

[Transcript] My First Million / CEO Lessons: Bulls**t Mission Statements, Firing People & Saying 'NO'

when Moise was selling native deodorant,
he didn't own the trademark.
And it was an issue?
He's got the deal done, and they're like,
wait, you don't have the trademark?
He's like, yeah, but there's no other native deodorant.
They're like, okay, Junior, what are you talking about?
That's not how this works.
Um, you know.
All right, today we thought it'd be fun to do an episode
all about how we actually run our companies.
So we've been running companies for like, I don't know,
10, 15 years now.
And like many people out there at the beginning,
we did a bunch of dumb stuff.
And so we're gonna admit and confess to some of the dumbest
things that we did running our companies.
And then talking about what we do now,
that's actually like, we found that works.
So the stuff that didn't work and the stuff that works.
And this is around, you know, everything from like,
you know, mission statements,
how we used to think that these were like super important
and how we treated them versus what we do now,
or branding and naming our companies,
or goal setting.
These are kind of like the shortcuts that we use now.
So what actually that we found works
through the painful process of making embarrassing mistakes.
That's what I think we're gonna do today.
Yeah, we got about like five or eight categories of like,
on hiring, on creating comp plans,
on having boundaries with stuff.
These actually sound like boring when we're like,
just when I'm just reading that off,
but I promise you it's actually,
we have like interesting stories behind each one
and stuff we wish we would have done earlier
that I deeply regret that I didn't do now,
or that I didn't do then.
But yeah, we'll go through all the stuff
that we actually use on a day-to-day basis
to run our companies.

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The touchy-feely stuff is actually really important.
Let's take a quick break to ask this question.
What if you could find, track and close all your deals
in one place?
What if your schedule, your goals, your to-do list,
your emails were all organized in one tab
instead of dozens of tabs?
What if connecting with customers
didn't leave you with so many what-ifs?
What if I stopped talking about what-ifs
and I just told you about HubSpot sales hub?
I want you to meet the new, powerful, easy-to-use software
that's designed to help your sales team prospect smarter,
grow revenue faster, and get deeper customer insights
all in one connected platform.
With HubSpot's sales hub, your data, tools, and team
are fully linked on a highly customizable platform
that is actually a joy to use.
It's smart software for smart sales teams
who want to close the year strong.
Visit hubspot.com/sales to learn more.
All right, let's get back to the pod.
So I thought it'd be fun for us to share
shit we do when we run our companies.
What are our almost like management hacks or shortcuts
or like the methods that we use, which, as a disclaimer,
probably not the best?
Probably not what they teach you at Harvard Business School
or what like very polished, you know,
seasoned executives would do.
I remember when I started one of my early companies,
it was in my internal mission statement
was to hire 10,000 people.
And then I hired like two people and I was like,
does that mean we got an eraser?
Yeah, like how do I make this 10?
It was horrible.
And then it was like, and then the mission statement
for the employees is like, look, like we're going to change,
whatever, like right now the word is democratized.
We're democratizing the financial markets or whatever.
It's like, whatever that equivalent is is what I said,
like we're going to change the world

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one newsletter at a time.
And so my mission statement.
Did you really say that?
No, but it was probably like as lame.
That would be the worst if I said that.
But no, they're pretty lame.
Now they're way more, so here's what I tell people.
I go, here's my mission for the business.
This first one, it's very selfish,
which is I'm going to work on cool shit
with cool people and have a dope life.
That's just what I tell people.
I go, so it's very selfish.
I just want to work with cool people on interesting things.
And that's more so the mission than anything.
And then it's like, and if we are able to do this,
this and this, that will also be cool.
Versus a far more grand thing.
My mission statements aren't nearly as grand.
Are yours?
I am in the exact same bucket.
So definitely used to be like changing the status quo,
you know, on my Steve Jobs shit.
And, you know, because that's who you looked up to,
looked up to Steve Jobs, looked up to Elon Musk,
and he's like, you know, created an interplanetary species.
It's like, oh, okay, cool.
What's my version of that?
Like, you know, I'm not trying to get to Mars
and like make humankind, you know, interplanetary.
But I was trying to do that.
Dude, but you remember that story of Steve Jobs,
where he's trying to recruit the guy from Pepsi
and Steve Jobs is like,
you're just gonna sell sugar water for the rest of your life?
Right.
Fuck you, Steve.
What a dick, right?
Now we're like Logan Paul, genius,
puts sugar in water, sells it to children.
Dude, the audacity.
So I'm like you now, here's the notes I wrote
on my answer for this, on my little cheat sheet I wrote.

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I don't kid myself anymore.
I'm honest.
I'm building a lifestyle business for me and my team,
almost exactly what you just said,
which is I wanna do dope shit with cool people, right?
So do cool shit with cool people
and in a way that leads to an awesome lifestyle.
Meaning I'm not trying to kill myself currently
running the business
and I'm trying to have a financial outcome for me
and my team that lets us all elevate our lifestyles, right?
Like that's, that is the,
this business is a vehicle to have an enjoyable lifestyle,
which is really funny because in Silicon Valley,
lifestyle business is the,
it's the equivalent of saying no offense
to start a sentence.
It's like lifestyle business is how VCs pat you on the head
and say, that's cute.
Oh, oh, a million of revenue?
That's cute, you know?
You know, we don't invest in lifestyle businesses, right?
If this is just a lifestyle business for you,
we're not interested, right?
You're a low ambition, which in Silicon Valley
is where I live, is low status.
However, for me, I feel like I broke out of the matrix
and I was like, wait, what the fuck
are all these people talking about?
The point of life is to have a great lifestyle.
I don't want to do something else with my life.
I'm not trying to have a bad life.
I'm trying to have a good life.
For me, for my family, for my team,
we all want the good life.
Okay, let's do a project that's fun and interesting
with fun and interesting people
in a way that we all get rich.
Is that so much to ask?
It's like, that is now the blanket mission statement
on all of my projects.
I don't know if that's inspiring to the troops,
but it's inspiring to me,

