grade, I like did this like Gmail plugin or like, yeah.

It's like, I made food.

I had this SaaS tool.

I made \$40,000 a month and like my, I'm making so much money.

My parents let me drop out of high school so I can, uh, do this business.

I'm like, I worked at a car wash, dude.

I made \$4.65 an hour.

You know?

Um, so anyways, long story short, um, I, uh, I would go to school year round, right?

Cause I had figured this out where it's like, oh, um, if you, uh, most people went to summer school, they were forced.

I went to public school in my whole life, right?

And so like people would go to public school, they would be forced to you cause you failed something else.

But if you elected to do that in six weeks, you get a full semester's credit and there's two, six week.

Yeah.

Terms.

Like mini-mesters.

So I always, even when I was in college, I did this.

I would go to school year round, right?

And so in high school, I went to school so much that by the time I got to my last two years of high school, I was in this program called OJT, which is on the job training.

So instead of having six periods, you leave after the fourth period and you'd have to have a job and you would get two, uh, your other credits, um, to your employers, your employer would have to like fill out paperwork like his David, you know, cleaning cars and like, oh, there's a baby that came in and threw up.

He did a good job with that.

It was disgusting.

But the benefit of that was being able to work full time, full time, um, make enough money where I could like buy, I bought like a new car with my own money, like all that other stuff.

Um, and so like then I realized like, oh, like I think I was making like 400 or \$500 a week in high school, which is freaking really good.

This is like late 90s, early 2000s.

Um, and then I was, got promoted to being a detailer and that's like, you have client list and then you start to film relationships and it's like every other business like, and they're like, Hey, I love what you do.

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Would you do this at my house or would you do it on my boat that you don't do or like whatever.

And so my first business was just detailing cars and boats and taking all this other stuff where it's like, okay, I spent an hour waxing this guy's car.

I might make 20 bucks.

I do it at his house.

I make \$150.

And so like, I've always just had that like, and again, this is not like, this is the story you guys read in the books and the history, the story is this like, there's no master plan here.

Yeah.

It's like, Hey, I need to make money.

The opportunity.

All of my other friends were working at McDonald's Chick-fil-A where you just said something like they capped your, I never had a capped upside.

Right.

And then so I did all these other businesses I started in college because I thought I was going to be a lawyer.

And this is so silly.

Cause everybody, all my friends are lawyers, hate it.

Right.

I dodged the bullet there.

Well, this is that, that's the dream.

Like the, the immigrant dream is for like the kids to become lawyers and doctors.

Well, my parents, not my parents.

So my parents never said the word college to me once, not one time because they're both high school dropouts.

So like, they, they never like, I was one of the only kids in high school and they didn't have a, a curfew.

Like my parents knew I was independent and left me.

They gave, that's the best thing they get is like, oh, they can take care of itself.

They thought, my mom told me, she's like, I just thought you were a lot smarter than everybody else in our family.

So like,

We trusted you to make the right decision.

Well, I was also driven to, but she, cause you have to understand, like being smart in this family is not like being like, the bar is low in the sense that like they're, they're both coming from multiple generations of people that did not prioritize education or self-improvement.

So that's why I'm so like ferocious in this because I didn't see that, you know?

And so the, the, this, this demonstrated when my mom was dying of cancer.

So like, you know, HIPAA has this thing where like, they're not going to share paperwork or information unless like, it gets permission from the person.

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And like, my mom could choose whoever she wanted to, she could have chose her husband, right?

They had a bad relationship.

They should have got, they got divorced and then remarried.

They should have stayed divorced.

But whatever.

And she, you see that with actions.

We said that actions is a stress priority.

She's like, we're in there and she's like, who do you want the paperwork or who do you want us to communicate?

She's like, David, not her other kids, not her husband, not her sister, not, and she trusted me implicitly.

And so I, I essentially like, they never met at college.

So I just kept this routine.

I was like, people are like, Oh, um, they're like, what do you want to do for a living?

