

[Transcript] My First Million / Asking My Friend How He Went From \$0 To +\$100M Before Age 30

Yes, in the early days, I saved everything. I mean, I did not buy a bed until I got married, dude, just to put in perspective.

Even when we were dating, yeah.

No, there was no bed.

What up, dude? This is a long time in the making episode here. I think we've been talking about you for like two years. I think you told us you were like, hey, guys, don't put me on blast like this. We were like, you got to come on the show. You're like, nah, you're just going to ask me how much money's in my pocket right now. And I don't know if I want to do that.

But somehow, some way, we convinced you to come on. Sayid Balki, you're here. First, why did you just change your mind? How did you decide to come on?

You know, I was talking with Sam over Twitter DM, and that's how it happened.

Well, what I told you, a lot of people think that Sean and I are like really aggressive about questions. But what they don't realize is like, we'll ask an aggressive question. But if you say, I don't want to talk about that, we just go, all right, cool, we'll move on. We're not like digging that hard. So hopefully that changed your opinion.

That did. That did.

So, Sayid, you're kind of an amazing guy. So let me just set the table here for people. Let me just give you a little, let me just tease everybody with the appetizer. So I think you are one, you've done something that I don't even know five other people on earth who have done what you've done, which is that you've basically bootstrapped a unicorn. You've bootstrapped a billion dollar company. You've done it, you're only 32 years old. So you did this by 32. You also didn't like invent the next big thing. It's not like you did this because you're super genius. You're not like a Vitalik, creating Ethereum on the blockchain or something crazy like that. You just did a very specific set of prudent, smart actions, and it just added up in an amazing way. We're going to talk about it.

But also, I didn't know shit about you. Sam's known you for a little while. He brought you up on the pod a while back. He goes, I know this guy. I met this guy. He's really interesting. He does this WordPress stuff. Have you seen him? And I was like, no, we went to your personal website. I don't know if you ever got this clip, but like way back in the day, we went to your personal website. We were talking about you, but we didn't know too much. Then we do Camp MFM, which is my

basketball fantasy camp. We're invited like 25 other founders and we had an NBA guy come basically treat us like we were, you know, pretend we're a pro for the weekend. And when we were there, there were so many people to get to know. Again, I didn't really get to know everybody at the same time. But then Mr. Beast did something amazing. So one night, we were all in the kitchen basically. We're all hungry after basketball. And Mr. Beast just sets a chair in the middle of the room. And he goes, I don't know who you guys are because he's like, we've just been playing basketball all day. And now I'm curious, like, who the hell are you guys? You tech nerds basically. And he's like, sit out of this chair, you sit out, and then he would just interrogate that person. Like, all right, what do you do? Who are you? All right, how does that work? Is that big? What's your dream? Okay, cool. And then he would like go to the next person. And I think you were maybe the third or fourth person in the hot seat. And I was like, oh, this is great. I actually don't know too much of science story. And then you just blew us away.

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You blew us away. Your story was so good. Mr. Beast was while he was interrogating you. I thought it was just like the perfect interview. If we had just recorded that podcast, I would have been happy. So we're just going to try to recreate that moment right now. Well, inside, you were the one of the quieter, more humbler people there. And probably the most impressive in terms of like traditional business accomplishments. And it was very fascinating what you've done. I basically heard about you through my friend, Neville Madora. And what I know about you is that you had this blog called WP Beginner, which wrote really a ton of articles, some of it really simple. Like how do I set up a WordPress site? And I think that ended up getting, or it still does, has a ton of traffic. And then if I remember correctly, and this is just from an outside perspective, you'll have to tell me if I'm right or wrong, you basically started buying different WordPress plugins that I imagine you saw were popular on your blog. So it was like, how do I set up a form to capture emails on my WordPress blog? And you probably got lots of traffic and you're like, oh, I should just go buy one of these. Or here are the best, here are the five best plugins for this thing. Or here's the five best themes. And if you put your cursor over the links on WP Beginner, you'll see which of the links are affiliate. And I just, I'm guessing that like of the top five, let's say forms for WordPress, based off the URL, you own like three of the top five. And through that, you've like built this into a business. By the way, you've never told me, I'm just guessing that makes high tens of millions of dollars in revenue. No, no, no, Sam, not tens of not tens of millions, nine figures of revenue, over a hundred million dollars of revenue. Oh, I did not know that. Okay, wow. So just to paint the picture here, you have WP Engine, and we'll talk about how, sorry, WP Beginner. So WP Beginner, and we'll talk about how you got to that. But that's the content site. That's just providing free help, you know, content to other people like you who are trying to make sites in the WordPress ecosystem. That's the mainstay. And so I'll draw an analogy here, because we've had Andrew Wilkinson on the pod, I don't know, a dozen times or something. He's probably one of the most famous guests and most favorite guests of the audience of our community. So you have a business that's a lot like his. He's got a portfolio of companies, you've got a portfolio of companies. He had MetaLab, which was kind of his like core business cash cow thing that allowed him to buy these others. You had your WordPress site, the content site that was your core engine. But I think you've actually done, I think your model actually might be a little bit better. That's no knock on Andrew, it's just to get people excited here. So basically, you, I think have a more like one ecosystem, you're like, okay, I'm going to like dominate this WordPress ecosystem. The good thing is that WordPress, I think powers like 30 or 40% of all websites. So it's, you know, it's huge, basically like, you know, a huge chunk of the internet. And then all your stuff fits together. So you, you know, you have one customer, they're trying to, you know, make a successful website and grow and solve other problems. You're like, great, I have the content that will help you, then I have the tools that will help you and you either buy them or you build them. And you've created this portfolio that now does, you know, nine figures of revenue, probably worth a billion dollars. You own the whole thing yourself with no outside investors, you're only 32 years old. You know, you've built kind of an amazing thing. So that's the, just to sketch out like the blueprint here for what you've done. Sam, would you add anything to

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that description? Well, then there's all his side hobby stuff, which like I read his annual report and he's like, I bought a gas station or I bought like eight or 10 gas stations. So that's like a whole another conversation. But yeah, that's, that's about it. Let's do a quick thing on the, on the origin story so that people, people have it. You told me once on the phone, you said, I think you were doing consulting or something. You had like an agency, you're like, I was helping people make websites and I was building like CRMs or whatever for them. And then WordPress came out

and I was like, oh, this is way better. They should be using WordPress. You started helping, you just were a service agency, right? And then you started, then WordPress became your, your core service. And then you were like, okay, I'm just going to help people make WordPress sites for their business. Is that right? Pretty much. So remember, the very first websites that I built were online proxies because I wanted to play games in school. And I was making ad revenue on proxies and some arcade turnkey sites. And I was helping small other local businesses set up their websites. I tried making my own CMS with PHP. By the way, I can code. I'm not the best at it. I would say now I probably suck at it. And what age, what, what, what age was this?