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and I hope that it just attracts people
who are down with that
and are not looking for the rah-rah, you know,
save the world.
I actually think that is a bit inspiring,
to be honest, to like the right type of person.
And at least when I talk to people,
it seems like, yeah, that sounds wonderful.
Another thing that changed with me
is when I start new companies,
I pick business models where I can afford to pay
what hires a lot of money,
because I remember when I was starting a lot of my stuff,
I'm like, man, I don't have enough money
to pay a high quality person a lot of money.
It's a trap.
Yeah, I'm like, I wish I could afford to pay someone
three or \$200,000 a year
so I could recruit a certain type of person
so I could spend time with them.
And so that has changed as well.
Well, like, what's an example?
So like the hustle, traditionally, you know,
media companies, when they start,
obviously they don't make a ton of revenue,
you're putting out free content.
And writers are typically not that well paid.
However, like, so would that count
as it was more towards the bad end of the spectrum
or was it on the good end?
Because you did hire people like Steph Smith and Trung.
I hired great people eventually.
I hired great people eventually,
but like for example, a good media,
like you could run your media company a few different ways.
You could, particularly for sellers, for ad sales people,
you could pay them 60 grand a year
and say they have a quota of only \$400,000
and they make 105 grand when they hit
their on target earnings.
Or you could go hire someone who you're gonna pay
\$200,000 base plus a higher commission
and their expectation is that they're gonna sell

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two or \$3 million worth of stuff.
And typically those people who are more competent and capable I find are more enjoyable to be around.
And so like things like that where I'm building a business that hires less people who I pay more, because that setup I think is more enjoyable.
So I had the same problem because my first business was in the restaurant industry.
And the restaurant industry is basically like, you know, what is the worst type of business you could select?
I think it's probably, I don't know if it's the worst, but it's down there.
It's hanging out with the worst, whatever it is, right?
So I'm just saying business model, right?
Business model is almost all of them fail.
Even when they succeed, they have like 10% net margins typically.
And you've got to open up like multiple locations to get to ever make it big or have enough cash flow from a business like that to higher quality, like, you know, highly seasoned people.
And so I remember meeting the guy who ran Chipotle.
I think he was a CEO or COO of Chipotle at the time.
And we were trying to create the Chipotle of Sushi.
And I was like, all right, you know, like, give me your advice.
I didn't even know what a question to ask, but I was like, give me your advice.
And he's like, well, think of it this way.
Your entire product is in the hands of somebody who makes \$9 an hour and doesn't want to be there.
And everything you're telling me right now about how great the user experience is gonna be, that's true for restaurant one.
It might be true for restaurants two and three.
By restaurant four, it's no longer true because you're not there anymore to do all those amazing things and give that amazing user experience.
He goes, the trick in this business is whoever can figure out how to get minimum wage employees

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to give somebody a good experience,
you'll get to win.
That's the winning condition.
And he goes, so, you know, for like Chipotle,
we ended up doing a bunch of things to try to improve that.
He's like, you know, I don't know if we did it fully,
but like they did a couple of things, like for example,
if anybody, if you're a manager at Chipotle
and anyone you manage becomes a manager of a restaurant,
you get \$10,000, whether you work at that company or not,
just like ever.
It's like you had a hand in leading that person to be a,
I don't know if they still do this, but at the time they did.
They also changed the title.
So like their manager was called like restaurant tour
or something like that.
And they paid them above market.
And they're like, you know,
we're doing all these things to try to fix it.
Starbucks did the same thing, giving people benefits
so that they stick around and actually stick with the job
versus really high churn,
but nobody's really figured that out.
Point is, I remember it just wasn't a lot of fun
to be in that business,
because I couldn't relate, you know, all the things I love,
I'm an entrepreneur, I'm thinking about ideas or,
you know, raising capital, I got big goals, big dreams,
and I'm coming into work every day with somebody
whose goal and dream is to get off work early.
That is the like, that would be the best thing
that could happen to them at work that day.
And I was like, shit,
that's not that inspiring every day to like kind of,
and I don't mean that to knock anybody,
it's just the truth.
It's like you, you're gonna hang around certain people
when you run a business.
Ideally, you would be around people
who are very, very like-minded to you
in the sense of they share similar values
and goals and aspirations, and then it becomes contagious.
And then they're sharing learnings with you.

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And like, I remember we interviewed,
I remember interviewing people for like this position
because we kept having people flake out,
they would just leave or they would steal
or stuff like that.
And like, my buddy who was interviewing, he goes,
well, I like this person, they had all their teeth.
I was like, what?
And he's like, I don't know.
I was like, I'm just like, if we're symbols,
I just, he's like, last three people stole from us
and that sucked.
I just want somebody who's not gonna steal from us.
Like, that's my new bar first.
And like, after that,
I could figure out higher level requirements.
And so-
Did you see on the TV show, Bear,
where they hire this, you know, this guy
and on the first day, they catch him outside,
smoking crack and they're like,
I think I need to fire you, but I should go ask.
And he's like, yes, chef, fire him.
Yeah.
And by the way, there's one lesson in there,
which is my dad told me something.
He goes, look, you're building a small business.
And he goes, but look, but think about it,
you're still spending like every waking moment,
thinking about how to make this thing successful.
He goes, if you worked on a big business,
you don't have to spend double the hours.
You're still gonna spend every waking moment
trying to think about how to make it successful.
A big business and a small business
both take the same amount of time.
Why would you choose a small business?
And that to me was the right advice for me,
for who I was.
That's not the right advice for everybody,
but like somebody out there needs to hear that right now,
which is that like this idea that a small thing
is somehow easier or less painful, it's just not true.