And like, I remember watching TV when I was younger, I was like, well, I want to be rich.

And you think when you're younger, you know anything, like who's rich on TV?

Like I liked Fresh Friends of Bel Air.

I was like, you'd be a judge or a doctor.

And I was like, Oh, I can't see blood.

Like that freaks me out.

So I could be an attorney.

So I went to school, uh, and I worked full time and I was trying to do hustle, anything I could do.

And so the idea was like, okay, I'm just going to go to undergrad for business because I'm interested in business anyways.

But I'm only doing that till I get, uh, till I go to law school, right?

And, um, this point of the story was not to go on this deviation, but I was in the entrepreneurship program, the pilot one, right?

Cause I was already interested in trying to make money in any way possible.

And this is how bad the entrepreneurship was.

And this is why I'm kind of jealous of these young kids where now you actually have an entrepreneurship industry and there's stuff you could learn from the head, the main, the, the, what is it called?

Like the main subject, entrepreneurship one on one, right?

The curriculum.

Yeah.

It's classes, but entrepreneurship one on one is run the teacher, right?

What is her credentials?

Her dad started a, um, an AC company in Florida.

You're going to make a lot of money.

And he died on the job cause he got electrocuted to death.

And she inherited the company and then she ran it.

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And so she's the teacher.

And so like the curriculum is terrible.

It was terrible.

The best thing, and this relates to what we do for a living now, which I could have never predicted is there was a guy that, um, this is kind of like Charlie, Charlie Munger says you should read.

If you want to learn about incentives in a really difficult business, read Les Schwab's autobiography, which I did cause Charlie told me, did it like episode long time ago.

And he's like, this guy made a ton of money in a really hard business, which is like tires and like oil changes and stuff like that.

And so the guy was coming into the class.

He was going to donate like three or \$5 million to have a building name after him.

And he had one prerequisite.

He goes, I want to talk to your entrepreneurship students before I give you this money.

And I learned more in one hour from that dude than I did in two years in entrepreneurship because he would talk for like 20 minutes and he's like, open up your questions.

And I lit them up with question after question after question.

And I remember to this day, just like the simple way this is like, you know, he was building his business in the, probably the eighties and nineties.

And he's like, um, how did you know where to expand?

And he's like, we would pull the car registration data from the DMVs, right?

And we would know how many car owners there were in this specific radius.

And we'd have to hit like, let's say we need 40,000 car owners in a three mile radius.

There's, are there any other stores?

Put a store right there.

And they did that over and over and over and over again.

Oh, that's awesome.

Yeah.

And so like he had ideas like that.

And just like, again, you learn through experience, like that guy could teach us way more because he actually did this compared to, yeah.

I think probably all three of us have a like unintended, uh, impact of college entrepreneurship programs on us.

You definitely have a minor in entrepreneurship.

Yeah.

Really?

Yeah.

From Ohio State.

Similarly, only everyone to public school.

Yeah.

Uh, I knew, I, I was a little different.

Like I, I was really into computers.

Like in, I, when I was 10, my dad and I found a, um, PC on the side of the road and he was

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like, do you want to install Linux?

And I was like, what's Linux?

And like taught me to use a terminal.

Like I was really lucky to have a dad as, as an engineer.

And so I went to college for computer science, but you'll wait, wait, wait, back up.

You found a PC on the side of the road and you're like, let's install it.

And my dad's like, I'm willing to bet that thing is just old.

Yeah.

Like he's like, cause we're looking at the, you know, you like that, that, that, at that point you could open computers.

So we're like looking at it and he kind of like puts it apart and looks inside his like got all the pieces, like this is just an old computer throwing away.

That's amazing.

All right, keep going.

So you majored in computer science.

Yeah.

But I, I like went in thinking like I want to have some kind of like, I want to do business and tech, but I didn't know what that meant.

And so I found my way to a, um, a club called the business builders club and they were like, oh, there's like a real, like an actual minor that you can take.