13, 14. So, so I would, I would build these websites super cheap, call it like \$250, \$300, I will make you a website back in the day. And, but what happened is that these clients would always rely on me to make changes to it, changes to the websites. And as I started doing consulting at a bigger scale, I didn't want to do these, the small in small in things. So, and I discovered WordPress around this time, this was 2006. And I said, WordPress was only an inception for three years. So WordPress started in 2003. So I discovered it in 2006. To put in perspective, I'm 32 now, I've been in WordPress half of my life. You know, this is the result is compounding in one thing for half of my life. By the way, you're 1314 doing this. Are you like at the dinner table at night being like, ah, my clients are pain in the ass right now, mom, like, you know, what are you saying at home? And also, how are these people finding you? Are they coming to your middle school and you're handing out flyers? What's going on? No, no, no. So we moved from Pakistan to U.S. when I was 12. Okay, my dad had a mechanical engineering degree, but it did not validate when he came to U.S. So he was working 16 hours a day as a gas station clerk attendant, you know, just swiping things 16 hours a day, could you not every day, Monday to Friday, and on the weekend, he had his third job. So I didn't really see my dad. My mom was busy because there's three of us and the fourth one on the way, right? So my youngest brother was born in U.S. So there was not many dinner conversations happening. I wanted to figure out a way to have some chunk of change in my pocket so I can buy junk food like Mountain Dew and Kit Kat and Snickers

and all the shit that you buy at William High School. Dude, your dad was at the gas station, man. You had the hookup. You just needed to ask. He was not cutting you any breaks there. No way, no way. My dad would never do that. By the way, you went to high school at age 12 also, right? Yeah, I started. So I moved here. I had just finished seventh grade in Pakistan, and I came here in March. So there's this two-month gap. The school system is like, well, we can put you in eighth grade. In the worst case scenario, you'll repeat eighth grade because that's where you're supposed to be in any ways. But our education system in Pakistan is far better than the one we have here in U.S. So they're like, you can go to high school. So I'm like 12 in high school, the youngest person in school. I did not speak English that well. I would say

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probably very little English. I knew how to read English because we were taught alphabets and such, but my communication skills were not there. So yeah, that was a pretty challenging time for me. And I spent most of the time in the library. During lunchtime, I was in the library, and I wanted to play games because I'm like, I can't talk to humans. So I would just play on the computer. And those game sites were blocked. I'm like, how do you unblock this thing? And that, you know, drove me down. In terms of how I was getting clients, it was through these forums online, right? So you had forums like DN forum, digital point, name pros, bunch of these, you know, OG communities

online, they're where you can get, you know, business. And my cousin got me into one of those. They don't know you're 13. You're just a guy in a forum.

No. Well, like, so we had like a family friend who needed a website. And, you know, they had a bit local business. They knew how old I was. And they're like, oh, you can do it. And I'll pay you \$300 to build my website. I'm like, okay, sounds good. And then, you know, that's how that that funnel started. So you do in sites, you're trying to make your own CMS, you discover WordPress, you're like, oh, this is way better. Here's a CMS out of the box. What's what becomes the aha moment? And when do you create the blog?

So had had discovered WordPress, move these clients over, I had affiliate sites, I was doing affiliate promos at the time, I was discovering this.

I had directories that I was telling you about earlier that. So I wanted to get more traffic.

So I had these, I created these MySpace profiles, they were fake profiles, and got hundreds of thousands of followers. And I would send both, you know, DMs equivalent, which were called bulletins on MySpace, right? So I just wanted more traffic. And I went down the rabbit hole of SEO, which brought me to WordPress. And, and then, because WordPress was dynamic content. So I added the blogs to the directories, started using WordPress for the clients. And I had the social media profiles on dig and stumble upon that were superpower users and such. And essentially, when I wanted to get rid of this business, the consulting business, I wanted to figure out how, how do you do this? I asked other agency owners, and they're like, well, you know, we just have these PDFs that we give to our clients. And I'm like, but WordPress updates all the time. How do you keep those PDFs updated? And they're like, Oh, no, we, we update the PDFs. I'm like, that's dumb. You should use WordPress to update those documentation. So essentially, WP beginner started that way. It was the unofficial documentation for WordPress. Now, WordPress had documentation, but it was, it was written for developers by developers. Nothing was for business owners. And what year was this? 2009. Well, one good point here is that that's now six years after WordPress started. And you're making the beginner site. And there really wasn't a great one. Most people, I think, there's a lesson I've seen many, many times as we talk to different guests, which is sometimes you feel like you're late, but you rarely ever actually late to the wave. And Kevin Van Trump told us this one time, he goes, for all the best things, you always get a, it was a second turn to get on the train. Like, you feel like you're late, you feel like you missed it. But often, you're not, you're not that late, actually, don't talk yourself out of it. There's almost always another, another, another chance to hop on. It look according to similar web right now, you get like two or three million visits a month. The early website shockingly doesn't look significantly different than how it looks now. You kind of nailed it right out the gate. It's like, it was a simple

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website where you just have articles about picking the right name, how to install WordPress, selecting the right theme, picking the right web hosting. But were you writing this stuff? Because I know you're in English as a second language person. So were you are, are you actually writing these articles? Because a lot of them are long, like, look, 55 of the most wanted WordPress tips, tricks and hacks. Yeah. Like, these are like pretty like in depth articles, as well as you're playing the game of SEO and like you clearly understand like English. Yeah. No, by, by this time, I was already in college, right? So I started high school at 12, started college at 16. By that time, my English had gotten much, much better. So I was writing these articles on WP beginner, I had a team of two other people that were helping me with, with the website. The website looks similar now. And what it was in 2009, there was a period when, when I changed it. And that was a mistake. People were, you know, I changed the color scheme too much. And the audience were like, they didn't resonate with it. So I changed it all back. And haven't changed it since then. Because the big lesson was, you know, big companies don't really change your stuff, because they know if it's working, don't, you know, break it. If it's not broke, don't fix it. Don't interrupt compounding unnecessarily as Charlie Munger says. So I made go back to what it looks like. And it's been that way since 2012.

And what tools do you use to figure out? Well, because I imagine most of these articles are, you're writing them based off of what people are searching for. Is that right?

Yes. It's a combination of that and what they're asking us through our contact form, what they're asking us in our Facebook group. I think our Facebook group has probably over 90,000 members and support requests are coming. So yes, we have our own keyword generator. If you go on WC beginners kind of hidden on the free tools page is a keyword generator. And you can put in anything in there like WordPress and it will tell you what people are searching for. And you have a lot of comments early on June in 2010, a year or two after starting, you already had 26 responses on just I just clicked on a random article. So you're like getting traction. Yeah. So a couple of things happened that worked out for me. One, do you guys remember dig.com? Yeah. It was really popular. So I had a power user profile there. So if one out of two articles that I would submit would hit the front page. So of course, I use that to my benefit and I use that network to my benefit.

How did you get a power user profile? Because there was legitimate ways and illegitimate ways to do that. I'm curious. How did you end up having that? It's just a social circle. So there's these engagement pods that you go on and back in the day was on MSN messenger and well, AIM. So we just had the engagement pods. So if I submit something like, you know, it was a group chat and everybody would dump their items in there and you would upload it. So I was an engagement pod. And what year did this, did WP beginner cross a million in revenue, in annual revenue? How long did that take? Maybe a year and a half or so.

Oh, damn. You crushed it right away. Yeah. So, you know, we had a good revenue stream. So let me take a step back. So there was this business and the listicle business. So collectively passed a million in the year and a half. So about 2011, 2012. And so your early 20s, basically at that stage, you're a millionaire. That was my first million.