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It is not true.

And it feels nice to be able to like pay people
a lot of money or hire a certain type of person
that makes your day to day far more enjoyable.

Talk about the naming thing.

My opinion has changed on that to align with yours.

So one thing we have here is branding
or naming at the beginning.

So I've evolved my philosophy,
so I used to try to get the whole thing right away.

I was very precious about my idea
and I wanted it to my baby to be cute
and be ready for its first day of school.

And then I realized that nobody cares about my baby
and I have no customers and nobody's paying attention.

This thing could be called dog crap,
and it doesn't matter until it matters.

And so now here's the balance that I figured out from me.

In most cases, I try to get the name right off the bat
because changing the name is kind of annoying.

You lose the brand recognition.

And I try to get the trademark
because I made that mistake before
of not owning my trademark
and having to change my name a year or two in
because I realized,

oh, I'll never be able to sell this
without owning the trademark.

And so that was a big mistake.

But I don't-

I don't know if that's true, dude.

What do you mean?

I don't own, I sold the hustle
without owning that trademark.

You didn't own a trademark for the hustle
as a media company?

You didn't own anything?

Because I know they have it now.

We looked it up.

They have it now.

But what happens is if they look
and they see that they can't get it
because it's taken, now you have a problem.

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Now you're either gonna get negotiated down.
Is that true?
See, I didn't even know that.
Like when Moise was selling native deodorant,
he didn't own the trademark.
And it was an issue?
He's got the deal done.
And they're like, wait, you don't have the trademark?
He's like, yeah, but there's no other native deodorant.
They're like, okay, junior, what are you talking about?
That's not how this works.
And so then he's like, okay, he's like,
I'll just go file for it.
They're like, nope, it's taken by some guy,
some woman or some guy sitting in Palo Alto
doing nothing, just squatting on it.
And he goes to that person.
He's like, hey, I'd like the trademark.
He tells the story on his episode of the pod.
I think is like one of the first 10 episodes
of this podcast.
But the short version is he goes
and he offers the person some, like,
he's like, hey, can I have it?
And they're like, no.
And he's like, okay, I'll buy it, like two grand.
And they're like, no.
And then they figured out that he's selling his company.
And then the price went like way up.
And I think he ended up having to buy it for like,
either like a quarter million dollars
or like one or two million dollars
he had to buy the trademark at the last minute.
That's so crazy.
Find when he's selling the company for a hundred million,
but like a very painful process, you know, to do that.
Better off just having it.
You taught me something.
I thought that they were nonsense,
but I also used to think, Nate, I mean, look,
my company was called the hustle.
That's a horrible name.
One time I had this conference called ConCon,

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the content conference.
Like I'm, I had my first,
the first business that I started making money online,
it was called Itch Juice, baby.
Like I'm horrible with names.
And, but now I do actually think they're way important
before I was like, names are bullshit.
It doesn't matter what you call it.
Someone's gonna come.
Now I'm like on board with naming and branding
is very valuable.
So I don't think a bad name kills you,
but a good name lifts you.
I completely agree.
I think great design is a huge value add
and costs almost nothing.
To have great design versus okay to bad design,
it's not actually more money that it takes.
It's taste.
You just have to have the right people to do it.
You can pay for that taste.
Like you can pay a fancy agency
because you know they have the taste,
but you could also just have taste yourself
or find somebody that's cheaper that has taste.
My feeling on design is I don't start with fancy design.
I start with like, you know, whatever simple design.
And then I set a milestone almost as a reward,
which is if we get to X,
then I'm gonna fancy pants my design
because it's more for me than it is really
for anybody else at that moment.
But you know, if you're a consumer package good
or something like that,
then the packaging obviously super important.
If you're a SaaS tool for whatever your design,
you know, doesn't matter as much.
Before I launched Hampton, I paid an agency.
I found an awesome agency overseas.
So it was like, I think 15 or 20 grand
and we did a whole branding thing.
And I'm like, I can't believe I'm doing this.
And it was totally worth it.

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Did I send you that presentation?
It was really good.
And I liked it.
I was like, oh, this is cool.
And that's different.
You wouldn't have, you would have never done that before.
I haven't.
I never would have done that.
It was totally worth it.
We both were very cheap with things before.
I was, I wasn't cheap with spending money,
but I was cheap with my time,
meaning I placed no value on my time.
And I think you were cheap with spending money,
even though you had a bunch of cash in the bank.
Not anymore.
Then when I saw you spend 20K on your branding
before and I was like, oh, that makes sense.
He's got a killer name for his community Hampton.
And then he's got like a really classy design
that makes it feel elevated, which is my word of the year.
Then I was like, oh yeah, what are the areas
where I've been cheap?
One of mine, for example, was in recruiting.
So I used to take pride in just recruiting myself
by hand, hunting.
And I would just be like, yeah, I'm gonna go find people
and I'm gonna like message them.
I'm gonna cold email them and I'm gonna convince them
and I'm gonna interview them.
And now I hire recruiters.
And I'm like, oh.
For which roles?
For every role?
Anything.
If I need to hire, first thing I do,
I just text my recruiter, this guy Carson.
I'm like, yo, Carson, I need X.
And he's like a great Ecom recruiter.
And so I'm like, Carson, I need X.
And he's like on it.
And he's like super aggressive.
And so he's just like, instantly,