And so sort of like through student organizations found my way to actually doing something in the college of business, which like I go back and forth on whether undergraduate business stuff is useful.

Cause on the one hand, but he got you playing in the, you know, all your buddies, you guys have all done amazing things.

We just came back from my bachelor party and half the crew is the business builders club, Ohio State friends that I made there.

The content sucks, but yeah, but the relationship, that's what, yeah.

And it's not the stuff you're learning is actually super important, but you don't have the context for why yet.

It's like you're working on a DCF model and you're like, I don't, this is useless to me or you're like learning about depreciation and amortization.

You're like, this is awful cause I have nothing, whereas my thesis classes were awesome.

Like there's labs, like I can touch and feel the things and understand mechanical advantage and how the free body diagram works.

But in these business concepts, they're like super abstract and it's, they weren't useful to me then, but like I went and took a Coursera class last year, two years ago on accounting cause I was just like, okay, like I want to actually understand accounting in part cause we talk about it on acquired all the time and David understands this stuff more than I do.

And I hate it, but like it is so much more useful when you understand where the rubber meets the road in the real world.

Yeah.

[Transcript] Founders / A conversation about being OBSESSED with studying the history of entrepreneurship: Acquired x Founders crossover!

Like it would just be beneficial to just like go out and try to sell something.

Like, you know what I mean?

Like in class, like get real world experience, like what, what did Charlie, I just reread it.

You guys read the towel of Charlie Munger?

No.

I've heard it's good.

Okay.

I can't remember.

I've looked at it for the episode or not.

I own the hardcover, the Kindle and the audio book.

That should tell you like it's worth it.

By the way, I own the audio book and the Kindle of almost every book that I own.

Including the hardcover too?

No.

You're not a hardcover person.

Cause you can also switch.

That's the whisper sync or whatever it's called.

And all the time, I actually hate that they sync and they, cause it, like my common workflow in doing acquired research is I listen to the book and then I'll take some notes and Apple notes of like, like half quotes where I'm like, I gotta look this up later.

And then I go back in the Kindle and I search for the actual quote and like pull out the data to be able to use it in the episodes.

I think listening to the audio book before reading the book is very helpful.

It gives you a basic overview.

It's almost like reading a Wikipedia page before you read the biographies.

Not enough detail, but like you have.

Okay.

So like watching a movie for the second or third time, you know how it ends and it gives you, you pick up on things you missed the first time.

In the tale of Charlie Munger though, Charlie was talking about this where he's just like, I learned about business at the Buffett grocery store, right?

From the cash register.

Cause that money is the lifeblood of all, I think the quote in the book is like money is the lifeblood of all businesses and that's where the cash, that's where the money was at this point.

And it's like, you just learn, and he says like, you learn the importance of like showing up on time, how to work with people you don't like, like how to, uh, service, like take care of your customers.

Like these are things that are all like universally applicable that there, it's another form of education.

Like that's the biggest, the key of experience and why it's so important.

It's the most valuable, uh, edge form of education because it's education of life.

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Yep.

Yeah.

Like I love to read like more than almost anybody else, like you guys obviously love to read.

There's, there's just so much things you can't learn from books, so it's just like, it's not enough.

David, what was your college entrepreneurship?

Well it's funny.

It's more dramatic than, uh, an actual impact, but, um, I can't remember if I've talked about this before.

Uh, Princeton had, and then just one entrepreneurship class, it was like one class in the Department of Electrical Engineering.

I was not an electrical engineer, but people knew about this cause like, oh, this is cool.

Right.

And I, uh, so senior year, I had already, the recruiting happened in the fall, so I was already like, had my job, investment banking job that was going to go do a whole nother than the kind of worms, but, um, I was like, oh, you know, I'll take this class, it's supposed to be good.

I'm going to go work on Wall Street.

I should learn about high tech entrepreneurship, what's the name of the class?