How does that feel? You said you grew up, your dad worked, you told me you were like,

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yeah, my dad worked at a gas station. And I thought, talk to that guy, says gas station. I know you own gas station. I was like, oh, so your family owned gas station. You go, no, no. He sat in the gas station. He swiped the cards in the gas station. And you were like, everybody in my family, I knew you were either you worked at a gas station or you're like, oh, you're real smart, like you get to be a bank teller. And that's all you knew in your bubble. So tell me two things. How did you get, because you got to kind of see the possibility of being a business person, of being wealthy before you're going to even do it. So how did that happen? And how did it feel when, like the name of the podcast is my first one? I'm curious, how did it feel when that first happened? Do you remember your reaction? Yeah, so I'll tell you how it, how I knew it was possible. So I used to play cricket, which if you have a lot of listeners in Pakistan and India, you know, they love cricket. We love, I love cricket. So I was playing cricket and there are many leagues in US and South Florida, there was one, and there's many now too. I met this Pakistani gentleman and he was the sponsor for our team. He's a crazy cricket fanatic and he became my mentor and now he's a family friend. But back then, I just see this Pakistani guy, you know, driving a S class and, you know, just super humble, super nice. And I'm like, what do you do? Are you like born into money? Or what's your feel? I was pretty blunt as a kid. So he's like, no, I have real estate. I came to the US with like \$500 in my pocket or \$100 in my pocket, you know, those typical immigrant story. And then he, you know, after we win the games, he would take us out to eat. Sometimes he'll invite us all to his house, which is like, you know, big mega mansion, right, you know, 15, 18,000 square foot house. And his kids were my age. So we'll just kind of go over to his house, hang out. Sometimes we would go over to his house to watch cricket games because they're happening on the other side of the world. So time zones are different. And in between breaks, I was the one who took interest in his business, you know, and his kids were all roaming around. I was like, tell me how this works, tell me how this works, right? So he would tell me stories like, oh, this is how I took over a Burger King for free. Or this is how I did this. And this is how I started. So I absorbed a lot of the earlier lessons on business finance, just hustle from him. Right. And he was always super encouraging. He'll ask me, how's this going? How, you know, and I felt like I could talk to him about it. So that's, that was the early stage of me knowing, oh, this is possible, because nobody in my family had any, any wealth. They were just working at gas stations, all my uncles, everybody, and if you're really smart, you're working at the teller at the bank. So, so that was a motivation part. In terms of how it felt when I hit my first million, you know, you would think it would be like the joyous moment of, oh my God, look at this. I was more scared than, than, than anything, because I was, this is going to, this is going to last. That's the question that you have, you know, in your twenties, you're like, you come from nothing and you have this thing, you're like, is this going to last forever? Like, what, what is the, what am I supposed to be doing? I have no guidance. So there was like, this inherent fear. So I always lived below my means, like way, way, way below my means. So when I was in college, I, I did not buy any furniture. I just slept on a, on a floor, on a blanket, because I mean, that's how I grew up in Pakistan. So I'm just like, I'm not going to buy any furniture. Why, why, why waste time and money with this? So in my, in my apartment, I had a blanket and I got a desk from Goodwill. So that's what I worked on. And, and I mean, what's amazing is you said, I would have thought the first million came sooner

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than 2012, but because in 10 years, you've grown that from one to a hundred plus or whatever it is, when were the inflection points where you were like, all right, blogging is cool and it's working?

Yes. Let's get beyond. Yeah. So I launched OptinMonster in 2013, list 25 and 2011.

These things started really cranking. I had some really sweetheart affiliate deals with certain companies that worked out really, really well for me. And so that was good.

In that time, you know, we were coming out of the economy, the recession. So there's still like some real estate deals to be had. So I bought my gas station in the first one, primarily because I wanted to offset offset expenses with an appreciating asset, which was a lesson I learned from my mentor, right? Let's talk about that one real quick. So just do a quick, quick little monologue on why did you buy a gas station when you found out you were having a kid?

So one of the things I learned from my mentor early on, I was like, how do you, how do you like justify buying a Mercedes? Because that's a depreciating asset. And he's like, yeah, but you know, when I drive it in this, people think of me better, like, you know, there's an impression game, etc. And how I justify it is I buy something that's an appreciating asset like real estate, and I just use the income from that to off pay my lease payment. So my principal never disappears. And I was like, that's a good idea. Your principal continues to appreciate and you're using something,

you know, the income from it to offset. And it also helps you stay disciplined, because you're not going to go, you know, overspend your money, because normally when you get a raise

or something like this, everybody just thinks in monthly payments. So this takes you away from that monthly payments mindset into thinking a little bit bigger. So when I was about to have my son, I was 26. By this time, guys, like I was, I was doing all right, you know, I had all these

VC firms reaching out to me, you know, I could I could have had a solid eight figure exit,

like, you know, to a high eight figure exit, I had offers for that at the time. And I'm just

high eight figures as in, as a 90, as in 70 as a time, 70 for the for WP beginner. No, no,

no, no, I had opted monster at the time. And I had the gallery solution at the time. And I had,

I had WP forums, I had analytics. So were you close to taking it? And how did you decide not to?

Yeah, I definitely thought about it. But then I was like, what will I do afterwards? Like,

my son is going to, you know, grow up seeing me not work. Because I'm like, I'll be stuck with

that money. Right? Like, I would not, I would not go do anything. If you, I mean, if you have

\$10 million, \$20 million, you put it in the bank, and you're like, Hey, this, this is it. I want

to you're going to have a lot more. Yeah, I was going to have a lot more than that. That's,

that's what I'm saying. Even after paying taxes, I would have a lot more than I would be set. So

the, the, the factor that my wife and I talked about was what instilled my work ethic was watching

my dad work. And I wanted my son to at least see that. Right? What was the, what was the multiple

on that for to get to 70 million? Is it as high as 10x multiple? At that time? No, it was lower

than that. So you turned that down. And I turned that down. You turned it down. Was it really,

you've turned it down because you were like, I want my son to see me work. Yeah. And also,

I wasn't ready to give up my baby. Okay. And okay. So fair enough. So you, you basically,

so here's the thing. So, so at this time, my son is about to be born. And I'm like, Okay,

how much does a baby cost? What are the costs of the baby? And they're like, Okay, well, you know,

you're going to have diapers, you're going to have, you know, schooling and this and that. And I'm

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like, Well, no, if I buy something that gives me at least five or six grand a month net net net. And then the baby costs are covered first. So like, you know, it's going to give me 60 to \$70,000 a year. And now I don't have to think about it. And my family is taking care of no matter what happens to me. So yeah, that's that's what I got for baby shower. Most people take the money they make. And then they're like, All right, that's what I have to spend and they spend it. What you do from your mentor is you take the money you make, that has to now go to buy an appreciating asset that will spit off cashflow, you and then you could spend whatever that one makes. So it's kind of like a savings program, basically. So you spend what the you go buy the gas station, the gas station is going to pay you and you're like, that will pay for this child, you know, like, I'm going to provide my I'm not going to provide my for my family. This gas station is going to provide for my family. I want to put food on the table. Dude, it allows me to one, sleep better at night and to be more bullish in the deals that I'm doing. How many gas stations you own now? 10. And you own a bank too? I bought a bank building. Yes. It was far ago. Well, as far because I you have a cool blog post where you're like, I used to go to this bank all the time. And I decided to buy it this year. Yeah, I should ride my bicycle around it. I couldn't go to the bank. I didn't have a bank out as I used to ride my bicycle around the bank because there was a sports authority there and office depot there. I just like ride my bike into that. And then I bought that building. What amazes me is is how like, I don't know if your similar web estimates are right. But do you say what your monthly traffic is on WP beginner? No. But you know, it's in the millions. Okay, so let's just let's just assume that similar web is roughly correct two to five million. We'll give a huge range a month. That's a lot. That's not that much. Like what's crazy to me is that I mean, that's high intent traffic. It's likely people who are coming for to buy something like they want to in the email software. So they're coming for a review. It's just amazing to me that that much traffic has created so much value. I think when you start your online business, most people think about maybe a CPM model of monetization or a CPC model of monetization. There's far there are other and better models of monetization, right? You can have CPLs, you can have CPA, you can have a combination of CPL, CPA, you can have recurring, you know, commissioners. So you're talking about CPM, meaning just \$10 per 1000 visitors for a display ad versus cost per lead or cost per acquisition, which is someone buy something, they give you \$100 per month. If it's a mailchimp and it's someone's paying \$500 a month, they'll say, all right, you get \$100 per month while they're a customer. Correct. And there are verticals that are not available on WP Beginner. Because remember,