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we'll start sending me LinkedIn's.
I'm like, yes, no, yes, no, he does.
Is he a full-time employee?
Or do you just pay him?
He's got his own agency.
He's his own solo shop.
And so I use him to hire for these roles.
And it just saves a ton of time.
And then I'm able to, and I have him,
sometimes I'll be like, yo, join this call
so that you see what I ask
so that when you're screening candidates,
you just ask these questions before me, right?
And I'm getting a way better result using recruiters.
And yeah, you pay the commission
when you hire the person.
But like hiring a great person faster
is totally worth it.
All right, everyone, a quick break.
So I started this company.
It's called Hampton.
Joinhampton.com is the URL,
where we make it really easy to have a peer group
and have a network of other entrepreneurs
that are like you, similar industry,
similar sized companies.
The average company is doing about 25 million in revenue.
Some companies go all the way up to
two, three, 400 million in revenue
and they're publicly traded.
Others are a little bit smaller
in the one, two, three, four range.
But my partner and I, Joe,
we review every single interview
and we hand curate and hand select
all these interesting people.
So it's been a really wonderful community.
So if you want to be a little less lonely,
if you want to find information
and insights that you can't Google, check it out.
It's Hampton.
That's the name of the company.
And joinhampton.com is the URL.

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And so if you do run a company, check it out.
All right, let's get back to the pod.
So how do you, without blowing up this guy at Carson's spot,
how do you pay him?
Do you pay him a percentage of...
It's the same as all recruiters.
You pay a percentage of their first year salary.
And if they don't...
And then do you pay him like six months later?
I pay him, I think what I do with him
is I pay him like 30 days after they join.
But if they don't work out,
like we had one person who didn't work out three months in.
So if they don't make it three months,
then he just reimburses or credits it back or whatever.
And then do you do it for all,
like even an entry level position?
Everything, anything I need.
Anything I need now.
I'm like, whatever I would spend the time doing,
this guy is going to spend all of his time doing.
And so it just moves faster and he's better.
And I'm like, why the fuck wasn't I using recruit?
I used to take pride.
And I was like, what am I trying to save here?
The like, you know, let's say you hire somebody for a hundred
grand, let's say the recruiter fee might be 15 or 20%.
So you're going to pay 15, 20 grand.
That's a lot of money.
Yes.
But I do it, if your business is working,
then it makes total sense to be using recruiters
to increase your pipeline and save time.
And get good butts and seats faster
versus trying to do it yourself.
That's time you're not focused on the business
that takes longer.
The biggest thing that's changed with me with hiring
is reference checks.
So like, for example, I messaged someone two days ago,
I go, hey, I'm thinking about hiring this one person.
Do you think that they'd be decent at managing a small team?
And it says, I don't think they could manage anyone,

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let alone themselves.
That was the reply.
And my reply to that was, all right, thanks.
And I don't hire that person.
Like it's so easy.
That should be, thank you so much.
What's your address?
I'm sending you something because most reference checks will not give you honesty.
When somebody goes out on a limb is actually like, yo, let me save you some pain here and give you my honest truth, even though it doesn't feel good to take an opportunity away from somebody.
It's like, sweet baby Jesus, thank you so much.
I owe you one.
So yeah, I was like over the top, nice to this guy.
But reference checks are so important.
And I do two things differently.
The one, I always ask for like three.
And then I call those three and I go, who else did this person work with?
I don't give a shit about the three that they gave me.
I'm just trying to like,
I'm trying to like figure out who I can refer, who I can speak to that they didn't provide.
But also I won't blow up the applicant's spot.
Where if it's like, you know, it's like someone who I, will be a little bit secretive and not tell their current employer.
And then, so I do that like crazy.
And then here's what I ask consistently.
Here's the, basically the point is, is I wanna hear bad shit about the person.
And I wanna figure out if the bad stuff is I'm okay with.
And so I say, what are they out of scale, one to 10?
They always say an eight or a nine.
And I say, all right, how can they be a perfect 10?
Like what's missing?
And then that's typically when they'll tell me like bad stuff.
And I'm always looking for that bad stuff.
And I'm like, well, you know, they've made like mistakes doing X, Y and Z.

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It's like, okay, I could put up with those types of mistakes.
Or they like miss deadlines all the time.
I'm like, well, I'm not gonna put up with missed deadlines.
That's, I'm not willing to put up with that.
So I like, I do a shit ton of reference checks now.
So someone taught me a good way to do reference checks.
I don't remember the exact question,
but it's something along,
there's two things that I do on the reference check.
One is you're just trying to figure out,
is this person one of the best people
that they worked with at that company?
And so I'll ask you a question.
I asked the following types of questions.
I'll say, you know, my experience is at every company,
there's like, you can look around the room
and there's two or three people inevitably
in every single company who like,
they just have the team on their back.
And you just look at them and you think, man,
if we didn't have this person,
we would be in a rough spot.
Or like, you know, these things,
these good things that are happening
just probably wouldn't have happened
if not for their force of will.
And I would be like, you know, who are the people,
and I use this to recruit too.
I'm like, who are the people like that at your company?
Or I'll be like, would you count this person
as one of those people?
And I'm just trying to see how much conviction they have
of being like, oh yeah, for sure.
Or like, yeah, you know, they're good, right?
It's like, you could say, yeah, two different ways.
And I'm looking for which one of those it is.
The second thing I'll ask is, I'll be like,
you know, I'm thinking about hiring this,
like I'm leaning towards hiring them
because I'm kind of trying to disarm them.
I'm trying to not make them feel like
what they say is gonna like mess it up.
But I'll be like, but you know,