And, um, it was like all, you know, guest lecture, it was, it was case, case, case method.

And, uh, and Shao, the professor would have guests come in.

One of the guests, I had the last or like the second and the last class was Tim Ferriss.

What?

What?

Before he published the four hour work.

No way.

Yes.

And he gave, he, he asked Buffett a question and he has guest lecture at Princeton.

Oh, he totally hustled this.

He like traded on that name for like years before he made it as Tim Ferriss.

Cause he just went in for one class.

It was one class.

Yeah, yeah, yeah.

It was one, one day of one course and that was like this case study class.

And I think he had taken the class when he was a Princeton and Ed, the professor like liked him and kind of took a shine to him.

So you and I are then our guest lecturers at Columbia.

Oh yeah, totally.

Yeah.

Oh yeah.

Yeah.

We're just like just everywhere.

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So he came in and so he was working on the book, but it was like done, but like was about to get published.

And so he came in and the whole like class was like basically telling his story and then like showing the book.

I remember in my notes, like for the class, I titled them, I haven't still somewhere on my, on an old computer.

The title was supplement guy.

Do what you love.

Yeah.

Do what you love.

Oh my God.

Oh man.

Afterwards, talking about missed opportunities, he, he was like, he's older than me, but he's not that much older.

So you're only been out for a couple of years.

So class ends and he was like, Hey guys, anybody want to hang out?

Like I'm going to go, you know, I'm going to go like hang at terrace.

Like if you want to come to the Princeton has eating clubs instead of they do it fraternities, but like one of them is terrace and Jenny was actually in terrace and it was like basically I'm going to go like hang out and have a good time with anybody who wants to come along.

And I was like, nah, now I'll see you on the podcast later, but I love how this just was uncovered in random conversation.

Right.

It was just like computer science, investment banking, law, yeah, no, but like no common denominator.

No.

And like, and look where I use theater more than I use computer science, like that was what I, yeah.

I like the idea for like from venture capitalists and podcasters, right?

I went and my daughter asked me to go speak at career day.

Oh, hell yeah.

And this is last year.

So she would have been that's like the greatest thing.

She went into fourth grade.

Right.

I can't wait.

And so she's like, well, daddy, like you have a weird job, like when you come in and like give a talk.

And so you mentioned earlier, like entrepreneurs are like, odd ducks and like crazy people. They don't like, they don't like, they see rules as like, oh, that's just words written down on paper.

Like I'll just do my own thing.

So I show up and I'll say, yeah, I'll do anything for you, like whatever you want.

[Transcript] Founders / A conversation about being OBSESSED with studying the history of entrepreneurship: Acquired x Founders crossover!

And so I show up and that there's two, each class that the school she has has two teachers, right?

And so they're like, oh, well, we didn't, hi, Mr. Senator, we didn't get your email.

Did you get like, did you bring like a thumb drive?

I'm like, what was I supposed to email and why would have a thumb drive?

And they're like, you're a PowerPoint presentation.

And I go there.

Have you ever made a PowerPoint presentation in your life?

And I go, no, but this is right.

I go, they're nine.

Why would I make a PowerPoint presentation?

And so I go there and I was like, I was like, listen, I'm fine.

Like, I got this, like they're like, you're going to wing it.

They didn't use the word wing it, but I forgot what it was.

So you're like, no, really, I got this.

I show up, right?

And they're all like sitting on the floor and there's like 39 year olds, like are you like stand up?

No, no, no, never.

And so I want to see some energy.

And I was like, I talk for two minutes, right?

I have 30 minute slot.

I go, I talk for two minutes.

I was like, listen, don't listen to your parents.

Don't listen to your teachers.

I go, follow whatever you're intensely.

I just gave Charlie Munger's advice.

I go, what are you interested in?

Keep following that even if it doesn't, you know, there's not an obvious career path.

And I use the word.

I go, it's highly likely that the job that you're going to have has not yet been invented.