I was telling you, I did a lot of affiliate marketing as well. There are verticals that will pay you on a lead basis and hundreds of dollars. Just for a lead, not for a commission, like as an affiliate, not like you made a sale, just a lead will get you hundreds of dollars. So I did a lot of those. And I still do. So that's a good cash cow. So those verticals are available where you can go and promote something and get over \$100 in a lead. Has the WP Beginner revenue grown like the rest of the business? Or is that just like, you're like, I'm perfectly fine with it just being a steady 10 or \$15 million a year thing. And I use, I bet you it's super profitable. I'm looking at your team page. I would bet you make 50% profit or something crazy. And you're like, I'm just going to take that profit and buy more stuff. And I'm okay with that being steady. Pretty much. On a content business, you cannot

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compound it as much. You know, eventually what happens is you will hit the traffic mass that you hit. And you can unlock as many levers as you can, but the compounding will stop because it's a reoccurring revenue. You know, like the person that I referred this year to something is not going to compound next year, I'm not going to get that plus new customers, which is what happened in a software business, which is recurring revenue.

So yes, your assumption is right that while WP Beginner has grown, it hasn't grown at the same pace as the software companies. And that's like a very big, you know, mental shift in between recurring revenue and reoccurring revenue for all the creators that are listening. Because once you understand that, you'll start thinking about your business a little differently. So I took all of our profits and invested in, you know, software and tools. I still have niche tools that are not even related to WordPress that I bought off of Flippa and sometimes just private outreach because I knew those verticals were going to be lucrative because I had a better offer than they were promoting. And I paid like one guy, I think like \$15,000 a front. And in the very first month, it made me 18 grand. And now every month, it makes me over 10 grand. And it's pure profit. Nobody touches that tool. Right. So I think about that just as good as a gas station. Because like my hosting cost for that tool is maybe like \$8 a month. Right. Maybe 10. And that's it. So you can have these cash flow income streams that come through. And that's how I was able to buy the businesses that I did without any outside financing, without any outside debt. I was also in a market that wasn't fully mature. So like there was that advantage that, you know, those shrewd PEs and VCs are not in the market, they didn't understand the market. And I could see the potential of a business. So I might buy something and you're saying, well, this has no revenue. It just has user base. And I can come in and say, yeah, but if I do this and this, it can be a seven figure business. So I might buy something for like, you know, six figures. And then in two years, that thing will make seven figures in profit. You told me something once that sounded almost like a real estate philosophy. So like in real estate, they always say, or some people say, you make money on the buy, not on the sell, meaning like you should buy something knowing that it has both a margin of safety and that you have the plan for how it's going to be different than what the current owner values it at. And I think you had a similar thing. I forgot what the example was, but it was sort of like, let's say for example, you're like, great, I buy this company and they're paying three and a half percent on their payment things, but I have a contract with that same payment provider because I have more scale. That's at 2%. So now I know I have 1.5% off just off the gross from day one, because I have this contract. And you kind of have this principle of like, almost like you make the money on the buy because you already know, I know I can throw this much traffic at it maybe from WPP beginner. I know I can renegotiate these payment terms because I already have the contract with the payment provider or the affiliate contracts with the companies on the other side. Is that accurate?

100%. So this was one of the lessons I learned from my mentor and who had a real estate background, so the philosophy is very much derivative of real estate. You make money on the buy, you have to be. Otherwise, if you're paying a high multiple thinking based on future, I mean, yeah, that might work out, but it has a bigger risk. So from my perspective, I want to have heads

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I win, tails I don't lose much. And I got that formula from reading Monash Babrai's book. I was a huge fan of his, now we're friends. But yeah, so that's very much. Finding margin of safety. Explain that more. Heads I win, tails I don't lose much. What does that mean and what's an example? So a good example would be if a business in your perspective intrinsic value of it is a million dollars and you end up paying \$700,000 today. Heads, you know, you're going to win if this business continues growing, tails, you know, you still have so much of upside that, you know, because you pay 300 grand less, 30% less than market value that in case something doesn't go right, it has to be like 40% doesn't go right and you still only lose 100 grand in that situation. So you need to be able to look at the deal and say, what are my downsides? You have to invert the situation. Think about like how you're going to die in this and then don't go there sort of thing. You sort of had this, you sort of have this like pay attention to the sense and the dollars will follow type of vibe where like you're really not, you're not, I guess I'm surprised at how maybe I don't know if it's still the same way. I'm surprised at how small some of the things that you do and yet because you own 30 or 40 of them, they're really accumulating. Exactly. So, dude, when you come from nothing, you have to have a good sense of where the money is going to go, right? And you have to be very conservative to not lose it all because I came from nothing. I don't want to go back to that. So I'm very, very cautious. The funny thing about compounding is that if you compounded a healthy rate and I have a very, very good compounding track record. What is it? I've been compounding it in double digits for the past 70 years. What's that mean? 20%? What would be considered good? For you, you're like 30% or 40%. That's amazing. You can't get that in any normal investment, right? Exactly. So, market compounded by 8%. Private equity might get you in teens. Right. You know, I'm double private equity, more than double. And that only happens when you can identify a mismanaged gem, okay? When somebody has a business and they might only be thinking about monetizing from one angle. They're not thinking about it from a full perspective. So I can look at it and say, well, yes, this is the current revenue today and I'm getting a bargain on today's revenue. But here are my contracts that I have with so many different partners and vendors and such that I'll be able to unlock extra revenue here, here, here, here, here. So I turned this business that has one revenue stream to having multiple revenue streams. And that's how you take something that was doing no revenue or very little revenue to having, you know, five, eight, 10 million dollars in revenue. And you do it enough times and you just let it compound. Like these businesses are not rocket growth, right? So this is not a business that's going to hit, one business is going to hit a billion dollars in revenue. That's not what's going to happen. But these businesses are going to consistently compound because more people are going to need websites. The web presence just keeps growing. You had a tailwind, which was WordPress was just going to keep getting more and more and more popular, right? That's a huge tailwind. That's like a generational tailwind. That's huge. This is already it's going to grow faster than like an average growth rate because of that. Then you can do things smart operationally. But I got to ask you a question. So our buddy Moise has this phrase. He goes, the two sexiest words in the English language are distressed asset. And you just said mismanaged gems as a catchphrase of something you look for. I like that idea, but