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but I don't feel comfortable with this.
I don't know what they're not good at.
And everybody has things they're not good at.
I'm not sure what, you know, like,
I know that they must have things
that are gonna disappoint me
or are gonna be things that they're not strong at.
I just don't know them yet.
What are they for this person?
So I can kind of feel like I have the full picture
before I go ahead and pull the trigger and hire them.
And that's how I get them to kind of tell me those things.
Why'd you write paid tests?
What's that?
So my thing with hiring is,
I would say two things have improved my hiring.
Number one, paid tests instead of interviews.
So I will spend the time,
I'll spend three, four hours creating a paid test.
So I create a doc that's here's a brief
and I'll say I'm gonna pay you.
And then depending on the role might be 200 bucks,
it might be \$2,000.
I'll pay you to spend a day on this.
Because I wanna see what you do
because I just wrote words equal lies.
It's like, I don't really,
I'd rather just see your work
than hear you tell me that you're good at work.
And so paid tests is now I lean towards that.
In the end that saves me a ton of time.
The second thing I did,
I have a buddy who I let invest in one of my companies
that I didn't really need as an investor.
I kind of realized that as a CEO,
your job is just decision-making, good judgment,
over and over and over again.
Are you the CEO of your econ business?
No, I'm more like a chairman.
So I'm not active day-to-day now.
But I will, so what I'll do is I'm like,
oh, CEO's job is just decision-making or any leader.
Let me just forget the word CEO.

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Just any leader's job is decision-making.
How do I get my decision-making to be better?
And the difference of making 10 to 20% better decisions every single month adds up.
That creates a very different outcome.
So I brought this guy in and what I told him,
I go, you know, I really want your help hiring.
And he's like, yeah, sure,
I'll see if there's anyone in my network.
I go, no, no, no.
I want you to do three interviews for this one role for me.
I'm hiring a CMO and I'm a chief marketing officer.
And I think this is the make or break hire for this business.
I want you on the call
and I want you to leave the interview
and I want to listen.
And so we did two things.
First, I would interview them separately.
An investor, you let an investor do that?
He's one of my best friends and yes,
he invested in my company.
Got it.
And he's himself a founder and whatever.
So he's just got a lot of experience
and I've seen him make great hires.
And so what happened was I would interview them,
then he would interview them.
I would like them.
And he'd be like, no, trash.
And I'm like, what?
Interesting.
What makes you say that?
What did I like?
What did you not like?
And the thing for him was always like,
yeah, I pressed him for specifics
and he didn't have any.
And he's like, and what I realized was
he presses for specifics way more
than I was previously doing.
So I would say like, I would try to figure out,
do you have experience doing this?
How would you rate yourself in this?

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Tell me a story.
They would tell me one story.
What he would say is like, cool,
what was the revenue when you started?
What was it?
And then how did it grow in the first 18 months?
And they're like,
he's like, if they don't even know that number,
then they're out.
If you're CMO, you don't know how much
the revenue changed from day one to day,
month 12 or whatever, you're out.
And then he's like, they would say the number.
He'd be like, cool.
What were the three things that you did
that most impacted that?
And he's like, if you can't tell me
three wins you've had in the three years
you've worked there that most impacted the,
and then he would say, oh, you did that thing?
Okay, cool.
Can you screen share real quick
and just show me like, you're saying you did this?
Can you just show me how you think about this?
I wanna hear you talk out loud.
And I was like, oh, okay.
There's a different level of specificity here
that I need to be doing in my interview.
So a very useful thing was seeing how a master does it
so that I could up my game.
That's kind of an interesting thing.
Cause I've changed, I did a 180.
What was your before?
What's your after?
I would create, my before is I would create
like the most ambitious goals
because it was just like,
it was like mental masturbation of like just using
this spreadsheet and like saying like, yeah,
we're gonna three X this year.
And then like, yeah, I'd be like, yeah,
can you like change that three to a five
and change this zero to a nine?

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And like, it's like, boom, we're there.
All right, get after it guys.
I'm like, and I didn't understand that like,
A, they're the one doing the work.
And so it's kind of bullshit that I'm like,
creating these crazy goals
that there's no math behind it.
I also thought that like really ambitious goals
were inspiring.
I actually think achievable goals are inspiring.
And I try to hit like 75% of the goals that we set.
If I'm not hitting about 80%,
my goal setting was quite bad.
So I hitting goals, hitting,
hitting goals that are not that ambitious,
I think gets you a better outcome
than missing incredibly ambitious goals.
Like he creates more momentum.
I agree with you.
Momentum is key.
And I didn't get that.
My goal thing now.
So every time I start a project,
whether it's a company or inside of a company,
just like A initiative,
I got this thing called the kickoff doc.
It's a one page doc that I fill out religiously.
And it's basically like, starts as just like,
what are we trying to do here?
Oh, we're trying to do this in plain English.
What are we trying to do?
Then what does winning look like?
And this is where I set two goals.
So I have a floor goal and what I call the F-Yag goal.
The floor goal is basically like,
you know, if it was below this,
I'd be surprised and I'd be a little disappointed.
And then the F-Yag goal is,
what would have us running around here,
chest bumping, being like, oh my God,
I can't believe it happened.
And now I have this range.
And I have kind of like my men in my dream.

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And of course we're gonna shoot for the dream,
but we're gonna make sure that we also understand
that like a win is a win.
And anything above this floor is a win.
And we have the two targets.
We ask ourselves, what would it take to get to the floor?
What would it take to get to the F-Yag goal,
to get to the ceiling?
And so that's the first thing I do.
The second thing I do is I set an anti-goal.
Learned this from Andrew Wilkinson, which was,
yeah, that was smart.
You could achieve, you know, you could double revenue,
but if I wake up every day and I'm stressed out,
or if I doubled revenue, but profits went to zero,
because I spent so much on marketing,
then I kind of lost while winning.
So anti-goals, like, you know,
I'm not trying to work so hard, I don't see my kids, right?
Like in life, I think anti-goals are really important
to counterbalance.
And the specific thing here is,
what are the understandable traps we could fall into?
While trying to achieve those goals.
So for example, with this podcast,
you'd be like, oh, I want to double downloads, great.
What's a trap you could fall into?
Every day I'm on the algorithm,
trying to figure out what click-baity shit I could do,
where I'm knocking on neighbors' doors,
asking them how they made their money,
and then I pants them and then I put a pie in their face.
It's like, yeah, that would do it,
but I would sell my soul and lose some dignity
and not have that much fun doing it.
So that's like losing while winning.
So I think anti-goals are really important
when I started doing those.
The next thing on goal setting is,
I realize that much more important than the goal.
It's like, I would do these like big burst works,
like we do this planning and set this goal,
then like three months later,