I was like, there was no such thing as a podcaster.

Like I couldn't go to school for podcast engineers or whatever.

Or whatever.

And like, so that was like the two minute summary.

And I said a little bit more than that.

I go, okay, now what questions do you have for me?

And so I spent the next 28 minutes.

I told them the importance of reading.

I was like, listen, your friends are all going to be these stupid apps.

I was like, you're going to have no attention span, learn how to read and read whatever you're interested in.

I mean, your daughter's probably like, oh my God.

[Transcript] Founders / A conversation about being OBSESSED with studying the history of entrepreneurship: Acquired x Founders crossover!

So I'll tell you the funny thing.

So then 28 minutes and then they're telling me about books they love.

They're like, oh, I like Harry Potter and I like this and I like travel and we had like the greatest time, right?

So I come back.

I see there's like nine in the morning I leave and my daughter gets out, you know, later on the day and she goes, daddy, thank you very much.

My friends thought your talk was the best.

I was like, oh, that's like interesting.

Like that's, I'm glad they liked it.

I go, well, let me ask you a question.

Who came after me?

And they're like, oh, is it, you know, John's mom or something?

And I was like, oh, what does John's mom do?

She's like, I go, well, first of all, she's shooting a PowerPoint.

She goes, yes, everybody did a PowerPoint.

And I go, what does John's mom do?

She goes, oh, she's a corporate attorney.

I'm like, so you like, they're nine years old.

And also that's like the alternate future for you.

Yeah.

Like it was like, you would have had a PowerPoint.

It was like Bizarro David going after you.

I know.

It'd be interesting like what you would, yeah, but then again, I was living in Florida and like the law there is not a lot, like you'd have to move to like DC, like the law there is like insurance, like, so I'm at the San Francisco airport, right?

Which is way nicer than Miami International Airport, by the way.

It's like, I've never been to Miami.

Oh, it's like third world, man.

Really?

I mean, things are low.

They have the new, they built like this new part, but SFO was way nicer than mine.

And I see this billboard of, it says the world's, or the America's largest personal injury attorney.

That guy was in Orlando.

I was going to school in Orlando at the time.

His name's John Morgan.

He was famous back then and now he has.

So like that, I've come to pray work for him.

Like I'm like chasing ambulances or whatever.

No, no disrespect.

Like whatever you got to do to pay your bills.

Like I have no problem with that, but yeah, I just thought it was funny.

[Transcript] Founders / A conversation about being OBSESSED with studying the history of entrepreneurship: Acquired x Founders crossover!

I was like, you also have to think independently.

They're nine years old.

Like they don't want to sit through.

Did you, I don't even want to sit through a PowerPoint.

It's not like nobody wants to sit through a PowerPoint.

No, you should try to, like I would have just brought a video game console or something.

I was like, that's my video game console.

Maybe you could decide, Blake and Mitch, Blake, Robinson, Mitch Lasky made the point in one of their gamecraft episodes that I never even thought of.

They're like, you know how hard it is how few pure software companies are that do over, that sell over a billion dollars a year in software and how many game companies, they said on the podcast, like there's so many video game companies that make so much money. Yeah.

I think I say this bigger than the video game issues, bigger than music, movies and books combined or whatever.

It has been since the nineties.

Yeah, that's the, that was the interesting thing we uncovered on the Nintendo episode is that stat gets bandied around, bantered, bandied, bandied around a lot right now, which is, it's very interesting because like the video game market has done this, but the video game market has basically always been larger than TV and movies combined, but has never gotten attention or like been thought of as a legitimate.

It's one of those secrets that's been out there for 30 years that people haven't paid attention to.

Yeah.

All right.

I'm afraid of these memory cards filling up.

This has been wonderful.

Yep.

Thanks for having me guys.

Listeners, thank you.

We almost never say this, but I think we got to do this again.

Let's do it again.

Okay.

Next week?

No.

Thanks guys.

We'll see you next time.

All right.