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also I'm kind of a lazy motherfucker. And when I hear distressed asset or mismanaged gem, I think work. Oh, I got to go clean up. I got to manage this better. Isn't that going to take a bunch of work and a bunch of mind share to turn things around versus it's kind of like the Buffett cigarette butt companies versus like just buying a beautiful business that's already working and letting it grow for a long period of time. Am I wrong? I must be wrong about the amount of effort that goes into fixing a mismanaged gem or a distressed asset. What do you think about that? So I think distressed asset from a real estate perspective, I would say slightly different than what a mismanaged gem is. My real estate buys, Sean that I did in early days, were distressed assets. But it was just the banks needed to get this off their books. And I was a cash buyer. I'm not looking to finance anything. I'm a cash buyer. I had the right contacts. So I was able to buy some of those gas station properties. They were typically leased out to like Couchdard, the Canadian multi-billion dollar company that own Circle K. All I had to do was just give cash to the bank and take the deed over. So those are distressed assets. And I got lucky. I mean, I bought a gas station, but it was all said and done. I paid 90 grand for it. And you're like, holy crap, how did you do that? That was a distressed asset because you had to do environmental cleanup on that thing. Okay, that was work. So those are distressed assets. When you're thinking about a mismanaged gem, this is a property where somebody maybe due to the lack of effort or lack of experience have not fully understand the potential that is there. What are the commonalities of not realizing potential or common mistakes? So you might be a creator and you have a lot of user base and you just haven't think about monetization from all the different potential monetizations that can be had in that one business. We have a friend that was doing this. They were just looking at businesses on Flippa or like websites, products to buy, companies to buy. And they were like, yeah, I just want an owner who just cared a lot about product and cared to thought 95% of their brain just had the word product stamped all over it. And then you're like, cool. So what were you doing for marketing? And they're like, well, it's word of mouth. And they were so proud of the word of mouth. He's like, great. As long as their answer isn't Facebook ads, then I'm just going to start doing Facebook ads. Or even if their answer was Facebook ads, like, what's the budget? Like, oh, you know, like eight grand a month, it's like, why eight grand? That's like, oh, you know, I don't want to spend too much. And he's like, I want to spend 80 grand on Facebook, you know, like, and basically that was his entire, like, you think, oh, this person made \$20 million. Wow, they must be a genius. And it's like, no, I just found a business which was so common. Somebody makes a product and all they let think about his product and they really care about product, they don't spend much on marketing it, maybe none because they don't know it, or a small amount because they're just kind of like, they don't think like, they don't ask themselves the question, why don't I spend 10 times more on Facebook ads? What would that take? And that's literally the only change that they did.

That's a good barometer. The other thing that that worked in our favor was the ecosystem effect. So if I buy an analytics software, I can cross sell OptinMonster and vice versa. You know, if I if I buy member press, then I know that all the people who are creating a course will need to buy OptinMonster to have lead generation, or it will need analytics to track all the things. So the synergy effect compounds. And and that that was a big, big up for us.

And I read somewhere that you said something like, I don't buy whole stakes anymore. I don't buy

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100%

of the company anymore. I try to buy 49% because I can't. I have too many things. I can't run all of them. And then in the pre call they did with Sean, you have this really cool line. It's in quotes. It says how I manage a billion dollar portfolio without stressing out. And that's my quote, by the way, he didn't say that was Sean who wrote that. Oh, really? Well, when I met him, when I met him, he was like, he said something like you were like, I travel. I was like, what are the, you know, what do you do with your time? Like how are you spending your time? And you were

like, Oh, I love to travel. My family, we go travel. And I was like, I thought you meant like, you know, like, I don't know, LA, or, you know, like, we go to see the Grand Canyon and you were like, we're going to Egypt. And then we're going to like the Serengeti. And I was like, Oh, okay, this guy's like doing like exotic travel every month. That's cool. He you said something like, I don't know if this is exactly right, but my brain heard you basically stack a bunch of calls with your kind of operators in the last week of the month. And like, that's your only time to like stress out or think about like those calls. And then the rest of the month, you're not thinking about those things you're reading, you're playing basketball, you're doing other things. And so A is that accurate and B like I interpreted that as, wow, this guy's managing a billion dollar portfolio and he's not stressed out. That's awesome. Yes, that is fairly accurate. Now, it didn't start that way. I want to emphasize that it didn't start that way. I didn't figure this out up until maybe two years ago. Okay, so just just to put in perspective, in terms of like me being as chill. What was like, what were you doing before that? You know, I would have to go in sometimes clean the business and like, oh, this is not doing right. I would get involved too much. Were you a hard ass? Depending on who you ask. Yeah, sure. According to me, no, according to everyone I ever worked with. Hell yeah. Like you seem like you have a ruthless side to you, even though you're polite and kind, you seem like you could be ruthless. I would say I could be very disciplined. Ruthless might not be the right word. That sounds so ruthless the way you said that. That was awesome. Yeah. That's a ruthless thing to say. That's a fucking ruthless thing to say. I loved it. So the trick is, you know, like it proves that hire good people get out of the way, but that sounds easier than it is. So we use EOS in our companies and some of your audience might be familiar with it, others might not be, it's entrepreneurial operating system. And as transparency and accountability, oftentimes when, you know, I found I have sometimes bought businesses from the founders who started delegating, but they really abdicated. And then the business went down. And then, you know, now they're like, they're really checked out. So now they're like, ah, this thing sucks. Now I'm back in the business and it's a mess and they will come and exit to us. That's a mismanaged gem, by the way, because all you got to do is put back those accountability things and maybe put a right team member. And this will start kickstarting again. So you have to delegate but not abdicate. So the EOS scorecards and good PNLs monitoring will help you with the accountability piece. So the PNLs for all of our companies are managed by my finance team at the HQ level. That's cool. So you, I want to talk a little bit about ideas. So you've built this amazing thing. And you've been basically kind of like building cool stuff, making money since 12 to 32. So you've had this run. I'm curious. You know, one of the questions we always get is, all right, well, you know, now it's easy for you. It's easy for you to just keep doing what you're doing. But like, I'm not you. So that's, you know, it's inspiring, but it's not entirely

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helpful. What would be more helpful is like, what ideas or opportunities do you see that like somebody else could do? You're too busy to do them or they're too small for you now.

What ideas or opportunities do you see that other people can do?

I think about cash flow. So if I had nothing, you know, of course, it's a lot easier for me now, I can say, Hey, Andrew, I want to spend, I want to invest in tiny, I want to go do this, and I can do a lot of those with the means that I have now. But if I was starting all over, the first thing would be to go build cash flow again. And the easiest way to build cash flow is services, you know, agency business. Right now, content agencies, since I know content well, using AI, I would crush it, you know, because I already know that brands like Shopify, etc. are using AI agencies to create top of the funnel content. Of course, there's some human editing involved, but this changes the game, because if an article used to take maybe four hours to write, now you can do it in 45 minutes, right? Because if you know the game, right? So a hustler younger version of me, that's what I'll be doing. Content agencies, copywriting agencies, all AI powered plus human review, I would, I would use like tools like clay.com. I'm not sure if you've seen clay.com, but it helps you automate your sales outreach, you dump a profile and it finds all the data on that person. If you can write, you can use GPT to write emails to them and then just hit them up, right? Just call that reach, call that reach, call that reach, because not everybody, but a small portion will, you know, take you up on it, deliver a great service, go above and beyond with them, watch the word of mouth take your places, you raise prices. And I think that's, that would be the way to go for me. If I wanted to start all over again, step one, build cash flow, then figure out how I can take this cash flow to build some recurring revenue stream, because in agency you're, you still only have reoccurring revenue stream. And so then you would, would you buy versus build from there? And talk about that distinction, because you started off as a builder. You've now bought like, I don't know, 30 companies or something like that along the way. I think you studied not just Charlie Munger and Warren Buffett, but also Mark Leonard at Constellation. And you

had told me something like you read all his annual letters, and there was one thing in there that really stood out to you about building versus buying. What was that? Yeah, it was one of his earlier letters, maybe, maybe like a third one or fourth one or something, something like that, where Mark talked about that there was three types of growth that Constellation was experiencing. One was growth through organic, which is just your business growing organically, in their case, maybe seven, eight percent, whatever. The second part of revenue growth was coming from acquisitions, where they would just go buy revenue. And the third one was initiatives. And initiatives would be things like new bills. I have this product and I'm going to build a second product. And he was like, these turned out to be very expensive, because it required more resources than time that you plan for. It takes away time of your senior people. And you're not even counting those things. So they're distracted. And he's like, you know, I'm a capital allocator. And from a pure capital allocation perspective, the return on invested capital isn't always great, because bills have higher risk. So if it doesn't work out, it's crap. For the first year or so, when you're building, there's zero percent return on your investment in that time. So the compounding return is lower. And this was my take was, you know, you can have ad spend of three years' cash at that point, might not just go buy a company that has guaranteed revenue, and then you can cross promote. So that sort of took me away from the initiatives idea.