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it's like, hey, what's the goal?
And then like, it's not even on the tip of anyone's tongue.
And I'm like, oh, shit, this is backwards.
Like, first of all, I shouldn't be the one setting the goals,
because like, you know, in Game of Thrones,
the opening scene where Ned Stark has to like execute the guy
and his son is like, oh, do you have to do this?
I can't someone else do this?
And he says, no, like he who speaks the sentence
must swing the sword.
And it's like, I can't expect you to go do all the work
for some goal I set sitting in my boxers in Excel, right?
Like, now it's like, if I'm gonna set a marketing goal,
I'm gonna set it with and really like the CMO
has to own that goal.
They have to know that that's what they want,
that that's what they think is achievable.
I'm gonna push back or hold the standard,
but they're gonna ultimately speak the sentence
because they're gonna be the ones who swings the sword.
So I make them do it.
And then the second thing I do is,
I enforce that it's, how do we keep this top of mind
and at the tip of our tongue?
And that's like creating rituals
where we're seeing things daily and weekly
that tracks to it.
Because it's far more important to regularly look
at the KPIs and ask the right questions
versus trying to set a great goal once
and then never thinking about it
or not really looking at it on a religious basis.
Do you lose your temper?
And yeah, have you ever made someone cry?
Have you ever made an employee cry
because you yell at them?
Not because he, no, I never yell,
but I've never made them cry because of yelling.
You've never done that?
I don't think I've ever yelled no.
I could be like kind of, I'll curse,
like I'll be like, hold on,
what the fuck are we doing here, right?

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But it's more of that.
You've never been like, you're an idiot.
You've never insulted someone or beat them up.
I'm sure that I've been rude.
You know, just punch them in the face.
I'm sure I've been rude,
but there's some finesse to my rudeness
where it's like a backhanded slap,
not a front-handed slap type of thing.
There's been many times in the past
where I've lost my anger
and I'll be really just a huge bitch to someone.
And it's like I deeply regret that.
Not only do I regret that because it was just silly,
but like, so the way that I used to like react to bad news
is I would yell at people sometimes
and I would lose my temper and I would freak out.
And I realized that that is just so weak for so many,
that is just a bad one.
I've come to the conclusion I can't change people.
So if I think someone is just repeatedly not screwing up,
I shouldn't have hired them.
I made that mistake.
Someone is either great,
you're normally a great executor who sometimes makes mistakes
or you're just never gonna change
and you're just not good.
Like I think losers exist
and I don't wanna surround myself with them.
That's kind of like my attitude.
Like your sign, it's like a store that's like,
no shoes, no shirt, no service.
It's like losers exist, we must avoid them.
Like keep them out.
Yeah, like I think that that's real.
Like losers exist.
And sometimes I've been a loser.
I tweeted this out when I was working at Twitch.
I go, or like right after I left Twitch, I think,
I tweeted this out, I go, well, you know,
seems to be a pattern.
You know, basically there's a pattern now,
which is that when someone's great,

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odds are they're great kind of right away.
Like, of course there are exceptions,
but I would say the general rule
is that the best people I've ever hired,
it's pretty obvious within three, four weeks
that they're amazing and that they just stay amazing.
And of the people that were late bloomers,
the key there was just,
the only consistent pattern I found was,
I hired somebody before I even understood
what role they should have or what the role is.
And like when they had an undefined role,
they didn't really do very well.
But then when I defined a role for them and I said,
look, this is what you gotta do, they performed.
And what I found is that when I have a defined role
for someone and they're not very good,
it never, never really changes for me.
Yeah, you can't change them.
You can't change people.
And I used to be, I used to lose my temper
and I would like curse and I definitely made people
feel stupid and that was, that's such a bad mistake
because A, that's just wrong.
That's just not how you should treat people.
But B, I'm not gonna get my desired outcome.
They're not gonna change.
Exactly.
I still suck at that.
I would be honest.
I'm not like a yeller, but I can make people feel small.
And I kind of realized this the other day.
I was like, in every interaction,
you're either gonna walk away,
like you're gonna leave someone in there,
and they're either gonna feel a little bit small,
like they're gonna feel either smaller or bigger
based on how that interaction went, how you treated them.
And I was like, damn, I think I make people feel small a lot.
And I think I'm doing it in service of like,
we're doing dumb shit, we need to do the right thing.
But I'm definitely not,
like I've seen people who are really good

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at still getting the thing done
without ever making people feel small.
And I wanna learn that, Jed, I imagine.
Who's an example?
Who's an example of someone who does that?
Our buddy, Suli, I think is pretty good at that.
I don't know what he's like inside of a company,
but like, I've seen him kind of like as an advisor type of guy.
And I know what he's thinking in the moment.
I'm like, oh man, he's gotta be looking at this,
being like, what in the actual fuck is going on here?
But that's not what comes out of his mouth.
And he will finesse his way there.
And I don't think it's
because he's a kinder, nicer person.
I think it's because the last thing you said, which was,
I think he's realized,
that's not how you get to your desired outcome.
That's not how you get desired outcome.
Not at all, exactly.
So I think that that's definitely an area to improve.
And in fact, like the one time I did make somebody cry
was when I was firing somebody.
And I realized in that moment, I was like,
oh, he's not crying because he's sad that he's getting fired.
Obviously there's a part of it, but he's very surprised.
And that's on me.
Like I was too scared to be clear upfront
that, hey, this isn't going the way we needed to go.
And it's gotta go differently.
And here's what the level is.
And there's not like this currently not at the level.
And so I avoided that tough conversation there.
And now I'm having a tougher conversation
because I avoided that one.
How many people have you fired?
I don't know, like 20?
Really?
Yeah, that's a lot, right?
I don't know, I've been going for 16 years,
like one a year has not been that long, not that much.
I've not fired that many people.
I'm such a punk.

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So there's a story about Dave Portnoy.
And like Dave Portnoy was like, I don't fire people.
Like it's impossible to get fired by me.
I'll just pay you and you just are lazy in a bum
and I'll just make fun of you.
And it's good content.
I kind of feel the same way.
I suck at firing.
I have a good script.
I basically say like right off the bat, I go,
all right, this conversation is gonna stink,
but I'm firing you today.
And we could talk about why if you want.
Now I don't even say why.
I'm just like, this isn't working out
because it doesn't benefit me to say why.
It only hurts you because they can sue you.
But I'm horrible at firing people.
Like I'm such a punk.
I hate having that conversation that I avoid it.
Yeah, but it's just like anything else.
Like you just stretch the pain out longer versus rip.
Oh, I know.
The key is, and I say this because everybody who,
but every manager, everybody who becomes a manager
of any people, like, don't worry, you suck.
Everybody sucks as a manager at the beginning.
Nobody is naturally just like an amazing manager
right off the bat.
It is a learned skill.
And the key to firing though,
if you learn nothing else about firing
is in the first 10 seconds, you need to say the news.
Just do not beat around the bush.
You know, the reason we're here today
is because we're going to let you go.
And that has to come out of your mouth
in the first 10 seconds.
And if you say anything else.
Right away.
In the first 10 seconds, just realize
you're being a complete asshole.
Because when it does come and they realize, wait,

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what were you just saying all that stuff about?
Why didn't, what?
And you're going to blindside them in a much worse way.
It's key, absolutely key.
I have a couple other areas I want to ask you about.
One is, I think, probably the key to making shit work.
Keeping things simple and focused.
And knowing what to say yes to and what to say no to.
Do you have anything that you actually do to make that
to like do that better now?
I think that I'm so good at focused and I'm bad at it.
I've missed a lot of interesting opportunities.
But by default, I say no to everything.
And it's actually cost me a bunch.
Like, for example, at the hustle,
we thought about launching multiple newsletters.
And I was like, nope, we're just going to do this one thing.
We're going to do it well because Scott Belsky told me to focus
and to only do this one thing.
So I'm literally going to say no to everything.
And our competitor did and they scaled their revenue significantly faster.
So I said no to too much, actually.
But my default was just I'm going to say no to everything.
That's interesting. I'm the opposite.
I'm a shiny object, you know, syndrome kind of guy.
And so by the way, the hustle didn't we didn't even have an Instagram
handle until like four years in.
Like I like I was like, no, when I'm going to do social media, we're doing nothing.
It was like we're doing nothing.
And we're just going to do this one stupid newsletter all the time.
Can we have lunch? No.
Dude, one of my biggest one of my by the way, I used to be really cheap.
One of the deep in my soul, the thing that hurts me most is one time
I bought all this supplies from Costco for a conference
and I ended up returning \$2,000 worth of like canned soda and stuff.
And like the lady at the front desk was like, you're pathetic.
Because I was like, what?
She's like, you know, we throw all this stuff away.
Is this just some from some party that you threw?
And it was like my answer was even worse, which was like,
no, it's for a business conference.
I made a lot of money and like and like hurts my soul that I was so cheap
that I returned open cans of soda to Costco for \$2,000.

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It like crushes me like like the 24 like the 24 case was like partially things.
Yeah. And like I was like, I can't believe that was such a punk move. I can't believe I did that.
That's one of my biggest regrets.
That's next to this one time I tip to this taxi driver and he said, oh, no, you don't need to do this.
And I said, oh, no, you need it instead of you earned it.
Like those two things are like the two things that like crush my soul. I'm like, I can't believe I said that.
But what were you saying?
You're talking about focus.
What were you talking about?
Focus, fucking a focus.
As we get back on track,
I create, I now have a thing, which is I create a doc for every business every year that's called the big bet stock, which is basically like we are going to make some bets this year.
We're going to do some things.
But let's be super conscious about what we're saying yes to and what we're saying no to.
So my big bet stock and I'll literally write it like this.
I'll say something like.
We bet number one.
We really suck at inventory management today.
Forecasting is just me looking at the spreadsheet and making up numbers based on what I hope happens.
I know there's probably a smarter way to do this.
Other people certainly have solved this problem.
I need to figure out how to hire people who know how to do this.
So the bet is I'm going to hire two people and that's going to lower our waste from X to Y and I write a sentence like that.
And then that's my bet.
I'm going to make this hire for this outcome because of this problem.
And I write the bet number two.
You know, you keep talking about businesses, though.
Are you what? How many are you?
What? How many?
Well, like I would do this even for the podcast, right?
Like big bets, right?
Hiring already. OK.
Why? Why did you do this?
Why did you make this bet?

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Or we just launched the clips channel.

OK, why am I going through this effort where I'm sitting here clipping my favorite parts of podcasts because I hope that somebody out there wants to just listen to the best parts on YouTube when they come up?

Because that's how I like to listen to things.

And so I'll write it out.

And I'm like, if I'm going to invest my effort, my time, my money into something, then I write it out or like, you know, maybe it's for Shepherd.

For Shepherd. Hey, here's the bets that we're going to make.

And so I'll do this exercise because it's so useful.

So I write the big bets and it's like, here's the three to four big bets that we're going to make the things that we're going to bet on, that we're going to do, that we're going to invest in, and we're going to try to do really, really well.