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So most of our focus and all of our focus is on buying.

One thing that I imagine Sean is a little bit like this, but I'm definitely like this, where creating products and new businesses is part self-expression, where it's just exciting, it's fun to do that shit. And I'm not the most disciplined person. The reason I don't like real estate is I'm like, dude, I'm not very great at just looking at this Excel sheet and unlocking value. That's not what I'm skilled at. And I don't know if I even particularly like that.

Where did you learn how to find value that you could unlock? And what are some of the common themes that you see with that? I don't know, Sean, are you like that too?

Yeah, I am. But then I'm also a natural shortcutter. I like to find the simplest path to the solution. And while creating, you had this thing you said on the podcast, hilarious, you're like, I'm an artist, bro. I'm just an artist. I got to create. And I definitely feel that I have a creative itch to me. But I also have a path of least resistance itch to me, where I'm like, oh, there's some beauty in just finding a simpler way to win.

I agree with that. I also think it's fearful. It's fear to outlay. With the internet, you could start with nothing and spend time and you can get something or you could build something

new. High chance it's just not going to work. It's a zero. It's also going to take a long time.

If you're buying something that's already working, yes, you outlay cash, but are you actually taking more risk? There's a difference between putting out cash and putting out risk. And I think what he's saying is that. But that's what I'm asking is the difference.

I'm asking the difference between putting out cash, like how do you make that gap small?

So I'll say this. When I started, Sam, I was very much an artist like you. I enjoyed my creation.

I enjoyed putting my, you know, fingerprint, footprint, whatever you want to call it, on those. So if you were looking at the early days of OptinMonster or those products, you would have my footprint on them. And you had like a \$20,000 bill to the Serengeti with your family of five. No, they're like, I was not doing Serengeti when I was building the business. I'm not doing Serengeti when I was building the business. I was very, very much involved. But a big mindset shift that happened in my career, which has led to, I would say, tremendous growth for automotive is the mindset of going from a creator and operator to a capital allocator. And this happened when I was studying Buffett Munger, Monash, et cetera. Buffett says, I'm a better investor because I'm a businessman. And I'm a better businessman because I'm an investor. Now you read that and you're like, okay, sounds good too. Right. But when you think about that from a first principles point of view, what's the commonality between the two is that both investors and the businessmen are resource allocators or capital allocators. So when you can, when you tie that together, that was the aha moment for me. When I think about, okay, if I start this new thing, yes, I will make X. But if I buy something, if I short cut it, and let's say I buy something that's doing \$2 million in revenue, I, you know, 20% or 30% of \$2 million is always going to be better than, you know, 10% or 30% of \$100,000 or 100% of \$100,000

for that matter. You see what I'm saying? What's the biggest deal that you've bought?

You don't have to say which one, but like, what checks out, what check made you sweat?

What check made me sweat? None of them because I'm not buying, like I'm not putting 80% of my net worth or my cash in any one of those deals. But have you bought things for tens of millions?

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No, no, I have not bought anything in the tens of million dollar range.

But so single digit millions?

Single digit millions, single digit millions.

That is fucking insane that you've built that much value with like these little small, like whatever Sean said, the cigarette butts, like you've made the cigar with it.

But, and are you doing all cash up front? Or there's no way you do that. You're, you're, you're way too sophisticated. Mostly, mostly all cash up front.

You do do that. But there might be some pieces of like seller financing.

But one of the advantages that we have compared to somebody offering like a higher valuation is that we can make the process really seamless for the seller.

That also allows us to have, get a better and a more attractive valuation.

But you know, if you try to ever sell to like a private equity or VC, mostly private equity, you, you'll be on the hook for like six months. They'll be dragging you,

asking you for all sorts of nonsensical stuff. And by the time the entrepreneurs burned out, and it's just a shitty feeling. With us, you know, you send, you send me

a message over the website, my assistant source through it. I'll look at it and say, okay, yeah, this is good. We'll like look at it and ask you for the PNLs.

Within like a week or so time, we'll give you an LOI and then we can close in 30, 40 days after that.

Holy shit. Are you the only decision maker?

Yes. That's insane. I like to think that I'm the chief risk officer of the company.

You told me a story about risk. You, because I was like, okay, you buy all this stuff.

Like how much debt do you have? You're like, no debt. And you're buying, you know, with a margin of safety and you're like, even with his mortgages, he says no mortgages, no mortgages. And look, like there's going to be a lot of financially savvy listeners here. And I have many, many financially savvy friends who are billionaires and they disagree with me on this, you know, but the way I was raised and in Pakistani culture, debt is considered bad. It's considered taboo.

And short leverage can help you grow faster, especially when used in a smart way. But it also takes away the margin of safety, which in troubled times can really destroy your autonomy if you're not being careful. So, you know, I'm okay with getting rich slowly.

And I think I've done all right for where I am. I see myself as a turtle in a rabbit race.

Bro, you're a 32 year old, like pretty much billionaire, dude. You didn't go that slow.

You know, in 60 years, I think I'll be okay. It helped me sleep better at night, be more bullish.

I don't know, Sean, Sam, do you know about Charlie and Moran's third business partner?

No, no, tell the story.

See, nobody knows about the third business partner. So they did have a third business partner.

His name was Rick, right? Rick Warren or something like this. And it was just as smart as them, but wasn't a hurry to get rich. And Monish asked Moran about what happened to Rick at one of the lunches that he had. And this is public. I'm not sharing with you anything.

Moran's like, Rick's a bitch.

No, no, no. Moran said something along the line that like, Charlie and I always knew that we would become like, you know, incredibly wealthy, but we were just not in a hurry to get wealthy.

We knew it would just happen. Rick was just as smart as us, but he was in a hurry. So like, in the 70s, like 73, 74 downturn, what ended up happening was that Rick had margin loans.

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He was highly levered, and the stock market went down 70%. So all those margin calls happened, and he had to sell his Berkshire shares to Warren. And Warren bought him for like 40 bucks a piece, right? So now the same share is like half a million plus.

I'm going to get a frame picture of this guy, Rick, on my wall, and it's just going to be a reminder every day. Don't be in a hurry to get rich. It'll happen. Don't be in a hurry. That's going on my wall. Sean, I cut you off. What were you going to ask him? I wanted him to tell that story, but also wanted to go back to ideas. So you had given us the first move. If I needed a cash flow right away, I would do service agency, maybe something around creating content for brands,

using AI for leverage or generating leads for brands and create a lead agency using AI for leverage. Okay. That's the get started plan, but you don't want to be in the service business forever and you want to get out. That's just the escape from broke jail plan. Okay. Now you've done that. What's kind of like level two type of ideas or opportunities you see?

I would look into the quick cash cow of tools. Right now, they are these AI wrappers, right? So you think like upload your PDF and we'll turn this into a chat GPT. There's several builds out there right now, but you can make it vertical focused. That's what I would do. I'd like chat GPT for lawyers, add all of your internal SOPs, and now your team can just talk to it.

Real estate, internal processes, you can do this. My team built this internally in about a week.

So it's not very hard to build. You can pay somebody on Upwork to do it and then work with the different AI influencers on TikTok, IG, et cetera. And this can easily get you to 10K plus a month. I know, as a matter of fact, like several kids that are making 10K over 10K a month and some even over 100K a month doing justice to the AI wrappers. So I think that's pretty easy.

I would look at how I can leverage the Freedom of Information Act to my advantage, trying to go into the student businesses. Are you familiar with FOIA?