And then I'll make the no list right before that.

And the no list, I write, there are a bunch of other things that we could talk ourselves into doing that are easily justifiable.

However, we're going to say no to these things this year because we want to do that.

We actually want the things above to happen.

And then I'll make the no list.

Here's the things we're not going to do this year that we totally could have talked ourselves into.

So for me, that was a very useful exercise.

And then when I bring people on, everybody, I sit down with them with this big bets list.

I'm like, here's what we're doing.

And then if they're the one responsible for it, I treat it like a commercial because I'm like, I need to make this memorable.

I need this person to wake up and remember because it's not just for me to be focused.

I need my whole team to be focused.

How do I do that?

I basically shrink down one of these bets into a almost like a like a slogan or a jingle for their role.

It's like, your, your mission is this.

Remember that.

And I'm going to say that to you probably a hundred times in the next three months.

And we're just going to keep checking in on that.

And that's how I'm going to bonus you is if you did that or not.

And that's how I'm going to assess your performance is if you did that or not.

And if I ever, if I ever, what's the priority?

It's that that's the priority.

And I took this because like Peter Thiel said that he did this at PayPal.

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He's like, yeah, I don't know whatever management's not my favorite thing.
So here's my shortcut to management.
Everybody at any time has one priority.
And if you ever try to talk to me about not that priority,
I will just simply leave the room.
And I thought that was just a visual of that was so funny to me.
What a fucking weirdo that I was like, Peter, can you, can you be normal for what?
Like, yeah, if someone walked up, walked, stood up and walked away
when I was telling, telling them about stuff and like, dude,
can you just be normal for 30 seconds?
I had an idea about a new program that we could do.
And he just like drifts away like a hot air balloon.
What a weirdo, man.
But I love it.
Stories of, I dig it.
There's stories, there's stories of Elon doing that too.
We're like in an interview, like within 30 seconds, he would be like,
oh, I'm not interested in this person.
And so he would just hang up.
Yeah, he emailed out at Tesla.
Just see the laptop closing.
He was like, if you're in a meeting and in the first few minutes of the meeting,
you realize that this is not useful to you or to anybody, please stand up and leave.
Like your time is valuable.
These meetings are a drain and vote with your feet.
Just get up and go.
That is a completely acceptable behavior here at Tesla.
Do you ever send emails with the one of those emails where the subject is the body of the email?
Yeah, of course.
It's just like a pager.
Basically, you're treating it like a pager.
I had one of the only jobs I ever had.
My boss sent me an email like that.
And I was like, is this how we send emails?
And then I sent them an email.
I go, what's the status on this thing?
And it was in the subject.
And the reply was, don't ever send me an email like this again.
It was a very embarrassing.
I actually, I think there are those levels.
So basically what I realized is that rich people and busy people treat email like texting.
So their email is like lowercase on their phone, one line, totally fine.
That's like their normal way of emailing.

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And then mega rich people treat email like its letters.
They'll have somebody actually screen them, print them out, and then they'll kind of like review them at their desk in paper.
This is like the old school way of doing things.
Who do you know who does that?
I think Mark Laurie does that, if I had a guess.
I feel like he did tell us that.
Trump does that.
He told us he didn't even own a computer.
He didn't own a computer, yeah.
But like, I met a couple of people, one of my old bosses used to do that.
Like he used to print out his important, his assistant would print out his important emails and just put them on his desk so that he could like see them.
And he would just leave a sticky note on them and she would go figure out what to do.
I worked for a guy who had four women at the office with giant TV screens, just managing his inbound emails.
And he would just stand and walk around.
They would be like, oh, this person said this.
They'd pull it up on the screen and he would just orally dictate his reply.
And then he would walk away and then they would just keep managing it.
This is insane.
Man, most of the day, I feel like I'm responding to stupid ass messages like on Slack, Twitter, texts, email.
I cannot stand it, man.
It is so hard.
So I actually think printing out that thing and replying.
It could be kind of cool, actually.
Yeah, or creating, you need some kind of firewall.
Like for me, it's like my assistant is the firewall.
She triages all the emails and then I only check my email for 30 minutes a day.
Like, you know, because it's already taken care of.
And if there's something that needed a faster reply, she'll tell me, she'll text me and then that's it.
There was one other thing that I was going to share, which is there's a big difference.
I think that's worth saying, which is pre-product market fit and post.
So pre-product market fit, what you do versus post is very different.
I think most of this call has been about post, but actually, like most of my life has been about before you have product market fit.
Before you have product market fit, you don't do any of these things.
You literally just figure out what your product is and you go try to sell it and get customers and then you basically get rejected and, you know, you handle that and you iterate until you figure out what the product should be and who

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the customer should be.

And you've proven how to get product and customers to go up, you know, to connect and get more customers.

Like I think that's worth saying too.

And then after you have figured that out, after you have figured out that this product actually has a market and you know how to communicate it to customers, you know how to get customers, then you hire people to like do more of that.

And I would say like, I saw you first hand with Hampton doing this.

We're like, there was a couple months where you showed me your calendar and it looked like a Jenga tower.

It was 20 minute calls stacked on top of each other, sometimes overlapping.

And I was like, what is this?

Like where do you, and you're like, yeah, I'm trying to go get the members for Hampton.

I'm trying to figure out what Hampton is.

And you, you sent me like a, like a kind of a script or like a landing page.

You were writing it yourself, trying to explain what the benefits are and who it's for.

And you considered like, you know, should I take this angle or this angle or this angle?

I like would help you like reply on the Google Doc.

Well, it's kind of like, it's kind of like being a comedian.

You know what I'm saying?

Like when, when Hassan Minhaj finally does his Netflix show, he's done 200 before that and you see which angle hits and it's the same thing.

It's like, I got to see which angle.