No, what is that? Okay. So basically, in the United States, this works only if you're in the United States, we have such thing called a Freedom of Information Act that allows you to request any kind of data from any government-run authority. Usually journalists use it. So we use it at the hustle all the time. So like when big stories break, oftentimes it's because a journalist did that and they uncovered some controversial fact. So now you can get created with it, right? So you can go and say to a government agency, maybe a university or whatever, hey, I want to see the contracts of your last three or five construction projects that you undertook. And that will give you an advantage in terms of how to approach terms and pricing that was approved before. So when you're submitting your bid, it's better. But you can get really creative like that. I remember I was talking, this was a while ago, I was talking to a guy, he was in Atlanta area, and he would request student information from universities, so public universities. And he was targeting nursing school graduates and so on. If you were coming out of nursing school, he wanted your information and schools have to give it to you and you might pay them like a processing fee of like \$100 or something like that. But you'll get the whole graduating classes name, email address, their physical address that the university have in file, they give that to you. And then he would send those students an affiliate offer for student loan forgiveness program that was passed under the Obama administration. So the affiliate offer was for a company that would fill out those forms for you. And they would charge you like, I don't know, 500, 600 bucks, and they would pay this guy. And he was like,

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I just send one email, I make six figures and I'm one. So I would find arbitrage opportunities like these to build up more cash flow. And then I would go invest. So, you know, Sam, when you're talking about in the earlier days, you're very focused on the WC beginner, but there was a lot of creative things that were happening like this, that was helping my cash flow grow. And that allowed me to invest in software. Were some fun creative cash flow things you were doing at the time? I'm not going to talk about this. There's got to be one prolific one that that is. I've heard a bunch through friends of friends. I'm not going to mention any of them, but I've heard I've heard some of your things. I mean, like the space that you're in, everyone starts sometimes black hat, gray hat, and then as you like start making real money, you're like, all right, I got to go legit. But I've heard some crazy stories about what you used to do. Justin Marys had a good phrase. He goes, do whatever you got to do to make your nut and then go on your noble mission. And and I was like, I don't know if I agree with that, but I like the way you said it. Let me put it that way. And I know several people who have done that where it's like, okay, what were you doing before this? Oh, I was running this dating dating site affiliate, you know, affiliate ad network. It's like, okay, cool, plenty of fish. Like, you know, this is not really where you want to hang out for too long or like these poker, you know, poker arbitrage is poker affiliates. There was one guy on ringtones with subscriptions. There's a guy who emailed me that was like, I think he said, you can say this on the pot. He's like, yeah, like, I go on sportsbook, every sportsbook has a welcome offer. So he's like, I go on sportsbook a and they have a welcome offer of like, they'll match up to 20% of your deposit up to \$1,000 on and B has the same welcome offer. And I go max out both welcome offers and I bet on the same game for team a team B, I lose the small rake, but I take the whole welcome offer and I just do that again and again. This is so simple and so funny that you do this. What are you, have you ever had liquidity from selling a business or is the majority of your liquid wealth come through annual cash flows? And are you pulling out a significant chunk from the from the business? Yes, I'm pulling out massive chunks from the business. In terms of liquidity event, yes, I sold two, two businesses, relatively small, you know, seven figure exits on both of those. One was the YouTube channel business and another was a, was a software photography software business. In terms of the cash flow, you know, we operate with a very healthy cash flow. So I moved that out to the, to the whole co-level and then use that cash to invest, you know, in the private businesses as well as in real estate and public markets. If you had a pie, a good question Sean always asks, what do you do with your money? If you had a pie of your net worth, what's that allocation looking like? A pie chart, not just a pie, a pie chart or a pie. Yeah, or a pie. It's so heavily skewed towards my business, the online business portfolio, extremely, extremely heavily skewed. I would say then a good chunk is in the, in the public stock market. And then I have cash. Do you actively manage your portfolio or are you, are you just doing boring chip? Big chunk of it is boring, you know, dollar cost average index. I had begun to play with, you know, a little bit of money to, to see what I can do with it. I've done all right. Like stocks or other stuff? No, no stocks. This is only, I'm only talking about public investments because real estate is separate. You, you talked about like kind of coming from nothing, literally sleeping on the floor because you're like, why would I buy furniture? I should not buy furniture even when you had money. But I believe two things. A, money is a tool. It's not

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the like end goal. It's a tool to, to enable you to do something with it. And B, there's no point to money except for to, you know, enhance your lifestyle, other people's lifestyle, you know, improve lives in some way, right? It would be a shame to just have the money and never use it. Have you, and spending, and spending money is as much of a skill as making money. You just, you know, you just started later in life. Have you learned how to spend money? And what have you learned? What can you teach us? Yeah. Yes. In the early days, I saved everything. I mean, I did, I did not buy a bed until like I'm married, dude, just to put in perspective. Even when we were dating? No, there was no bed. Ladies, find you a man. Find you a man with no bed.

So, so, you know, I, I met my wife in high school. So, so she's known me since I was broke. And, you know, her, her parents weren't that well off either. So, so yeah, in terms of learning how to spend the money, yes, now I have, right? For me, and the culture, how I was raised, we take care of family first. And my first thing was to ensure my parents are retired, because my dad worked really, really hard when I, you know, when we moved to U.S. So my, my parents

are retired. I mean, they go to Pakistan, maybe like four times a year, they're in Pakistan, you know, like right now, for example. So that was first thing first in terms of making that impact. In terms of traveling, I realized that I get a lot of creativity and joy out of just going and seeing new places. And I spend the money on those, those things.

Are you giving equity to your people? Like is the structure where, is there like a whole co that you fully own? And then the whole co owns 80% of this company, 70% of this company? Yes. In the early days, that's what I did. Now I don't do that.

Now you don't give equity to the operators. Do you regret giving equity?

No, I enjoy working with those co-founders. And I don't think I would be able to do what I did without them. What now? You're only 32. Like what are you going to, like how do you get up in the morning and feel motivated? You know, what's, what's driving you now? I want to build a generational

company. Sounds like you're there though. No, I think it's generational one. Like, you know, when my kids, kids are older and grandkids are around, I'm probably going to be doing this till till I'm dead. I enjoy the game. I enjoy the fun of it. I know Sam doesn't get excited about buying a business and fixing it up and growing it. I get, I get a thrill out of it, you know, because for me, that's the opportunity. That's the hustle. Like finding, finding the edge, getting that deal. You can say in some sense, just getting an unfair advantage.

But knowing those tricks, knowing those tactics, giving me a head, like, you know, like, if you play basketball, I mean, we all play basketball and I sucked at it.

Right. But there were some people, like Alex was amazing, right, because Alex had been doing this for a long time and he has tactics, he could just cross you over or whatnot.

I like having those tactics in the business.

Okay. What's crazy is you might be like probably in the top 50 richest, maybe top 100, top 200 richest under 40 year olds in America.

I've kept a very, very low profile. And the only way this would be validated is if I was ever to raise a round or if I was to exit. Right. So right now, what I can see and looking at are our numbers and what similar companies trade at and, you know, exit at my assumptions are

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based on that. But it actually doesn't matter to me one way or another. I'm pretty, I'm comfortable. This model of buy, don't build and of becoming a hold co and having a portfolio, like there's a whole bunch of people who I know that are trying to do this right now. I'm sure you get a bunch of questions. I think I've called you asking you a bunch of questions about this.

What do you think they get wrong? What's the common mistake or trap you think smart people can fall into trying to do this path? Or what's a misconception that smart people have when they come into this? One thing that I've noticed, several things, but this is the primary thing, is that the excitement takes them away. So they will overpay on a deal and then regret it later on when they find out because oftentimes they have taken investors money. They are on a timeline. Most of them are trying to raise a fund, you know, your typical 10 year plus two years, whatever. So they have, they're not disciplined enough to wait. And I have no rush. Like, you know, if I don't buy a company this year, you know, doesn't make a difference. But, you know, so it allows me to be more measured and disciplined in the deals that we do. And that's, that's probably the biggest thing. And, and or underestimating the problems that exist in a business.

The first interview that I saw with you was it looks like it was on Mixergy, our friend Andrew Warner. It looks like it might have been 2014, but I think it was even before that. And Andrew was like, how much revenue do you do? And I go, you go, Andrew, I told you, I'm not going to tell you this. And it was pretty funny. And then I asked you to come on here and you're like, I'm not telling you these numbers. You told us a lot of shit. Like, it seems like you're, you're, you're in a different sphere than you were before, where you don't mind talking about some cool stuff. And I think that that's neat because you're like maturing from like this hacker, probably gray hat hacker from, you know, 20 years ago, 15 years ago to like kind of a tycoon. I think, you know, when, when I was younger, I was afraid, you know, just from a taboo things, but also I didn't, I want to find a radar and I still do, but I wasn't very vulnerable. I struggled with vulnerability. And that, that changed as my network changed as, as I continued leveling up, you know, with, with, I mean, now my form is amazing and with YPO, but it's not a YPO form, but everybody's in YPO. And those kind of, you know, groups really, really help you mature and find your blind spots and things like that. So, so I'm, you know, definitely appreciative of the friends that I have who call me out on those things and they have helped me become better.

I'm going to have to use that little clip for my new company as an ad. Thanks.

We'll use AI to replace what the company you said with Hampton.

Uh, no, man, I think, by the way, if your goals have a low profile, I have a feeling that's going to change when the headline of this, of this podcast comes out because, uh, I don't think honestly that he's trying to keep a low profile. I just feel like you care about being humble and, and, uh, you came across a lot of humility, uh, you know, and not false humility. You know, false humility is basically like, uh, I'm going to downplay everything and not tell you anything. And, um, that's actually like a different form of sort of, uh, you know, arrogance or narcissism. The non flex flex.

Yeah. The not flex flex, right? Or the, it's sort of this close the door behind me on the way in.

So, you know, I'm in, but you can't get in because I'm not going to really do anything.

Like, you know, I think the best people are the ones who sort of become the person they needed

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when they were younger. And I think that like, you know, the younger version of you, if you heard something like this, it was like, all right, this guy came from nothing, moved here for Pakistan, didn't speak English, was like sitting in the library because he did not make friends in the school was like, all right, I want to play video games. The library had a firewall. So his first business was creating a proxy to get around the firewall. And then he started giving that to other kids as both a way to like make friends and make a little bit of money. And then he took money and like, it was like, okay, how do we get more customers? And it's not like he's some business savant. He just kept asking, how do we get more customers? Oh, what if a directory posted about me? How do I get them to do that? What's in it for them? And like, you know, you just one foot after another. So I think you, uh, yeah, I think you did a good job of basically like without, um, putting yourself in a position where you said something you're uncomfortable with, you know, you, you did share stuff that I think is, you know, for me, at least pretty, uh, pretty inspiring. You're somebody that, uh, you know, I gave Ben a list of like five people. I was like, you know, who are the five people that we've met? Because we met a lot of people the last two years. I said, in the last two years, who are the people that we've met that were kind of the most inspiring? They seemed to have a blueprint for life, not just business that was working for them. So their business part of their life was working, but they were also like content. And they weren't, you know, like in the first five minutes of meeting them, like weirdly bragging about stuff or like saying something that revealed some like weird insecurity that's driving them still, and they haven't gotten over it. It's like, I don't know, those people are, they're characters, they're fun to be around, but like, I'm not trying to be them. Um, you know, like somebody who's, you know, has a family life that they actually care about. So we put you on that list. Um, and I'm glad you came on because for sure, I don't think most people even know your story, and that's a shame, you know, like, uh, I think more people are going to know your story now after this. Where should people like follow you or where do you want to send them to go from me? Really quick, Sean, before we wrap up, I want to tell you something. So he has this website. So Google Syeds. Uh, so it, uh, I want the listener to Google this. So S Y E D and then his last name B A L K H I. And then Google that. And then the word net worth. He's got this hilarious blog post. Oh, this is yours. Sam told me about this. Yeah. Yes. Where it says, what is what Syeds net worth? The first line, you're probably thinking, and so his, his, his website comes up first and it's a blog post. You're probably thinking that I'm some sort of narcissist writing about my own net worth and third person. It's quite the contrary. I was looking through search traffic for my blog and I noticed that I have a lot of type in traffic for users, simply searching my name, uh, and then the term net worth. And then he goes on to explain that it's like, it's always changing, but it's not, but knowing someone's net worth is not going to help you succeed. He's got those hilarious posts that he, and he, and it was really funny. And, uh, then you also, I want to give a shout out. We talked a lot about money and shit. You've got, uh, amazing posts where you do an annual wrap up. I've been reading that for years. I think you started in 2017. 15 2015. 2015. You put a big emphasis on philanthropy. So like you have a school, I think you're big on schools, right? You build schools. I forget where in Pakistan, I think, and you like are giving away, uh, you put a lot of emphasis on, uh, philanthropy, and then it's you and your wife and your kid and a lot of these stuff. And you have your own foundation. You're giving away a lot of stuff. And so, um, I think it's awesome. I think that to reiterate what Sean said about

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being like, you know, he has this joke about being a total man, but in a way that's kind of like what you are is like, you're like a holistic person and your, your personal website does a really good job of explaining that. Yeah. You know, I started doing those write ups when my son, when we found out we're going to be, you know, we're going to have my son. Um, I was like, okay, I should start recapping this. Um, well, we start trying to have a kid. I'm like, I should start recapping, um, what's happening in my life so that way, uh, because I'm going to forget it. And at some point, you know, I may want to tell him, oh, check this out, check this out. And that's how those year end reviews came about. And I enjoy writing them and a lot of people love reading him and including you. Thank you, Sam, for reading it. And in terms of education, I do believe that love's a playing field. And that's why we're, you know, we do what we do. Well, I was just going to say, Sam gave you a compliment. I'm going to make fun of you. The homepage needs a revamp. You go entrepreneur investor and marketing extraordinaire with extraordinary italics. And then there's a photo of you with the, the headset, the bottom mic, the Ted, the Ted talk, you got the clicker and you're doing the hand gesture talking about, you know, you got to start with why. And, uh, you're above that now, bro. You've elevated to tycoon status. Now you got to have the super minimalist thing where it's like, all white. And it's like, um, you know, we buy, we buy companies of all sizes. Um, please inquire. That's what you say. Yeah. Like if you have a company for sale, I like to buy it. If you, if you, if you, if you go to automotive website, I really want people to know about awesome motive instead of me, right? Um, if you go on my website, I barely spend any time. I write once a year that would ask the year end review. And that's really more for me than for anybody else. But if you go to awesome motive.com or am.co, um, that website, it says helping small businesses grow and compete with the big guys. Now that's what we're talking about. That's a good one. Um, and it has all the companies that you, you've lettering under the umbrella. Hey, do you want to come, uh, do you want to keep coming back? You got to keep coming back on. You're, you're fun to talk to. That's Samza. That was pretty good for me. Was that good for you question? Yeah. No, you're fine. I enjoyed it. I enjoyed it and happy to come back. I told you, we're not, we're not, we're not assholes. No, I loved it. More importantly, are you in for Camp MFM part two, uh, that we're about to host in a few months? I'm in. All right. And that's the pod. I feel like I can rule the world. I know I could be what I want to put my all in it like no days off on a road. Let's travel never looking back.